

Digital Advertising Consortium Inc.

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

Financial Highlights of 1st Quarter of Fiscal Year 2013 (Apr 1, 2012 to Jun 30, 2012) and 1st Quarter of Fiscal Year 2012(Apr 1, 2011 to Jun 30, 2011)

(1) Consolidated operating results

	Net sales	Operating income	Ordinary income	Net income
	Mil.¥ %	Mil.¥ %	Mil.¥ %	Mil.¥ %
1st Quarter of FY 2013	22,187 (24.4)	588 (83.5)	605 (80.4)	192 (83.7)
1st Quarter of FY 2012	17,831 (-)	320 (-)	335 (-)	104 (-)

	Earnings per share	Diluted earnings per share	Comprehensive income
	Yen	Yen	Mil.¥ %
1st Quarter of FY 2013	395.76	390.28	261 (7.2)
1st Quarter of FY 2012	199.06	196.30	243 (-)

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

Prior year comparison of 1st Quarter of FY 2012 is not made because of the change in accounting periods.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Mil.¥	Mil.¥	%
1st Quarter of FY 2013 (As of Jun 30,2012)	28,747	16,296	37.0
Fiscal Year 2012 (As of Mar 31,2012)	31,545	16,453	34.1

(3) 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 2012		0.00			600.00	600.00
Fiscal Year 2013						
Fiscal Year 2013 (expected)		TBD	TBD		TBD	TBD

(4) Consolidated earnings forecast of 2rd Quarter of Fiscal Year 2013(Apr 1,2012 to Sep 30,2012)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Mil.¥ %	Mil.¥ %	Mil.¥ %	Mil.¥ %	Yen
2rd Quarter of FY 2013	44,183 (16.1)	921 (9.7)	956 (10.3)	307 (1.0)	633.39
	~45,272 (18.9)	~1,090 (29.9)	~1,125 (29.8)	~407 (33.7)	~839.04

DAC Consolidated Financial Statements

(1)DAC Consolidated Balance Sheets

(Unit: Thousand Yen)

Items of an account	FY2012 (As of Mar 31, 2012)	1st Quarter of FY2013 (As of Jun 30, 2012)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	9,927,853	8,415,551
Notes and accounts receivable-trade	12,399,121	10,809,823
Short-term investment securities	704,752	698,503
Operational investment securities	1,002,177	834,182
Other	1,363,716	1,487,720
Allowance for doubtful accounts	-12,096	-10,906
Total current assets	25,385,523	22,234,875
Noncurrent assets		
Property, plant and equipment	605,424	864,183
Intangible assets		
Goodwill	914,291	858,425
Software	965,634	951,444
Software in progress	75,982	117,019
Other	20,084	17,123
Total intangible assets	1,975,993	1,944,013
Investments and other assets		
Investment securities	2,086,976	2,251,734
Guarantee deposits	1,132,855	1,065,694
Other	380,920	406,987
Allowance for doubtful accounts	-22,067	-20,267
Total investments and other assets	3,578,685	3,704,149
Total noncurrent assets	6,160,103	6,512,346
Total assets	31,545,626	28,747,221

(Unit:Thousand Yen)

Items of an account	FY2012 (As of Mar 31, 2012)	1st Quarter of FY2013 (As of Jun 30,2012)
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable-trade	10,751,372	8,490,983
Short-term loans payable	419,500	416,168
Current portion of long-term loans payable	171,652	179,983
Accounts payable-other	1,361,002	1,002,912
Income taxes payable	599,196	354,341
Provision for bonuses	162,248	128,653
Provision for directors' bonuses	14,000	10,750
Other	791,441	1,028,413
Total current liabilities	14,270,414	11,612,205
Noncurrent liabilities		
Long-term loans payable	316,938	271,605
Provision for retirement benefits	237,571	254,534
Provision for point card certificates	40,971	44,833
Other	225,788	267,128
Total noncurrent liabilities	821,269	838,100
Total liabilities	15,091,683	12,450,306
Net assets		
Shareholders' equity		
Capital stock	4,031,837	4,031,837
Capital surplus	3,184,465	3,184,465
Retained earnings	4,928,342	4,829,149
Treasury stock	-1,626,980	-1,628,279
Total shareholders' equity	10,517,665	10,417,173
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	257,671	198,898
Deferred gains or losses on hedges	-	4,774
Foreign currency translation adjustment	-9,213	2,201
Total accumulated other comprehensive income	248,458	205,874
Subscription rights to shares	287,895	286,363
Minority interests	5,399,923	5,387,504
Total net assets	16,453,943	16,296,915
Total liabilities and net assets	31,545,626	28,747,221

(2)DAC Consolidated Statements of Income

(Unit:Thousand Yen)

