

## Digital Advertising Consortium Inc.

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

Financial Highlights of 2nd Quarter, Fiscal Year 2007(December 1, 2006 thru May 31, 2007)

### (1) Consolidated

	Gross billings	Operating income	Ordinary income	Net income
	Mil.¥ %	Mil.¥ %	Mil.¥ %	Mil.¥ %
2nd Quarter of FY 2007	18,455 ( 17.6)	612 ( 24.5)	652 ( 52.0)	26 ( -93.2)
2nd Quarter of FY 2006	15,694 ( 33.8)	491 ( -17.6)	429 ( -20.5)	396 ( 67.1)
( Ref. ) Fiscal Year 2006	32,328 ( - )	1,100 ( - )	1,069 ( - )	753 ( - )

	Net income per share	Diluted net income per share
	Yen	Yen
2nd Quarter of FY 2007	55.12	54.68
2nd Quarter of FY 2006	814.30	796.66
( Ref. ) Fiscal Year 2006	1,547.53	1,523.14

### (2) Non Consolidated

	Gross billings	Operating income	Ordinary income	Net income
	Mil.¥ %	Mil.¥ %	Mil.¥ %	Mil.¥ %
2nd Quarter of FY 2007	17,122 ( 11.3)	680 ( 30.1)	708 ( 38.6)	-1,184 ( -349.3)
2nd Quarter of FY 2006	15,384 ( 34.1)	523 ( -12.5)	510 ( -20.9)	475 ( 37.8)
( Ref. ) Fiscal Year 2006	31,186 ( - )	1,060 ( - )	1,104 ( - )	747 ( - )

	Net income per share
	Yen
2nd Quarter of FY 2007	-2,427.33
2nd Quarter of FY 2006	976.85
( Ref. ) Fiscal Year 2006	1,534.66

( Note )The percentage shown next to gross billings, operating income, ordinary income and net income represent year on year Changes.

### (3) Consolidated financial position

	Total assets	Total net asset	Shareholders' equity ratio	Shareholders' equity per share
	Mil.¥	Mil.¥	%	Yen
2nd Quarter of FY 2007	12,381	7,427	55.3	14,034.11
2nd Quarter of FY 2006	11,486	6,950	60.5	13,500.46
( Ref. ) Fiscal Year 2006	12,483	7,565	55.7	14,264.34

### (4) Non-consolidated financial position

	Total assets	Total net asset	Shareholders' equity ratio	Shareholders' equity per share
	Mil.¥	Mil.¥	%	Yen
2nd Quarter of FY 2007	10,771	6,787	63.0	13,901.16
2nd Quarter of FY 2006	11,460	7,815	68.2	16,027.48
( Ref. ) Fiscal Year 2006	12,138	8,102	66.7	16,611.50

## DAC Consolidated Financial Statements

### (1) DAC Consolidated Balance Sheet

(Unit : Thousand Yen)

Items of an account	Q2 FY2006 (As of May.31, 2006)		Q2 FY2007 (As of May.31,2007)		FY2006 (As of Nov.30,2006)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Assets)		%		%		%
Current Assets						
1. Cash and deposits	3,128,732		3,934,380		3,085,421	
2. Trade notes and accounts receivable	3,028,212		3,497,677		3,637,562	
3. Marketable securities	1,723,939		1,241,466		1,730,743	
4. Deferred tax assets	72,753		75,383		73,606	
5. Other current assets	408,161		365,023		403,121	
Allowance for doubtful receivables	-2,147		-2,294		-1,883	
Total currents assets	8,359,652	72.8	9,111,637	73.6	8,928,570	71.5
Non-current Assets						
1. Property, plant and equipment	351,444		378,515		314,223	
2. Intangible assets						
(1) Consolidated adjustment account	587,644		-		595,207	
(2) Consolidated goodwill	-		380,410		-	
(3) Software	142,641		183,976		159,783	
(4) Software in progress	90,252		148,944		101,935	
(5) Other intangible assets	3,454	823,992	5,215	718,547	5,304	862,231
3. Investments and other assets						
(1) Investment securities	1,263,697		1,667,233		1,804,942	
(2) Deferred tax assets	220,297		37,866		105,338	
(3) Other assets	662,293		594,678		661,348	
Allowance for doubtful receivables	-194,450	1,951,837	-127,199	2,172,578	-193,036	2,378,593
Total non-current assets		3,127,275		3,269,641		3,555,047
Total assets		11,486,927		12,381,279		12,483,617
		100.0		100.0		100.0

(Unit : Thousand Yen)

Items of an account	Q2 FY2006 (As of May.31,2006)		Q2 FY2007 (As of May.31,2007)		FY2006 (As of Nov.30,2006)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Liabilities)		%		%		%
Current liabilities						
1. Accounts payable-trade	2,886,524		3,309,777		3,274,021	
2. Short-term borrowings	50,000		85,680		50,000	
3. Current portion of Long-term borrowings	388,363		292,577		377,175	
4. Accounts payable	401,923		351,110		308,216	
5. Income tax payable	264,879		347,419		256,323	
6. Accrued bonuses for directors	9,000		15,000		30,000	
7. Other current liabilities	131,744		168,207		243,182	
Total current liabilities	4,132,433	36.0	4,569,772	36.9	4,538,918	36.4
Non-current liabilities						
1. Bonds payable	200,000		200,000		200,000	
2. Long-term borrowings	92,577		-		16,100	
3. Accrued retirement benefits	32,640		52,922		39,568	
4. Accrued retirement benefits for directors	77,122		88,893		82,779	
5. Allowance for given points	-		40,900		39,631	
6. Other non-current liabilities	1,781		1,218		1,588	
Non-current liabilities	404,120	3.5	383,934	3.1	379,667	3.0
Total liabilities	4,536,554	39.5	4,953,707	40.0	4,918,586	39.4

