

Summary Report of Consolidated Financial Results For the First Quarter Ended September 30, 2002

(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 and Osaka Securities Exchange

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1. Business Results and financial position for the First Quarter Ended September 30, 2002 (From July 1, 2002 to September 30, 2002)

- Notes
1. The financial results for the first quarters ended September 30, 2001 and 2002 were not audited by independent public accountants.
 2. This summary report included the accounting figures that was 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 (%)
1st Quarter Ended September 30, 2002	37,961	45.7	2,220	24.6	2,225	9.1
1st Quarter Ended September 30, 2001	26,051	12.1	1,782	25.0	2,039	22.3
Last Fiscal Year	115,428	21.9	6,916	15.1	7,656	9.5

	Net Income	Change (%)	Net Income per Share
1st Quarter Ended September 30, 2002	1,263		124.82
1st Quarter Ended September 30, 2001			
Last Fiscal Year	4,027	20.1	401.20

- Notes:
1. Change in accounting method: N/A
 2. Percentages above represent increase / decrease over preceding first 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 first quarter

(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)
1st Quarter Ended September 30, 2002	76,731	27,782	36.2	2,743.66
1st Quarter Ended September 30, 2001	51,270	22,697	44.3	
Last Fiscal Year	72,485	26,562	36.6	2,629.60

Note: Number of outstanding shares: 1st Quarter Ended September 30, 2002 10,125,954 shares
Last fiscal year ended June 30, 2002 10,031,760 shares

(3) The Consolidated Statements of Cash Flows

The consolidated statements of cash flows was not prepared for this first quarter

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

Consolidated subsidiaries: 2 companies

Unconsolidated subsidiaries accounted for the equity method: N/A

Affiliated companies by the equity method: N/A

2 Consolidated Business Forecast : for the Fiscal Year Ending June 30, 2003 (From July 1, 2002 to June 30, 2003)

(Millions of Yen)

	Net Sales	Recurring Income	Net Income
Six months ending December 31, 2002	74,940	4,750	2,511
Year ending June 30, 2003	153,650	9,799	5,247

(Reference) Estimated net income per share (for the year ending June 30, 2003): 519.44 yen

(Note) The above mentioned business forecast is based on the information, which is able to get hand at present, and including a potential risk and uncertainty. Therefore, actual achievements may differ from these business forecast due to many factors.

Business Results and Financial Position

Business Results

(Millions of yen)

	1st Quarter Ended September 30,2002 (Unaudited)	1st Quarter Ended September 30,2001 (Unaudited)	Change	Last Fiscal Year (Audited)
Net sales	37,961	26,051	11,910	115,428
Operating income	2,220	1,782	437	6,916
Recurring income	2,225	2,039	185	7,656
Net income	1,263			4,027

(Note) From this first quarter net income is disclosed for the first time on quarterly basis.

(1) Business Overview

With the Japanese economy, locked in the phase of deflation, the uncertainty about the future and the distrust of the financial system tended to be arisen for this first quarter (from July 1, 2002 to September 30, 2002).

In retail business, person spending has been sluggish for quite some time.

Despite such unfavorable business condition, we urged the business development through practice of customer-first principle to attain the goals set in our midterm management plan, the "2x4 Plan".

During this first quarter we opened 3 stores in Tokyo, 1 store in Hokkaido and 1 store in Osaka, bringing the total number of stores to 58 stores as of September 30, 2002.

Regarding financing activities, preparing for our future expansion, we issued ¥10,000 million bonds guaranteed by the main 4 banks to ensure liquidity on hand and be responsive to change in financial condition.

Through the securitization of assets, we raised ¥33 billion by transferring real estate pertaining to the "PAW Kawasaki" to a special purpose company (SPC)

As a results, net sales for the period was ¥37,961 million (up 45.7% of the same period of the previous year), operating income was ¥2,220 million (up 24.6%), recurring income was ¥2,225 million (up 9.1%) and net income was ¥1,263 million.

(2) Segment Overview

(Millions of yen)

	1st Quarter Ended September 30,2002 (Unaudited)	1st Quarter Ended September 30,2001 (Unaudited)	Change	Last Fiscal Year (Audited)
Discount store operations				
Electric goods	7,895	5,642	2,252	25,870
Merchandise	9,403	6,396	3,006	27,710
Foods	6,741	4,508	2,232	20,528
Watches, fashion goods	9,125	5,706	3,419	27,078
Sports, leisure goods	3,637	2,843	794	10,120
Others	965	740	225	3,147
Sub Total	37,768	25,837	11,931	114,456
Wholesale operations	25	132	(106)	554
Rental business operations	166	81	85	418
Total	37,961	26,051	11,910	115,428

(Discount store operations)

Net sales from discount store operations increased ¥11,931 million (up 46.2%) from the previous first quarter to ¥37,768 million. This was due to commodity products, including miscellaneous household goods, foods and consumables obtained firm support from consumers and the review of the product lineup that the Company introduced items with relatively high unit selling prices that deliver high profit margins, net sales of watches, fashion goods increased 59.9% from the previous first quarter.

