

Summary Report of Consolidated Financial Results For the Third Quarter Ended March 31, 2004

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

Don Quijote Co., Ltd

Securities Code No.: 7532
 Shares Listed: Tokyo Stock Exchange
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1. Business Results and financial position for the Third Quarter Ended March 31, 2004 (From July 1, 2003 to March 31, 2004)

- Notes
1. The financial results for the third quarter ended March 31, 2004 and 2003 were not audited by independent public accountants.
 2. This summary report included the accounting figures that were not through the formal closing process.
 3. All amounts less than one million yen have been disregarded.

(1) Results of Business Operations (Millions of Yen, except per-share data)

	Net Sales	Change (%)	Operating Income	Change (%)	Recurring Income	Change (%)
3rd Quarter Ended March 31, 2004 (nine months)	140,602	20.1	8,273	22.7	9,526	29.3
3rd Quarter Ended March 31, 2003 (nine months)	117,067	42.1	6,741	32.7	7,367	34.5
Last Fiscal Year	158,619		9,165		10,162	

	Net Income	Change (%)	Net Income per Share (Yen)
3rd Quarter Ended March 31, 2004 (nine months)	5,190	27.0	252.67
3rd Quarter Ended March 31, 2003 (nine months)	4,087		403.28
Last Fiscal Year	5,641		557.02

- Notes:
1. Change in accounting method: N/A
 2. Percentages above represent increase / decrease over preceding third quarter or last fiscal year.
 3. Net income per share was computed through divided by number of outstanding shares net of treasury shares as of the end of this third quarter, and was computed through divided by the average of outstanding shares (10,128,300 shares) as of the Last Fiscal Year.
 4. The two for one share stock split was effective on August 20, 2003. Accordingly net income per share for the third quarter of fiscal 2004 is computed assuming that the stock split had been made at the beginning of the third quarter of fiscal 2004. The Company adopted the new accounting standard for earnings per share and related guidance (Accounting Standards Board Statement No. 2, "Accounting Standard for Earnings Per Share" and Financial Standards Implementation Guidance for Accounting Standard for Earnings Per Share").

(2) Financial Position (Millions of Yen, except per-share data)

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity to Total Assets (%)	Shareholders' Equity Per Share (Yen)
3rd Quarter Ended March 31, 2004	124,120	38,720	31.2	1,884.89
3rd Quarter Ended March 31, 2003	88,383	30,543	34.6	3,013.62
Last Fiscal Year	93,410	32,232	34.5	3,178.94

- Note:
- | | | |
|-------------------------------|--------------------------------------|-------------------|
| Number of outstanding shares: | 3rd Quarter Ended March 31, 2004 | 20,542,822 shares |
| | 3rd Quarter Ended March 31, 2003 | 10,135,074 shares |
| | Last fiscal year Ended June 30, 2003 | 10,139,424 shares |
| Number of treasury stocks: | 3rd Quarter Ended March 31, 2004 | 1,900 shares |
| | 3rd Quarter Ended March 31, 2003 | 648 shares |
| | Last fiscal year Ended June 30, 2003 | 698 shares |

(3) The Consolidated Statements of Cash Flows

The consolidated statements of cash flows was not prepared for the third quarter of fiscal 2004 and 2003.

(4) Scope of consolidation and application of the equity method

Consolidated subsidiaries: 2 companies
 Unconsolidated subsidiaries: N/A
 Unconsolidated subsidiaries accounted for the equity method: N/A
 Affiliated companies by the equity method: N/A

(5) Change in the scope of consolidation and application of the equity method

Consolidation (newly included): 1 (Excluded): 1
Equity method (newly included): 0 (Excluded): 0

2 Consolidated Business Forecast : for the year ending June 30, 2004 (From July 1, 2003 to June 30, 2004)

(Millions of Yen, except per-share data)

	Net Sales	Recurring Income	Net Income	Net Income per share
Year ending June 30, 2004	194,000	12,700	6,900	335.88

(Note) There are no amendments of business plan since announcements on February 19, 2004.
Net income per share in Consolidated Business forecast is computed with 20,542,822 shares as of March 31, 2004 (the number of issued and outstanding shares, net of treasury stock).

