

Summary Report of Consolidated Financial Results

For the First Quarter Ended September 30, 2009

(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 first quarter of fiscal 2010 (From July 1, 2009 to September 30, 2009)

(1) Results of Business Operations

(Millions of yen, except per-share data)

	Net Sales	Change (%)	Operating Income	Change (%)	Ordinary Income	Change (%)
Three Months Ended September 30, 2009	123,583	3.0	5,178	13.6	4,855	4.9
Three Months Ended September 30, 2008	119,928	—	4,560	—	4,630	—

	Net Income	Change (%)	Net Income Per Share (Yen)	Net Income Per Share-fully diluted (Yen)
Three Months Ended September 30, 2009	3,568	60.0	51.56	48.12
Three Months Ended September 30, 2008	2,230	—	32.28	30.12

(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 September 30, 2009	295,804	92,826	31.0	1,321.87
Last Fiscal Year	297,527	89,972	29.9	1,284.15

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, 2009	—	10.00	—	13.00	23.00
Year Ending June 30, 2010	—	—	—	—	—
Year Ending June 30, 2010 (Forecast)	—	10.00	—	13.00	23.00

(Note) Revision to the dividend forecast in the first quarter of fiscal 2010: None

3. Consolidated Business Forecast : For the year ending June 30, 2010 (From July 1, 2009 to June 30, 2010)

(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, 2009	250,000	2.4	9,200	10.9	8,500	33.2	4,600	122.4	66.39
Year Ending June 30, 2010	497,000	3.4	18,000	4.8	17,800	11.3	10,000	16.9	144.33

(Notes) Revision to the business forecast in the first quarter of fiscal 2010: Yes

4. Others

(1) Significant changes in subsidiaries (Changes in subsidiaries resulting in changes in the scope of consolidation): No

(2) Simplified accounting methods and special accounting methods for preparation of the quarterly consolidated financial statements: Yes

① Calculation of provision for doubtful accounts

Credit loss ratio of the previous fiscal year end was used to calculate the provision for bad debts for the current first quarter.

② Method for assessing the value of inventories

Inventories at the end of the first quarter are mainly calculated using a reasonable method based on book value, no physical inventory count is taken. In addition, the carrying amount of inventories is reduced to estimated net selling value only where there is an obvious decrease in profitability.

③ Calculation of depreciation expenses for fixed assets

For fixed assets where depreciation is calculated by declining-balance method, the annual depreciation is proportionately allocated to each quarter.

④ Computation method for income taxes, deferred tax assets and deferred tax liabilities

The recoverability of deferred tax assets was assessed based on the projections of future performance and tax planning that were used in the prior fiscal year but also by taking into account the effects of significant changes if such significant changes were recognized in the business environment or in the circumstances where temporary differences occur during the period from the end of the prior fiscal year to September 30, 2009.

(3) Changes in accounting policies concerning preparation of quarterly consolidated financial statements

① Changes in line with revision to accounting standards: None

② Other changes: None

(4) Number of outstanding shares (Common stock)

① Number of outstanding shares (Treasury stock included)	September 30, 2009	72,022,209 shares
	June 30, 2009	72,022,209 shares
② Number of treasury stock	September 30, 2009	2,735,370 shares
	June 30, 2009	2,840,970 shares
③ Average number of outstanding shares during the period	September 30, 2009	69,199,771 shares
	September 30, 2008	69,094,578 shares

※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 of currently available information. By nature, such financial forecasts are subject to uncertainty and risk. Therefore, you are advised that the final results might be significantly different from the aforementioned forecasts due to changes in economic environments related to our business, market trends and exchange rate, etc.

Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2009	As of June 30, 2009
	Amount	Amount
Assets		
Current assets		
Cash and deposits	¥43,141	¥42,563
Notes and Accounts receivable-trade	4,096	4,612
Merchandise and finished goods	68,564	70,651
Other	6,415	6,150
Allowance for doubtful accounts	(164)	(174)
Total current assets	<u>122,052</u>	<u>123,802</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	50,019	49,923
Tools, furniture and fixtures, net	9,029	8,789
Land	54,915	55,028
Other, net	486	638
Total property, plant and equipment	<u>114,449</u>	<u>114,378</u>
Intangible assets	<u>2,870</u>	<u>2,960</u>
Investments and other assets		
Investment securities	11,940	12,055
Lease and guarantee deposits	36,404	36,846
Other	10,860	10,252
Allowance for doubtful accounts	(2,771)	(2,766)
Total investments and other assets	<u>56,433</u>	<u>56,387</u>
Total noncurrent assets	<u>173,752</u>	<u>173,725</u>
Total assets	<u>¥295,804</u>	<u>¥297,527</u>

	(Millions of yen)	
	As of September 30, 2009	As of June 30, 2009
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable-trade	¥40,063	¥41,062
Short-term loans-payable	21,306	11,000
Current portion of long-term loans payable	9,987	9,696
Current portion of bonds	9,695	9,695
Current portion of convertible bonds	—	20,171
Commercial papers	9,496	—
Income taxes payable	2,044	3,354
Provision for point card certificates	428	386
Other provision	105	52
Other	14,693	15,467
Total current liabilities	107,817	110,883
Noncurrent liabilities		
Bonds payable	51,840	53,253
Convertible bonds	9,335	9,335
Long-term loans payable	14,014	13,575
Derivatives liabilities	2,630	2,233
Provision for retirement benefits	366	472
Provision for director's retirement benefits	163	162
Negative goodwill	3,949	4,163
Other	12,864	13,479
Total noncurrent liabilities	95,161	96,672
Total liabilities	202,978	207,555
Net assets		
Shareholders' equity		
Capital stock	14,977	14,977
Capital surplus	16,313	16,289
Retained earnings	68,529	65,806
Treasury stock	(4,791)	(4,976)
Total shareholders' equity	95,028	92,096
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(1,767)	(1,856)
Foreign currency translation adjustment	(1,673)	(1,401)
Total valuation and translation adjustments	(3,440)	(3,257)
Subscription rights to shares	1	1
Minority interests	1,237	1,132
Total net assets	92,826	89,972
Total liabilities and net assets	¥295,804	¥297,527

Consolidated Statements of Income

(Millions of yen)

	Three months ended September 30, 2009	Three months ended September 30, 2008
	Amount	Amount
Net sales	¥123,583	¥119,928
Cost of sales	92,726	87,413
Gross profit	30,857	32,515
Selling, general and administrative expenses	25,679	27,955
Operating income	5,178	4,560
Non-operating income		
Interest and dividends income	153	145
Amortization of negative goodwill	214	227
Other	211	157
Total non-operating income	578	529
Non-operating expenses		
Interest expense	341	348
Loss on valuation of derivatives	397	—
Other	163	111
Total non-operating expenses	901	459
Ordinary income	4,855	4,630
Extraordinary income		
Gain on sales of noncurrent assets	380	63
Reversal of provision for point card certificates	—	41
Gain on redemption of convertible bonds	221	—
Other	69	45
Total extraordinary income	670	149
Extraordinary losses		
Loss on retirement of noncurrent assets	93	—
Loss on valuation of investment securities	30	596
Loss on closing of stores	72	355
Other	77	323
Total extraordinary losses	272	1,274
Income before income taxes and minority interests	5,253	3,505
Income taxes - Current	1,777	1,603
Income taxes - Deferred	(197)	(389)
Total income taxes	1,580	1,214
Minority interests in income	105	61
Net income	¥3,568	¥2,230

Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended September 30, 2009	Three months ended September 30, 2008
	Amount	Amount
Net cash provided by operating activities:		
Income before income taxes and minority interests	¥5,253	¥3,505
Depreciation and amortization	2,058	1,948
Amortization of negative goodwill	(214)	(227)
Increase (decrease) in provision	(94)	328
Interest and dividend income	(153)	(145)
Interest expenses	341	348
Loss on valuation of derivatives	397	—
Gain on sale noncurrent assets	(380)	—
Gain on redemption of convertible bonds	(221)	—
Loss on valuation of investment securities	30	596
Decrease in notes and accounts receivable-trade	516	259
Decrease in inventories	2,049	154
Increase (decrease) in notes and accounts payable-trade	(977)	1,047
Other, net	(595)	(454)
Sub total	8,010	7,359
Interest and dividends income received	108	71
Interest expenses paid	(560)	(537)
Income taxes paid	(3,084)	(2,293)
Net cash provided by operating activities	4,474	4,600
Net cash used in investing activities:		
Payments into time deposits	(1,160)	—
Proceeds from withdrawal of time deposits	22	—
Purchase of property and equipment	(3,066)	(2,198)
Proceeds from sales of property, plant and equipment	1,166	227
Payments for lease and guarantee deposits	(180)	(689)
Proceeds from collection of lease and guarantee deposits	338	396
Purchase of investment securities	(13)	(3,667)
Proceeds from sales of investment securities	6	387
Purchase of stocks of subsidiaries and affiliates	—	(648)
Other, net	(582)	(829)
Net cash used in investing activities	(3,469)	(7,021)
Net cash used in financing activities:		
Net increase in short-term loans payable	10,306	350
Proceeds from long-term loans payable	3,400	—
Repayment of long-term loans payable	(2,670)	(2,094)
Net increase in commercial papers	9,488	—
Proceeds from issuance of bonds	3,000	4,000
Redemption of bonds	(4,413)	(2,810)
Redemption of convertible bonds	(19,950)	—
Cash dividends paid	(899)	(829)
Other, net	157	(46)
Net cash used in financing activities	(1,581)	(1,429)
Effect of exchange rate change on cash and cash equivalents	(54)	108
Net decrease in cash and cash equivalents	(630)	(3,742)
Cash and cash equivalents at beginning of period	42,040	38,086
Increase in cash and cash equivalents resulting from merger between consolidated and unconsolidated subsidiaries	62	—
Cash and cash equivalents at end of period	¥41,472	¥34,344

Segment Information

For the first quarter ended September 30, 2009

a. Operating segment information

For the first quarter ended September 30, 2009

(Millions of yen)

	Discount Store business	GMS business	Rent business	Others	Total	Corporate eliminations	Consolidated
Sales, Operating income (loss)							
Sales							
Sales to third parties	¥102,530	¥16,483	¥4,136	¥434	¥123,583	¥-	¥123,583
Intersegment sales	131	3	631	237	1,002	(1,002)	-
Total	102,661	16,486	4,767	671	124,585	(1,002)	123,583
Operating income (loss)	¥4,322	¥(125)	¥1,047	¥83	¥5,327	¥(149)	¥5,178

b. Geographic segment information

For the first quarter ended September 30, 2009, net sales in Japan accounted for more than 90% of those of all the segments. Consequently, details of each geographic segment information are not presented.

c. Sales outside Japan

For the first quarter ended September 30, 2009, sales outside of Japan amounted less than 10% of the consolidated net sales, and therefore the information is not presented.

For the first quarter ended September 30, 2008

a. Operating segment information

For the first quarter ended September 30, 2008

(Millions of yen)

	Discount Store business	GMS business	Rent business	Others	Total	Corporate eliminations	Consolidated
Sales, Operating income (loss)							
Sales							
Sales to third parties	¥89,684	¥25,861	¥3,847	¥536	¥119,928	¥-	¥119,928
Intersegment sales	98	91	578	483	1,250	(1,250)	-
Total	89,782	25,952	4,425	1,019	121,178	(1,250)	119,928
Operating income (loss)	¥3,992	¥(789)	¥1,151	¥147	¥4,501	¥59	¥4,560

b. Geographic segment information

For the first quarter ended September 30, 2008, net sales in Japan accounted for more than 90% of those of all the segments. Consequently, details of each geographic segment information are not presented.

c. Sales outside Japan

For the first quarter ended September 30, 2008, sales outside of Japan amounted less than 10% of the consolidated net sales, and therefore the information is not presented.

Notes on the going-concern assumption

Not applicable

Notes on significant changes in the amount of shareholders' equity

Not applicable