

## Digital Advertising Consortium Inc.

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

Financial Highlights of Fiscal Year 2012 (April 1, 2011 to March 31, 2012) and Fiscal Year 2011 (December 1, 2009 to March 31, 2011)

### (1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
Fiscal Year 2012	82,785	( - )	2,234	( - )	2,295	( - )	1,369	( - )
Fiscal Year 2011	77,943	( - )	2,908	( - )	3,018	( - )	1,745	( - )

	Net income per share	Diluted Net income per share	Return on equity	Return on assets	Operating income margin
	Yen	Yen	%	%	%
Fiscal Year 2012	2,726.61	2,708.36	12.6	8.2	2.7
Fiscal Year 2011	3,318.52	3,300.80	17.4	15.2	3.7

	Comprehensive income		Equity in earnings (losses) of affiliates
	Mil.¥	%	Mil.¥
Fiscal Year 2012	1,842	( - )	47
Fiscal Year 2011	2,294	( - )	103

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

No comparison is made because of the change in accounting periods.

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Equity per share	Equity
	Mil.¥	Mil.¥	%	Yen	Mil.¥
Fiscal Year 2012 (As of March 31, 2012)	31,545	16,453	34.1	22,172.82	10,766
Fiscal Year 2011 (As of March 31, 2011)	24,107	12,792	45.3	20,792.68	10,928

### (3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Mil.¥	Mil.¥	Mil.¥	Mil.¥
Fiscal Year 2012	2,817	80	-1,178	9,573
Fiscal Year 2011	2,321	164	-312	7,841

(4) Cash 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	Total Amount of dividends	Dividend Payout ratio
	Yen	Yen	Yen	Yen	Yen	Mil.¥	%
Fiscal Year 2011		0.00		700.00	700.00	367	21.1
Fiscal Year 2012		0.00		600.00	600.00	291	22.0
Fiscal Year 2013 (expected)		TBD		TBD	TBD	TBD	TBD

(5) Consolidated earnings forecast of 1<sup>st</sup> Quarter of Fiscal Year 2013(April 1,2012 to June 31,2012)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%	Yen
1 <sup>st</sup> quarter of FY 2013	21,800	(22.3)	377	(17.6)	398	(18.6)	101	(-3.8)	208.01
	~24,010	(34.7)	~515	(60.6)	~536	(59.7)	~146	(40.0)	~300.69

DAC Consolidated Financial Statements

(1)DAC Consolidated balance sheets

(Unit:Thousands of Yen)

Items of an account	FY2011 (As of March 31, 2011)	FY2012 (As of March 31, 2012)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	7,849,895	9,927,853
Notes and accounts receivable-trade	10,568,054	12,399,121
Short-term investment securities	5,013	704,752
Operational investment securities	-	1,002,177
Other	1,273,816	1,363,716
Allowance for doubtful accounts	-18,900	-12,096
Total current assets	19,677,880	25,385,523
Noncurrent assets		
Property, plant and equipment		
Buildings	333,803	460,499
Accumulated depreciation	-181,052	-135,729
Buildings, net	152,750	324,769
Tools, furniture and fixtures	654,687	839,772
Accumulated depreciation	-491,007	-567,710
Tools, furniture and fixtures, net	163,679	272,061
Lease assets	12,499	19,315
Accumulated depreciation	-4,016	-10,723
Lease assets, net	8,482	8,592
Total property, plant and equipment	324,913	605,424
Intangible assets		
Goodwill	1,043,118	914,291
Software	539,487	965,634
Software in progress	42,925	75,982
Other	12,999	20,084
Total intangible assets	1,638,531	1,975,993
Investments and other assets		
Investment securities	1,634,851	2,086,976
Guarantee deposits	695,361	1,132,855
Other	143,643	380,920
Allowance for doubtful accounts	-8,173	-22,067
Total investments and other assets	2,465,683	3,578,685
Total noncurrent assets	4,429,127	6,160,103
Total assets	24,107,007	31,545,626

