

D. A. Consortium Inc.

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

1. Financial Highlights of 1st Quarter of Fiscal Year 2015 (April 1, 2015 to June 30, 2015) and 1st Quarter of Fiscal Year 2014 (April 1, 2014 to June 30, 2014)

(1) Consolidated Operating Results

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Mil. ¥	%	Mil. ¥	%	Mil. ¥	%	Mil. ¥	%
1st Quarter of FY 2015	31,674	(7.8)	683	(12.1)	709	(22.3)	309	(△12.1)
1st Quarter of FY 2014	29,388	(18.6)	610	(121.8)	580	(104.6)	351	(-)

	Net income per share		Diluted net income per share		Comprehensive Income	
	Yen		Yen		Mil. ¥	%
1st Quarter of FY 2015	6.37		6.29		243 (△55.0)	
1st Quarter of FY 2014	7.24		7.16		541 (178.4)	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Mil. ¥		Mil. ¥		%	
1st Quarter of FY 2015 (As of June 30, 2015)	42,741		22,487		34.2	
Fiscal Year 2014 (As of March 31, 2015)	43,897		22,998		34.7	

(Reference) Capital: June 30, 2015: 14,605 million yen March 31, 2015: 15,215 million yen

2. Dividends

Record date	End of 1 st quarter	End of 2 nd quarter	End of 3 rd quarter	End of period	Annual dividend
	Yen		Yen	Yen	Yen
Fiscal Year 2014	—	0.00	—	8.00	8.00
Fiscal Year 2015	—	—	—	—	—
Fiscal Year 2015 (forecasts)	—	—	—	—	—

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

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2015

(from April 1, 2015 to March 31, 2016)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Mil. ¥	%	Mil. ¥	%	Mil. ¥	%	Mil. ¥	%	Yen
2nd Quarter of Fiscal Year 2015		—		—		—		—	—
Fiscal Year 2015	135,000	(14.9)	3,550	(58.0)	3,550	(41.0)	1,350	(28.5)	27.80

Note: Revisions of the forecasts of consolidated results since the latest announcement: Yes

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit:Thousands of Yen)

	FY2014 (As of March 31, 2015)	1st Quarter of FY2015 (As of June 30, 2015)
Assets		
Current assets		
Cash and deposits	14,830,950	13,791,365
Notes and accounts receivable - trade	15,390,365	15,343,496
Operational investment securities	3,680,265	3,522,620
Other	2,154,922	2,472,711
Allowance for doubtful accounts	△6,792	△4,967
Total current assets	36,049,711	35,125,226
Non-current assets		
Property, plant and equipment	826,315	899,925
Intangible assets		
Goodwill	911,739	557,405
Software	910,367	1,053,511
Software in progress	261,062	231,309
Other	149,735	144,371
Total intangible assets	2,232,905	1,986,597
Investments and other assets		
Investment securities	3,243,272	3,196,207
Guarantee deposits	1,186,773	1,159,568
Other	374,532	389,187
Allowance for doubtful accounts	△15,684	△15,684
Total investments and other assets	4,788,893	4,729,279
Total non-current assets	7,848,114	7,615,801
Total assets	43,897,825	42,741,028

(Unit Thousands of Yen)

	FY2014 (As of March 31, 2015)	1st Quarter of FY2015 (As of June 30, 2015)
Liabilities		
Current liabilities		
Accounts payable - trade	12,428,078	12,969,924
Short-term loans payable	3,104,984	3,106,312
Current portion of long-term loans payable	82,466	81,716
Accounts payable - other	1,150,812	1,019,614
Income taxes payable	821,974	321,353
Provision for bonuses	737,385	217,189
Provision for directors' bonuses	59,322	62,250
Other	1,960,590	1,950,432
Total current liabilities	20,345,615	19,728,793
Non-current liabilities		
Long-term loans payable	127,996	107,567
Other	425,612	416,982
Total non-current liabilities	553,608	524,549
Total liabilities	20,899,224	20,253,343
Net assets		
Shareholders' equity		
Capital stock	4,031,837	4,031,837
Capital surplus	3,183,953	5,268,614
Retained earnings	7,876,217	5,322,830
Treasury shares	△1,625,008	△1,617,538
Total shareholders' equity	13,467,000	13,005,744
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,367,197	1,240,621
Foreign currency translation adjustment	381,686	359,210
Total accumulated other comprehensive income	1,748,884	1,599,831
Subscription rights to shares	197,981	191,236
Non-controlling interests	7,584,736	7,690,872
Total net assets	22,998,601	22,487,685
Total liabilities and net assets	43,897,825	42,741,028

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

(Unit:Thousands of Yen)

