

# Summary Report of Consolidated Financial Results For the Third Quarter Ended March 31, 2012

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

## Don Quijote Co., Ltd.

Securities Code No.: 7532  
 Shares Listed: Tokyo Stock Exchange  
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 Representative: Junji Narusawa, President and Representative Director  
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(Amounts in million yen are rounded off to the nearest million)

### 1. Overview of Business Results and Financial Position for the third quarter of fiscal 2012 (From July 1, 2011 to March 31, 2012)

#### (1) Results of Business Operations

(Millions of yen, except per-share data)

	Net Sales	Change (%)	Operating Income	Change (%)	Ordinary Income	Change (%)
Nine Months Ended March 31, 2012	408,292	6.7	23,267	15.0	22,827	13.9
Nine Months Ended March 31, 2011	382,486	2.7	20,224	22.0	20,045	20.6

(Note) Comprehensive income: 16,395 million yen [76.3%] (FY 2012.6 3Q), 9,300 million yen [-%] (FY 2011.6 3Q)

	Net Income	Change (%)	Net Income Per Share (Yen)	Net Income Per Share-fully diluted (Yen)
Nine Months Ended March 31, 2012	15,906	57.9	206.41	205.95
Nine Months Ended March 31, 2011	10,072	7.2	134.40	130.80

#### (2) Financial Position

(Millions of yen, except per-share data)

	Total Assets	Net assets	Ratio of Shareholders' Equity to Total Assets (%)
As of March 31, 2012	385,010	141,211	36.1
Last Fiscal Year	341,300	125,242	36.2

(Reference) Equity: 138,920 million yen (as of March 31, 2012), 123,606 million yen (as of June 30, 2011)

### 2. Dividends

	Yen				
	Three Months Ended September 30	Six Months Ended December 31	Nine Months Ended March 31	Year Ended June 30	Total
Year Ended June 30, 2011	—	10.00	—	18.00	28.00
Year Ending June 30, 2012	—	10.00	—		
Year Ending June 30, 2012 (Forecast)				18.00	28.00

(Note) Revision to the dividend forecast in the third quarter of fiscal 2012: None

### 3. Consolidated Business Forecast : For the year ending June 30, 2012 (From July 1, 2011 to June 30, 2012)

(Millions of yen, except per-share data)

	Net Sales	Change (%)	Operating Income	Change (%)	Ordinary Income	Change (%)	Net Income	Change (%)	Net Income per Share (Yen)
Year Ending June 30, 2012	531,000	4.6	28,500	12.5	27,500	9.4	16,410	29.6	212.85

(Notes) Revision to the business forecast in the third quarter of fiscal 2012: None

#### 4. Others

- (1) Significant changes in the scope of consolidation: None
- (2) Simplified accounting methods and special accounting methods for preparation of the quarterly consolidated financial statements: None
- (3) Changes in accounting policies concerning preparation of quarterly consolidated financial statements
  - ① Changes in line with revision to accounting standards: None
  - ② Other changes: None
  - ③ Changes in accounting estimates: None
  - ④ Restatement: None

(4) Number of outstanding shares (Common stock)

① Number of outstanding shares (Treasury stock included)	March 31, 2012	77,098,880 shares
	June 30, 2011	77,030,780 shares
② Number of treasury stock	March 31, 2012	1,244 shares
	June 30, 2011	1,244 shares
③ Average number of outstanding shares during the period	March 31, 2012	77,063,272 shares
	March 31, 2011	74,940,562 shares

※Implementation Status of Financial Audit

Financial Audit based on Financial Instrument and Exchange Act for the third quarter ended March 31, 2012 is in progress.

※Explanation regarding the appropriate use of forecasts of business results

The financial forecasts of business results are based on judgments and estimates that have been made using currently available information. By nature, such financial forecasts are subject to uncertainties and risks. Therefore, actual results might be significantly different from the aforementioned forecasts for a variety of reasons, including changes in economic environments related to our business, market trends and exchange rate.

## Consolidated Quarterly Balance Sheets

	(Millions of yen)	
	As of March 31, 2012	As of June 30, 2011
	Amount	Amount
<b>Assets</b>		
Current assets		
Cash and deposits	¥59,168	¥35,031
Notes and Accounts receivable-trade	5,273	4,585
Purchased receivables	6,960	6,787
Merchandise and finished goods	83,605	81,582
Other	9,669	6,544
Allowance for doubtful accounts	(14)	(14)
Total current assets	<u>164,661</u>	<u>134,515</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	58,786	58,056
Tools, furniture and fixtures, net	10,586	9,396
Land	95,469	87,187
Other, net	421	231
Total property, plant and equipment	<u>165,262</u>	<u>154,870</u>
Intangible assets	<u>10,212</u>	<u>6,461</u>
Investments and other assets		
Investment securities	4,061	4,362
Lease and guarantee deposits	31,959	33,303
Other	13,280	12,474
Allowance for doubtful accounts	(4,425)	(4,685)
Total investments and other assets	<u>44,875</u>	<u>45,454</u>
Total noncurrent assets	<u>220,349</u>	<u>206,785</u>
<b>Total assets</b>	<u>¥385,010</u>	<u>¥341,300</u>

