

D.A.Consortium Inc.

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

Financial Highlights of 3rd Quarter of Fiscal Year 2013 (April 1, 2013 to December 31, 2013) and 3rd Quarter of Fiscal Year 2012 (April 1, 2012 to December 31, 2012)

(1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
3rd Quarter of FY 2013	75,615	(8.6)	1,294	(26.0)	1,304	(21.1)	1,129	(114.4)
3rd Quarter of FY 2012	69,638	(15.6)	1,026	(38.7)	1,077	(37.2)	526	(30.3)

	Earnings per share		Diluted earnings per share		Comprehensive Income	
	Yen		Yen		Mil.¥	%
3rd Quarter of FY 2013	23.25		23.00		1,938	(448.5)
3rd Quarter of FY 2012	10.85		10.72		353	(63.1)

Note: On April 1, 2013, DAC conducted a 100-for-1 stock split for shareholders as of March 31, 2013. In addition, basic net income per share for fiscal years ended December 31, 2012 and December 31, 2013 was calculated assuming that said stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Mil.¥	Mil.¥	%
3rd Quarter of FY 2013 (As of December 31, 2013)	34,193	18,298	36.7
Fiscal Year 2012 (As of March 31, 2013)	31,344	16,472	36.0

(Reference) Capital: December 31, 2013: 12,540 million yen March 31, 2013: 11,298 million yen

(3) Dividend per share

Record date	End of 1 st quarter	End of 2 nd quarter	End of 3 rd quarter	End of period	Annual dividend
	Yen	Yen	Yen	Yen	Yen
Fiscal Year 2012		0.00		600.00	600.00
Fiscal Year 2013		0.00			
Fiscal Year 2013 (expected)					

Note: 1. Revisions of the forecasts of consolidated results since the latest announcement: No

Note: 2. On April 1, 2013, DAC conducted a 100-for-1 stock split for shareholders as of March 31, 2013.

The above figures for Fiscal Year 2012 are based on actual dividend paid before the stock split.

(4) Consolidated earnings forecast of Fiscal Year 2013 (April 1,2013 to March 31,2014)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Mil.¥ %	Mil.¥ %	Mil.¥ %	Mil.¥ %	Yen
Fiscal Year 2013	103,415(7.4)	1,673(0.9)	1,730(1.5)	1,280(59.1)	26.37
	~ 104,968(9.0)	~ 2,020(21.8)	~ 2,077(21.9)	~ 1,568(94.9)	~ 32.30

Note: Revisions of the forecasts of consolidated results since the latest announcement: Yes

DAC Consolidated Financial Statements

(1)DAC Consolidated Balance Sheets

(Unit:Thousands of Yen)

Items of an account	FY2012 (As of March 31, 2013)	3rd Quarter of FY2013 (As of December 31,2013)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	8,138,811	11,899,348
Notes and accounts receivable-trade	13,627,949	12,777,201
Short-term investment securities	501,014	-
Operational investment securities	681,463	865,324
Other	1,918,238	1,983,906
Allowance for doubtful accounts	-7,741	-5,146
Total current assets	24,859,737	27,520,634
Noncurrent assets		
Property, plant and equipment	844,695	718,469
Intangible assets		
Goodwill	697,162	510,035
Software	728,950	706,602
Software in progress	178,707	170,921
Other	28,311	27,587
Total intangible assets	1,633,131	1,415,146
Investments and other assets		
Investment securities	2,768,719	3,627,176
Guarantee deposits	913,386	791,269
Other	345,697	135,782
Allowance for doubtful accounts	-20,612	-15,035
Total investments and other assets	4,007,191	4,539,192
Total noncurrent assets	6,485,018	6,672,808
Total assets	31,344,755	34,193,442

(Unit: Thousand Yen)

