

Summary Report of Consolidated Financial Results For the Fiscal Year Ended June 30, 2016

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

Don Quijote Holdings Co., Ltd.

Securities Code No.: 7532
 Shares Listed: Tokyo Stock Exchange
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 Representative: Koji Oohara, President and CEO
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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, 2016

(1) Consolidated Results

(Millions of yen, except per-share data)

| | Net Sales | Change (%) | Operating Income | Change (%) | Ordinary Income | Change (%) | Profit Attributable to Owners of Parent | Change (%) |
|---------------------------------|-----------|------------|------------------|------------|-----------------|------------|---|------------|
| Fiscal year ended June 30, 2016 | 759,592 | 11.1 | 43,185 | 10.4 | 43,797 | 9.1 | 24,938 | 7.7 |
| Fiscal year ended June 30, 2015 | 683,981 | 11.7 | 39,103 | 14.0 | 40,160 | 13.2 | 23,148 | 7.8 |

(Note) Comprehensive income: 26,628 million yen [Δ 10.9%] (FY 2016.6), 29,892 million yen [21.3%] (FY 2015.6)

| | 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, 2016 | 157.76 | 157.65 | 11.2 | 8.2 | 5.7 |
| Fiscal year ended June 30, 2015 | 147.09 | 146.63 | 11.6 | 8.6 | 5.7 |

(Reference) Equity in losses of affiliates: $-$ (FY 2016.6), 1 million yen (FY 2015.6)

(Note) On July 1, 2015, we conducted a 2-for-1 common stock split. Net Income Per Share and Net Income Per Share-fully diluted have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.

(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, 2016 | 560,568 | 244,547 | 41.3 | 1,464.31 |
| June 30, 2015 | 505,666 | 221,367 | 42.0 | 1,344.64 |

(Reference) Equity: 231,528 million yen (as of June 30, 2016), 212,341 million yen (as of June 30, 2015)

(Note) On July 1, 2015, we conducted a 2-for-1 common stock split. Net Assets per Share have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.

(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, 2016 | 29,110 | (52,197) | 17,148 | 44,496 |
| Fiscal year ended June 30, 2015 | 42,520 | (52,641) | 16,176 | 51,292 |

2. Dividends

| | Dividend per share (yen) | | | Dividends in total (annual, Millions of yen) | Dividend payout ratio (consolidated basis, %) | Dividends on net assets (consolidated basis, %) |
|--------------------------------------|------------------------------|--------------------|-------|--|---|---|
| | Six Months Ended December 31 | Year Ended June 30 | Total | | | |
| Year Ended June 30, 2015 | 10.00 | 30.00 | 40.00 | 3,156 | 13.6 | 1.6 |
| Year Ended June 30, 2016 | 5.00 | 17.00 | 22.00 | 3,478 | 13.9 | 1.6 |
| Year Ending June 30, 2017 (Forecast) | 5.00 | 18.00 | 23.00 | | — | |

(Note) On July 1, 2015, we conducted a 2-for-1 common stock split. For the fiscal year ended June 30, 2015, the actual amount of dividends before the said stock split is presented.

3. Consolidated Business Forecast : For the year ending June 30, 2017 (From July 1, 2016 to June 30, 2017)

(Millions of yen, except per-share data)

| | Net Sales | Change (%) | Operating Income | Change (%) | Ordinary Income | Change (%) | Profit Attributable to Owners of Parent | Change (%) | Net Income per Share(Yen) |
|-------------------------------------|-----------|------------|------------------|------------|-----------------|------------|---|------------|---------------------------|
| Six Months Ending December 31, 2016 | 415,000 | 7.9 | 26,000 | 1.7 | 26,200 | 1.3 | 14,500 | 1.9 | 91.71 |
| Year Ending June 30, 2017 | 820,000 | 8.0 | 45,000 | 4.2 | 45,500 | 3.9 | 26,800 | 7.5 | 169.50 |

4. Others

- (1) Significant changes in the scope of consolidation: Yes

Newly consolidated: Don Quijote Holdings Retail Management Co., Ltd. Excluded:—

- (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: Yes
- 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 shares included) | June 30, 2016 | 158,118,160 shares |
| | June 30, 2015 | 157,918,960 shares |
| ② Number of treasury shares | June 30, 2016 | 4,633 shares |
| | June 30, 2015 | 2,488 shares |
| ③ Average number of outstanding shares during the period | June 30, 2016 | 158,082,461 shares |
| | June 30, 2015 | 157,371,496 shares |

(Note) On July 1, 2015, we conducted a 2-for-1 common stock split. Number of outstanding shares have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.

