

D. A. Consortium Inc.

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

1. Financial Highlights of Fiscal Year 2015 (April 1, 2015 to March 31, 2016) and Fiscal Year 2014 (April 1, 2014 to March 31, 2015)

(1) Consolidated Operating Results

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Mil. ¥	%	Mil. ¥	%	Mil. ¥	%	Mil. ¥	%
Fiscal Year 2015	144,980	(23.4)	5,062	(125.3)	4,974	(97.5)	2,026	(92.9)
Fiscal Year 2014	117,463	(11.5)	2,246	(13.4)	2,518	(24.8)	1,050	(△48.1)

Note: Comprehensive income:

March 31, 2016: 4,203 million yen (46.6%) March 31, 2015: 2,867 million yen (△3.0%)

	Net income per share		Diluted net income per share		Return on equity		Return on assets		Operating income margin	
	Yen	%	Yen	%	%	%	%	%	%	
Fiscal Year 2015	41.73		41.18		12.7		10.1		3.5	
Fiscal Year 2014	21.64		21.37		7.3		6.2		1.9	

(Reference) Equity in earnings (losses) of affiliates:

Fiscal year ended March 31, 2016: △80 million yen Fiscal year ended March 31, 2015: 206 million yen

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Mil. ¥	%	Mil. ¥	%	%	%	Yen	
Fiscal Year 2015 (As of March 31, 2016)	54,252		25,437		30.8		343.95	
Fiscal Year 2014 (As of March 31, 2015)	43,897		22,998		34.7		313.35	

(Reference) Capital: March 31, 2016: 16,706 million yen March 31, 2015: 15,215 million yen

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities		Net cash provided by (used in) investing activities		Net cash provided by (used in) financing activities		Cash and cash equivalents at end of period	
	Mil. ¥	%	Mil. ¥	%	Mil. ¥	%	Mil. ¥	
Fiscal Year 2015	4,634		△3,551		184		12,642	
Fiscal Year 2014	2,625		△2,264		1,020		11,421	

2. Dividends

	Dividend per share					Total Amount of dividends	Dividends payout ratio	Dividends to net assets ratio
	End of 1 st quarter	End of 2 nd quarter	End of 3 rd quarter	End of period	Annual			
	Yen	Yen	Yen	Yen	Yen	Mil. ¥	%	%
Fiscal Year 2014	—	0.00	—	8.00	8.00	388	37.0	2.7
Fiscal Year 2015	—	0.00	—	12.00	12.00	582	28.8	3.7
Fiscal Year 2016 (forecasts)	—	—	—	—	—		—	

Note: Dividends at the end of the second quarter and at the end of the Fiscal year 2016 have yet to be determined.

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2017

(from April 1, 2016 to March 31, 2017)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Mil. ¥	%	Mil. ¥	%	Mil. ¥	%	Mil. ¥	%	Yen
2nd Quarter of Fiscal Year 2016	—	—	—	—	—	—	—	—	—
Fiscal Year 2016	170,000	(17.3)	5,100	(0.7)	5,000	(0.5)	2,100	(3.6)	43.24

Note: Forecast for the cumulative second quarter of the Fiscal year 2016 is not available.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit:Thousands of Yen)

	FY2014 (As of March 31, 2015)	FY2015 (As of March 31, 2016)
Assets		
Current assets		
Cash and deposits	14,830,950	15,451,512
Notes and accounts receivable - trade	15,390,365	20,189,804
Operational investment securities	3,680,265	5,831,435
Other	2,154,922	2,316,393
Allowance for doubtful accounts	△6,792	△23,768
Total current assets	36,049,711	43,765,376
Non-current assets		
Property, plant and equipment		
Buildings	796,304	980,005
Accumulated depreciation	△351,475	△446,336
Buildings, net	444,828	533,668
Tools, furniture and fixtures	1,149,848	1,233,647
Accumulated depreciation	△779,711	△876,114
Tools, furniture and fixtures, net	370,137	357,533
Other	21,269	15,912
Accumulated depreciation	△9,920	△3,581
Other, net	11,349	12,331
Total property, plant and equipment	826,315	903,533
Intangible assets		
Goodwill	911,739	753,326
Software	910,367	1,234,844
Software in progress	261,062	411,491
Other	149,735	134,853
Total intangible assets	2,232,905	2,534,515
Investments and other assets		
Investment securities	3,243,272	5,279,573
Guarantee deposits	1,186,773	1,281,073
Other	374,532	504,248
Allowance for doubtful accounts	△15,684	△15,684
Total investments and other assets	4,788,893	7,049,210
Total non-current assets	7,848,114	10,487,259
Total assets	43,897,825	54,252,635

