

Digital Advertising Consortium Inc.

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

Financial Highlights of 1st Quarter, Fiscal Year2007(December 1, 2006 to February 28, 2007)

(1) Consolidated

	Gross billings		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
1st Quarter of FY 2007	8,648	(17.1)	303	(44.2)	322	(98.1)	155	(182.6)
1st Quarter of FY 2006	7,388	(49.7)	210	(-8.4)	162	(-3.1)	54	(-5.6)
(Ref.) Fiscal Year 2006	32,328		1,100		1,069		753	

	Net income per share	Diluted net income per share
	Yen	Yen
1st Quarter of FY 2007	318.02	315.21
1st Quarter of FY 2006	112.96	110.28
(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.¥	%
1st Quarter of FY 2007	7,886	(8.4)	286	(7.7)	304	(12.0)	170	(16.6)
1st Quarter of FY 2006	7,274	(50.3)	266	(13.2)	272	(5.8)	146	(0.1)
(Ref.) Fiscal Year 2006	31,186		1,060		1,104		747	

	Net income per share	Diluted net income per share
	Yen	Yen
1st Quarter of FY 2007	349.64	346.55
1st Quarter of FY 2006	300.93	293.78
(Ref.) Fiscal Year 2006	1,534.66	1,510.47

(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	Total equity	Equity ratio	Equity per share
	Mil.¥	Mil.¥	%	Yen
1st Quarter of FY 2007	12,446	7,613	56.2	14,347.14
1st Quarter of FY 2006	9,990	6,227	62.3	12,796.48
(Ref.) Fiscal Year 2006	12,483	7,565	55.7	14,264.34

(4) Non-consolidated financial position

	Total assets	Total equity	Equity ratio	Equity per share
	Mil.¥	Mil.¥	%	Yen
1st Quarter of FY 2007	12,004	8,158	68.0	16,729.30
1st Quarter of FY 2006	11,076	7,472	67.5	15,353.77
(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	Q1 FY2007 (As of Feb.28, 2007)		Q1 FY2006 (As of Feb 28,2006)		FY2006 (As of Nov.30,2006)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Assets)		%		%		%
Current Assets						
1. Cash and deposits	3,626,705		2,505,825		3,085,421	
2. Accountsreceivable trade	3,653,664		2,868,383		3,637,562	
3. Marketable securities	1,240,040		1,948,285		1,730,743	
4. Other current assets	493,349		270,240		476,727	
Allowance for doubtful receivable	-1,784		-1,421		-1,883	
Total currents assets	9,011,975	72.4	7,591,314	76.0	8,928,570	71.5
Non -current Assets						
1. Property, plant and equipment	328,680	2.7	256,258	2.5	314,223	2.5
2. Intangible assets						
(1) Consolidation adjustments account	602,004		-		595,207	
(2) O t h e r s	297,363	899,368	136,702	136,702	267,023	862,231
3. Investments and other assets						
(1) Investment securities	1,618,479		1,666,573		1,804,942	
(2) Other assets	714,631		343,388		766,687	
Allowance for doubtful receivables	-127,199	2,205,911	-3,863	2,006,099	-193,036	2,378,593
Total non-current assets	3,433,960	27.6	2,399,060	24.0	3,555,047	28.5
Deferred assets						
1. Inaugural expenses	206	0.0				
Total deferred assets	206					
Total assets	12,446,142	100.0	9,990,374	100.0	12,483,617	100.0

(Unit : Thousand Yen)

Items of an account	Q1 FY2007 (As of Feb.28,2007)		Q1 FY2006 (As of Feb.28,2006)		FY2006 (As of Nov.30,2006)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
(Liabilities)						
Current liabilities						
1. Accounts payable-trade	3,341,767		3,166,624		3,274,021	
2. Short-term borrowings	60,665				50,000	
3. Current portion of Long-term borrowings	342,176				377,175	
4. Accounts payable-others	261,220		261,264		308,216	
5. Income tax payable	126,899		88,229		256,323	
6. W a r r a n t			1,350			
7. Accrued bonuses for directors	7,500				30,000	
8. Other current liabilities	315,947		100,305		243,182	
Total current liabilities	4,456,177	35.8	3,617,775	36.2	4,538,918	36.4
Non-current liabilities						
1. Bonds payable	200,000				200,000	
2. Long-term borrowings					16,100	
3. Accrued retirement benefits	43,017		28,079		39,568	
4. Accrued retirement benefits for directors	85,483		71,368		82,779	
5. Allowance for given points	46,760				39,631	
6. Other Non-current liabilities	1,374				1,588	
Total non-current liabilities	376,635	3.0	99,447	1.0	379,667	3.0
Total liabilities	4,832,812	38.8	3,717,222	37.2	4,918,586	39.4