(Wholesale operations)

Net sales from wholesales operations decreased ¥106 million (down 80.4 %) from the previous first quarter to ¥25 million due to the comprehensive review of the future business plan, wholesales operations downsizing and discontinued.

(Rental business operations)

Net sales from rental business operations increased ¥85 million (up 105.3 %) from the previous first quarter to ¥166 million. This was due to the increase of newly opened stores and tenants.

(3) Overview of consolidated income statement

1. Net sales

For the first quarter ended September 30, 2002, consolidated net sales surged 45.7% from the previous first quarter to ¥37,961 million due to the efforts to provide an innovative shopping environment, goods and services with a high degree of originality and for the expansion of the newly opened stores.

Net sales of already existing shops were down 0.3% over the same first quarter of the previous year. This was due to the decrease of customer transaction amid deflation while number of customer was up 0.1% from the same first quarter despite business days of holiday were down from the same first quarter

Trends of the sale of already existing stores were down 2.1% (the six-months ended December 31, 2001), down 0.4% (the six-months ended June 30, 2002), and down 0.3% (the current first quarter) and have kept in negative trends, but ratio has been improved gradually.

2. Cost of goods sold and gross profit

Cost of goods sold in this first quarter was ¥29,492 million and gross profit was ¥8,468 million. Net income to net sales was down 0.1 point from the last same quarter of the previous year to 22.3%.

3. Selling, general and administrative expenses

Selling, general and administrative expenses in this first quarter increased 54.2% from the same period of the previous year to ¥6,248 million. This was mainly due to the fact that the 24 newly opened stores charged their initial cost among all of the 58 stores.

Major elements of selling, general and administrative expenses for the first quarter ended September 30, 2002 and 2001 and for the year ended June 30, 2002 are summarized as follows:

(Millions of yen)

	1st Quarter Ended September 30, 2002 (Unaudited)	1st Quarter Ended September 30, 2001 (Unaudited)	Change	Last Fiscal Year (Audited)
Employees' compensation and benefit	2,347	1,524	823	7,099
Occupancy and rental	928	537	391	2,569
Commission	783	608	174	2,467
Depreciation	461	246	214	1,305
Other	1,727	1,135	591	5,681
Total	6,248	4,053	2,195	19,123

4. Other income (expenses)

Other net income for the first quarter ended September 30, 2002 was ¥40 million.

5. Operating income and recurring income

Operating income increased 24.6% from the same period of the previous year to ¥2,220 million.

Recurring income increased 9.1% from the same period of the previous year to ¥2,225 million.

6. Net income

Net income for the first quarter ended September 30, 2002 was ¥1,263 million.

Financial Position

(Millions of yen)

	1st Quarter Ended September 30, 2002 (Unaudited)	1st Quarter Ended September 30, 2001 (Unaudited)	Change	Last Fiscal Year (Audited)
Total assets	76,731	51,270	4,245	72,485
Current assets	31,395	20,286	4,252	27,143
Fixed assets	45,335	30,984	(6)	45,342
Current liabilities	21,336	26,415	(7,003)	28,340
Long-term liabilities	27,612	2,157	10,029	17,583
Total liabilities	48,948	28,573	3,025	45,923
Total shareholders' equity	27,782	22,697	1,219	26,562

(1) Assets, liabilities and shareholders' equity

1. Total assets

Total assets as of the end of this first quarter increased by ¥4,245 million compared with the first quarter of the previous year to ¥76,731 million.

2. Current assets

Current assets as of the end of this first quarter increased by ¥4,252 million compared with the first quarter of the previous year to ¥31,395 million. This was mainly due to the fact that cash and cash equivalents increased by ¥3,878 million as a result of the issuance of bond and the securitization of "Paw Kawasaki".

3. Fixed assets

Fixed assets as of the end of this first quarter decreased ¥6 million compared with the first quarter of the previous year to ¥45,353 million. This was due to the fact that fixed assets increased by ¥3,352 million as a result of aggressive expansion, meanwhile fixed assets decreased by ¥3,353 million as a result of the securitization of "PAW Kawasaki".

4. Current liabilities

Current liabilities as of the end of this first quarter decreased by ¥703 million compared with the first quarter of the previous year to ¥21,336 million. This was mainly due to the decrease of short-term debt by ¥4,676 million.

5. Long-term liabilities

Long-term liabilities Current liabilities as of the end of this first quarter increased by ¥10,029 million compared with the first quarter of the previous year to ¥27,612 million due to the issuance of ¥10,000 million bonds.

6. Shareholders' equity

Shareholders' equity as of the end of this first quarter increased by ¥1,219 million compared with the first quarter of the previous year to ¥27,782 million.

The equity ratio was 36.2%.

(2) Consolidated Statements of Cash Flows.

The Consolidated Statements of Cash flows were not prepared for this first quarter.