(Unit:Thousands of Yen)

	FY2014 (As of March 31, 2015)	FY2015 (As of March 31, 2016)
Liabilities		
Current liabilities		
Accounts payable - trade	12,428,078	16,955,324
Short-term loans payable	3,104,984	4,100,000
Current portion of long-term loans payable	82,466	222,584
Accounts payable - other	1,150,812	1,412,536
Income taxes payable	821,974	1,099,237
Provision for bonuses	737,385	983,261
Provision for directors' bonuses	59,322	98,682
Other	1,960,590	2,690,588
Total current liabilities	20,345,615	27,562,214
Non-current liabilities		
Long-term loans payable	127,996	845,082
Other	425,612	407,427
Total non-current liabilities	553,608	1,252,509
Total liabilities	20,899,224	28,814,724
Net assets		
Shareholders' equity		
Capital stock	4,031,837	4,031,837
Capital surplus	3,183,953	4,961,790
Retained earnings	7,876,217	7,006,457
Treasury shares	△1,625,008	△1,612,040
Total shareholders' equity	13,467,000	14,388,044
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,367,197	2,070,176
Foreign currency translation adjustment	381,686	248,015
Total accumulated other comprehensive income	1,748,884	2,318,192
Subscription rights to shares	197,981	223,757
Non-controlling interests	7,584,736	8,507,917
Total net assets	22,998,601	25,437,911
Total liabilities and net assets	43,897,825	54,252,635

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
 Consolidated Statements of Income

(Unit : Thousands of Yen)

	FY2014 (April 1, 2014 to March 31, 2015)	FY2015 (April 1, 2015 to March 31, 2016)
Net sales	117,463,668	144,980,127
Cost of sales	101,063,641	124,424,985
Gross profit	16,400,027	20,555,142
Selling, general and administrative expenses	14,153,631	15,492,955
Operating income	2,246,396	5,062,187
Non-operating income		
Interest income	10,172	15,836
Dividend income	15,004	13,188
Share of profit of entities accounted for using equity method	206,875	—
Foreign exchange gains	51,078	—
Subsidy income	7,752	20,935
Other	24,665	23,807
Total non-operating income	315,549	73,767
Non-operating expenses		
Interest expenses	17,144	18,953
Amortization of deferred organization expenses	7,398	—
Rent expenses on real estates	5,006	—
Foreign exchange losses	—	52,206
Share of loss of entities accounted for using equity method	—	80,580
Other	14,205	9,910
Total non-operating expenses	43,754	161,650
Ordinary income	2,518,191	4,974,304
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	141,593	360,244
Other	715,279	41,019
Total extraordinary income	856,872	401,263
Extraordinary losses		
Loss on sales of investment securities	413,636	—
Loss on valuation of investment securities	—	162,336
Impairment loss	26,810	116,270
Loss on retirement of non-current assets	42,613	105,946
Other	357,784	128,816
Total extraordinary losses	840,845	513,369
Profit before income taxes	2,534,218	4,862,199
Income taxes - current	1,077,178	1,587,923
Income taxes - deferred	△159,800	△60,747
Total income taxes	917,378	1,527,175
Profit	1,616,839	3,335,023
Profit attributable to non-controlling interests	566,154	1,308,459
Profit attributable to owners of parent	1,050,685	2,026,564

Consolidated Statements of Comprehensive Income

(Unit:Thousands of Yen)

