

Summary Report of Consolidated Financial Results For the Second Quarter Ended December 31, 2011

(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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(Amounts in million yen are rounded off to the nearest million)

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

(1) Results of Business Operations

(Millions of yen, except per-share data)

	Net Sales	Change (%)	Operating Income	Change (%)	Ordinary Income	Change (%)
Six Months Ended December 31, 2011	276,939	8.4	17,218	21.3	16,451	17.2
Six Months Ended December 31, 2010	255,481	1.9	14,193	27.9	14,031	29.5

(Note) Comprehensive income: 11,754 million yen [71.3%] (FY 2012.6 2Q), 6,861 million yen [—%] (FY 2011.6 2Q)

	Net Income	Change (%)	Net Income Per Share (Yen)	Net Income Per Share-fully diluted (Yen)
Six Months Ended December 31, 2011	11,935	58.1	154.90	154.56
Six Months Ended December 31, 2010	7,549	23.8	102.03	98.10

(2) Financial Position

(Millions of yen, except per-share data)

	Total Assets	Net assets	Ratio of Shareholders' Equity to Total Assets (%)
As of December 31, 2011	380,139	137,178	35.5
Last Fiscal Year	341,300	125,242	36.2

(Reference) Equity: 135,045 million yen (as of December 31, 2011), 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 second 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	212.90

(Notes) Revision to the business forecast in the second quarter of fiscal 2012: Yes

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)	December 31, 2011	77,077,880 shares
	June 30, 2011	77,030,780 shares
② Number of treasury stock	December 31, 2011	1,244 shares
	June 30, 2011	1,244 shares
③ Average number of outstanding shares during the period	December 31, 2011	77,051,299 shares
	December 31, 2010	73,982,818 shares

※Implementation Status of Financial Audit

Financial Audit based on Financial Instrument and Exchange Act for the second quarter ended December 31, 2011 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 December 31, 2011	As of June 30, 2011
	Amount	Amount
Assets		
Current assets		
Cash and deposits	¥49,226	¥35,031
Notes and Accounts receivable-trade	6,320	4,585
Purchased receivables	9,836	6,787
Merchandise and finished goods	90,220	81,582
Other	8,010	6,544
Allowance for doubtful accounts	(18)	(14)
Total current assets	163,594	134,515
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	58,738	58,056
Tools, furniture and fixtures, net	10,169	9,396
Land	95,426	87,187
Other, net	270	231
Total property, plant and equipment	164,603	154,870
Intangible assets	8,825	6,461
Investments and other assets		
Investment securities	3,740	4,362
Lease and guarantee deposits	32,974	33,303
Other	10,804	12,474
Allowance for doubtful accounts	(4,401)	(4,685)
Total investments and other assets	43,117	45,454
Total noncurrent assets	216,545	206,785
Total assets	¥380,139	¥341,300

	As of December 31, 2011 Amount	(Millions of yen) As of June 30, 2011 Amount
Liabilities		
Current liabilities		
Accounts payable-trade	¥56,892	¥42,430
Short-term loans-payable	15,191	14,935
Current portion of long-term loans payable	14,722	11,774
Current portion of bonds	24,942	12,922
Commercial papers	3,000	—
Income taxes payable	5,904	4,434
Derivatives liabilities	8	2,978
Provision for point card certificates	176	186
Reserve for loss on disaster	207	1,132
Asset retirement obligations	—	153
Other	16,700	15,127
Total current liabilities	137,742	106,071
Noncurrent liabilities		
Bonds payable	52,505	58,029
Convertible bonds	350	350
Long-term loans payable	40,023	35,570
Derivatives liabilities	141	128
Provision for directors' retirement benefits	377	367
Negative goodwill	2,020	2,449
Asset retirement obligations	1,927	1,705
Other	7,876	11,389
Total noncurrent liabilities	105,219	109,987
Total liabilities	242,961	216,058
Net assets		
Shareholders' equity		
Capital stock	19,608	19,561
Capital surplus	22,410	22,364
Retained earnings	97,202	85,165
Treasury stock	(3)	(3)
Total shareholders' equity	139,217	127,087
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(570)	(327)
Foreign currency translation adjustment	(3,602)	(3,155)
Total accumulated other comprehensive income	(4,172)	(3,482)
Minority interests	2,133	1,637
Total net assets	137,178	125,242
Total liabilities and net assets	¥380,139	¥341,300

Consolidated Quarterly Statements of Income

(Millions of yen)

	Six months ended December 31, 2011	Six months ended December 31, 2010
	Amount	Amount
Net sales	¥276,939	¥255,481
Cost of sales	205,129	189,607
Gross profit	71,810	65,874
Selling, general and administrative expenses	54,592	51,681
Operating income	17,218	14,193
Non-operating income		
Interest and dividends income	290	289
Amortization of negative goodwill	429	429
Other	670	672
Total non-operating income	1,389	1,390
Non-operating expenses		
Interest expenses	881	888
Loss on valuation of derivatives	310	110
Provision of allowance for doubtful accounts	543	—
Other	422	554
Total non-operating expenses	2,156	1,552
Ordinary income	16,451	14,031
Extraordinary income		
Gain on sales of property, plant and equipment	1	0
Compensation income for expropriation	318	382
Marginal Gain of repaired corporate reorganization debts	1,782	—
Other	97	230
Total extraordinary income	2,198	612
Extraordinary loss		
Loss on valuation of investment securities	6	218
Loss on closing of stores	225	161
Impairment loss	94	457
Settlement package	3	58
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	682
Other	287	423
Total extraordinary losses	615	1,999
Income before income taxes and minority interests	18,034	12,644
Income taxes - Current	5,748	5,358
Income taxes - Deferred	(146)	(507)
Total income taxes	5,602	4,851
Income before minority interests	12,432	7,793
Minority interests in income	497	244
Net income	¥11,935	¥7,549

Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Six months ended December 31, 2011	Six months ended December 31, 2010
	Amount	Amount
Income before minority interests	¥12,432	¥7,793
Other comprehensive income		
Valuation difference on available-for-sale securities	(231)	(129)
Foreign currency translation adjustment	(447)	(803)
Total other comprehensive income	(678)	(932)
Comprehensive income	¥11,754	¥6,861
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	¥11,257	¥6,617
Comprehensive income attributable to minority interests	497	244

Consolidated Quarterly Statements of Cash Flows

	(Millions of yen)	
	Six months ended December 31, 2011	Six months ended December 31, 2010
	Amount	Amount
Net cash provided by (used in) operating activities:		
Income before income taxes and minority interests	¥18,034	¥12,644
Depreciation and amortization	4,914	4,604
Impairment loss	94	457
Amortization of negative goodwill	(429)	(429)
Increase(decrease) in provision	578	(7)
Interest and dividends income	(290)	(289)
Interest expenses	881	888
Loss on valuation of derivatives	310	110
Loss on sales of property, plant and equipment	1	3
Loss on valuation of investment securities	6	218
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	682
Marginal gain of repaid corporate reorganization debt	(1,782)	—
Increase in notes and accounts receivable-trade	(4,665)	(1,344)
Increase in inventories	(11,152)	(10,737)
Increase in notes and accounts payable-trade	13,952	12,593
Other, net	3,138	1,473
Sub total	23,590	20,866
Interest and dividends income received	188	204
Interest expenses paid	(818)	(878)
Income taxes paid	(4,333)	(3,802)
Payments for loss on disaster	(262)	—
Net cash provided by operating activities	18,365	16,390
Net cash provided by (used in) investing activities:		
Payments into time deposits	(23,953)	(22,601)
Proceeds from withdrawal of time deposits	12,822	23,523
Purchase of property, plant and equipment	(9,335)	(12,953)
Proceeds from sales of property, plant and equipment	3	364
Purchase of intangible assets	(88)	(2,600)
Payments for lease and guarantee deposits	(617)	(478)
Proceeds from collection of lease and guarantee deposits	628	827
Proceeds from sales of investment securities	191	927
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(6,360)	—
Payment for the settlement for the derivatives	(3,272)	—
Other, net	(235)	(302)
Net cash used in investing activities	(30,216)	(13,293)
Net cash provided by (used in) financing activities:		
Net increase in short-term loans payable	256	426
Proceeds from long-term loans payable	14,500	11,000
Repayment of long-term loans payable	(6,771)	(6,178)
Net increase in commercial papers	2,996	—
Proceeds from issuance of bonds	12,855	9,000
Redemption of bonds	(6,504)	(5,804)
Redemption of convertible bonds	—	(25)
Rehabilitation lien	(2,550)	—
Cash dividends paid	(1,387)	(1,081)
Other, net	56	7
Net cash provided by financing activities	13,451	7,345
Effect of exchange rate change on cash and cash equivalents	(168)	(365)
Net decrease in cash and cash equivalents	1,432	10,077

Cash and cash equivalents at beginning of period	26,875	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	3,507	—
Cash and cash equivalents at end of period	¥31,814	¥48,782

Segment Information

For the second quarter ended December 31, 2011

1. Information concerning sales and income by reporting segment

(Millions of yen)

	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	¥266,559	¥7,872	¥274,431	¥2,508	¥276,939	¥—	¥276,939
Intersegment sales	2	1,688	1,690	1,054	2,744	(2,744)	—
Total	266,561	9,560	276,121	3,562	279,683	(2,744)	276,939
Segment income	¥12,918	¥3,352	¥16,270	¥1,080	¥17,350	¥(132)	¥17,218

Notes

- 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.
- The segment adjusted income of ¥ (132) million is an intersegment elimination.
- 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 second quarter ended December 31, 2010

1. Information concerning sales and income by reporting segment

(Millions of yen)

	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	¥245,586	¥7,927	¥253,513	¥1,968	¥255,481	¥—	¥255,481
Intersegment sales	—	1,292	1,292	490	1,782	(1,782)	—
Total	245,586	9,219	254,805	2,458	257,263	(1,782)	255,481
Segment income	¥10,960	¥2,746	¥13,706	¥395	¥14,101	¥92	¥14,193

Notes

- The other businesses segment includes the services of real estate business, marketing business and cellular phones sales business that are not included in other reporting segments.
- The segment adjusted income of ¥92 million is an intersegment elimination.
- 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.

Notes on the going-concern assumption

Not applicable

Notes on significant changes in the amount of shareholders' equity

Not applicable

Material subsequent events

Fidec Corporation, a consolidated subsidiary of the Company, signed a term loan agreement by syndication with its banks and obtained the loan. An overview of the agreement is as follows:

1. Method: Short-term borrowing through term loan by syndication
2. Lenders: Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation and 18 other banks
3. Amount of borrowing: 13,941 million
4. Date of contract: January 27, 2012
5. Date of implementation: January 31, 2012
6. Term: One year
7. Covenants

(Borrower's obligation)

The aggregate amount of purchased receivables, excluding adverse obligations including deposit payables, and the balance of the saving account which the lenders designated should not be lower than 85% of the amount of outstanding borrowings at the end of each month.

(Collateral covenants)

The borrower should not provide collateral for the benefit of the borrower or a third party without the prior written consent of the lenders and the agent or certain conditions applied.

(Financial covenants)

The amount of net assets on the consolidated balance sheets and the individual balance sheets should not be negative at the end of each fiscal year and at the end of each second quarter. The borrower should not record recurring loss on the consolidated statements of income and the individual statements of income for each fiscal year.