

Summary Report of Consolidated Financial Results For the Fiscal Year Ended June 30, 2015

(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
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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, 2015

(1) Consolidated Results

(Millions of yen, except per-share data)

	Net Sales	Change (%)	Operating Income	Change (%)	Ordinary Income	Change (%)	Net Income	Change (%)
Fiscal year ended June 30, 2015	683,981	11.7	39,103	14.0	40,160	13.2	23,148	7.8
Fiscal year ended June 30, 2014	612,424	7.7	34,292	5.9	35,487	6.9	21,471	1.6

(Note) Comprehensive income: 29,892 million yen [21.3%] (FY 2015.6), 24,650 million yen [0.3%] (FY 2014.6)

	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, 2015	147.09	146.63	11.6	8.6	5.7
Fiscal year ended June 30, 2014	137.34	136.56	12.1	8.7	5.6

(Reference) Equity in losses of affiliates: 1 million yen (FY 2015.6), 1 million yen (FY 2014.6)

(Note) On July 1, 2015, we conducted a 2-for-1 common stock split. Net Income Per Share and Net Income Per Share-fully diluted have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.

(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, 2015	505,666	221,367	42.0	1,344.64
June 30, 2014	432,135	193,164	43.4	1,194.91

(Reference) Equity: 212,341 million yen (as of June 30, 2015), 187,345 million yen (as of June 30, 2014)

(Note) On July 1, 2015, we conducted a 2-for-1 common stock split. Net Assets per Share have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.

(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, 2015	42,520	(52,641)	16,176	51,292
Fiscal year ended June 30, 2014	39,684	(36,593)	4,440	44,105

2. Dividends

	Dividend per share (yen)			Dividends in total (annual, Millions of yen)	Dividend payout ratio (consolidated basis, %)	Dividends on net assets (consolidated basis, %)
	Six Months Ended December 31	Year Ended June 30	Total			
Year Ended June 30, 2014	10.00	26.00	36.00	2,820	13.1	1.6
Year Ended June 30, 2015	10.00	30.00	40.00	3,156	13.6	1.6
Year Ending June 30, 2016 (Forecast)	5.00	15.00	20.00		—	

(Note) On July 1, 2015, we conducted a 2-for-1 common stock split. Forecast information about Dividends for the fiscal year ending June 30, 2016 is provided after taking into consideration the effect of the stock split.

3. Consolidated Business Forecast : For the year ending June 30, 2016 (From July 1, 2015 to June 30, 2016)

(Millions of yen, except per-share data)

	Net Sales	Change (%)	Operating Income	Change (%)	Ordinary Income	Change (%)	Net Income Attributable to Owners of Parent	Change (%)	Net Income per Share(Yen)
Six Months Ending December 31, 2015	368,000	7.5	23,500	0.4	24,100	0.2	13,700	0.0	86.76
Year Ending June 30, 2016	730,000	6.7	39,800	1.8	40,800	1.6	23,300	0.7	147.55

(Note) On July 1, 2015, we conducted a 2-for-1 common stock split. Forecast information about Net Income per Share for the fiscal year ending June 30, 2016 is provided after taking into consideration the effect of the stock split.

4. Others

(1) Significant changes in the scope of consolidation: None

Newly consolidated: – 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: None

② Other changes: None

③ Changes in accounting estimates: None

④ Restatement: None

(3) Number of outstanding shares (Common stock)

① Number of outstanding shares (Treasury shares included) June 30, 2015 157,918,960 shares

June 30, 2014 156,787,960 shares

② Number of treasury shares June 30, 2015 2,488 shares

June 30, 2014 2,488 shares

③ Average number of outstanding shares during the period June 30, 2015 157,371,496 shares

June 30, 2014 156,332,496 shares

(Note) On July 1, 2015, we conducted a 2-for-1 common stock split. Number of outstanding shares have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.

※ Implementation Status of Financial Audit

This financial summary is not subject to audit under the Financial Instrument and Exchange Act.

Audit procedures for the consolidated financial statements are being conducted at the time of the announcement of this financial summary.

※ Explanation regarding the appropriate use of forecasts of business results

The future business result forecasts included in the financial statements are based on the information available to the company at the time of the announcement and on certain assumptions considered reasonable. Thus, we do not make any representation as to their achievability and undertake any obligation of their updates as a result of new information. Actual results may differ widely from the forecasts for a variety of reasons, including changes in economic environments related to our business, market trends and exchange rates.

