

March 13, 2006

Gulliver International Co., Ltd.

## Gulliver announces revisions to its forecasts for fiscal 2005

Today Gulliver International Co., Ltd. ("Gulliver") announced the following revisions to its non-consolidated and consolidated forecasts for fiscal 2005 (March 1, 2005 to February 28, 2006) that were originally announced on April 19, 2005 and September 26, 2005, respectively.

### Notes

#### 1. Revisions to non-consolidated forecasts for the fiscal year ending February 28, 2006

(millions of yen)

	Net sales	Ordinary income	Net income
Previously announced forecasts (A)	167,200	11,100	6,100
Revised forecasts (B)	169,700	10,000	5,300
Change (B-A)	2,500	(1,100)	(800)
Percentage change (%)	1.5	(9.9)	(13.1)
Reference: Fiscal 2004 results	147,486	9,584	5,259

#### 2. Revisions to consolidated forecasts for the fiscal year ending February 28, 2006

(millions of yen)

	Net sales	Ordinary income	Net income
Previously announced forecasts (A)	181,900	10,300	5,000
Revised forecasts (B)	184,100	9,300	4,400
Change (B-A)	2,200	(1,000)	(600)
Percentage change (%)	1.2	(9.7)	(12.0)
Reference: Fiscal 2004 results	156,696	10,219	5,652

#### 3. Reasons for revision of forecasts

At the end of the current fiscal period (the end of February 2006) Gulliver operated a total of 495 stores; 278 directly operated stores and 217 franchise stores. 30 directly operated stores have been successfully opened compared to the number at the end of the previous fiscal period, advertising and promotional activities have been actively implemented and the number of vehicles handled has increased. As a result we expect net sales to be higher than previously forecast.

However, despite increasing employee numbers with the aim of significantly increasing our

market share, in some respects employee training was inadequate and as a result the efficiency of marketing and personnel expenses did not improve as much as we had expected. In order to tackle these issues we have carried out a reorganization of our sales structure (from November onwards) and implemented measures to raise business productivity. Whilst we are beginning to see the benefits of such measures, we have as yet been unable to recover the negative effects experienced during the first half of the fiscal year and we expect that ordinary income and net income will be lower than originally forecast. However, compared to the previous fiscal year we expect that non-consolidated sales will increase 15.1% and ordinary income will increase 4.3%.

Regarding our consolidated subsidiaries, the business of G-One Financial Service Co., Ltd. is currently developing well but, as announced in the revisions to forecasts on September 26, 2005, it is expected to record an ordinary loss due to changes in accounting treatments.

The announcement of our fiscal 2005 results is scheduled for Tuesday April 18, 2006.

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