

Digital Advertising Consortium Inc.

<http://www.dac.co.jp/>

Financial Highlights of Fiscal Year 2007(December 1, 2006 to November 30, 2007)

(1) Consolidated

	Net sales	Operating income	Ordinary income	Net income
	Mil.¥	Mil.¥	Mil.¥	Mil.¥
Fiscal Year 2007	38,688 (19.7)	1,303 (18.4)	1,328 (24.2)	583 (22.6)
Fiscal Year 2006	32,328 (27.4)	1,100 (-10.9)	1,069 (18.3)	753 (149.4)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal Year 2007	1,195.35	1,186.73
Fiscal Year 2006	1,547.53	1,523.14

(2) Non-Consolidated

	Net sales	Operating income	Ordinary income	Net income
	Mil.¥	Mil.¥	Mil.¥	Mil.¥
Fiscal Year 2007	36,090 (15.7)	1,451 (36.9)	1,476 (33.7)	-750 ()
Fiscal Year 2006	31,186 (25.3)	1,060 (-11.2)	1,104 (-14.3)	747 (5.9)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal Year 2007	-1,537.42	
Fiscal Year 2006	1,534.66	1,510.47

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 assets	Net assets ratio	Net assets per share
	Mil.¥	Mil.¥		Yen
Fiscal Year 2007	13,098	7,553	52.9	14,417.35
Fiscal Year 2006	12,483	7,565	55.7	14,264.34

(4) Non-consolidated financial position

	Total assets	Total net assets	Net assets ratio	Net assets per share
	Mil.¥	Mil.¥		Yen
Fiscal Year 2007	11,378	6,761	59.2	14,027.48
Fiscal Year 2006	12,138	8,102	66.7	16,611.50

(5) Dividends

	Cash dividends applicable to the year	Total Amount of dividends	Dividends payout ratio	Dividends on equity
	¥	Mil.¥		
Fiscal Year 2007	150.00	72	12.4	1.0
Fiscal Year 2006	180.00	87	11.7	1.1

DAC Consolidated Financial Statements

(1) DAC Consolidated Balance Sheet

(Unit Thousand Yen)

Items of an account	FY2006 of fiscal year end (As of Nov.30, 2006)		FY2007 of fiscal year end (As of Nov.30, 2007)	
	Amount	Ratio	Amount	Ratio
(Assets)		%		%
Current Assets				
1. Cash and deposits		3,085,421		4,383,409
2. Accounts receivable-trade		3,637,562		4,264,423
3. Marketable securities		1,730,743		391,107
4. Other current assets		476,727		784,965
Allowance for doubtful accounts		-1,883		-3,155
Total currents assets		8,928,570		9,820,751
		71.5		75.0
Non-current Assets				
1. Property, plant and equipment				
(1) Buildings	158,638		166,614	
(2) Other tangible fixed assets	155,584	314,223	219,120	385,735
		2.5		3.0
2. Intangible fixed assets				
(1) Goodwill	595,207		342,112	
(2) Software	159,783		261,774	
(3) Software in progress	101,935		88,178	
(4) Other intangible fixed assets	5,304	862,231	6,851	698,916
		6.9		5.3
3. Investments and other assets				
(1) Investment securities	1,804,942		1,625,364	
(2) Other assets	766,687		695,118	
Allowance for doubtful accounts	-193,036	2,378,593	-127,715	2,192,767
		19.1		16.7
Total non-current assets		3,555,047		3,277,418
		28.5		25.0
Total assets		12,483,617		13,098,170
		100.0		100.0

(Unit Thousand Yen)

