



FY2015 Full Year Financial Results Briefing

D.A.C Consortium Inc.

May 12, 2016

- Overview of Financial Results
(Consolidated/Non-consolidated)
- Business Trends
- Key Measures

Overview of Consolidated Financial Results

Financial Highlights (Consolidated)

(Millions of Yen)

	FY2015-4Q			
	Quarterly (Jan. 2016 to Mar. 2016)		Accumulated (Apr. 2015 to Mar. 2016)	
		Y on Y		Y on Y
Sales	41,478	134.0%	144,980	123.4%
Gross Profit	5,588	132.0%	20,555	125.3%
Operating Income	1,294	389.1%	5,062	225.3%
Profit Attributable to Owners of Parent	338	x49.7	2,026	192.9%
EBITDA	1,571	282.2%	5,993	194.1%
Operating Margin*	23.2%	+15.3pt	24.6%	+10.9pt
Dividend Forecast	-	-	¥12	+¥4

*Operating Margin=Operating Income / Gross Profit

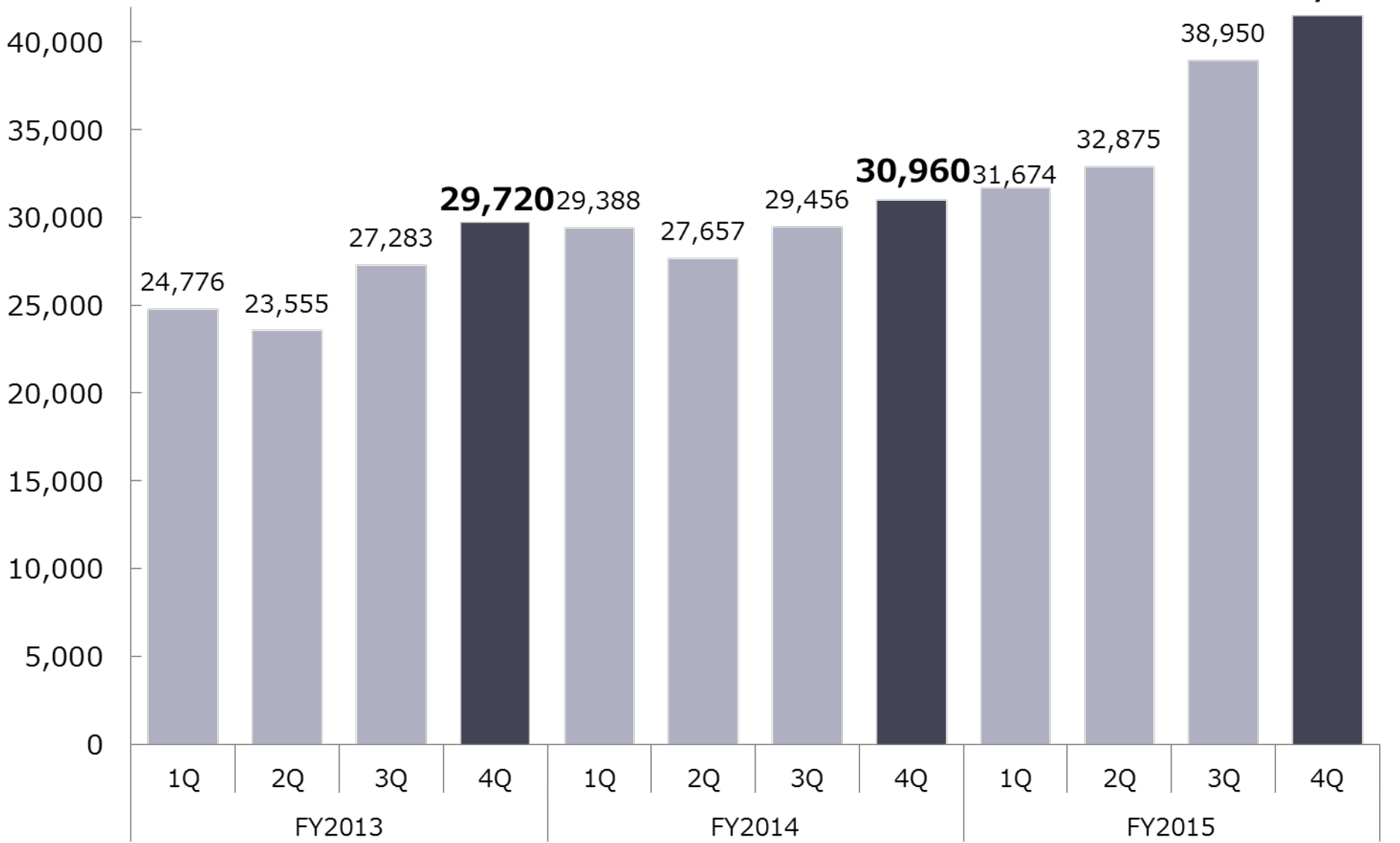
FY2015 Business Forecast and Results (Consolidated)

