



FY2015-2Q Financial Results Briefing

D.A.Consortium Inc.
November 6, 2015

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(Consolidated/Non-consolidated)
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Overview of Consolidated Financial Results

Financial Highlights (Consolidated)

(Millions of Yen)

	FY2015-2Q			
	Quarterly (Jul. 2015 to Sep. 2015)		Accumulated (Apr. 2015 to Sep. 2015)	
		Y on Y		Y on Y
Sales	32,875	118.9%	64,550	113.2%
Gross Profit	5,374	138.6%	9,709	124.5%
Operating Income	1,659	340.0%	2,343	213.4%
Profit Attributable to Owners of Parent	660	298.9%	970	169.3%
EBITDA	1,877	270.4%	2,769	184.9%
Operating Margin*	30.9%	+18.3pt	24.1%	+10.1pt

*Operating Margin=Operating Income / Gross Profit

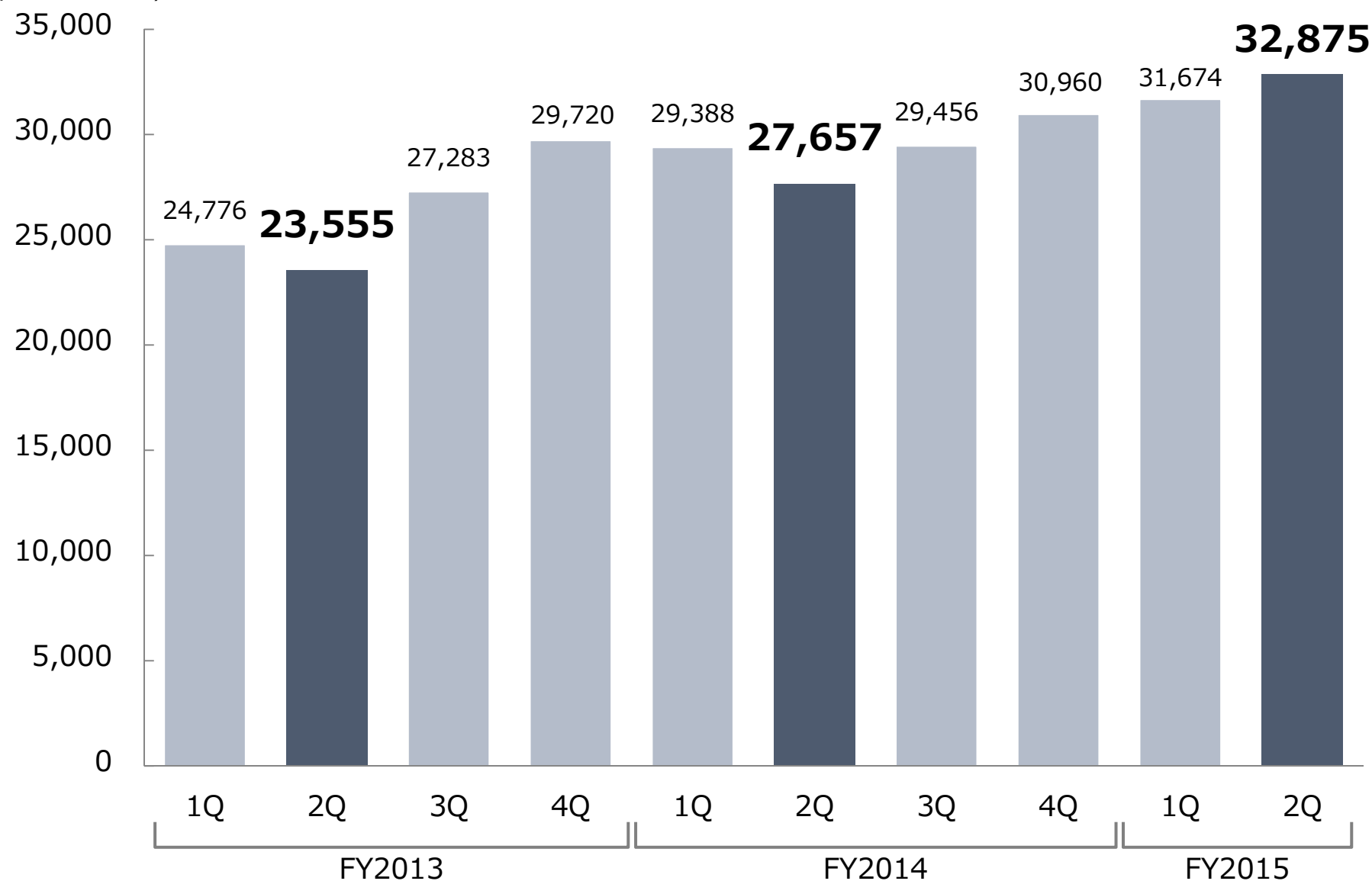
FY2015 Business Forecast 2Q Progress

(Millions of Yen)

	FY2015 (Apr. 2015 to Mar. 2016)		
	Forecasts	2Q Results	Progress Rate
Sales	135,000	64,550	47.8%
Operating Income	3,550	2,343	66.0%
Ordinary Income	3,550	2,451	69.1%
Profit Attributable to Owners of Parent	1,350	970	71.9%
Net Income per Share	27.80	19.98	—

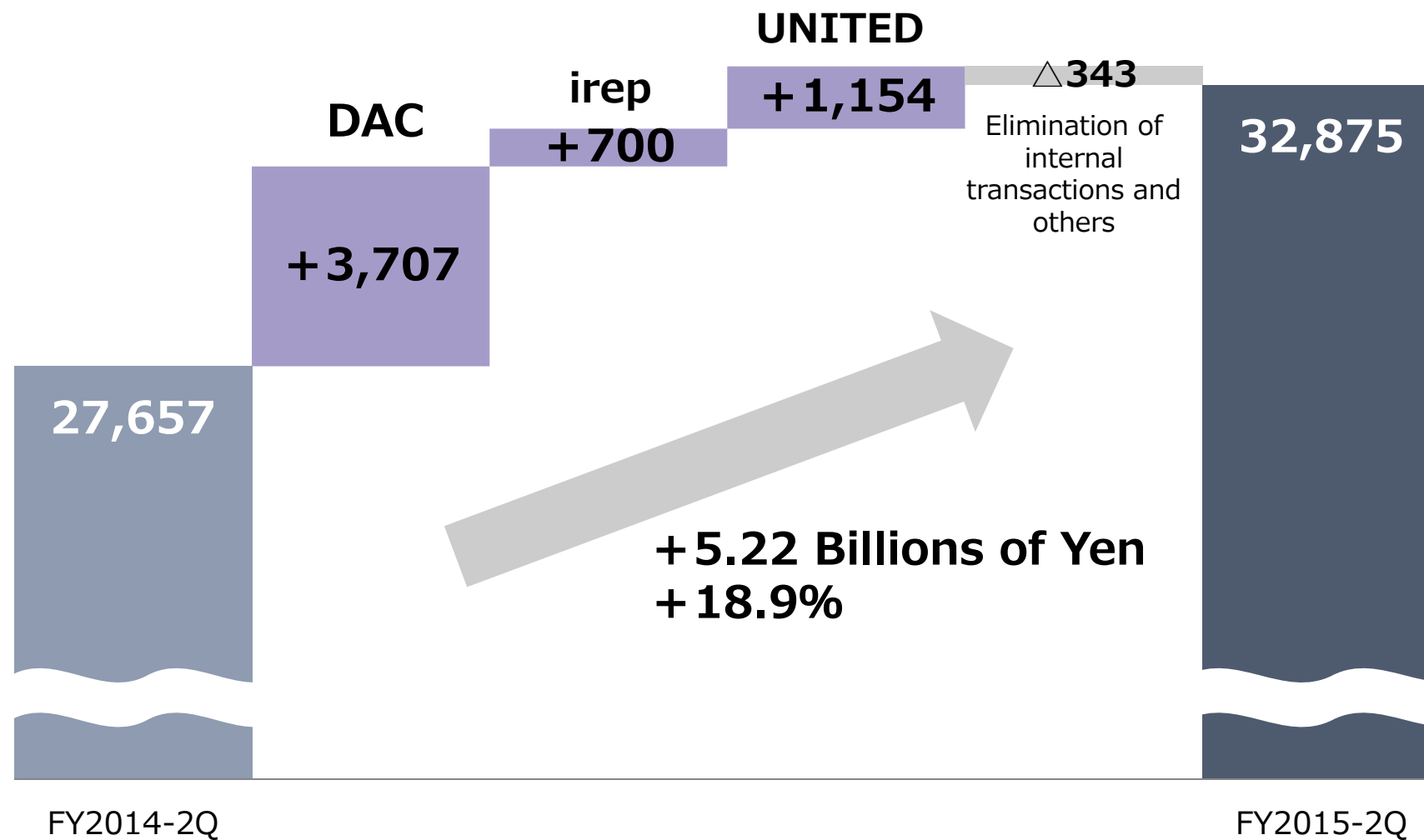
Quarterly Sales (Consolidated)

(Millions of Yen)



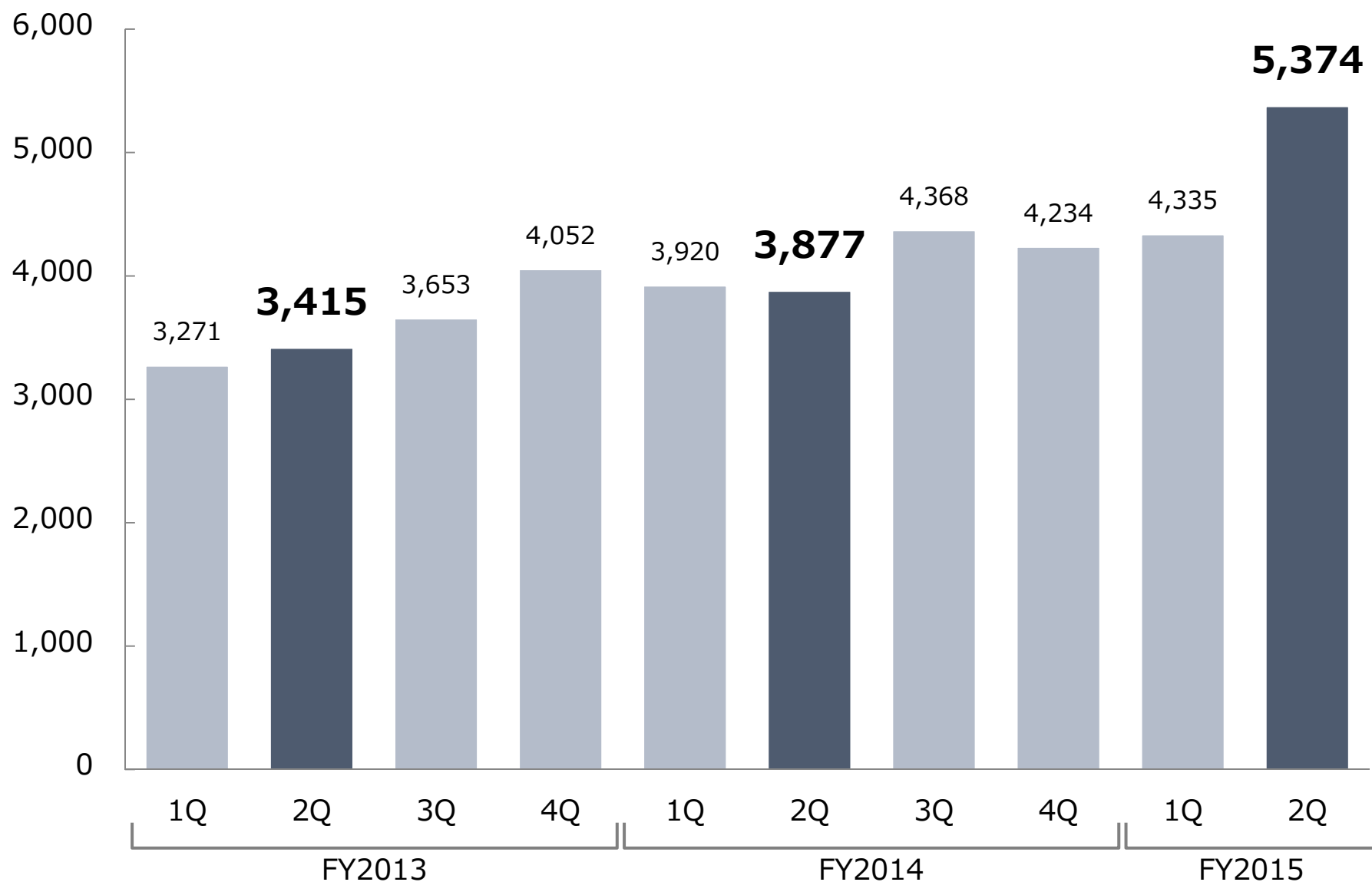
Increase Factor of Sales (Year on Year)

