

## D.A.Consortium Inc.

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

Financial Highlights of 1st Quarter of Fiscal Year 2014 (April 1, 2014 to June 30, 2014) and 1st Quarter of Fiscal Year 2013 (April 1, 2013 to June 30, 2013)

### (1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	Mil. ¥	%	Mil. ¥	%	Mil. ¥	%	Mil. ¥	%
1st Quarter of FY 2014	29,388	(18.6)	610	( 121.8)	580	( 104.6)	351	( -)
1st Quarter of FY 2013	24,776	(11.7)	275	(△53.3)	283	(△53.2)	17	(△90.9)

	Earnings per share	Diluted earnings per share	Comprehensive Income	
	Yen	Yen	Mil. ¥	%
1st Quarter of FY 2014	7.24	7.16	541	( 178.4)
1st Quarter of FY 2013	0.36	0.32	194	(△25.6)

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Mil. ¥	Mil. ¥	%
1st Quarter of FY 2014 (As of June 30, 2014)	38,851	20,618	34.5
Fiscal Year 2013 (As of March 31, 2014)	37,499	20,045	35.7

(Reference) Capital: June 30, 2014: 13,423 million yen    March 31, 2014: 13,401 million yen

### (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 2013	—	0.00	—	6.00	6.00
Fiscal Year 2014	—				
Fiscal Year 2014 (expected)		—	—	—	—

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

(4) Consolidated earnings forecast of 2nd Quarter of Fiscal Year 2014 (April 1, 2014 to September 30, 2014)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Mil. ¥	%	Mil. ¥	%	Mil. ¥	%	Mil. ¥	%	Yen
2nd quarter of FY 2014	53,650	(11.0)	976	(53.3)	983	(50.2)	473	(△53.1)	9.75
	~56,477	(16.9)	~1,051	(65.0)	~1,058	(61.6)	~526	(△47.9)	~10.83
Fiscal Year 2014	—		—		—		—		—

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

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit : Thousands of Yen)

	FY2013 (As of March 31, 2014)	1st Quarter of FY2014 (As of June 30, 2014)
<b>Assets</b>		
Current assets		
Cash and deposits	12,591,170	14,178,144
Notes and accounts receivable - trade	13,922,518	13,544,892
Operational investment securities	886,925	1,100,612
Other	2,344,145	1,526,034
Allowance for doubtful accounts	△5,302	△5,156
Total current assets	29,739,457	30,344,526
Non-current assets		
Property, plant and equipment	685,847	675,684
Intangible assets		
Goodwill	912,356	849,425
Software	804,916	834,992
Software in progress	126,030	137,974
Other	26,826	160,734
Total intangible assets	1,870,129	1,983,127
Investments and other assets		
Investment securities	4,220,930	4,586,329
Guarantee deposits	794,337	1,035,935
Other	198,506	241,312
Allowance for doubtful accounts	△9,373	△14,953
Total investments and other assets	5,204,400	5,848,623
Total non-current assets	7,760,376	8,507,434
Total assets	37,499,834	38,851,961

(Unit : Thousands of Yen)

	FY2013 (As of March 31, 2014)	1st Quarter of FY2014 (As of June 30, 2014)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	11,379,481	11,373,750
Short-term loans payable	2,100,000	3,100,928
Current portion of long-term loans payable	80,530	83,000
Accounts payable - other	756,401	815,915
Income taxes payable	1,044,933	727,647
Provision for bonuses	635,581	296,104
Provision for directors' bonuses	26,000	32,750
Other	807,059	1,205,403
Total current liabilities	16,829,988	17,635,499
Non-current liabilities		
Long-term loans payable	203,750	180,000
Other	421,036	418,425
Total non-current liabilities	624,786	598,425
Total liabilities	17,454,774	18,233,925
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,031,837	4,031,837
Capital surplus	3,183,953	3,183,953
Retained earnings	7,172,980	7,233,387
Treasury shares	△1,624,753	△1,625,090
Total shareholders' equity	12,764,018	12,824,088
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	412,599	401,686
Foreign currency translation adjustment	224,996	197,503
Total accumulated other comprehensive income	637,595	599,189
Subscription rights to shares	209,897	148,055
Minority interests	6,433,548	7,046,702
Total net assets	20,045,060	20,618,036
Total liabilities and net assets	37,499,834	38,851,961

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
Consolidated Statements of Income

(Unit:Thousands of Yen)

	1st Quarter of FY2013 (April 1, 2013 to June 30, 2013)	1st Quarter of FY2014 (April 1, 2014 to June 30, 2014)
Net sales	24,776,781	29,388,571
Cost of sales	21,505,246	25,468,425
Gross profit	3,271,535	3,920,145
Selling, general and administrative expenses	2,996,459	3,310,135
Operating income	275,076	610,009
Non-operating income		
Interest income	1,873	1,346
Dividend income	3,085	5,444
Other	22,240	3,468
Total non-operating income	27,199	10,258
Non-operating expenses		
Interest expenses	1,716	4,015
Share of loss of entities accounted for using equity method	8,324	22,531
Loss on insurance cancellation	6,350	—
Other	2,280	13,607
Total non-operating expenses	18,671	40,154
Ordinary income	283,603	580,114
Extraordinary income		
Gain on reversal of subscription rights to shares	—	54,242
Gain on change in equity	16,056	151,715
Gain on asset retirement obligation	8,000	—
Other	—	51,323
Total extraordinary income	24,056	257,281
Extraordinary losses		
Office transfer expenses	5,059	—
Loss on liquidation of subsidiaries and associates	—	33,056
Other	384	1,558
Total extraordinary losses	5,443	34,614
Income before income taxes and minority interests	302,216	802,781
Income taxes - current	230,294	224,839
Income taxes - deferred	3,225	36,804
Total income taxes	233,519	261,644
Income before minority interests	68,696	541,137
Minority interests in income	51,142	189,340
Net income	17,554	351,796

