

Summary Report of Consolidated Financial Results

For the First Quarter Ended September 30, 2013

(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
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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 first quarter of fiscal 2014 (From July 1, 2013 to September 30, 2013)

(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, 2013	146,514	4.4	10,140	23.0	10,433	24.7
Three Months Ended September 30, 2012	140,379	4.1	8,244	6.0	8,366	13.0

(Note) Comprehensive income: 7,391 million yen [49.0%] (FY 2014.6 1Q), 4,960 million yen [Δ 27.0%] (FY 2013.6 1Q)

	Net Income	Change (%)	Net Income Per Share (Yen)	Net Income Per Share-fully diluted (Yen)
Three Months Ended September 30, 2013	6,416	26.6	82.33	81.77
Three Months Ended September 30, 2012	5,069	Δ 24.0	65.72	65.59

(2) Financial Position

(Millions of yen, except per-share data)

	Total Assets	Net assets	Ratio of Shareholders' Equity to Total Assets (%)
As of September 30, 2013	390,218	175,599	44.1
Last Fiscal Year	386,622	170,178	43.0

(Reference) Equity: 172,074 million yen (as of September 30, 2013), 166,344 million yen (as of June 30, 2013)

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, 2013	—	10.00	—	23.00	33.00
Year Ending June 30, 2014	—				
Year Ending June 30, 2014 (Forecast)		10.00	—	23.00	33.00

(Note) Revision to the dividend forecast in the first quarter of fiscal 2014: None

3. Consolidated Business Forecast : For the year ending June 30, 2014 (From July 1, 2013 to June 30, 2014)

(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, 2013	304,000	5.0	19,500	4.4	19,800	3.8	12,300	4.4	157.66
Year Ending June 30, 2014	596,300	4.9	33,500	3.5	34,000	2.4	21,500	1.7	275.59

(Note) Revision to the business forecast in the first quarter of fiscal 2014: 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: None
- ② Other changes: None
- ③ Changes in accounting estimates: None
- ④ Restatement: None

(4) Number of outstanding shares (Common stock)

① Number of outstanding shares (Treasury stock included)	September 30, 2013	78,014,780 shares
	June 30, 2013	77,863,880 shares
② Number of treasury stock	September 30, 2013	1,244 shares
	June 30, 2013	1,244 shares
③ Average number of outstanding shares during the period	September 30, 2013	77,929,777 shares
	September 30, 2012	77,135,589 shares

※Implementation Status of Financial Audit

Financial Audit based on Financial Instrument and Exchange Act for the first quarter ended September 30, 2013 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 September 30,	As of June 30,
	2013	2013
	Amount	Amount
Assets		
Current assets		
Cash and deposits	¥31,795	¥31,698
Notes and Accounts receivable-trade	5,337	5,371
Purchased receivables	4,204	6,738
Merchandise	84,852	85,997
Other	10,265	13,625
Allowance for doubtful accounts	(44)	(38)
Total current assets	136,409	143,391
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	68,124	66,097
Tools, furniture and fixtures, net	11,086	11,008
Land	112,774	107,905
Other, net	2,092	1,084
Total property, plant and equipment	194,076	186,094
Intangible assets		
Goodwill	6,133	4,640
Other	8,840	7,334
Total intangible assets	14,973	11,974
Investments and other assets		
Investment securities	5,114	5,137
Lease and guarantee deposits	31,344	31,762
Other	10,622	10,680
Allowance for doubtful accounts	(2,320)	(2,416)
Total investments and other assets	44,760	45,163
Total noncurrent assets	253,809	243,231
Total assets	¥390,218	¥386,622

	As of September 30, 2013	(Millions of yen) As of June 30, 2013
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable-trade	¥47,852	¥48,036
Short term loans-payable	28,234	14,286
Current portion of long-term loans payable	8,407	11,726
Current portion of bonds	18,880	20,130
Current portion of convertible bonds	—	350
Income taxes payable	3,731	6,746
Provision for point card certificates	228	221
Other	16,148	19,675
Total current liabilities	123,480	121,170
Noncurrent liabilities		
Bonds payable	45,790	48,640
Long-term loans payable	29,665	31,374
Derivatives liabilities	59	65
Provision for directors' retirement benefits	340	337
Asset retirement obligations	2,629	2,521
Negative goodwill	838	964
Other	11,818	11,373
Total noncurrent liabilities	91,139	95,274
Total liabilities	214,619	216,444
Net assets		
Shareholders' equity		
Capital stock	20,824	20,613
Capital surplus	23,627	23,416
Retained earnings	127,832	123,207
Treasury stock	(3)	(3)
Total shareholders' equity	172,280	167,233
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	937	736
Foreign currency translation adjustment	(1,143)	(1,625)
Total accumulated other comprehensive income	(206)	(889)
Minority interests	3,525	3,834
Total net assets	175,599	170,178
Total liabilities and net assets	¥390,218	¥386,622

Consolidated Quarterly Statements of Income

(Millions of yen)