(Millions of Yen)



Quarterly Gross Profit (Consolidated)

(Millions of Yen)



Results by Domain (Consolidated)

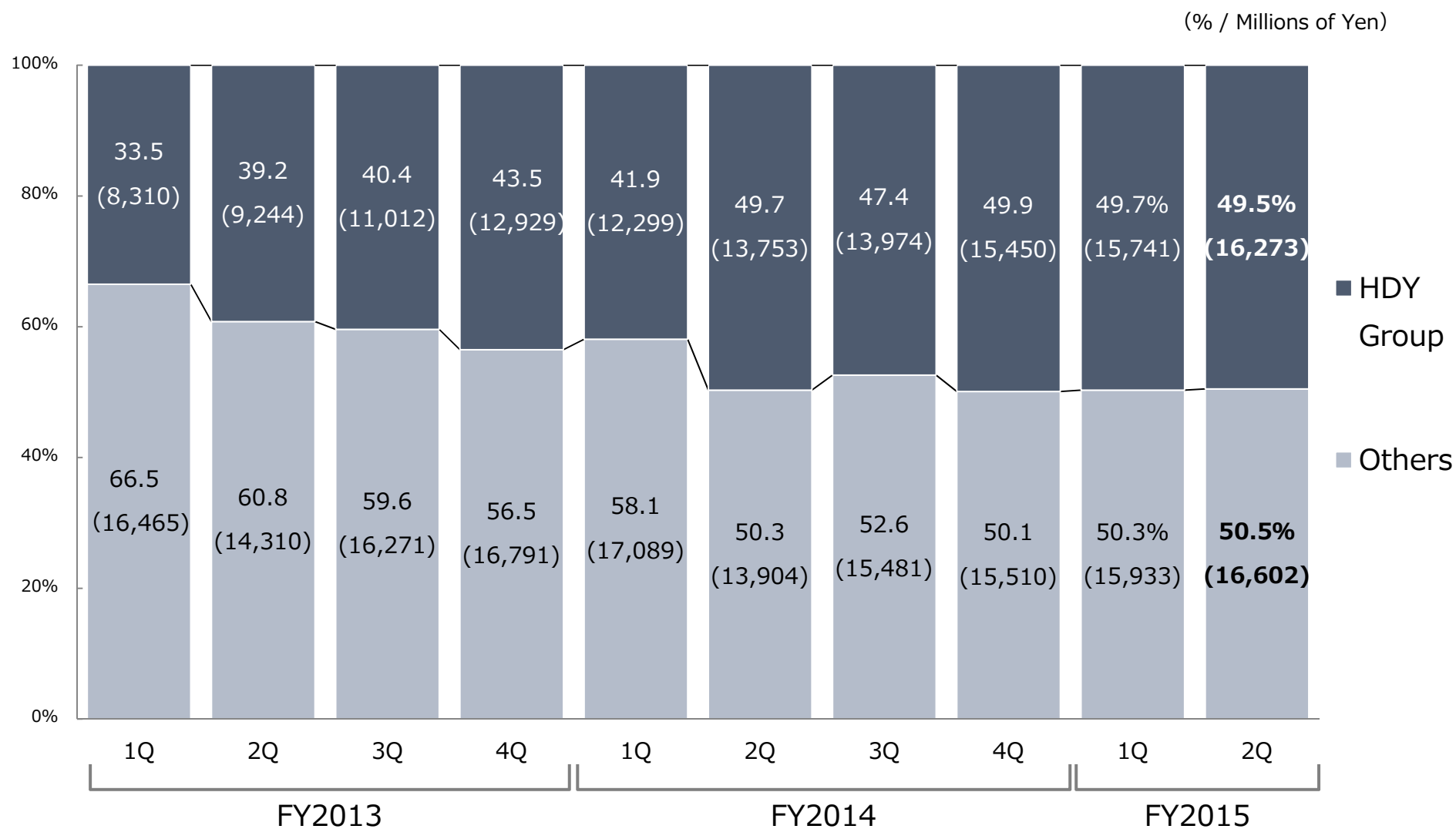
	FY2014-2Q Accumulated (Apr. 2014 to Sep. 2014)		FY2015-2Q Accumulated (Apr. 2015 to Sep. 2015)		
Sales	Sales (Millions of Yen)	%	Sales (Millions of Yen)	%	Y on Y (%)
Internet-related Business	57,039	99.8	63,010	97.5	110.5
Agent Domain	51,726	90.5	59,118	91.5	114.3
Media and DAS Domain	6,502	11.4	7,207	11.2	110.8
Adjustment between Domains	△1,189	△2.1	△3,315	△5.1	—
Investment Business	87	0.2	1,600	2.5	x18.4
TOTAL	57,126	100.0	64,611	100.0	113.1

Gross Profit	Gross Profit (Millions of Yen)	%	Gross Profit (Millions of Yen)	%	Y on Y (%)
Internet-related Business	7,720	99.0	8,154	84.0	105.6
Agent Domain	5,043	64.7	5,371	55.3	106.5
Media and DAS Domain	2,825	36.2	2,874	29.6	101.7
Adjustment between Domains	△149	△1.9	△91	△0.9	—
Investment Business	77	1.0	1,555	16.0	x20.1
TOTAL	7,797	100.0	9,709	100.0	124.5

Sales to HDY Group and Others (Consolidated)

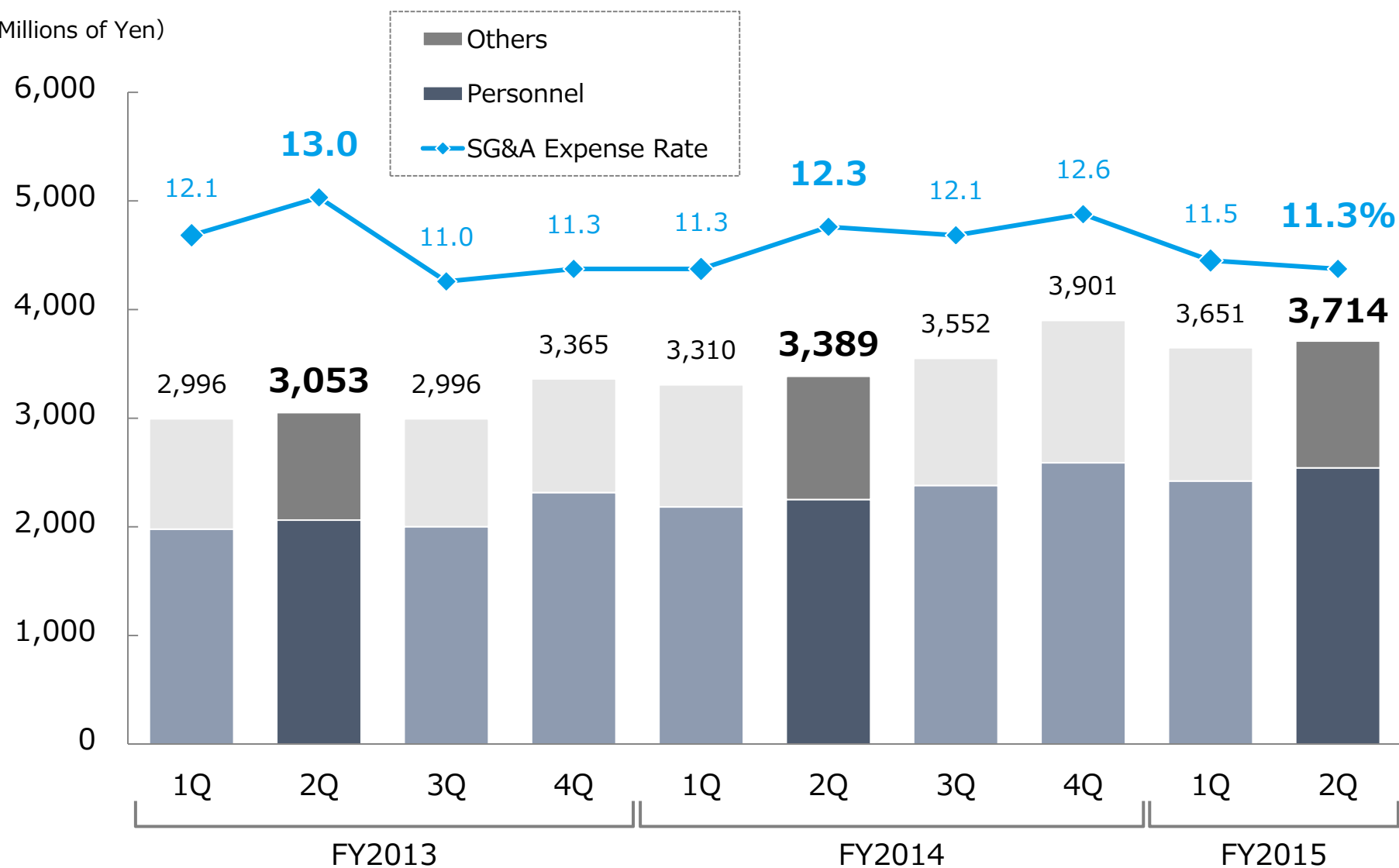
	FY2014-2Q Accumulated (Apr. 2014 to Sep. 2014)		FY2015-2Q Accumulated (Apr. 2015 to Sep. 2015)		
	Sales (Millions of Yen)	Share (%)	Sales (Millions of Yen)	Share (%)	Y on Y (%)
Hakuhodo DY Group	26,052	45.7	32,015	49.6	122.9
Others	30,994	54.3	32,535	50.4	105.0
TOTAL	57,046	100.0	64,550	100.0	113.2

Sales to HDY Group and Others (Consolidated)



Quarterly SG&A Expenses (Consolidated)

(Millions of Yen)