(Unit : Thousand Yen)

Items of an account	Q2 FY2006 (As of May.31,2006)		Q2 FY2007 (As of May.31,2007)		FY2006 (As of Nov.30,2006)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Net Assets)						
Shareholders' equity						
1. Common stock	3,369,130	29.3	3,387,977	27.4	3,370,076	27.0
2. Additional paid-in capital	2,782,812	24.2	2,801,242	22.6	2,782,981	22.3
3. Retained earnings	427,950	3.7	724,677	5.8	785,569	6.3
4. Treasury stock	-17,511	-0.1	-95,112	-0.8	-15,266	-0.1
Total shareholders' equity	6,562,382	57.1	6,818,784	55.0	6,923,362	55.5
Valuation, exchange difference						
1. Unrealized gain on available-for-sale securities	20,745	0.2	32,606	0.3	33,280	0.3
2. Foreign currency translation adjustment account	-829	-0.0	256	0.0	163	0.0
Total valuation, exchange difference	19,916	0.2	32,863	0.3	33,443	0.3
W a r r a n t	1,054	0.0	676	0.0	1,035	0.0
Minority interests	367,019	3.2	575,247	4.7	607,190	4.8
Total net Assets	6,950,373	60.5	7,427,572	60.0	7,565,031	60.6
Total liabilities and net assets	11,486,927	100.0	12,381,279	100.0	12,483,617	100.0

## (2) DAC Consolidated Statements of Income

(Unit : Thousand Yen)

Items of an account	Q2 FY2006			Q2 FY2007			FY2006		
	(Dec. 2005 thru May 2006)			(Dec. 2006 thru May 2007)			(Dec. 2005 thru Nov.2006)		
	Amount		Ratio	Amount		Ratio	Amount		Ratio
Gross billings		15,694,212	100.0		18,455,070	100.0		32,328,113	100.0
Cost of sales		13,777,263	87.8		15,552,370	84.3		27,727,333	85.8
Gross income		1,916,949	12.2		2,902,700	15.7		4,600,779	14.2
Selling and general administrative. expenses		1,425,221	9.1		2,290,453	12.4		3,500,122	10.8
Operating income		491,727	3.1		612,247	3.3		1,100,657	3.4
Non-operating income									
1. Interest income	2,375			14,552			6,025		
2. Dividend income	-			4,590			8,185		
3. Gain on valuation of securities	-			9,557			26,814		
4. Gain on foreign currency exchange	952			250			262		
5. Investment profit on equity method	-			12,199			-		
6. O t h e r s	7,242	10,570	0.1	3,421	44,571	0.2	5,388	46,676	0.1
Non-operating expenses									
1. Interest expense	-			3,145			3,442		
2. Investment loss on equity method	41,295			-			52,698		
3. Loss on valuation of securities	22,063			-			-		
4. Preoperating amortization	9,523			-			10,950		
5. O t h e r s	209	73,092	0.5	1,367	4,512	0.0	10,555	77,646	0.2
Ordinary income		429,205	2.7		652,305	3.5		1,069,687	3.3
Extraordinary income									
1. Gain on sales of investment securities	25,179			-			45,628		
2. Gain on sales of fixed asset	-			1,752			-		
3. Gain from change in equity interest	-			-			193,618		
4. O t h e r s	-	25,179	0.2	40	1,792	0.0	21,461	260,707	0.8
Extraordinary losses									
1. Loss on valuation of investment securities	-			8,302			51,016		
2. Loss on sales of investment securities	-			1,290			-		
3. Loss on disposal of fixed assets	-			3,961			11,523		
4. One-time depreciation of goodwill	-			227,411			-		
5. Loss due to impairment	-			-			7,513		
6. Transfer to allowance for given points	-			-			22,237		
7. Loss from change in equity interest	-			5,572			-		
8. O t h e r s	3,126	3,126	0.0	658	247,196	1.3	10,505	102,796	0.3
Income before income taxes and minority interests		451,259	2.9		406,901	2.2		1,227,598	3.8
Provision for income taxes	254,812			338,201			521,794		
Deferred income taxes	-180,041	74,771	0.5	65,015	403,216	2.1	-73,490	448,304	1.4
Minority interests		-19,530	-0.1		-23,209	-0.1		25,656	0.1
Net income		396,019	2.5		26,894	0.2		753,638	2.3

## (3) DAC Consolidated Cash Flow Statements

(Unit : Thousand Yen)

Items of an account	Q2 FY2006 (Dec. 2005 thru May 2006)	Q2 FY2007 (Dec. 2006 thru May 2007)	FY2006 (Dec. 2005 thru Nov.2006)
	Amount	Amount	Amount
Cash flows from Operating Activities: Net cash provided by Operating Activities:	-168,097	700,071	182,256
Cash flows from Investing Activities: Net cash provided by Investing Activities	221,264	335,222	448,437
Cash flows from Financing Activities Net cash provided by Financing Activities	-17,570	-185,758	258,056
Foreign currency translation adjustments on cash and cash equivalents	-1,014	756	151
Net increase/decrease in cash and cash equivalents	34,582	850,291	-7,972
Cash and cash equivalents at beginning of term	3,874,559	3,926,586	3,874,559
Cash and cash equivalents at beginning of term of newly consolidated subsidiaries	60,000	-	60,000
Cash and cash equivalents at end of term	3,969,142	4,776,878	3,926,586