

## D.A.Consortium Inc.

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

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

### (1) Consolidated operating results

	Net sales	Operating income	Ordinary income	Net income
	Mil.¥ %	Mil.¥ %	Mil.¥ %	Mil.¥ %
2nd Quarter of FY 2013	48,332 ( 9.8)	637 ( 20.2)	654 ( 22.3)	1,009 ( 275.6)
2nd Quarter of FY 2012	44,008 ( 15.6)	798 ( 4.9)	843 ( 2.8)	268 ( 11.8)

	Earnings per share	Diluted earnings per share	Comprehensive Income
	Yen	Yen	Mil.¥ %
2nd Quarter of FY 2013	20.79	20.61	1,296 ( 553.0)
2nd Quarter of FY 2012	5.54	5.46	198 ( 60.1)

Note: On April 1, 2013, DAC conducted a 100-for-1 stock split for shareholders as of March 31, 2013. In addition, basic net income per share for fiscal years ended September 30, 2012 and September 30, 2013 was calculated assuming that said stock split was conducted at the beginning of the previous fiscal year.

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Mil.¥	Mil.¥	%
2nd Quarter of FY 2013 (As of September 30, 2013)	31,062	17,546	38.9
Fiscal Year 2012 (As of March 31, 2013)	31,344	16,472	36.0

(Reference) Capital: September 30, 2013: 12,096 million yen      March 31, 2013: 11,298 million yen

### (3) Dividend per share

Record date	End of 1 <sup>st</sup> quarter	End of 2 <sup>nd</sup> quarter	End of 3 <sup>rd</sup> quarter	End of period	Annual dividend
	Yen	Yen	Yen	Yen	Yen
Fiscal Year 2012		0.00		600.00	600.00
Fiscal Year 2013		0.00			
Fiscal Year 2013 (expected)					

Note: 1. Revisions of the forecasts of consolidated results since the latest announcement: No

Note: 2. On April 1, 2013, DAC conducted a 100-for-1 stock split for shareholders as of March 31, 2013.

The above figures for Fiscal Year 2012 are based on actual dividend paid before the stock split.

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

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Mil.¥ %	Mil.¥ %	Mil.¥ %	Mil.¥ %	Yen
3rd quarter of FY 2013	75,122(7.9)	1,133(10.4)	1,190(10.5)	1,201(128.0)	24.73
	~ 76,070(9.2)	~ 1,225(19.3)	~ 1,282(19.0)	~ 1,258(138.8)	~ 25.90
Fiscal Year 2013					

Note: Revisions of the forecasts of consolidated results since the latest announcement: No

DAC Consolidated Financial Statements

(1)DAC Consolidated Balance Sheets

(Unit:Thousands of Yen)

Items of an account	FY2012 (As of March 31, 2013)	2nd Quarter of FY2013 (As of September 30,2013)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	8,138,811	11,022,381
Notes and accounts receivable-trade	13,627,949	11,150,573
Short-term investment securities	501,014	-
Operational investment securities	681,463	693,681
Other	1,918,238	1,859,976
Allowance for doubtful accounts	-7,741	-4,517
Total current assets	24,859,737	24,722,096
Noncurrent assets		
Property, plant and equipment	844,695	772,242
Intangible assets		
Goodwill	697,162	586,643
Software	728,950	782,160
Software in progress	178,707	102,143
Other	28,311	27,556
Total intangible assets	1,633,131	1,498,504
Investments and other assets		
Investment securities	2,768,719	3,012,050
Guarantee deposits	913,386	790,366
Other	345,697	281,994
Allowance for doubtful accounts	-20,612	-15,035
Total investments and other assets	4,007,191	4,069,376
Total noncurrent assets	6,485,018	6,340,123
Total assets	31,344,755	31,062,219

(Unit: Thousand Yen)