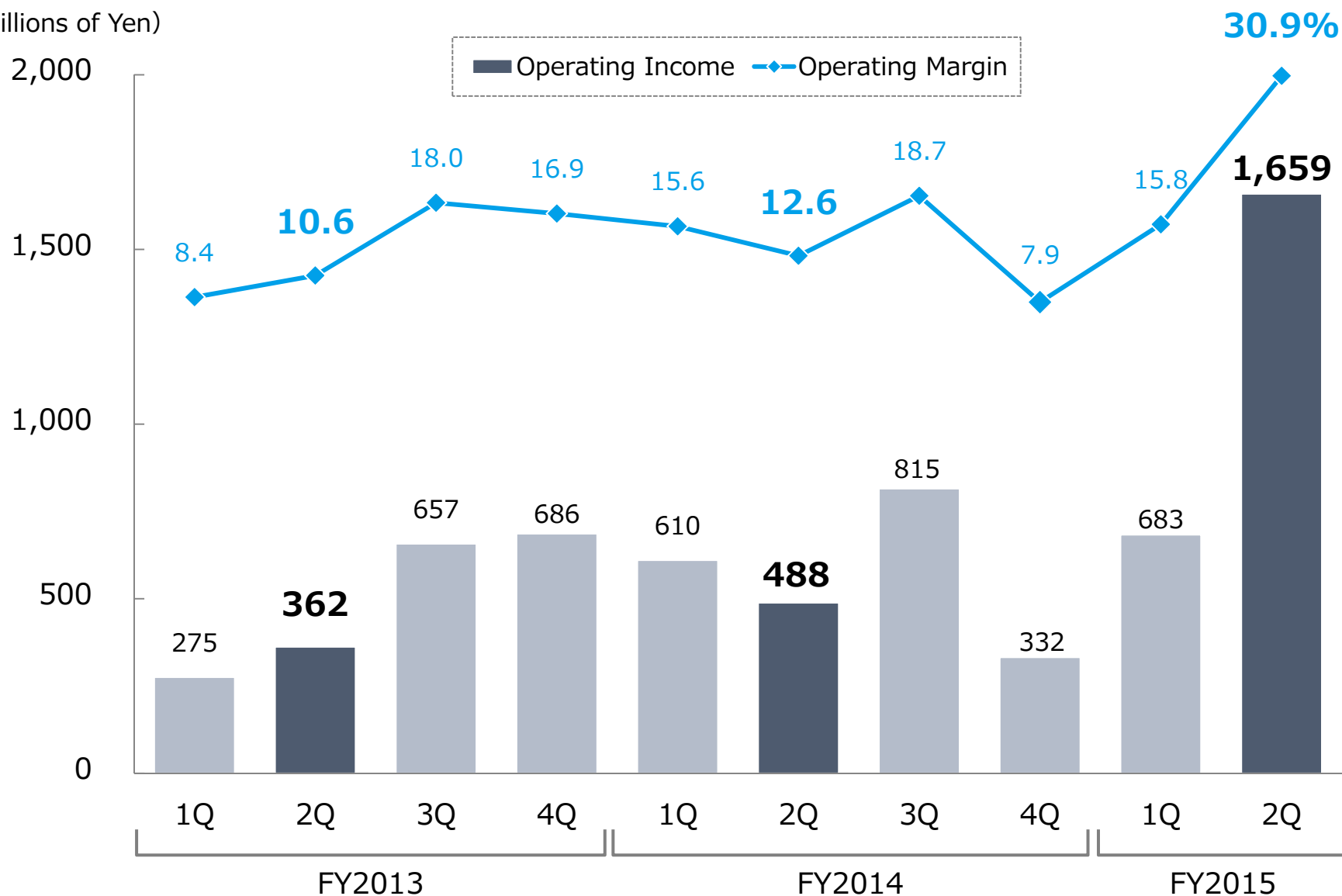


Number of Employees* 2,014 → 2,068

*Total number of directors, employees, temporary employees, etc.

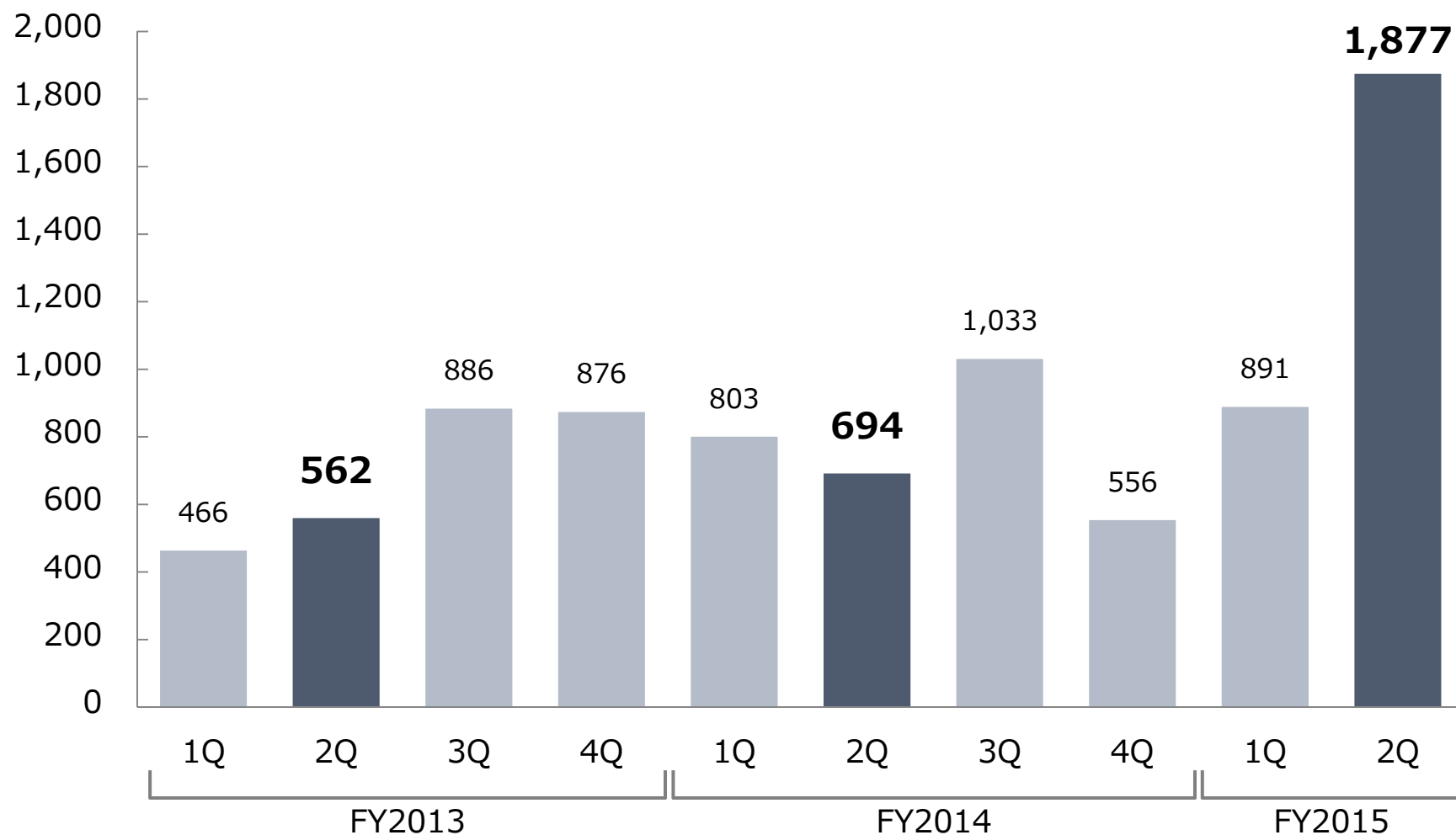
Quarterly Operating Income (Consolidated)

(Millions of Yen)



Quarterly EBITDA (Consolidated)

(Millions of Yen)



*EBITDA=Operating Profit + Depreciation + Amortization of goodwill

Balance Sheets (Consolidated)

	FY2014 (As of Mar.31, 2015)		FY2015-2Q (As of Sep.30, 2015)		
	Amount (Millions of Yen)	%	Amount (Millions of Yen)	%	Comparisons (%)
Current Assets	36,049	82.1	34,822	78.0	96.6
Non-current Assets	7,848	17.9	9,795	22.0	124.8
Total Assets	43,897	100.0	44,618	100.0	101.6
Current Liabilities	20,345	46.3	20,671	46.3	101.6
Non-current Liabilities	553	1.3	463	1.0	83.7
Total Liabilities	20,899	47.6	21,134	47.4	101.1
Shareholders' Equity	13,467	30.7	13,506	30.3	100.3
Non-controlling Interests	7,584	17.3	8,169	18.3	107.7
Others	1,946	4.4	1,807	4.1	92.8
Total Net Assets	22,998	52.4	23,483	52.6	102.1
Total Liabilities and Net Assets	43,897	100.0	44,618	100.0	101.6

Statements of Cash Flows (Consolidated)

(Millions of Yen)

	FY2015-2Q (Apr. 2015 to Sep. 2015)
Cash flows from operating activities	2,184
Cash flows from investing activities	△2,758
Cash flows from financing activities	△60
Effect of exchange rate change on cash and cash equivalents	16
Net increase (decrease) in cash and cash equivalents	△618
Cash and cash equivalents at beginning of period	11,421
Cash and cash equivalents at end of period	10,803

Overview of Non-consolidated Financial Results

Financial Highlights (Non-consolidated)

(Millions of Yen)

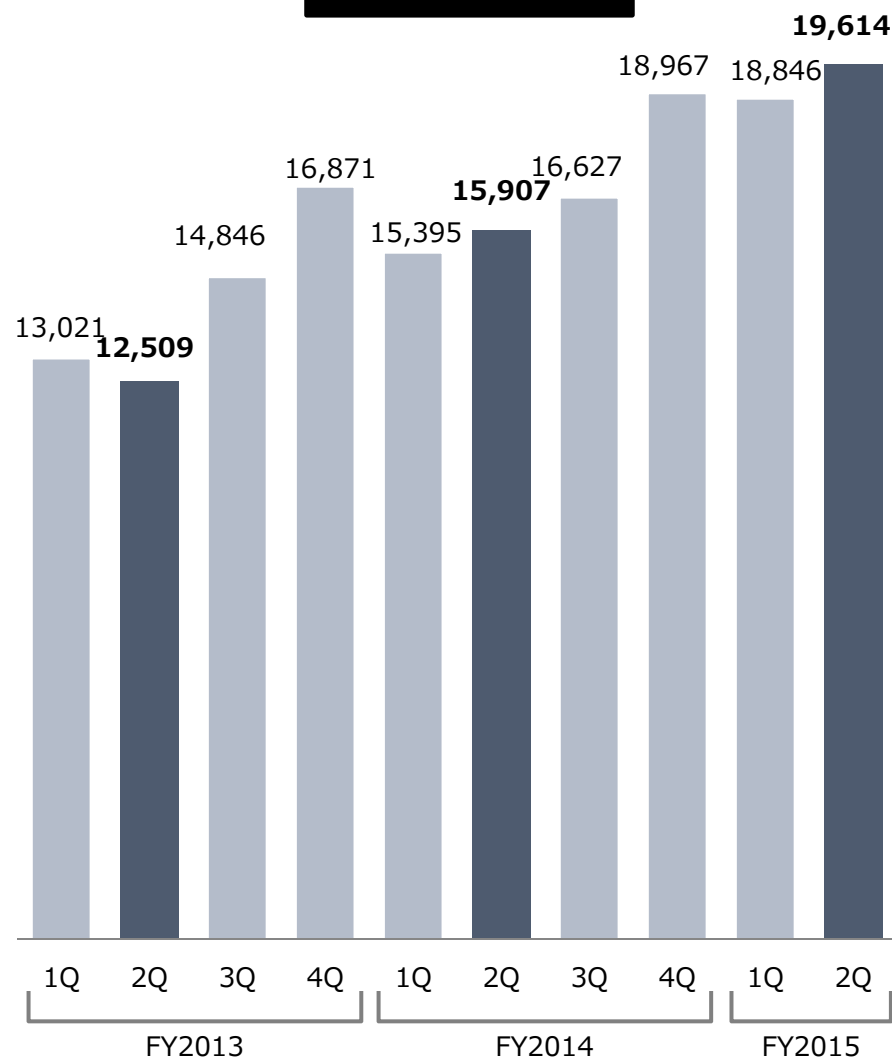
	FY2015-2Q			
	Quarterly (from Jul. 2015 to Sep. 2015)		Accumulated (from Apr. 2015 to Sep. 2015)	
		Y on Y		Y on Y
Sales	19,614	123.3%	38,461	122.9%
Gross Profit	1,671	117.7%	3,464	134.0%
Operating Income	210	68.4%	662	166.5%
Net Income	109	45.8%	799	111.2%
Operating Margin*	12.6%	△9.1pt	19.1%	+3.7pt

