

Digital Advertising Consortium Inc.

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

Financial Highlights of 3rd Quarter, Fiscal Year 2007(December 1, 2006 thru August 31, 2007)

(1) Consolidated

	Gross billings		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
3rd Quarter of FY 2007	28,028	(19.5)	757	(11.7)	785	(20.8)	137	(-75.6)
3rd Quarter of FY 2006	23,444	(29.6)	677	(25.4)	650	(-15.9)	565	(66.6)
(Ref.) Fiscal Year 2006	32,328	(-)	1,100	(-)	1,069	(-)	753	(-)

	Net income per share	Diluted net income per share
	Yen	Yen
3rd Quarter of FY 2007	282.31	280.10
3rd Quarter of FY 2006	1,161.47	1,139.96
(Ref.) Fiscal Year 2006	1,547.53	1,523.14

(2) Non-Consolidated

	Gross billings		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
3rd Quarter of FY 2007	26,281	(15.5)	971	(38.5)	993	(37.6)	-1,031	(-270.6)
3rd Quarter of FY 2006	22,747	(28.3)	701	(22.6)	722	(26.0)	604	(11.3)
(Ref.) Fiscal Year 2006	31,186	(-)	1,060	(-)	1,104	(-)	747	(-)

	Net income per share
	Yen
3rd Quarter of FY 2007	-2,113.40
3rd Quarter of FY 2006	1,241.96
(Ref.) Fiscal Year 2006	1,534.66

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

(3) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Mil.¥	Mil.¥	%	Yen
3rd Quarter of FY 2007	12,412	7,478	55.9	14,200.75
3rd Quarter of FY 2006	11,129	7,162	61.0	13,932.83
(Ref.) Fiscal Year 2006	12,483	7,565	55.7	14,264.34

(4) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Mil.¥	Mil.¥	%	Yen
3rd Quarter of FY 2007	10,921	6,917	63.3	14,153.77
3rd Quarter of FY 2006	11,122	7,986	71.8	16,375.89
(Ref.) Fiscal Year 2006	12,138	8,102	66.7	16,611.50

DAC Consolidated Financial Statements

(1) DAC Consolidated Balance Sheet

(Unit : Thousand Yen)

Items of an account	Q3 FY2006 (As of August.31, 2006)		Q3 FY2007 (As of August.31,2007)		FY2006 (As of Nov.30,2006)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Assets)		%		%		%
Current Assets						
1. Cash and deposits	2,693,000		4,123,755		3,085,421	
2. Trade notes and accounts receivable	2,819,379		3,369,501		3,637,562	
3. Marketable securities	1,727,284		1,243,107		1,730,743	
4. Other current assets	348,681		364,263		476,727	
Allowance for doubtful receivables	-1,886		-2,130		-1,883	
Total currents assets	7,586,460	68.2	9,098,498	73.3	8,928,570	71.5
Non-current Assets						
1. Property, plant and equipment	333,267	3.0	390,658	3.1	314,223	2.5
2. Intangible assets						
(1) Consolidated adjustment account	575,030		-		595,207	
(2) Consolidated goodwill	-		355,538		-	
(3) Software	139,047		221,035		159,783	
(4) Software in progress	163,265		122,992		101,935	
(5) Other intangible assets	4,891	882,234	5,080	704,647	5,304	862,231
3. Investments and other assets						
(1) Investment securities	1,688,228		1,689,376		1,804,942	
(2) Other assets	832,790		656,603		766,687	
Allowance for doubtful receivables	-193,022	2,327,995	-127,199	2,218,780	-193,036	2,378,593
Total non-current assets		3,543,498		3,314,086		3,555,047
Total assets		11,129,958		12,412,585		12,483,617

(Unit : Thousand Yen)

Items of an account	Q3 FY2006 (As of August.31,2006)		Q3 FY2007 (As of August.31,2007)		FY2006 (As of Nov.30,2006)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Liabilities)		%		%		%
Current liabilities						
1. Accounts payable-trade	2,659,798		3,500,114		3,274,021	
2. Short-term borrowings	50,000		81,470		50,000	
3. Current portion of Long-term borrowings	379,663		90,174		377,175	
4. Accounts payable	239,311		240,894		308,216	
5. Income tax payable	51,027		218,059		256,323	
6. Accrued bonuses for directors	16,500		22,500		30,000	
7. Other current liabilities	175,508		235,725		243,182	
Total current liabilities	3,571,809	32.1	4,388,938	35.4	4,538,918	36.4
Non-current liabilities						
1. Bonds payable	200,000		200,000		200,000	
2. Long-term borrowings	50,178		150,005		16,100	
3. Accrued retirement benefits	36,509		59,800		39,568	
4. Accrued retirement benefits for directors	80,075		91,953		82,779	
5. Allowance for given points	27,572		42,439		39,631	
6. Other non-current liabilities	1,765		1,114		1,588	
Non-current liabilities	396,100	3.6	545,312	4.4	379,667	3.0
Total liabilities	3,967,910	35.7	4,934,250	39.8	4,918,586	39.4
(Net Assets)						
Shareholders' equity						
1. Common stock	3,370,076	30.3	3,387,977	27.3	3,370,076	27.0
2. Additional paid-in capital	2,783,778	25.0	2,801,242	22.6	2,782,981	22.3
3. Retained earnings	597,296	5.4	835,553	6.7	785,569	6.3
4. Treasury stock	-17,511	-0.2	-95,112	-0.8	-15,266	-0.1
Total shareholders' equity	6,733,640	60.5	6,929,661	55.8	6,923,362	55.5
Valuation, exchange difference						
1. Unrealized gain on available-for-sale securities	61,957	0.5	3,009	0.0	33,280	0.3
2. Foreign currency translation adjustment account	-1,170	-0.0	334	0.0	163	0.0
Total valuation, exchange difference	60,787	0.5	3,344	0.0	33,443	0.3
W a r r a n t	1,035	0.0	7,688	0.1	1,035	0.0
Minority interests	366,584	3.3	537,640	4.3	607,190	4.8
Total net Assets	7,162,048	64.3	7,478,334	60.2	7,565,031	60.6
Total liabilities and net assets	11,129,958	100.0	12,412,585	100.0	12,483,617	100.0