Items of an account	FY2012 (As of March 31, 2013)	2nd Quarter of FY2013 (As of September 30, 2013)
	Amount	Amount
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	10,753,799	8,950,548
Short-term loans payable	295,000	1,100,000
Current portion of long-term loans payable	155,628	87,921
Current portion of bonds	30,600	-
Accounts payable-other	808,888	602,516
Income taxes payable	608,678	787,340
Provision for bonuses	374,844	318,411
Provision for directors' bonuses	25,200	1,500
Other	958,972	1,019,266
Total current liabilities	14,011,611	12,867,503
Noncurrent liabilities		
Bonds payable	59,400	-
Long-term loans payable	410,794	245,250
Provision for retirement benefits	268,873	-
Other	121,276	402,748
Total noncurrent liabilities	860,343	647,998
Total liabilities	14,871,954	13,515,502
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,031,837	4,031,837
Capital surplus	3,184,465	3,184,465
Retained earnings	5,441,672	6,159,937
Treasury stock	-1,628,474	-1,628,619
Total shareholders' equity	11,029,500	11,747,621
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	194,102	170,123
Foreign currency translation adjustment	74,442	179,147
Total accumulated other comprehensive income	268,545	349,270
Subscription rights to shares	242,771	255,564
Minority interests	4,931,983	5,194,261
Total net assets	16,472,800	17,546,717
Total liabilities and net assets	31,344,755	31,062,219

## (2)DAC Consolidated Statements of Income

(Unit:Thousands of Yen)

Items of an account	2nd Quarter of FY2012 (April 1,2012 to September 30,2012)	2nd Quarter of FY2013 (April 1,2013 to September 30,2013)
	Amount	Amount
Net sales	44,008,029	48,332,058
Cost of sales	37,291,424	41,645,319
Gross profit	6,716,604	6,686,738
Selling, general and administrative expenses	5,918,219	6,049,512
Operating income	798,385	637,226
Non-operating income		
Interest income	4,903	3,175
Dividends income	12,848	8,778
Equity in earnings of affiliates	41,019	-
Insurance premiums refunded cancellation	-	14,791
Other	16,992	18,349
Total non-operating income	75,763	45,095
Non-operating expenses		
Interest expenses	8,643	4,059
Commission fee	11,237	-
Equity in losses of affiliates	-	5,879
Foreign exchange losses	6,217	10,676
Loss on insurance cancellation	-	6,350
Other	5,043	473
Total non-operating expenses	31,142	27,438
Ordinary income	843,006	654,882
Extraordinary income		
Gain on sales of subsidiaries and affiliates' stocks	-	1,404,236
Other	73,105	50,985
Total extraordinary income	73,105	1,455,221
Extraordinary loss		
Impairment loss	15,525	9,975
Loss on exit penalty	24,912	-
Loss on abolishment of retirement benefit plan	-	12,360
Other	9,144	13,409
Total extraordinary losses	49,582	35,745
Income before income taxes	866,529	2,074,358
Income taxes-current	462,805	873,368
Income taxes-deferred	65,849	39,583
Income taxes	528,655	912,951
Income before minority interests	337,874	1,161,407
Minority interests in income	69,065	151,785
Net income	268,808	1,009,621

## (3)DAC Consolidated Statements of Comprehensive Income

(Unit:Thousands of Yen)

Items of an account	2nd Quarter of FY2012 (April 1,2012 to September 30,2012)	2nd Quarter of FY2013 (April 1,2013 to September 30,2013)
	Amount	Amount
Income before minority interests	337,874	1,161,407
Other comprehensive income		
Valuation difference on available-for-sale securities	-135,287	-7,387
Deferred gains or losses on hedges	-1,529	-
Foreign currency translation adjustment	-2,572	99,264
Share of other comprehensive income of associates accounted for using equity method	-	42,903
Other comprehensive income	-139,389	134,780
Comprehensive income	198,484	1,296,187
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	169,317	1,090,346
Comprehensive income attributable to minority interests	29,167	205,841

## (4)DAC Consolidated Statements of Cash Flows

(Unit:Thousands of Yen)

