

Summary Report of Consolidated Financial Results

For the Fiscal Year Ended June 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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 Representative: Takao Yasuda, Chairman and President, Representative Director
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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 fiscal year ended June 30, 2013

(From July 1, 2012 to June 30, 2013)

(1) Results of Business Operations

(Millions of yen, except per-share data)

	Net Sales	Change (%)	Operating Income	Change (%)	Ordinary Income	Change (%)
Fiscal year ended June 30, 2013	568,377	5.2	32,369	10.4	33,201	13.4
Fiscal year ended June 30, 2012	540,255	6.4	29,320	15.7	29,283	16.5

(Note) Comprehensive income: 24,581 million yen [18.0%] (FY 2013.6), 20,840 million yen [76.0%] (FY 2012.6)

	Net Income	Change (%)	Net Income Per Share (Yen)	Net Income Per Share-fully diluted (Yen)	Return on Equity (%)	Ordinary Income on Total Assets (%)	Operating Income on Net Sales (%)
Fiscal year ended June 30, 2013	21,141	6.5	273.47	272.34	13.7	8.9	5.7
Fiscal year ended June 30, 2012	19,845	56.7	257.47	256.90	14.9	8.3	5.4

(Reference) Equity in losses of affiliates: 1 million yen (FY 2013.6), 1 million yen (FY 2012.6)

(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 June 30, 2013	386,622	170,178	43.0	2,136.38
June 30, 2012	362,651	145,735	39.5	1,856.45

(Reference) Equity: 166,344 million yen (as of June 30, 2013), 143,195 million yen (as of June 30, 2012)

(3) The Consolidated Statements of Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents
Fiscal year ended June 30, 2013	38,270	(23,293)	(9,510)	36,132
Fiscal year ended June 30, 2012	33,962	(29,794)	(4,637)	29,973

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

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	19,000	1.8	19,200	0.7	12,000	1.9	154.12
Year Ending June 30, 2014	596,300	4.9	33,500	3.5	34,000	2.4	21,500	1.7	276.13

4. Others

(1) Significant changes in the scope of consolidation: Yes

Newly consolidated: one company (The Earth Co.) Excluded:—

(2) Changes in accounting policies, procedures, and methods of presentation for preparing the 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

(3) Number of outstanding shares (Common stock)

① Number of outstanding shares (Treasury stock included)	June 30, 2013	77,863,880 shares
	June 30, 2012	77,134,880 shares
② Number of treasury stock	June 30, 2013	1,244 shares
	June 30, 2012	1,244 shares
③ Average number of outstanding shares during the period	June 30, 2013	77,308,069 shares
	June 30, 2012	77,076,446 shares

※Implementation Status of Financial Audit

Financial Audit based on Financial Instrument and Exchange Act for the fiscal year ended June 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 rate.

Consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2013	As of June 30, 2012
	Amount	Amount
Assets		
Current assets		
Cash and deposits	¥31,698	¥34,237
Notes and Accounts receivable-trade	5,371	4,889
Purchased receivables	6,738	6,761
Merchandise and finished goods	85,997	83,641
Prepaid expenses	2,210	2,124
Deferred tax assets	3,987	2,958
Other	7,428	4,220
Allowance for doubtful accounts	(38)	(14)
Total current assets	143,391	138,816
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	117,151	104,703
Accumulated depreciation	(47,782)	(41,421)
Accumulated impairment loss	(3,272)	(3,383)
Buildings and structures, net	66,097	59,899
Tools, furniture and fixtures	40,093	38,485
Accumulated depreciation	(28,725)	(26,447)
Accumulated impairment loss	(360)	(516)
Tools, furniture and fixtures, net	11,008	11,522
Other	187	180
Accumulated depreciation	(152)	(140)
Other, net	35	40
Land	107,905	97,317
Construction in progress	1,049	558
Total property, plant and equipment	186,094	169,336
Intangible assets		
Goodwill	4,640	3,300
Other	7,334	6,966
Total intangible assets	11,974	10,266
Investments and other assets		
Investment securities	5,137	3,779
Long-term loans receivable	1,136	1,665
Long-term prepaid expenses	2,261	2,058
Deferred tax assets	658	1,379
Lease and guarantee deposits	31,762	32,286
Other	6,625	6,188
Allowance for doubtful accounts	(2,416)	(3,122)
Total investments and other assets	45,163	44,233
Total noncurrent assets	243,231	223,835
Total assets	¥386,622	¥362,651

