

## Digital Advertising Consortium Inc.

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

Financial Highlights of 1st Quarter, Fiscal Year 2011 (December 1, 2009 to February 28, 2010)

### (1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
1st Quarter of FY 2011	13,133	( 15.2)	378	( 114.7)	398	( 132.2)	256	( 525.9)
1st Quarter of FY 2009	11,396	( 10.9)	176	( -49.5)	168	( -50.0)	40	( -72.6)

	Net income per share	Diluted net income per share
	Yen	Yen
1st Quarter of FY 2011	487.69	486.22
1st Quarter of FY 2009	84.36	84.11

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Equity per share
	Mil.¥	Mil.¥	%	Yen
1st Quarter of FY 2010	15,341	9,970	60.2	17,575.31
Fiscal Year 2009	15,499	9,924	58.6	17,284.08

### (3) Dividend per share

Record date	End of 1 <sup>st</sup> quarter	End of 2 <sup>nd</sup> quarter	End of 3 <sup>rd</sup> quarter	End of period	Annual dividend
	Yen	Yen	Yen	Yen	Yen
Fiscal Year 2009				200.00	200.00
Fiscal Year 2011 Fiscal Year 2011 (expected)					-

DAC Consolidated Financial Statements

(1)DAC Consolidated Balance Sheet

(Unit:Thousand Yen)

Items of an account	FY2011 (As of Feb 28,2010)	FY2009 (As of Nov,2009)
	Amount	Amount
Consolidated quarterly balance sheets		
Assets		
Current assets		
Cash and deposits	5,402,200	5,678,796
Notes and accounts receivable-trade	5,022,296	5,047,038
Short-term investment securities	100,428	100,963
Other	970,624	881,451
Allowance for doubtful accounts	-2,645	-3,732
Total current assets	11,492,904	11,704,516
Noncurrent assets		
Property, plant and equipment	331,031	371,714
Intangible assets		
Goodwill	640,018	673,826
Software	541,822	549,442
Software in progress	34,794	50,086
Other	9,505	10,844
Total intangible assets	1,226,140	1,284,200
Investments and other assets		
Investment securities	1,536,494	1,369,207
Other	886,390	898,503
Allowance for doubtful accounts	-131,376	-128,309
Total investments and other assets	2,291,508	2,139,402
Total noncurrent assets	3,848,681	3,795,316
Total assets	15,341,585	15,499,833

Liabilities		
Current liabilities		
Accounts payable-trade	3,846,271	4,168,747
Current portion of long-term loans payable	39,996	62,220
Accounts payable-other	397,171	446,330
Income taxes payable	280,557	256,257
Provision for directors' bonuses	6,000	19,587
Provision for bonuses	239,386	113,147
Provision for point card certificates	18,880	13,709
Other	231,649	192,794
Total current liabilities	5,059,912	5,272,794
Noncurrent liabilities		
Long-term loans payable	53,348	60,014
Provision for retirement benefits	131,360	121,752
Provision for point card certificates	20,387	16,213
Other	105,892	105,042
Total noncurrent liabilities	310,988	303,021
Total liabilities	5,370,900	5,575,816
Net assets		
Shareholders' equity		
Capital stock	4,031,837	4,031,837
Capital surplus	3,369,621	3,369,621
Retained earnings	2,344,631	2,193,472
Treasury stock	-448,094	-448,094
Total shareholders' equity	9,297,996	9,146,836
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-46,481	-47,948
Foreign currency translation adjustment	-9,729	-10,244
Total valuation and translation adjustments	-56,210	-58,192
Subscription rights to shares	126,378	127,886
Minority interests	602,519	707,486
Total net assets	9,970,684	9,924,016
Total liabilities and net assets	15,341,585	15,499,833

## (2)DAC Consolidated Statements of Income

(Unit:Thousand Yen)

