

Summary Report of Consolidated Financial Results For the Third Quarter Ended March 31, 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
 Address: 2-19-10 Aobadai, Meguro-ku, Tokyo
 Representative: Takao Yasuda, Chairman and President, Representative Director
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 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 third quarter of fiscal 2013 (From July 1, 2012 to March 31, 2013)

(1) Results of Business Operations

(Millions of yen, except per-share data)

	Net Sales	Change (%)	Operating Income	Change (%)	Ordinary Income	Change (%)
Nine Months Ended March 31, 2013	428,070	4.8	26,138	12.3	26,728	17.1
Nine Months Ended March 31, 2012	408,292	6.7	23,267	15.0	22,827	13.9

(Note) Comprehensive income: 19,363 million yen [18.1%] (FY 2013.6 3Q), 16,395 million yen [76.3%] (FY 2012.6 3Q)

	Net Income	Change (%)	Net Income Per Share (Yen)	Net Income Per Share-fully diluted (Yen)
Nine Months Ended March 31, 2013	16,333	2.7	211.58	211.08
Nine Months Ended March 31, 2012	15,906	57.9	206.41	205.95

(2) Financial Position

(Millions of yen, except per-share data)

	Total Assets	Net assets	Ratio of Shareholders' Equity to Total Assets (%)
As of March 31, 2013	391,233	162,707	40.9
Last Fiscal Year	362,651	145,735	39.5

(Reference) Equity: 160,010 million yen (as of March 31, 2013), 143,195 million yen (as of June 30, 2012)

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, 2012	—	10.00	—	21.00	31.00
Year Ending June 30, 2013	—	10.00	—		
Year Ending June 30, 2013 (Forecast)				21.00	31.00

(Note) Revision to the dividend forecast in the third quarter of fiscal 2013: None

3. Consolidated Business Forecast : For the year ending June 30, 2013 (From July 1, 2012 to June 30, 2013)

(Millions of yen, except per-share data)

	Net Sales	Change (%)	Operating Income	Change (%)	Ordinary Income	Change (%)	Net Income	Change (%)	Net Income per Share (Yen)
Year Ending June 30, 2013	563,000	4.2	31,300	6.8	31,800	8.6	20,200	1.8	260.98

(Note) Revision to the business forecast in the third quarter of fiscal 2013: 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: Yes
 - ② Other changes: None
 - ③ Changes in accounting estimates: Yes
 - ④ Restatement: None

(4) Number of outstanding shares (Common stock)

① Number of outstanding shares (Treasury stock included)	March 31, 2013	77,401,580 shares
	June 30, 2012	77,134,880 shares
② Number of treasury stock	March 31, 2013	1,244 shares
	June 30, 2012	1,244 shares
③ Average number of outstanding shares during the period	March 31, 2013	77,197,732 shares
	March 31, 2012	77,063,272 shares

※Implementation Status of Financial Audit

Financial Audit based on Financial Instrument and Exchange Act for the third quarter ended March 31, 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 March 31, 2013	As of June 30, 2012
	Amount	Amount
Assets		
Current assets		
Cash and deposits	¥39,852	¥34,237
Notes and Accounts receivable-trade	5,840	4,889
Purchased receivables	6,233	6,761
Merchandise and finished goods	84,697	83,641
Other	12,287	9,302
Allowance for doubtful accounts	(19)	(14)
Total current assets	148,890	138,816
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	66,260	59,899
Tools, furniture and fixtures, net	11,355	11,522
Land	106,813	97,317
Other, net	935	598
Total property, plant and equipment	185,363	169,336
Intangible assets	10,242	10,266
Investments and other assets		
Investment securities	6,595	3,779
Lease and guarantee deposits	31,843	32,286
Other	10,724	11,290
Allowance for doubtful accounts	(2,424)	(3,122)
Total investments and other assets	46,738	44,233
Total noncurrent assets	242,343	223,835
Total assets	¥391,233	¥362,651