Statements made in this report with respect to our current business plans, estimates, strategies and briefs, including the above forecasts, are forward-looking statements about our future performance. These statements are based on management's assumption and briefs in the light of information currently available to it and, therefore, you should not place under reliance on them. A member of important factor could cause actual results to be materially different from those discussed in forward-looking statements. Such factor include, but are not limited to (1) changes in economic conditions affecting our operations (2) competition with the retail industry (3) changes in regulatory environment and government policy (4) key management figure and (5) financing risk.

Attachments

Business Results and Financial Position
Consolidated Balance Sheets
Consolidated Statements of Income
Consolidated Statements of Retained Earnings

Business Results and Financial Position

Business Results

(1) Business Overview

Business results for nine months ended March 31, 2003 and 2004.

(Millions of yen)

	Nine months Ended March 31, 2004 (Unaudited)		Nine months Ended March 31, 2003 (Unaudited)		Change		Last Fiscal Year (Audited)	
	Amounts	%	Amounts	%	Amounts	%	Amounts	%
Net sales	140,602	100.0	117,067	100.0	23,534	20.1	158,619	100.0
Gross profit	32,163	22.9	26,225	22.4	5,937	22.6	36,311	22.9
Selling, general and administrative expenses	23,889	17.0	19,484	16.6	4,405	22.6	27,145	17.1
Operating income	8,273	5.9	6,741	5.8	1,532	22.7	9,165	5.8
Recurring income	9,526	6.8	7,367	6.3	2,158	29.3	10,162	6.4
Net income	5,190	3.7	4,087	3.5	1,103	27.0	5,641	3.6

In the third quarter of fiscal 2004, there were some positive economic signs in the Japanese economy, such as indications of improving the environment for export and recovery in the corporate investments. Nonetheless, employment conditions remained at the low level, and consumer spending continued to be severe.

In the retail industry, consumer purchasing behavior remained cautious due to the unseasonable weather condition, such as a warm winter. Due to the warm winter, the sales of the seasonable merchandise decreased. And due to New Tax Reform policy, which was conducted and took effect from April 1st, 2004, Our Group are required to indicate our actual selling prices of all merchandises with 5% consumption tax included. Through these reforms and efforts, our Group burdened the related cost.

Our Group established the store named "Don Quijote Juso", "PAW Uehonmachi" and "PAW Ishikiri" in Osaka, "Paw Nishinomiya" in Hyogo prefecture. As the result, number of the stores became 84 stores as of the end of March, 2004, (65 stores as of the end of March, 2003 and 70 stores the end of June, 2003).

As a results, net sales for the third quarter of fiscal 2004 was ¥140,602 million (up 20.1% from the third quarter of fiscal 2003), operating income was 8,273 million (up 22.7%), recurring income was ¥9,526 million (up 29.3%) and net income was ¥5,190 million (up 27.0%).

Analysis of result of Operation

(1) Sales and Cost of goods sold

Net sales increased 20.1% to ¥140,602 million due primary to the development of stores.

Cost of goods sold increased to ¥108,439 million.

Gross profit-to-Net sales (ratio) become 22.9%(up 0.5% from the third quarter of fiscal 2003).

(2) Expenses

The increase in selling, general and administrative expenses increased 22.6% to ¥23,889 million due to an increase of depreciation expense, etc.

Other income increased due primarily to an increase of marketing support fees from suppliers. Other expense increased due to loss on disposal of fixed assets and due to repair expense.

Business results for three months ended March 31, 2003 and 2004.