- (4) Changes in accounting policies, changes in financial estimates and restatements

(Application of “Accounting Standard for Business Combinations” and other applicable standards)

From the beginning of the fiscal year ended June 30, 2016, Don Quijote Holdings Co., Ltd. has applied the “Accounting standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), and other applicable standards. Accordingly, the Company has applied these accounting standards. As a result, the method of recording the amount of difference caused by changes in equity in subsidiaries which the Company continues to control was changed to record as capital surplus, and the method of recording acquisition-related costs has been changed to recognize as period expenses for the fiscal year in which they are incurred. Furthermore, for business combinations that are carried out on or after July 1, 2015, the accounting method has been changed to an adjusted acquisition cost allocation updated from the tentative accounting treatment and is reflected on the consolidated financial statements of the fiscal year in which the business combination occurs. In addition, the change in the presentation method of net income (loss) and minority interests to non-controlling interests have been applied. To reflect these changes, the consolidated financial statements for the previous fiscal year have been reclassified.

Also from the beginning of the fiscal year ended June 30, 2016, disbursements for acquisitions or proceeds from sales of shares of subsidiaries without change of scope of consolidation have been presented in cash flows from financing activities, and cash out flows from acquisition related costs for acquisitions of shares of subsidiaries with change of scope of consolidation and cash out flows from acquisition or sale related costs for shares of subsidiaries without change of scope of consolidation have been presented in cash flows from operating activities on consolidated statements of cash flows.

Application of the Accounting Standard for Business Combinations and other applicable standards is in line with the transitional measures that are provided in Paragraph 58-2(4) of the Accounting Standard for Business Combinations, Paragraph 44-5(4) of the Accounting Standard for Consolidated Financial Statements, and Paragraph 57-4(4) of the Accounting Standard for Business Divestitures, and is effective from the beginning of the

fiscal year ended June 30, 2016.

The effect of these changes on consolidated financial statements for the fiscal year ended June 30, 2016 is immaterial.

(Application of Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016)

Following the revision to Corporation Tax Act, the Company has applied “Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016” (ASBJ PITF No. 32, June 17, 2016) from the fiscal year ended June 30, 2016, and changed the depreciation method for facilities attached to buildings and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method.

The effect on the consolidated financial statements for the fiscal year ended June 30, 2016 is immaterial.

※ Implementation Status of Financial Audit

This financial summary is not subject to audit under the Financial Instrument and Exchange Act.

Audit procedures for the consolidated financial statements are being conducted at the time of the announcement of this financial summary.

※ Explanation regarding the appropriate use of forecasts of business results

The future business result forecasts included in the financial statements are based on the information available to the company at the time of the announcement and on certain assumptions considered reasonable. Thus, we do not make any representation as to their achievability and undertake any obligation of their updates as a result of new information. Actual results may differ widely from the forecasts for a variety of reasons, including changes in economic environments related to our business, market trends and exchange rates.

Consolidated Balance Sheets

| | (Millions of yen) | |
|--|------------------------|------------------------|
| | As of June 30, 2016 | As of June 30, 2015 |
| | Amount | Amount |
| Assets | | |
| Current assets | | |
| Cash and deposits | ¥42,894 | ¥49,717 |
| Notes and Accounts receivable-trade | 7,720 | 6,820 |
| Purchased receivables | 6,606 | 5,439 |
| Merchandise and finished goods | 117,400 | 94,580 |
| Prepaid expenses | 3,214 | 2,918 |
| Deferred tax assets | 7,210 | 6,644 |
| Other | 10,999 | 9,914 |
| Allowance for doubtful accounts | (66) | (51) |
| Total current assets | 195,977 | 175,981 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 108,114 | 96,021 |
| Tools, furniture and fixtures, net | 16,616 | 14,009 |
| Land | 165,185 | 150,647 |
| Other, net | 238 | 77 |
| Construction in progress | 1,899 | 1,373 |
| Total property, plant and equipment | 292,052 | 262,127 |
| Intangible assets | | |
| Goodwill | 6,852 | 7,409 |
| Other | 10,153 | 10,120 |
| Total intangible assets | 17,005 | 17,529 |
| Investments and other assets | | |
| Investment securities | 5,736 | 6,425 |
| Long-term loans receivable | 864 | 914 |
| Long-term prepaid expenses | 2,754 | 2,202 |
| Deferred tax assets | 3,310 | 2,710 |
| Lease and guarantee deposits | 35,645 | 32,817 |
| Other | 9,022 | 6,716 |
| Allowance for doubtful accounts | (1,797) | (1,755) |
| Total investments and other assets | 55,534 | 50,029 |
| Total non-current assets | 364,591 | 329,685 |
| Total assets | ¥560,568 | ¥505,666 |