*Operating Margin=Operating Income / Gross Profit

Quarterly Sales & Gross Profit (Non-consolidated)

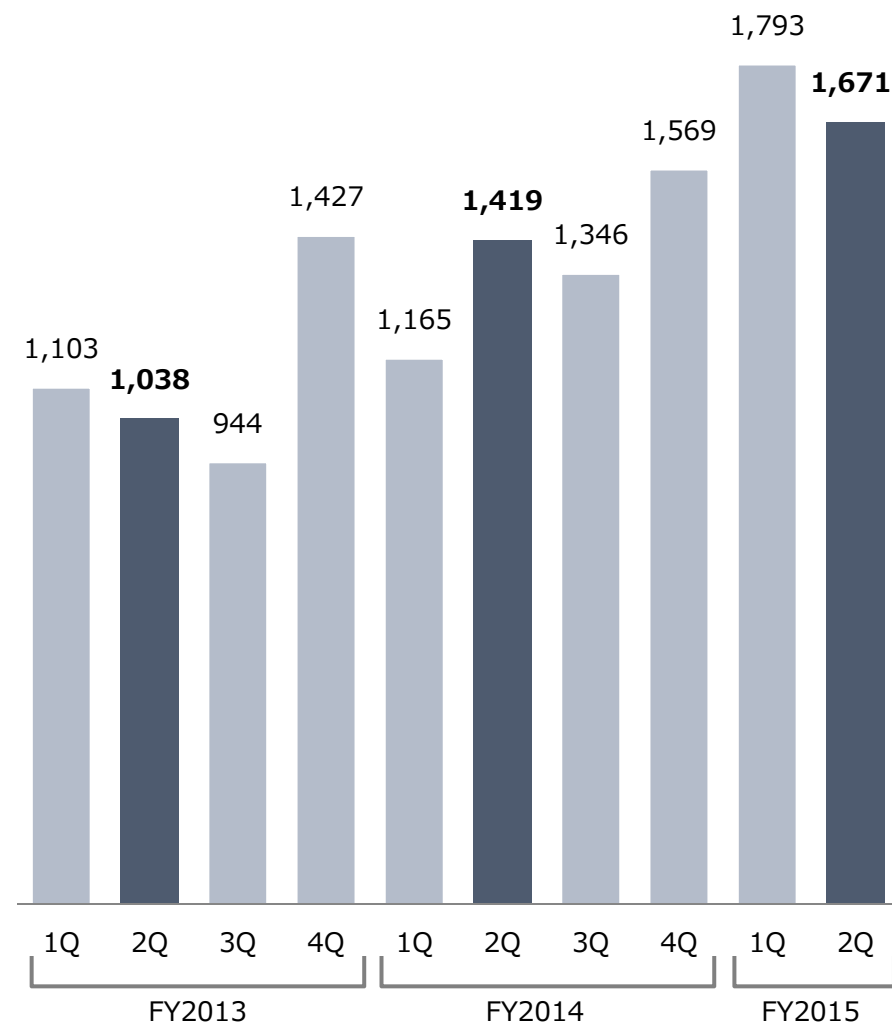
(Millions of Yen)

Sales



(Millions of Yen)

Gross Profit



Results by Service (Non-consolidated)

	FY2014-2Q Accumulated (Apr. 2014 to Sep. 2014)		FY2015-2Q Accumulated (Apr. 2015 to Sep. 2015)		
Sales	Amount (Millions of Yen)	%	Amount (Millions of Yen)	%	Y on Y (%)
Media Service	29,831	95.3	37,038	96.3	124.2
Technology Service	1,321	4.2	1,025	2.7	77.6
Investment & Operation Service	150	0.5	397	1.0	264.6
TOTAL	31,303	100.0	38,461	100.0	122.9

Gross Profit	Amount (Millions of Yen)	%	Amount (Millions of Yen)	%	Y on Y (%)
Media Service	1,844	71.4	2,617	75.6	141.9
Technology Service	610	23.6	476	13.7	78.0
Investment & Operation Service	129	5.0	370	10.7	286.7
TOTAL	2,584	100.0	3,464	100.0	134.0

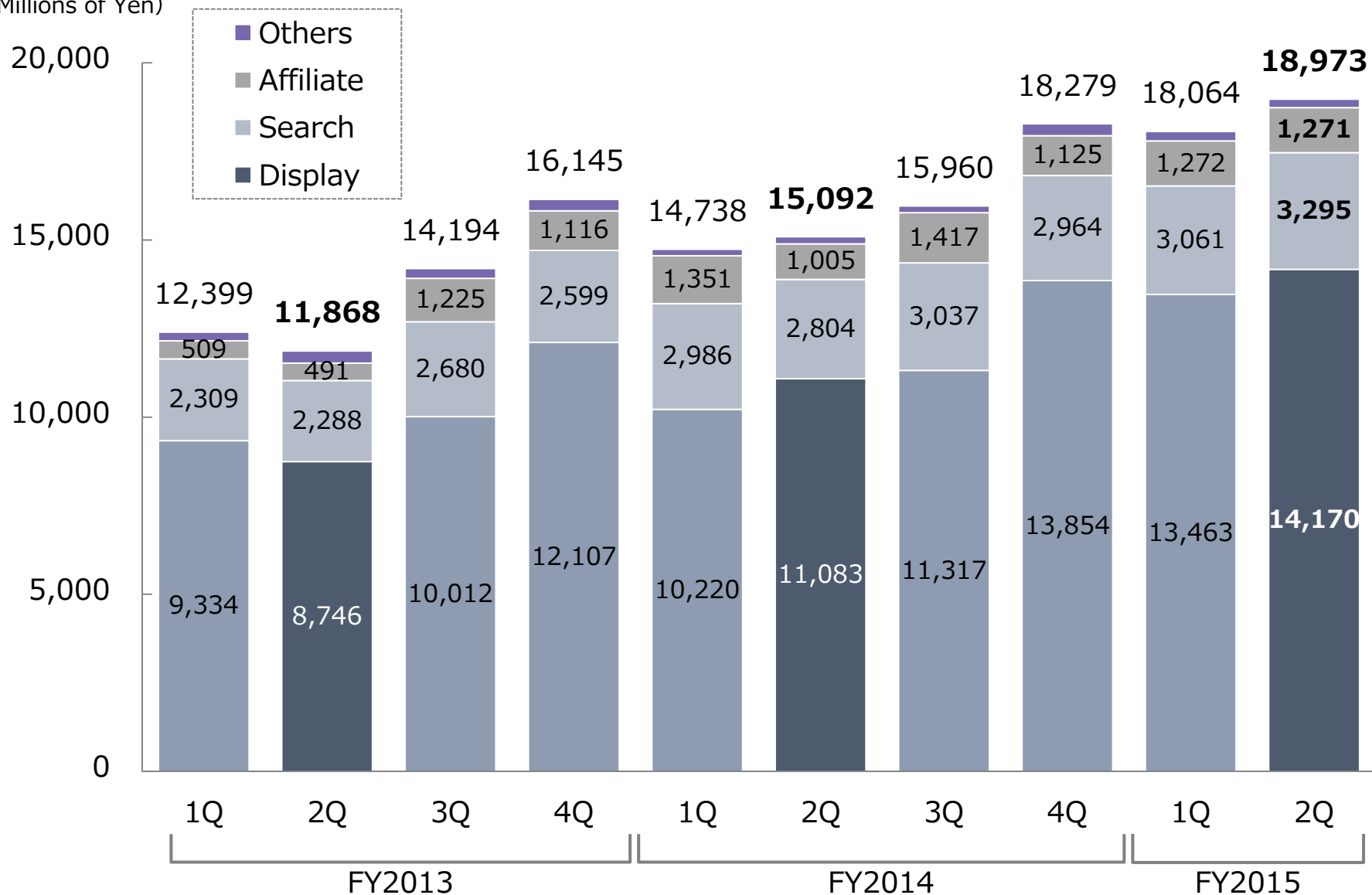
Business Trends

Sales breakdown by Ad Format (Non-consolidated)

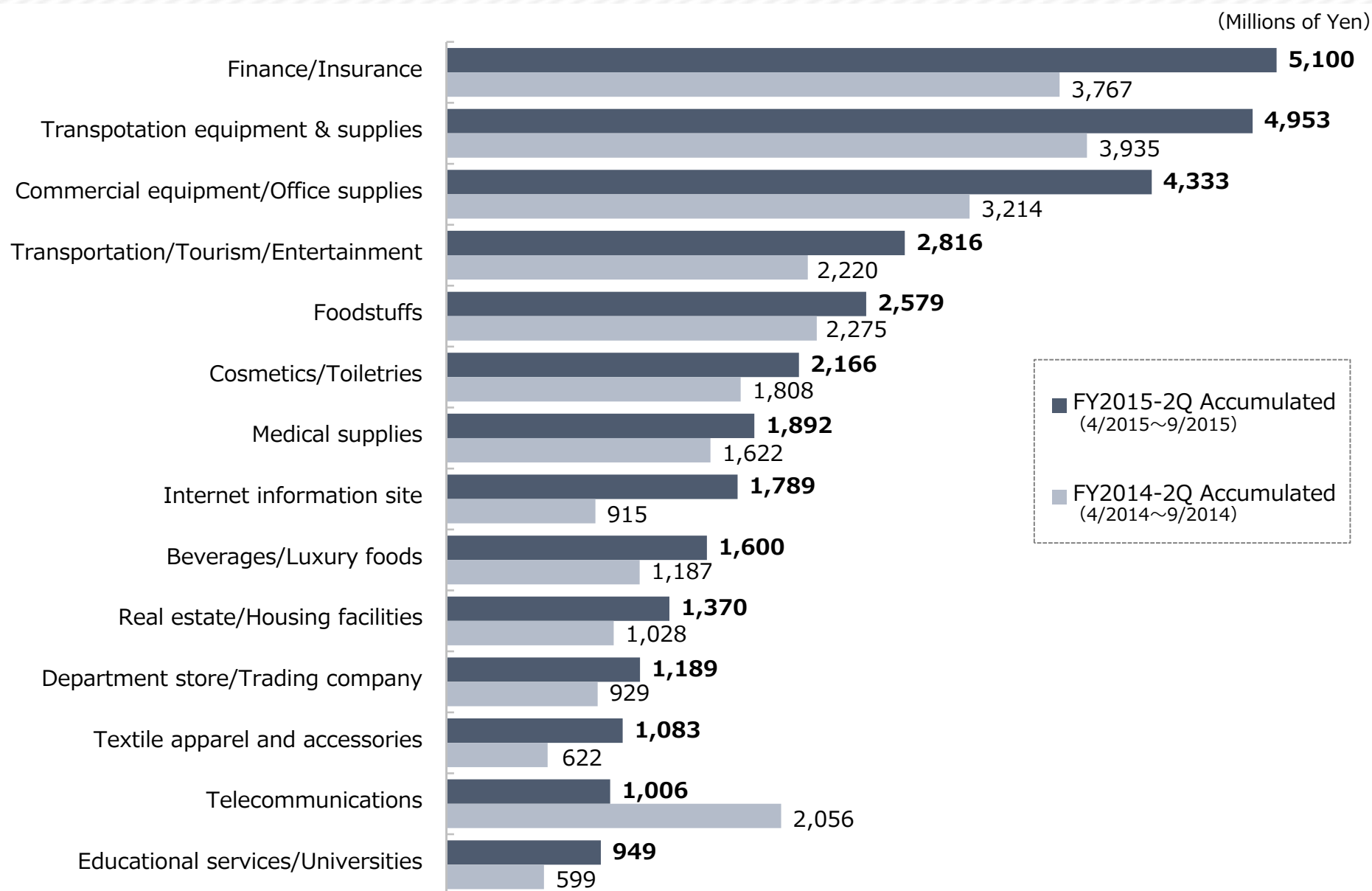
		FY2014-2Q Accumulated (Apr. 2014 to Sep. 2014)		FY2015-2Q Accumulated (Apr. 2015 to Sep. 2015)	
		Amount (Millions of Yen)	%	Amount (Millions of Yen)	Y on Y (%)
Display		21,304	71.4	27,633	129.7
	Video Ad	1,506	5.1	3,943	261.7
	Others	19,797	66.4	23,690	119.7
Search		5,791	19.4	6,357	109.8
Affiliate / Reward		2,356	7.9	2,543	107.9
Others		379	1.3	503	132.9
TOTAL		29,831	100.0	37,038	124.2

