(Translation)

May 2, 2013

Consolidated Financial Results Report for the Three Months ended March 31, 2013 〔Japanese Standards〕

McDonald's Holdings Company (Japan), Ltd.

Company code number: 2702（URL http://www.mcd-holdings.co.jp）
Stock Market: Osaka Securities Exchange
Representative: Eikoh Harada
Chairman and CEO, President, Representative Director
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Schedule of quarterly securities report submission: May 8 , 2013
Schedule of dividends payment: -
Supplementary materials for quarterly financial results: None
Quarterly results briefing: None

1. Consolidated operating results (From January 1, 2013 to March 31, 2013)

(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)	%
March 31, 2013	65,910	(14.6)	3,371	(53.3)	3,335	(55.5)	1,935	(54.8)
March 31, 2012	77,201	(0.4)	7,221	(4.2)	7,492	2.3	4,282	112.4

Comprehensive income March 31, 2013 1,938 mil December 31, 2012 4,284 mil

	Net income per share	Net income per share, fully diluted
	(Yen)	(Yen)
March 31, 2013	14.56	－
March 31, 2012	32.21	－

(2) Consolidated financial position

(In millions of yen, with fractional amounts discarded)

	Total assets	Net assets	Total equity ratio
	(Millions of yen)	(Millions of yen)	%
March 31, 2013	214,183	168,687	78.7
December 31, 2012	226,338	170,737	75.4

(Reference) Total equity March 31, 2013 168,518 mil December 31, 2012 170,571 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, 2012	－	0.00	－	30.00	30.00
December 31, 2013	－				
December 31, 2013 (Forecast)		0.00	－	30.00	30.00

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

3. Consolidated forecasts for the year ending December 2013 (From January 1, 2013 to December 31, 2013)

(%: year-on-year change)

	Net sales		Operating income		Ordinary income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Mid-year	132,000	(9.8)	10,000	(15.9)	9,400	(23.5)
Annual	269,500	(8.6)	25,200	1.7	24,000	1.0

	Net income		Net income per share
	(Millions of yen)	%	(Yen)
Mid-year	5,500	(21.6)	41.37
Annual	14,100	9.6	106.05

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

4. Others

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

(2) Simplified accounting procedures or special accounting procedures specific for quarterly reporting: Yes

(3) Changes in accounting principles, procedures and descriptions.
a. Changes caused by revision of accounting standards: None
b. Changes other than (3) - a. above: Yes
C. Changes in accounting estimate : None
D. Restatement of Correction : None

(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	March 31, 2013	132,960,000 units	December 31, 2012	132,960,000 units
b	March 31, 2013	703 units	December 31, 2012	703 units
c	March 31, 2013	132,959,297 units	March 31, 2012	132,959,297 units

(Indication of quarterly review procedure implementation status)
This quarterly earnings report is not subject to quarterly review procedures based upon the Financial Instruments and Exchange Act. Thus, at the time of disclosure of the financial results, the quarterly financial statement review procedures based upon the Financial Instruments and Exchange Act, have not been completed.

(Forward - looking statements)
Certain statements in this release, other than purely historical information, such as current plans, strategies, and beliefs are forward-looking statements. Such forward looking statements are based on management’s assumptions and beliefs in light of information currently available to us, and it should be noted that risks and unforeseen factors could cause actual results to differ significantly from those discussed in the report. We do not intend to update these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws.

Contents

1. Qualitative information on financial results for the first quarter ended March 31,2013.

(1) Qualitative information on the consolidated operating results

During the quarter, our Group suffered from a very challenging business environment caused by the impacts of the shrinking IEO market, weekend Japanese Yen, etc.

Under these challenging business environment, we continued to strengthen QSC (reliable quality, quick and pleasant service and clean and comfortable environment), our business foundation. We also worked on business restructuring based on our marketing and restaurant development strategies. Furthermore, we made full effort to implement McDelivery Service and McCafe by Barista as brand extensions to create new markets and values.
Note: IEO market :informal eating-out: a market excluding businesses focused on alcohol drinking and catering services.

Marketing Strategy

Since the 4th quarter of the preceding year, we reduced discount promotions that were aimed to earn quick sales, and transitioned to the new marketing strategy for sustainable and profitable growth. During the quarter, we built a business baseline through marketing activities focused on popular limited-time offers including Texas Burger, Idaho Burger and Teritama. We also launched, for example, a Free Monday promotion that offers different items for free on a weekly basis, to strengthen sales in breakfast time, which largely contributed to cultivating new customers in the daypart.

