

Digital Advertising Consortium Inc.

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

Financial Highlights of Fiscal Year 2004(December 1, 2003 thru November 30, 2004)

(1) Consolidated Results of Operations

	Gross billings		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
Fiscal Year 2004	15,114	(47.2)	691	(83.8)	642	(58.8)	-342	(-)
Fiscal Year 2003	10,267	(-)	376	(-)	404	(-)	281	(-)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total equity	Ordinary income to gross billings
	Yen	Yen	%	%	%
Fiscal Year 2004	-1,521.72	-	-5.7	7.7	4.3
Fiscal Year 2003	1,100.38	1,078.72	4.6	5.4	3.9

(2) Non-Consolidated Results of Operations

	Gross billings		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
Fiscal Year 2004	14,892	(45.4)	745	(91.8)	783	(85.8)	407	(46.6)
Fiscal Year 2003	10,245	(109.0)	388	(-)	421	(-)	278	(-)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total equity	Ordinary income to gross billings
	Yen	Yen	%	%	%
Fiscal Year 2004	1,627.34	1,581.30	6.4	9.0	5.3
Fiscal Year 2003	1,085.21	1,063.84	4.6	5.7	4.1

(Note) The percentage shown next to billings, operating income, ordinary income and net income represent year-on-year changes

(3) Consolidated financial position

	Total assets	Total stockholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Mil.¥	Mil.¥	%	¥
Fiscal Year 2004	8,766	5,855	66.8	24,347.03
Fiscal Year 2003	8,024	6,168	76.9	25,902.94

(4) Non-consolidated financial position

	Total assets	Total stockholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Mil.¥	Mil.¥	%	¥
Fiscal Year 2004	9,461	6,604	69.8	27,471.42
Fiscal Year 2003	8,018	6,166	76.9	25,892.10

(5) Dividends

	Cash dividends applicable to the year	Total Amount of dividends	Dividends payout ratio	Dividends on equity
	¥	Mil.¥	%	%
Fiscal Year 2004	170.00	40	10.0	0.6
Fiscal Year 2003	120.00	20	10.2	0.5

DAC Consolidated Financial Statements

(1) DAC Consolidated Balance Sheet (Assets)

(Unit : Thousand Yen)

Items of an account	FY2003 fiscal year-end (As of Nov 30 , 2003)		FY2004 fiscal year-end (As of Nov 30 , 2004)	
	Amount	Ratio	Amount	Ratio
(Assets)		%		%
Current Assets				
1. Cash and deposits	1,978,623		2,511,651	
2. Accounts receivable-trade	1,378,501		2,056,318	
3. Marketable securities	2,715,432		2,466,814	
4. Other current assets	60,644		79,954	
Allowance for doubtful receivables	-5,604		-8,151	
Total current assets	6,127,597	76.4	7,106,588	81.1
Non-current assets				
1. Property, plant and equipment				
(1) Buildings	41,394		36,665	
(2) Other tangible assets	33,671	75,066	31,461	68,127
2. Intangible assets				
(1) Software	112,996		104,302	
(2) Software in progress	-		6,111	
(3) Other intangible assets	504	113,500	504	110,918
3. Investments and other assets				
(1) Investment securities	1,579,011		1,273,652	
(2) Other assets	132,757		211,550	
Allowance for doubtful receivables	-3,909	1,707,860	-3,890	1,481,312
Total non-current assets		1,896,427		1,660,357
Total assets		8,024,025		8,766,946
		100.0		100.0

DAC Consolidated Financial Statements

(2) DAC Consolidated Balance Sheet (Liabilities, Minority interest & Shareholders' equity)

(Unit : Thousand Yen)

Items of an account	FY2003 fiscal year-end (As of Nov 30, 2003)		FY2004 fiscal year-end (As of Nov 30, 2004)	
	Amount	Ratio	Amount	Ratio
(Liabilities)		%		%
Current liabilities				
1. Accounts payable-trade	1,497,433		2,273,272	
2. Accounts payable-others	95,127		123,625	
3. Income tax payable	90,260		316,198	
4. Warrant	3,578		2,860	
5. Other current liabilities	112,280		106,516	
Total current liabilities	1,798,678	22.4	2,822,474	32.2
Non-current liabilities				
1. Accrued retirement benefits	11,930		18,515	
2. Accrued retirement benefits to directors	44,601		54,768	
Total non-current liabilities	56,531	0.7	73,283	0.8
Total liabilities	1,855,210	23.1	2,895,757	33.0
(Minority interests)				
Minority interests	-	-	15,742	0.2
(Shareholders' equity)				
Common stock	3,253,470	40.6	3,289,235	37.5
Additional paid-in capital	2,690,485	33.5	2,711,035	30.9
Retained earnings	280,695	3.5	-111,561	-1.2
Unrealized gain on available-for-sale securities	33,963	0.4	11,636	0.1
Treasury stock	-89,800	-1.1	-44,900	-0.5
Total shareholders' equity	6,168,815	76.9	5,855,446	66.8
Total liabilities, minority interests and shareholders' equity	8,024,025	100.0	8,766,946	100.0

DAC Consolidated Statements of Income

(Unit : Thousand Yen)

Items of an account	FY2003 fiscal year-end (Dec.2002 thru Nov.2003)		FY2004 fiscal year-end (Dec.2003 thru Nov.2004)	
	Amount	Ratio	Amount	Ratio
		%		%
Gross Income	10,267,903	100.0	15,114,105	100.0
Cost of sales	8,700,544	84.7	12,970,458	85.8
Gross Profit	1,567,359	15.3	2,143,647	14.2
Selling, general and admin. expenses	1,191,141	11.6	1,452,117	9.6
Operating income	376,217	3.7	691,529	4.6
Non-operating income				
1. Interest and dividend income	33,388		31,332	
2. Gain on foreign currency exchange	-		2,575	
3. Others	2,423	0.3	6,982	0.3
Non-operating expenses				
1. Loss on foreign currency exchange	1,086		-	
2. Loss on equity securities	4,851		87,573	
3. Others	1,487	0.1	2,439	0.6
Ordinary income	404,604	3.9	642,408	4.3
Extraordinary income				
1. Profit from sale of investment securities	-		19,131	
2. Gain on change of equity securities	6,128	0.1	1,608	0.1
Extraordinary losses				
1. Loss on valuation of security	589		23,814	
2. Loss on disposal of fixed assets	16,981		380	
3. Loss on equity securities	-		616,577	
4. Amortization of consolidated adjustment accounts	4,206	0.2	-	640,772
Income before income taxes and minority interests	388,956	3.8	22,376	0.2
Provision for income taxes	98,917		406,423	
Deferred income taxes	8,162	1.1	-35,040	2.5
Minority interest	147	0.0	-6,513	-0.0
Net income	281,729	2.7	-342,493	-2.3

DAC Consolidated Statements of Cash Flows

(Unit : Thousand Yen)

Items of an account	FY2003 fiscal year-end (Dec 2002 thru Nov 2003)	FY2004 fiscal year-end (Dec 2003 thru Nov 2004)
	Amount	Amount
Cash flows from Operating Activities:		
Net cash provided by Operating Activities	621,692	748,864
Cash flows from Investing Activities:		
Net cash used by Investing Activities	-1,362,538	-564,864
Cash flows from Financing Activities		
Net cash provided by Financing Activities	-77,441	95,876
Foreign currency translation adjustments on cash and cash equivalents	-1,553	43
Net increase/decrease in cash and cash equivalents	-819,840	279,920
Cash and cash equivalents at beginning of term	4,513,643	3,693,803
Cash and cash equivalents at end of term	3,693,803	3,973,723