

Digital Advertising Consortium Inc.

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

Financial Highlights of 3rd Quarter of Fiscal Year 2012 (April 1, 2011 to December 31, 2011) and 3rd Quarter of Fiscal Year 2011 (December 1, 2009 to August 31, 2010)

(1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	Mil. ¥	%	Mil. ¥	%	Mil. ¥	%	Mil. ¥	%
3rd Quarter of FY 2012	60,231	(-)	1,675	(-)	1,716	(-)	755	(-)
3rd Quarter of FY 2011	40,014	(12.2)	1,197	(213.9)	1,268	(301.4)	725	(-)

	Net income	Diluted Net income	Comprehensive	
	per share	per share	income	
	Yen	Yen	Mil. ¥	%
3rd Quarter of FY 2012	1,487.89	1,477.23	957	(-)
3rd Quarter of FY 2011	1,380.54	1,371.67	925	(-)

*DAC has decided to change its fiscal year end from November 30 to March 31 of each year.

No comparison is made because of the change in accounting periods.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Mil. ¥	Mil. ¥	%
3rd Quarter of FY 2012 (As of Dec 31, 2011)	23,734	12,239	41.9
Fiscal Year 2011 (As of Mar 31, 2011)	24,107	12,792	45.3

(3) Cash dividend per share

Record date	End of 1 st quarter	End of 2 nd quarter	End of 3 rd quarter	End of 4 th quarter	End of period	Annual dividend
	Yen	Yen	Yen	Yen	Yen	Yen
Fiscal Year 2011	—	0.00	—	—	700.00	700.00
Fiscal Year 2012	—	0.00	—	—	—	—
Fiscal Year 2012 (expected)				TBD	TBD	TBD

(4) Consolidated earnings forecast of Fiscal Year 2012(April 1, 2011 to March 31, 2012)

	Net sales		Operating income		Ordinary income		Net income		Net income
	Mil. ¥	%	Mil. ¥	%	Mil. ¥	%	Mil. ¥	%	Yen
FY 2012	81,025	(-)	2,096	(-)	2,161	(-)	909	(-)	1,809.32
	~85,180	(-)	~2,368	(-)	~2,433	(-)	~1,049	(-)	~2,087.99

DAC Consolidated Financial Statements

(1)DAC Consolidated balance sheets

(Unit:Thousands of Yen)

Items of an account	FY2011 (As of March 31, 2011)	3rd Quarter of FY2012 (As of December 31,2011)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	7,849,895	7,021,311
Notes and accounts receivable-trade	10,568,054	10,438,185
Short-term investment securities	5,013	193,306
Other	1,273,816	1,238,386
Allowance for doubtful accounts	-18,900	-7,958
Total current assets	19,677,880	18,883,231
Noncurrent assets		
Property, plant and equipment	324,913	334,843
Intangible assets		
Goodwill	1,043,118	970,157
Software	539,487	656,667
Software in progress	42,925	89,604
Other	12,999	15,850
Total intangible assets	1,638,531	1,732,279
Investments and other assets		
Investment securities	1,634,851	1,635,283
Other	839,005	1,156,914
Allowance for doubtful accounts	-8,173	-7,910
Total investments and other assets	2,465,683	2,784,287
Total noncurrent assets	4,429,127	4,851,409
Total assets	24,107,007	23,734,641

(Unit:Thousands of Yen)

Items of an account	FY2011 (As of March 31, 2011)	3rd Quarter of FY2012 (As of December 31,2011)
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable-trade	8,416,399	8,327,559
Short-term loans payable	20,000	317,000
Current portion of long-term loans payable	129,254	133,674
Accounts payable-other	944,999	701,668
Income taxes payable	531,737	511,398
Provision for bonuses	231,573	259,347
Provision for directors' bonuses	63,000	29,160
Provision for point card certificates	23,352	—
Other	543,534	620,757
Total current liabilities	10,903,851	10,900,566
Noncurrent liabilities		
Long-term loans payable	42,532	197,212
Provision for retirement benefits	173,897	215,690
Provision for point card certificates	41,146	41,161
Other	153,057	140,731
Total noncurrent liabilities	410,632	594,794
Total liabilities	11,314,484	11,495,361
Net assets		
Shareholders' equity		
Capital stock	4,031,837	4,031,837
Capital surplus	3,184,465	3,184,465
Retained earnings	3,833,905	4,314,303
Treasury stock	-326,980	-1,626,980
Total shareholders' equity	10,723,228	9,903,625
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	217,784	52,198
Foreign currency translation adjustment	-12,527	-13,249
Total accumulated other comprehensive income	205,256	38,949
Subscription rights to shares	154,752	194,776
Minority interests	1,709,285	2,101,929
Total net assets	12,792,523	12,239,280
Total liabilities and net assets	24,107,007	23,734,641

(2)DAC Consolidated Statements of Income

(Unit:Thousands of Yen)

