

Summary Report of Consolidated Financial Results For the Second Quarter Ended December 31, 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
 Contact: Mitsuo Takahashi, Senior Managing Director (Phone: +81-3-5725-7588)
 URL: http://www.donki.com

(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 2013 (From July 1, 2012 to December 31, 2012)

(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, 2012	289,644	4.6	18,673	8.5	19,075	16.0
Six Months Ended December 31, 2011	276,939	8.4	17,218	21.3	16,451	17.2

(Note) Comprehensive income: 12,040 million yen [2.4%] (FY 2013.6 2Q), 11,754 million yen [71.3%] (FY 2012.6 2Q)

	Net Income	Change (%)	Net Income Per Share (Yen)	Net Income Per Share-fully diluted (Yen)
Six Months Ended December 31, 2012	11,777	△1.3	152.64	152.31
Six Months Ended December 31, 2011	11,935	58.1	154.90	154.56

(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, 2012	394,475	155,674	38.8
Last Fiscal Year	362,651	145,735	39.5

(Reference) Equity: 153,250 million yen (as of December 31, 2012), 143,195 million yen (as of June 30, 2012)

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

(Note) Revision to the dividend forecast in the second quarter of fiscal 2013: None

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)
Year Ending June 30, 2013	562,000	4.0	31,000	5.7	31,000	5.9	20,100	1.3	260.33

(Note) Revision to the business forecast in the second quarter of fiscal 2013: 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: Yes
 - ② Other changes: None
 - ③ Changes in accounting estimates: Yes
 - ④ Restatement: None

(4) Number of outstanding shares (Common stock)

① Number of outstanding shares (Treasury stock included)	December 31, 2012	77,210,180 shares
	June 30, 2012	77,134,880 shares
② Number of treasury stock	December 31, 2012	1,244 shares
	June 30, 2012	1,244 shares
③ Average number of outstanding shares during the period	December 31, 2012	77,154,618 shares
	December 31, 2011	77,051,299 shares

※Implementation Status of Financial Audit

Financial Audit based on Financial Instrument and Exchange Act for the second quarter ended December 31, 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 rates.

Consolidated Quarterly Balance Sheets

	(Millions of yen)	
	As of December 31, 2012	As of June 30, 2012
	Amount	Amount
Assets		
Current assets		
Cash and deposits	¥36,004	¥34,237
Notes and Accounts receivable-trade	6,919	4,889
Purchased receivables	6,855	6,761
Merchandise and finished goods	89,264	83,641
Other	15,092	9,302
Allowance for doubtful accounts	(16)	(14)
Total current assets	154,118	138,816
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	66,939	59,899
Tools, furniture and fixtures, net	11,793	11,522
Land	105,680	97,317
Other, net	711	598
Total property, plant and equipment	185,123	169,336
Intangible assets	10,262	10,266
Investments and other assets		
Investment securities	4,192	3,779
Lease and guarantee deposits	32,718	32,286
Other	10,689	11,290
Allowance for doubtful accounts	(2,627)	(3,122)
Total investments and other assets	44,972	44,233
Total noncurrent assets	240,357	223,835
Total assets	¥394,475	¥362,651

	As of December 31, 2012	(Millions of yen) As of June 30, 2012
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable-trade	¥62,131	¥44,793
Short-term loans payable	14,955	14,866
Current portion of long-term loans payable	11,525	11,121
Current portion of bonds	9,725	23,059
Current portion of convertible bonds	350	—
Income taxes payable	6,435	5,783
Provision for point card certificates	196	179
Provision for loss on disaster	6	193
Other	18,825	20,249
Total current liabilities	124,148	120,243
Noncurrent liabilities		
Bonds payable	63,080	47,470
Convertible bonds	—	350
Long-term loans payable	36,649	36,476
Derivatives liabilities	94	119
Provision for directors' retirement benefits	398	387
Asset retirement obligations	2,506	2,163
Negative goodwill	1,220	1,592
Other	10,706	8,116
Total noncurrent liabilities	114,653	96,673
Total liabilities	238,801	216,916
Net assets		
Shareholders' equity		
Capital stock	19,738	19,664
Capital surplus	22,540	22,466
Retained earnings	114,620	104,463
Treasury stock	(3)	(3)
Total shareholders' equity	156,895	146,590
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(127)	(391)
Foreign currency translation adjustment	(3,518)	(3,004)
Total accumulated other comprehensive income	(3,645)	(3,395)
Minority interests	2,424	2,540
Total net assets	155,674	145,735
Total liabilities and net assets	¥394,475	¥362,651

Consolidated Quarterly Statements of Income

(Millions of yen)