| | As of June 30, 2016 Amount | (Millions of yen) As of June 30, 2015 Amount |
|---|----------------------------------|---|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable-trade | ¥70,194 | ¥60,556 |
| Short-term loans payable | 1,680 | 1,921 |
| Current portion of long-term loans payable | 18,557 | 17,937 |
| Current portion of bonds | 12,686 | 18,740 |
| Payables under fluidity lease receivables | 7,147 | 7,040 |
| Accrued expenses | 8,799 | 9,948 |
| Income taxes payable | 5,573 | 8,454 |
| Provision for point card certificates | 1,327 | 938 |
| Other | 22,032 | 19,042 |
| Total current liabilities | 147,995 | 144,576 |
| Non-current liabilities | | |
| Bonds payable | 76,471 | 62,690 |
| Long-term loans payable | 45,082 | 25,156 |
| Long-term payables under fluidity lease receivables | 26,876 | 34,023 |
| Asset retirement obligations | 5,177 | 3,777 |
| Negative goodwill | 439 | 526 |
| Other | 13,981 | 13,551 |
| Total non-current liabilities | 168,026 | 139,723 |
| Total liabilities | 316,021 | 284,299 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 22,382 | 22,227 |
| Capital surplus | 25,215 | 25,030 |
| Retained earnings | 184,205 | 162,428 |
| Treasury shares | (14) | (3) |
| Total shareholders' equity | 231,788 | 209,682 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 12 | 569 |
| Foreign currency translation adjustment | (272) | 2,090 |
| Total accumulated other comprehensive income | (260) | 2,659 |
| Subscription rights to shares | 23 | 13 |
| Non-controlling interests | 12,996 | 9,013 |
| Total net assets | 244,547 | 221,367 |
| Total liabilities and net assets | ¥560,568 | ¥505,666 |

Consolidated Statements of Income

| | (Millions of yen) | |
|--|------------------------------------|------------------------------------|
| | Fiscal year ended June 30, 2016 | Fiscal year ended June 30, 2015 |
| | Amount | Amount |
| Net sales | ¥759,592 | ¥683,981 |
| Cost of sales | 557,699 | 502,240 |
| Gross profit | 201,893 | 181,741 |
| Selling, general and administrative expenses | 158,708 | 142,638 |
| Operating income | 43,185 | 39,103 |
| Non-operating income | | |
| Interest and dividend income | 706 | 639 |
| Amortization of negative goodwill | 86 | 96 |
| Penalty income | 869 | 922 |
| Commission fee | 426 | 406 |
| Other | 1,200 | 1,480 |
| Total non-operating income | 3,287 | 3,543 |
| Non-operating expenses | | |
| Interest expenses paid on loans and bonds | 1,003 | 928 |
| Loss on valuation of derivatives | 563 | 125 |
| Bond issuance cost | 213 | 261 |
| Cost of claim's liquidation | 601 | 675 |
| Other | 295 | 497 |
| Total non-operating expenses | 2,675 | 2,486 |
| Ordinary income | 43,797 | 40,160 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 117 | 2 |
| Gain on bargain purchase | — | 168 |
| Gain on insurance adjustment | — | 138 |
| Other | — | 9 |
| Total extraordinary income | 117 | 317 |
| Extraordinary losses | | |
| Loss on sales of non-current assets | 1 | 368 |
| Impairment loss | 179 | 198 |
| Loss on retirement of non-current assets | 279 | 202 |
| Loss on closing of stores | 1,197 | 404 |
| Other | 145 | 148 |
| Total extraordinary losses | 1,801 | 1,320 |
| Profit before income taxes | 42,113 | 39,157 |
| Income taxes - Current | 13,515 | 14,379 |
| Income taxes - Deferred | (957) | (2,154) |
| Total income taxes | 12,558 | 12,225 |
| Profit | 29,555 | 26,932 |
| Profit attributable to non-controlling interests | 4,617 | 3,784 |
| Profit attributable to owners of parent | ¥24,938 | ¥23,148 |

