

Summary Report of Consolidated Financial Results For the Third Quarter Ended March 31, 2010

(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 third quarter of fiscal 2010

(From July 1, 2009 to March 31, 2010)

(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, 2010	372,271	2.3	16,577	29.3	16,620	48.4
Nine Months Ended March 31, 2009	363,941	—	12,824	—	11,196	—

	Net Income	Change (%)	Net Income Per Share (Yen)	Net Income Per Share-fully diluted (Yen)
Nine Months Ended March 31, 2010	9,392	122.2	135.33	126.40
Nine Months Ended March 31, 2009	4,226	—	61.12	61.12

(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 March 31, 2010	318,010	98,580	30.6	1,396.54
Last Fiscal Year	297,527	89,972	29.9	1,284.15

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, 2009	—	10.00	—	13.00	23.00
Year Ending June 30, 2010	—	10.00	—	—	—
Year Ending June 30, 2010 (Forecast)	—	—	—	13.00	23.00

(Note) Revision to the dividend forecast in the third quarter of fiscal 2010: None

3. Consolidated Business Forecast : For the year ending June 30, 2010 (From July 1, 2009 to June 30, 2010)

(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, 2010	497,000	3.4	19,500	13.6	19,200	20.1	10,800	26.3	155.19

(Notes) Revision to the business forecast in the third quarter of fiscal 2010: None

4. Others

(1) Significant changes in subsidiaries (Changes in subsidiaries resulting in changes in the scope of consolidation):

None

(2) Simplified accounting methods and special accounting methods for preparation of the quarterly consolidated financial statements: Yes

① Calculation of provision for doubtful accounts

Credit loss ratio of the previous fiscal year end was used to calculate the provision for bad debts for the current third quarter.

② Method for assessing the value of inventories

Inventories at the end of the third quarter are mainly calculated using a reasonable method based on book value, no physical inventory count is taken. In addition, the carrying amount of inventories is reduced to estimated net selling value only where there is an obvious decrease in profitability.

③ Calculation of depreciation expenses for fixed assets

For fixed assets where depreciation is calculated by declining-balance method, the annual depreciation is proportionately allocated to each quarter.

④ Computation method for income taxes, deferred tax assets and deferred tax liabilities

The recoverability of deferred tax assets was assessed based on the projections of future performance and tax planning that were used in the prior fiscal year but also by taking into account the effects of significant changes if such significant changes were recognized in the business environment or in the circumstances where temporary differences occur during the period from the end of the prior fiscal year to March 31, 2010.

(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

(4) Number of outstanding shares (Common stock)

① Number of outstanding shares (Treasury stock included)	March 31, 2010	72,022,209 shares
	June 30, 2009	72,022,209 shares
② Number of treasury stock	March 31, 2010	2,429,873 shares
	June 30, 2009	2,840,970 shares
③ Average number of outstanding shares during the period	March 31, 2010	69,406,778 shares
	March 31, 2009	69,149,332 shares

※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 of currently available information. By nature, such financial forecasts are subject to uncertainty and risk. Therefore, you are advised that the final results might be significantly different from the aforementioned forecasts due to changes in economic environments related to our business, market trends and exchange rate, etc.

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2010	As of June 30, 2009
	Amount	Amount
Assets		
Current assets		
Cash and deposits	¥58,072	¥42,563
Notes and Accounts receivable-trade	3,667	4,612
Merchandise and finished goods	71,693	70,651
Other	7,193	6,150
Allowance for doubtful accounts	(159)	(174)
Total current assets	140,466	123,802
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	50,689	49,923
Tools, furniture and fixtures, net	9,207	8,789
Land	61,806	55,028
Other, net	389	638
Total property, plant and equipment	122,091	114,378
Intangible assets	2,718	2,960
Investments and other assets		
Investment securities	10,705	12,055
Lease and guarantee deposits	34,475	36,846
Other	10,329	10,252
Allowance for doubtful accounts	(2,774)	(2,766)
Total investments and other assets	52,735	56,387
Total noncurrent assets	177,544	173,725
Total assets	¥318,010	¥297,527