(Millions of Yen)

	FY2015 (Apr. 2015 to Mar. 2016)		
	Forecasts	Results	Differences
Sales	143,500	144,980	+1,480
Operating Income	4,400	5,062	+662
Ordinary Income	4,400	4,974	+574
Profit Attributable to Owners of Parent	1,800	2,026	+226
Net Income per Share	¥37.07	¥41.73	+¥4.66

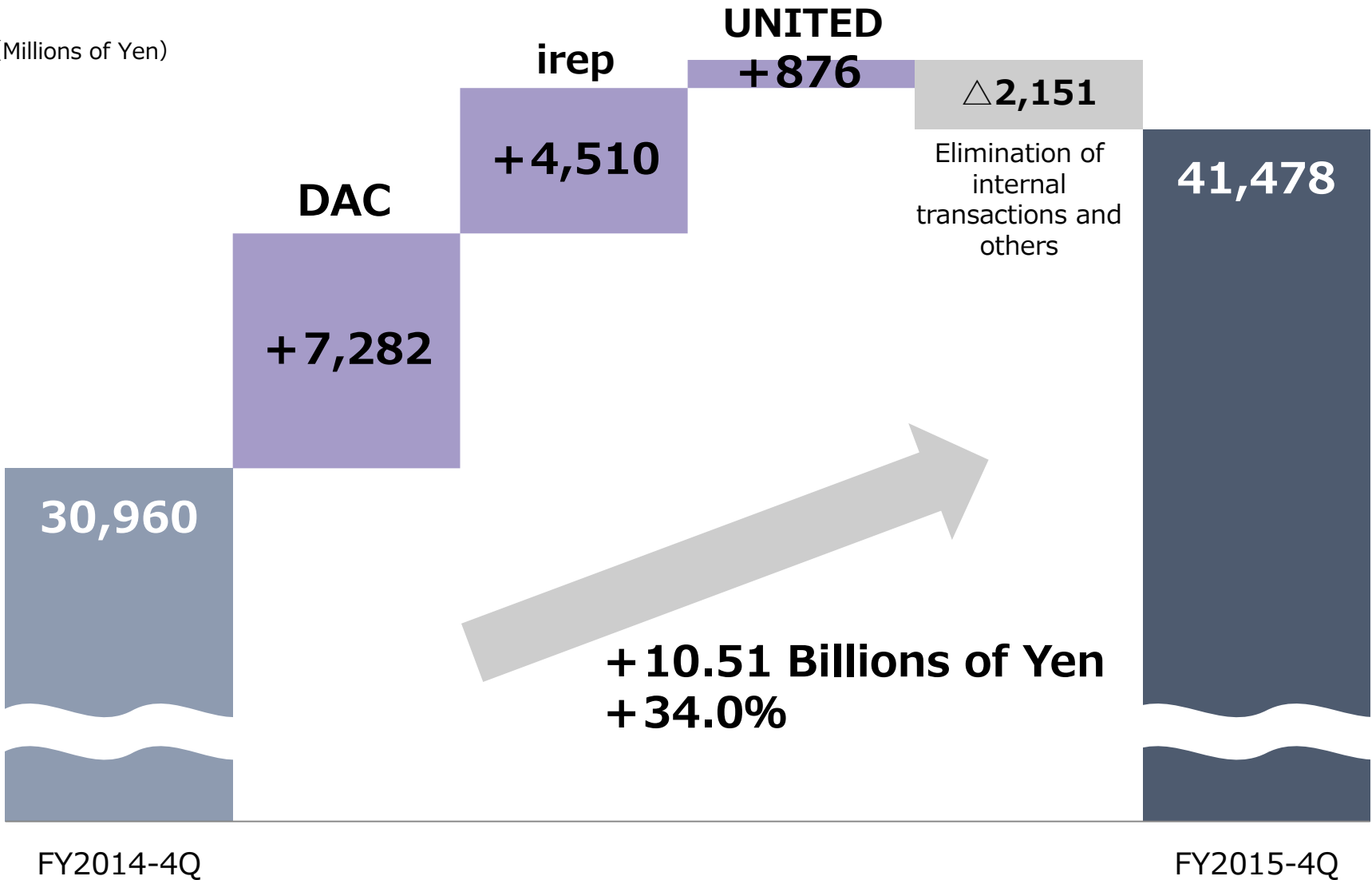
Quarterly Sales (Consolidated)

