

# Summary Report of Consolidated Financial Results

## For the Fiscal Year Ended June 30, 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  
 Address: 2-19-10 Aobadai, Meguro-ku, Tokyo  
 Representative: Junji Narusawa, President and Representative Director  
 Contact: Mitsuo Takahashi, Senior Managing Director (Phone: +81-3-5725-7588)  
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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, 2010

(From July 1, 2009 to June 30, 2010)

#### (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, 2010	487,571	1.4%	21,067	22.7	21,109	32.0
Fiscal year ended June 30, 2009	480,856	18.8%	17,172	7.5	15,989	△7.1

	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, 2010	10,238	19.7	147.35	137.64	10.5	7.0	4.3
Fiscal Year Ended June 30, 2009	8,554	△8.1	123.69	123.69	10.0	5.6	3.6

#### (2) Financial Position

(Millions of yen, except per-share data)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
As of June 30, 2010	302,029	106,760	34.9	1,460.81
June 30, 2009	297,527	89,972	29.9	1,284.15

#### (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, 2010	18,885	△16,497	△5,475	38,911
Fiscal year ended June 30, 2009	19,513	△29,855	14,316	42,040

### 2. Dividends

	Yen					Total cash Dividends (Millions of yen)	Dividend Payout ratio (%)	Dividends/ Net Assets (%)
	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	1,591	18.6	1.9
Year Ended June 30, 2010	—	10.00	—	15.00	25.00	1,777	17.0	1.8
Year Ending June 30, 2011 (Forecast)	—	10.00	—	15.00	25.00		16.6	



## Consolidated Balance Sheets

	(Millions of yen)	
	As of June 30,	As of June 30,
	2010	2009
	Amount	Amount
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	¥41,734	¥42,563
Notes and Accounts receivable-trade	4,045	4,612
Merchandise and finished goods	74,452	70,651
Prepaid expenses	2,106	2,173
Deferred tax assets	1,853	1,477
Other	4,061	2,500
Allowance for doubtful accounts	(53)	(174)
<b>Total current assets</b>	<b>128,198</b>	<b>123,802</b>
<b>Noncurrent assets</b>		
Property, plant and equipment		
Buildings and structures	83,931	79,649
Accumulated depreciation	(31,437)	(26,875)
Accumulated impairment loss	(2,533)	(2,851)
Buildings and structures, net	49,961	49,923
Vehicles	—	94
Accumulated depreciation	—	(73)
Accumulated impairment loss	—	(0)
Vehicles net	—	21
Tools, furniture and fixtures	32,032	30,780
Accumulated depreciation	(22,631)	(21,161)
Accumulated impairment loss	(690)	(830)
Tools, furniture and fixtures, net	8,711	8,789
Other	165	—
Accumulated depreciation	(78)	—
Other, net	87	—
Land	64,378	55,028
Construction in progress	597	617
<b>Total property, plant and equipment</b>	<b>123,734</b>	<b>114,378</b>
Intangible assets	2,721	2,960
Investments and other assets		
Investment securities	6,297	12,055
Long-term loans receivable	1,311	1,251
Long-term prepaid expenses	2,225	2,222
Deferred tax assets	2,173	2,623
Lease and guarantee deposits	33,674	36,846
Other	4,857	4,156
Allowance for doubtful accounts	(3,161)	(2,766)
<b>Total investments and other assets</b>	<b>47,376</b>	<b>56,387</b>
<b>Total noncurrent assets</b>	<b>173,831</b>	<b>173,725</b>
<b>Total assets</b>	<b>¥302,029</b>	<b>¥297,527</b>

