(Translation)

October 28, 2011

Consolidated Financial Results Report for the Nine Months ended September 30, 2011 〔Japanese Standards〕

McDonald's Holdings Company (Japan), Ltd.

Company code number:	2702（URL http://www.mcd-holdings.co.jp）
Shares traded:	Osaka Securities Exchange
Executive position of legal representative:	Eikoh Harada Chairman and CEO, President, Representative Director
Please address all communications to:	Takaaki Ishii Director, IR Phone:03-6911-6000
Schedule of quarterly securities report submission:	November 4 , 2011
Schedule of dividends payment:	-

Preparation of supplementary materials for quarterly financial results: Yes
Information meeting for quarterly financial results to be held: No

1. Consolidated operating results (From January 1, 2011 to September 30, 2011)

(1) Consolidated financial results

(The number with parenthesis shows negative figure)
(In millions of yen, with fractional amounts discarded)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
September 30, 2011	223,275	(9.3)	21,561	(3.0)	21,246	(2.3)	8,639	38.3
September 30, 2010	246,107	(11.1)	22,216	25.8	21,752	28.3	6,246	(34.5)

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
September 30, 2011	64.98	—
September 30, 2010	46.98	—

(2) Consolidated financial position

(In millions of yen, with fractional amounts discarded)

	Total assets	Net assets	Total equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	%	(Yen)
September 30, 2011	206,423	157,122	76.0	1,180.61
December 31, 2010	200,228	152,462	76.1	1,145.63

(Reference) Total equity September 30, 2011 156,972 mil December 31, 2010 152,321 mil

2. Dividends

	Dividends per share				
(Date of record)	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of year	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
December 31, 2010	—	0.00	—	30.00	30.00
December 31, 2011	—	0.00			
December 31, 2011 (Forecast)			—	30.00	30.00

(Note) Changes to our forecast for year-end dividends: None

3. Consolidated forecasts for December 2011 term (From January 1, 2011 to December 31, 2011)

(%: year-on-year change)

	Net sales		Operating income		Ordinary income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Annual	304,500	(6.0)	29,200	3.8	28,200	3.8

	Net income		Net income per share
	(Millions of yen)	%	(Yen)
Annual	13,700	74.2	103.03

(Note) Revision of the forecast for consolidated results: None

4. Others (For details, please refer to page 4 of this report.)

(1) Changes in significant subsidiaries during the period: None
Note: Changes in specific subsidiaries with an adjustment of a scope of consolidation.

(2) Simplified accounting procedures or special accounting procedures: Yes
Note: Simplified accounting procedures specified to quarterly consolidated financial statements.

(3) Changes in accounting principles, procedures and descriptions.
a. Changes caused by revision of accounting standard: Yes
b. Changes other than (3) - a. above: None
Note: Changes of significant accounting principles, procedures and descriptions for quarterly consolidated financial statements (Described in "Changes in the accounting method" in "Important accounting policies")

(4) Number of shares issued and outstanding (Common stock)
a. Number of shares issued and outstanding at the end of each period (including treasury stock):
b. Number of treasury stock at the end of each period:
c. Average number of shares issued and outstanding in each period:

a	September 30, 2011	132,960,000 units	December 31, 2010	132,960,000 units
b	September 30, 2011	702 units	December 31, 2010	702 units
c	September 30, 2011	132,959,298 units	September 30, 2010	132,959,448 units

(Implementation status of quarterly review procedures)
This quarterly financial results report is not subject to quarterly review procedures under Japan's Financial Instruments and Exchange Law. At the time of this report's release, however, the quarterly review procedures under the Financial Instruments and Exchange Law had been almost completed.

(Information regarding appropriate use of the forecasts)
The forecasts shown above are predicated upon information that is available as of the day of the announcement of this report and certain reasonable assumptions, therefore, actual financial performances may differ considerably from these forecasts due to a variety of factors hereafter.

Contents

1. Qualitative information on financial statement etc.

(1) Qualitative information on the progress of consolidated operating results

The same-store sales during the period under review (January 1, 2011 - September 30, 2011) decreased due to the significant impact from East Japan Great Earthquake and the changes which subsequently brought to the business environment. Supported by the firm foundation of QSC (trusted quality, speedy and friendly service and clean and comfortable atmosphere), though, the Group continued to make further business efforts by continuing to invest on the measures to improve business efficiency, providing products with enhanced uniqueness and concentrating management resources on the spending, with which higher return will be brought, to minimize the Earthquake impact to the net profit.

