

The publication of this English translation of the original Japanese news release issued on June 11, 2010 was delayed for reasons related to U.S. securities laws

Notice Regarding the Offering of Shares of Treasury Stock in the International Market

June 11, 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, at a meeting of the Board of Directors held on 11 June 2010, resolved to sell certain shares of common stock of the Company (shares of common stock of the Company being referred to herein as the "Shares") held by the Company as treasury stock as follows.

1. Reason for the Sale of Shares of Treasury Stock

The Company is aiming to improve the distribution and liquidity of the Shares by the sale of its Shares held as treasury stock, and through such measure the Company is continuing to strive to further improve the Company's corporate value.

2. Details of the Shares of Treasury Stock being Offered in the International Market (through the Underwriter)

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| (1) | Type and Number of Securities Being Sold | 2,422,500 Shares of common stock of the Company. |
| (2) | Method of Determination of the Amount Being Paid In | The amount to be paid per Share of treasury stock being sold by the Company (the "Issue Price") will be determined on a date (the "Determination Date") falling between June 11, 2010 and June 14, 2010 (both inclusive) in accordance with the book-building method similar to the method stated in Article 25 of the Regulations concerning Underwriting of Securities, etc. established by the Japan Securities Dealers Association ("JSDA"). |
| (3) | Amount by Which Stated Capital and Additional Paid-in Capital is to be Increased | The amount by which the stated capital is to be increased will be one-half of the maximum increased amount of stated capital, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Company Accounting Ordinance, with any fraction of less than one yen resulting from the calculation being rounded up to the nearest yen. The amount by which the additional paid-in capital is to be increased will be the amount obtained by subtracting the amount by which stated capital is to be increased above from the relevant maximum increased amount of stated capital. |

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- (4) Method of Offering The offering (the “International Offering”) will be made outside Japan (but not in the United States and Canada) and mainly in Europe, and the aggregate number of Shares of treasury stock being sold by the Company will be purchased and underwritten by Deutsche Bank AG, London Branch (the “Underwriter”).
- The offer price in respect of the Shares will be determined on the Determination Date based on the preliminary pricing terms calculated by multiplying the closing price of the Company’s Shares on the First Section of the Tokyo Stock Exchange, Inc. on the Determination Date (or, if no closing price is quoted on the Determination Date, the closing price of the immediately preceding date) by 0.90-1.00 (any fraction of less than one yen that results from such calculation being rounded down) in accordance with the book-building method similar to the method stated in Article 25 of the Regulations concerning Underwriting of Securities, etc. established by the JSDA, taking into account market demand and other conditions.
- (5) Underwriter’s Consideration The Company will not pay any underwriting fees to the Underwriter. The Underwriter will underwrite the Shares of treasury stock being sold by the Company at the Issue Price specified in (2) above and in place of underwriting fees the Underwriter will receive the aggregate amount of the difference between (a) the offer price specified in (4) above and (b) the Issue Price.
- (6) Subscription Period The Subscription period will be from the Determination Date to 8 o’clock in the morning (JST) on the next business day after the Determination Date
- (7) Payment Date The payment date will be June 28, 2010.
- (8) Subscription Unit 100 Shares
- (9) The Issue Price, the amount by which the stated capital and additional paid-in capital is to be increased, the offer price and any other matters necessary for the International Offering will be determined at the discretion of any Representative Director or any person appointed by the Representative Director.
Stabilisation will not be conducted on this transaction.

3. Change in the Number of Share of Treasury Stock Held by the Company as a Result of this Sale

Current Number of Shares Held by the Company as Treasury Stock:	2,422,973 Shares	(As of May 31, 2010)
Number of Shares of Treasury Stock being Sold:	2,422,500 Shares	
Number of Shares Held by the Company as Treasury Stock Following the Sale:	473 Shares	

4. Use of Proceeds

- (1) Use of Proceeds
The Company intends to apply the net proceeds of the sale of the Shares of treasury stock,

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amounting to approximately JPY6 billion, principally for the repayment of debt in June 2010 (JPY9 billion) that had been borrowed in respect of capital expenditure and towards operating capital.

- (2) Change in the Use of Proceeds in respect of Amounts Raised Previously
Not applicable.
- (3) Estimated Impact on Business Results
The Company believes that such sale of Shares of treasury stock will improve and strengthen the Company's financial position and will contribute to the Company's medium- to long-term growth and to the improvement of the Company's profitability.

5. Profit Distribution to Shareholders

- (1) Basic Policy Concerning Profit Distribution
The Don Quijote group (the "Group") considers returning profits to shareholders to be one of the most important management objectives. The Group's basic policy is therefore 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.
The Group also believes that it is important to offer flexible dividends based upon its management results. The Company aims to offer returns of profits to its shareholders taking into consideration all such factors as are mentioned above.
- (2) Considerations When Determining Dividends
As specified in "(1) Basic Policy Concerning Profit Distribution" above.
- (3) Use of Retained Earnings
The Company intends to apply retained earnings towards investments in capital expenditure, with a view to further increasing corporate value and strengthening and reinforcing the Company's management base.