(Millions of Yen)



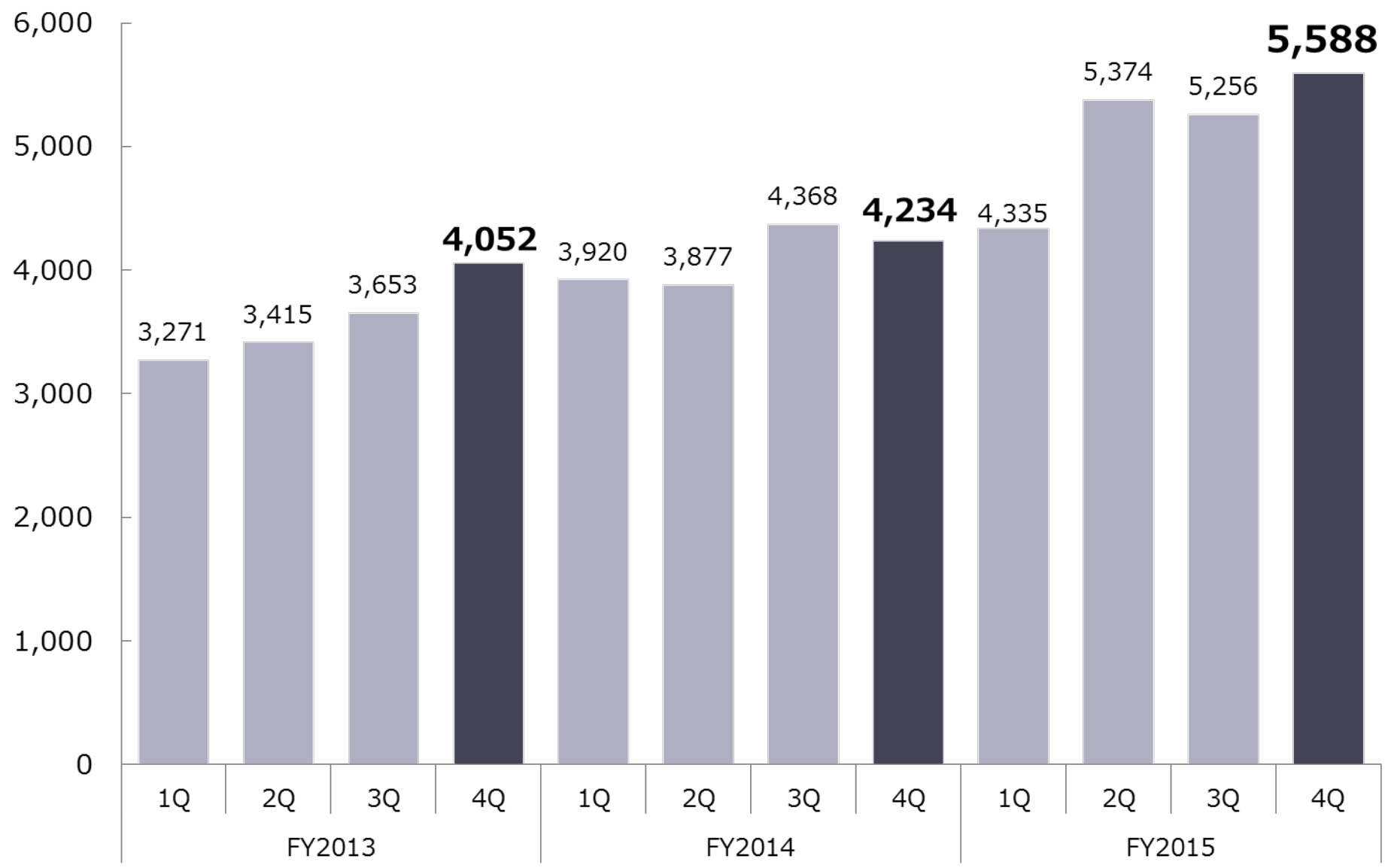
Increase Factor of Sales (Year on Year)

(Millions of Yen)



Quarterly Gross Profit (Consolidated)

(Millions of Yen)



Results by Domain (Consolidated)

	FY2014-4Q Accumulated (Apr. 2014 to Mar. 2015)		FY2015-4Q Accumulated (Apr. 2015 to Mar. 2016)		
Sales	Sales (Millions of Yen)	%	Sales (Millions of Yen)	%	Y on Y (%)
Internet-related Business	117,251	99.8	142,866	98.5	121.8
Agent Domain	105,638	89.9	130,915	90.3	123.9
Media and DAS Domain	13,925	11.9	13,897	9.6	99.8
Adjustment between Domains	△2,312	△2.0	△1,946	△1.3	—
Investment Business	212	0.2	2,114	1.5	x10.0
TOTAL	117,463	100.0	144,980	100.0	123.4