	(Millions of yen)	
	As of June 30, 2010	As of June 30, 2009
	Amount	Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	¥42,670	¥41,062
Short-term loans	698	11,000
Current portion of long-term loans	10,834	9,696
Current portion of bonds	41,507	9,695
Current portion of convertible bonds	8,625	20,171
Accrued expenses	6,119	6,005
Income taxes payable	4,014	3,354
Provision for point card certificates	247	386
Other provision	72	52
Other	7,219	9,462
<b>Total current liabilities</b>	<b>122,005</b>	<b>110,883</b>
<b>Noncurrent liabilities</b>		
Bonds	33,851	53,253
Convertible bonds	350	9,335
Long-term loans	20,379	13,575
Derivatives liabilities	2,848	2,233
Provision for retirement benefits	84	472
Provision for directors' retirement benefits	375	162
Negative goodwill	3,306	4,163
Other	12,071	13,479
<b>Total noncurrent liabilities</b>	<b>73,264</b>	<b>96,672</b>
<b>Total liabilities</b>	<b>195,269</b>	<b>207,555</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	15,049	14,977
Capital surplus	17,856	16,289
Retained earnings	74,503	65,806
Treasury stock	(1)	(4,976)
<b>Total shareholders' equity</b>	<b>107,407</b>	<b>92,096</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on investment securities	(104)	(1,856)
Foreign currency translation adjustment	(1,986)	(1,401)
<b>Total valuation and translation adjustments</b>	<b>(2,090)</b>	<b>(3,257)</b>
Subscription rights to shares	0	1
Minority interests	1,443	1,132
<b>Total net assets</b>	<b>106,760</b>	<b>89,972</b>
<b>Total liabilities and net assets</b>	<b>¥302,029</b>	<b>¥297,527</b>

## Consolidated Statements of Income

	(Millions of yen)	
	Fiscal year ended June 30, 2010	Fiscal year ended June 30, 2009
	Amount	Amount
Net sales	¥487,571	¥480,856
Cost of sales	364,065	353,616
Gross profit	123,506	127,240
Selling, general and administrative expenses	102,439	110,068
Operating income	21,067	17,172
Non-operating income		
Interest and dividends income	617	580
Gain on sales of investment securities	—	4
Gain on investments in silent partnership	58	147
Amortization of negative goodwill	857	858
Commission fee	292	—
Other	1,076	1,093
Total non-operating income	2,900	2,682
Non-operating expenses		
Interest expenses paid on loans and bonds	1,678	1,278
Loss on valuation of derivatives	615	2,009
Equity in losses of affiliates	1	18
Other	564	560
Total non-operating expenses	2,858	3,865
Ordinary income	21,109	15,989
Extraordinary income		
Gain on sales of property, plant and equipment	442	—
Gain on abolishment of retirement benefit plan	—	1,556
Gain on redemption of convertible bonds	221	—
Other	229	651
Total extraordinary income	892	2,207
Extraordinary losses		
Loss on valuation of investment securities	2,659	1,417
Impairment loss	163	649
Loss on closing of stores	399	1,254
Loss on retirement of property, plant and equipment	318	232
Other	1,617	430
Total extraordinary losses	5,156	3,982
Income before income taxes and minority interests	16,845	14,214
Income taxes - Current	7,103	6,403
Income taxes - Deferred	(796)	(1,059)
Total income taxes	6,307	5,344
Minority interests in income	300	316
Net income	¥10,238	¥8,554

## Consolidated statements of changes in net assets

	(Millions of yen)	
	Fiscal year ended	Fiscal year ended
	June 30, 2010	June 30, 2009
	Amount	Amount
<b>Shareholders' equity</b>		
Capital stock		
Balance at the end of previous period	¥14,977	¥14,977
Changes of items during the period		
Issuance of new shares	72	—
Total changes of items during the period	72	—
Balance at the end of current period	15,049	14,977
Capital surplus		
Balance at the end of previous period	16,289	16,289
Changes of items during the period		
Issuance of new shares	72	—
Disposal of treasury stock	1,495	—
Total changes of items during the period	1,567	—
Balance at the end of current period	17,856	16,289
Retained earnings		
Balance at the end of previous period	65,806	58,777
Changes of items during the period		
Dividends from surplus	(1,595)	(1,521)
Net income	10,238	8,554
Disposal of treasury stock	—	(4)
Change of scope of consolidation	54	—
Total changes of items during the period	8,697	7,029
Balance at the end of current period	74,503	65,806
Treasury stock		
Balance at the end of previous period	(4,976)	(5,144)
Changes of items during the period		
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	4,975	168
Total changes of items during the period	4,975	168
Balance at the end of current period	(1)	(4,976)
Total shareholders' equity		
Balance at the end of previous period	92,096	84,899
Changes of items during the period		
Issuance of new shares	144	—
Dividends from surplus	(1,595)	(1,521)
Net income	10,238	8,554
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	6,470	164
Change of scope of consolidation	54	—
Total changes of items during the period	15,311	7,197
Balance at the end of current period	¥107,407	¥92,096