(Millions of yen)

	Three months Ended March 31, 2004 (Unaudited)		Three months Ended March 31, 2003 (Unaudited)		Change	
	Amounts	%	Amounts	%	Amounts	%
Net sales	46,455	100.0	38,100	100.0	8,355	21.9
Gross profit	10,681	23.0	8,782	23.1	1,899	21.6
Selling, general and administrative expenses	8,532	18.4	6,689	17.6	1,842	27.5
Operating income	2,149	4.6	2,092	5.5	56	2.7
Recurring income	2,494	5.4	2,370	6.2	124	5.3

(2) Segment Overview**Business results for nine months ended March 31, 2003 and 2004.**

(Millions of yen)

	Nine months Ended March 31, 2004 (Unaudited)		Nine months Ended March 31, 2003 (Unaudited)		Change		Last Fiscal Year (Audited)	
	Amounts	%	Amounts	%	Amounts	%	Amounts	%
Discount store operations								
Electric goods	29,452	20.9	25,367	21.7	4,084	16.1	33,470	21.1
Merchandise	32,021	22.8	28,068	24.0	3,952	14.1	38,075	24.0
Foods	26,130	18.6	21,220	18.1	4,909	23.1	29,159	18.4
Watches, fashion goods	36,946	26.3	29,441	25.1	7,504	25.5	40,102	25.3
Sports, leisure goods	10,899	7.8	9,210	7.9	1,688	18.3	12,630	8.0
Others	3,303	2.3	2,979	2.5	324	10.9	4,012	2.5
Sub Total	138,753	98.7	116,288	99.3	22,464	19.3	157,451	99.3
Wholesale operations			65	0.1	65		64	0.0
Rental business operations	1,849	1.3	713	0.6	1,135	159.1	1,103	0.7
Total	140,602	100.0	117,067	100.0	23,534	20.1	158,619	100.0

(Discount store operations)

Net sales from discount store operations increased ¥22,464 million (up 19.3%) from the third quarter of fiscal 2003 to ¥138,753 million. This was due to primary sales of various foods and watches and fashion goods with characteristic items, although sales of Merchandise were inactive due to low-price competition.

(Rental business operations)

Net sales from rental business operations increased ¥1,135 million (up 159.1%) from the third quarter of fiscal 2003 to ¥1,849 million. This was due to an increase of tenants for newly opened PAW stores.

Business results for three months ended March 31, 2003 and 2004.

	Three months Ended March 31, 2004 (Unaudited)		Three months Ended March 31, 2003 (Unaudited)		Change	
	Amounts	%	Amounts	%	Amounts	%
Discount store operations						
Electric goods	9,968	21.5	8,402	22.1	1,566	18.6
Merchandise	10,431	22.5	9,026	23.7	1,405	15.6
Foods	9,171	19.7	7,238	19.0	1,932	26.7
Watches, fashion goods	11,740	25.3	9,465	24.8	2,275	24.0
Sports, leisure goods	3,239	7.0	2,639	6.9	599	22.7
Others	1,148	2.4	980	2.6	167	17.1
Sub Total	45,699	98.4	37,751	99.1	7,947	21.1
Wholesale operations			39	0.1	39	
Rental business operations	756	1.6	309	0.8	447	144.5
Total	46,455	100.0	38,100	100.0	8,355	21.9

Financial Position

(Millions of yen)

	3rd Quarter Ended March 31, 2004 (Unaudited)		3rd Quarter Ended March 31, 2003 (Unaudited)		Change		Last Fiscal Year (Audited)	
	Amounts	%	Amounts	%	Amounts	%	Amounts	%
Total assets	124,120	100.0	88,383	100.0	30,709	32.9	93,410	100.0
Current assets	51,993	41.9	34,798	39.4	14,416	38.4	37,576	40.2
Fixed assets	72,127	58.1	53,584	60.6	16,293	29.2	55,834	59.8
Current liabilities	42,412	34.2	32,554	36.8	9,117	27.4	33,295	35.6
Long-term liabilities	42,987	34.6	25,285	28.6	15,104	54.2	27,882	29.9
Total liabilities	85,400	68.8	57,840	65.4	24,221	39.6	61,178	65.5
Total shareholders' equity	38,720	31.2	30,543	34.6	6,488	20.1	32,232	34.5

Analysis of financial Condition

(1) Assets, liabilities and shareholders' equity

1. Total assets

Total assets as of March 31, 2004 increased by ¥30,709 million from June 30, 2003 to ¥124,120 million.

