

July 11, 2006

Gulliver International Co., Ltd.

Gulliver announces revisions to its forecasts for the interim period of the fiscal year ending February 28, 2007

Today, Gulliver International Co., Ltd. ("Gulliver") announced the following revisions to the consolidated forecasts for the interim period of the fiscal year ending February 28, 2007 that were originally announced on April 18, 2006.

Notes

1. Revisions to consolidated forecasts for the interim period of the fiscal year ending February 28, 2007 (March 1, 2006 to August 31, 2006)

(millions of yen)

	Net sales	Ordinary income	Interim net income
Previously announced forecasts (A)	94,800	3,900	1,900
Revised forecasts (B)	94,800	3,900	2,400
Change (B-A)	0	0	500
Percentage change (%)	0	0	26.3
Fiscal 2006 interim results	86,783	3,463	1,633

Note: There are no changes to consolidated full-year results or to non-consolidated interim and full-year results

2. Reasons for revision of forecasts

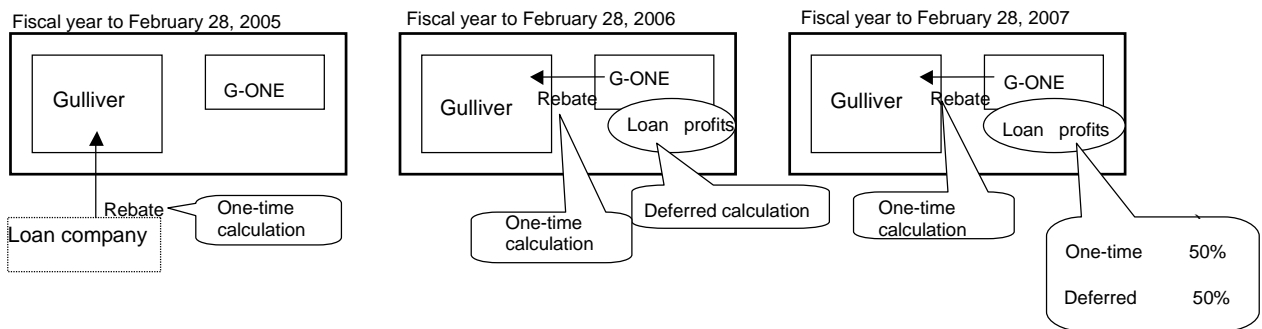
We have revised our consolidated interim forecasts as a result of changes in accounting treatments at G-ONE Financial Service Co., Ltd. ("G-ONE"), our consolidated auto-loan and financial business subsidiary.

G-ONE is responsible for payment of the 'Gulliver Rebate', a rebate of a proportion of the profit on installment payments of Gulliver auto-loan contracts signed at Gulliver stores. In the previous fiscal year to February 28, 2006, the profit (profit on installments) was treated on a deferred basis, whereas the expense (rebate) was handled in a one-time calculation, resulting in an ordinary loss in the fiscal year ended February 28, 2006. In the initial stages, when we implemented liquidation of our loans, we believed that it would be ideal to calculate profits and expenses all at once. However, we had just begun to develop the auto-loan business, and because we were able to precisely predict such factors as early repayment, we decided not to pursue a one-time calculation method due to the possibility

of unrealized profits and instead adopted a conservative deferred accounting system.

As Gulliver is aware of the history of G-ONE and other companies regarding loans, we believe that we should have a more appropriate awareness of profit and loss by relating profits to expenses, and are therefore consulting with corporate auditors regarding our accounting treatments. Because of this, in the fiscal year ending February 28, 2007, we have decided to implement a system whereby 50% of profits are handled in a one-time calculation, taking into consideration the proportion linked to procurement rates and the possibility of early repayment and subrogated performance.

As a result of the above factors, the balance of unpaid loans from the end of the fiscal year ended February 28, 2006, excluding income from procurement rates and foreseeable loss arising from the early repayment or subrogated performance, has been recorded as extraordinary profit of ¥1.16 billion for the first quarter of the fiscal year ending February 28, 2007. Based on our adjusted result and forecast for extraordinary profit, we have also revised our consolidated interim net profit forecast to ¥2,400 million.



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