(2) DAC Consolidated Statements of Income

(Unit : Thousand Yen)

Items of an account	Q3 FY2006 (Dec. 2005 thru August 2006)			Q3 FY2007 (Dec. 2006 thru August 2007)			FY2006 (Dec. 2005 thru Nov.2006)		
	Amount		Ratio	Amount		Ratio	Amount		Ratio
			%			%			%
Gross billings		23,444,891	100.0		28,028,027	100.0		32,328,113	100.0
Cost of sales		20,340,744	86.8		23,770,184	84.8		27,727,333	85.8
Gross income		3,104,146	13.2		4,257,843	15.2		4,600,779	14.2
Selling and general administrative expenses		2,426,192	10.3		3,500,524	12.5		3,500,122	10.8
Operating income		677,954	2.9		757,318	2.7		1,100,657	3.4
Non-operating income									
1. Interest income	4,069			18,736			6,025		
2. Dividend income	-			18,473			8,185		
3. Gain on valuation of securities	8,536			-			26,814		
4. Gain on foreign currency exchange	1,043			474			262		
5. Investment profit on equity method	-			6,433			-		
6. O t h e r s	11,104	24,753	0.1	3,632	47,749	0.2	5,388	46,676	0.1
Non-operating expenses									
1. Interest expense	-			4,842			3,442		
2. Loss on valuation of securities	-			13,545			-		
3. Investment loss on equity method	43,614			-			52,698		
4. O t h e r s	9,093	52,707	0.2	1,481	19,869	0.1	21,505	77,646	0.2
Ordinary income		650,000	2.8		785,198	2.8		1,069,687	3.3
Extraordinary income									
1. Gain on sales of investment securities	45,628			-			45,628		
2. Gain on sales of fixed asset	-			1,890			116		
3. Gain from change in equity interest	46,435			68,533			193,618		
4. O t h e r s	13,129	105,193	0.5	40	70,464	0.2	21,344	260,707	0.8
Extraordinary losses									
1. Loss on valuation of investment securities	-			30,497			51,016		
2. Loss on sales of investment securities	-			1,290			-		
3. Loss on disposal of fixed assets	422			28,414			11,523		
4. Loss from change in equity method	-			5,572			-		
5. One-time depreciation of goodwill	-			227,411			-		
6. Loss due to impairment	-			-			7,513		
7. Loss on valuation of membership	3,499			-			-		
8. Transfer to allowance for given points	22,237			-			22,237		
9. O t h e r s	9,513	35,674	0.2	695	293,880	1.0	10,505	102,796	0.3
Income before income taxes and minority interests		719,519	3.1		561,782	2.0		1,227,598	3.8
Provision for income taxes	315,063			473,254			521,794		
Deferred income taxes	-144,087	170,975	0.7	70,316	543,571	1.9	-73,490	448,304	1.4
Minority interests		-16,821	-0.0		-119,560	-0.4		25,656	0.1
Net income		565,365	2.4		137,771	0.5		753,638	2.3

(3) DAC Consolidated Cash Flow Statements

(Unit : Thousand Yen)

Items of an account	Q3 FY2007	FY2006
	(Dec. 2006 thru August 2007)	(Dec. 2005 thru Nov.2006)
	Amount	Amount
Cash flows from Operating Activities:		
Net cash provided by Operating Activities:	1,052,218	182,256
Cash flows from Investing Activities:		
Net cash provided by Investing Activities	91,147	448,437
Cash flows from Financing Activities		
Net cash provided by Financing Activities	-103,354	258,056
Foreign currency translation adjustments on cash and cash equivalents	472	151
Net increase/decrease in cash and cash equivalents	1,040,483	-7,972
Cash and cash equivalents at beginning of term	3,926,586	3,874,559
Cash and cash equivalents at beginning of term of newly consolidated subsidiaries	-	60,000
Cash and cash equivalents at end of term	4,967,070	3,926,586