Restaurant Development Strategy

While promoting new restaurant development, large - scaled suburban drive-thru stores that are typically more profitable as well as remodeling and relocation of existing stores, we implemented strategic closure of 110 stores at an appropriate pace as decided at the board meeting on November 1, 2012 to further optimize of our restaurant portfolio.

Brand Extension

We continuously proceeded with preparations for national deployment of McCafe by Barista and McDelivery Service. By the end of the 1st quarter, McCafe by Barista was introduced in 50 restaurants to serve “genuine café coffee” prepared by designated baristas and 22 restaurants started offering McDelivery Service.

Qualitative Information on Business Results

Due to the shift to the above marketing strategy, etc., our existing restaurant sales declined by 10.9% and system-wide sales were down 9.2% to ¥126,384 million and the company sales down ¥11,290 million to ¥65,910 million on a year-on-year basis. Higher cost of ingredients due to weekend Japanese Yen and other external factors as well as system-wide sales reduction resulted in operating income of ¥3,335 million (down ¥4,157 million on a year-on-year basis) and quarterly net income of ¥1,935 million (down 2,346 million on a year-on-year basis)

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: System - wide sales is the combined net sales of company operated and franchised restaurants; the amount does not equal to net sales specified in

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

Classification	Previous year end	Newly opened	Closed	Classification change *Note		Current reporting period
				Increase	Decrease	
Company operated	1,105	7	(11)	0	(6)	1,095
Franchised	2,175	9	(17)	6	0	2,173
Total number of restaurants	3,280	16	(28)	6	(6)	3,268

*Note: These figures do not include sales of restaurant businesses through BFL exercise.
Meaning of BFL and BFL Exercise:
Arrangements where the company leases the businesses, including equipment, to franchisees who generally have options to performed 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 equipment for restaurant operation) after examination performed by McDonald's Japan.

(2) Qualitative Information on Consolidated Financial Position

Current assets as of the end of the 1st consolidated cumulative first quarter were ¥79,953 million, down ¥11,637 million from the end of the previous consolidated fiscal year, mainly due to decrease in cash and deposits caused by payment of dividends of royalties, corporate taxes, etc.

Noncurrent assets were down ¥517 million to ¥134,229 million from the end of the previous year. While property, plant and equipment increased by ¥1,262 million with capital investment in new store development, remodeling, relocation etc., intangible assets decreased by ¥664 million due to software depreciation. Another major reason for the decline was a ¥1,115 million drop in investment and other assets due to collection of lease and guarantee deposits.

Current liabilities declined by ¥10,654 million to ¥33,292 million because of decrease in accounts payable as well as payment of corporate taxes.

Noncurrent liabilities increased by ¥550 million to ¥12,204 million mainly due to increase in lease obligations, etc.

(3)Qualitative Information on The Consolidated Forecast

We have not changed our consolidated business forecast for this fiscal year ending December 2013 since announced on February 7, 2013.

2. Others

(1) Significant changes in subsidiaries : None

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

Accounting procedures specific to the preparation of consolidated quarterly financial statements:
Calculation of taxes:

Income taxes are determined based on the effective tax rate, multiplied by the estimated annual pre-tax income.

(3) Changes in accounting principles, procedures and descriptions

(Change of standard for accounting process)

Change in accounting policy

Historically we recorded relevant costs of products provided for free coupons in Selling, General, and Administrative Expenses. Effective this quarter, we have decided to record such costs in cost of sales due to the following reasons.

When coupons were originally introduced, relevant costs were recorded as promotion expenses within Selling, General and Administrative Expenses given its primary purpose being promotion. We also accounted for paper-coupons under the same accounting policy, which are issued several times per year.

Lately, we expanded our IT infrastructure to further cultivate use of electronic-based-coupons (e-coupons) noting that the total potential users of e-coupons reached to 35 million exceeding our initial target. The result also indicated that more than one fourth of total annual guest count uses coupons including e-coupons. The fact that e-coupons (which represents vast majority of coupon use lately) are reusable without limit essentially indicates change in selling prices of products since guest with such coupons can purchase products at a lower prices anytime. As a result, we concluded that current trend of coupon use represented change in prices rather than promotion nature.

As such, effective this quarter we have changed to account relevant costs for products corresponding to coupons within Cost of Sales instead of Selling, General, and Administrative Expenses.

