

# Summary Report of Consolidated Financial Results

## For the First Quarter Ended September 30, 2014

(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  
 Address: 2-19-10 Aobadai, Meguro-ku, Tokyo  
 Representative: Kohji Oohara, President, Representative Director  
 Contact: Mitsuo Takahashi, Senior Managing Director (Phone: +81-3-5725-7588)  
 URL: <http://www.donki-hd.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 2015 (From July 1, 2014 to September 30, 2014)

#### (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, 2014	163,861	11.8	10,456	3.1	10,822	3.7
Three Months Ended September 30, 2013	146,514	4.4	10,140	23.0	10,433	24.7

(Note) Comprehensive income: 6,933 million yen [ $\Delta$ 6.2%] (FY 2015.6 1Q), 7,391 million yen [49.0%] (FY 2014.6 1Q)

	Net Income	Change (%)	Net Income Per Share (Yen)	Net Income Per Share-fully diluted (Yen)
Three Months Ended September 30, 2014	6,141	$\Delta$ 4.3	78.29	77.98
Three Months Ended September 30, 2013	6,416	26.6	82.33	81.77

#### (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, 2014	433,905	197,835	44.2
June 30, 2014	432,135	193,164	43.4

(Reference) Equity: 191,616 million yen (as of September 30, 2014), 187,345 million yen (as of June 30, 2014)

### 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, 2014	—	10.00	—	26.00	36.00
Year Ending June 30, 2015	—				
Year Ending June 30, 2015 (Forecast)		10.00	—	26.00	36.00

(Note) Revision to the dividend forecast in the first quarter of fiscal 2015: None

### 3. Consolidated Business Forecast : For the year ending June 30, 2015 (From July 1, 2014 to June 30, 2015)

(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, 2014	331,000	9.1	20,700	1.0	21,200	0.3	12,500	$\Delta$ 4.0	159.45
Year Ending June 30, 2015	634,000	3.5	34,800	1.5	35,600	0.3	21,500	0.1	274.26

(Note) Revision to the business forecast in the first quarter of fiscal 2015: 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, 2014	78,507,080 shares
	June 30, 2014	78,393,980 shares
② Number of treasury stock	September 30, 2014	1,244 shares
	June 30, 2014	1,244 shares
③ Average number of outstanding shares during the period	September 30, 2014	78,433,533 shares
	September 30, 2013	77,929,777 shares

※Implementation Status of Financial Audit

Financial Audit based on Financial Instrument and Exchange Act for the first quarter ended September 30, 2014 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, 2014	As of June 30, 2014
	Amount	Amount
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	¥31,115	¥42,690
Notes and Accounts receivable-trade	5,529	5,730
Purchased receivables	5,840	6,009
Merchandise	91,884	89,105
Other	16,883	15,341
Allowance for doubtful accounts	(40)	(41)
Total current assets	<u>151,211</u>	<u>158,834</u>
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings and structures, net	81,384	77,078
Tools, furniture and fixtures, net	12,180	12,451
Land	124,230	119,680
Other, net	2,830	3,514
Total property, plant and equipment	<u>220,624</u>	<u>212,723</u>
Intangible assets		
Goodwill	6,244	6,332
Other	9,133	9,024
Total intangible assets	<u>15,377</u>	<u>15,356</u>
Investments and other assets		
Investment securities	5,994	4,414
Lease and guarantee deposits	30,890	30,963
Other	11,560	11,596
Allowance for doubtful accounts	(1,751)	(1,751)
Total investments and other assets	<u>46,693</u>	<u>45,222</u>
Total non-current assets	<u>282,694</u>	<u>273,301</u>
<b>Total assets</b>	<u>¥433,905</u>	<u>¥432,135</u>

	As of September 30, 2014	(Millions of yen) As of June 30, 2014
	Amount	Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	¥54,716	¥55,118
Short-term loans payable	5,332	2,197
Current portion of long-term loans payable	11,294	11,607
Current portion of bonds	5,880	6,140
Payables under fluidity lease receivables	6,975	5,912
Income taxes payable	3,934	7,883
Provision for point card certificates	576	413
Other	20,692	25,174
Total current liabilities	<b>109,399</b>	114,444
<b>Non-current liabilities</b>		
Bonds payable	43,410	44,300
Long-term loans payable	27,766	30,030
Long-term payables under fluidity lease receivables	39,312	34,345
Provision for directors' retirement benefits	—	360
Asset retirement obligations	3,367	3,285
Negative goodwill	591	622
Other	12,225	11,585
Total non-current liabilities	<b>126,671</b>	124,527
<b>Total liabilities</b>	<b>236,070</b>	238,971
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	21,531	21,366
Capital surplus	24,334	24,169
Retained earnings	146,207	142,105
Treasury shares	(3)	(3)
Total shareholders' equity	<b>192,070</b>	187,637
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	417	472
Foreign currency translation adjustment	(872)	(764)
Total accumulated other comprehensive income	<b>(455)</b>	(292)
Minority interests	6,220	5,819
<b>Total net assets</b>	<b>197,835</b>	193,164
<b>Total liabilities and net assets</b>	<b>¥433,905</b>	¥432,135

## Consolidated Quarterly Statements of Income

(Millions of yen)

