

# Notice Regarding the Revision of Forecasted Business Results and Increase in Forecasted Year-End Dividends

May 18, 2010

**Don Quijote Co., Ltd.**

Securities Code No.: 7532  
 Shares Listed: Tokyo Stock Exchange  
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Don Quijote Co., Ltd. (the "Company") has revised its forecasts regarding its business results and year-end dividends in respect of the fiscal year ending June 30, 2010 (July 1, 2009 to June 30, 2010) which were announced on February 5, 2010 and May 7, 2010. The revised forecasts are as follows:

**1. Revision of Forecasted Business Results in Respect of the Fiscal Year Ending June 30, 2010 (July 1, 2009 to June 30, 2010)**

**(1) Revision of Forecasted Consolidated Business Results**

(JPY million)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (JPY)
<b>Previous Forecast (A)</b>	497,000	19,500	19,200	10,800	155.19
<b>Revised Forecast (B)</b>	497,000	21,000	20,800	11,600	161.06
<b>Amount of Increase (B – A)</b>	0	1,500	1,600	800	–
<b>Percentage Increase (%)</b>	0.0%	7.7%	8.3%	7.4%	–
<b>Actual Amount in the Previous Fiscal Year (Year Ended June 30, 2009)</b>	480,856	17,172	15,989	8,554	123.69

**(2) Reason for Revision of Forecasted Consolidated Business Results**

The revision of forecasted consolidated business results in respect of the year ending June 30, 2010 is made in conjunction with item 2. below ("Revision of (Increase in) Forecasted Year-End Dividends in Respect of the Fiscal Year Ending June 30, 2010") taking into account the business results in respect of the first three quarters of the fiscal year and the month of April (July 1, 2009 to April 30, 2010).

The consumption environment in this fiscal year (July 1, 2009 to June 30, 2010) continues to be adverse, with customers tending to reduce spending and the economy showing deflationary trends. However, due to the efforts of the Don Quijote group (the "Group") to lower its cost ratio leveraging on its unique product procurement abilities, as well as the restructuring of its group businesses and the further revision of its products categories focused upon the customers' potential spending trends, the Group's gross profit margin has been on a steady increasing trend, and profits are currently at levels that surpass the previous forecast (an upward revision of the forecast having been published on February 5, 2010 and re-published on May 7, 2010).

In light of the above, the Company is revising its forecasted business results in respect of the fiscal year ending June 30, 2010 as set out above, with forecasted operating income at JPY21.0 billion (7.7% increase on the previous forecast), ordinary income at JPY20.8 billion (8.3% increase on the previous forecast) and net income at JPY11.6 billion (7.4% increase on the previous forecast).

The forecasted net income per share has been calculated by dividing the forecasted net income by the period-end number of shares in issue.

**2. Revision of (Increase in) Forecasted Year-End Dividends in Respect of the Fiscal Year Ending June 30, 2010**

**(1) Revision of Forecasted Dividends**

(JPY)

Record Date	Dividends per Share		
	As of the End of the Second Quarter	As of the End of the Fiscal Year	On an Annual Basis
Previous Forecast (Published on May 7, 2010)	10.00	13.00	23.00
<b>Revised Forecast</b>	–	15.00	25.00
Payment Made Within this Fiscal Year	10.00	–	–
Payment Made in the Previous Fiscal Year (Year Ended June 30, 2009)	10.00	13.00	23.00

**(2) Reason for Revision of Forecasted Dividends**

The Company's basic policy regarding dividends is to aim to deliver stable returns to shareholders and meeting the expectations of shareholders and investors, through enhancing corporate value by solidifying its management base as well as implementing business reforms and striving to improve its financial strength, based upon the active development of its business.

With regard to the year-end dividends in respect of the fiscal year ending June 30, 2010, as the forecasted business results for the fiscal year exceeds the previously forecasted results, the Company has revised its forecasted dividends per share from the previously forecasted JPY13 per share to JPY15 per share, an increase of JPY2 per share. Together with the dividends of JPY10 per share paid in respect of the end of the second quarter of the fiscal year, the forecasted dividends per share in respect of the whole fiscal year has therefore been revised to JPY25 per share.

This matter is expected to be raised at the annual general meeting of the shareholders of the Company towards the end of September 2010.

**Note:** The forecasts set out in this release are based upon information available to the Company as of the date of this release, and actual results may differ from forecasted results due to a variety of factors. The announcement of the Company's results in respect of this fiscal year (the year ending June 30, 2010) is currently expected to be made on August 18, 2010.