Items of an account	1st Quarter of FY2012 (April 1,2011 to Jun 30,2011)	1st Quarter of FY2013 (April 1,2012 to Jun 30,2012)
	Amount	Amount
Net sales	17,831,093	22,187,230
Cost of sales	15,253,248	18,646,746
Gross profit	2,577,845	3,540,484
Selling, general and administrative expenses	2,257,038	2,951,941
Operating income	320,806	588,542
Non-operating income		
Interest income	596	2,113
Dividends income	7,709	8,616
Equity in earnings of affiliates	6,119	17,583
Other	4,332	6,608
Total non-operating income	18,757	34,921
Non-operating expenses		
Interest expenses	1,152	4,140
Commission fee	-	5,279
Foreign exchange losses	529	6,755
Loss on exit penalty	1,162	-
Other	1,021	1,807
Total non-operating expenses	3,865	17,983
Ordinary income	335,698	605,481
Extraordinary income		
Gain on sales of investment securities	12,957	14,095
Gain on reversal of subscription rights to shares	-	5,816
Other	779	264
Total extraordinary income	13,737	20,175
Extraordinary loss		
Loss on liquidation of subsidiaries and affiliates	955	-
Loss on exit penalty	-	24,912
Other	3,505	6,987
Total extraordinary losses	4,460	31,900
Income before income taxes	344,975	593,756
Income taxes-current	144,108	255,478
Income taxes-deferred	41,460	27,456
Income taxes	185,569	282,935
Income before minority interests	159,406	310,821
Minority interests in income	54,779	118,659
Net income	104,627	192,162

(3)DAC Consolidated statements of comprehensive income

(Unit:Thousand Yen)

Items of an account	1st Quarter of FY2012 (April 1,2011 to Jun 30,2011)	1st Quarter of FY2013 (April 1,2012 to Jun 30,2012)
	Amount	Amount
Income before minority interests	159,406	310,821
Other comprehensive income		
Valuation difference on available-for-sale securities	81,908	-83,142
Deferred gains or losses on hedges	-	10,872
Foreign currency translation adjustment	2,444	22,859
Other comprehensive income	84,352	-49,410
Comprehensive income	243,758	261,411
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	187,204	149,124
Comprehensive income attributable to minority interests	56,553	112,287

(4)DAC Consolidated statements of cash flows

(Unit:Thousand Yen)

Items of an account	1st Quarter of FY2012 (April 1,2011 to Jun 30,2011)	1st Quarter of FY2013 (April 1,2012 to Jun 30,2012)
	amount	amount
Net cash provided by (used in) operating activities		
Income before income taxes	344,975	593,756
Depreciation and amortization	83,952	155,737
Amortization of goodwill	49,867	55,865
Increase (decrease) in allowance for doubtful accounts	-5,927	-2,989
Increase (decrease) in provision for retirement benefits	26,179	16,963
Increase (decrease) in provision for point card certificates	858	4,023
Increase (decrease) in provision for directors' bonuses	-51,280	-3,250
Loss (gain) on sales and valuation of investment securities	-12,957	-13,796
Interest and dividends income	-8,305	-10,730
Interest expenses	1,152	4,140
Equity in (earnings) losses of affiliates	-6,119	-17,583
Loss (gain) on sales and retirement of noncurrent assets	3,505	923
Gain on reversal of subscription rights to shares	-	-5,816
Loss (gain) on change in equity	-779	1,030
Decrease (increase) in notes and accounts receivable-trade	2,119,252	1,589,297
Decrease (increase) in inventories	-24,355	-3,671
Decrease (increase) in investment securities for sale	-	-352
Increase (decrease) in notes and accounts payable-trade	-1,878,370	-2,260,389
Increase (decrease) in accounts payable-other	-314,564	-170,357
Increase (decrease) in accrued consumption taxes	4,559	67,453
Other, net	162,248	58,613
Subtotal	493,891	58,868
Interest and dividends income received	8,306	13,637
Interest expenses paid	-1,152	-3,960
Income taxes paid	-453,318	-493,212
Net cash provided by (used in) operating activities	47,727	-424,666
Net cash provided by (used in) investing activities		
Payments into time deposits	-	-1,800,000
Proceeds from withdrawal of time deposits	-	1,050,000
Purchase of property, plant and equipment	-33,691	-458,284
Proceeds from sales of property, plant and equipment	-	123
Purchase of intangible assets	-121,263	-168,570
Purchase of investment securities	-82,270	-104,841
Proceeds from sales and redemption of investment securities	23,820	47,520
Proceeds from collection of guarantee deposits	306	67,459
Collection of loans receivable	-	4,267
Purchase of stocks of subsidiaries and affiliates	-	-71,828
Purchase of insurance funds	-8,329	-8,329
Other, net	-253	-
Net cash provided by (used in) investing activities	-221,682	-1,442,484
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	230,000	-3,332
Proceeds from long-term loans payable	7,350	-
Repayment of long-term loans payable	-35,646	-37,002
Proceeds from stock issuance to minority shareholders	3,000	-
Proceeds from exercise of stock option	1,911	1,026
Cash dividends paid	-367,905	-294,072
Cash dividends paid to minority shareholders	-62,076	-71,044
Other, net	-733	-826
Net cash provided by (used in) financing activities	-224,101	-405,250
Effect of exchange rate change on cash and cash equivalents	68	3,851
Net increase (decrease) in cash and cash equivalents	-397,988	-2,268,550
Cash and cash equivalents at beginning of period	7,841,908	9,573,605
Cash and cash equivalents at end of period	7,443,920	7,305,054