Gulliver International Co., Ltd.

Gulliver announces upward revisions to business results forecasts and extraordinary charges

TOKYO, March 29, 2011 – In consideration of recent trends in its business performance, Gulliver International Co., Ltd. (“Gulliver”; TSE stock code 7599) today announced revisions to its business results forecasts announced on January 11, 2011. Gulliver also anticipates recording extraordinary loss charges. Details as follows:

Results forecast revisions for the fiscal year ended February 28, 2011

Revisions to consolidated full-year results forecast (March 1, 2010 to February 28, 2011) *(Millions of yen)*

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A)	137,000	6,000	5,900	4,700	¥514.40
Revised forecasts (B)	142,000	8,000	7,800	5,000	¥518.84
Change (B – A)	5,000	2,000	1,900	300	
Percentage change (%)	3.6	33.3	32.2	6.4	
Reference: Results for the fiscal year ended February 28, 2010	148,853	5,281	5,008	348	¥38.29

Revisions to non-consolidated full-year results forecast (March 1, 2010 to February 28, 2011) *(Millions of yen)*

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A)	130,000	5,200	5,200	3,400	¥372.12
Revised forecasts (B)	133,700	6,200	6,200	3,500	¥363.19
Change (B – A)	3,700	1,000	1,000	100	
Percentage change (%)	2.8	19.2	19.2	2.9	
Reference: Results for the fiscal year ended February 28, 2010	136,406	5,241	5,355	1,840	¥202.08

Reasons for revisions

In the second half of the fiscal year ended February 28, 2011, the used car market continued to be a challenging environment impacted by a decrease in customers changing to new cars due to the effects of a spike in demand for new cars prior to the ending of the eco-car subsidy system in September 2010. As a result, Gulliver’s initial goal for the number of retail cars sold was not achieved. However, despite the difficult environment, operating income is expected to be higher than previously forecast due to ongoing comprehensive measures to emphasize profitability through initiatives to curb sales, general and administrative expenses such as rigorous internal management and improved marketing cost efficiencies.

Additionally, operating income is also forecast to be higher than initially planned due to cost reductions achieved as the financing business continues through its contracting phase.

There is no change to the dividend forecast at this time.

Details of extraordinary charges

As Gulliver proceeds towards a group company structure, we anticipate a loss on disposal of fixed assets of about ¥800 million expected to arise from the transfer and integration of head office functions.

Gulliver also forecasts an overall business reorganization loss of about ¥800 million comprised of about ¥600 million from evaluation losses on inventory assets and unclaimed accounts receivables from G-Trading Rus LLC, a consolidated subsidiary involved in the construction machinery business in Russia, currently withdrawing from operations, and about ¥200 million on losses related to the business reorganization of other subsidiary businesses.

The above combined extraordinary losses are expected to total about ¥1,600 million, and in light of this, the net income forecast has been revised as shown above.

* * *