(Unit:Thousands of Yen)

Items of an account	FY2011 (As of March 31, 2011)	FY2012 (As of March 31, 2012)
	Amount	Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	8,416,399	10,751,372
Short-term loans payable	20,000	419,500
Current portion of long-term loans payable	129,254	171,652
Accounts payable-other	944,999	1,361,002
Income taxes payable	531,737	599,196
Provision for bonuses	231,573	162,248
Provision for directors' bonuses	63,000	14,000
Other	566,887	791,441
<b>Total current liabilities</b>	<b>10,903,851</b>	<b>14,270,414</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	42,532	316,938
Provision for retirement benefits	173,897	237,571
Provision for point card certificates	41,146	40,971
Other	153,057	225,788
<b>Total noncurrent liabilities</b>	<b>410,632</b>	<b>821,269</b>
<b>Total liabilities</b>	<b>11,314,484</b>	<b>15,091,683</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	4,031,837	4,031,837
Capital surplus	3,184,465	3,184,465
Retained earnings	3,833,905	4,928,342
Treasury stock	-326,980	-1,626,980
<b>Total shareholders' equity</b>	<b>10,723,228</b>	<b>10,517,665</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	217,784	257,671
Foreign currency translation adjustment	-12,527	-9,213
<b>Total accumulated other comprehensive income</b>	<b>205,256</b>	<b>248,458</b>
Subscription rights to shares	154,752	287,895
Minority interests	1,709,285	5,399,923
<b>Total net assets</b>	<b>12,792,523</b>	<b>16,453,943</b>
<b>Total liabilities and net assets</b>	<b>24,107,007</b>	<b>31,545,626</b>

## (2)DAC Consolidated Statements of Income

(Unit:Thousands of Yen)

Items of an account	FY2011 (December 1,2009 to March 31,2011)	FY2012 (April 1,2011 to March 31,2012)
	Amount	Amount
Net sales	77,943,070	82,785,163
Cost of sales	65,638,250	71,002,160
Gross profit	12,304,820	11,783,002
Selling, general and administrative expenses	9,396,463	9,548,976
Operating income	2,908,356	2,234,025
Non-operating income		
Interest income	5,948	3,051
Dividends income	5,515	14,993
Equity in earnings of affiliates	103,539	47,379
Foreign exchange gains	1,802	-
Gain on tax-exempt consumption tax	-	10,834
Other	11,100	11,003
Total non-operating income	127,907	87,263
Non-operating expenses		
Interest expenses	5,909	7,968
Foreign exchange losses	-	8,514
Loss on investments in partnership	5,038	2,627
Other	7,142	6,670
Total non-operating expenses	18,089	25,781
Ordinary income	3,018,175	2,295,507
Extraordinary income		
Gain on sales of investment securities	125,252	237,922
Gain on negative goodwill	-	423,988
Other	192,057	46,585
Total extraordinary income	317,309	708,496
Extraordinary loss		
Loss on retirement of noncurrent assets	8,043	34,788
Impairment loss	14,095	110,176
Loss on valuation of investment securities	113,244	25,451
Other	13,261	35,462
Total extraordinary losses	148,645	205,880
Income before income taxes	3,186,839	2,798,123
Income taxes-current	1,261,379	1,153,181
Income taxes-deferred	-107,908	15,300
Income taxes	1,153,470	1,168,482
Income before minority interests	2,033,369	1,629,641
Minority interests in income	287,767	259,797
Net income	1,745,601	1,369,844

## (3)DAC Consolidated statements of comprehensive income

(Unit:Thousands of Yen)

Items of an account	FY2011 (December 1,2009 to March 31,2011)	FY2012 (April 1,2011 to March 31,2012)
	Amount	Amount
Income before minority interests	2,033,369	1,629,641
Other comprehensive income		
Valuation difference on available-for-sale securities	264,050	205,976
Foreign currency translation adjustment	-4,552	6,580
Share of other comprehensive income of associates accounted for using equity method	1,690	-
Total other comprehensive income	261,188	212,556
Comprehensive income	2,294,557	1,842,198
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,009,050	1,540,630
Comprehensive income attributable to minority interests	285,507	301,568

