

September 16, 2014

To Our Shareholders

Company name: Don Quijote Holdings Co., Ltd.  
 Representative: Koji Oohara,  
 President and Representative Director and COO  
 Securities code: 7532, First Section, Tokyo Stock Exchange  
 Location of head office: 2-19-10 Aobadai, Meguro-ku, Tokyo  
 Information disclosure officer: Mitsuo Takahashi,  
 Senior Managing Director and CFO  
 Phone: +81-3-5725-7588 (Direct)

## Supplementary Explanation Concerning 34th Ordinary General Meeting of Shareholders, Proposal No. 3

Regarding the 34th Ordinary General Meeting of Shareholders of Don Quijote Holdings Co., Ltd. (the “Company”) to be held on Friday, September 26, 2014, we have learned that Institutional Shareholder Services, Inc. (“ISS”) is recommending that shareholders oppose the election of the candidate as per the Proposal No. 3 “Election of One (1) Audit and Supervisory Board Member.” The reason for the opposition is that the independence of the candidate (Mr. Tomiaki Fukuda) as an Outside Audit and Supervisory Board Member has not been adequately maintained. Consequently, we would like to supplement the proposal in question as follows.

We ask our shareholders to review this supplementary explanation, and we sincerely request your understanding with regard to Proposal No. 3.

1. Regarding Proposal No. 3: Election of One (1) Audit and Supervisory Board Member  
 (Mr. Tomiaki Fukuda, the candidate for Outside Audit and Supervisory Board Member of the Company)  
 (1) The Name and career summary, etc., of the candidate (same as the description on the Notice of Convocation of the 34th Ordinary General Meeting of Shareholders)

Name (Date of Birth)	Career summary and position in the Company (Significant concurrent positions)	Number of the Company shares held
Tomiaki Fukuda (December 19, 1941)	April 1995 President and Representative Director of U.H.I. SYSTEMS K.K.	0 shares
	November 2002 Vice-president of Fédération Internationale des Lutttes Associées (FILA) (current position)	
	April 2003 President of Japan Wrestling Federation (current position)	
	August 2004 General Manager of the Japanese Delegation for Athens Olympic Games	
	August 2008 Chef de Mission of the Japanese Delegation for Beijing Olympic Games	
	April 2009 Vice President of Japanese Olympic Committee	
	September 2010 Standing Audit and Supervisory Board Member of the Company	
June 2012 Audit and Supervisory Board Member of the Company (current position) Chairman and Representative Director of Goyo Intex CO., LTD. (current position)		

	June 2013	Honorary member of Japanese Olympic Committee (current position)	
	January 2014	Councillor of the Tokyo Organising Committee of the Olympic and Paralympic Games (current position)	

(2) Supplementary matters regarding the independence of the candidate in question

Audit and Supervisory Board Member Mr. Tomiaki Fukuda is President of the Japan Wrestling Federation (“JWF”). The Company has a business relationship with the JWF.

The business relationship between the JWF and the Company consists of funding for wrestling tournaments and other events sponsored by the JWF. In order to contribute to the health and development of young people through sports, and as part of our social contribution toward “Tokyo 2020” (Tokyo Olympic Games in 2020), the Company has carried out this funding in line with our CSR activities and in sympathy with the philosophy of the JWF.

Furthermore, the scale of the funding, in the range of 8 million yen per year, is minimal (less than 0.01% of the Company’s consolidated net sales and selling, general and administrative expenses). We therefore believe that Mr. Fukuda has sufficient independence with regard to the Company.

In addition, Mr. Fukuda has abundant experience in international relations, having held important positions such as General Manager and Chef de Mission of the Japanese Delegation for the Olympic Games, and Vice-president of Fédération Internationale des Luttes Associées (FILA). He also currently offers valuable insights from a global perspective to the Company’s Board of Directors and Audit and Supervisory Board. Based on the assertion that we would like to continue to have his extensive experience reflected in the Company’s audits, and to receive appropriate advice from an independent point of view with regard to decision making in the execution of the Company’s business from the standpoint of validity and reasonableness, we propose that the shareholders elect Mr. Fukuda.

We ask our shareholders to review the contents of this supplementary explanation, and we sincerely request your understanding with regard to Proposal No. 3.