	As of March 31, 2012	(Millions of yen) As of June 30, 2011
	Amount	Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	¥43,569	¥42,430
Short-term loans-payable	34,441	14,935
Current portion of long-term loans payable	12,584	11,774
Current portion of bonds	23,984	12,922
Commercial papers	8,999	—
Income taxes payable	4,195	4,434
Derivatives liabilities	—	2,978
Provision for point card certificates	183	186
Reserve for loss on disaster	205	1,132
Asset retirement obligations	—	153
Other	17,761	15,127
<b>Total current liabilities</b>	<b>145,921</b>	<b>106,071</b>
<b>Noncurrent liabilities</b>		
Bonds payable	47,710	58,029
Convertible bonds	350	350
Long-term loans payable	37,664	35,570
Derivatives liabilities	120	128
Provision for directors' retirement benefits	382	367
Negative goodwill	1,806	2,449
Asset retirement obligations	2,025	1,705
Other	7,821	11,389
<b>Total noncurrent liabilities</b>	<b>97,878</b>	<b>109,987</b>
<b>Total liabilities</b>	<b>243,799</b>	<b>216,058</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	19,628	19,561
Capital surplus	22,431	22,364
Retained earnings	100,524	85,165
Treasury stock	(3)	(3)
<b>Total shareholders' equity</b>	<b>142,580</b>	<b>127,087</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(208)	(327)
Foreign currency translation adjustment	(3,452)	(3,155)
<b>Total accumulated other comprehensive income</b>	<b>(3,660)</b>	<b>(3,482)</b>
Minority interests	2,291	1,637
<b>Total net assets</b>	<b>141,211</b>	<b>125,242</b>
<b>Total liabilities and net assets</b>	<b>¥385,010</b>	<b>¥341,300</b>

## Consolidated Quarterly Statements of Income

(Millions of yen)

	Nine months ended March 31, 2012	Nine months ended March 31, 2011
	Amount	Amount
Net sales	¥408,292	¥382,486
Cost of sales	302,998	285,190
Gross profit	105,294	97,296
Selling, general and administrative expenses	82,027	77,072
Operating income	23,267	20,224
Non-operating income		
Interest and dividends income	432	423
Amortization of negative goodwill	643	643
Other	947	980
Total non-operating income	2,022	2,046
Non-operating expenses		
Interest expenses	1,292	1,282
Loss on valuation of derivatives	287	108
Provision of allowance for doubtful accounts	564	—
Other	319	835
Total non-operating expenses	2,462	2,225
Ordinary income	22,827	20,045
Extraordinary income		
Gain on sales of noncurrent assets	1	20
Marginal gain of repaid corporate reorganization debts	1,782	—
Gain on step acquisitions	—	197
Compensation income for expropriation	318	387
Other	156	496
Total extraordinary income	2,257	1,100
Extraordinary loss		
Loss on valuation of investment securities	6	271
Loss on closing of stores	535	341
Impairment loss	130	457
Settlement package	9	64
Loss on disaster	—	1,842
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	682
Other	324	569
Total extraordinary losses	1,004	4,226
Income before income taxes and minority interests	24,080	16,919
Income taxes - Current	7,922	7,622
Income taxes - Deferred	(397)	(1,127)
Total income taxes	7,525	6,495
Income before minority interests	16,555	10,424
Minority interests in income	649	352
Net income	¥15,906	¥10,072

## Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Nine months ended March 31, 2012	Nine months ended March 31, 2011
	Amount	Amount
Income before minority interests	<b>¥16,555</b>	¥10,424
Other comprehensive income		
Valuation difference on available-for-sale securities	<b>137</b>	(181)
Foreign currency translation adjustment	<b>(297)</b>	(943)
Total other comprehensive income	<b>(160)</b>	(1,124)
Comprehensive income	<b>¥16,395</b>	¥9,300
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	<b>¥15,740</b>	¥8,948
Comprehensive income attributable to minority interests	<b>655</b>	352

