

# Summary Report of Consolidated Financial Results

## For the Fiscal Year Ended June 30, 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  
 Address: 2-19-10 Aobadai, Meguro-ku, Tokyo  
 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 fiscal year ended June 30, 2012

(From July 1, 2011 to June 30, 2012)

#### (1) Results of Business Operations

(Millions of yen, except per-share data)

	Net Sales	Change (%)	Operating Income	Change (%)	Ordinary Income	Change (%)
Fiscal year ended June 30, 2012	540,255	6.4	29,320	15.7	29,283	16.5
Fiscal year ended June 30, 2011	507,661	4.1	25,336	20.3	25,138	19.1

(Note) Comprehensive income: 20,840 million yen [76.0%] (FY 2012.6), 11,844 million yen [1.2%] (FY 2011.6)

	Net Income	Change (%)	Net Income Per Share (Yen)	Net Income Per Share-fully diluted (Yen)	Return on Equity (%)	Ordinary Income on Total Assets (%)	Operating Income on Net Sales (%)
Fiscal year ended June 30, 2012	19,845	56.7	257.47	256.90	14.9	8.3	5.4
Fiscal year ended June 30, 2011	12,663	23.7	167.82	164.34	11.1	7.8	5.0

(Reference) Equity in losses of affiliates: 1 million yen (FY 2012.6), 175 million yen (FY 2011.6)

#### (2) Financial Position

(Millions of yen, except per-share data)

	Total Assets	Net assets	Ratio of Shareholders' Equity to Total Assets (%)	Net Assets per Share (Yen)
As of June 30, 2012	362,651	145,735	39.5	1,856.45
June 30, 2011	341,300	125,242	36.2	1,604.65

(Reference) Equity: 143,195 million yen (as of June 30, 2012), 123,606 million yen (as of June 30, 2011)

#### (3) The Consolidated Statements of Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents
Fiscal year ended June 30, 2012	33,962	△29,794	△4,637	29,973
Fiscal year ended June 30, 2011	26,029	△44,789	7,274	26,875

### 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 Ended June 30, 2012	—	10.00	—	21.00	31.00
Year Ending June 30, 2013 (Forecast)	—	10.00	—	21.00	31.00

### 3. Consolidated Business Forecast : For the year ending June 30, 2013 (From July 1, 2012 to June 30, 2013)

(Millions of yen, except per-share data)

	Net Sales	Change (%)	Operating Income	Change (%)	Ordinary Income	Change (%)	Net Income	Change (%)	Net Income per Share (Yen)
Six Months Ending December 31, 2012	287,000	3.6	17,400	1.1	17,000	3.3	11,000	△7.8	142.61
Year Ending June 30, 2013	560,000	3.7	30,500	4.0	30,300	3.5	20,000	0.8	259.29

#### 4. Others

(1) Significant changes in the scope of consolidation: None

(2) Changes in accounting policies, procedures, and methods of presentation for preparing the 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

(3) Number of outstanding shares (Common stock)

① Number of outstanding shares (Treasury stock included)	June 30, 2012	77,134,880 shares
	June 30, 2011	77,030,780 shares
② Number of treasury stock	June 30, 2012	1,244 shares
	June 30, 2011	1,244 shares
③ Average number of outstanding shares during the period	June 30, 2012	77,076,446 shares
	June 30, 2011	75,451,847 shares

#### ※Implementation Status of Financial Audit

Financial Audit based on Financial Instrument and Exchange Act for the fiscal year ended June 30, 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 Balance Sheets

(Millions of yen)

