

Digital Advertising Consortium Inc.

(URL <http://www.dac.co.jp/>)

Financial Highlights of 1st Quarter, Fiscal Year2008(December 1, 2007 to February 29, 2008)

(1) Consolidated

	Net sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
1st Quarter of FY 2008	10,279	(18.9)	349	(15.0)	337	(4.7)	149	(3.5)
1st Quarter of FY 2007	8,648	(17.1)	303	(44.2)	322	(98.1)	155	(182.6)
(Ref.) Fiscal Year 2007	38,688		1,303		1,328		583	

	Net income per share	Diluted net income per share
	Yen	Yen
1st Quarter of FY 2008	313.58	311.61
1st Quarter of FY 2007	318.02	315.21
(Ref.) Fiscal Year 2007	1,195.35	1,186.73

(2) Non-Consolidated

	Net sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
1st Quarter of FY 2008	9,337	(18.4)	340	(18.5)	333	(9.4)	167	(-1.7)
1st Quarter of FY 2007	7,886	(8.4)	286	(7.7)	304	(12.0)	170	(16.6)
(Ref.) Fiscal Year 2007	36,090		1,451		1,476		-750	

	Net income per share
	Yen
1st Quarter of FY 2008	351.21
1st Quarter of FY 2007	349.64
(Ref.) Fiscal Year 2007	-1,537.42

(Note) The percentage shown next to gross income, operating income, ordinary income and net income represent year-on-year Changes

(3) Consolidated financial position

	Total assets	Net assets	Equity ratio	Equity per share
	Mil.¥	Mil.¥	%	Yen
1st Quarter of FY 2008	12,939	7,432	51.7	14,057.69
1st Quarter of FY 2007	12,446	7,613	56.2	14,347.14
(Ref.) Fiscal Year 2007	13,098	7,553	52.9	14,417.35

(4) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Equity per share
	Mil.¥	Mil.¥	%	Yen
1st Quarter of FY 2008	11,012	6,562	59.3	13,702.02
1st Quarter of FY 2007	12,004	8,158	68.0	16,729.30
(Ref.) Fiscal Year 2007	11,378	6,761	59.2	14,027.48

DAC Consolidated Financial Statements

(1) DAC Consolidated Balance Sheet

(Unit : Thousand Yen)

Items of an account	Q1 FY2007 (As of Feb 28, 2007)		Q1 FY2008 (As of Feb 29, 2008)		FY2007 (As of Nov 30, 2007)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Assets)		%		%		%
Current Assets						
1. Cash and deposits	3,626,705		4,547,839		4,383,409	
2. Notes and account receivable-trade	3,653,664		4,358,836		4,264,423	
3. short-term investment securities	1,240,040		391,940		391,107	
4. O t h e r	493,349		326,419		784,965	
Allowance for doubtful accounts	-1,784		-3,092		-3,155	
Total currents assets	9,011,975	72.4	9,621,943	74.4	9,820,751	75.0
Non-current Assets						
1. Property, plant and equipment	328,680		371,457		385,735	
2. Intangible assets						
(1) G o o d w i l l	602,004		323,317		342,112	
(2) S o f t w a r e	156,792		263,352		261,774	
(3) Software in progress	135,399		127,154		88,178	
(4) O t h e r	5,171	899,368	6,667	720,492	6,851	698,916
3. Investments and other assets						
(1) Investment securities	1,618,479		1,595,732		1,625,364	
(2) O t h e r	714,631		757,584		695,118	
Allowance for doubtful accounts	-127,199	2,205,911	-127,438	2,225,878	-127,715	2,192,767
Total non-current assets	3,433,960	27.6	3,317,828	25.6	3,277,418	25.0
Deferred assets						
1. Deferred organization expenses	206		-		-	
Total deferred assets	206	0.0	-	-	-	-
Total assets	12,446,142	100.0	12,939,771	100.0	13,098,170	100.0

(Unit : Thousand Yen)

Items of an account	Q1 FY2007 (As of Feb 28,2007)		Q1 FY2008 (As of Feb 29,2008)		FY2007 (As of Nov 30,2007)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Liabilities)		%		%		%
Current liabilities						
1. Accounts payable -trade	3,341,767		3,872,137		4,025,644	
2. Short-term loans payable	60,665		50,000		91,899	
3. Current portion of bonds			200,000		200,000	
4. Current portion of Long-term Loans payable	342,176		39,996		59,429	
5. Accounts payable -other	261,220		329,098		367,295	
6. Income taxes payable	126,899		145,745		176,420	
7. Provision for director's bonuses	7,500		7,500		30,000	
8. O t h e r	315,947		352,979		275,835	
Total current liabilities	4,456,177	35.8	4,997,456	38.6	5,226,524	39.9
Non-current liabilities						
1. Bonds payable	200,000				-	
2. Long-term loans payable			333,340		140,006	
3. Provision for retirement benefits	43,017		71,045		62,220	
4. Provision for director's retirement benefits	85,483		83,968		95,013	
5. Provision for point certificate	46,760		20,822		19,829	
6. O t h e r	1,374		725		867	
Total non-current liabilities	376,635	3.0	509,901	4.0	317,936	2.4
Total Liabilities	4,832,812	38.8	5,507,357	42.6	5,544,460	42.3

