Summary Report of Consolidated Financial Results For the Six Months Ended December 31, 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
Address: 2-19-10 Aobadai, Meguro-ku, Tokyo
Representative: Kohji Oohara, President and CEO
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URL: http://www.donki-hd.co.jp

(Amounts in million yen are rounded off to the nearest million)

1. Overview of Business Results and Financial Position for the six months ended 31 December, 2015

(1) Results of Business Operations

(Millions of yen, except per-share data)

	Net Sales	Change (%)	Operating Income	Change (%)	Ordinary Income	Change (%)
Six Months Ended December 31, 2015	384,445	12.3	25,571	9.2	25,873	7.6
Six Months Ended December 31, 2014	342,224	12.8	23,411	14.2	24,044	13.8

(Note) Comprehensive income: 16,185 million yen [△3.7%] (FY 2016.6 2Q), 16,811 million yen [18.0%] (FY 2015.6 2Q)

	Profit Attributable to Owners of Parent	Change (%)	Net Income Per Share (Yen)	Net Income Per Share-fully diluted (Yen)
Six Months Ended December 31, 2015	14,232	3.9	90.05	89.97
Six Months Ended December 31, 2014	13,694	5.1	87.21	86.87

(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 (%)
As of December 31, 2015	560,400	234,971	40.0
June 30, 2015	505,666	221,367	42.0

(Reference) Equity: 224,244 million yen (as of December 31, 2015), 212,341 million yen (as of June 30, 2015)

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, 2015	—	10.00	—	30.00	40.00
Year Ending June 30, 2016	—	5.00			
Year Ending June 30, 2016 (Forecast)			—	15.00	20.00

(Note) Revision to the dividend forecast in the second quarter of fiscal 2016: None

(Note) On July 1, 2015, we conducted a 2-for-1 common stock split. For the fiscal year ended June 30, 2015, the actual amount of dividends before the said stock split is presented.

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 (%)	Profit Attributable to Owners of Parent	Change (%)	Net Income per Share (Yen)
Year Ending June 30, 2016	750,000	9.7	41,000	4.9	41,500	3.3	23,400	1.1	148.00

(Note) Revision to the business forecast in the second quarter of fiscal 2016: Yes

4. Others

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

Newly consolidated: one company (Don Quijote Holdings Retail Management Co., Ltd.) Excluded:—

(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: None
④ Restatement: None

(4) Number of outstanding shares (Common stock)

① Number of outstanding shares (Treasury stock included)	December 31, 2015	158,117,560 shares
	June 30, 2015	157,918,960 shares
② Number of treasury stock	December 31, 2015	4,633 shares
	June 30, 2015	2,488 shares
③ Average number of outstanding shares during the period	December 31, 2015	158,051,983 shares
	December 31, 2014	157,027,392 shares

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

(5) Changes to accounting policies, changes in financial estimates and restatements

Application of "Accounting Standard for Business Combinations" and other applicable standards.

From the beginning of the fiscal year ending June 30, 2016, Don Quijote Holdings Co., Ltd. has applied the "Accounting standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013), and other applicable standards. Accordingly, the Company has applied these accounting standards. As a result, the method of recording the amount of difference caused by changes in the Company's ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to record as capital surplus, and the method of recording acquisition-related costs has been changed to recognize as period expenses for the fiscal year in which they are incurred. Furthermore, for business combinations that are carried out on or after the beginning of this first quarter, the accounting method has been changed to an adjusted acquisition cost allocation updated from the tentative accounting treatment and is reflected in the quarterly consolidated financial statements for the quarter period in which the business combination occurs. In addition, the change in the presentation method of net income (loss) and minority interests to non-controlling interests have been applied from the beginning of this first quarter. To reflect these changes, consolidated quarterly statements of operations and consolidated balance sheets for the previous fiscal year have been reclassified.

Also from this first quarter, disbursements for acquisitions or proceeds from sales of shares of subsidiaries without change of scope of consolidation have been presented in cash flows from financing activities, and cash out flows from acquisition related costs for acquisitions of shares of subsidiaries with change of scope of consolidation and cash out flows from acquisition or sale related costs for shares of subsidiaries without change of scope of consolidation have been presented in cash flows from operating activities on consolidated quarterly statements of cash flows.

Application of the Accounting Standard for Business Combinations and other applicable standards is in line with the transitional measures that are provided in Paragraph 58-2(4) of the Accounting Standard for Business Combinations, Paragraph 44-5(4) of the Accounting Standard for Consolidated Financial Statements, and Paragraph 57-4(4) of the Accounting Standard for Business Divestitures, and is effective from the beginning of this first quarter.