	As of June 30, 2012	As of June 30, 2011
	Amount	Amount
<b>Assets</b>		
Current assets		
Cash and deposits	¥34,237	¥35,031
Notes and Accounts receivable-trade	4,889	4,585
Purchased receivables	6,761	6,787
Merchandise and finished goods	83,641	81,582
Prepaid expenses	2,124	2,096
Deferred tax assets	2,958	1,868
Other	4,220	2,580
Allowance for doubtful accounts	(14)	(14)
Total current assets	<b>138,816</b>	134,515
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	104,703	96,947
Accumulated depreciation	(41,421)	(35,487)
Accumulated impairment loss	(3,383)	(3,404)
Buildings and structures, net	<b>59,899</b>	58,056
Tools, furniture and fixtures	38,485	33,839
Accumulated depreciation	(26,447)	(23,877)
Accumulated impairment loss	(516)	(566)
Buildings and structures, net	<b>11,522</b>	9,396
Other	180	166
Accumulated depreciation	(140)	(115)
Other, net	<b>40</b>	51
Land	97,317	87,187
Construction in progress	558	180
Total property, plant and equipment	<b>169,336</b>	154,870
Intangible assets	10,266	6,461
Investments and other assets		
Investment securities	3,779	4,362
Long-term loans receivable	1,665	1,332
Long-term prepaid expenses	2,058	2,014
Deferred tax assets	1,379	2,320
Lease and guarantee deposits	32,286	33,303
Other	6,188	6,808
Allowance for doubtful accounts	(3,122)	(4,685)
Total investments and other assets	<b>44,233</b>	45,454
Total noncurrent assets	<b>223,835</b>	206,785
<b>Total assets</b>	<b>¥362,651</b>	¥341,300

	As of June 30, 2012	(Millions of yen) As of June 30, 2011
	Amount	Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	¥44,793	¥42,430
Short-term loans-payable	14,866	14,935
Current portion of long-term loans payable	11,121	11,774
Current portion of bonds	23,059	12,922
Accrued expenses	6,229	5,739
Income taxes payable	5,783	4,434
Provision for point card certificates	179	186
Provision for loss on disaster	193	1,132
Asset retirement obligations	—	153
Derivatives liabilities	—	2,978
Other	14,020	9,388
<b>Total current liabilities</b>	<b>120,243</b>	<b>106,071</b>
<b>Noncurrent liabilities</b>		
Bonds payable	47,470	58,029
Convertible bonds	350	350
Long-term loans payable	36,476	35,570
Derivatives liabilities	119	128
Provision for directors' retirement benefits	387	367
Negative goodwill	1,592	2,449
Asset retirement obligations	2,163	1,705
Other	8,116	11,389
<b>Total noncurrent liabilities</b>	<b>96,673</b>	<b>109,987</b>
<b>Total liabilities</b>	<b>216,916</b>	<b>216,058</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	19,664	19,561
Capital surplus	22,466	22,364
Retained earnings	104,463	85,165
Treasury stock	(3)	(3)
<b>Total shareholders' equity</b>	<b>146,590</b>	<b>127,087</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(391)	(327)
Foreign currency translation adjustment	(3,004)	(3,155)
<b>Total accumulated other comprehensive income</b>	<b>(3,395)</b>	<b>(3,482)</b>
Minority interests	2,540	1,637
<b>Total net assets</b>	<b>145,735</b>	<b>125,242</b>
<b>Total liabilities and net assets</b>	<b>¥362,651</b>	<b>¥341,300</b>

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended	Fiscal year ended
	June 30, 2012	June 30, 2011
	Amount	Amount
Net sales	¥540,255	¥507,661
Cost of sales	400,712	378,587
Gross profit	139,543	129,074
Selling, general and administrative expenses	110,223	103,738
Operating income	29,320	25,336
Non-operating income		
Interest and dividends income	614	497
Amortization of negative goodwill	857	857
Commission fee	364	343
Other	1,087	1,002
Total non-operating income	2,922	2,699
Non-operating expenses		
Interest expenses	1,690	1,681
Loss on valuation of derivatives	283	253
Bond issuance cost	139	390
Equity in losses of affiliates	1	175
Provision of allowance for doubtful accounts	576	—
Other	270	398
Total non-operating expenses	2,959	2,897
Ordinary income	29,283	25,138
Extraordinary income		
Gain on sales of noncurrent assets	3	21
Compensation income for expropriation	318	387
Marginal gain of repaid corporate reorganization debts	1,782	258
Gain on step acquisitions	—	197
Litigation settlement	—	167
Other	396	358
Total extraordinary income	2,499	1,388
Extraordinary loss		
Loss on retirement of noncurrent assets	159	118
Loss on valuation of investment securities	6	716
Loss on closing of stores	778	425
Impairment loss	184	779
Loss on disaster	—	1,894
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	682
Other	260	765
Total extraordinary losses	1,387	5,379
Income before income taxes and minority interests	30,395	21,147
Income taxes - Current	9,523	7,732
Income taxes - Deferred	135	179
Total income taxes	9,658	7,911
Income before minority interests	20,737	13,236
Minority interests in income	892	573
Net income	¥19,845	¥12,663

## Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Fiscal year ended June 30, 2012	Fiscal year ended June 30, 2011
	Amount	Amount
Income before minority interests	<b>¥20,737</b>	¥13,236
Other comprehensive income		
Valuation difference on available-for-sale securities	<b>(48)</b>	(223)
Foreign currency translation adjustment	<b>151</b>	(1,169)
Total other comprehensive income	<b>103</b>	(1,392)
Comprehensive income	<b>¥20,840</b>	¥11,844
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	<b>¥19,944</b>	¥11,271
Comprehensive income attributable to minority interests	<b>896</b>	573

## Consolidated statements of changes in net assets

(Millions of yen)

	Fiscal year ended June 30, 2012	Fiscal year ended June 30, 2011
	Amount	Amount
<b>Shareholders' equity</b>		
Capital stock		
Balance at the beginning of current previous period	¥19,561	¥15,049
Changes of items during the period		
Issuance of new shares	103	4,512
Total changes of items during the period	103	4,512
Balance at the end of current period	19,664	19,561
Capital surplus		
Balance at the beginning of current period	22,364	17,856
Changes of items during the period		
Issuance of new shares	102	4,508
Total changes of items during the period	102	4,508
Balance at the end of current period	22,466	22,364
Retained earnings		
Balance at the beginning of current period	85,165	74,503
Changes of items during the period		
Dividends from surplus	(2,157)	(1,850)
Net income	19,845	12,663
Effect of changes in fiscal year end applied to subsidiaries	940	—
Change of scope of consolidation	670	(150)
Total changes of items during the period	19,298	10,662
Balance at the end of current period	104,463	85,165
Treasury stock		
Balance at the beginning of current period	(3)	(1)
Changes of items during the period		
Purchase of treasury stock	—	(2)
Total changes of items during the period	—	(2)
Balance at the end of current period	(3)	(3)
Total shareholders' equity		
Balance at the beginning of current period	127,087	107,407
Changes of items during the period		
Issuance of new shares	205	9,020
Dividends from surplus	(2,157)	(1,850)
Net income	19,845	12,663
Effect of changes in fiscal year end applied to subsidiaries	940	—
Purchase of treasury stock	—	(2)
Change of scope of consolidation	670	(150)
Total changes of items during the period	19,503	19,680
Balance at the end of current period	¥146,590	¥127,087