Current assets as of March 31, 2004 increased by ¥14,416 million from June 30, 2003 to ¥51,993 million due primary to an increase of inventories by ¥4,982 million, and due to an increase of cash by ¥9,438 million.

Fixed assets as of March 31, 2004 increased by ¥16,293 million from June 30, 2003 to ¥72,127 million due primary to the acquisition of building by ¥7,134 million, due to the acquisition of equipment by ¥640 million, due to the acquisition of land by ¥2,440 million, and due to an increase of construction in progress by ¥2,000 million by expansion of stores.

2. Liabilities

Total liabilities as of March 31, 2004 increased by ¥24,221 million from June 30, 2003 to ¥85,400 million.

Current liabilities as of March 31, 2004 increased by ¥9,117 million from June 30, 2003 to ¥42,412 million due to an increase of short-term loans by ¥2,387 million and due to an increase of commercial paper ¥7,000 million.

Non-current liabilities as of March 31, 2004 increased by ¥15,104 million from June 30, 2003 to ¥42,987 million due to an increase of issuance of ¥17,000 million of zero coupon convertible bonds for capital investments.

3. Shareholders' equity

Shareholders' equity as of March 31, 2004 increased by ¥6,488 million from June 30, 2003 to ¥38,720 million due to an increase of retained earnings by ¥5,003 million and capital and additional-paid in capital by ¥1,121 million by the conversion of convertible bond.

Total Equity to Total assets (Ratio) was 31.2% as of March 31, 2004.

(2) Consolidated Statements of Cash Flows.

The Consolidated Statements of Cash flows were not prepared for the third quarter of fiscal 2004 and 2003.

(3) Capital investments

Capital investments including the securitization of assets as of March 31, 2004 and 2003 and June 30, 2003 were as follows:

(Millions of yen)

	3rd Quarter Ended March 31, 2004 (Unaudited)		3rd Quarter Ended March 31, 2003 (Unaudited)		Change		Last Fiscal Year (Audited)	
	Amounts	%	Amounts	%	Amounts	%	Amounts	%
Total capital investments	16,594	11.8	13,120	11.2	3,474	26.5	14,858	9.4
Finance through securitization of assets			3,353	2.9	3,353		3,353	2.1
Net	16,594	11.8	9,767	8.3	6,827	69.9	11,505	7.3

Consolidated Balance Sheets

	(Millions of yen)		
	3rd Quarter Ended March 31, 2004 (Unaudited)	3rd Quarter Ended March 31, 2003 (Unaudited)	Year ended June 30, 2003 (Audited)
ASSETS			
Current assets:			
Cash and time deposits	¥16,479	¥8,169	¥7,040
Note and accounts receivables-trade	1,382	959	1,140
Less: Allowance for doubtful accounts	(3)	(1)	(1)
Inventories	31,838	23,398	26,856
Prepaid expense	699	526	576
Deferred tax assets	519	679	935
Other current assets	1,077	1,066	1,028
Total current assets	51,993	34,798	37,576
Investments and advances:			
Investment securities	4,368	1,996	2,095
Advance payment for fixed leasehold deposits ..	1,290	1,024	856
Long-term loans receivable	1,176	280	1,150
Less: Allowance for doubtful accounts	(3)	(0)	(1)
Total investments and advances	6,831	3,300	4,100
Property and equipment, net:			
Buildings and structures	23,884	14,374	16,749
Vehicles and delivery equipment	22	27	25
Equipment	3,683	2,801	3,042
Land	22,340	18,963	19,900
Other property and equipment, net	2,957	3,425	957
Net property and equipment	52,887	39,593	40,675
Intangibles and deferred charge	1,854	1,724	1,694
Other assets:			
Fixed leasehold deposits	8,749	6,925	7,119
Deferred tax assets	400	645	644
Other non-current assets	1,403	1,398	1,599
Total other assets	10,552	8,968	9,363
Total assets	¥124,120	¥88,383	¥93,410