Quarterly Sales by Ad Format (Non-consolidated/Media Service)

(Millions of Yen)

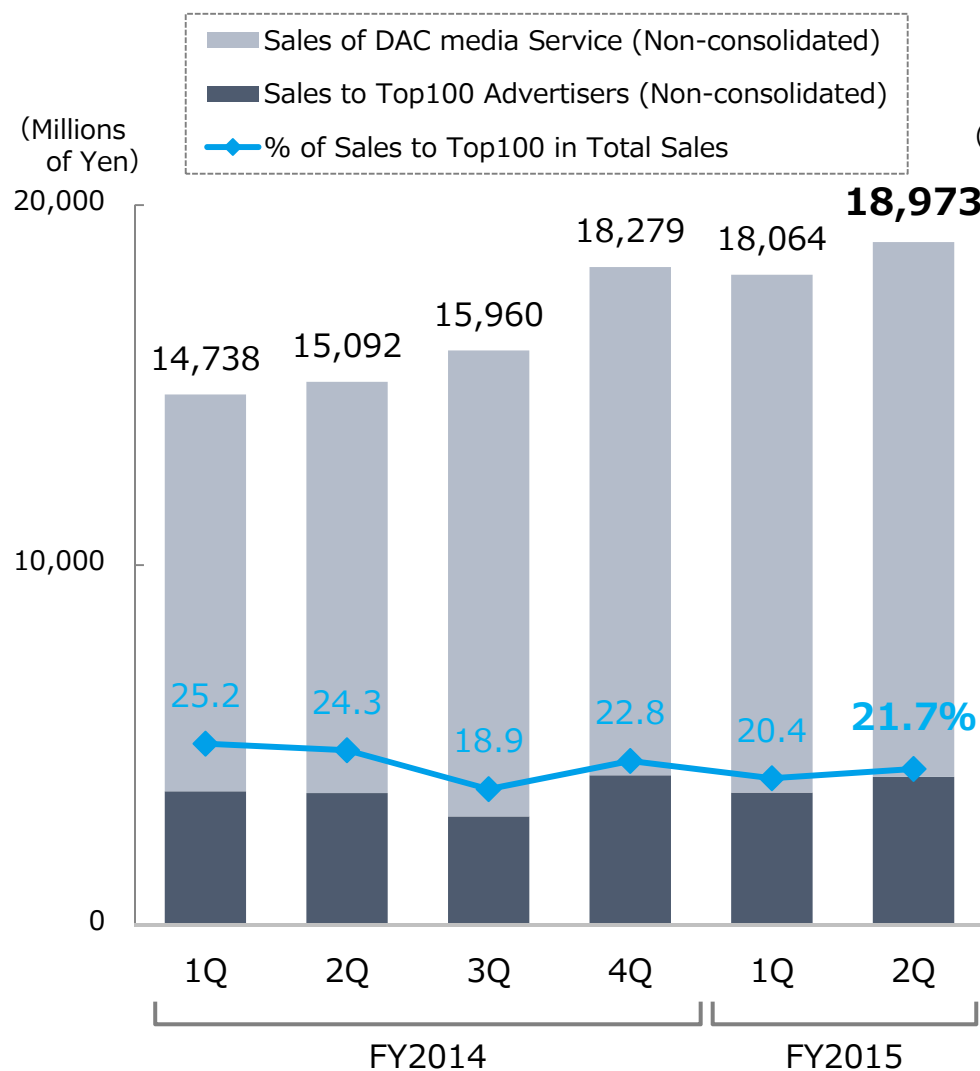


Quarterly Sales by Client Industry (Non-consolidated/Media Service)

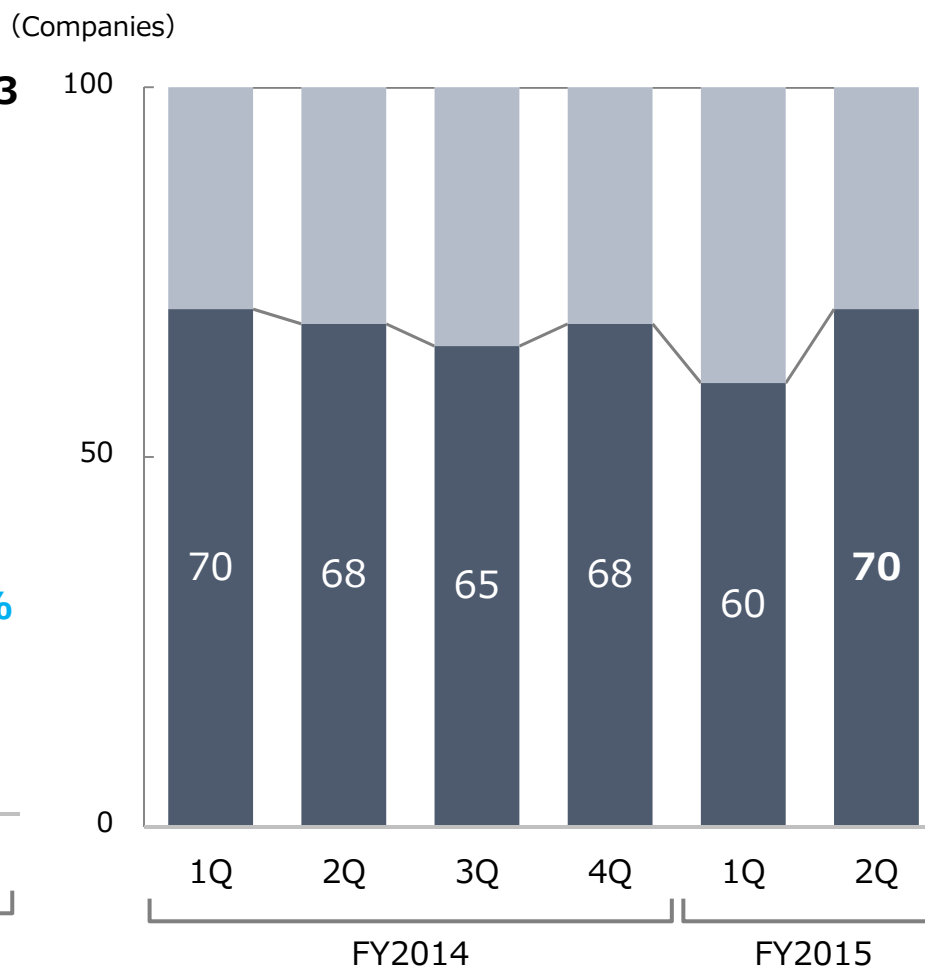


Quarterly Trend of Top100 Advertisers (Non-consolidated/Media Service)

◆ Quarterly Sales to Top100 Advertisers



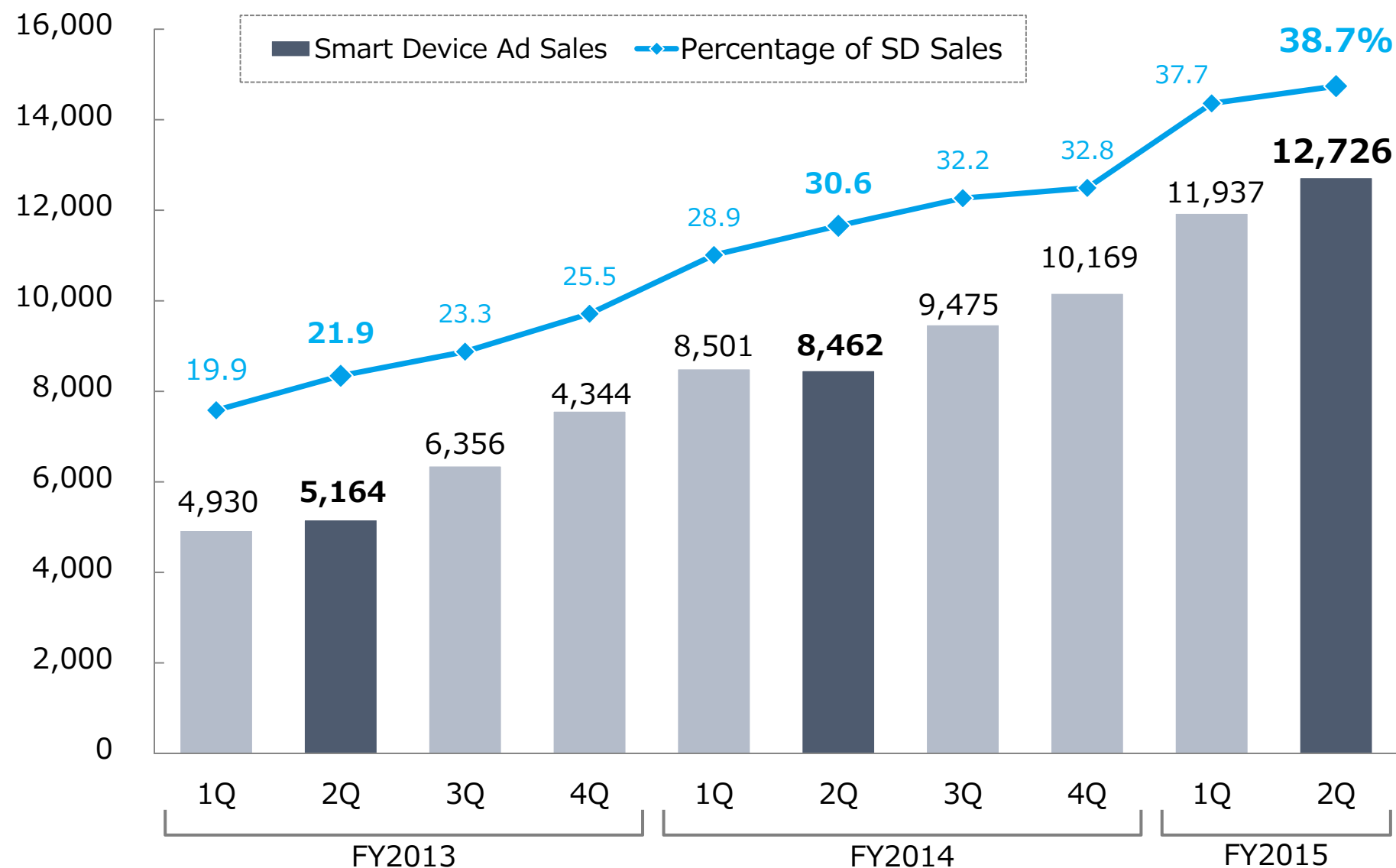
◆ Number of Our Clients in Top100 Advertisers