	(Millions of yen)	
	As of March 31, 2013	As of June 30, 2012
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable-trade	¥47,443	¥44,793
Short-term loans payable	24,987	14,866
Current portion of long-term loans payable	11,854	11,121
Current portion of bonds	20,130	23,059
Current portion of convertible bonds	350	—
Income taxes payable	4,547	5,783
Provision for point card certificates	203	179
Provision for loss on disaster	79	193
Other	17,473	20,249
Total current liabilities	127,066	120,243
Noncurrent liabilities		
Bonds payable	48,880	47,470
Convertible bonds	—	350
Long-term loans payable	36,510	36,476
Derivatives liabilities	92	119
Provision for directors' retirement benefits	403	387
Asset retirement obligations	2,515	2,163
Negative goodwill	1,092	1,592
Other	11,968	8,116
Total noncurrent liabilities	101,460	96,673
Total liabilities	228,526	216,916
Net assets		
Shareholders' equity		
Capital stock	19,967	19,664
Capital surplus	22,770	22,466
Retained earnings	118,399	104,463
Treasury stock	(3)	(3)
Total shareholders' equity	161,133	146,590
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,368	(391)
Foreign currency translation adjustment	(2,491)	(3,004)
Total accumulated other comprehensive income	(1,123)	(3,395)
Minority interests	2,697	2,540
Total net assets	162,707	145,735
Total liabilities and net assets	¥391,233	¥362,651

Consolidated Quarterly Statements of Income

(Millions of yen)

	Nine months ended March 31, 2013	Nine months ended March 31, 2012
	Amount	Amount
Net sales	¥428,070	¥408,292
Cost of sales	314,996	302,998
Gross profit	113,074	105,294
Selling, general and administrative expenses	86,936	82,027
Operating income	26,138	23,267
Non-operating income		
Interest and dividends income	423	432
Amortization of negative goodwill	500	643
Other	1,127	947
Total non-operating income	2,050	2,022
Non-operating expenses		
Interest expenses	1,131	1,292
Loss on valuation of derivatives	—	287
Provision of allowance for doubtful accounts	29	564
Other	300	319
Total non-operating expenses	1,460	2,462
Ordinary income	26,728	22,827
Extraordinary income		
Marginal gain of repaid corporate reorganization debts	—	1,782
Litigation settlement	37	—
Other	44	475
Total extraordinary income	81	2,257
Extraordinary loss		
Loss on sales of noncurrent assets	125	4
Loss on retirement of noncurrent assets	102	106
Loss on closing of stores	130	535
Impairment loss	24	130
Other	146	229
Total extraordinary losses	527	1,004
Income before income taxes and minority interests	26,282	24,080
Income taxes - Current	9,169	7,922
Income taxes - Deferred	30	(397)
Total income taxes	9,199	7,525
Income before minority interests	17,083	16,555
Minority interests in income	750	649
Net income	¥16,333	¥15,906

Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Nine months ended March 31, 2013	Nine months ended March 31, 2012
	Amount	Amount
Income before minority interests	¥17,083	¥16,555
Other comprehensive income		
Valuation difference on available-for-sale securities	1,768	137
Foreign currency translation adjustment	512	(297)
Total other comprehensive income	2,280	(160)
Comprehensive income	¥19,363	¥16,395
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	¥18,605	¥15,740
Comprehensive income attributable to minority interests	758	655

Consolidated Quarterly Statements of Cash Flows

	(Millions of yen)	
	Nine months ended March 31, 2013	Nine months ended March 31, 2012
	Amount	Amount
Net cash provided by (used in) operating activities:		
Income before income taxes and minority interests	¥26,282	¥24,080
Depreciation and amortization	8,132	7,575
Impairment loss	24	130
Amortization of negative goodwill	(500)	(643)
Increase (decrease) in provision	(127)	873
Interest and dividends income	(423)	(432)
Interest expenses	1,131	1,292
Loss (gain) on valuation of derivatives	(19)	287
Marginal gain of repaid corporate reorganization debts	—	(1,782)
Increase in notes and accounts receivable-trade	(284)	(764)
Increase in inventories	(1,003)	(4,524)
Increase in notes and accounts payable-trade	2,618	621
Other, net	3,356	3,748
Sub total	39,187	30,461
Interest and dividends income received	311	316
Interest expenses paid	(1,289)	(1,371)
Payments for loss on disaster	(168)	(273)
Income taxes paid	(10,249)	(7,896)
Net cash provided by operating activities	27,792	21,237
Net cash provided by (used in) investing activities:		
Payments into time deposits	(7)	(24,363)
Proceeds from withdrawal of time deposits	6,167	18,663
Purchase of property, plant and equipment	(25,409)	(12,142)
Proceeds from sales of property, plant and equipment	720	3
Purchase of intangible assets	(287)	(1,579)
Payments for lease and guarantee deposits	(970)	(633)
Proceeds from collection of lease and guarantee deposits	581	1,345
Payment for store opening in progress	(284)	(3,270)
Proceeds from sales of investment securities	15	191
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(6,360)
Payment for the settlement for the derivatives	—	(3,272)
Other, net	(653)	9
Net cash used in investing activities	(20,127)	(31,408)
Net cash provided by (used in) financing activities:		
Net increase in short-term loans payable	10,121	19,506
Proceeds from long-term loans payable	11,500	14,500
Repayment of long-term loans payable	(10,733)	(11,268)
Net increase (decrease) in commercial papers	(4)	8,993
Proceeds from issuance of bonds	21,590	12,855
Redemption of bonds	(23,319)	(12,257)
Rehabilitation lien	—	(2,550)
Proceeds from issuance of common stock	607	134
Cash dividends paid	(2,392)	(2,157)
Cash dividends paid to minority shareholders	(630)	—
Other, net	(18)	(54)
Net cash provided by financing activities	¥6,722	¥27,702