Items of an account	3rd Quarter of FY2011 (December 1,2009 to August 31,2010)	3rd Quarter of FY2012 (April 1,2011 to December 31,2011)
	Amount	Amount
Net sales	40,014,407	60,231,439
Cost of sales	33,712,352	51,548,628
Gross profit	6,302,055	8,682,810
Selling, general and administrative expenses	5,104,671	7,007,791
Operating income	1,197,384	1,675,019
Non-operating income		
Interest income	3,976	2,172
Dividends income	5,143	12,078
Foreign exchange gains	467	—
Equity in earnings of affiliates	60,438	28,979
Other	10,573	11,075
Total non-operating income	80,599	54,305
Non-operating expenses		
Interest expenses	2,711	5,204
Foreign exchange losses	—	1,501
Provision of allowance for doubtful accounts	3,000	—
Other	3,385	6,510
Total non-operating expenses	9,097	13,215
Ordinary income	1,268,886	1,716,109
Extraordinary income		
Gain on sales of investment securities	118,605	231,059
Gain on step acquisitions	—	25,809
Other	32,248	20,862
Total extraordinary income	150,853	277,731
Extraordinary loss		
Loss on valuation of investment securities	89,827	—
Impairment loss	338	110,176
Loss on valuation of membership	1,897	—
Loss on sales of stocks of subsidiaries and affiliates	1,314	—
Other	9,332	32,672
Total extraordinary losses	102,711	142,848
Income before income taxes	1,317,029	1,850,991
Income taxes-current	498,000	916,041
Income taxes-deferred	-12,189	-15,167
Income taxes	485,811	900,874
Income before minority interests	831,217	950,117
Minority interests in income	105,278	194,313
Net income	725,939	755,804

(3)DAC Consolidated statements of comprehensive income

(Unit:Thousands of Yen)

Items of an account	3rd Quarter of FY2011 (December 1,2009 to August 31,2010)	3rd Quarter of FY2012 (April 1,2011 to December 31,2011)
	Amount	Amount
Income before minority interests	831,217	950,117
Other comprehensive income		
Valuation difference on available-for-sale securities	96,870	8,661
Foreign currency translation adjustment	-660	-1,481
Share of other comprehensive income of associates accounted for using equity method	-1,502	—
Total other comprehensive income	94,707	7,180
Comprehensive income	925,925	957,297
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	820,970	716,457
Comprehensive income attributable to minority interests	104,955	240,839

(4)DAC Consolidated statements of cash flows

(Unit:Thousands of Yen)

Items of an account	3rd Quarter of FY2011 (December 1,2009 to August 31,2010)	3rd Quarter of FY2012 (April 1,2011 to December 31,2011)
	ammount	ammount
Net cash provided by (used in) operating activities		
Income before income taxes	1,317,029	1,850,991
Depreciation and amortization	238,008	276,662
Impairment loss	338	110,176
Amortization of goodwill	69,020	149,633
Increase (decrease) in allowance for doubtful accounts	4,976	-11,204
Increase (decrease) in provision for retirement benefits	34,021	41,793
Increase (decrease) in provision for directors' retirement benefits	—	900
Increase (decrease) in provision for point card certificates	20,292	-20,681
Increase (decrease) in provision for directors' bonuses	1,590	-33,840
Loss (gain) on change in equity	-20,123	3,048
Loss (gain) on transfer of business	—	-18,037
Loss (gain) on sales and valuation of investment securities	-28,777	-231,059
Interest and dividends income	-9,119	-14,250
Interest expenses	2,711	5,204
Equity in (earnings) losses of affiliates	-60,438	-28,979
Loss (gain) on sales and retirement of noncurrent assets	328	12,026
Loss (gain) on step acquisitions	—	-25,809
Loss (gain) on sales of stocks of subsidiaries and affiliates	1,314	—
Decrease (increase) in notes and accounts receivable-trade	-632,113	135,888
Decrease (increase) in inventories	-41,495	-99,202
Increase (decrease) in notes and accounts payable-trade	265,945	-93,070
Increase (decrease) in accounts payable-other	-53,008	-240,441
Increase (decrease) in accrued consumption taxes	108,716	36,915
Other, net	167,277	266,268
Subtotal	1,386,495	2,072,931
Interest and dividends income received	11,975	14,251
Interest expenses paid	-2,711	-5,204
Income taxes paid	-407,586	-940,693
Total net cash provided by (used in) operating activities	988,173	1,141,285
Net cash provided by (used in) investing activities		
Proceeds from redemption of securities	—	4,000
Purchase of property, plant and equipment	-22,322	-160,412
Purchase of intangible assets	-121,746	-340,529
Purchase of investment securities	-131,284	-185,099
Proceeds from sales and redemption of investment securities	269,160	273,409
Purchase of stocks of subsidiaries and affiliates	-50,000	—
Proceeds from sales of stocks of subsidiaries and affiliates	66,430	85,050
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	-68,859
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	45,797	—
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-248,657	—
Proceeds from transfer of business	—	4,000
Payments for guarantee deposits	-5,671	-208,787
Collection of loans receivable	29,162	—
Purchase of insurance funds	—	-11,010
Payments for liquidation of subsidiaries	—	-7,433
Other, net	3,297	306
Total net cash provided by (used in) investing activities	-165,835	-615,366
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	39,000	297,000
Proceeds from long-term loans payable	—	292,350
Repayment of long-term loans payable	-66,741	-133,250
Purchase of treasury stock	-8	-1,300,000
Proceeds from stock issuance to minority shareholders	—	128,000
Proceeds from exercise of stock option	—	12,096
Cash dividends paid	-101,229	-367,915
Cash dividends paid to minority shareholders	-50,400	-80,795
Other, net	-1,454	-2,392
Total net cash provided by (used in) financing activities	-180,834	-1,154,907
Effect of exchange rate change on cash and cash equivalents	-734	-7,302
Total net increase (decrease) in cash and cash equivalents	640,768	-636,290
Cash and cash equivalents at beginning of period	5,671,819	7,841,908
Cash and cash equivalents at end of period	6,312,587	7,205,618