

Digital Advertising Consortium Inc.

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

Financial Highlights of 2nd Quarter of Fiscal Year 2013 (April 1, 2012 to September 30, 2012) and 2nd Quarter of Fiscal Year 2012(April 1, 2011 to September 30, 2011)

(1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
2nd Quarter of FY 2013	44,008	(15.6)	798	(4.9)	843	(2.8)	268	(11.8)
2nd Quarter of FY 2012	38,062	(-)	839	(-)	867	(-)	304	(-)

	Earnings per share	Diluted earnings per share	Comprehensive Income	
	Yen	Yen	Mil.¥	%
2nd Quarter of FY 2013	553.61	545.85	198	(60.1)
2nd Quarter of FY 2012	586.73	581.28	497	(-)

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

Prior year comparison of 2nd Quarter of FY 2012 is not made because of the change in accounting periods.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Mil.¥	Mil.¥	%
2nd Quarter of FY 2013 (As of September 30,2012)	28,833	16,211	36.9
Fiscal Year 2012 (As of March 31,2012)	31,545	16,453	34.1

(3) Dividend per share

Record date	End of 1 st quarter	End of 2 nd quarter	End of 3 rd quarter	End of 4 th quarter	End of period	Annual dividend
	Yen	Yen	Yen	Yen	Yen	Yen
Fiscal Year 2012		0.00			600.00	600.00
Fiscal Year 2013		0.00				
Fiscal Year 2013 (expected)			TBD		TBD	TBD

(4) Consolidated earnings forecast of 3rd Quarter of Fiscal Year 2013(April 1,2012 to December 31,2012)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%	Yen
3rd Quarter of FY 2013	69,032	(14.6)	888	(47.0)	938	(45.3)	307	(59.4)	632.27
	~ 71,485	(18.7)	~ 1,130	(32.5)	~ 1,180	(31.2)	~ 438	(42.0)	~ 902.29

DAC Consolidated Financial Statements

(1)DAC Consolidated Balance Sheets

(Unit:Thousand Yen)

Items of an account	FY2012 (As of March 31, 2012)	2nd Quarter of FY2013 (As of September 30,2012)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	9,927,853	7,702,591
Notes and accounts receivable-trade	12,399,121	11,733,431
Short-term investment securities	704,752	501,014
Operational investment securities	1,002,177	829,465
Other	1,363,716	1,454,097
Allowance for doubtful accounts	-12,096	-10,698
Total current assets	25,385,523	22,209,901
Noncurrent assets		
Property, plant and equipment	605,424	814,517
Intangible assets		
Goodwill	914,291	802,559
Software	965,634	950,030
Software in progress	75,982	138,408
Other	20,084	19,869
Total intangible assets	1,975,993	1,910,867
Investments and other assets		
Investment securities	2,086,976	2,629,904
Guarantee deposits	1,132,855	910,719
Other	380,920	378,886
Allowance for doubtful accounts	-22,067	-21,330
Total investments and other assets	3,578,685	3,898,180
Total noncurrent assets	6,160,103	6,623,566
Total assets	31,545,626	28,833,467

(Unit:Thousand Yen)

Items of an account	FY2012 (As of March 31, 2012)	2nd Quarter of FY2013 (As of September 30,2012)
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable-trade	10,751,372	8,110,285
Short-term loans payable	419,500	437,420
Current portion of long-term loans payable	171,652	277,293
Accounts payable-other	1,361,002	805,313
Income taxes payable	599,196	436,822
Provision for bonuses	162,248	273,358
Provision for directors' bonuses	14,000	13,500
Other	791,441	1,117,332
Total current liabilities	14,270,414	11,471,325
Noncurrent liabilities		
Long-term loans payable	316,938	622,518
Provision for retirement benefits	237,571	252,521
Provision for point card certificates	40,971	49,613
Other	225,788	225,894
Total noncurrent liabilities	821,269	1,150,547
Total liabilities	15,091,683	12,621,873
Net assets		
Shareholders' equity		
Capital stock	4,031,837	4,031,837
Capital surplus	3,184,465	3,184,465
Retained earnings	4,928,342	4,905,795
Treasury stock	-1,626,980	-1,628,359
Total shareholders' equity	10,517,665	10,493,739
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	257,671	161,364
Deferred gains or losses on hedges	-	-671
Foreign currency translation adjustment	-9,213	-11,271
Total accumulated other comprehensive income	248,458	149,421
Subscription rights to shares	287,895	296,322
Minority interests	5,399,923	5,272,110
Total net assets	16,453,943	16,211,594
Total liabilities and net assets	31,545,626	28,833,467

(2)DAC Consolidated Statements of Income

(Unit:Thousand Yen)