Items of an account	2nd Quarter of FY2012 (April 1,2012 to September 30,2012)	2nd Quarter of FY2013 (April 1,2013 to September 30,2013)
	amount	amount
Net cash provided by (used in) operating activities		
Income before income taxes	866,529	2,074,358
Depreciation and amortization	314,101	284,991
Impairment loss	15,525	9,975
Amortization of goodwill	111,731	106,516
Increase (decrease) in allowance for doubtful accounts	-2,248	908
Increase (decrease) in provision for retirement benefits	14,950	-268,873
Increase (decrease) in provision for point card certificates	8,820	-8,743
Increase (decrease) in provision for bonuses	111,109	-56,433
Increase (decrease) in provision for directors' bonuses	-500	-23,700
Interest and dividends income	-17,752	-11,954
Interest expenses	8,643	4,059
Equity in (earnings) losses of affiliates	-41,019	5,879
Loss (gain) on sales and retirement of noncurrent assets	1,995	3,275
Gain on reversal of subscription rights to shares	-7,128	-
Loss (gain) on sales and valuation of investment securities	-64,940	78
Loss (gain) on sales of stocks of subsidiaries and affiliates	-	-1,404,236
Loss (gain) on change in equity	1,641	-31,548
Decrease (increase) in notes and accounts receivable-trade	666,750	2,470,668
Decrease (increase) in advance payments	-188,578	-137,491
Decrease (increase) in inventories	11,851	-12,546
Decrease (increase) in investment securities for sale	-18,277	11,315
Increase (decrease) in notes and accounts payable-trade	-2,641,086	-1,806,570
Increase (decrease) in accounts payable-other	-325,939	-37,878
Increase (decrease) in deposits received	18,242	7,122
Increase (decrease) in accrued consumption taxes	175,410	198,258
Increase (decrease) in long-term accounts payable-other	-762	284,050
Other, net	219,362	53,153
Subtotal	-761,565	1,714,636
Interest and dividends income received	19,380	18,834
Interest expenses paid	-7,430	-4,373
Income taxes paid	-630,089	-657,475
Net cash provided by (used in) operating activities	-1,379,704	1,071,622
Net cash provided by (used in) investing activities		
Payments into time deposits	-1,900,000	-2,600,000
Proceeds from withdrawal of time deposits	1,050,000	2,034,555
Purchase of property, plant and equipment	-517,372	-89,234
Purchase of intangible assets	-294,201	-360,233
Purchase of investment securities	-61,156	-300,911
Proceeds from sales and redemption of investment securities	111,094	10,373
Purchase of stocks of subsidiaries and affiliates	-568,231	-19,762
Proceeds from sales of stocks of subsidiaries and affiliates	-	1,547,497
Payments for guarantee deposits	-4,693	-10,754
Proceeds from collection of guarantee deposits	230,499	47,343
Payments of loans receivable	-	-1,400
Collection of loans receivable	5,047	860
Purchase of insurance funds	-8,778	-4,401
Proceeds from cancellation of insurance funds	-	30,638
Other, net	-2,876	9,292
Net cash provided by (used in) investing activities	-1,960,668	293,861
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	17,920	850,000
Proceeds from long-term loans payable	531,000	-
Repayment of long-term loans payable	-119,779	-70,600
Proceeds from stock issuance to minority shareholders	12,153	3,400
Proceeds from exercise of stock option	1,776	121,867
Cash dividends paid	-294,072	-291,530
Cash dividends paid to minority shareholders	-74,540	-61,652
Other, net	-1,659	-5,374
Net cash provided by (used in) financing activities	72,799	546,109
Effect of exchange rate change on cash and cash equivalents	-22,367	63,552
Net increase (decrease) in cash and cash equivalents	-3,289,940	1,975,146
Cash and cash equivalents at beginning of period	9,573,605	6,595,701
Increase in cash and cash equivalents resulting from merger with subsidiaries and unconsolidated subsidiaries	10,941	-
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	-157,465
Cash and cash equivalents at end of period	6,294,605	8,413,381