	Three months ended September 30, 2014	Three months ended September 30, 2013
	Amount	Amount
Net sales	<b>¥163,861</b>	¥146,514
Cost of sales	<b>119,626</b>	106,634
Gross profit	<b>44,235</b>	39,880
Selling, general and administrative expenses	<b>33,779</b>	29,740
Operating income	<b>10,456</b>	10,140
Non-operating income		
Interest and dividend income	<b>140</b>	117
Amortization of negative goodwill	<b>31</b>	125
Settlement received	<b>192</b>	—
Other	<b>429</b>	396
Total non-operating income	<b>792</b>	638
Non-operating expenses		
Interest expenses	<b>214</b>	317
Cost of claim's liquidation	<b>152</b>	—
Other	<b>60</b>	28
Total non-operating expenses	<b>426</b>	345
Ordinary income	<b>10,822</b>	10,433
Extraordinary income		
Gain on sales of non-current assets	—	68
Other	—	27
Total extraordinary income	—	95
Extraordinary losses		
Loss on retirement of non-current assets	<b>37</b>	116
Loss on closing of stores	<b>53</b>	18
Other	<b>18</b>	7
Total extraordinary losses	<b>108</b>	141
Income before income taxes and minority interests	<b>10,714</b>	10,387
Income taxes - Current	<b>4,131</b>	3,658
Income taxes - Deferred	<b>(510)</b>	36
Total income taxes	<b>3,621</b>	3,694
Income before minority interests	<b>7,093</b>	6,693
Minority interests in income	<b>952</b>	277
Net income	<b>¥6,141</b>	¥6,416

## Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Three months ended September 30, 2014	Three months ended September 30, 2013
	Amount	Amount
Income before minority interests	<b>¥7,093</b>	<b>¥6,693</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	<b>(49)</b>	<b>216</b>
Foreign currency translation adjustment	<b>(111)</b>	<b>482</b>
Total other comprehensive income	<b>(160)</b>	<b>698</b>
Comprehensive income	<b>¥6,933</b>	<b>¥7,391</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	<b>¥5,978</b>	<b>¥7,098</b>
Comprehensive income attributable to minority interests	<b>955</b>	<b>293</b>

## Consolidated Quarterly Statements of Cash Flows

	(Millions of yen)	
	Three months ended September 30, 2014	Three months ended September 30, 2013
	Amount	Amount
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	¥10,714	¥10,387
Depreciation	2,883	2,498
Amortization of negative goodwill	(31)	(125)
Decrease in provision	(165)	(167)
Interest and dividend income	(140)	(117)
Interest expenses	214	317
Decrease in notes and accounts receivable - trade	361	2,632
Decrease (increase) in inventories	(2,805)	2,490
Decrease in notes and accounts payable - trade	(397)	(1,025)
Other, net	(252)	(2,841)
Subtotal	10,382	14,049
Interest and dividend income received	110	94
Interest expenses paid	(228)	(442)
Income taxes paid	(8,831)	(6,541)
Surcharge paid	(109)	—
Net cash provided by operating activities	1,324	7,160
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(14,341)	(6,980)
Proceeds from sales of property, plant and equipment	10	533
Purchase of intangible assets	(190)	(1,580)
Payments for lease and guarantee deposits	(128)	(63)
Proceeds from collection of lease and guarantee deposits	32	104
Payment for store opening in progress	(143)	(132)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(2,869)
Other, net	(1,849)	(189)
Net cash used in investing activities	(16,609)	(11,176)
<b>Cash flows from financing activities:</b>		
Net increase in short-term loans payable	3,146	13,778
Proceeds from long-term loans payable	—	10,000
Repayment of long-term loans payable	(2,566)	(16,157)
Proceeds from issuance of bonds	1,963	—
Redemption of bonds	(3,150)	(4,100)
Redemption of convertible bonds	—	(350)
Proceeds from fluidity of lease receivables	7,461	—
Repayments of payables under fluidity lease receivables	(1,618)	—
Cash dividends paid	(2,038)	(1,791)
Cash dividends paid to minority shareholders	(552)	(552)
Other, net	330	354
Net cash provided by financing activities	2,976	1,182
Effect of exchange rate change on cash and cash equivalents	18	173
Net decrease in cash and cash equivalents	(12,291)	(2,661)
Cash and cash equivalents at beginning of period	44,105	36,132
Cash and cash equivalents at end of period	¥31,814	¥33,471

## Segment Information

For the first quarter ended September 30, 2014

### 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	¥157,999	¥4,448	¥162,447	¥1,414	¥163,861	¥-	¥163,861
Intersegment sales	-	3,587	3,587	1,329	4,916	(4,916)	-
Total	157,999	8,035	166,034	2,743	168,777	(4,916)	163,861
Segment income	¥6,486	¥2,853	¥9,339	¥1,190	¥10,529	¥(73)	¥10,456

#### Notes

1. 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.
2. The ¥ (73) million adjustment to segment income is an intersegment elimination.
3. Segment income is adjusted to the quarterly consolidated operating income.
4. Effective from the Fiscal Year Ended June 30, 2014, the part of consolidated subsidiaries which had previously been included in the Others segment was reclassified to the Rent business segment. In line with these changes, segment amounts for the first quarter ended September 30, 2013 have been adjusted to reflect the current period presentation.

### 2. Information concerning impairment loss of fixed assets or goodwill by reporting segment

Not applicable

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	¥1,236	¥9,527	¥582	¥10,109	¥31	¥10,140

#### Notes

1. 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.
2. The ¥ 31 million adjustment to segment income is an intersegment elimination.
3. 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.