(3) Capital investments

Capital investments including the securitization of assets as of the first quarter ended September 30, 2002 and 2001 and the year ended June 30, 2002 were as follows:

	(Millions of yen)			
	1st Quarter Ended September 30,2002 (Unaudited)	1st Quarter Ended September 30,2001 (Unaudited)	Change	Last Fiscal Year (Audited)
Total capital investments	3,941	2,104	1,837	21,107
Finance through securitization of assets	3,353		3,353	3,600
Net	588	2,104	(1,516)	17,507

Consolidated Business Forecast

	(Millions of yen)			
	Sales	Operating income	Recurring income	Net income
Six months ending December 31, 2002	74,940	4,215	4,750	2,511
Year ending June 30, 2003	153,650	8,690	9,799	5,247

(Note) There are no amendments of business plan since announcements on August 20, 2002.

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 worse than those discussed in forward -looking statements. Such factor include but are not limited to (1) changes in economic conditions affecting our operations (2) competition within the retail industry (3) changes in regulatory environment and government policy (4) key management figure.

Consolidated Balance Sheets

	(Millions of yen)	
	1st Quarter Ended September 30, 2002 (Unaudited)	Year ended June 30, 2002 (Audited)
ASSETS		
Current assets:		
Cash and time deposits	¥10,128	¥6,250
Note and accounts receivables-trade	804	991
Less: Allowance for doubtful accounts	(4)	(4)
Inventories	18,331	17,988
Prepaid expense	508	478
Deferred tax assets	482	539
Other current assets	1,143	900
Total current assets	31,395	27,143
Investments and advances:		
Investment securities	2,298	2,169
Advance payment for fixed leasehold deposits	1,293	1,200
Long-term loans receivable	360	360
Less: Allowance for doubtful accounts	(0)	(1)
Total investments and advances	3,952	3,728
Property and equipment, net:		
Buildings and structures	9,422	9,961
Vehicles and delivery equipment	33	36
Equipment	2,608	2,468
Land	18,736	18,851
Construction in progress	1,847	1,885
Net property and equipment	32,647	33,203
Intangibles and deferred charge	1,585	1,517
Other assets:		
Fixed leasehold deposits	5,448	5,267
Deferred tax assets	508	430
Other non-current assets	1,193	1,193
Total other assets	7,150	6,892
Total assets	¥76,731	¥72,485

	(Millions of yen)	
	1st Quarter Ended September 30, 2002 (Unaudited)	Year ended June 30, 2002 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Current liabilities:		
Accounts payable-trade	¥14,299	¥14,240
Short-term loans payable	1,880	6,556
Current maturities of long-term debt	2,291	2,534
Accrued income taxes	997	961
Accrued expense	789	1,843
Other current liabilities	1,077	2,204
Total current liabilities	21,336	28,340
Long-term liabilities:		
Long-term debt	27,136	17,159
Allowance for retirement benefits for directors	92	89
Other non-current liabilities	383	333
Total long-term liabilities	27,612	17,583
Total liabilities	48,948	45,923
Shareholders' equity:		
Common stock	5,920	5,815
Additional paid-in capital	7,235	7,130
Retained earnings	14,770	13,658
Net unrealized losses on investment securities	(138)	(38)
	27,788	26,566
Less: Treasury stock, at cost	(6)	(3)
Total shareholders' equity	27,782	26,562
Total liabilities and shareholders' equity	76,731	72,485

Consolidated Statements of Income

	(Millions of yen)	
	1st Quarter Ended September 30, 2002 (Unaudited)	Year ended June 30, 2002 (Audited)
Net sales	¥37,961	¥115,428
Cost of goods sold	29,492	89,388
Gross profit	8,468	26,040
Selling, general and administrative expenses	6,248	19,123
Operating income	2,220	6,916
Other income (expenses):		
Interest and dividend income	10	50
Interest expense	(67)	(202)
Stock issuance cost	(3)	(1)
Bond issuance cost	(244)	(275)
Other income, net	345	663
Income before income taxes	2,260	7,150
Income taxes:		
Current	945	3,608
Deferred	51	(485)
Net income	¥1,263	¥4,027

Recurring income:

According to accounting principles and practices generally accepted in Japan,
Recurring income is shown below:

	(Millions of yen)	
	1st Quarter Ended September 30, 2002 (Unaudited)	Year ended June 30, 2002 (Audited)
Operating income	¥2,220	¥6,916
Other income (expense)		
Interest and dividend income	10	50
Interest expense	(67)	(202)
Stock issuance cost	(3)	(1)
Bond issuance cost	(244)	(275)
Other income and expenses, net	309	1,167
Recurring income	2,225	7,656
Other income (expense)		
Other income and expenses, net	35	(506)
Income before income taxes	¥2,260	¥7,150

Consolidated Statements of Retained Earnings

	(Millions of yen)	
	1st Quarter Ended September 30, 2002 (Unaudited)	Year ended June 30, 2002 (Audited)
Retained earnings:		
Balance at beginning of period	¥13,658	¥9,693
Net income	1,263	4,027
Cash dividends	(151)	(50)
Deficit on merger	—	(12)
Balance at end of period	¥14,770	¥13,658