Items of an account	FY2006 of fiscal year-end (As of Nov.30,2006)		FY2007 of fiscal year-end (As of Nov.30,2007)	
	Amount	Ratio	Amount	Ratio
(Liabilities)		%		%
Current liabilities				
1. Accounts payable-trade	3,274,021		4,025,644	
2. Short-term loans payable	50,000		91,899	
3. Current portion of bonds	-		200,000	
4. Current portion of Long-term loans payable	377,175		59,429	
5. Accounts payable-other	308,216		367,295	
6. Accounts payable-income taxes	256,323		176,420	
7. Reserve for directors' bonuses	30,000		30,000	
8. Other current liabilities	243,182		275,835	
Total current liabilities	4,538,918	36.4	5,226,524	39.9
Non-current liabilities				
1. Bonds	200,000		-	
2. Long-term loans payable	16,100		140,006	
3. Reserve for retirement benefits	39,568		62,220	
4. Reserve for directors' retirement benefits	82,779		95,013	
5. Reserve for given points	39,631		19,829	
6. Other Non-current liabilities	1,588		867	
Total non-current liabilities	379,667	3.0	317,936	2.4
Total liabilities	4,918,586	39.4	5,544,460	42.3
Net assets				
Shareholder's equity				
1. Capital stock	3,370,076	27.0	3,387,977	25.9
2. Capital surplus	2,782,981	22.3	2,800,445	21.4
3. Retained earnings	785,569	6.3	1,281,112	9.8
4. Treasury stock	-15,266	-0.1	-544,752	-4.2
Total shareholder's equity	6,923,362	55.5	6,924,783	52.9
Valuation, exchange difference				
1. Valuation difference on other investment securities	33,280	0.3	1,823	0.0
2. Foreign currency Translation adjustments account	163	0.0	281	0.0
Total valuation, exchange difference	33,443	0.3	2,105	0.0
Subscription rights to shares	1,035	0.0	22,243	0.2
Minority interests	607,190	4.8	604,577	4.6
Total net assets	7,565,031	60.6	7,553,709	57.7
Total liabilities and net assets	12,483,617	100.0	13,098,170	100.0

(2) DAC Consolidated Statements of Income

(Unit Thousand Yen)

Items of an account	Fiscal year 2006 (Dec. 2005 thru Nov.2006)		Fiscal year 2007 (Dec. 2006 thru Nov.2007)			
	Amount	Ratio	Amount	Ratio		
Net sales		32,328,113	100.0	38,688,514	100.0	
Cost of sales		27,727,333	85.8	32,728,249	84.6	
Gross profit		4,600,779	14.2	5,960,265	15.4	
selling, general and admin. expenses		3,500,122	10.8	4,657,049	12.0	
Operating income		1,100,657	3.4	1,303,216	3.4	
Non-operating income						
1. Interest income	6,025			25,054		
2. Dividends earned	8,185			21,003		
3. Valuation difference on investment securities	26,814			-		
4. Foreign exchange gains	262			966		
5. Equity in earnings of affiliates	-			824		
6. Others	5,388	46,676	0.1	5,633	53,482	0.1
Non-operating expenses						
1. Interest payable	3,442			6,821		
2. Equity in loss of affiliates	52,698			-		
3. Initial expense depreciation	10,950			-		
4. Valuation difference on investment securities	-			17,642		
4. Others	10,555	77,646	0.2	4,195	28,659	0.1
Ordinary income		1,069,687	3.3		1,328,039	3.4
Extraordinary income						
1. Gain on sales of investment securities	45,628			9,661		
2. Gain on equity variation	193,618			81,490		
3. Gain on sales of fixed assets	-			1,828		
4. Others	21,461	260,707	0.8	1,734	94,714	0.2
Extraordinary loss						
1. Loss on valuation of investment securities	51,016			78,111		
2. Loss on sales of investment securities	-			9,817		
3. Loss on retirement of fixed assets	11,523			32,000		
4. One-time amortization of goodwill	-			227,411		
5. Amortization of advance payments	-			92,390		
4. Impairment loss	7,513			-		
5. Provision of reserve for given points	22,237			-		
6. Others	10,505	102,796	0.3	23,286	463,017	1.1
Net income before income taxes and minority interests		1,227,598	3.8		959,736	2.5
Income taxes-current	521,794			436,122		
Income taxes-deferred	-73,490	448,304	1.4	47,178	483,301	1.2
Minority interests		25,656	0.1		-106,894	-0.2
Net income		753,638	2.3		583,329	1.5

(3) DAC Consolidated Statements of Cash Flows

(Unit Thousand Yen)

Items of an account	FY2006 fiscal year end (Dec 2005 thru Nov 2006)	FY2007 fiscal year end (Dec 2006 thru Nov 2007)
	Amount	Amount
Cash flows from Operating Activities: Net cash provided by Operating Activities	182,256	944,022
Cash flows from Investment Activities: Net cash used (provided) by Investment Activities	-448,437	297,092
Cash flows from Financing Activities Net cash provided (used) by Financing Activities	258,056	-514,160
Foreign currency translation adjustments on cash and cash equivalents	151	334
Net increase/decrease in cash and cash equivalents	-7,972	727,289
Cash and cash equivalents at beginning of Term	3,874,559	3,926,586
Cash and cash equivalents at beginning of Term of increase of consolidated subsidiaries	60,000	-
Cash and cash equivalents at end of term	3,926,586	4,653,876