	(Millions of yen)	
	As of March 31, 2010	As of June 30, 2009
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable-trade	¥50,056	¥41,062
Short-term loans-payable	2,247	11,000
Current portion of long-term loans payable	11,609	9,696
Current portion of bonds	41,507	9,695
Current portion of convertible bonds	8,625	20,171
Commercial papers	8,497	—
Income taxes payable	3,615	3,354
Provision for point card certificates	191	386
Other provision	171	52
Other	15,783	15,467
Total current liabilities	142,301	110,883
Noncurrent liabilities		
Bonds payable	35,101	53,253
Convertible bonds	350	9,335
Long-term loans payable	22,651	13,575
Derivatives liabilities	2,637	2,233
Provision for retirement benefits	332	472
Provision for directors' retirement benefits	369	162
Negative goodwill	3,520	4,163
Other	12,169	13,479
Total noncurrent liabilities	77,129	96,672
Total liabilities	219,430	207,555
Net assets		
Shareholders' equity		
Capital stock	14,977	14,977
Capital surplus	16,351	16,289
Retained earnings	73,657	65,806
Treasury stock	(4,256)	(4,976)
Total shareholders' equity	100,729	92,096
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(1,469)	(1,856)
Foreign currency translation adjustment	(2,072)	(1,401)
Total valuation and translation adjustments	(3,541)	(3,257)
Subscription rights to shares	0	1
Minority interests	1,392	1,132
Total net assets	98,580	89,972
Total liabilities and net assets	¥318,010	¥297,527

Consolidated Statements of Income

	(Millions of yen)	
	Nine months ended March 31, 2010	Nine months ended March 31, 2009
	Amount	Amount
Net sales	¥372,271	¥363,941
Cost of sales	278,764	267,432
Gross profit	93,507	96,509
Selling, general and administrative expenses	76,930	83,685
Operating income	16,577	12,824
Non-operating income		
Interest and dividends income	434	416
Amortization of negative goodwill	643	644
Other	1,026	807
Total non-operating income	2,103	1,867
Non-operating expenses		
Interest expenses	1,232	923
Loss on valuation of derivatives	404	2,155
Other	424	417
Total non-operating expenses	2,060	3,495
Ordinary income	16,620	11,196
Extraordinary income		
Gain on sales of noncurrent assets	442	63
Compensation income	—	150
Reversal of provision for point card certificates	—	41
Gain on redemption of convertible bonds	221	—
Other	218	132
Total extraordinary income	881	386
Extraordinary losses		
Loss on valuation of investment securities	756	2,272
Impairment loss	14	494
Loss on closing of stores	261	883
Settlement package	354	—
Other	398	253
Total extraordinary losses	1,783	3,902
Income before income taxes and minority interests	15,718	7,680
Income taxes - Current	6,550	4,331
Income taxes - Deferred	(485)	(1,156)
Total income taxes	6,065	3,175
Minority interests in income	261	279
Net income	¥9,392	¥4,226