	As of June 30, 2013 Amount	(Millions of yen) As of June 30, 2012 Amount
Liabilities		
Current liabilities		
Accounts payable-trade	¥48,036	¥44,793
Short-term loans payable	14,286	14,866
Current portion of long-term loans payable	11,726	11,121
Current portion of bonds	20,130	23,059
Current portion of convertible bonds	350	—
Accrued expenses	6,431	6,229
Income taxes payable	6,746	5,783
Provision for point card certificates	221	179
Provision for loss on disaster	—	193
Other	13,244	14,020
Total current liabilities	121,170	120,243
Noncurrent liabilities		
Bonds payable	48,640	47,470
Convertible bonds	—	350
Long-term loans payable	31,374	36,476
Derivatives liabilities	65	119
Provision for directors' retirement benefits	337	387
Asset retirement obligations	2,521	2,163
Negative goodwill	964	1,592
Other	11,373	8,116
Total noncurrent liabilities	95,274	96,673
Total liabilities	216,444	216,916
Net assets		
Shareholders' equity		
Capital stock	20,613	19,664
Capital surplus	23,416	22,466
Retained earnings	123,207	104,463
Treasury stock	(3)	(3)
Total shareholders' equity	167,233	146,590
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	736	(391)
Foreign currency translation adjustment	(1,625)	(3,004)
Total accumulated other comprehensive income	(889)	(3,395)
Minority interests	3,834	2,540
Total net assets	170,178	145,735
Total liabilities and net assets	¥386,622	¥362,651

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended June 30, 2013	Fiscal year ended June 30, 2012
	Amount	Amount
Net sales	¥568,377	¥540,255
Cost of sales	418,570	400,712
Gross profit	149,807	139,543
Selling, general and administrative expenses	117,438	110,223
Operating income	32,369	29,320
Non-operating income		
Interest and dividends income	522	614
Amortization of negative goodwill	628	857
Commission fee	378	364
Other	1,324	1,087
Total non-operating income	2,852	2,922
Non-operating expenses		
Interest expenses paid on loans and bonds	1,460	1,690
Loss on valuation of derivatives	—	283
Bond issuance cost	202	139
Provision of allowance for doubtful accounts	146	576
Other	212	271
Total non-operating expenses	2,020	2,959
Ordinary income	33,201	29,283
Extraordinary income		
Gain on sales of noncurrent assets	5	3
Gain on sales of investment securities	505	100
Gain on sales of subsidiaries and affiliates' stocks	602	—
Compensation income for expropriation	—	318
Marginal gain of repaid corporate reorganization debts	—	1,782
Other	150	296
Total extraordinary income	1,262	2,499
Extraordinary loss		
Loss on sales of noncurrent assets	126	4
Impairment loss	317	184
Loss on retirement of noncurrent assets	296	159
Loss on closing of stores	144	778
Other	198	262
Total extraordinary losses	1,081	1,387
Income before income taxes and minority interests	33,382	30,395
Income taxes - Current	11,463	9,523
Income taxes - Deferred	(135)	135
Total income taxes	11,328	9,658
Income before minority interests	22,054	20,737
Minority interests in income	913	892
Net income	¥21,141	¥19,845

Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Fiscal year ended June 30, 2013	Fiscal year ended June 30, 2012
	Amount	Amount
Income before minority interests	¥22,054	¥20,737
Other comprehensive income		
Valuation difference on available-for-sale securities	1,148	(48)
Foreign currency translation adjustment	1,379	151
Total other comprehensive income	2,527	103
Comprehensive income	¥24,581	¥20,840
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	¥23,647	¥19,944
Comprehensive income attributable to minority interests	934	896

Consolidated statements of changes in net assets

(Millions of yen)

	Fiscal year ended June 30, 2013	Fiscal year ended June 30, 2012
	Amount	Amount
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	¥19,664	¥19,561
Changes of items during the period		
Issuance of new shares	949	103
Total changes of items during the period	949	103
Balance at the end of current period	20,613	19,664
Capital surplus		
Balance at the beginning of current period	22,466	22,364
Changes of items during the period		
Issuance of new shares	949	102
Total changes of items during the period	949	102
Balance at the end of current period	23,416	22,466
Retained earnings		
Balance at the beginning of current period	104,463	85,165
Changes of items during the period		
Dividends from surplus	(2,392)	(2,157)
Net income	21,141	19,845
Effect of changes in fiscal year end applied to subsidiaries	—	940
Change of scope of consolidation	(5)	670
Total changes of items during the period	18,744	19,298
Balance at the end of current period	123,207	104,463
Treasury stock		
Balance at the beginning of current period	(3)	(3)
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	(3)	(3)
Total shareholders' equity		
Balance at the beginning of current period	146,590	127,087
Changes of items during the period		
Issuance of new shares	1,899	205
Dividends from surplus	(2,392)	(2,157)
Net income	21,141	19,845
Effect of changes in fiscal year end applied to subsidiaries	—	940
Change of scope of consolidation	(5)	670
Total changes of items during the period	20,643	19,503
Balance at the end of current period	¥167,233	¥146,590