	(Millions of yen)	
	Fiscal year ended June 30, 2012	Fiscal year ended June 30, 2011
	Amount	Amount
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	¥(327)	¥(104)
Changes of items during the period		
Net changes of items other than shareholders' equity	(64)	(223)
Total changes of items during the period	(64)	(223)
Balance at the end of current period	(391)	(327)
Foreign currency translation adjustment		
Balance at the beginning of current period	(3,155)	(1,986)
Changes of items during the period		
Net changes of items other than shareholders' equity	151	(1,169)
Total changes of items during the period	151	(1,169)
Balance at the end of current period	(3,004)	(3,155)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(3,482)	(2,090)
Changes of items during the period		
Net changes of items other than shareholders' equity	87	(1,392)
Total changes of items during the period	87	(1,392)
Balance at the end of current period	(3,395)	(3,482)
<b>Subscription rights to shares</b>		
Balance at the beginning of current period	—	0
Changes of items during the period		
Net changes of items other than shareholders' equity	—	(0)
Total changes of items during the period	—	(0)
Balance at the end of current period	—	—
<b>Minority interests</b>		
Balance at the beginning of current period	1,637	1,443
Changes of items during the period		
Net changes of items other than shareholders' equity	903	194
Total changes of items during the period	903	194
Balance at the end of current period	2,540	1,637
<b>Total net assets</b>		
Balance at the beginning of current period	125,242	106,760
Changes of items during the period		
Issuance of new shares	205	9,020
Dividends from surplus	(2,157)	(1,850)
Net income	19,845	12,663
Effect of changes in fiscal year end applied to subsidiaries	940	—
Purchase of treasury stock	—	(2)
Change of scope of consolidation	670	(150)
Net changes of items other than shareholders' equity	990	(1,198)
Total changes of items during the period	20,493	18,483
Balance at the end of current period	¥145,735	¥125,242



## Consolidated Statements of Cash Flows

	(Millions of yen)	
	Fiscal year ended June 30, 2012	Fiscal year ended June 30, 2011
	Amount	Amount
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes and minority interests	¥30,395	¥21,147
Depreciation and other amortization	10,474	9,908
Impairment loss	184	779
Amortization of negative goodwill	(857)	(857)
Increase in allowance for doubtful accounts	599	129
Increase in provision for directors' retirement benefits	20	21
(Reversal of) provision for loss on disaster	(75)	1,132
Loss on disasters	—	762
Interest and dividends income	(614)	(497)
Loss on valuation of derivatives	283	253
Equity in losses of affiliates	1	175
Interest expenses	1,690	1,681
Loss on sales of investment securities	10	148
Loss on sales and retirement of property, plant and equipment	153	123
Loss on store closings	235	245
Offset payments for house rental fee with lease and guarantee deposits	1,326	1,171
Loss on valuation of investment securities	6	716
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	682
Marginal gain of repaid corporate reorganization debts	(1,782)	(258)
Increase in notes and accounts receivable-trade	(196)	(501)
Increase in inventories	(4,517)	(7,655)
Increase in notes and accounts payable-trade	1,814	4,750
Decrease in other current assets	445	913
Increase in other current liabilities	2,925	545
Increase (decrease) in other noncurrent liabilities	78	(809)
Other, net	930	(20)
Subtotal	43,527	34,683
Interest and dividends income received	432	330
Interest expenses paid	(1,654)	(1,681)
Income taxes paid	(8,067)	(7,303)
Payments for loss on disaster	(276)	—
Net cash provided by operating activities	33,962	26,029
<b>Net cash provided by (used in) investing activities:</b>		
Payments into time deposits	(29,863)	(45,962)
Proceeds from withdrawal of time deposits	31,960	41,498
Purchase of property, plant and equipment	(18,348)	(34,864)
Proceeds from sales of property, plant and equipment	41	482
Purchase of intangible assets	(1,727)	(2,704)
Payments for lease and guarantee deposits	(1,379)	(869)
Proceeds from collection of lease and guarantee deposits	1,349	794
Payment for store opening in progress	(2,846)	(353)
Purchase of investment securities	—	(0)
Proceeds from sales of investment securities	494	1,045
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(6,360)	(4,935)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	1,178
Purchase of investments in subsidiaries	—	(321)
Payment for the settlement for the derivatives	(3,272)	—
Other, net	157	222
Net cash used in investing activities	¥(29,794)	¥(44,789)