	(Millions of yen)		
	3rd Quarter Ended March 31, 2004 (Unaudited)	3rd Quarter Ended March 31, 2003 (Unaudited)	Year ended June 30, 2003 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities:			
Current liabilities:			
Accounts payable-trade	¥16,356	¥16,170	¥16,470
Short-term loans payable	8,487	6,900	6,100
Current maturities of long-term debt	5,702	3,790	4,702
Commercial paper	7,000	2,000	—
Accrued income taxes	1,252	1,680	3,243
Accrued expense	1,200	900	1,058
Other current liabilities	2,413	1,111	1,720
Total current liabilities	42,412	32,554	33,295
Long-term liabilities:			
Straight bonds	8,500	9,100	9,100
Convertible bonds	23,482	7,278	7,278
Long-term loans payable	9,842	8,243	10,794
Allowance for retirement benefits for directors	139	99	94
Other non-current liabilities	1,022	565	616
Total long-term liabilities	42,987	25,285	27,882
Total liabilities	85,400	57,840	61,178
Shareholders' equity:			
Common stock	6,510	5,940	5,949
Additional paid-in capital	7,825	7,255	7,265
Retained earnings	24,151	17,594	19,148
Net unrealized losses on investment securities	242	(240)	(123)
Total	38,730	30,549	32,239
Less: Treasury stock, at cost	(10)	(6)	(7)
Total shareholders' equity	38,720	30,543	32,232
Total liabilities and shareholders' equity	¥124,120	¥88,383	¥93,410

Consolidated Statements of Income

	(Millions of yen)		
	3rd Quarter Ended March 31, 2004 (Unaudited)	3rd Quarter Ended March 31, 2003 (Unaudited)	Year ended June 30, 2003 (Audited)
Net sales	¥140,602	¥117,067	¥158,619
Cost of goods sold	108,439	90,842	122,307
Gross profit	32,163	26,225	36,311
Selling, general and administrative expenses	23,889	19,484	27,145
Operating income	8,273	6,741	9,165
Other income (expenses):			
Interest and dividend income	57	26	47
Interest on loans and commercial paper	(210)	(164)	(224)
Interest on bonds	(57)	(48)	(68)
Stock issuance cost	(6)	(4)	(4)
Bond issuance cost	(69)	(243)	(243)
Bond guarantee cost	(37)	(27)	(40)
Other income, net	1,345	1,037	1,424
Income before income taxes	9,296	7,318	10,095
Income taxes:			
Current	3,700	3,439	5,003
Deferred	405	(208)	(549)
Net income	¥5,190	¥4,087	¥5,641

Recurring income:

According to accounting principles and practices generally accepted in Japan,

Recurring income is shown below:

	(Millions of yen)		
	3rd Quarter Ended March 31, 2004 (Unaudited)	3rd Quarter Ended March 31, 2003 (Unaudited)	Year ended June 30, 2003 (Audited)
Operating income	¥8,273	¥6,741	¥9,165
Other income (expense)			
Interest and dividend income	57	26	47
Interest on loans and commercial paper	(210)	(164)	(224)
Interest on bonds	(57)	(48)	(68)
Stock issuance cost	(6)	(4)	(4)
Bond issuance cost	(69)	(243)	(243)
Bond guarantee cost	(37)	(27)	(40)
Other income and expenses, net	1,575	1,086	1,490
Recurring income	9,526	7,367	10,162
Other income (expense)			
Other income and expenses, net	(230)	(49)	(66)
Income before income taxes	¥9,296	¥7,318	¥10,095

Consolidated Statements of Retained Earnings

	(Millions of yen)		
	3rd Quarter Ended March 31, 2004 (Unaudited)	3rd Quarter Ended March 31, 2003 (Unaudited)	Year ended June 30, 2003 (Audited)
Paid in capital:			
Balance at beginning of period	¥7,265	¥7,130	¥7,130
Conversion of convertible bonds	397	105	105
Exercise of stock options	162	19	29
Balance at end of period	¥7,825	¥7,255	¥7,265
Retained earnings:			
Balance at beginning of period	¥19,148	¥13,658	¥13,658
Net income	5,190	4,087	5,641
Cash dividends	(152)	(151)	(151)
Decrease of the retained earnings on the exclusion from the consolidation	(35)		
Balance at end of period	¥24,151	¥17,594	¥19,148