	(Millions of yen)	
	Fiscal year ended June 30, 2013	Fiscal year ended June 30, 2012
	Amount	Amount
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	¥(391)	¥(327)
Changes of items during the period		
Net changes of items other than shareholders' equity	1,127	(64)
Total changes of items during the period	1,127	(64)
Balance at the end of current period	736	(391)
Foreign currency translation adjustment		
Balance at the beginning of current period	(3,004)	(3,155)
Changes of items during the period		
Net changes of items other than shareholders' equity	1,379	151
Total changes of items during the period	1,379	151
Balance at the end of current period	(1,625)	(3,004)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(3,395)	(3,482)
Changes of items during the period		
Net changes of items other than shareholders' equity	2,506	87
Total changes of items during the period	2,506	87
Balance at the end of current period	(889)	(3,395)
Minority interests		
Balance at the beginning of current period	2,540	1,637
Changes of items during the period		
Net changes of items other than shareholders' equity	1,294	903
Total changes of items during the period	1,294	903
Balance at the end of current period	3,834	2,540
Total net assets		
Balance at the beginning of current period	145,735	125,242
Changes of items during the period		
Issuance of new shares	1,899	205
Dividends from surplus	(2,392)	(2,157)
Net income	21,141	19,845
Effect of changes in fiscal year end applied to subsidiaries	—	940
Change of scope of consolidation	(5)	670
Net changes of items other than shareholders' equity	3,799	990
Total changes of items during the period	24,443	20,493
Balance at the end of current period	¥170,178	¥145,735

Consolidated Statements of Cash Flows

	(Millions of yen)	
	Fiscal year ended June 30, 2013	Fiscal year ended June 30, 2012
	Amount	Amount
Net cash provided by (used in) operating activities:		
Income before income taxes and minority interests	¥33,382	¥30,395
Depreciation and other amortization	11,051	10,474
Impairment loss	317	184
Amortization of negative goodwill	(628)	(857)
Increase (decrease) in allowance for doubtful accounts	(44)	599
Increase (decrease) in provision for directors' retirement benefits	(50)	20
Reversal of provision loss on disaster	(40)	(75)
Interest and dividends income	(522)	(614)
Loss (gain) on valuation of derivatives	(46)	283
Interest expenses paid on loans and bonds	1,460	1,690
Gain on sales of stocks of subsidiaries and affiliates	(602)	—
Loss (gain) on sales of investment securities	(485)	10
Loss on sales and retirement of property, plant and equipment	417	153
Loss on store closings	135	235
Offset payments for house rental fee with lease and guarantee deposits	1,295	1,326
Marginal gain of repaid corporate reorganization debts	—	(1,782)
Increase in notes and accounts receivable-trade	(81)	(196)
Increase in inventories	(2,180)	(4,517)
Increase in notes and accounts payable-trade	3,155	1,814
Decrease in other current assets	1,227	445
Increase in other current liabilities	1,125	2,925
Increase in other noncurrent liabilities	1,219	78
Other, net	(48)	937
Subtotal	50,057	43,527
Interest and dividends income received	372	432
Interest expenses paid	(1,510)	(1,654)
Income taxes paid	(10,477)	(8,067)
Payments for loss on disaster	(172)	(276)
Net cash provided by operating activities	38,270	33,962
Net cash provided by (used in) investing activities:		
Payments into time deposits	(7)	(29,863)
Proceeds from withdrawal of time deposits	6,167	31,960
Purchase of property, plant and equipment	(27,770)	(18,348)
Proceeds from sales of property, plant and equipment	722	41
Purchase of intangible assets	(434)	(1,727)
Payments for lease and guarantee deposits	(1,117)	(1,379)
Proceeds from collection of lease and guarantee deposits	608	1,349
Payment for store opening in progress	(621)	(2,846)
Proceeds from sales of investment securities	897	494
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(1,381)	(6,360)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	575	—
Payment for the settlement for the derivatives	—	(3,272)
Other, net	(932)	157
Net cash used in investing activities	¥(23,293)	¥(29,794)