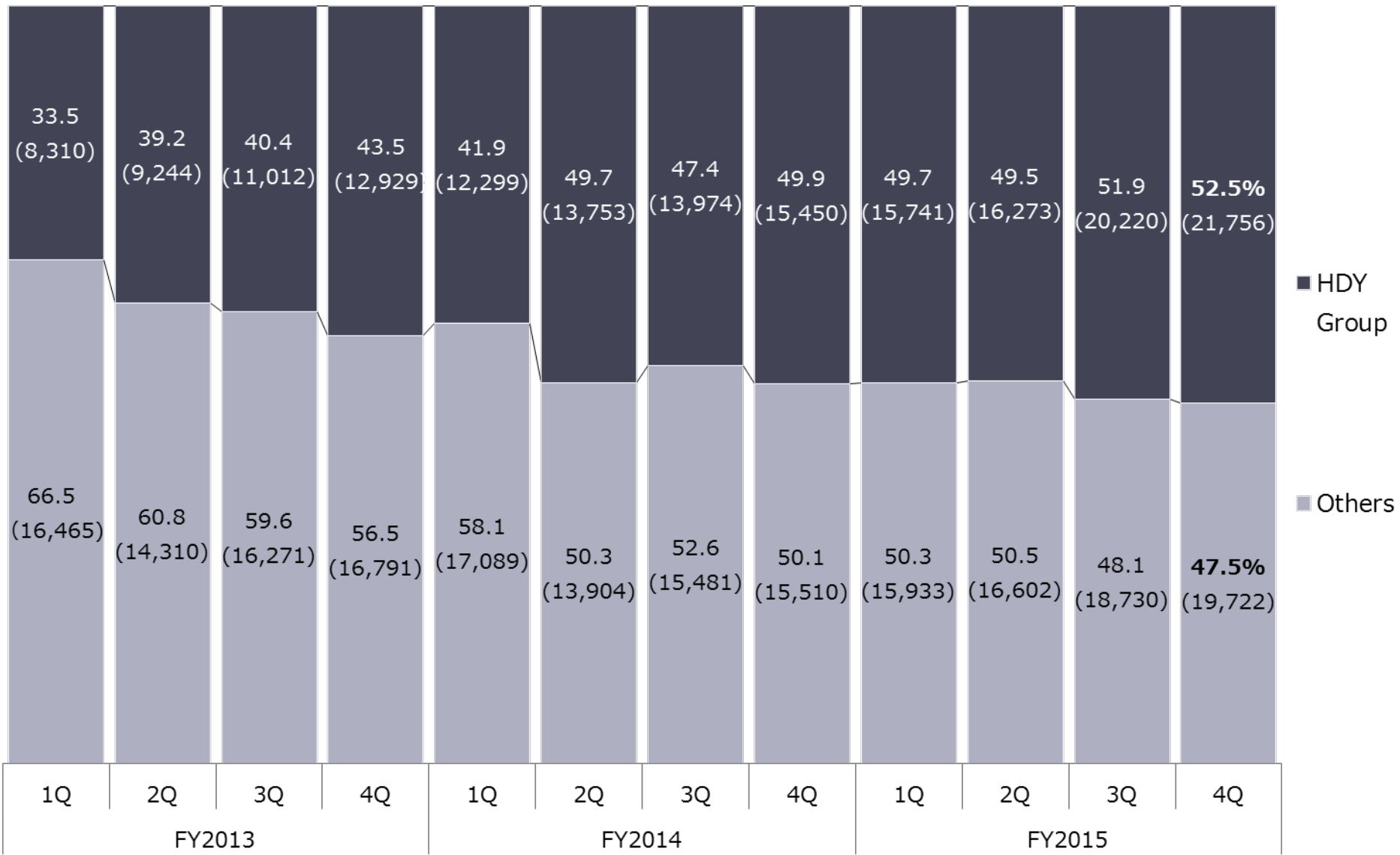
	Gross Profit (Millions of Yen)	%	Gross Profit (Millions of Yen)	%	Y on Y (%)
Internet-related Business	16,231	99.0	18,517	90.1	114.1
Agent Domain	10,697	65.2	13,145	64.0	122.9
Media and DAS Domain	5,716	34.9	5,569	27.1	97.4
Adjustment between Domains	△182	△1.1	△197	△1.0	—
Investment Business	168	1.0	2,037	9.9	x12.1
TOTAL	16,400	100.0	20,555	100.0	125.3