Consolidated Balance Sheets

	(Millions of yen)	
	As of June 30, 2015	As of June 30, 2014
	Amount	Amount
Assets		
Current assets		
Cash and deposits	¥49,717	¥42,690
Notes and Accounts receivable-trade	6,820	5,730
Purchased receivables	5,439	6,009
Merchandise and finished goods	94,580	89,105
Prepaid expenses	2,918	2,596
Deferred tax assets	6,644	5,228
Other	9,914	7,517
Allowance for doubtful accounts	(51)	(41)
Total current assets	175,981	158,834
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	96,021	77,078
Tools, furniture and fixtures, net	14,009	12,451
Land	150,647	119,680
Other, net	77	73
Construction in progress	1,373	3,441
Total property, plant and equipment	262,127	212,723
Intangible assets		
Goodwill	7,409	6,332
Other	10,120	9,024
Total intangible assets	17,529	15,356
Investments and other assets		
Investment securities	6,425	4,414
Long-term loans receivable	914	1,069
Long-term prepaid expenses	2,202	2,147
Deferred tax assets	2,710	2,050
Lease and guarantee deposits	32,817	30,963
Other	6,716	6,330
Allowance for doubtful accounts	(1,755)	(1,751)
Total investments and other assets	50,029	45,222
Total non-current assets	329,685	273,301
Total assets	¥505,666	¥432,135

	As of June 30, 2015	(Millions of yen) As of June 30, 2014
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable-trade	¥60,556	¥55,118
Short-term loans payable	1,921	2,197
Current portion of long-term loans payable	17,937	11,607
Current portion of bonds	18,740	6,140
Payables under fluidity lease receivables	7,040	5,912
Accrued expenses	9,948	7,321
Income taxes payable	8,454	7,883
Provision for point card certificates	938	413
Other	19,042	17,853
Total current liabilities	144,576	114,444
Non-current liabilities		
Bonds payable	62,690	44,300
Long-term loans payable	25,156	30,030
Long-term payables under fluidity lease receivables	34,023	34,345
Provision for directors' retirement benefits	—	360
Asset retirement obligations	3,777	3,285
Negative goodwill	526	622
Other	13,551	11,585
Total non-current liabilities	139,723	124,527
Total liabilities	284,299	238,971
Net assets		
Shareholders' equity		
Capital stock	22,227	21,366
Capital surplus	25,030	24,169
Retained earnings	162,428	142,105
Treasury shares	(3)	(3)
Total shareholders' equity	209,682	187,637
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	569	472
Foreign currency translation adjustment	2,090	(764)
Total accumulated other comprehensive income	2,659	(292)
Subscription rights to shares	13	—
Minority interests	9,013	5,819
Total net assets	221,367	193,164
Total liabilities and net assets	¥505,666	¥432,135

Consolidated Statements of Income

	(Millions of yen)	
	Fiscal year ended June 30, 2015	Fiscal year ended June 30, 2014
	Amount	Amount
Net sales	¥683,981	¥612,424
Cost of sales	502,240	451,406
Gross profit	181,741	161,018
Selling, general and administrative expenses	142,638	126,726
Operating income	39,103	34,292
Non-operating income		
Interest and dividend income	639	523
Amortization of negative goodwill	96	342
Penalty income	922	183
Commission fee	406	379
Other	1,480	1,344
Total non-operating income	3,543	2,771
Non-operating expenses		
Interest expenses paid on loans and bonds	928	1,064
Bond issuance cost	261	38
Cost of claim's liquidation	675	250
Other	622	224
Total non-operating expenses	2,486	1,576
Ordinary income	40,160	35,487
Extraordinary income		
Gain on sales of non-current assets	2	214
Gain on sales of investment securities	—	18
Gain on bargain purchase	168	—
Gain on insurance adjustment	138	—
Gain on forgiveness of debts	—	65
Other	9	85
Total extraordinary income	317	382
Extraordinary losses		
Loss on sales of non-current assets	368	201
Impairment loss	198	19
Loss on retirement of non-current assets	202	390
Loss on closing of stores	404	762
Other	148	272
Total extraordinary losses	1,320	1,644
Income before income taxes and minority interests	39,157	34,225
Income taxes - Current	14,379	13,100
Income taxes - Deferred	(2,154)	(2,928)
Total income taxes	12,225	10,172
Income before minority interests	26,932	24,053
Minority interests in income	3,784	2,582
Net income	¥23,148	¥21,471

