

# Digital Advertising Consortium Inc.

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

Financial Highlights of Fiscal Year 2006(December 1, 2005 to November 30, 2006)

## (1) Consolidated

	Gross billings		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
Fiscal Year 2006	32,328	( 27.4)	1,100	( -10.9)	1,069	( 18.3)	753	( 149.4)
Fiscal Year 2005	25,375	( 67.9)	1,235	( 78.7)	904	( 40.7)	302	( -)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal Year 2006	1,547.53	1,523.14
Fiscal Year 2005	562.45	552.47

## (2) Non-Consolidated

	Gross billings		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
Fiscal Year 2006	31,186	( 25.3)	1,060	( -11.2)	1,104	( -14.3)	747	( 5.9)
Fiscal Year 2005	24,882	( 67.1)	1,194	( 60.2)	1,288	( 64.4)	705	( 73.1)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal Year 2006	1,534.66	1,510.47
Fiscal Year 2005	1,395.86	1,371.08

( 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 equity	Equity ratio	Equity per share
	Mil.¥	Mil.¥	%	Yen
Fiscal Year 2006	12,483	7,565	55.7	14,264.34
Fiscal Year 2005	10,358	6,237	60.2	12,786.43

## (4) Non-consolidated financial position

	Total assets	Total equity	Equity ratio	Equity per share
	Mil.¥	Mil.¥	%	Yen
Fiscal Year 2006	12,138	8,102	66.7	16,611.50
Fiscal Year 2005	11,344	7,389	65.1	15,157.54

## (5) Dividends

	Cash dividends applicable to the year	Total Amount of dividends	Dividends payout ratio	Dividends on equity
	¥	Mil.¥	%	%
Fiscal Year 2006	180.00	87	11.7	1.1
Fiscal Year 2005	140.00	67	9.6	0.9

## DAC Consolidated Financial Statements

### (1) DAC Consolidated Balance Sheet

(Unit : Thousand Yen)

Items of an account	FY2005 of fiscal year end (As of Nov.30, 2005)		FY2006 of fiscal year end (As of Nov.30, 2006)	
	Amount	Ratio	Amount	Ratio
(Assets)		%		%
Current Assets				
1. Cash and deposits	2,812,617		3,085,421	
2. Accounts receivable-trade	2,958,256		3,637,562	
3. Marketable securities	1,958,570		1,730,743	
4. Other current assets	254,652		476,727	
Allowance for doubtful receivables	-1,445		-1,883	
Total currents assets	7,982,650	77.1	8,928,570	71.5
Non-current Assets				
1. Property, plant and equipment				
(1) Buildings	140,925		158,638	
(2) Other tangible assets	114,785	255,710	155,584	314,223
2. Intangible assets				
(1) Goodwill	-		595,207	
(2) Software	111,118		159,783	
(3) Software in progress	9,716		101,935	
(4) Other intangible assets	3,509	124,344	5,304	862,231
3. Investments and other assets				
(1) Investment securities	1,659,139		1,804,942	
(2) Other assets	340,408		766,687	
Allowance for doubtful receivables	-3,872	1,995,675	-193,036	2,378,593
Total non-current assets		2,375,731		3,555,047
Total assets		10,358,382		12,483,617
		100.0		100.0

(Unit : Thousand Yen)

Items of an account	FY2005 of fiscal year end (As of Nov.30,2005)		FY2006 of fiscal year end (As of Nov.30,2006)	
	Amount	Ratio	Amount	Ratio
(Liabilities)		%		%
Current liabilities				
1. Accounts payable-trade	3,254,441		3,274,021	
2. Short-term borrowings	-		50,000	
3. Current portion of Long-term borrowings	-		377,175	
4. Accounts payable-others	206,407		308,216	
5. Income tax payable	399,711		256,323	
6. Warrant	1,648			
7. Accrued bonuses for directors	-		30,000	
8. Other current liabilities	111,990		243,182	
Total current liabilities	3,974,199	38.4	4,538,918	36.4
Non-current liabilities				
1. Bonds payable	-		200,000	
2. Long-term borrowings	-		16,100	
3. Accrued retirement benefits	32,269		39,568	
4. Accrued retirement benefits for directors	68,048		82,779	
5. Allowance for given points			39,631	
6. Other Non-current liabilities			1,588	
Total non-current liabilities	100,317	1.0	379,667	3.0
Total liabilities	4,074,516	39.4	4,918,586	39.4