## (4)DAC Consolidated statements of cash flows

(Unit:Thousands of Yen)

Items of an account	FY2011 (December 1,2009 to March 31,2011)	FY2012 (April 1,2011 to March 31,2012)
	ammount	ammount
Net cash provided by (used in) operating activities		
Income before income taxes	3,186,839	2,798,123
Depreciation and amortization	422,168	397,946
Impairment loss	14,095	110,176
Amortization of goodwill	159,449	205,499
Increase (decrease) in allowance for doubtful accounts	-114,495	-12,402
Increase (decrease) in provision for directors' bonuses	43,412	-49,000
Increase (decrease) in provision for point card certificates	34,575	-20,871
Increase (decrease) in provision for retirement benefits	52,145	63,674
Interest and dividends income	-11,464	-18,045
Interest expenses	5,909	7,968
Equity in (earnings) losses of affiliates	-103,539	-47,379
Loss (gain) on sales and retirement of noncurrent assets	8,803	34,794
Gain on sales of investment securities	-125,252	-237,922
Loss (gain) on valuation of investment securities	113,244	25,451
Gain on negative goodwill	-	-423,988
Loss (gain) on step acquisitions	-158,201	-25,809
Decrease (increase) in notes and accounts receivable-trade	-3,859,296	-1,095,071
Decrease (increase) in inventories	36,602	-21,821
Increase (decrease) in notes and accounts payable-trade	3,058,187	2,166,825
Increase (decrease) in accounts payable-other	440,487	3,751
Increase (decrease) in accrued consumption taxes	134,219	-9,842
Other, net	-61,976	65,556
Subtotal	3,275,913	3,917,612
Interest and dividends income received	22,879	18,051
Interest expenses paid	-5,909	-7,968
Income taxes paid	-971,214	-1,110,186
Total net cash provided by (used in) operating activities	2,321,668	2,817,508
Net cash provided by (used in) investing activities		
Proceeds from sales and redemption of securities	104,446	4,000
Purchase of investment securities	-165,162	-205,259
Proceeds from sales and redemption of investment securities	302,819	283,069
Purchase of property, plant and equipment	-63,244	-247,251
Purchase of intangible assets	-283,013	-441,896
Purchase of stocks of subsidiaries and affiliates	-50,000	-
Proceeds from sales of stocks of subsidiaries and affiliates	63,250	85,050
Payments for asset retirement obligations	-	-22,000
Payments for liquidation of subsidiaries	-	-7,433
Proceeds from transfer of business	-	24,000
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	366,588	1,062,340
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	-68,859
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-248,657	-
Payments for guarantee deposits	-30,191	-374,520
Collection of loans receivable	50,000	-
Purchase of insurance funds	-	-11,458
Other, net	117,441	506
Total net cash provided by (used in) investing activities	164,276	80,287
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-30,000	277,000
Proceeds from long-term loans payable	50,000	342,350
Repayment of long-term loans payable	-116,611	-185,203
Purchase of treasury stock	-132,208	-1,300,000
Proceeds from issuance of common stock to minority shareholders	-	128,000
Proceeds from exercise of stock option	70,460	12,096
Cash dividends paid	-101,229	-369,136
Cash dividends paid to minority shareholders	-50,400	-80,795
Other, net	-2,536	-3,232
Total net cash provided by (used in) financing activities	-312,526	-1,178,922
Effect of exchange rate change on cash and cash equivalents	-3,329	12,823
Total net increase (decrease) in cash and cash equivalents	2,170,089	1,731,696
Cash and cash equivalents at beginning of period	5,671,819	7,841,908
Cash and cash equivalents at end of period	7,841,908	9,573,605