Consolidated Statements of Comprehensive Income

| | (Millions of yen) | |
|--|------------------------------------|------------------------------------|
| | Fiscal year ended June 30, 2016 | Fiscal year ended June 30, 2015 |
| | Amount | Amount |
| Profit | ¥29,555 | ¥26,932 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (572) | 101 |
| Foreign currency translation adjustment | (2,355) | 2,859 |
| Total other comprehensive income | (2,927) | 2,960 |
| Comprehensive income | ¥26,628 | ¥29,892 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | ¥22,020 | ¥26,099 |
| Comprehensive income attributable to non-controlling interests | 4,608 | 3,793 |

Consolidated statements of changes in net assets

| | (Millions of yen) | |
|---|-------------------|-------------------|
| | Fiscal year ended | Fiscal year ended |
| | June 30, 2016 | June 30, 2015 |
| | Amount | Amount |
| Shareholders' equity | | |
| Capital stock | | |
| Balance at beginning of current period | ¥22,227 | ¥21,366 |
| Changes of items during period | | |
| Issuance of new shares | 155 | 861 |
| Total changes of items during period | 155 | 861 |
| Balance at end of current period | 22,382 | 22,227 |
| Capital surplus | | |
| Balance at beginning of current period | 25,030 | 24,169 |
| Changes of items during period | | |
| Issuance of new shares | 155 | 861 |
| Change in treasury shares of parent arising from transactions with non-controlling shareholders | 30 | — |
| Total changes of items during period | 185 | 861 |
| Balance at end of current period | 25,215 | 25,030 |
| Retained earnings | | |
| Balance at beginning of current period | 162,428 | 142,105 |
| Changes of items during period | | |
| Dividends of surplus | (3,159) | (2,825) |
| Profit attributable to owners of parent | 24,938 | 23,148 |
| Change of scope of equity method | (2) | — |
| Total changes of items during period | 21,777 | 20,323 |
| Balance at end of current period | 184,205 | 162,428 |
| Treasury shares | | |
| Balance at beginning of current period | (3) | (3) |
| Changes of items during period | | |
| Purchase of treasury shares | (11) | — |
| Total changes of items during period | (11) | — |
| Balance at end of current period | (14) | (3) |
| Total shareholders' equity | | |
| Balance at beginning of current period | 209,682 | 187,637 |
| Changes of items during period | | |
| Issuance of new shares | 310 | 1,722 |
| Dividends of surplus | (3,159) | (2,825) |
| Profit attributable to owners of parent | 24,938 | 23,148 |
| Purchase of treasury shares | (11) | — |
| Change of scope of equity method | (2) | — |
| Change in treasury shares of parent arising from transactions with non-controlling shareholders | 30 | — |
| Total changes of items during period | 22,106 | 22,045 |
| Balance at end of current period | ¥231,788 | ¥209,682 |