	(Millions of yen)	
	Fiscal year ended June 30, 2010	Fiscal year ended June 30, 2009
	Amount	Amount
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	¥(1,856)	¥(680)
Changes of items during the period		
Net changes of items other than shareholders' equity	1,752	(1,176)
Total changes of items during the period	1,752	(1,176)
Balance at the end of current period	(104)	(1,856)
Foreign currency translation adjustment		
Balance at the end of previous period	(1,401)	(1,285)
Changes of items during the period		
Net changes of items other than shareholders' equity	(585)	(116)
Total changes of items during the period	(585)	(116)
Balance at the end of current period	(1,986)	(1,401)
Total valuation and translation adjustments		
Balance at the end of previous period	(3,257)	(1,965)
Changes of items during the period		
Net changes of items other than shareholders' equity	1,167	(1,292)
Total changes of items during the period	1,167	(1,292)
Balance at the end of current period	(2,090)	(3,257)
<b>Subscription rights to shares</b>		
Balance at the end of previous period	1	3
Changes of items during the period		
Net changes of items other than shareholders' equity	(1)	(2)
Total changes of items during the period	(1)	(2)
Balance at the end of current period	0	1
<b>Minority interests</b>		
Balance at the end of previous period	1,132	1,688
Changes of items during the period		
Net changes of items other than shareholders' equity	311	(556)
Total changes of items during the period	311	(556)
Balance at the end of current period	1,443	1,132
<b>Total net assets</b>		
Balance at the end of previous period	89,972	84,625
Changes of items during the period		
Issuance of new shares	144	—
Dividends from surplus	(1,595)	(1,521)
Net income	10,238	8,554
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	6,470	164
Change of scope of consolidation	54	—
Net changes of items other than shareholders' equity	1,477	(1,850)
Total changes of items during the period	16,788	5,347
Balance at the end of current period	¥106,760	¥89,972

## Consolidated Statements of Cash Flows

	(Millions of yen)	
	Fiscal year ended June 30, 2010	Fiscal year ended June 30, 2009
	Amount	Amount
<b>Net cash provided by (used in) operating activities:</b>		
Income before income taxes and minority interests	¥16,845	¥14,214
Depreciation and other amortization	9,823	8,898
Impairment loss	163	649
Amortization of negative goodwill	(857)	(858)
Increase (decrease) in allowance for doubtful accounts	274	(141)
Increase (decrease) in provision for directors' retirement benefits	212	(22)
Decrease in provision for retirement benefits	(388)	(5,216)
Decrease in provision for point card certificates	(139)	(376)
Interest and dividend income	(617)	(580)
Loss on valuation of derivatives	615	2,009
Equity in losses of affiliates	1	18
Loss on investments in silent partnership	(58)	(68)
Interest expenses paid on loans and bonds	1,678	1,278
Loss (gain) on sales of investment securities	510	28
Loss (gain) on sales and retirement of property, plant and equipment	(123)	82
Loss on store closings	152	929
Offset payments for house rental fee with lease and guarantee deposits	1,192	1,300
Loss (gain) on redemption of convertible bonds	(221)	—
Loss (gain) on valuation of investment securities	2,659	1,417
Decrease (increase) in notes and accounts receivable-trade	566	(58)
Decrease (increase) in inventories	(3,879)	(2,171)
Decrease (increase) in other current assets	(1,016)	619
Increase (decrease) in notes and accounts payable - trade	1,911	711
Increase (decrease) in other current liabilities	(1,825)	1,060
Increase (decrease) in other noncurrent liabilities	(1,052)	2,111
Other, net	398	187
Sub total	26,824	26,020
Interest and dividends income received	452	326
Interest expenses paid	(1,660)	(1,175)
Income taxes paid	(6,731)	(5,658)
Net cash provided by (used in) operating activities	18,885	19,513
<b>Net cash provided by (used in) investing activities:</b>		
Payments into time deposits	(23,766)	(1,014)
Proceeds from withdrawal of time deposits	21,323	319
Purchase of property, plant and equipment	(20,952)	(17,757)
Proceeds from sales of property, plant and equipment	1,412	327
Purchase of intangible assets	(288)	(244)
Payments for lease and guarantee deposits	(1,145)	(2,596)
Proceeds from collection of lease and guarantee deposits	2,743	3,091
Purchase of investment securities	(63)	(8,340)
Proceeds from sales of investment securities	3,427	1,286
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(1,893)
Proceeds from withdrawal of investments in silent partnership	22	21
Proceeds from liquidation of anonymous association	825	—
Purchase of investments in subsidiaries	(10)	(648)
Payment for purchase of investment funds	—	(1,000)
Proceeds from liquidation of investment funds	914	—
Other, net	(939)	(1,407)
Net cash provided by (used in) investing activities	¥(16,497)	¥(29,855)