Consolidated Statements of Cash Flows

	(Millions of yen)	
	Nine months ended March 31, 2010	Nine months ended March 31, 2009
	Amount	Amount
Net cash provided by operating activities:		
Income before income taxes and minority interests	¥15,718	¥7,680
Depreciation and amortization	7,106	6,528
Amortization of negative goodwill	(643)	(644)
Decrease in provision	(16)	(806)
Interest and dividend income	(434)	(416)
Interest expenses	1,232	923
Loss on valuation of derivatives	404	2,155
Gain on sales of property, plant and equipment	(442)	—
Gain on redemption of convertible bonds	(221)	—
Loss on valuation of investment securities	756	2,272
Decrease (increase) in notes and accounts receivable-trade	944	(55)
Increase in inventories	(1,134)	(846)
Increase in notes and accounts payable-trade	9,162	3,645
Other, net	962	1,098
Sub total	33,394	21,534
Interest and dividends income received	318	186
Interest expenses paid	(1,350)	(945)
Income taxes paid	(6,511)	(5,300)
Net cash provided by operating activities	25,851	15,475
Net cash used in investing activities:		
Payments into time deposits	(20,298)	—
Proceeds from withdrawal of time deposits	10,241	—
Purchase of property, plant and equipment	(16,371)	(15,232)
Proceeds from sales of property, plant and equipment	1,371	259
Payments for lease and guarantee deposits	(928)	(1,911)
Proceeds from collection of lease and guarantee deposits	2,031	2,335
Purchase of investment securities	(50)	(7,745)
Proceeds from sales of investment securities	27	1,227
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(1,893)
Additional purchase of investments in subsidiaries	—	(648)
Payment for purchase of investment funds	—	(1,000)
Proceeds from withdrawal of investments in silent partnership	825	—
Other, net	(311)	(1,440)
Net cash used in investing activities	(23,463)	(26,048)
Net cash provided by financing activities:		
Net increase (decrease) in short-term loans payable	(8,754)	1,050
Proceeds from issuance of commercial papers	—	5,492
Net increase in commercial papers	8,469	—
Proceeds from long-term loans payable	19,702	3,900
Repayment of long-term loans payable	(8,713)	(6,291)
Proceeds from issuance of bonds	23,200	14,000
Redemption of bonds	(9,540)	(6,708)
Redemption of convertible bonds	(19,950)	—
Cash dividends paid	(1,595)	(1,521)
Other, net	271	(180)
Net cash provided by financing activities	3,090	9,742
Effect of exchange rate change on cash and cash equivalents	(140)	(167)
Net increase (decrease) in cash and cash equivalents	5,338	(998)
Cash and cash equivalents at beginning of period	42,040	38,086
Increase in cash and cash equivalents resulting from merger between consolidated and unconsolidated subsidiaries	62	—
Cash and cash equivalents at end of period	¥47,440	¥37,088

Segment Information

For the third quarter ended March 31, 2010

a. Operating segment information

For the third quarter ended March 31, 2010

(Millions of yen)

	Discount Store business	GMS business	Rent business	Others	Total	Corporate eliminations	Consolidated
Sales							
Sales to third parties	¥315,143	¥43,854	¥11,909	¥1,365	¥372,271	¥—	¥372,271
Intersegment sales	203	3	1,657	673	2,536	(2,536)	—
Total	315,346	43,857	13,566	2,038	374,807	(2,536)	372,271
Operating income (loss)	¥13,474	¥(159)	¥3,362	¥419	¥17,096	¥(519)	¥16,577

b. Geographic segment information

For the third quarter ended March 31, 2010, net sales in Japan accounted for more than 90% of those of all the segments. Consequently, details of each geographic segment information are not presented.

c. Sales outside Japan

For the third quarter ended March 31, 2010, sales outside of Japan amounted less than 10% of the consolidated net sales, and therefore the information is not presented.

For the third quarter ended March 31, 2009

a. Operating segment information

For the third quarter ended March 31, 2009

(Millions of yen)

	Discount Store business	GMS business	Rent business	Others	Total	Corporate eliminations	Consolidated
Sales							
Sales to third parties	¥279,926	¥70,868	¥11,038	¥2,109	¥363,941	¥—	¥363,941
Intersegment sales	419	264	1,689	1,406	3,778	(3,778)	—
Total	280,345	71,132	12,727	3,515	367,719	(3,778)	363,941
Operating income (loss)	¥10,821	¥(1,602)	¥3,096	¥426	¥12,741	¥83	¥12,824

b. Geographic segment information

For the third quarter ended March 31, 2009, net sales in Japan accounted for more than 90% of those of all the segments. Consequently, details of each geographic segment information are not presented.

c. Sales outside Japan

For the third quarter ended March 31, 2009, sales outside of Japan amounted less than 10% of the consolidated net sales, and therefore the information is not presented.

Notes on the going-concern assumption

Not applicable

Notes on significant changes in the amount of shareholders' equity

Not applicable