## Consolidated Quarterly Statements of Cash Flows

	(Millions of yen)	
	Nine months ended March 31, 2012	Nine months ended March 31, 2011
	Amount	Amount
<b>Net cash provided by (used in) operating activities:</b>		
Income before income taxes and minority interests	¥24,080	¥16,919
Depreciation and amortization	7,575	7,137
Impairment loss	130	457
Amortization of negative goodwill	(643)	(643)
(Reversal of) provision for loss on disaster	(97)	1,367
Increase (decrease) in other provision	970	(8)
Interest and dividends income	(432)	(423)
Interest expenses	1,292	1,282
Loss on valuation of derivatives	287	108
Loss on valuation of investment securities	6	271
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	682
Marginal gain of repaid corporate reorganization debts	(1,782)	—
Increase in notes and accounts receivable-trade	(764)	(449)
Increase in inventories	(4,524)	(4,475)
Increase in notes and accounts payable-trade	621	2,612
Other, net	3,742	761
Sub total	30,461	25,598
Interest and dividends income received	316	295
Interest expenses paid	(1,371)	(1,438)
Income taxes paid	(7,896)	(7,062)
Payments for loss on disaster	(273)	—
Net cash provided by operating activities	21,237	17,393
<b>Net cash provided by (used in) investing activities:</b>		
Payments into time deposits	(24,363)	(33,401)
Proceeds from withdrawal of time deposits	18,663	25,623
Purchase of property, plant and equipment	(12,142)	(32,624)
Proceeds from sales of property, plant and equipment	3	482
Purchase of intangible assets	(1,579)	(2,637)
Payments for lease and guarantee deposits	(633)	(449)
Proceeds from collection of lease and guarantee deposits	1,345	840
Payment for store opening in progress	(3,270)	(236)
Proceeds from sales of investment securities	191	927
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(6,360)	(4,935)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	—	1,178
Payment for the settlement for the derivatives	(3,272)	—
Other, net	9	(253)
Net cash used in investing activities	(31,408)	(45,485)
<b>Net cash provided by (used in) financing activities:</b>		
Net increase in short-term loans payable	19,506	13,802
Net increase in commercial papers	8,993	3,287
Proceeds from long-term loans payable	14,500	28,300
Repayment of long-term loans payable	(11,268)	(9,796)
Proceeds from issuance of bonds	12,855	37,590
Redemption of bonds	(12,257)	(41,157)
Redemption of convertible bonds	—	(25)
Rehabilitation lien	¥ (2,550)	¥—

	(Millions of yen)	
	Nine months ended March 31, 2012	Nine months ended March 31, 2011
	Amount	Amount
Proceeds from issuance of common stock	¥134	¥285
Cash dividends paid	(2,157)	(1,850)
Other, net	(54)	(78)
Net cash provided by financing activities	<b>27,702</b>	30,358
Effect of exchange rate change on cash and cash equivalents	(112)	(267)
Net increase in cash and cash equivalents	<b>17,419</b>	1,999
Cash and cash equivalents at beginning of period	<b>26,875</b>	38,911
Increase in cash and cash equivalents from newly consolidated subsidiaries	—	9
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(0)	(215)
Increase in cash and cash equivalents resulting from change in fiscal year-end of consolidated subsidiaries	<b>3,507</b>	—
Cash and cash equivalents at end of period	<b>¥47,801</b>	¥40,704

## Segment Information

For the third quarter ended March 31, 2012

### 1. Information concerning sales and income by reporting segment

	Reporting segment			Others (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Retail business	Rent business	Sub Total				
Sales, Segment income							
Sales							
Sales to third parties	¥392,791	¥11,731	¥404,522	¥3,770	¥408,292	¥—	¥408,292
Intersegment sales	6	2,566	2,572	1,601	4,173	(4,173)	—
Total	<b>392,797</b>	<b>14,297</b>	<b>407,094</b>	<b>5,371</b>	<b>412,465</b>	<b>(4,173)</b>	<b>408,292</b>
Segment income	¥17,257	¥4,802	¥22,059	¥1,371	¥23,430	¥(163)	¥23,267

#### Notes

1. The other businesses segment includes the services of real estate business, marketing business, cellular phones sales business and financial service business that are not included in other reporting segments.
2. The segment adjusted income of ¥ (163) million is an intersegment elimination.
3. Segment income is adjusted to the quarterly consolidated operating income.

### 2. Information concerning impairment loss of fixed assets or goodwill by reporting segment

In the "Others" segment, the Company recognized goodwill ¥1,870 million because of the newly consolidation of two subsidiaries.

For the third quarter ended March 31, 2011

### 1. Information concerning sales and income by reporting segment

	Reporting segment			Others (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Retail business	Rent business	Sub Total				
Sales, Segment income							
Sales							
Sales to third parties	¥367,920	¥11,614	¥379,534	¥2,952	¥382,486	¥—	¥382,486
Intersegment sales	3	1,798	1,801	708	2,509	(2,509)	—
Total	<b>367,923</b>	<b>13,412</b>	<b>381,335</b>	<b>3,660</b>	<b>384,995</b>	<b>(2,509)</b>	<b>382,486</b>
Segment income	¥15,483	¥3,719	¥19,202	¥756	¥19,958	¥266	¥20,224



## Notes

1. The other businesses segment includes the services of real estate business, marketing business, cellular phones sales business that are not included in other reporting segments.
2. The segment adjusted income of ¥266 million is an intersegment elimination.
3. Segment income is adjusted to the quarterly consolidated operating income.

### **2. Information concerning impairment loss of fixed assets or goodwill by reporting segment**

In the "Retail business" segment, the Company recognized impairment loss ¥390 million of fixed assets. Because it was not able to expect the profit that was assumed at first by the membership system wholesale type retail business that consolidated subsidiary, WR Co., Ltd. presents.

In addition, the Company recognized impairment loss ¥57 million of fixed assets because we were not able to expect the profit that was assumed at first from some stores in the "retail business" segment.

In the "Others" segment, the Company recognized goodwill ¥1,292 million because of the newly consolidation of Fidec Corporation.

### **Notes on the going-concern assumption**

Not applicable

### **Notes on significant changes in the amount of shareholders' equity**

Not applicable

### **Material subsequent events**

Not applicable