	(Millions of yen)	
	Fiscal year ended June 30, 2010	Fiscal year ended June 30, 2009
	Amount	Amount
<b>Net cash provided by (used in) financing activities:</b>		
Net increase (decrease) in short-term loans payable	¥(10,302)	¥9,600
Proceeds from long-term loans payable	19,702	8,500
Repayment of long-term loans payable	(11,761)	(8,966)
Proceeds from issuance of bonds	23,200	14,000
Redemption of bonds	(10,790)	(7,143)
Repayments of lease obligations	(186)	(436)
Proceeds from issuance of common stock	144	—
Purchase of treasury stock	(0)	(0)
Proceeds from sales of treasury stock	5,675	164
Redemption of convertible bonds	(19,950)	—
Cash dividends paid	(1,595)	(1,521)
Proceeds from stock issuance to minority shareholders	8	126
Other, net	380	(8)
Net cash provided by (used in) financing activities	(5,475)	14,316
Effect of exchange rate change on cash and cash equivalents	(114)	(20)
Net increase (decrease) in cash and cash equivalents	(3,201)	3,954
Cash and cash equivalents at beginning of period	42,040	38,086
Increase in cash and cash equivalents from newly consolidated subsidiary	10	—
Increase in cash and cash equivalents resulting from merger between consolidated and unconsolidated subsidiaries	62	—
Cash and cash equivalents at end of period	¥38,911	¥42,040

## Segment Information

### For the Fiscal Year Ended June 30, 2010

#### a. Operating segment information

For the Fiscal Year Ended June 30, 2010

(Millions of yen)

	Discount Store business	GMS business	Rent business	Others	Total	Corporate eliminations	Consolidated
Sales							
Sales to third parties	¥416,183	¥54,005	¥15,737	¥1,646	¥487,571	¥—	¥487,571
Intersegment sales	204	3	2,152	903	3,262	(3,262)	—
Total	416,387	54,008	17,889	2,549	490,833	(3,262)	487,571
Operating income (loss)	¥16,543	¥(256)	¥4,336	¥597	¥21,220	¥(153)	¥21,067

#### b. Geographic segment information

For the Fiscal Year Ended June 30, 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 Fiscal Year Ended June 30, 2010, sales outside of Japan amounted less than 10% of the consolidated net sales, and therefore the information is not presented.

### For the Fiscal Year Ended June 30, 2009

#### a. Operating segment information

For the Fiscal Year Ended June 30, 2009

(Millions of yen)

	Discount Store business	GMS business	Rent business	Others	Total	Corporate eliminations	Consolidated
Sales							
Sales to third parties	¥373,630	¥88,610	¥15,909	¥2,707	¥480,856	¥—	¥480,856
Intersegment sales	518	320	2,364	1,801	5,003	(5,003)	—
Total	374,148	88,930	18,274	4,508	485,859	(5,003)	480,856
Operating income (loss)	¥13,441	¥(1,548)	¥4,595	¥533	¥17,021	¥151	¥17,172

#### b. Geographic segment information

For the Fiscal Year Ended June 30, 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 Fiscal Year Ended June 30, 2009, sales outside of Japan amounted less than 10% of the consolidated net sales, and therefore the information is not presented.