	FY2014 (April 1, 2014 to March 31, 2015)	FY2015 (April 1, 2015 to March 31, 2016)
Profit	1,616,839	3,335,023
Other comprehensive income		
Valuation difference on available-for-sale securities	1,015,870	1,029,323
Foreign currency translation adjustment	201,493	△91,755
Share of other comprehensive income of entities accounted for using equity method	32,939	△68,896
Total other comprehensive income	1,250,302	868,671
Comprehensive income	2,867,142	4,203,694
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,161,973	2,595,872
Comprehensive income attributable to non-controlling interests	705,168	1,607,822

(3) Statements of Changes In Equity
 FY2014 (April 1, 2014–March 31, 2015)

(Unit : Thousands of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,031,837	3,183,953	7,172,980	△1,624,753	12,764,018
Cumulative effects of changes in accounting policies					
Restated balance	4,031,837	3,183,953	7,172,980	△1,624,753	12,764,018
Changes of items during period					
Dividends of surplus			△291,389		△291,389
Profit attributable to owners of parent			1,050,685		1,050,685
Change of scope of equity method			△56,058		△56,058
Purchase of treasury shares				△255	△255
Disposal of treasury shares					—
Capital increase of consolidated subsidiaries					—
Purchase of shares of consolidated subsidiaries					—
Purchase of treasury shares of consolidated subsidiaries					—
Exercise of subscription rights to shares of consolidated subsidiaries					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	703,236	△255	702,981
Balance at end of current period	4,031,837	3,183,953	7,876,217	△1,625,008	13,467,000

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	412,599	224,996	637,595	209,897	6,433,548	20,045,060
Cumulative effects of changes in accounting policies						
Restated balance	412,599	224,996	637,595	209,897	6,433,548	20,045,060
Changes of items during period						
Dividends of surplus						△291,389
Profit attributable to owners of parent						1,050,685
Change of scope of equity method						△56,058
Purchase of treasury shares						△255
Disposal of treasury shares						—
Capital increase of consolidated subsidiaries						—
Purchase of shares of consolidated subsidiaries						—
Purchase of treasury shares of consolidated subsidiaries						—
Exercise of subscription rights to shares of consolidated subsidiaries						—
Net changes of items other than shareholders' equity	954,598	156,690	1,111,288	△11,916	1,151,187	2,250,559
Total changes of items during period	954,598	156,690	1,111,288	△11,916	1,151,187	2,953,541
Balance at end of current period	1,367,197	381,686	1,748,884	197,981	7,584,736	22,998,601

FY2015 (April 1, 2015–March 31, 2016)

(Unit : Thousands of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,031,837	3,183,953	7,876,217	△1,625,008	13,467,000
Cumulative effects of changes in accounting policies		2,101,575	△2,474,028		△372,453
Restated balance	4,031,837	5,285,528	5,402,189	△1,625,008	13,094,547
Changes of items during period					
Dividends of surplus			△388,519		△388,519
Profit attributable to owners of parent			2,026,564		2,026,564
Change of scope of equity method			△33,777		△33,777
Purchase of treasury shares					—
Disposal of treasury shares		△1,555		12,967	11,412
Capital increase of consolidated subsidiaries		30,920			30,920
Purchase of shares of consolidated subsidiaries		△8,229			△8,229
Purchase of treasury shares of consolidated subsidiaries		△326,527			△326,527
Exercise of subscription rights to shares of consolidated subsidiaries		△18,346			△18,346
Net changes of items other than shareholders' equity					
Total changes of items during period	—	△323,737	1,604,267	12,967	1,293,497
Balance at end of current period	4,031,837	4,961,790	7,006,457	△1,612,040	14,388,044