	Six months ended December 31, 2012	Six months ended December 31, 2011
	Amount	Amount
Net sales	¥289,644	¥276,939
Cost of sales	213,458	205,129
Gross profit	76,186	71,810
Selling, general and administrative expenses	57,513	54,592
Operating income	18,673	17,218
Non-operating income		
Interest and dividends income	285	290
Amortization of negative goodwill	371	429
Other	807	670
Total non-operating income	1,463	1,389
Non-operating expenses		
Interest expenses	786	881
Loss on valuation of derivatives	—	310
Provision of allowance for doubtful accounts	45	543
Other	230	422
Total non-operating expenses	1,061	2,156
Ordinary income	19,075	16,451
Extraordinary income		
Marginal gain of repaid corporate reorganization debts	—	1,782
Other	—	416
Total extraordinary income	—	2,198
Extraordinary loss		
Loss on retirement of noncurrent assets	77	98
Loss on closing of stores	42	225
Impairment loss	24	94
Other	24	198
Total extraordinary losses	167	615
Income before income taxes and minority interests	18,908	18,034
Income taxes - Current	6,299	5,748
Income taxes - Deferred	322	(146)
Total income taxes	6,621	5,602
Income before minority interests	12,287	12,432
Minority interests in income	510	497
Net income	¥11,777	¥11,935

Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Six months ended December 31, 2012	Six months ended December 31, 2011
	Amount	Amount
Income before minority interests	¥12,287	¥12,432
Other comprehensive income		
Valuation difference on available-for-sale securities	268	(231)
Foreign currency translation adjustment	(515)	(447)
Total other comprehensive income	(247)	(678)
Comprehensive income	¥12,040	¥11,754
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	¥11,526	¥11,257
Comprehensive income attributable to minority interests	514	497

Consolidated Quarterly Statements of Cash Flows

	(Millions of yen)	
	Six months ended December 31, 2012	Six months ended December 31, 2011
	Amount	Amount
Net cash provided by (used in) operating activities:		
Income before income taxes and minority interests	¥18,908	¥18,034
Depreciation and amortization	5,283	4,914
Impairment loss	24	94
Amortization of negative goodwill	(371)	(429)
Increase (decrease) in provision	(58)	578
Interest and dividends income	(285)	(290)
Interest expenses	786	881
Loss (gain) on valuation of derivatives	(9)	310
Marginal gain of repaid corporate reorganization debts	—	(1,782)
Increase in notes and accounts receivable-trade	(2,158)	(4,665)
Increase in inventories	(5,672)	(11,152)
Increase in notes and accounts payable-trade	17,366	13,952
Other, net	894	3,145
Sub total	34,708	23,590
Interest and dividends income received	196	188
Interest expenses paid	(794)	(818)
Payments for loss on disaster	(168)	(262)
Income taxes paid	(5,617)	(4,333)
Net cash provided by operating activities	28,325	18,365
Net cash provided by (used in) investing activities:		
Payments into time deposits	—	(23,953)
Proceeds from withdrawal of time deposits	5,806	12,822
Purchase of property, plant and equipment	(20,068)	(9,335)
Proceeds from sales property, plant and equipment	343	3
Purchase of intangible assets	(178)	(88)
Payments for lease and guarantee deposits	(954)	(617)
Proceeds from collection of lease and guarantee deposits	218	628
Payment for store opening in progress	(355)	(347)
Proceeds from sales of investment securities	9	191
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(6,360)
Payment for settlement for the derivatives	—	(3,272)
Other, net	(307)	112
Net cash used in investing activities	(15,486)	(30,216)
Net cash provided by (used in) financing activities:		
Net increase in short-term loans payable	89	256
Proceeds from long-term loans payable	8,500	14,500
Repayment of long-term loans payable	(7,924)	(6,771)
Net increase (decrease) in commercial papers	(4)	2,996
Proceeds from issuance of bonds	20,131	12,855
Redemption of bonds	(18,024)	(6,504)
Rehabilitation lien	—	(2,550)
Cash dividends paid	(1,620)	(1,387)
Cash dividends paid to minority shareholders	(630)	—
Other, net	135	56
Net cash provided by financing activities	¥653	¥13,451

(Millions of yen)

	Six months ended	Six months ended
	December 31, 2012	December 31, 2011
	Amount	Amount
Effect of exchange rate change on cash and cash equivalents	¥(100)	¥(168)
Net increase in cash and cash equivalents	13,392	1,432
Cash and cash equivalents at beginning of period	29,973	26,875
Increase in cash and cash equivalents from newly consolidated subsidiary	0	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(0)
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	¥43,365	¥31,814

Segment Information

For the second quarter ended December 31, 2012

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	¥278,988	¥8,154	¥287,142	¥2,502	¥289,644	¥—	¥289,644
Intersegment sales	2	1,338	1,340	1,859	3,199	(3,199)	—
Total	278,990	9,492	288,482	4,361	292,843	(3,199)	289,644
Segment income	¥14,779	¥2,792	¥17,571	¥1,065	¥18,636	¥37	¥18,673

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 ¥ 37 million adjustment to segment income 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

Not applicable

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

1. 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.
2. The ¥(132) million adjustment to segment income is an intersegment elimination.
3. 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.

Notes on the going-concern assumption

Not applicable

Notes on significant changes in the amount of shareholders' equity

Not applicable

Material subsequent events

Not applicable