Consolidated Statements of Comprehensive Income

	Fiscal year ended June 30, 2015	Fiscal year ended June 30, 2014
	Amount	Amount
Income before minority interests	¥26,932	¥24,053
Other comprehensive income		
Valuation difference on available-for-sale securities	101	(262)
Foreign currency translation adjustment	2,859	859
Total other comprehensive income	2,960	597
Comprehensive income	¥29,892	¥24,650
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	¥26,099	¥22,067
Comprehensive income attributable to minority interests	3,793	2,583

Consolidated statements of changes in net assets

	(Millions of yen)	
	Fiscal year ended	Fiscal year ended
	June 30, 2015	June 30, 2014
	Amount	Amount
Shareholders' equity		
Capital stock		
Balance at beginning of current period	¥21,366	¥20,613
Changes of items during period		
Issuance of new shares	861	753
Total changes of items during period	861	753
Balance at end of current period	22,227	21,366
Capital surplus		
Balance at beginning of current period	24,169	23,416
Changes of items during period		
Issuance of new shares	861	753
Total changes of items during period	861	753
Balance at end of current period	25,030	24,169
Retained earnings		
Balance at beginning of current period	142,105	123,207
Changes of items during period		
Dividends of surplus	(2,825)	(2,573)
Net income	23,148	21,471
Total changes of items during period	20,323	18,898
Balance at end of current period	162,428	142,105
Treasury shares		
Balance at beginning of current period	(3)	(3)
Changes of items during period		
Total changes of items during period	—	—
Balance at end of current period	(3)	(3)
Total shareholders' equity		
Balance at beginning of current period	187,637	167,233
Changes of items during period		
Issuance of new shares	1,722	1,506
Dividends of surplus	(2,825)	(2,573)
Net income	23,148	21,471
Total changes of items during period	22,045	20,404
Balance at end of current period	¥209,682	¥187,637

	(Millions of yen)	
	Fiscal year ended June 30, 2015	Fiscal year ended June 30, 2014
	Amount	Amount
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at beginning of current period	¥472	¥736
Changes of items during period		
Net changes of items other than shareholders' equity	97	(264)
Total changes of items during period	97	(264)
Balance at end of current period	569	472
Foreign currency translation adjustment		
Balance at beginning of current period	(764)	(1,625)
Changes of items during period		
Net changes of items other than shareholders' equity	2,854	861
Total changes of items during period	2,854	861
Balance at end of current period	2,090	(764)
Total accumulated other comprehensive income		
Balance at beginning of current period	(292)	(889)
Changes of items during period		
Net changes of items other than shareholders' equity	2,951	597
Total changes of items during period	2,951	597
Balance at end of current period	2,659	(292)
Subscription rights to shares		
Balance at beginning of current period	—	—
Changes of items during period		
Net changes of items other than shareholders' equity	13	—
Total changes of items during period	13	—
Balance at end of current period	13	—
Minority interests		
Balance at beginning of current period	5,819	3,834
Changes of items during period		
Net changes of items other than shareholders' equity	3,194	1,985
Total changes of items during period	3,194	1,985
Balance at end of current period	9,013	5,819
Total net assets		
Balance at beginning of current period	193,164	170,178
Changes of items during period		
Issuance of new shares	1,722	1,506
Dividends of surplus	(2,825)	(2,573)
Net income	23,148	21,471
Net changes of items other than shareholders' equity	6,158	2,582
Total changes of items during period	28,203	22,986
Balance at end of current period	¥221,367	¥193,164