Sales to HDY Group and Others (Consolidated)

	FY2014-4Q Accumulated (Apr. 2014 to Mar. 2015)		FY2015-4Q Accumulated (Apr. 2015 to Mar. 2016)		
	Sales (Millions of Yen)	Share (%)	Sales (Millions of Yen)	Share (%)	Y on Y (%)
Hakuhodo DY Group	55,477	47.2	73,992	51.0	133.4
Others	61,986	52.8	70,987	49.0	114.5
TOTAL	117,463	100.0	144,980	100.0	123.4

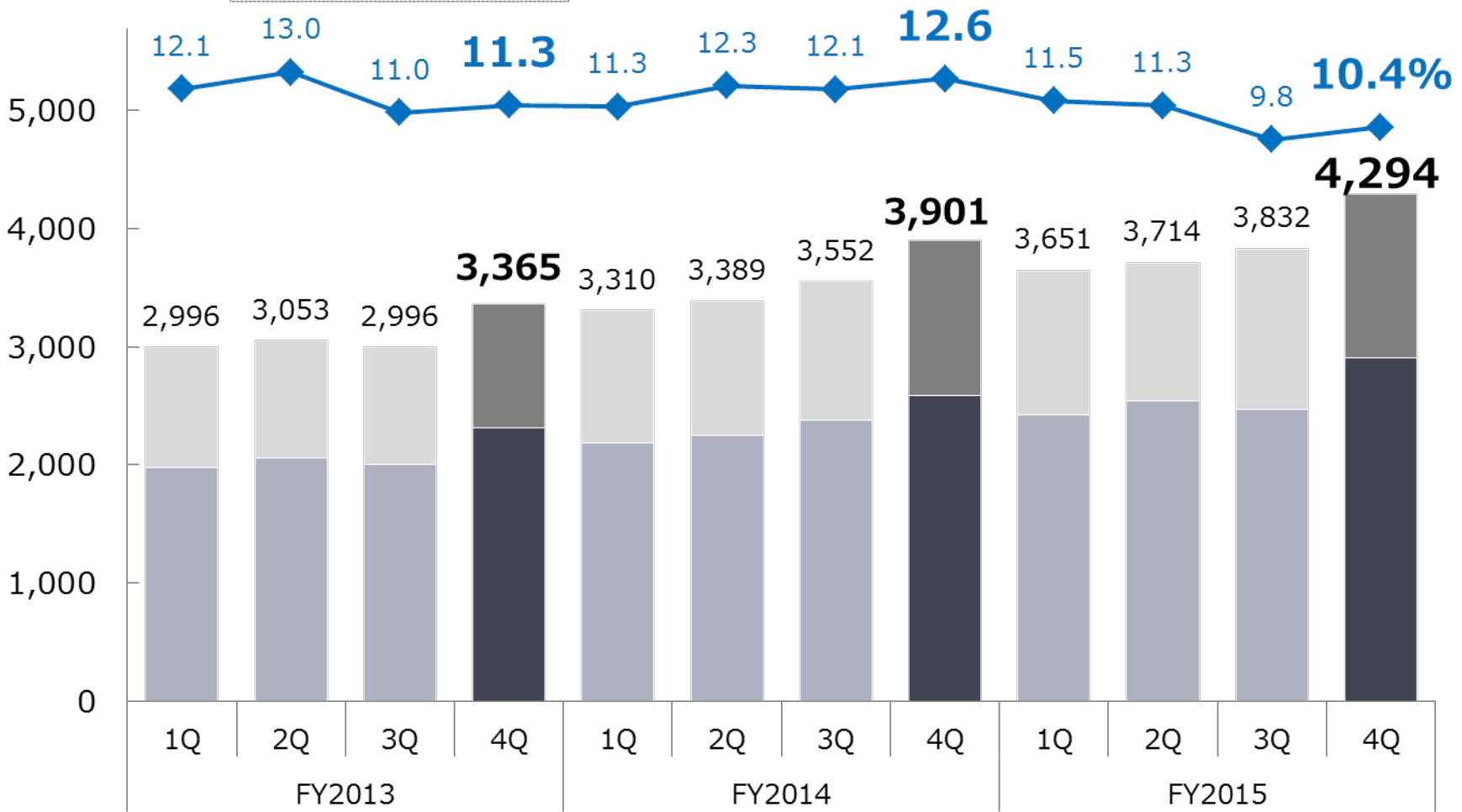
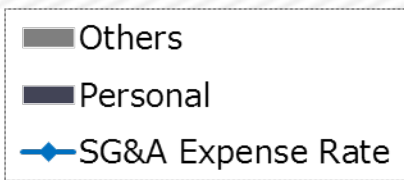
Sales to HDY Group and Others (Consolidated)

