

Gulliver announces revisions to forecasts for the year ending February 2009

Tokyo, September 19, 2008—Today Gulliver International Co., Ltd. (“Gulliver”) announced the following revisions to its consolidated and non-consolidated forecasts for the fiscal year to February 2009 (March 1, 2008 to February 28, 2009) that were originally announced on July 7, 2008 with the release of the Company’s first quarter results.

Details

1. Revisions to consolidated forecasts

(1) Interim period (March 1, 2008 to August 31, 2008)

(millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A)	89,600	3,200	3,200	1,700	177.14
Revised forecasts (B)	91,300	2,800	2,800	1,300	135.46
Change (B – A)	1,700	(400)	(400)	(400)	—
Percentage change (%)	1.9	(12.5)	(12.5)	(23.5)	—
Reference: (Results for the interim period of FY ended February 2008)	87,226	4,752	4,778	2,707	279.43

(2) Fiscal year to February 2009 (March 1, 2008 to February 28, 2009)

(millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A)	196,300	7,400	7,400	4,000	416.79
Revised forecasts (B)	196,300	5,600	5,600	3,000	312.60
Change (B – A)	—	(1,800)	(1,800)	(1,000)	—
Percentage change (%)	—	(24.3)	(24.3)	(25.0)	—
Reference: (Results for FY ended February 2008)	190,592	8,698	8,699	4,650	482.27

2. Revisions to non-consolidated forecasts

(1) Interim period (March 1, 2008 to August 31, 2008)

(millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A)	79,000	3,100	3,100	1,650	171.93
Revised forecasts (B)	77,000	2,800	2,800	1,400	145.88
Change (B – A)	(2,000)	(300)	(300)	(250)	—
Percentage change (%)	(2.5)	(9.7)	(9.7)	(15.2)	—
Reference: (Results for the interim period of FY ended February 2008)	76,442	4,425	4,469	2,475	255.50

(2) Fiscal year to February 2009 (March 1, 2008 to February 28, 2009)

(millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A)	170,000	7,200	7,200	3,800	395.95
Revised forecasts (B)	170,000	5,500	5,500	2,800	291.76
Change (B – A)	—	(1,700)	(1,700)	(1,000)	—
Percentage change (%)	—	(23.6)	(23.6)	(26.3)	—
Reference: (Results for FY ended February 2008)	167,219	8,459	8,614	4,293	445.27

3. Reasons for revision of forecasts

(1) Interim period

The number of cars sold at Gulliver's directly managed stores was higher than planned. Despite this, non-consolidated sales are expected to be lower than the previously announced forecasts, as a result of lower than expected car sale prices due to a decrease in the price of used cars at auctions in comparison to the previous year. Consolidated net sales are expected to be higher than planned due to an increase in sales at consolidated subsidiaries.

Non-consolidated operating income has been revised downward due to factors such as an increase in personnel and other sales, general and administrative expenses. Consolidated operating income is also expected to be lower than initially planned, due to an increase in sales, general and administrative expenses in consolidated subsidiaries. Additionally, a decrease in interim net income resulted from the extraordinary loss recorded in the first quarter financial report following changes to the accounting methods for retirement benefits for directors.

(2) Full year

The number of cars sold at Gulliver's directly managed stores is expected to continue to trend favorably through the second half of the fiscal year, and the consolidated and non-consolidated net sales forecasts remain unchanged.

Forecasts for consolidated and non-consolidated operating income, ordinary income and net income have been revised as a result of expectations for an increase in sales, general and administrative expenses and other items. This follows enhancements made to Gulliver's directly managed stores carried out in response to trends during the interim period, the current automobile industry environment, and other factors.

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