## Consolidated Statements of Comprehensive Income

(Unit:Thousands of Yen)

	1st Quarter of FY2013 (April 1, 2013 to June 30, 2013)	1st Quarter of FY2014 (April 1, 2014 to June 30, 2014)
Income before minority interests	68,696	541,137
Other comprehensive income		
Valuation difference on available-for-sale securities	32,457	46,581
Foreign currency translation adjustment	56,795	△39,580
Share of other comprehensive income of entities accounted for using equity method	36,411	△7,058
Total other comprehensive income	125,664	△57
Comprehensive income	194,361	541,079
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	92,785	313,390
Comprehensive income attributable to minority interests	101,576	227,688

## (3) Consolidated Statements of Cash Flows

(Unit:Thousands of Yen)

	1st Quarter of FY2013 (April 1, 2013 to June 30, 2013)	1st Quarter of FY2014 (April 1, 2014 to June 30, 2014)
Cash flows from operating activities		
Income before income taxes and minority interests	302,216	802,781
Depreciation	137,559	126,291
Amortization of goodwill	53,601	67,297
Increase (decrease) in allowance for doubtful accounts	△134	5,434
Increase (decrease) in provision for retirement benefits	△2,063	—
Increase (decrease) in provision for point card certificates	△3,292	7,247
Increase (decrease) in provision for bonuses	△258,110	△339,477
Increase (decrease) in provision for directors' bonuses	6,750	6,750
Increase (decrease) in deposits received	139,152	188,856
Loss (gain) on sales and valuation of investment securities	179	△51,323
Interest and dividend income	△4,959	△6,790
Loss on liquidation of subsidiaries and associates	—	33,056
Interest expenses	1,716	4,015
Share of (profit) loss of entities accounted for using equity method	8,324	22,531
Loss (gain) on sales and retirement of non-current assets	204	1,367
Gain on reversal of subscription rights to shares	—	△54,242
Loss (gain) on change in equity	△16,056	△151,524
Decrease (increase) in notes and accounts receivable - trade	1,880,336	377,571
Decrease (increase) in advance payments	△270,313	96,210
Decrease (increase) in prepaid expenses	△60,077	98,529
Decrease (increase) in accounts receivable - other	△81,204	144,393
Decrease (increase) in inventories	△3,037	△57,744
Decrease (increase) in investment securities for sale	△17,780	△58,765
Increase (decrease) in notes and accounts payable - trade	△1,065,949	△5,731
Increase (decrease) in accounts payable - other	219,998	77,715
Increase (decrease) in advances received	60,925	86,874
Increase (decrease) in accrued consumption taxes	89,077	△27,054
Other, net	△46,513	371,034
Subtotal	1,070,549	1,765,305
Interest and dividend income received	12,491	14,555
Interest expenses paid	△2,061	△2,953
Income taxes paid	△486,254	△529,600
Net cash provided by (used in) operating activities	594,724	1,247,307

(Unit:Thousands of Yen)

	1st Quarter of FY2013 (April 1, 2013 to June 30, 2013)	1st Quarter of FY2014 (April 1, 2014 to June 30, 2014)
<b>Cash flows from investing activities</b>		
Payments into time deposits	△2,600,000	△3,600,000
Proceeds from withdrawal of time deposits	2,034,555	2,600,000
Purchase of property, plant and equipment	△68,694	△38,621
Purchase of intangible assets	△202,442	△146,930
Purchase of investment securities	△9,895	△530,420
Proceeds from sales and redemption of investment securities	—	244,123
Payments for guarantee deposits	△10,589	△289,252
Proceeds from collection of guarantee deposits	22,901	47,225
Payments of loans receivable	△1,400	△3,263
Collection of loans receivable	340	330
Purchase of shares of subsidiaries and associates	△19,762	—
Purchase of insurance funds	△3,952	△5,258
Proceeds from cancellation of insurance funds	30,638	—
Other, net	△958	—
Net cash provided by (used in) investing activities	△829,260	△1,722,067
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	800,000	1,000,000
Repayments of long-term loans payable	△34,784	△21,280
Proceeds from share issuance to minority shareholders	3,400	—
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	—	389,130
Proceeds from exercise of share options	69,318	10,520
Cash dividends paid	△291,530	△291,636
Cash dividends paid to minority shareholders	△52,360	△11,937
Other, net	△2,657	△1,457
Net cash provided by (used in) financing activities	491,385	1,073,338
Effect of exchange rate change on cash and cash equivalents	50,820	△11,605
Net increase (decrease) in cash and cash equivalents	307,671	586,973
Cash and cash equivalents at beginning of period	6,595,701	9,982,170
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	△157,465	—
Cash and cash equivalents at end of period	6,745,906	10,569,144