| | (Millions of yen) | |
|---|------------------------------------|------------------------------------|
| | Fiscal year ended June 30, 2016 | Fiscal year ended June 30, 2015 |
| | Amount | Amount |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | | |
| Balance at beginning of current period | ¥569 | ¥472 |
| Changes of items during period | | |
| Net changes of items other than shareholders' equity | (557) | 97 |
| Total changes of items during period | (557) | 97 |
| Balance at end of current period | 12 | 569 |
| Foreign currency translation adjustment | | |
| Balance at beginning of current period | 2,090 | (764) |
| Changes of items during period | | |
| Net changes of items other than shareholders' equity | (2,362) | 2,854 |
| Total changes of items during period | (2,362) | 2,854 |
| Balance at end of current period | (272) | 2,090 |
| Total accumulated other comprehensive income | | |
| Balance at beginning of current period | 2,659 | (292) |
| Changes of items during period | | |
| Net changes of items other than shareholders' equity | (2,919) | 2,951 |
| Total changes of items during period | (2,919) | 2,951 |
| Balance at end of current period | (260) | 2,659 |
| Subscription rights to shares | | |
| Balance at beginning of current period | 13 | — |
| Changes of items during period | | |
| Net changes of items other than shareholders' equity | 10 | 13 |
| Total changes of items during period | 10 | 13 |
| Balance at end of current period | 23 | 13 |
| Non-controlling interests | | |
| Balance at beginning of current period | 9,013 | 5,819 |
| Changes of items during period | | |
| Net changes of items other than shareholders' equity | 3,983 | 3,194 |
| Total changes of items during period | 3,983 | 3,194 |
| Balance at end of current period | 12,996 | 9,013 |
| Total net assets | | |
| Balance at beginning of current period | 221,367 | 193,164 |
| Changes of items during period | | |
| Issuance of new shares | 310 | 1,722 |
| Dividends of surplus | (3,159) | (2,825) |
| Profit attributable to owners of parent | 24,938 | 23,148 |
| Purchase of treasury shares | (11) | — |
| Change of scope of equity method | (2) | — |
| Change in treasury shares of parent arising from transactions with non-controlling shareholders | 30 | — |
| Net changes of items other than shareholders' equity | 1,074 | 6,158 |
| Total changes of items during period | 23,180 | 28,203 |
| Balance at end of current period | ¥244,547 | ¥221,367 |

Consolidated Statements of Cash Flows

| | (Millions of yen) | |
|--|------------------------------------|------------------------------------|
| | Fiscal year ended June 30, 2016 | Fiscal year ended June 30, 2015 |
| | Amount | Amount |
| Cash flows from operating activities: | | |
| Profit before income taxes | ¥42,113 | ¥39,157 |
| Depreciation and amortization | 15,092 | 13,003 |
| Impairment loss | 179 | 198 |
| Amortization of negative goodwill | (86) | (96) |
| Gain on bargain purchase | — | (168) |
| Increase (decrease) in allowance for doubtful accounts | 60 | (2) |
| Decrease in provision for directors' retirement benefits | — | (360) |
| Interest and dividend income | (706) | (639) |
| Interest expenses paid on loans and bonds | 1,003 | 928 |
| Loss on sales and retirement of property, plant and equipment | 163 | 567 |
| Loss on store closings | 1,197 | 599 |
| Offset payments for house rental fee with lease and guarantee deposits | 1,457 | 1,279 |
| Increase in notes and accounts receivable-trade | (2,264) | (93) |
| Increase in inventories | (23,022) | (4,519) |
| Increase in notes and accounts payable-trade | 9,745 | 4,600 |
| Decrease in other current assets | 3 | 517 |
| Increase (decrease) in other current liabilities | (8) | 1,466 |
| Decrease in other non-current liabilities | (11) | (134) |
| Other, net | 842 | 1,704 |
| Subtotal | 45,757 | 58,007 |
| Interest and dividend income received | 500 | 456 |
| Interest expenses paid | (1,005) | (892) |
| Income taxes paid | (17,772) | (15,499) |
| Income taxes refund | 1,630 | 557 |
| Surcharge paid | — | (109) |
| Net cash provided by operating activities | 29,110 | 42,520 |
| Cash flows from investing activities: | | |
| Payments into time deposits | (89) | (50) |
| Proceeds from withdrawal of time deposits | 389 | 891 |
| Purchase of property, plant and equipment | (43,736) | (46,633) |
| Proceeds from sales of property, plant and equipment | 1,144 | 252 |
| Purchase of intangible assets | (465) | (779) |
| Payments for lease and guarantee deposits | (4,492) | (4,791) |
| Proceeds from collection of lease and guarantee deposits | 170 | 2,264 |
| Payment for store opening in progress | (3,341) | (1,417) |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | — | (1,581) |
| Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation | — | 713 |
| Payments of loans receivable | (1,685) | (231) |
| Other, net | (92) | (1,279) |
| Net cash used in investing activities | ¥(52,197) | ¥(52,641) |