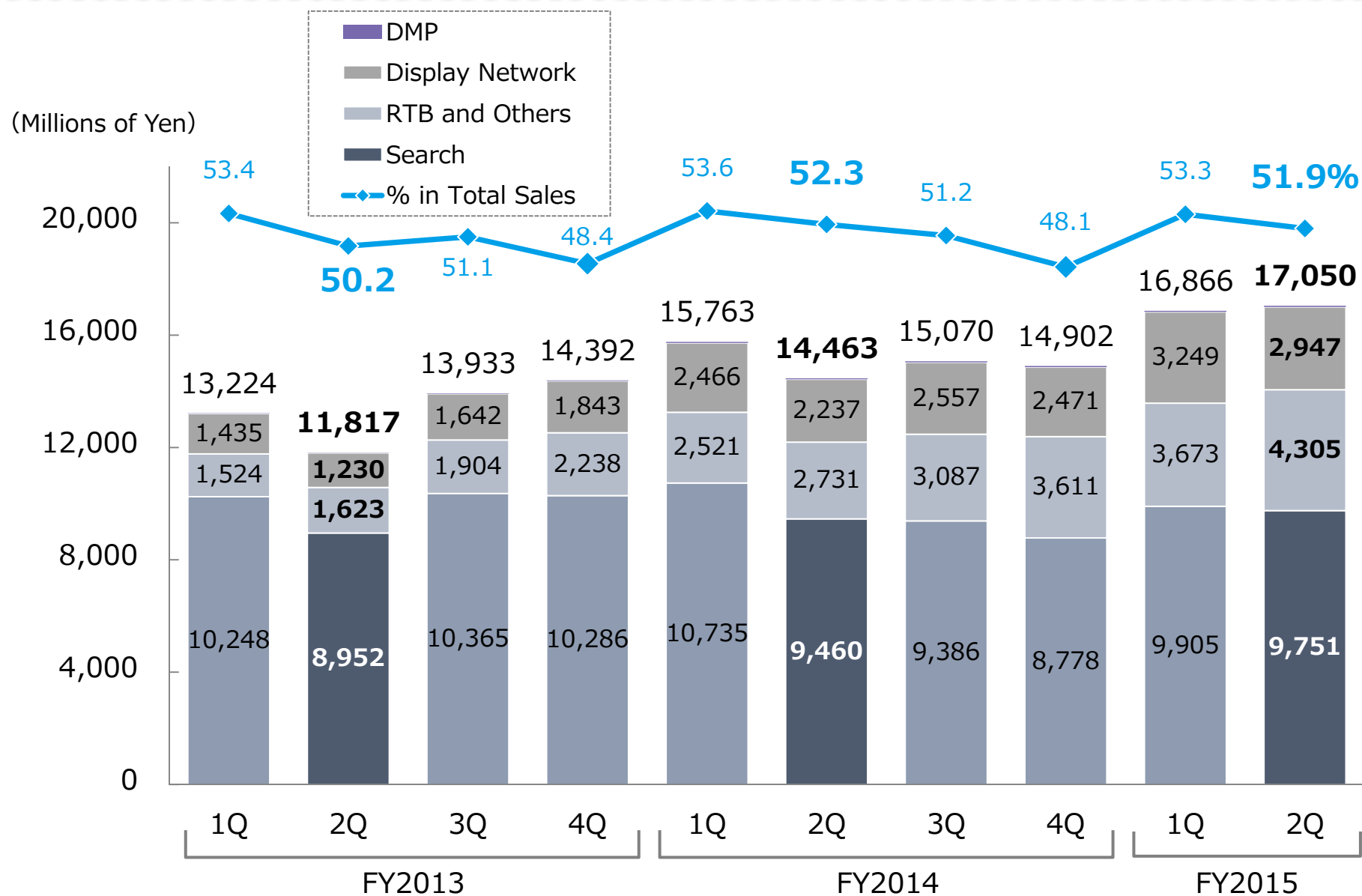
*Top100Advertisers : By Nikkei Advertising Research Institute 「AD SPENDING OF LEADING JAPANESE CORPORATIONS」

Quarterly Sales of Smart Device Ads (Consolidated)










(Millions of Yen)



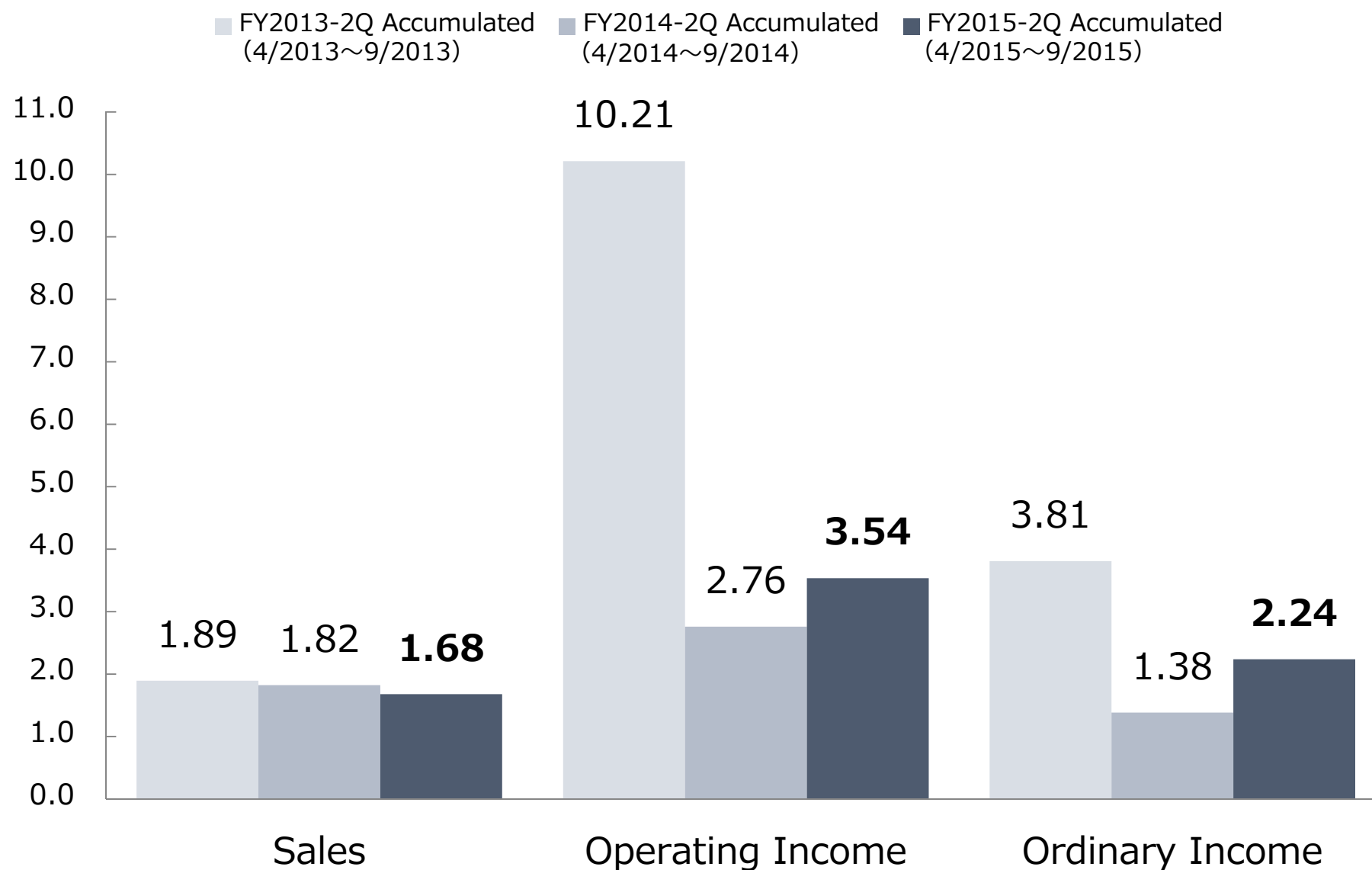
Quarterly Sales of Programmatic Ads (Consolidated)



Summary of Consolidated Subsidiaries' Results (Y on Y)

			Sales	Operating Income
	IREP Co., Ltd.	Agent DAS	→	↗
	UNITED, Inc.	Agent Media	↗	↗
	HAKUHODO i-studio Inc.	DAS	↗	↗
	Platform One Inc.	Agent DAS	↗	→
	ADPRO inc.	Agent	↗	→
	Torchlight Inc.	Agent DAS	↗	↗
	Bumblebee Inc.	Media	↗	→
	D.A.Consortium Beijing CO., LTD.	Agent	→	↘
	DAC ASIA PTE. LTD.	Agent	↗	↘