(% / Millions of Yen)



Quarterly SG&A Expenses (Consolidated)

(Millions of Yen)

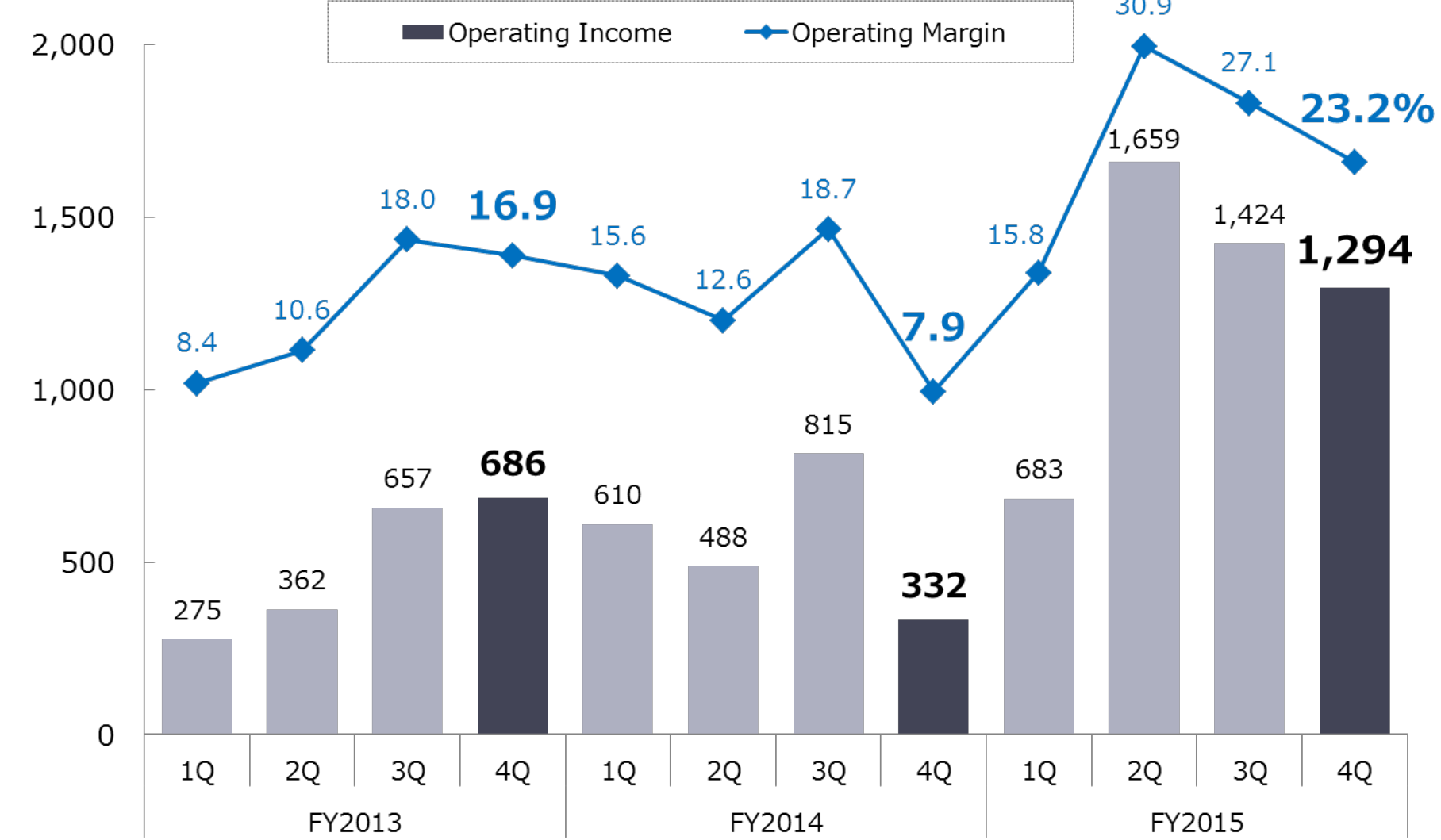


Number of Employees* 1,986 → 2,175

*Total number of directors, employees, temporary employees, etc.