There is no impact to the consolidated financial statements of the six-month period ended December 31, 2015.

※Implementation Status of Financial Audit

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

Quarterly review 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 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 December 31, 2015	As of June 30, 2015
	Amount	Amount
Assets		
Current assets		
Cash and deposits	**¥68,685**	¥49,717
Notes and Accounts receivable-trade	**9,904**	6,820
Purchased receivables	**6,170**	5,439
Merchandise	**107,451**	94,580
Other	**20,843**	19,476
Allowance for doubtful accounts	**(66)**	(51)
Total current assets	**212,987**	175,981
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	**100,250**	96,021
Tools, furniture and fixtures, net	**14,569**	14,009
Land	**159,933**	150,647
Other, net	**1,435**	1,450
Total property, plant and equipment	**276,187**	262,127
Intangible assets		
Goodwill	**7,191**	7,409
Other	**10,182**	10,120
Total intangible assets	**17,373**	17,529
Investments and other assets		
Investment securities	**6,345**	6,425
Lease and guarantee deposits	**33,517**	32,817
Other	**15,735**	12,542
Allowance for doubtful accounts	**(1,744)**	(1,755)
Total investments and other assets	**53,853**	50,029
Total non-current assets	**347,413**	329,685
Total assets	**¥560,400**	¥505,666

(Millions of yen)

	As of December 31, 2015	As of June 30, 2015
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable-trade	**¥84,167**	¥60,556
Short-term loans payable	**2,344**	1,921
Current portion of long-term loans payable	**28,243**	17,937
Current portion of bonds	**26,306**	18,740
Payables under fluidity lease receivables	**7,093**	7,040
Income taxes payable	**7,673**	8,454
Provision for point card certificates	**1,119**	938
Other	**27,759**	28,990
Total current liabilities	**184,704**	144,576
Non-current liabilities		
Bonds payable	**56,704**	62,690
Long-term loans payable	**35,156**	25,156
Long-term payables under fluidity lease receivables	**30,463**	34,023
Asset retirement obligations	**4,200**	3,777
Negative goodwill	**483**	526
Other	**13,719**	13,551
Total non-current liabilities	**140,725**	139,723
Total liabilities	**325,429**	284,299
Net assets		
Shareholders' equity		
Capital stock	**22,382**	22,227
Capital surplus	**25,184**	25,030
Retained earnings	**174,289**	162,428
Treasury shares	**(14)**	(3)
Total shareholders' equity	**221,841**	209,682
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	**356**	569
Foreign currency translation adjustment	**2,047**	2,090
Total accumulated other comprehensive income	**2,403**	2,659
Subscription rights to shares	**23**	13
Non-controlling interests	**10,704**	9,013
Total net assets	**234,971**	221,367
Total liabilities and net assets	**¥560,400**	¥505,666

Consolidated Quarterly Statements of Income

(Millions of yen)

	Six months ended December 31, 2015	Six months ended December 31, 2014
	Amount	Amount
Net sales	**¥384,445**	¥342,224
Cost of sales	**281,504**	250,590
Gross profit	**102,941**	91,634
Selling, general and administrative expenses	**77,370**	68,223
Operating income	**25,571**	23,411
Non-operating income		
Interest and dividend income	**334**	292
Amortization of negative goodwill	**43**	52
Penalty income	**703**	42
Other	**623**	1,196
Total non-operating income	**1,703**	1,582
Non-operating expenses		
Interest expenses	**522**	421
Cost of claim's liquidation	**314**	335
Other	**565**	193
Total non-operating expenses	**1,401**	949
Ordinary income	**25,873**	24,044
Extraordinary income		
Gain on sales of non-current assets	**9**	0
Gain on bargain purchase	**－**	168
Other	**－**	1
Total extraordinary income	**9**	169
Extraordinary losses		
Loss on sales of non-current assets	**－**	367
Loss on retirement of non-current assets	**51**	51
Loss on closing of stores	**919**	389
Other	**1**	108
Total extraordinary losses	**971**	915
Income before income taxes and minority interests	**24,911**	23,298
Income taxes - Current	**8,197**	8,141
Income taxes - Deferred	**262**	△402
Total income taxes	**8,459**	7,739
Profit	**16,452**	15,559
Profit attributable to non-controlling interests	**2,220**	1,865
Profit attributable to owners of parent	**¥14,232**	¥13,694

Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Six months ended December 31, 2015	Six months ended December 31, 2014
	Amount	Amount
Profit	**¥16,452**	¥15,559
Other comprehensive income		
Valuation difference on available-for-sale securities	**(218)**	44
Foreign currency translation adjustment	**(49)**	1,208
Total other comprehensive income	**(267)**	1,252
Comprehensive income	**¥16,185**	¥16,811
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	**¥13,976**	¥14,945
Comprehensive income attributable to non-controlling interests	**2,209**	1,866

Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	Six months ended December 31, 2015	Six months ended December 31, 2014
	Amount	Amount
Cash flows from operating activities:		
Income before income taxes and minority interests	**24,911**	23,298
Depreciation	**7,068**	5,985
Amortization of negative goodwill	**(43)**	(52)
Gain on bargain purchase	**—**	(168)
Increase (decrease) in provision	**158**	(146)
Interest and dividend income	**(334)**	(292)
Interest expenses	**522**	421
Increase in notes and accounts receivable - trade	**(3,933)**	(1,979)
Increase in inventories	**(12,882)**	(12,561)
Increase in notes and accounts payable - trade	**23,623**	17,511
Other, net	**3,278**	389
Subtotal	**42,368**	32,406
Interest and dividend income received	**242**	223
Interest expenses paid	**(469)**	(442)
Income taxes paid	**(10,160)**	(8,983)
Income taxes refund	**1,624**	556
Surcharge paid	**—**	(109)
Net cash provided by operating activities	**33,605**	23,651
Cash flows from investing activities:		
Proceeds from withdrawal of time deposits	**—**	538
Purchase of property, plant and equipment	**(21,700)**	(24,865)
Proceeds from sales of property, plant and equipment	**53**	233
Purchase of intangible assets	**(274)**	(274)
Payments for lease and guarantee deposits	**(1,144)**	(1,531)
Proceeds from collection of lease and guarantee deposits	**66**	444
Payment for store opening in progress	**(1,530)**	(1,509)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	**—**	(1,581)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	**—**	713
Other, net	**(1,914)**	(1,726)
Net cash used in investing activities	**(26,443)**	(29,558)
Cash flows from financing activities:		
Net increase in short-term loans payable	**538**	14,776
Proceeds from long-term loans payable	**24,100**	1,400
Repayment of long-term loans payable	**(3,793)**	(17,443)
Proceeds from issuance of bonds	**4,819**	7,888
Redemption of bonds	**(3,320)**	(3,590)
Proceeds from fluidity of lease receivables	**—**	7,461
Repayments of payables under fluidity lease receivables	**(3,810)**	(3,539)
Proceeds from issuance of common shares	**309**	896

Cash dividends paid	**(2,369)**	(2,038)
Cash dividends paid to non-controlling interests	**(567)**	(552)
Other, net	**(5)**	(11)
Net cash provided by financing activities	**15,902**	5,248
Effect of exchange rate change on cash and cash equivalents	**(206)**	455
Net increase (decrease) in cash and cash equivalents	**22,858**	(204)
Cash and cash equivalents at beginning of period	**51,292**	44,105
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	**(32)**	—
Cash and cash equivalents at end of period	**74,118**	43,901

Segment Information

For the six months ended December 31, 2015

1. Information concerning sales and income by reporting segment

(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	**¥371,409**	**¥9,737**	**¥381,146**	**¥3,299**	**¥384,445**	**¥—**	**¥384,445**
Intersegment sales	**7**	**8,762**	**8,769**	**3,747**	**12,516**	**(12,516)**	**—**
Total	**371,416**	**18,499**	**389,915**	**7,046**	**396,961**	**(12,516)**	**384,445**
Segment income	**¥15,393**	**¥7,129**	**¥22,522**	**¥3,266**	**¥25,788**	**¥(217)**	**¥25,571**

Notes

1. 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.
2. The ¥ (217) 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

Not applicable

For the six months ended December 31, 2014

1. Information concerning sales and income by reporting segment

(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	¥330,361	¥8,972	¥339,333	¥2,891	¥342,224	¥—	¥342,224
Intersegment sales	—	7,373	7,373	2,959	10,332	(10,332)	—
Total	330,361	16,345	346,706	5,850	352,556	(10,332)	342,224
Segment income	¥14,954	¥6,041	¥20,995	¥2,604	¥23,599	¥ (188)	¥23,411

Notes

1. 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.
2. The ¥ (188) 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

Not applicable