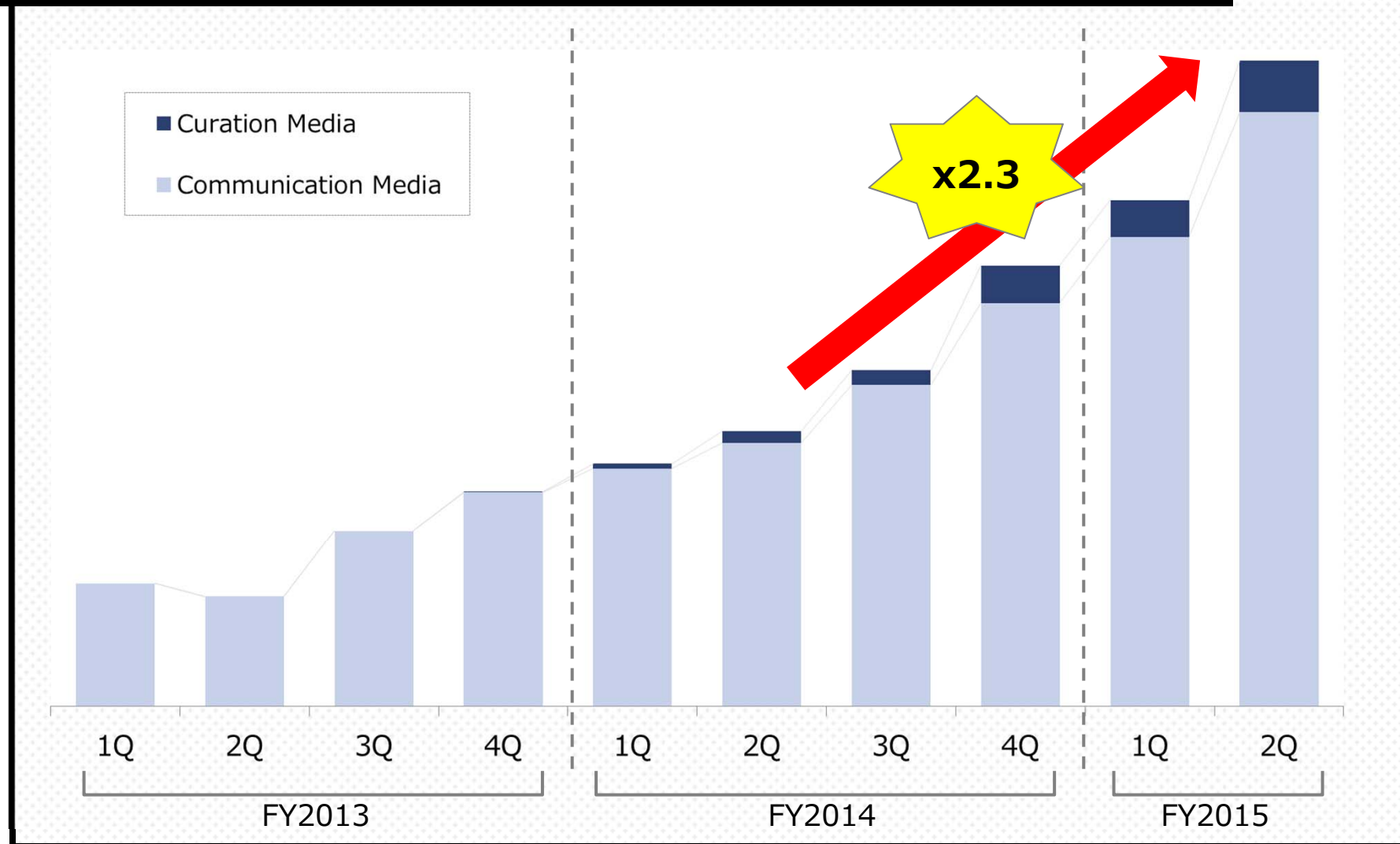
Consolidated/Non-consolidated Ratio



Key Measures

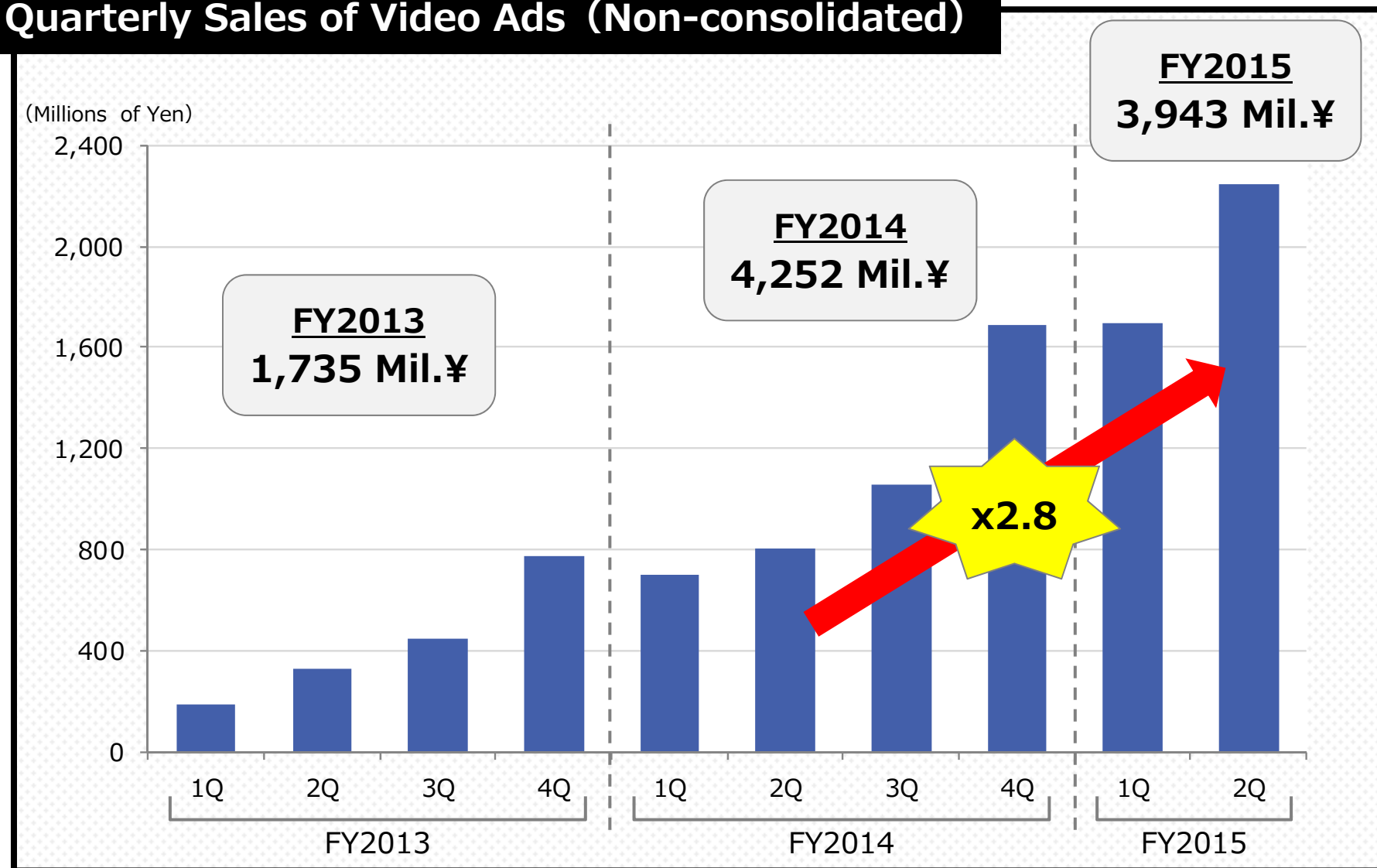
Focus Area Expansion of Premium Media Ad Sales

Quarterly Sales of Premium Media Ads (Non-consolidated)



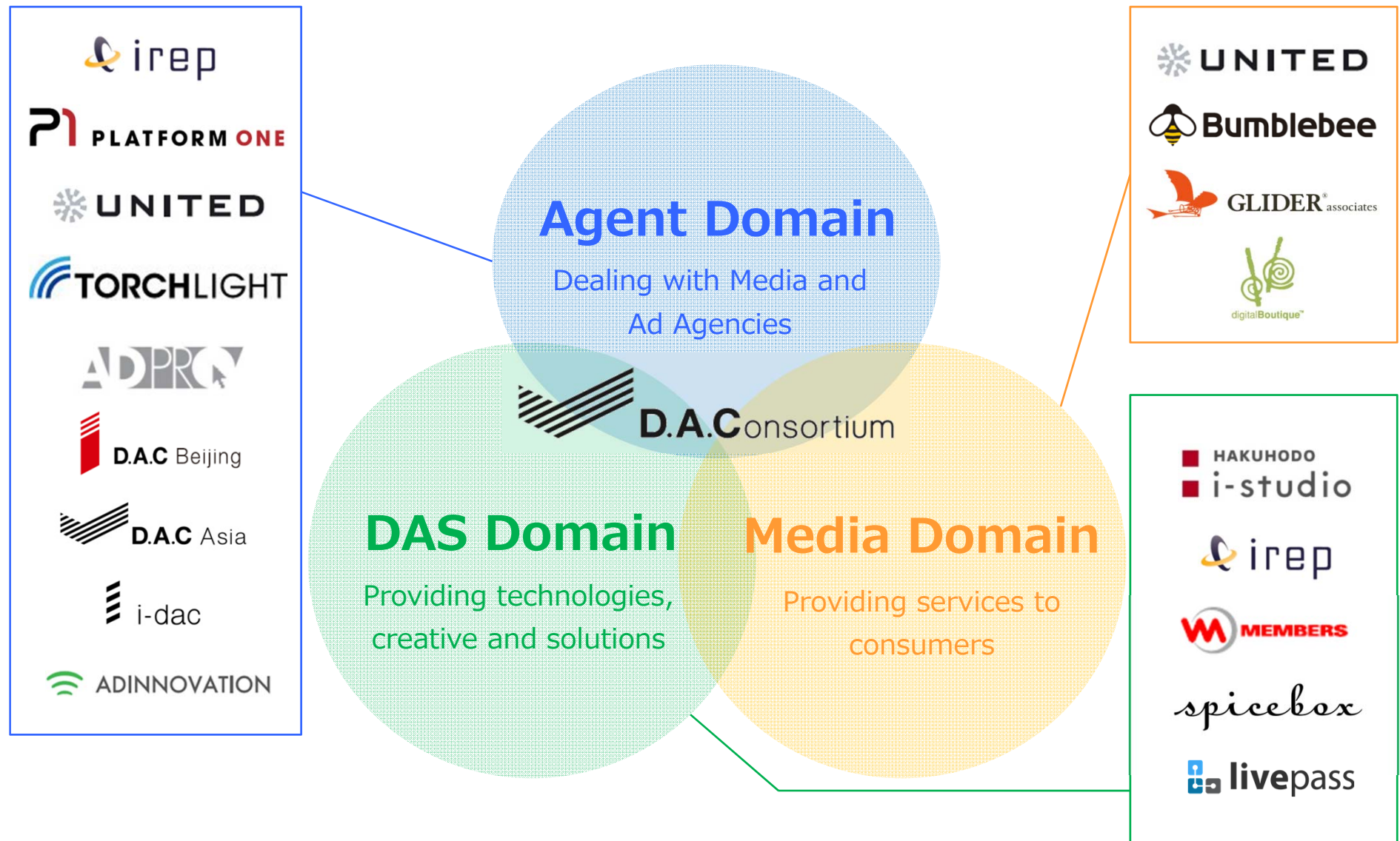
Focus Area Expansion of Video Ad Sales

Quarterly Sales of Video Ads (Non-consolidated)