(Unit : Thousand Yen)

Items of an account	Q1 FY2007 (As of Feb.28,2007)		Q1 FY2006 (As of Feb.28,2006)		FY2006 (As of Nov.30,2006)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Minority interests)		%		%		%
Minority interests	-	-	45,553	0.5	-	-
(Shareholders' equity)						
Common stock	-	-	3,364,582	33.7	-	-
Additional paid-in capital	-	-	2,784,387	27.9	-	-
Retained earnings	-	-	86,814	0.8	-	-
Unrealized gain on available-for-sale securities	-	-	27,396	0.3	-	-
Foreign currency Translation adjustments account	-	-	-560	-0.0	-	-
Treasury stock	-	-	-35,022	-0.4	-	-
Total shareholders' equity	-	-	6,227,599	62.3	-	-
Total liabilities, minority interests and shareholders' equity	-	-	9,990,374	100.0	-	-
(Equity)						
Shareholder's equity						
1. Common stock	3,372,858	27.1	-	-	3,370,076	27.0
2. Additional paid-in capital	2,785,819	22.4	-	-	2,782,981	22.3
3. Retained earnings	852,918	6.9	-	-	785,569	6.3
4. Treasury stock	-44,271	-0.4	-	-	-15,266	-0.1
Total shareholder's equity	6,967,325	56.0	-	-	6,923,362	55.5
Valuation, exchange difference						
1. Unrealized gain on available-for-sale securities	27,870	0.2	-	-	33,280	0.3
2. Foreign currency Translation adjustments account	467	0.0	-	-	163	0.0
Total valuation, exchange difference	28,337	0.2	-	-	33,443	0.3
W a r r a n t	979	0.0	-	-	1,035	0.0
Minority interests	616,686	5.0	-	-	607,190	4.8
Total equity	7,613,329	61.2	-	-	7,565,031	60.6
Total liabilities and equity	12,446,142	100.0	-	-	12,483,617	100.0

(2) DAC Consolidated Statements of Income

(Unit : Thousand Yen)

Items of an account	Q1 FY2007 (Dec. 2006 thru Feb.2007)			Q1 FY2006 (Dec. 2005 thru Feb.2006)			FY2006 (Dec. 2005 thru Nov.2006)		
	Amount		Ratio	Amount		Ratio	Amount		Ratio
			%			%			%
Gross billings		8,648,964	100.0		7,388,486	100.0		32,328,113	100.0
Cost of sales		7,230,848	83.6		6,469,234	87.6		27,727,333	85.8
Gross profit		1,418,116	16.4		919,252	12.4		4,600,779	14.2
selling, general and admin. expenses		1,114,463	12.9		708,742	9.6		3,500,122	10.8
Operating income		303,652	3.5		210,509	2.8		1,100,657	3.4
Non-operating income									
1. Interest and dividend income	11,555			1,135			6,025		
2. Gain on valuation of securities	4,544			316			26,814		
3. Gain on equity securities	2,141								
4. Others	2,292	20,533	0.2	5,105	6,557	0.1	13,837	46,676	0.1
Non-operating expenses									
1. Interest expense	1,440						3,442		
2. Loss on equity securities				44,757			52,698		
3. Initial expense depreciation				9,523			10,950		
4. Others	347	1,787	0.0	66	54,347	0.7	10,555	77,646	0.2
Ordinary income		322,398	3.7		162,719	2.2		1,069,687	3.3
Extraordinary income									
1. Profit from sale of investment securities							45,628		
2. Reversal of allowance for doubtful receivables				27					
3. Gain on equity variation							193,618		
4. Others	784	784	0.0		27	0.0	21,461	260,707	0.8
Extraordinary losses									
1. Loss from sale of investment securities	1,290								
2. Loss on disposal of fixed assets							11,523		
3. Loss from devaluation of investment securities	8,302						51,016		
4. Transfer to allowance for given points				-			22,237		
5. Others	633	10,226	0.1	2,000	2,000	0.0	18,018	102,796	0.3
Income before income taxes and minority interests		312,956	3.6		160,747	2.2		1,227,598	3.8
Provision for income taxes	118,397			86,617			521,794		
Deferred income taxes	24,568	142,965	1.7	37,351	123,969	1.7	-73,490	448,304	1.4
Minority interests		14,864	0.2		-18,105	-0.2		25,656	0.1
Net income		155,126	1.7		54,883	0.7		753,638	2.3