(Unit : Thousand Yen)

Items of an account	Q1 FY2007 (As of Feb 28,2007)		Q1 FY2008 (As of Feb 29,2008)		FY2007 (As of Nov 30,2007)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Net assets)		%		%		%
Shareholder's equity						
1. Capital stock	3,372,858	27.1	3,387,977	26.2	3,387,977	25.9
2. Capital surplus	2,785,819	22.4	2,800,445	21.6	2,800,445	21.4
3. Retained earnings	852,918	6.9	1,358,668	10.5	1,281,112	9.8
4. Treasury stock	-44,271	-0.4	-840,401	-6.5	-544,752	-4.2
Total shareholder's equity	6,967,325	56.0	6,706,690	51.8	6,924,783	52.9
Valuation and translation adjustment						
1. Valuation difference on available-for-sale securities	27,870	0.2	-11,687	-0.1	1,823	0.0
2. Foreign currency Translation adjustment	467	0.0	169	0.0	281	0.0
Total valuation and translation adjustment	28,337	0.2	-11,518	-0.1	2,105	0.0
Subscription right to shares	979	0.0	36,632	0.3	22,243	0.2
Minority interests	616,686	5.0	700,609	5.4	604,577	4.6
Total net assets	7,613,329	61.2	7,432,414	57.4	7,553,709	57.7
Total liabilities and net assets	12,446,142	100.0	12,939,771	100.0	13,098,170	100.0

(2) DAC Consolidated Statements of Income

(Unit : Thousand Yen)

Items of an account	Q1 FY2007 (Dec. 2006 thru Feb.2007)			Q1 FY2008 (Dec. 2007 thru Feb.2008)			FY2007 (Dec. 2006 thru Nov.2007)		
	Amount		Ratio	Amount		Ratio	Amount		Ratio
			%			%			%
Net sales		8,648,964	100.0		10,279,305	100.0		38,688,514	100.0
Cost of sales		7,230,848	83.6		8,705,300	84.7		32,728,249	84.6
Gross profit		1,418,116	16.4		1,574,005	15.3		5,960,265	15.4
selling, general and administrative expenses		1,114,463	12.9		1,224,744	11.9		4,657,049	12.0
Operating income		303,652	3.5		349,260	3.4		1,303,216	3.4
Non-operating income									
1. Interest income	11,555			4,132			25,054		
2. Dividends income				35			21,003		
3. Gain on valuation of securities	4,544						-		
4. Foreign exchange gains				2,390			966		
5. Equity in earnings of affiliates	2,141						824		
6. O t h e r	2,292	20,533	0.2	637	7,194	0.1	5,633	53,482	0.1
Non-operating expenses									
1. Interest expenses	1,440			2,126			6,821		
2. Equity in losses of affiliates				3,975			-		
3. Loss on valuation of securities				10,072			17,642		
4. O t h e r	347	1,787	0.0	2,875	19,049	0.2	4,195	28,659	0.1
Ordinary income		322,398	3.7		337,405	3.3		1,328,039	3.4
Extraordinary income									
1. Gain on sales of investment securities							9,661		
2. Gain on change in equity							81,490		
3. Gain on sales of non current assets							1,828		
4. O t h e r	784	784	0.0				1,734	94,714	0.2
Extraordinary losses									
1. Loss on sales of investment securities	1,290						9,817		
2. Loss on retirement of non current assets				8,575			32,000		
3. Loss on valuation of investment securities	8,302			1,137			78,111		
4. One-time amortization of goodwill							227,411		
5. Amortization of advance payments-trade							92,390		
6. O t h e r	633	10,226	0.1	219	9,931	0.1	23,286	463,017	1.1
Income before income taxes and minority interests		312,956	3.6		327,473	3.2		959,736	2.5
Income taxes-current	118,397			147,749			436,122		
Income taxes-deferred	24,568	142,965	1.7	31,909	179,658	1.7	47,178	483,301	1.2
Minority interests		14,864	0.2		-1,807	0.0		-106,894	-0.2
Net income		155,126	1.7		149,622	1.5		583,329	1.5

(3) DAC Consolidated Statements of Cash Flows

(Unit : Thousand Yen)

Items of an account	Q1 FY2008 (Dec 2007 thru Feb 2008)	FY2007 fiscal year end (Dec 2006 thru Nov 2007)
	Amount	Amount
Cash flows from Operating Activities:		
Net cash provided by Operating Activities	493,961	944,022
Cash flows from Investment Activities:		
Net cash used in(provided by) Investment Activities	-190,811	297,092
Cash flows from Financing Activities		
Net cash used in Financing Activities	-137,714	-514,160
Effect of exchange rate change on cash and cash equivalents	-696	334
Net increase in cash and cash equivalents	164,739	727,289
Cash and cash equivalents at beginning of Term	4,653,876	3,926,586
Cash and cash equivalents at end of term	4,818,615	4,653,876