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	1,367,197	381,686	1,748,884	197,981	7,584,736	22,998,601
Cumulative effects of changes in accounting policies					△2,103	△374,556
Restated balance	1,367,197	381,686	1,748,884	197,981	7,582,632	22,624,044
Changes of items during period						
Dividends of surplus						△388,519
Profit attributable to owners of parent						2,026,564
Change of scope of equity method						△33,777
Purchase of treasury shares						—
Disposal of treasury shares						11,412
Capital increase of consolidated subsidiaries						30,920
Purchase of shares of consolidated subsidiaries						△8,229
Purchase of treasury shares of consolidated subsidiaries						△326,527
Exercise of subscription rights to shares of consolidated subsidiaries						△18,346
Net changes of items other than shareholders' equity	702,979	△133,671	569,308	25,776	925,285	1,520,369
Total changes of items during period	702,979	△133,671	569,308	25,776	925,285	2,813,867
Balance at end of current period	2,070,176	248,015	2,318,192	223,757	8,507,917	25,437,911

(4) Consolidated Statements of Cash Flows

(Unit:Thousands of Yen)

	FY2014 (April 1, 2014 to March 31, 2015)	FY2015 (April 1, 2015 to March 31, 2016)
Cash flows from operating activities		
Profit before income taxes	2,534,218	4,862,199
Depreciation	566,193	715,264
Amortization of goodwill	275,214	216,468
Increase (decrease) in allowance for doubtful accounts	7,564	16,975
Increase (decrease) in provision for bonuses	101,803	245,876
Increase (decrease) in provision for directors' bonuses	33,322	39,359
Interest and dividend income	△25,177	△29,024
Interest expenses	17,144	18,953
Share of (profit) loss of entities accounted for using equity method	△206,875	80,580
Loss (gain) on sales of shares of subsidiaries and associates	△141,593	△360,244
Loss (gain) on sales and valuation of investment securities	△52,633	162,336
Impairment loss	26,810	116,270
Loss (gain) on sales and retirement of non-current assets	43,076	111,637
Decrease (increase) in notes and accounts receivable - trade	△1,377,384	△4,687,664
Decrease (increase) in investment securities for sale	35,231	△495,837
Increase (decrease) in notes and accounts payable - trade	1,004,867	4,481,712
Increase (decrease) in accounts payable - other	74,939	155,346
Other, net	998,160	287,289
Subtotal	3,914,883	5,937,500
Interest and dividend income received	32,518	36,153
Interest expenses paid	△11,827	△24,112
Income taxes paid	△1,310,159	△1,314,819
Net cash provided by (used in) operating activities	2,625,413	4,634,722
Cash flows from investing activities		
Payments into time deposits	△7,000,000	△6,500,000
Proceeds from withdrawal of time deposits	6,200,000	7,100,000
Purchase of property, plant and equipment	△343,563	△334,595
Purchase of intangible assets	△586,579	△1,049,773
Purchase of investment securities	△751,630	△2,863,507
Proceeds from sales and redemption of investment securities	860,621	565,280
Purchase of shares of subsidiaries resulting in change in scope of consolidation	△245,441	△389,747
Payments for guarantee deposits	△546,948	△154,554
Proceeds from collection of guarantee deposits	159,286	59,704
Payments of loans receivable	△14,895	△398
Collection of loans receivable	11,654	6,125
Other, net	△6,842	9,838
Net cash provided by (used in) investing activities	△2,264,339	△3,551,628

(Unit:Thousands of Yen)

	FY2014 (April 1, 2014 to March 31, 2015)	FY2015 (April 1, 2015 to March 31, 2016)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,000,000	1,000,000
Proceeds from long-term loans payable	—	1,059,426
Repayments of long-term loans payable	△84,245	△221,472
Payments for specified fund trust of treasury stock of subsidiaries	—	△1,503,240
Proceeds from specified fund trust of treasury stock of subsidiaries	—	307,418
Proceeds from share issuance to non-controlling shareholders	36,744	137,899
Proceeds from exercise of share options	21,008	31,821
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	389,130	—
Cash dividends paid	△291,636	△390,047
Dividends paid to non-controlling interests	△44,913	△227,515
Other, net	△5,136	△9,704
Net cash provided by (used in) financing activities	1,020,951	184,585
Effect of exchange rate change on cash and cash equivalents	57,754	△47,118
Net increase (decrease) in cash and cash equivalents	1,439,780	1,220,561
Cash and cash equivalents at beginning of period	9,982,170	11,421,950
Cash and cash equivalents at end of period	11,421,950	12,642,512