	1st Quarter of FY2014 (April 1, 2014 to June 30, 2014)	1st Quarter of FY2015 (April 1, 2015 to June 30, 2015)
Net sales	29,388,571	31,674,570
Cost of sales	25,468,425	27,339,458
Gross profit	3,920,145	4,335,112
Selling, general and administrative expenses	3,310,135	3,651,387
Operating income	610,009	683,724
Non-operating income		
Interest income	1,346	2,403
Dividend income	5,444	4,301
Foreign exchange gains	-	53,843
Other	3,468	7,123
Total non-operating income	10,258	67,672
Non-operating expenses		
Interest expenses	4,015	4,888
Share of loss of entities accounted for using equity method	22,531	35,853
Other	13,607	1,031
Total non-operating expenses	40,154	41,773
Ordinary income	580,114	709,623
Extraordinary income		
Gain on change in equity	151,715	18,363
Gain on sales of shares of subsidiaries and associates	-	60,713
Other	105,565	872
Total extraordinary income	257,281	79,949
Extraordinary losses		
Loss on retirement of non-current assets	1,367	11,255
Office transfer expenses	-	11,711
Loss on liquidation of subsidiaries and associates	33,056	18,671
Other	191	4,329
Total extraordinary losses	34,614	45,967
Income before income taxes and minority interests	802,781	743,605
Income taxes - current	224,839	204,744
Income taxes - deferred	36,804	150,760
Total income taxes	261,644	355,505
Profit	541,137	388,100
Profit attributable to non-controlling interests	189,340	78,940
Profit attributable to owners of parent	351,796	309,159

Consolidated Statements of Comprehensive Income

(Unit:Thousands of Yen)

	1st Quarter of FY2014 (April 1, 2014 to June 30, 2014)	1st Quarter of FY2015 (April 1, 2015 to June 30, 2015)
Profit	541,137	388,100
Other comprehensive income		
Valuation difference on available-for-sale securities	46,581	△139,027
Foreign currency translation adjustment	△39,580	20,056
Share of other comprehensive income of entities accounted for using equity method	△7,058	△25,718
Total other comprehensive income	△57	△144,689
Comprehensive income	541,079	243,411
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	313,390	160,107
Comprehensive income attributable to non-controlling interests	227,688	83,303

(3) Consolidated Statements of Cash Flows

(Unit:Thousands of Yen)

	1st Quarter of FY2014 (April 1, 2014 to June 30, 2014)	1st Quarter of FY2015 (April 1, 2015 to June 30, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	802,781	743,605
Depreciation	126,291	162,037
Amortization of goodwill	67,297	46,202
Increase (decrease) in allowance for doubtful accounts	5,434	△1,824
Increase (decrease) in provision for bonuses	△339,477	△520,196
Increase (decrease) in provision for directors' bonuses	6,750	2,927
Interest and dividend income	△6,790	△6,704
Interest expenses	4,015	4,888
Share of (profit) loss of entities accounted for using equity method	22,531	35,853
Loss (gain) on sales and valuation of investment securities	△51,323	—
Loss (gain) on sales of shares of subsidiaries and associates	—	△60,713
Loss (gain) on change in equity	△151,524	△18,067
Loss (gain) on sales and retirement of non-current assets	1,367	14,026
Office transfer expenses	—	11,711
Loss on liquidation of subsidiaries and associates	33,056	18,671
Decrease (increase) in notes and accounts receivable - trade	377,571	52,064
Decrease (increase) in investment securities for sale	△58,765	△50,228
Increase (decrease) in notes and accounts payable - trade	△5,731	541,845
Increase (decrease) in accounts payable - other	77,715	△128,075
Other, net	854,106	△390,901
Subtotal	1,765,305	457,122
Interest and dividend income received	14,555	14,197
Interest expenses paid	△2,953	△3,550
Income taxes paid	△529,600	△692,628
Net cash provided by (used in) operating activities	1,247,307	△224,858

(Unit:Thousands of Yen)

	1st Quarter of FY2014 (April 1, 2014 to June 30, 2014)	1st Quarter of FY2015 (April 1, 2015 to June 30, 2015)
Cash flows from investing activities		
Payments into time deposits	△3,600,000	△3,400,000
Proceeds from withdrawal of time deposits	2,600,000	3,400,000
Purchase of property, plant and equipment	△38,621	△192,849
Purchase of intangible assets	△146,930	△224,595
Purchase of investment securities	△530,420	△61,803
Proceeds from sales and redemption of investment securities	244,123	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	△29,573
Proceeds from sales of shares of subsidiaries and associates	—	80,000
Payments for guarantee deposits	△289,252	△19,175
Proceeds from collection of guarantee deposits	47,225	46,304
Payments of loans receivable	△3,263	△398
Collection of loans receivable	330	1,003
Other, net	△5,258	18,282
Net cash provided by (used in) investing activities	△1,722,067	△382,803
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,000,000	—
Proceeds from long-term loans payable	—	9,426
Repayments of long-term loans payable	△21,280	△30,605
Proceeds from share issuance to non-controlling shareholders	—	52,990
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	389,130	—
Proceeds from exercise of share options	10,520	21,721
Cash dividends paid	△291,636	△390,047
Dividends paid to non-controlling interests	△11,937	△82,803
Other, net	△1,457	△1,402
Net cash provided by (used in) financing activities	1,073,338	△420,719
Effect of exchange rate change on cash and cash equivalents	△11,605	△11,203
Net increase (decrease) in cash and cash equivalents	586,973	△1,039,585
Cash and cash equivalents at beginning of period	9,982,170	11,421,950
Cash and cash equivalents at end of period	10,569,144	10,382,365