	Three months ended September 30, 2013	Three months ended September 30, 2012
	Amount	Amount
Net sales	¥146,514	¥140,379
Cost of sales	106,634	103,369
Gross profit	39,880	37,010
Selling, general and administrative expenses	29,740	28,766
Operating income	10,140	8,244
Non-operating income		
Interest and dividends income	117	165
Amortization of negative goodwill	125	214
Other	396	341
Total non-operating income	638	720
Non-operating expenses		
Interest expenses	317	391
Other	28	207
Total non-operating expenses	345	598
Ordinary income	10,433	8,366
Extraordinary income		
Gain on sales of noncurrent assets	68	—
Other	27	—
Total extraordinary income	95	—
Extraordinary loss		
Loss on retirement of noncurrent assets	116	48
Loss on closing of stores	18	22
Impairment loss	—	24
Other	7	2
Total extraordinary losses	141	96
Income before income taxes and minority interests	10,387	8,270
Income taxes - Current	3,658	3,059
Income taxes - Deferred	36	(131)
Total income taxes	3,694	2,928
Income before minority interests	6,693	5,342
Minority interests in income	277	273
Net income	¥6,416	¥5,069

Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Three months ended September 30, 2013	Three months ended September 30, 2012
	Amount	Amount
Income before minority interests	¥6,693	¥5,342
Other comprehensive income		
Valuation difference on available-for-sale securities	216	(62)
Foreign currency translation adjustment	482	(320)
Total other comprehensive income	698	(382)
Comprehensive income	¥7,391	¥4,960
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	¥7,098	¥4,686
Comprehensive income attributable to minority interests	293	274

Consolidated Quarterly Statements of Cash Flows

	(Millions of yen)	
	Three months ended September 30, 2013	Three months ended September 30, 2012
	Amount	Amount
Net cash provided by (used in) operating activities:		
Income before income taxes and minority interests	¥10,387	¥8,270
Depreciation and amortization	2,498	2,568
Impairment loss	—	24
Amortization of negative goodwill	(125)	(214)
Decrease in provision	(167)	(73)
Interest and dividends income	(117)	(165)
Interest expenses	317	391
Decrease in notes and accounts receivable-trade	2,632	918
Decrease in inventories	2,490	4,040
Increase (decrease) in notes and accounts payable-trade	(1,025)	234
Other, net	(2,841)	1,257
Sub total	14,049	17,250
Interest and dividends income received	94	126
Interest expenses paid	(442)	(505)
Payments for loss on disaster	—	(6)
Income taxes paid	(6,541)	(5,558)
Net cash provided by operating activities	7,160	11,307
Net cash provided by (used in) investing activities:		
Proceeds from withdrawal of time deposits	—	306
Purchase of property, plant and equipment	(6,980)	(13,854)
Proceeds from sales of property, plant and equipment	533	87
Purchase of intangible assets	(1,580)	(36)
Payments for lease and guarantee deposits	(63)	(47)
Proceeds from collection of lease and guarantee deposits	104	67
Payment for store opening in progress	(132)	(266)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(2,869)	—
Other, net	(189)	(10)
Net cash used in investing activities	(11,176)	(13,753)
Net cash provided by (used in) financing activities:		
Net increase in short-term loans payable	13,778	8,493
Proceeds from long-term loans payable	10,000	7,500
Repayment of long-term loans payable	(16,157)	(3,485)
Proceeds from issuance of bonds	—	5,201
Redemption of bonds	(4,100)	(5,809)
Redemption of convertible bonds	(350)	—
Cash dividends paid	(1,791)	(1,620)
Cash dividends paid to minority shareholders	(552)	(630)
Other, net	354	5
Net cash provided by financing activities	¥1,182	¥9,655

(Millions of yen)

	Three months ended	Three months ended
	September 30, 2013	September 30, 2012
	Amount	Amount
Effect of exchange rate change on cash and cash equivalents	¥173	¥(151)
Net increase (decrease) in cash and cash equivalents	(2,661)	7,058
Cash and cash equivalents at beginning of period	36,132	29,973
Cash and cash equivalents at end of period	¥33,471	¥37,031

Segment Information

For the first quarter ended September 30, 2013

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	¥141,100	¥4,086	¥145,186	¥1,328	¥146,514	¥-	¥146,514
Intersegment sales	-	731	731	694	1,425	(1,425)	-
Total	141,100	4,817	145,917	2,022	147,939	(1,425)	146,514
Segment income	¥8,291	¥1,252	¥9,543	¥566	¥10,109	31	¥10,140

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 ¥ 31 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

In the retail segment, the increase of goodwill resulting from the acquisition of MARUKAI CORPORATION was ¥1,538 million in the three months ended September 30, 2013.

The amount of goodwill is provisionally recognized based on reasonable information available at that point of time.

For the first quarter ended September 30, 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	¥135,221	¥3,950	¥139,171	¥1,208	¥140,379	¥-	¥140,379
Intersegment sales	1	673	674	911	1,585	(1,585)	-
Total	135,222	4,623	139,845	2,119	141,964	(1,585)	140,379
Segment income	¥6,331	¥1,338	¥7,669	¥552	¥8,221	¥23	¥8,244

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 ¥ 23 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