The Company continuously released attractive products, such as Big America 2 (Texas Burger, Idaho Burger, Miami Burger and Manhattan Burger), Icon Chicken Series (Italian Herb and California Cobs), MegaMac, Chicken Tatsuta and Tsukimi Burger, aiming to keep the decline of guest count after the Earthquake to a minimum. The company meticulously released products to address the needs of each day-part. Chicken Muffin was newly added to the breakfast lineup to enhance the sales during breakfast hours, as well as providing McLunch at a sensible price during lunch hours. The Company ran a campaign to offer all size carbonated beverage for 100 yen to secure the sales in a proactive manner while addressing the energy saving need. Tsukimi Burger and McFried Potato were major driver of the baseline sales in September.

Average sales per restaurant grew from the corresponding nine months of the previous fiscal year resulting from multiple restaurant development activities, such as strategic closure, new drive thru restaurants with larger capacity and kitchen equipment enhancement, presenting the steady business baseline growth.

With these efforts, the Company successfully minimized the impact of guest count decline resulted from the consumer’s lifestyle change that took place in July and August, when government widely requested energy saving measures to public, resulting in same-store sales reduced only by 0.6% from the corresponding period of the previous fiscal year. Same-store sales grew by 4.8% in September, when the governmental request for the energy saving was lifted, demonstrating steady recovery.

System-wide sales was 392 billion 525 million yen, reduced by 4.0% from the same period of the previous fiscal year, as the number of restaurant was reduced from the previous year’s strategic closure. Sales was 223 billion 275million yen, a decrease of 9.3% from the same period of the previous fiscal year due to strategic closure and franchising of the restaurant.

Operating income was 21 billion 561 million yen (down 655 million yen from the same period of the previous fiscal year) and ordinary income was 21 billion 246 million yen (down 505 million yen) due mainly to the external factors such as sales decline during July and August and increased royalty rate.

On the other hand, net income of this quarter was 8 billion 639 million yen (up 23 billion 93 million yen) despite the 3 billion 14 million yen impact from application of Asset Retirement Obligation accounting and 1 billion 248 million yen for casualty loss and provision for casualty loss due to Earthquake.

Note1: existing restaurant sales include restaurants operating for at least 13 months or longer; sales of current and previous year are added separately for comparison
2: systemwide sales is the total net sales of company operated and franchised restaurants; its amount is not identical with net sales specified in consolidated income statement

For restaurant development, the Company promoted strategic closure and Franchise migration as follows:

Classification	Previous year end	Newly opened	Closed	Classification change *Note		Current term end
				Increase	Decrease	
Company operated	1,337	26	(25)	9	(90)	1,257
Franchised	1,965	30	(56)	90	(9)	2,020
Total number of restaurants	3,302	56	(81)	99	(99)	3,277

*Note: These figures do not include sales of restaurant businesses by BFL exercise.
Meaning of BFL and BFL Exercise:
Arrangements where the company leases the businesses, including equipment, to franchisees who generally have options to purchase the businesses.
BFL exercise is the case where franchisees choose to exercise (application by franchisees to McDonald's Japan) these options to convert into conventional contracts (where franchisees purchase all necessary equipments for restaurant operation) after examination procedures by McDonald's Japan.

(2) Qualitative information on the fluctuation in consolidated financial position

(Financial position analysis)

Total asset at the end of consolidated third quarter was 206 billion 423 million yen, increased by 6 billion 194 million yen from previous consolidated fiscal year end. This is mainly due to 9 billion 713 million yen increase in current asset and 1 billion 703 million yen increase in tangible fixed asset with net income of this quarter and new restaurants, while intangible fixed asset was reduced by 2 billion 983 million yen with depreciation of software and collection of lease and guarantee deposit, and 2 billion 238 million yen decrease in investment and other asset.

(Cash flow analysis)

Cash flow during consolidated first quarter of this fiscal year is stated below:
Cash and cash equivalents ('cash') outstanding as of the end of the term totaled 48 billion 170 million yen, increase of 15 billion 216 million yen from previous year end.

(Cash flows provided by operating activities)

Operating activities during the period resulted in a net cash inflow of 25 billion 405 million yen (up 13 billion 984 million yen compared to the same period of previous year). The main reasons of income are 16 billion 846 million yen of net income before taxes, 8 billion 815 million yen of depreciation and amortization and 5 billion 90 million yen of refund of corporate tax. The main reason of expenditure is 4 billion 910 million yen of other expenses.

(Cash flows used in investment activities)

Investing activities during the period resulted in net cash outflow of 5 billion 659 million yen (up 2 billion 617 million yen from the same period of the prior year). The main reason of expenditure is 9 billion 681 million yen of purchase of tangible fixed assets and 1 billion 877 million yen for the deposit of lease and guarantee deposit. The main reason of income was 2 billion 715 million yen from the sale of tangible fixed asset and 3 billion 445 million yen of the redemption of Lease and guarantee deposit.