(Unit : Thousand Yen)

Items of an account	FY2005 of fiscal year end (As of Nov.30,2005)		FY2006 of fiscal year end (As of Nov.30,2006)	
	Amount	Ratio	Amount	Ratio
(Minority interests)		%		%
Minority interests	45,898	0.4		
(Shareholders' equity)				
Common stock	3,349,723	32.3		
Additional paid-in capital	2,769,390	26.7		
Retained earnings	129,902	1.3		
Unrealized gain on available-for-sale securities	24,421	0.2		
Treasury stock	-35,471	-0.3		
Total shareholders' equity	6,237,966	60.2		
Total liabilities, minority interests And shareholders' equity	10,358,382	100.0		
(Equity)				
Shareholder's equity				
1. Common stock			3,370,076	27.0
2. Additional paid-in capital			2,782,981	22.3
3. Retained earnings			785,569	6.3
4. Treasury stock			-15,266	-0.1
Total Shareholders' equity			6,923,362	55.5
Valuation, exchange difference				
1. Unrealized gain on available-for-sale securities			33,280	0.3
2. Foreign currency translation adjustments account			163	0.0
Total valuation, exchange difference			33,443	0.3
W a r r a n t			1,035	0.0
Minority interests			607,190	4.8
Total equity			7,565,031	60.6
Total liabilities and equity			12,483,617	100.0

## (2) DAC Consolidated Statements of Income

(Unit : Thousand Yen)

Items of an account	Fiscal year 2005 (Dec. 2004 thru Nov.2005)		Fiscal year 2006 (Dec. 2005 thru Nov.2006)	
	Amount	Ratio	Amount	Ratio
		%		%
Gross billings	25,375,978	100.0	32,328,113	100.0
Cost of sales	22,034,000	86.8	27,727,333	85.8
Gross profit	3,341,978	13.2	4,600,779	14.2
selling, general and admin.expenses	2,106,253	8.3	3,500,122	10.8
Operating income	1,235,724	4.9	1,100,657	3.4
Non-operating income				
1. Interest and dividend income	9,289		14,210	
2. Gain on valuation of securities	74,225		26,814	
3. Gain on foreign currency transaction	696		262	
4. Others	14,039	0.4	5,388	0.1
Non-operating expenses				
1. Interest expense			3,442	
2. Loss on equity securities	427,254		52,698	
3. Initial expense depreciation			10,950	
4. Others	2,683	1.7	10,555	0.2
Ordinary income	904,038	3.6	1,069,687	3.3
Extraordinary income				
1. Profit from sale of investment securities	-		45,628	
2. Reversal of allowance for doubtful receivables	6,724			
3. Gain on equity variation	-		193,618	
4. Others	6,724	0.0	21,461	0.8
Extraordinary losses				
1. Loss from devaluation of investment securities	36,564		51,016	
2. Loss on disposal of fixed assets	60,168		11,523	
3. Loss due to impairment	-		7,513	
4. Transfer to allowance for given points			22,237	
5. Others	96,733	0.4	10,505	0.3
Income before income taxes and minority interests	814,028	3.2	1,227,598	3.8
Provision for income taxes	563,521		521,794	
Deferred income taxes	51,858	2.0	73,490	1.4
Minority interests	156	0.0	25,656	0.1
Net income	302,209	1.2	753,638	2.3

## (3) DAC Consolidated Statements of Cash Flows

(Unit : Thousand Yen)

Items of an account	FY2005 fiscal year end (Dec 2004 thru Nov 2005)	FY2006 fiscal year end (Dec 2005 thru Nov 2006)
	Amount	Amount
Cash flows from Operating Activities:		
Net cash provided by Operating Activities	925,649	182,256
Cash flows from Investing Activities:		
Net cash used by Investing Activities	-1,143,012	-448,437
Cash flows from Financing Activities		
Net cash provided by Financing Activities	116,313	258,056
Foreign currency translation adjustments on cash and cash equivalents	1,885	151
Net increase/decrease in cash and cash equivalents	-99,164	-7,972
Cash and cash equivalents at beginning of Term	3,973,723	3,874,559
Cash and cash equivalents at beginning of Term of increase of consolidated subsidiaries		60,000
Cash and cash equivalents at end of term	3,874,559	3,926,586