Items of an account	FY2009 (December 1,2008 to February 28,2009)	FY2011 (December 1,2009 to February 28,2010)
	Amount	Amount
Consolidated quarterly statements of income		
Net sales	11,396,453	13,133,779
Cost of sales	9,779,629	11,060,603
Gross profit	1,616,824	2,073,176
Selling, general and administrative expenses	1,440,286	1,694,189
Operating income	176,537	378,986
Non-operating income		
Interest income	4,250	1,327
Dividends income	29	30
Foreign exchange gains	8,690	-
Equity in earnings of affiliates	-	13,098
Other	3,555	2,113
Total non-operating income	16,526	16,569
Non-operating expenses		
Interest expenses	1,972	786
Equity in losses of affiliates	11,153	-
Foreign exchange losses	-	25
Loss on running cost investment business management partnership	-	1,009
Provision of allowance for doubtful accounts	-	1,500
Other	11,106	123
Total non-operating expenses	24,232	3,445
Ordinary income	168,832	392,111
Extraordinary income		
Gain on sales of noncurrent assets	13	-
Gain on change in equity	-	20,380
Other	-	1,507
Total extraordinary income	13	21,888
Extraordinary loss		
Loss on valuation of investment securities	4,692	2,509
Loss on retirement of noncurrent assets	40,725	-
Special retirement expenses	20,506	-
Loss on valuation of membership	-	1,897
Loss on sales of subsidiaries' stocks	-	1,314
Other	16,031	338
Total extraordinary losses	81,956	6,060
Income before income taxes and minority interests	86,889	407,938
Income taxes-current	90,712	152,586
Income taxes-deferred	33,439	-27,241
Total income taxes	124,151	125,344
Minority interests in income (loss)	-78,232	26,146
Net income	40,970	256,447

## (3)DAC Consolidated statements of cash flows

(Unit:Thousand Yen)

Items of an account	FY2009 (December 1,2008 to February 28,2009)	FY2011 (December 1,2009 to February 28,2010)
	ammount	ammount
Consolidated quarterly statements of cash flows		
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	86,889	407,938
Depreciation and amortization	62,420	76,384
Amortization of goodwill	18,761	22,854
Increase (decrease) in allowance for doubtful accounts	203	2,308
Increase (decrease) in provision for retirement benefits	1,391	9,608
Increase (decrease) in provision for directors' retirement benefits	-94,397	-
Increase (decrease) in provision for point card certificates	419	9,345
Increase (decrease) in provision for directors' bonuses	-26,249	-13,587
Loss (gain) on sales and valuation of investment securities	4,692	2,509
Interest and dividends income	-4,279	-1,357
Interest expenses	1,972	786
Equity in (earnings) losses of affiliates	11,153	-13,098
Loss (gain) on sales and retirement of noncurrent assets	40,718	-
Loss (gain) on change in equity	-	-20,380
Loss (gain) on sales of subsidiaries' stocks	-	1,314
Decrease (increase) in notes and accounts receivable-	668,558	-431,855
Decrease (increase) in inventories	21,197	9,202
Increase (decrease) in notes and accounts payable-trade	-732,893	55,691
Increase (decrease) in accounts payable-other	-66,098	-26,645
Increase (decrease) in accrued consumption taxes	26,762	77,591
Other, net	255,308	50,650
Subtotal	276,531	219,261
Interest and dividends income received	3,300	4,210
Interest expenses paid	-1,972	-786
Income taxes paid	-221,195	-103,554
Net cash provided by (used in) operating activities	56,664	119,131
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-30,936	-7,082
Purchase of intangible assets	-86,304	-47,753
Purchase of investment securities	-2,700	-28,650
Purchase of investments in subsidiaries	-879,262	-
Proceeds from sales of investments in subsidiaries	-	63,250
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-	-248,657
Payments for guarantee deposits	-58,921	-5,471
Collection of loans receivable	-	4,166
Proceeds from maturity of insurance funds	12,729	-
Other, net	-3,224	485
Net cash provided by (used in) investing activities	-1,048,618	-269,713
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-8,320	-
Repayment of long-term loans payable	-28,888	-28,890
Proceeds from issuance of common stock	1,283,130	-
Purchase of treasury stock	-33,498	-
Proceeds from sales of treasury stock	16,222	-
Cash dividends paid	-151,393	-98,747
Other, net	-	-482
Net cash provided by (used in) financing activities	1,077,253	-128,120
Effect of exchange rate change on cash and cash equivalents	-13,706	1,094
Net increase (decrease) in cash and cash equivalents	71,593	-277,607
Cash and cash equivalents at beginning of period	5,337,297	5,671,819
Cash and cash equivalents at end of period	5,408,890	5,394,212