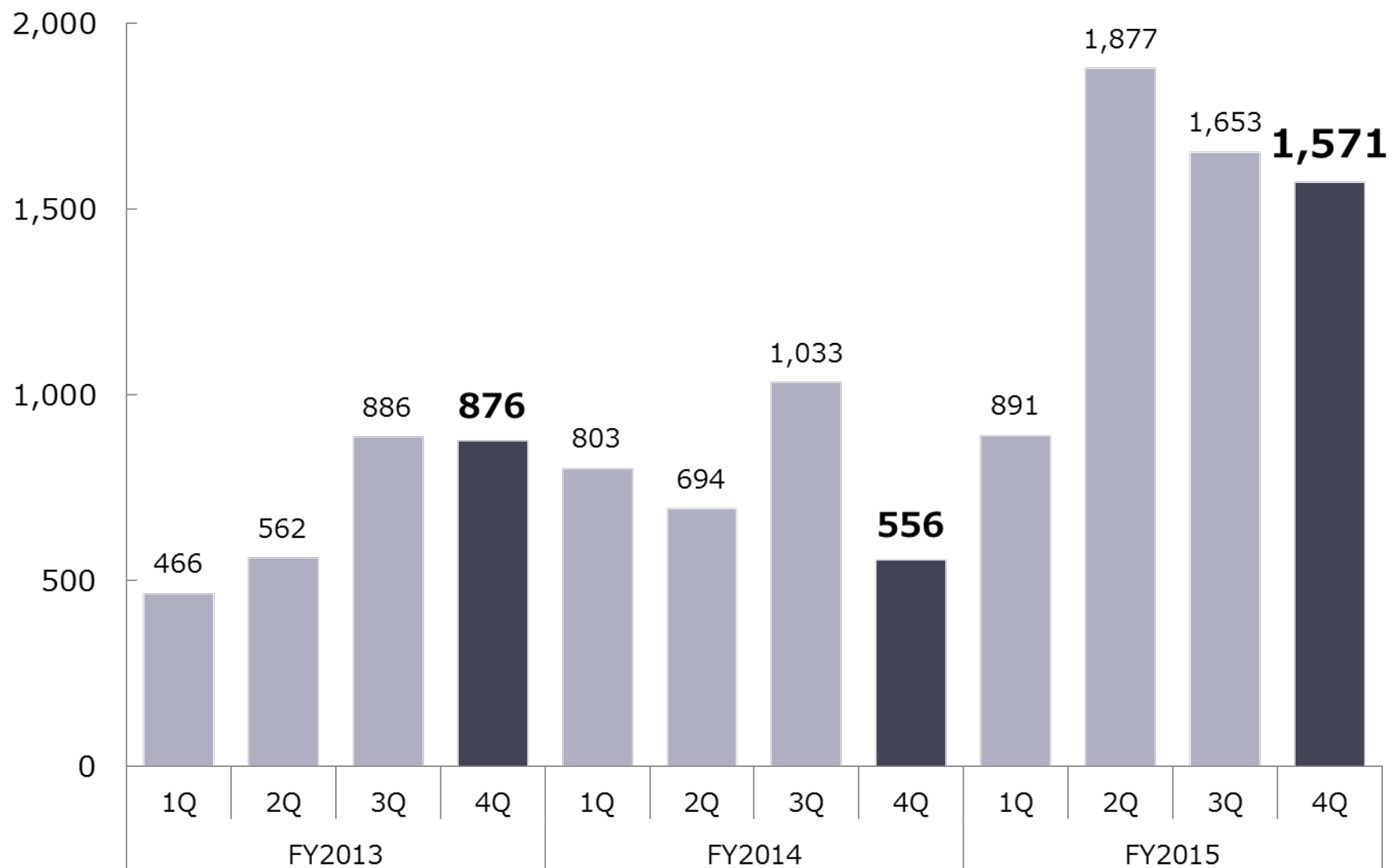
Quarterly Operating Income (Consolidated)

(Millions of Yen)



Quarterly EBITDA (Consolidated)

(Millions of Yen)



*EBITDA=Operating Profit + Depreciation + Amortization of goodwill

Balance Sheets (Consolidated)

	FY2014 (As of Mar.31, 2015)		FY2015 (As of Mar.31, 2016)		
	Amount (Millions of Yen)	%	Amount (Millions of Yen)	%	Comparisons (%)
Current Assets	36,049	82.1	43,765	80.7	121.4
Non-current Assets	7,848	17.9	10,487	19.3	133.6
Total Assets	43,897	100.0	54,252	100.0	123.6
Current Liabilities	20,345	46.3	27,562	50.8	135.5
Non-current Liabilities	553	1.3	1,252	2.3	226.2
Total Liabilities	20,899	47.6	28,814	53.1	137.9
Shareholders' Equity	13,467	30.7	14,388	26.5	106.8
Non-controlling Interests	7,584	17.3	8,507	15.7	112.2
Others	1,946	4.4	2,541	4.7	130.5
Total Net Assets	22,998	52.4	25,437	46.9	110.6
Total Liabilities and Net Assets	43,897	100.0	54,252	100.0	123.6