	(Millions of yen)	
	Fiscal year ended June 30, 2013	Fiscal year ended June 30, 2012
	Amount	Amount
Net cash provided by (used in) financing activities:		
Net decrease in short-term loans payable	¥(2,143)	¥(69)
Proceeds from long-term loans payable	11,500	14,500
Repayment of long-term loans payable	(15,747)	(13,919)
Proceeds from issuance of bonds	21,590	12,855
Redemption of bonds	(23,559)	(13,422)
Rehabilitation lien	—	(2,550)
Proceeds from issuance of common stock	1,899	205
Cash dividends paid	(2,392)	(2,157)
Cash dividends paid to minority shareholders	(630)	—
Other, net	(28)	(80)
Net cash used in financing activities	(9,510)	(4,637)
Effect of exchange rate change on cash and cash equivalents	691	60
Net increase (decrease) in cash and cash equivalents	6,158	(409)
Cash and cash equivalents at beginning of period	29,973	26,875
Increase in cash and cash equivalents from newly consolidated subsidiaries	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	¥36,132	¥29,973

Segment Information

1. Overview of Reporting Segments

The Company's reporting segments are those for which financial information separate from that of other units comprising the Group can be obtained. These reporting segments are the subject of regular reviews by the board of directors for determining the allocation of management resources and assessment of business results.

The Group regards "Retail business" and "Rent business" as reporting segments from scope of business. The "Retail business" presents stores such as "Don Quijote", "MEGA Don Quijote", "Nagasakiya", "Doit". The "Rent business" operates a tenant invitation in the shopping malls and management.

Depreciation method of reporting segment was changed as well, because the Company posted depreciation by applying the depreciation method based on the revised Corporation Tax Act to tangible fixed assets newly acquired on or after July 1, 2012 beginning with the current fiscal year, following the revision of the Corporation Tax Act.

The impact on the segment information for the current fiscal year is minimal.

2. Calculation of net sales, profit and loss, and assets, etc.

The same accounting method with which is applied to the consolidated financial statements is applied to segment accounting.

Income of reporting segment and others are calculated based on operating income.

Intersegment sales and transfers calculated based on market value.

3. Information related to net sales, profit and loss, and assets, etc. by reporting segment

For the Fiscal Year Ended June 30, 2013

(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	¥546,930	¥16,370	¥563,300	¥5,077	¥568,377	¥—	¥568,377
Intersegment sales	3	2,721	2,724	3,525	6,249	(6,249)	—
Total	546,933	19,091	566,024	8,602	574,626	(6,249)	568,377
Segment income	25,328	4,987	30,315	1,989	32,304	65	32,369
Segment Assets	298,358	84,438	382,796	31,549	414,345	(27,723)	386,622
Others (Note 4)							
(1) Depreciation expenses	9,067	1,745	10,812	309	11,121	(70)	11,051
(2) Increase in property, plant and equipment, and intangible assets	¥16,278	¥12,733	¥29,011	¥67	¥29,078	¥(72)	¥29,006

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 ¥65 million adjustment to segment income is an intersegment elimination.
The ¥(27,723) million adjustment to segment assets includes ¥23,228 million of companywide assets not allocated to the respective reporting segments, and ¥ (50,951) million of net eliminations for intersegment transaction.
- Segment income is adjusted to the consolidated operating income.
- Increase in property, plant and equipment, and intangible assets includes long-term prepaid expenses.

For the Fiscal Year Ended June 30, 2012

(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	¥519,891	¥15,453	¥535,344	¥4,911	¥540,255	¥—	¥540,255
Intersegment sales	8	3,251	3,259	2,162	5,421	(5,421)	—
Total	519,899	18,704	538,603	7,073	545,676	(5,421)	540,255
Segment income	22,009	5,710	27,719	1,843	29,562	(242)	29,320
Segment Assets	276,114	68,150	344,264	32,513	376,777	(14,126)	362,651
Others (Note 4)							
(1) Depreciation expenses	8,726	1,502	10,228	294	10,522	(48)	10,474
(2) Increase in property, plant and equipment, and intangible assets	¥16,316	¥2,561	¥18,877	¥75	¥18,952	¥1,545	¥20,497

Notes

1. 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.
2. The ¥(242) million adjustment to segment income is an intersegment elimination.
The ¥(14,126) million adjustment to segment assets includes ¥26,752 million of companywide assets not allocated to the respective reporting segments, and ¥ (40,878) million of net eliminations for intersegment transaction.
3. Segment income is adjusted to the consolidated operating income.
4. Increase in property, plant and equipment, and intangible assets includes long-term prepaid expenses.