(Cash flows used by financing activities)

Financing activities during the period resulted in a net cash outflow of 4 billion 526 million yen (up 772 million yen from the same period in the prior year). The main reason of the expenditure are 3 billion 945 million yen of dividends payment and 581 million yen of repayment of finance lease obligation.

(3)Qualitative Information regarding financial forecast

As the impact to our business performance caused by the Great Eastern Japan Earthquake is still impenetrable, no changes have been made to consolidated full-year performance forecast ending December 31, 2011 at the time of this writing. If material effect is forecasted for our business performance, the Company will disclose the information without delay.

2. Others

(1) Important changes in subsidiaries : None

(2) Application of simplified accounting procedures or special accounting procedures

(a) Simplified accounting procedures:
Valuation of inventories
The carrying amount of inventories is only reduced to estimated net selling value when there is an obvious decrease of profitability.

(b) Accounting procedures specific to the preparation of quarterly consolidated financial statements:
Calculation of taxes:
Income taxes are calculated by multiplying the effective tax rate, the yearly net income before taxes which includes this quarter was used in determination.
Also, 'deferred tax expenses' is shown included in 'income taxes'.

(3) Changes in accounting principles, procedures and descriptions

(Change of standard for accounting process)
“Accounting Standard for Asset Retirement Obligation” (Corporate Accounting Standard, Article 18; March 31, 2008) and “Guideline for Application of Accounting Standard for Asset Retirement Obligation” (Guideline for Application of Corporate Accounting Standard, Article 21; March 31, 2008) were applied from the first quarter of this consolidated fiscal year.

(Change of Description)
“Cabinet Office regulations for the revision of a part of terms, format, and preparation method used for financial statements” (Cabinet Office regulation article 5, March 24, 2009) based on “Accounting Standard for Consolidated Financial Statements” (Corporate Accounting Standard, Article 22, December 26, 2008) was applied, and “Net income of the quarter before adjustment of minority shareholder profit and loss” account is used.

(Additional Information）
Allowance for bonus payable
Estimated bonus payable amount has been recorded for future bonus payments to employees for this consolidated fiscal year. As some employees are entitled to stock-price-linked bonus, such amount is estimated at the fair market value of each fiscal closing date for the period from the grant date to payment date calculated using the Black Scholes option model, multiplied by the proportion of the elapsed period over the total vested period. This calculation only reflects market conditions.

3. Consolidated quarterly financial statements
(1) Consolidated quarterly balance sheet

（Millions of yen）

	As of September 30, 2011	As of December 31, 2010
（Assets）		
Current assets		
Cash and deposits	16,172	25,954
Accounts receivable - trade	8,385	9,966
Securities	31,997	6,998
Merchandise	3	4
Raw materials and supplies	1,129	1,284
Other	6,988	10,743
Allowance for doubtful accounts	(73)	(63)
Total current assets	64,602	54,888
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	33,891	31,115
Machinery and equipment, net	8,375	9,390
Tools, furniture and fixtures, net	5,049	6,269
Land	17,383	17,526
Lease assets, net	3,638	3,239
Construction in progress	1,491	585
Total property, plant and equipment	69,829	68,126
Intangible assets		
Goodwill	1,103	1,375
Software	8,842	11,553
Other	757	758
Total intangible assets	10,703	13,687
Investments and other assets		
Lease and guarantee deposits	52,942	54,802
Other	9,063	9,402
Allowance for doubtful accounts	(717)	(677)
Total investments and other assets	61,288	63,526
Total noncurrent assets	141,821	145,340
Total assets	206,423	200,228
（Liabilities）		
Current liabilities		
Accounts payable-trade	7,078	8,840
Accounts payable-other	12,510	17,178
Income taxes payable	5,327	770
Provision for bonuses	1,762	1,947
Provision for loss on store closing	94	927
Provision for loss on disaster	354	-
Other	10,972	11,681
Total current liabilities	38,099	41,346
Noncurrent liabilities		
Long-term loans payable	500	500
Provision for bonuses	55	-
Provision for retirement benefits	1,907	1,864
Provision for directors' retirement benefits	186	167
Asset Retirement Obligation	4,713	-
Other	3,838	3,889
Total noncurrent liabilities	11,201	6,420
Total liabilities	49,300	47,766
（Net assets）		
Shareholders' Equity		
Capital stock	24,113	24,113
Capital surplus	42,124	42,124
Retained earnings	95,818	91,120
Treasury stock	(1)	(1)
Total shareholders' equity	162,055	157,357
Valuation and translation adjustments		
Revaluation reserve for land	(5,082)	(5,035)
Total valuation and translation adjustments	(5,082)	(5,035)
Minority interests	150	140
Total net assets	157,122	152,462
Total liabilities and net assets	206,423	200,228

(2) Consolidated quarterly statements of income

(Millions of yen)