| | (Millions of yen) | |
|---|------------------------------------|------------------------------------|
| | Fiscal year ended June 30, 2016 | Fiscal year ended June 30, 2015 |
| | Amount | Amount |
| Cash flows from financing activities: | | |
| Net decrease in short-term loans payable | ¥(110) | ¥(384) |
| Proceeds from long-term loans payable | 38,934 | 13,414 |
| Repayments of long-term loans payable | (18,019) | (25,932) |
| Proceeds from issuance of bonds | 26,680 | 37,836 |
| Redemption of bonds | (19,173) | (7,110) |
| Proceeds from fluidity of lease receivables | — | 7,461 |
| Repayments of payables under fluidity lease receivables | (7,621) | (7,349) |
| Proceeds from issuance of common shares | 310 | 1,722 |
| Cash dividends paid | (3,159) | (2,825) |
| Cash dividends paid to non-controlling interests | (646) | (602) |
| Other, net | (48) | (55) |
| Net cash provided by financing activities | 17,148 | 16,176 |
| Effect of exchange rate change on cash and cash equivalents | (825) | 1,132 |
| Net increase (decrease) in cash and cash equivalents | (6,764) | 7,187 |
| Cash and cash equivalents at beginning of period | 51,292 | 44,105 |
| Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation | (32) | — |
| Cash and cash equivalents at end of period | ¥44,496 | ¥51,292 |

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, 2016

(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 | ¥733,333 | ¥19,781 | ¥753,114 | ¥6,478 | ¥759,592 | ¥— | ¥759,592 |
| Intersegment sales | 16 | 18,026 | 18,042 | 8,486 | 26,528 | (26,528) | — |
| Total | 733,349 | 37,807 | 771,156 | 14,964 | 786,120 | (26,528) | 759,592 |
| Segment income | 22,746 | 14,159 | 36,905 | 6,733 | 43,638 | (453) | 43,185 |
| Segment Assets | 342,763 | 211,166 | 553,929 | 61,752 | 615,681 | (55,113) | 560,568 |
| Others (Note 4) | | | | | | | |
| (1) Depreciation expenses | 9,956 | 4,551 | 14,507 | 351 | 14,858 | 234 | 15,092 |
| (2) Increase in property, plant and equipment, and intangible assets | ¥22,519 | ¥28,668 | ¥51,187 | ¥424 | ¥51,611 | ¥(5,785) | ¥45,826 |

Notes

- The other businesses segment includes the services of real estate business, marketing business and financial service business that are not included in other reporting segments.
- The ¥(453) million adjustment to segment income is an intersegment elimination.
The ¥(55,113) million adjustment to segment assets includes ¥43,548 million of companywide assets not allocated to the respective reporting segments, and ¥ (98,661) million of net eliminations for intersegment transaction.
- Segment income is adjusted to the consolidated operating income.
- Increase in property, plant and equipment, and intangible assets includes long-term prepaid expenses.

For the Fiscal Year Ended June 30, 2015

(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 | ¥659,931 | ¥18,200 | ¥678,131 | ¥5,850 | ¥683,981 | ¥— | ¥683,981 |
| Intersegment sales | 3 | 15,796 | 15,799 | 6,308 | 22,107 | (22,107) | — |
| Total | 659,934 | 33,996 | 693,930 | 12,158 | 706,088 | (22,107) | 683,981 |
| Segment income | 21,417 | 12,714 | 34,131 | 5,372 | 39,503 | (400) | 39,103 |
| Segment Assets | 293,398 | 178,867 | 472,265 | 56,759 | 529,024 | (23,358) | 505,666 |
| Others (Note 4) | | | | | | | |
| (1) Depreciation expenses | 8,357 | 3,948 | 12,305 | 339 | 12,644 | 359 | 13,003 |
| (2) Increase in property, plant and equipment, and intangible assets | ¥21,775 | ¥26,445 | ¥48,220 | ¥55 | ¥48,275 | ¥(259) | ¥48,016 |

Notes

- The other businesses segment includes the services of real estate business, marketing business and financial service business that are not included in other reporting segments.
- The ¥(400) million adjustment to segment income is an intersegment elimination.
The ¥(23,358) million adjustment to segment assets includes ¥60,077 million of companywide assets not allocated to the respective reporting segments, and ¥ (83,435) million of net eliminations for intersegment transaction.
- Segment income is adjusted to the consolidated operating income.
- Increase in property, plant and equipment, and intangible assets includes long-term prepaid expenses.