**Net cash provided by (used in) financing activities:**

Net decrease in short-term loans payable	¥(69)	¥(964)
Proceeds from long-term loans payable	14,500	28,300
Repayment of long-term loans payable	(13,919)	(12,731)
Proceeds from issuance of bonds	12,855	37,591
Redemption of bonds	(13,422)	(42,407)
Repayments of lease obligations	(68)	(109)
Rehabilitation lien	(2,550)	(139)
Proceeds from issuance of common stock	205	420
Cash dividends paid	(2,157)	(1,850)
Cash dividends paid to minority shareholders	—	(945)
Other, net	(12)	108
<b>Net cash provided by (used in) financing activities</b>	<b>(4,637)</b>	<b>7,274</b>
Effect of exchange rate change on cash and cash equivalents	60	(344)
Net decrease in cash and cash equivalents	(409)	(11,830)
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	—
<b>Cash and cash equivalents at end of period</b>	<b>¥29,973</b>	<b>¥26,875</b>

## Segment Information

### 1. Overview of Reporting Segments

The Company's reporting segments are those for which financial information separate from that of other units comprising the Group can be obtained. These reporting segments are the subject of regular reviews by the board of directors for determining the allocation of management resources and assessment of business results.

The Group regards "Retail business" and "Rent business" as reporting segments from scope of business. The "Retail business" presents stores such as "Don Quijote", "MEGA Don Quijote", "Nagasakiya", "Doit". The "Rent business" operates a tenant invitation in the shopping malls and management.

### 2. Calculation of net sales, profit and loss, and assets, etc.

The same accounting method with which is applied to the consolidated financial statements is applied to segment accounting.

Income of reporting segment and others are calculated based on operating income.

Intersegment sales and transfers calculated based on market value.

### 3. Information related to net sales, profit and loss, and assets, etc. by reporting segment

For the Fiscal Year Ended June 30, 2012

(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	¥519,891	¥15,453	¥535,344	¥4,911	¥540,255	¥—	¥540,255
Intersegment sales	8	3,251	3,259	2,162	5,421	(5,421)	—
Total	519,899	18,704	538,603	7,073	545,676	(5,421)	540,255
Segment income	22,009	5,710	27,719	1,843	29,562	(242)	29,320
Segment Assets	276,114	68,150	344,264	32,513	376,777	(14,126)	362,651
Others (Note 4)							
(1) Depreciation expenses	8,726	1,502	10,228	294	10,522	(48)	10,474
(2) Increase in property, plant and equipment, and intangible assets	¥16,316	¥2,561	¥18,877	¥75	¥18,952	¥1,545	¥20,497

#### Notes

- The other businesses segment includes the services of real estate business, marketing business, cellular phones sales business, financial service business that are not included in other reporting segments.
- The segment adjusted income of ¥ (242) million is an intersegment elimination.  
The segment adjusted assets of ¥ (14,126) million includes ¥26,752 million of companywide assets not allocated to the respective reporting segments, and ¥ (40,878) million of net eliminations for intersegment transaction.
- Segment income is adjusted with operating income.
- Increase in property, plant and equipment, and intangible assets includes long-term prepaid expenses.

For the Fiscal Year Ended June 30, 2011

(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	¥487,875	¥15,669	¥503,544	¥4,117	¥507,661	¥—	¥507,661
Intersegment sales	4	2,601	2,605	1,159	3,764	(3,764)	—
Total	487,879	18,270	506,149	5,276	511,425	(3,764)	507,661
Segment income	19,821	4,485	24,306	1,174	25,480	(144)	25,336
Segment Assets	255,925	66,550	322,475	24,074	346,549	(5,249)	341,300
Others (Note 4)							
(1) Depreciation expenses	8,436	1,382	9,818	157	9,975	(67)	9,908
(2) Increase in property, plant and equipment, and intangible assets	¥19,597	¥18,945	¥38,542	¥231	¥38,773	¥(477)	¥38,296

Notes

1. The other businesses segment includes the services of real estate business, marketing business, cellular phones sales business, financial service business that are not included in other reporting segments.
2. The segment adjusted income of ¥ (144) million is an intersegment elimination.  
The segment adjusted assets of ¥ (5,249) million includes ¥34,318 million of companywide assets not allocated to the respective reporting segments, and ¥ (39,567) million of net eliminations for intersegment transaction.
3. Segment income is adjusted with operating income.
4. Increase in property, plant and equipment, and intangible assets includes long-term prepaid expenses.