Items of an account	FY2012 (As of March 31, 2013)	3rd Quarter of FY2013 (As of December 31, 2013)
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable-trade	10,753,799	11,060,694
Short-term loans payable	295,000	1,120,000
Current portion of long-term loans payable	155,628	82,841
Current portion of bonds	30,600	-
Accounts payable-other	808,888	625,896
Income taxes payable	608,678	944,372
Provision for bonuses	374,844	171,775
Provision for directors' bonuses	25,200	8,250
Other	958,972	1,252,477
Total current liabilities	14,011,611	15,266,307
Noncurrent liabilities		
Bonds payable	59,400	-
Long-term loans payable	410,794	224,750
Provision for retirement benefits	268,873	-
Other	121,276	403,909
Total noncurrent liabilities	860,343	628,659
Total liabilities	14,871,954	15,894,966
Net assets		
Shareholders' equity		
Capital stock	4,031,837	4,031,837
Capital surplus	3,184,465	3,184,209
Retained earnings	5,441,672	6,279,410
Treasury stock	-1,628,474	-1,628,241
Total shareholders' equity	11,029,500	11,867,216
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	194,102	515,476
Foreign currency translation adjustment	74,442	157,926
Total accumulated other comprehensive income	268,545	673,403
Subscription rights to shares	242,771	274,257
Minority interests	4,931,983	5,483,598
Total net assets	16,472,800	18,298,475
Total liabilities and net assets	31,344,755	34,193,442

(2)DAC Consolidated Statements of Income

(Unit:Thousands of Yen)

Items of an account	3rd Quarter of FY2012 (April 1,2012 to December 31,2012)	3rd Quarter of FY2013 (April 1,2013 to December 31,2013)
	Amount	Amount
Net sales	69,638,612	75,615,629
Cost of sales	59,174,311	65,275,297
Gross profit	10,464,301	10,340,332
Selling, general and administrative expenses	9,437,399	9,046,092
Operating income	1,026,901	1,294,239
Non-operating income		
Interest income	7,458	4,737
Dividends income	12,940	8,870
Equity in earnings of affiliates	42,366	-
Insurance premiums refunded cancellation	-	14,791
Foreign exchange gains	12,799	-
Other	42,953	22,258
Total non-operating income	118,518	50,657
Non-operating expenses		
Interest expenses	15,660	6,278
Commission fee	36,591	-
Equity in losses of affiliates	-	10,632
Other	15,759	23,321
Total non-operating expenses	68,012	40,231
Ordinary income	1,077,408	1,304,665
Extraordinary income		
Gain on sales of subsidiaries and affiliates' stocks	-	1,411,544
Other	354,523	118,905
Total extraordinary income	354,523	1,530,450
Extraordinary loss		
Impairment loss	83,785	61,548
Loss on exit penalty	27,161	-
Other	26,693	96,835
Total extraordinary losses	137,640	158,383
Income before income taxes	1,294,290	2,676,731
Income taxes-current	692,373	1,188,816
Income taxes-deferred	20,132	23,304
Income taxes	712,506	1,212,120
Income before minority interests	581,784	1,464,610
Minority interests in income	55,163	335,516
Net income	526,621	1,129,094

(3)DAC Consolidated Statements of Comprehensive Income

(Unit:Thousands of Yen)

Items of an account	3rd Quarter of FY2012 (April 1,2012 to December 31,2012)	3rd Quarter of FY2013 (April 1,2013 to December 31,2013)
	Amount	Amount
Income before minority interests	581,784	1,464,610
Other comprehensive income		
Valuation difference on available-for-sale securities	-179,585	358,198
Deferred gains or losses on hedges	-42,392	-
Foreign currency translation adjustment	-6,341	96,177
Share of other comprehensive income of associates accounted for using equity method	-	19,805
Other comprehensive income	-228,319	474,182
Comprehensive income	353,464	1,938,792
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	380,630	1,533,952
Comprehensive income attributable to minority interests	-27,165	404,840

(4)DAC Consolidated Statements of Cash Flows

(Unit:Thousands of Yen)