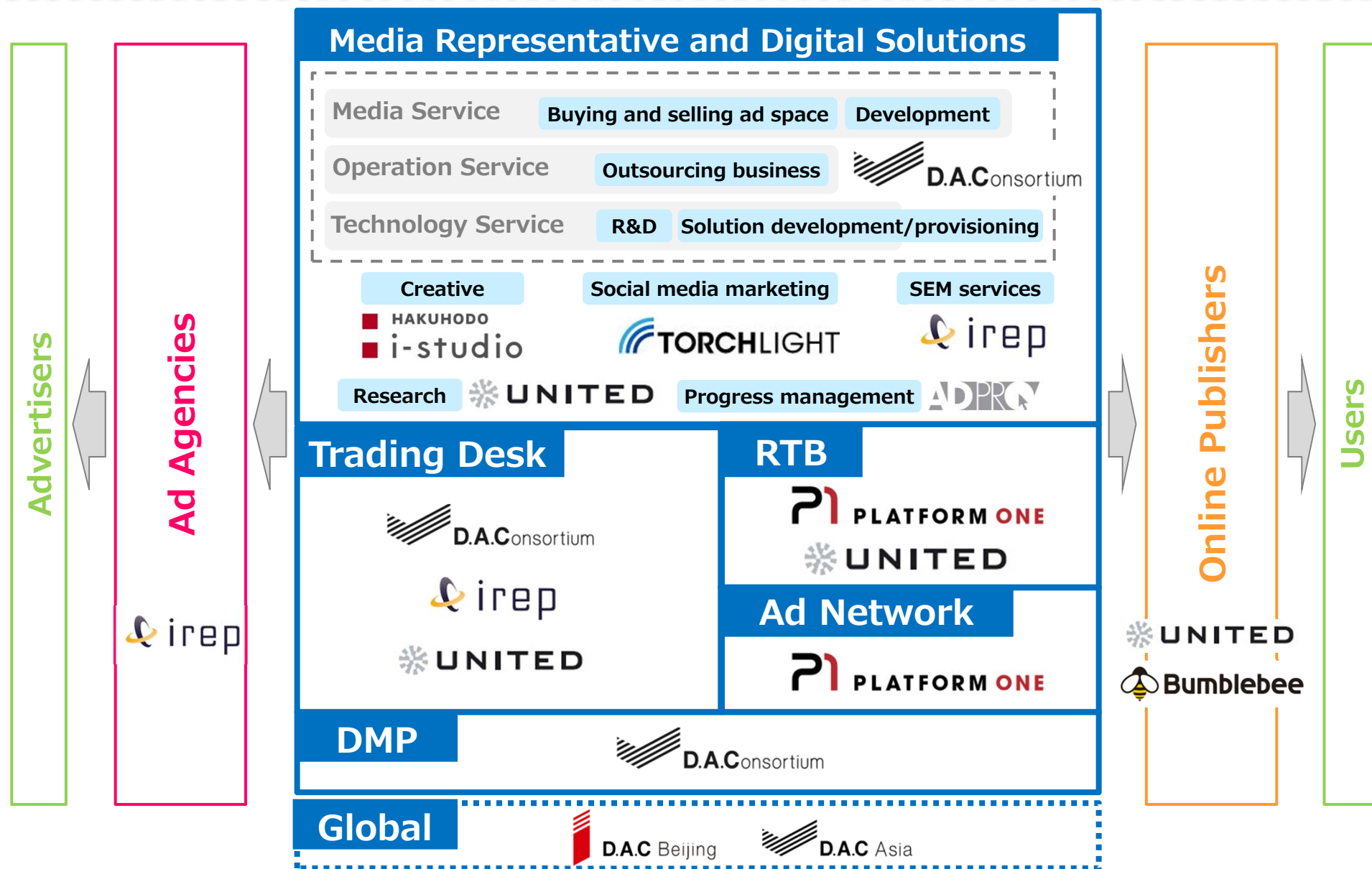


Appendix

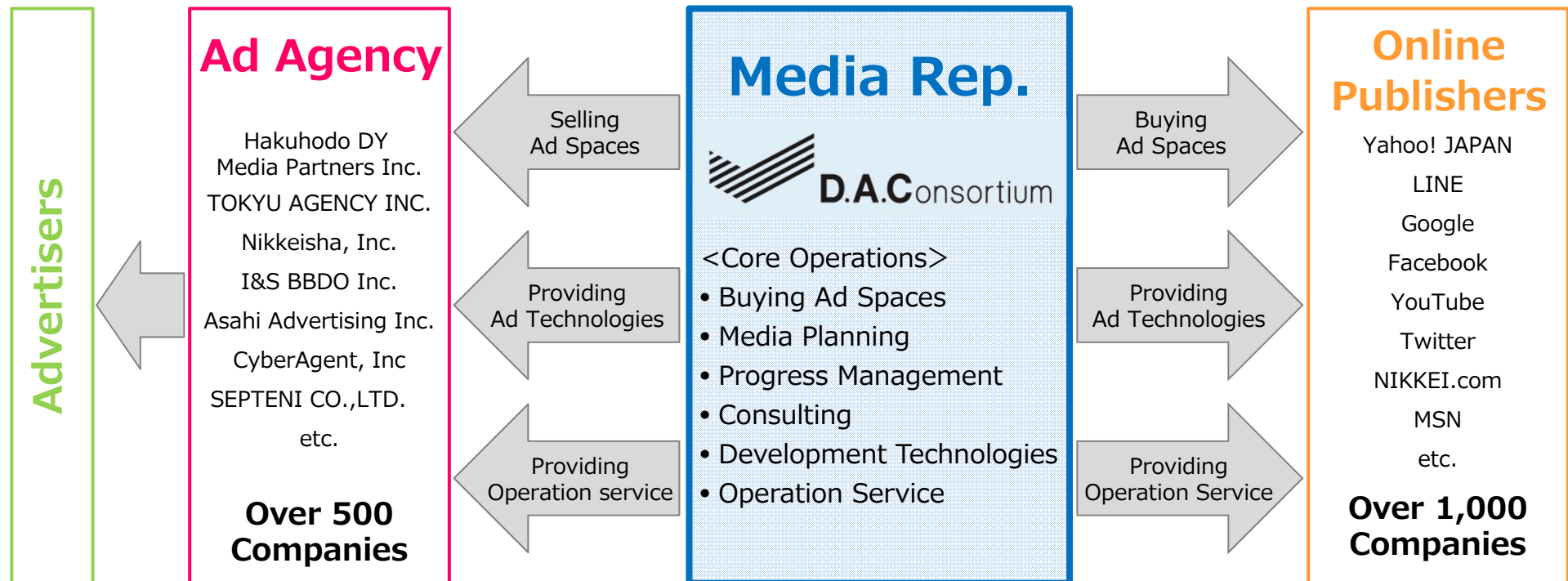
Business Domains of DAC Group



Business Model of DAC Group



DAC's Core Business "Media Representative"



Consortium

DAC was established as a consortium of leading ad agencies, headed by Hakuholdo DY Group

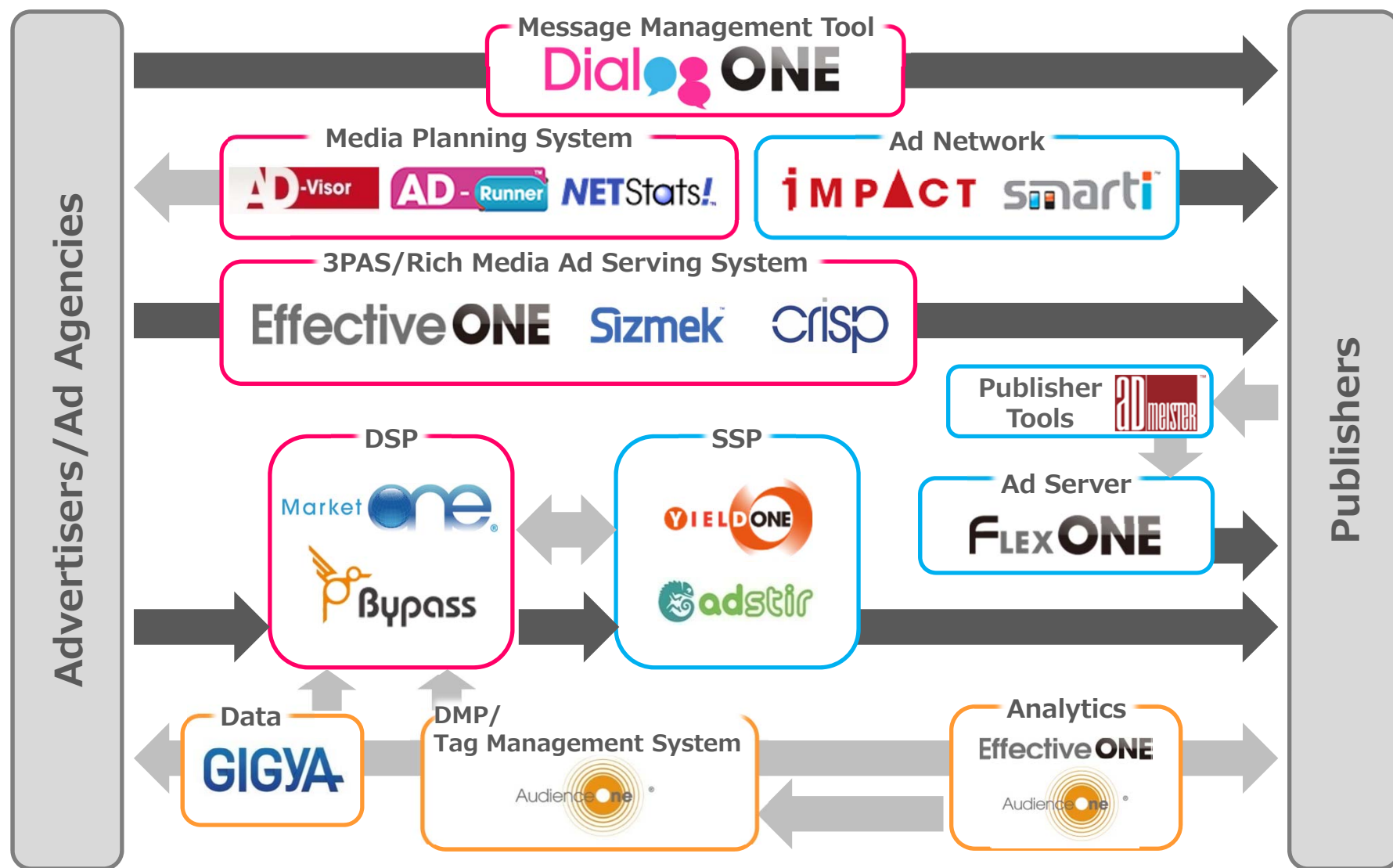
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Media Representative











Providing total support for online advertising

Ad technology lineup of DAC Group








Delivery → Data →


















Consolidated Subsidiaries (As of September,2015)

	Name	Ownership	Business
	IREP Co., Ltd. <small>TSE 2nd</small>	57.6%	Digital marketing including performance-based ad focused on listing ads, search engine optimization, content marketing and web analytics.
	UNITED, Inc. <small>Mothers</small>	43.9%	Smartphone applications and advertising technology business.
	HAKUHODO i-studio Inc.	60.0%	Production, system development and CRM services for the entire online advertising field.
	Platform One Inc.	100.0%	Providing platforms for online advertising trading.
	ADPRO inc.	100.0%	Operational services for online advertising, including schedule management, sending ad data and placement confirmation.
	Torchlight Inc.	100.0%	Services supporting the utilization of social media including owned media and ad.
	Bumblebee Inc.	89.8%	Media and advertising platform business including smartphone applications.
	D.A.Consortium Beijing CO., LTD.	50.1%	Online advertising business in China.
	DAC ASIA PTE. LTD.	100.0%	Supports online advertising strategy, business development, market research and the expansion of group companies in the Southeast Asian region.
	I-DAC PTE. LTD.	85.0%	Comprehensive digital marketing solution in the Southeast Asian region.

Equity-method Affiliates (As of September,2015)

Name		Ownership	Business
	Members Co., Ltd. <small>Centrex</small>	18.8%	Web integration service, social media marketing service, and support service of digital marketing.
	spicebox, inc.	34.4%	Marketing and consultation services for digital communications design.
	Adinnovation Inc.	18.0%	Marketing business for smartphones, ad tracking tool business for smartphones, media consulting business.
	digitalBoutique, Inc.	38.2%	Service planning, creating, and operating community sites.
	livepass Inc.	22.4%	Next generation personal video marketing platform company.
	Innity Corporation Berhad <small>Bursa Malaysia</small>	25.1%	Online advertising trading platform and advertising network in the Southeast Asian region.
	GLIDER associates, INC.	15.7%	Planning and administration of curation magazine "antenna*".

Other companies in which DAC invests (As of September,2015)

Name		Business
 Digital Catapult Inc.		Provides digital content-serving and creative services for PC and mobile.
 Data Stadium Inc.		Sports data contents and related solutions.
 Video Research Interactive Inc.		Internet audience measurements and provides ad servers.
 BrandXing Inc.		Marketing and CRM consulting services.
 O-uccino, Inc. Mothers		Ad agency, planning, creating, and operating real estate websites.
 Voltage Inc. TSE 1st		Planning and creating services for mobile digital contents.
 mediba Inc.		As a mobile media representative, provides planning, organization and creation services.
 YUMEMI Inc.		Mobile-related planning, development, operation and consultation services.
 Co-Core Inc.		Operating the 3-D visual space website "meet-me".
 ALBERT Inc. Mothers		"Recommendation engine" developed in-house and advertising optimization solutions using core analytical abilities.
 Origami Inc.		Planning and administration of the next-generation e-commerce platform "Origami".
 Datasection Inc. Mothers		Online consumer and reputation analysis service.
 Yummy Japan Inc.		YouTube channel management, web-based video production, web-based PR and advertising.
 ZEDO,Inc.		Developing ad server and video ad format for media companies.
 IPONWEB Holdings Limited		Development of various ad technologies and cloud advertisement solution and consulting service.

Empowering the digital future

デジタルの未来に、もっと力を。



“The Axel”

This logo, called “the axel”, expresses the spirit embodied in our brand slogan “Empowering the digital future” – the spirit to pioneer and impart vitality into the future of digital society.