Consolidated Statements of Cash Flows

	(Millions of yen)	
	Fiscal year ended June 30, 2015	Fiscal year ended June 30, 2014
	Amount	Amount
Cash flows from operating activities:		
Income before income taxes and minority interests	¥39,157	¥34,225
Depreciation and amortization	13,003	11,408
Impairment loss	198	19
Amortization of negative goodwill	(96)	(342)
Gain on bargain purchase	(168)	—
Decrease in allowance for doubtful accounts	(2)	(114)
Increase (decrease) in provision for directors' retirement benefits	(360)	23
Interest and dividend income	(639)	(523)
Interest expenses paid on loans and bonds	928	1,064
Loss on sales of shares of subsidiaries and associates	—	48
Gain on sales of investment securities	—	(18)
Loss on sales and retirement of property, plant and equipment	567	377
Loss on store closings	599	266
Offset payments for house rental fee with lease and guarantee deposits	1,279	1,302
Decrease (increase) in notes and accounts receivable-trade	(93)	483
Increase in inventories	(4,519)	(1,739)
Increase in notes and accounts payable-trade	4,600	6,402
Decrease (increase) in other current assets	517	(1,697)
Increase in other current liabilities	1,466	835
Increase (Decrease) in other non-current liabilities	(134)	412
Other, net	1,704	96
Subtotal	58,007	52,527
Interest and dividend income received	456	386
Interest expenses paid	(892)	(1,186)
Income taxes paid	(15,499)	(12,033)
Income taxes refund	557	—
Surcharge paid	(109)	(10)
Net cash provided by operating activities	42,520	39,684
Cash flows from investing activities:		
Payments into time deposits	(50)	(491)
Proceeds from withdrawal of time deposits	891	7
Purchase of property, plant and equipment	(46,633)	(31,872)
Proceeds from sales of property, plant and equipment	252	2,363
Purchase of intangible assets	(779)	(2,045)
Payments for lease and guarantee deposits	(4,791)	(1,072)
Proceeds from collection of lease and guarantee deposits	2,264	872
Payment for store opening in progress	(1,417)	(575)
Proceeds from sales of investment securities	—	423
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,581)	(2,948)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	713	—
Payments of loans receivable	(231)	(1,136)
Other, net	(1,279)	(119)
Net cash used in investing activities	¥(52,641)	¥(36,593)

	(Millions of yen)	
	Fiscal year ended June 30, 2015	Fiscal year ended June 30, 2014
	Amount	Amount
Cash flows from financing activities:		
Net decrease in short-term loans payable	¥(384)	¥(12,421)
Proceeds from long-term loans payable	13,414	20,500
Repayments of long-term loans payable	(25,932)	(23,030)
Proceeds from issuance of bonds	37,836	1,960
Redemption of bonds	(7,110)	(20,330)
Redemption of convertible bonds	—	(350)
Proceeds from fluidity of lease receivables	7,461	42,792
Repayments of payables under fluidity lease receivables	(7,349)	(2,988)
Proceeds from issuance of common shares	1,722	1,506
Cash dividends paid	(2,825)	(2,573)
Cash dividends paid to minority shareholders	(602)	(552)
Other, net	(55)	(74)
Net cash provided by financing activities	16,176	4,440
Effect of exchange rate change on cash and cash equivalents	1,132	442
Net increase in cash and cash equivalents	7,187	7,973
Cash and cash equivalents at beginning of period	44,105	36,132
Cash and cash equivalents at end of period	¥51,292	¥44,105

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.

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, 2015

(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	¥659,931	¥18,200	¥678,131	¥5,850	¥683,981	¥—	¥683,981
Intersegment sales	3	15,796	15,799	6,308	22,107	(22,107)	—
Total	659,934	33,996	693,930	12,158	706,088	(22,107)	683,981
Segment income	21,417	12,714	34,131	5,372	39,503	(400)	39,103
Segment Assets	293,398	178,867	472,265	56,759	529,024	(23,358)	505,666
Others (Note 4)							
(1) Depreciation expenses	8,357	3,948	12,305	339	12,644	359	13,003
(2) Increase in property, plant and equipment, and intangible assets	¥21,775	¥26,445	¥48,220	¥55	¥48,275	¥(259)	¥48,016

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 ¥(400) million adjustment to segment income is an intersegment elimination.
The ¥(23,358) million adjustment to segment assets includes ¥60,077 million of companywide assets not allocated to the respective reporting segments, and ¥ (83,435) 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, 2014

(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	¥590,076	¥17,092	¥607,168	¥5,256	¥612,424	¥—	¥612,424
Intersegment sales	—	8,812	8,812	4,195	13,007	(13,007)	—
Total	590,076	25,904	615,980	9,451	625,431	(13,007)	612,424
Segment income	24,381	6,505	30,886	3,540	34,426	(134)	34,292
Segment Assets	251,484	139,484	390,968	40,231	431,199	936	432,135
Others (Note 4)							
(1) Depreciation expenses	8,137	2,716	10,853	305	11,158	250	11,408
(2) Increase in property, plant and equipment, and intangible assets	¥22,541	¥47,250	¥69,791	¥119	¥69,910	¥(34,676)	¥35,234

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 ¥ (134) million adjustment to segment income is an intersegment elimination.
The ¥936 million adjustment to segment assets includes ¥27,722 million of companywide assets not allocated to the respective reporting segments, and ¥ (26,786) 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.