Items of an account	2nd Quarter of FY2012 (April 1,2011 to September 30,2011)	2nd Quarter of FY2013 (April 1,2012 to September 30,2012)
	Amount	Amount
Net sales	38,062,505	44,008,029
Cost of sales	32,677,734	37,291,424
Gross profit	5,384,770	6,716,604
Selling, general and administrative expenses	4,544,963	5,918,219
Operating income	839,806	798,385
Non-operating income		
Interest income	1,517	4,903
Dividends income	11,987	12,848
Foreign exchange gains	733	-
Equity in earnings of affiliates	13,282	41,019
Other	7,038	16,992
Total non-operating income	34,558	75,763
Non-operating expenses		
Interest expenses	2,846	8,643
Commission fee	-	11,237
Foreign exchange losses	-	6,217
Loss on exit penalty	1,162	-
Other	2,810	5,043
Total non-operating expenses	6,819	31,142
Ordinary income	867,546	843,006
Extraordinary income		
Gain on sales of investment securities	12,957	65,712
Gain on transfer of business	18,037	-
Other	1,726	7,392
Total extraordinary income	32,721	73,105
Extraordinary loss		
Impairment loss	-	15,525
Stock selling cost	14,037	-
Loss on exit penalty	-	24,912
Other	5,110	9,144
Total extraordinary losses	19,147	49,582
Income before income taxes	881,120	866,529
Income taxes-current	448,203	462,805
Income taxes-deferred	-4,904	65,849
Income taxes	443,298	528,655
Income before minority interests	437,821	337,874
Minority interests in income	133,167	69,065
Net income	304,654	268,808

(3)DAC Consolidated statements of comprehensive income

(Unit:Thousand Yen)

Items of an account	2nd Quarter of FY2012 (April 1,2011 to September 30,2011)	2nd Quarter of FY2013 (April 1,2012 to September 30,2012)
	Amount	Amount
Income before minority interests	437,821	337,874
Other comprehensive income		
Valuation difference on available-for-sale securities	59,336	-135,287
Deferred gains or losses on hedges	-	-1,529
Foreign currency translation adjustment	776	-2,572
Other comprehensive income	60,112	-139,389
Comprehensive income	497,934	198,484
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	354,279	169,317
Comprehensive income attributable to minority interests	143,655	29,167

(4)DAC Consolidated statements of cash flows

(Unit:Thousand Yen)

Items of an account	2nd Quarter of FY2012 (April 1,2011 to September 30,2011)	2nd Quarter of FY2013 (April 1,2012 to September 30,2012)
	amount	amount
Net cash provided by (used in) operating activities		
Income before income taxes	881,120	866,529
Depreciation and amortization	186,406	314,101
Impairment loss	-	15,525
Amortization of goodwill	99,609	111,731
Increase (decrease) in allowance for doubtful accounts	-2,011	-2,248
Increase (decrease) in provision for retirement benefits	37,186	14,950
Increase (decrease) in provision for point card certificates	2,895	8,820
Increase (decrease) in provision for directors' bonuses	-43,560	-500
Loss (gain) on change in equity	-1,500	1,641
Loss (gain) on transfer of business	-18,037	-
Loss (gain) on sales and valuation of investment securities	-12,957	-64,940
Interest and dividends income	-13,505	-17,752
Interest expenses	2,846	8,643
Equity in (earnings) losses of affiliates	-13,282	-41,019
Loss (gain) on sales and retirement of noncurrent assets	4,149	1,995
Gain on reversal of subscription rights to shares	-	-7,128
Decrease (increase) in notes and accounts receivable-trade	804,439	666,750
Decrease (increase) in inventories	-36,830	11,851
Decrease (increase) in investment securities for sale	-	-18,277
Increase (decrease) in notes and accounts payable-trade	-168,715	-2,641,086
Increase (decrease) in accounts payable-other	-350,377	-325,939
Increase (decrease) in accrued consumption taxes	-4,982	175,410
Other, net	196,210	159,375
Subtotal	1,549,102	-761,565
Interest and dividends income received	13,501	19,380
Interest expenses paid	-2,850	-7,430
Income taxes paid	-581,335	-630,089
Net cash provided by (used in) operating activities	978,417	-1,379,704
Net cash provided by (used in) investing activities		
Payments into time deposits	-	-1,900,000
Proceeds from withdrawal of time deposits	-	1,050,000
Proceeds from redemption of securities	4,000	-
Purchase of property, plant and equipment	-77,695	-517,372
Proceeds from sales of property, plant and equipment	-	123
Purchase of intangible assets	-255,570	-294,201
Purchase of investment securities	-184,958	-61,156
Proceeds from sales and redemption of investment securities	23,820	111,094
Purchase of stocks of subsidiaries and affiliates	-140,000	-568,231
Proceeds from sales of stocks of subsidiaries and affiliates	85,050	-
Proceeds from transfer of business	4,000	-
Payments for guarantee deposits	-67,194	-4,693
Proceeds from collection of guarantee deposits	-	230,499
Collection of loans receivable	-	5,047
Purchase of insurance funds	-8,778	-8,778
Payments for liquidation of subsidiaries	-7,433	-
Other, net	306	-3,000
Net cash provided by (used in) investing activities	-624,454	-1,960,668
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	250,000	17,920
Proceeds from long-term loans payable	179,350	531,000
Repayment of long-term loans payable	-97,977	-119,779
Purchase of treasury stock	-1,300,000	-
Proceeds from stock issuance to minority shareholders	128,000	12,153
Proceeds from exercise of stock option	3,679	1,776
Cash dividends paid	-367,915	-294,072
Cash dividends paid to minority shareholders	-62,242	-74,540
Other, net	-1,560	-1,659
Net cash provided by (used in) financing activities	-1,268,665	72,799
Effect of exchange rate change on cash and cash equivalents	-9,328	-22,367
Net increase (decrease) in cash and cash equivalents	-924,030	-3,289,940
Cash and cash equivalents at beginning of period	7,841,908	9,573,605
Increase in cash and cash equivalents of merged previously non-consolidated subsidiary	-	10,941
Cash and cash equivalents at end of period	6,917,878	6,294,605