The change is applied retrospectively to the comparative figures on the consolidated statements of income. Therefore, cost of sales for the 1st quarter of 2012 is increased 1801 million yen and Selling, General, Administrative Expenses decreased for the same amount. There are no impacts to Operating Income, Ordinary Income, Income Taxes, and Net Income.

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

(Millions of yen)

	As of December 31, 2012	As of March 31, 2013
(Assets)		
Current assets		
Cash and deposits	50,950	42,743
Accounts receivable - trade	9,794	9,584
Short term investment securities	21,197	17,597
Raw materials and supplies	1,198	1,058
Deferred tax assets	1,768	1,864
Other	6,690	7,114
Allowance for doubtful accounts	(9)	(9)
Total current assets	91,590	79,953
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	39,811	40,666
Machinery and equipment, net	6,320	6,076
Tools, furniture and fixtures, net	3,974	3,923
Land	17,371	17,371
Lease assets, net	3,936	4,270
Construction in progress	643	1,012
Total property, plant and equipment	72,058	73,320
Intangible assets		
Goodwill	678	604
Software	4,562	3,972
Other	755	755
Total intangible assets	5,997	5,333
Investments and other assets		
Investment securities	56	56
Long-term loans receivable	9	9
Deferred tax assets	1,024	1,024
Lease and guarantee deposits	49,426	48,785
Other	6,766	6,179
Allowance for doubtful accounts	(590)	(478)
Total investments and other assets	56,691	55,576
Total noncurrent assets	134,747	134,229
Total assets	226,338	214,183
(Liabilities)		
Current liabilities		
Accounts payable - trade	7,023	6,750
Lease obligations	1,007	1,105
Accounts payable - other	18,476	13,506
Accrued expenses	5,506	5,059
Income taxes payable	4,786	1,436
Provision for bonuses	693	461
Provision for loss on store closing	67	67
Provision for loss on disaster	99	99
Other	6,286	4,805
Total current liabilities	43,946	33,292
Noncurrent liabilities		
Long-term loans payable	500	500
Lease obligations	3,210	3,475
Deferred tax liabilities due to land revaluation	413	413
Provision for bonuses	347	646
Provision for directors' bonuses	164	180
Provision for retirement benefits	1,796	1,774
Provision for directors' retirement benefits	202	208
Asset retirement obligation	4,715	4,686
Other	302	318
Total noncurrent liabilities	11,653	12,204
Total liabilities	55,600	45,496
(Net assets)		
Shareholders' Equity		
Capital stock	24,113	24,113
Capital surplus	42,124	42,124
Retained earnings	109,364	107,311
Treasury stock	(1)	(1)
Total shareholders' equity	175,601	173,548
Accumulated other comprehensive income		
Revaluation reserve for land	(5,029)	(5,029)
Total accumulated other comprehensive income	(5,029)	(5,029)
Minority interests	165	168
Total net assets	170,737	168,687
Total liabilities and net assets	226,338	214,183

(2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income

Consolidated quarterly statements of income

（Millions of yen）

	Three months ended March 31, 2012	Three months ended March 31, 2013
Net sales	77,201	65,910
Cost of sales	62,763	55,487
Gross profit	14,437	10,423
Selling, general and administrative expenses	7,216	7,052
Operating income	7,221	3,371
Non-operating income		
Interest income	65	68
Revenue from unredeemed gift certificates	45	-
Compensation income	34	10
Insurance income	268	23
Reversal of allowance for doubtful accounts	3	-
Other	65	73
Total non-operating income	481	175
Non-operating expenses		
Interest expenses	24	25
Provision of allowance for doubtful accounts	-	0
Loss on retirement of noncurrent assets at company-operated restaurants	157	107
Other	28	77
Total non-operating expenses	210	210
Ordinary income	7,492	3,335
Extraordinary loss		
Loss on retirement of noncurrent assets	43	73
Loss on sales of noncurrent assets	1	2
Total extraordinary loss	44	76
Income before income taxes	7,447	3,259
Income taxes	3,162	1,320
Income before minority interests	4,284	1,938
Minority interests in income	2	2
Net income	4,282	1,935

Consolidated quarterly statements of comprehensive income

(Millions of yen)

	Three months ended March 31, 2012	Three months ended March 31, 2013
Income before minority interests	4,284	1,938
Comprehensive income	4,284	1,938
Comprehensive income attributable to:		
Shareholders of McDonald's Holdings Company	4,282	1,935
Minority interests	2	2

(3) Notes for assumption of going concern

None

(4) Notes for significant changes of shareholders' equity

None