Items of an account	3rd Quarter of FY2012 (April 1,2012 to December 31,2012)	3rd Quarter of FY2013 (April 1,2013 to December 31,2013)
	amount	amount
Net cash provided by (used in) operating activities		
Income before income taxes	1,294,290	2,676,731
Depreciation and amortization	501,877	437,394
Impairment loss	83,785	61,548
Amortization of goodwill	185,456	183,125
Increase (decrease) in allowance for doubtful accounts	-9,628	1,538
Increase (decrease) in provision for retirement benefits	17,443	-268,873
Increase (decrease) in provision for point card certificates	10,037	-10,328
Increase (decrease) in provision for bonuses	8,398	-203,068
Increase (decrease) in provision for directors' bonuses	6,250	-16,950
Increase (decrease) in deposits received	40,382	4,810
Loss (gain) on sales and valuation of investment securities	-129,911	30,548
Loss (gain) on sales of stocks of subsidiaries and affiliates	-	-1,411,544
Interest and dividends income	-20,398	-13,607
Interest expenses	15,660	6,278
Equity in (earnings) losses of affiliates	-42,366	10,632
Loss (gain) on sales and retirement of noncurrent assets	6,551	10,034
Gain on reversal of subscription rights to shares	-37,327	-6,172
Loss (gain) on change in equity	-96,339	-91,431
Decrease (increase) in notes and accounts receivable-trade	380,763	844,039
Decrease (increase) in advance payments	-61,823	-28,344
Decrease (increase) in inventories	-54,222	-22,288
Decrease (increase) in investment securities for sale	-42,511	-144,572
Increase (decrease) in notes and accounts payable-trade	-895,581	303,575
Increase (decrease) in accounts payable-other	-72,773	-3,262
Increase (decrease) in accrued consumption taxes	263,661	231,297
Increase (decrease) in long-term accounts payable-other	1,588	274,366
Other, net	-145,658	-347,423
Subtotal	1,207,602	2,508,052
Interest and dividends income received	21,283	20,714
Interest expenses paid	-14,328	-5,854
Income taxes paid	-800,731	-831,200
Net cash provided by (used in) operating activities	413,825	1,691,711
Net cash provided by (used in) investing activities		
Payments into time deposits	-2,816,450	-5,200,000
Proceeds from withdrawal of time deposits	1,700,000	4,634,555
Purchase of property, plant and equipment	-582,227	-106,509
Purchase of intangible assets	-424,878	-509,537
Purchase of investment securities	-62,554	-505,098
Proceeds from sales and redemption of investment securities	266,860	29,903
Proceeds from collection of guarantee deposits	241,721	49,373
Payments of long-term loans receivable	-74,440	-
Collection of loans receivable	10,451	1,430
Purchase of stocks of subsidiaries and affiliates	-604,636	-19,762
Proceeds from sales of stocks of subsidiaries and affiliates	-	1,547,497
Payments for transfer of business	-57,467	-
Payments for guarantee deposits	-12,663	-13,838
Payments of loans receivable	-	-1,400
Purchase of insurance funds	-11,010	-6,633
Proceeds from cancellation of insurance funds	-	30,638
Other, net	-2,756	9,633
Net cash provided by (used in) investing activities	-2,430,050	-59,749
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-54,494	870,000
Proceeds from long-term loans payable	531,000	-
Repayment of long-term loans payable	-224,443	-96,180
Proceeds from issuance of subscription rights to shares	-	29,230
Proceeds from withdrawal of found trust for Subsidiarys Treasury Stock	-	408,595
Proceeds from stock issuance to minority shareholders	65,133	8,172
Proceeds from exercise of stock option	5,526	280,784
Cash dividends paid	-294,072	-291,530
Cash dividends paid to minority shareholders	-122,722	-80,773
Other, net	-3,032	-7,234
Net cash provided by (used in) financing activities	-97,103	1,121,064
Effect of exchange rate change on cash and cash equivalents	-23	99,086
Net increase (decrease) in cash and cash equivalents	-2,113,352	2,852,113
Cash and cash equivalents at beginning of period	9,573,605	6,595,701
Increase in cash and cash equivalents resulting from merger with subsidiaries and unconsolidated subsidiaries	10,941	-
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	-157,465
Cash and cash equivalents at end of period	7,471,194	9,290,348