(4) Dividends for the Last Three Years

	Year Ended June 30, 2007	Year Ended June 30, 2008	Year Ended June 30, 2009
Consolidated Net Income per Share (yen)	148.89	130.78	123.69
Annual Dividends per Share (yen) (Interim Dividends per Share Included Within such Annual Dividends per Share (yen))	20.00 (10.00)	22.00 (10.00)	23.00 (10.00)
Consolidated Actual Dividend Payout Ratio	13.4%	16.8%	18.6%
Consolidated Return on Equity	13.7%	11.3%	10.0%
Consolidated Ratio of Dividends to Equity	1.7%	1.8%	1.8%

- Notes:
- 1. Consolidated net income per share is calculated based on the average number of shares (after deducting treasury stock) during the fiscal year.
 - 2. The consolidated return on equity is a fraction, the numerator of which is the consolidated net income, and the denominator of which is the shareholders' equity (the average amount of (a) the consolidated net assets after deducting minority interests at the beginning of the relevant fiscal year and (b) the consolidated net assets after deducting minority interests at the end of the relevant fiscal year).
 - 3. The consolidated ratio of dividends to equity is a fraction, the numerator of which is the annual

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dividends per share, and the denominator of which is the consolidated net assets per share at the end of the relevant fiscal year.

6. Other Matters

- (1) Designation of Party to Receive Allocation
Not Applicable.

- (2) Information on Dilutive Shares

The Company has issued the following convertible bonds (bonds with stock acquisition rights) pursuant to the provisions of the former Commercial Code of Japan. The outstanding amount and other information of such convertible bonds (bonds with stock acquisition rights) as of December 31, 2009 are as follows:

Euroyen Convertible Bonds Due 2011

Outstanding Amount	Issue Date	Final Redemption Date	Conversion Price (Note)	Amount of Stated Capital to be Increased (Note)
JPY8,625 million	January 26, 2002	January 26, 2011	JPY1,821	JPY911

Note: The conversion price and the amount of stated capital to be increased are the issue price and the amount of stated capital to be increased per share, respectively, in the case where new shares are issued upon conversion.

The Company has issued the following convertible bonds (bonds with stock acquisition rights) pursuant to the provisions of the Company Law of Japan. The outstanding amount and other information of such convertible bonds (bonds with stock acquisition rights) as of December 31, 2009 are as follows:

Euroyen Convertible Bonds Due 2013 (with Contingent Conversion Provisions)

Outstanding Amount	Issue Date	Final Redemption Date	Conversion Price (Note)	Amount of Stated Capital to be Increased (Note)
JPY350 million	July 24, 2006	July 24, 2013	JPY3,571	JPY1,786

Note: The conversion price and the amount of stated capital to be increased are the issue price and the amount of stated capital to be increased per share, respectively, in the case where new shares are issued upon conversion.

In addition, pursuant to the provisions of the former Commercial Code of Japan, the Company granted stock acquisition rights to directors, executive officers and a number of employees of the Company as well as a number of directors of domestic and overseas affiliates of the Company. The number of shares to be issued or transferred upon exercise of the stock acquisition rights and other information on such stock acquisition rights as of December 31, 2009 are as follows:

Date of Resolution at the Shareholders' Meeting	Shares to be Issued or Transferred upon Exercise of the Stock Acquisition Rights	Amount to be Paid Upon Exercise of the Stock Acquisition Rights (Note)	Amount of Stated Capital to be Increased (Note)	Exercise Period
September 28, 2004	996,900 Shares	JPY1,970	JPY985	October 2, 2006 – October 1, 2016
September 29, 2005	1,665,330 Shares	JPY3,134	JPY1,567	October 2, 2007 – October 1, 2017

Note: The amount to be paid upon exercise of the stock acquisition rights and the amount of stated capital to be increased are the amount to be paid per share and the amount of stated capital to be increased per share, respectively, in the case where new shares are issued upon exercise of stock acquisition rights.

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Please note that no further dilution will occur by virtue of the Shares of treasury stock being sold pursuant to the International Offering.

(3) Equity Finance in the Last Three Years

(i) Equity Finance
Not Applicable.

(ii) Stock Prices for the Last Three Fiscal Years and Most Recently

(In yen)

	Year Ended June 30, 2007	Year Ended June 30, 2008	Year Ended June 30, 2009	Year Ending June 30, 2010
Opening	2,630	2,470	1,917	1,848
High	2,735	2,605	2,215	2,628
Low	1,950	1,391	1,036	1,811
Closing	2,470	1,943	1,853	2,374

Note: The stock prices for the fiscal year ending June 30, 2010 above are the prices up to June 10, 2010.

(4) Lock-up

(i) The Company has agreed with the Underwriter not to issue any Shares of the Company or any securities convertible into or exchangeable for Shares of the Company, or take certain other actions similar thereto, for a period beginning on the Determination Date set out in paragraph 2.(2) above and ending on the date 180 calendar days after the payment date referred to in paragraph 2.(7) above without the prior written consent of the Underwriter mentioned in 2.(4) above (except for (a) the sale of Shares by the Company in the International Offering, (b) the issue or transfer by the Company of Shares upon the exercise of any warrants to subscribe for shares, share subscription rights or stock acquisition rights (including any bonds with stock acquisition rights) outstanding as of the Determination Date, (c) the grant of stock options, stock acquisition rights or warrants to officers and employees of the Company, or officers and employees of any of its subsidiaries and affiliates pursuant to its or their stock option plans, (d) the redemption of any securities convertible into Shares in accordance with the Company's option contained therein, (e) the sale of Shares by the Company to any holder of Shares constituting less than one unit for the purpose of making such holder's holding, when added to the Shares held by such holder, constitute one full unit of Shares, and (f) any other issue or sale of Shares required by applicable Japanese laws and regulations). The Underwriter has the authority to at its own discretion, partially or fully remove the lock-up restriction or to reduce the length of the lock-up period above.

(ii) Mr Takao Yasuda, a major shareholder of the Company, has agreed with the Underwriter not to, in principle, transfer or otherwise dispose of the Shares of the Company held by him for the period ending on the date 180 calendar days after the payment date referred to in paragraph 2.(7) above, without the prior written consent of the Underwriter. The Underwriter has the authority to at its own discretion, partially or fully remove the lock-up restriction or to reduce the length of the lock-up period above.

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