	(Millions of yen)	
	Nine months ended March 31, 2013	Nine months ended March 31, 2012
	Amount	Amount
Effect of exchange rate change on cash and cash equivalents	¥324	¥(112)
Net increase in cash and cash equivalents	14,711	17,419
Cash and cash equivalents at beginning of period	29,973	26,875
Increase in cash and cash equivalents from newly consolidated subsidiary	1	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(0)
Increase in cash and cash equivalents resulting from change in fiscal year-end of consolidated subsidiaries	—	3,507
Cash and cash equivalents at end of period	¥44,685	¥47,801

Segment Information

For the third quarter ended March 31, 2013

1. Information concerning sales and income by reporting segment

	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	¥412,031	¥12,230	¥424,261	¥3,809	¥428,070	¥—	¥428,070
Intersegment sales	2	2,024	2,026	2,776	4,802	(4,802)	—
Total	412,033	14,254	426,287	6,585	432,872	(4,802)	428,070
Segment income	¥20,371	¥4,004	¥24,375	¥1,714	¥26,089	¥49	¥26,138

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 ¥ 49 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

For the third quarter ended March 31, 2012

1. Information concerning sales and income by reporting segment

	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	¥392,791	¥11,731	¥404,522	¥3,770	¥408,292	¥—	¥408,292
Intersegment sales	6	2,566	2,572	1,601	4,173	(4,173)	—
Total	392,797	14,297	407,094	5,371	412,465	(4,173)	408,292
Segment income	¥17,257	¥4,802	¥22,059	¥1,371	¥23,430	¥(163)	¥23,267

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 ¥(163) 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 others segment, the Company recognized goodwill ¥1,870 million because of the newly consolidation of two subsidiaries.

Notes on the going-concern assumption

Not applicable

Notes on significant changes in the amount of shareholders' equity

Not applicable

Material subsequent events

Share acquisition through underwriting the third party allocation of new shares

On March 1, 2013, our board of directors decided to enter into the agreement on capital and business alliance with LN Co., Ltd. (the "LN"), a consolidated subsidiary company, and The Earth Co. (the "TE"), including LN's underwriting for new shares issued by TE through the third party allocation. As LN completed the payment for the underwriting on April 22, 2013 in accordance with this agreement, TE becomes a subsidiary company due to the possibility to exercise control over TE.

1. Purpose of underwriting for new shares through the third party allocation

The necessity of efficient operation of real estate owned by Don Quijote Group (the "Group") has increased since we have acquired a number of real estate in various areas to be used as new stores, whose size is Mega size in some cases, and for expansion square.

We decided to accept the offering to enter into the agreement on capital and business alliance with TE, aiming at being provided for practical and expertise knowledge and advice regarding real estate which will enable the Group to achieve efficient operation of real estate. Based on the agreement, we decided to make LN underwrite capital increase through the third party allocation of new shares.

2. Overview of underwriting capital increase through the third party allocation of new shares

(1) Underwriting price: ¥1,300 per share

(2) Number of new shares to be issued by TE and underwritten by LN: 1,300,000 shares

(3) Total amount of underwriting: ¥1,690 million

(4) Due date of payment: April 22, 2013

3. Status of number of shares to be owned and percentage of voting rights

	Number of shares	Voting rights ratio (%)
Number of shares owned before underwriting	60,000	4.10%
Increase due to underwriting	1,300,000	-
Number of shares owned after underwriting	1,360,000	49.20%

4. Outline of TE

(1) Trade name: The Earth Co.

(2) Main business operation: Advertising, Business service and Real estate operation

(3) Established: September 2, 1999

(4) Location: 2-2-12, Hirano-cho, Chuo-ku, Osaka

(5) Representative: Yoshinori Ikezoe

(6) Capital stock: ¥4,098 million (As of April 22, 2013)