	Nine months ended September 30, 2010	Nine months ended September 30, 2011
Net sales	246,107	223,275
Cost of sales	194,449	176,503
Gross profit	51,657	46,772
Selling, general and administrative expenses	29,441	25,210
Operating income	22,216	21,561
Non-operating income		
Interest income	95	146
Revenue from unredeemed gift certificates	145	131
Compensation income	94	70
Other	245	315
Total non-operating income	580	663
Non-operating expenses		
Interest expenses	42	70
Provision of allowance for doubtful accounts	-	51
Loss on retirement of noncurrent assets at Company-operated restaurants	888	713
Other	113	143
Total non-operating expenses	1,044	978
Ordinary income	21,752	21,246
Extraordinary income		
Reversal of allowance for doubtful accounts	36	-
Compensation for transfer	-	57
Total extraordinary income	36	57
Extraordinary loss		
Loss on retirement of noncurrent assets	189	171
Provision for loss on store closings	2,508	-
Loss on store closings	7,846	-
Financial Impact from the application of Asset Retirement Obligation Accounting Standard	-	3,014
Provision for loss on disaster	-	354
Loss on disaster	-	894
Other	9	22
Total extraordinary loss	10,553	4,457
Income before income taxes	11,235	16,846
Income taxes	4,979	8,196
Income before minority interests	-	8,649
Minority interests in income	10	9
Net income	6,246	8,639

(3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Nine months ended September 30, 2010	Nine months ended September 30, 2011
Net cash provided by (used in) operating activities		
Income before income taxes	11,235	16,846
Depreciation and amortization	9,151	8,815
Increase (decrease) in provision for loss on store closings	2,348	(473)
Increase (decrease) in provision	564	361
Unredeemed gift certificates	(145)	(131)
Interest income	(95)	(146)
Interest expenses	42	70
Loss on store closings	4,580	-
Loss on retirement of noncurrent assets	605	568
Financial Impact from the application of Asset Retirement Obligation Accounting Standard	-	3,014
Decrease (increase) in accounts receivable-trade	1,739	1,579
Decrease (increase) in inventories	894	157
Decrease (increase) in goodwill from acquisition of franchise restaurants	100	272
Decrease (increase) in other assets	1,692	164
Increase (decrease) in accounts payable-trade	(1,195)	(1,762)
Increase (decrease) in accounts payable-other	(4,480)	(4,746)
Increase (decrease) in accrued expenses payable	(1,740)	(501)
Increase (decrease) in other current liabilities	(1,187)	1,022
Other, net	41	138
Subtotal	24,152	25,249
Interest income received	9	39
Interest expenses paid	(27)	(63)
Income taxes paid	(12,751)	(4,910)
Income taxes refund	38	5,090
Net cash provided by (used in) operating activities	11,421	25,405
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(6,684)	(9,681)
Proceeds from sales of property, plant and equipment	2,641	2,715
Payments for lease and guarantee deposits	(1,596)	(1,877)
Proceeds from collection of lease and guarantee deposits	3,753	3,445
Purchase of software	(1,184)	(256)
Other, net	27	(4)
Net cash provided by (used in) investment activities	(3,041)	(5,659)
Net cash provided by (used in) financing activities		
Repayments of finance lease obligations	(281)	(581)
Proceeds from sale and lease-back transactions	494	-
Purchase of treasury stock	(0)	-
Cash dividends paid	(3,966)	(3,945)
Net cash provided by (used in) financing activities	(3,753)	(4,526)
Effect of exchange rate change on cash and cash equivalents	(10)	(3)
Net increase (decrease) in cash and cash equivalents	4,615	15,216
Cash and cash equivalents at beginning of period	20,148	32,953
Cash and cash equivalents at end of period	24,763	48,170

(4) Notes for assumption of going concern

None

(5) Segment information

(Business segment information)

For the period ended September 2010 (January 1 – September 30, 2010) , sales and operating income corresponding to hamburger restaurant operations accounted for more than 90% of the group's total sales and operating income for all business segments. Accordingly, business segment information is omitted.

(Geographical segment information)

For the period ended September 2010 (January 1 – September 30, 2010) , the company had no consolidated subsidiaries domiciled outside Japan. Accordingly, there is no geographical segment information.

(Overseas sales)

For the period ended September 2010 (January 1 – September 30, 2010) , the company had no sales outside Japan, therefore this section is omitted.

(Segment information)

Our Group's only business segment is hamburger restaurant business, therefore, there is no segment information.

(Additional Information)

“Accounting Standard for disclosure of segment information” (Corporate Accounting Standard, Article 17; March 27, 2009) and “Guideline for Application of Standard for disclosure segment information” (Guideline for Application of Corporate Accounting Standard, Article 20; March 21, 2008) were applied from the first quarter of this consolidated fiscal year.

(6) Notes for significant changes of shareholders' equity

None