Statements of Cash Flows (Consolidated)

(Millions of Yen)

	FY2015 (Apr. 2015 to Mar. 2016)
Cash flows from operating activities	4,634
Cash flows from investing activities	△3,551
Cash flows from financing activities	184
Effect of exchange rate change on cash and cash equivalents	△47
Net increase (decrease) in cash and cash equivalents	1,220
Cash and cash equivalents at beginning of period	11,421
Cash and cash equivalents at end of period	12,642

FY2016 Business Forecast (Consolidated)

(Millions of Yen)

	FY2015 (Apr. 2015 to Mar. 2016)	FY2016 (Apr. 2016 to Mar. 2017)	
	Results	Forecasts	Y on Y
Sales	144,980	170,000	117.3%
Operating Income	5,062	5,100	100.7%
Ordinary Income	4,974	5,000	100.5%
Profit Attributable to Owners of Parent	2,026	2,100	103.6%
Net Income per Share	¥41.73	¥43.24	+¥1.51

Overview of Non-consolidated Financial Results

Financial Highlights (Non-consolidated)

(Millions of Yen)

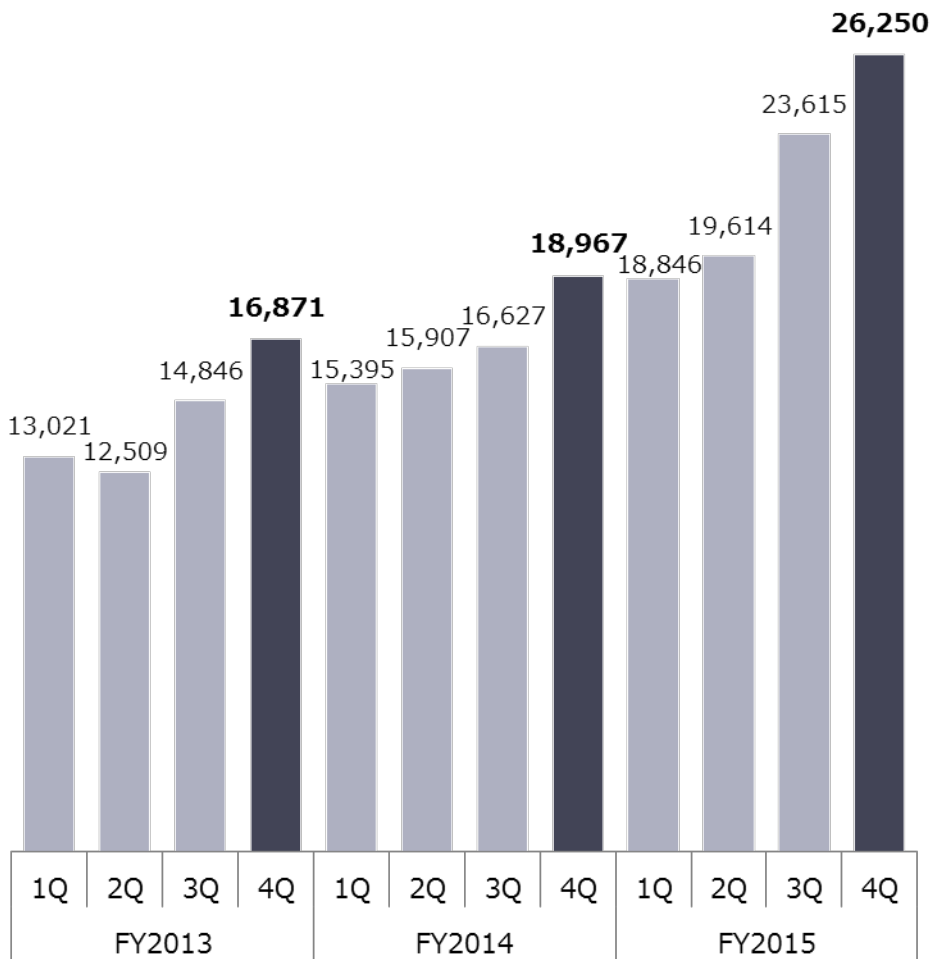
	FY2016-4Q			
	Quarterly (Jan. 2016 to Mar. 2016)		Accumulated (Apr. 2015 to Mar. 2016)	
		Y on Y		Y on Y
Sales	26,250	138.4%	88,326	132.0%
Gross Profit	2,241	142.8%	7,694	139.9%
Operating Income	464	150.6%	1,600	179.4%
Net Income	△25	–	1,121	105.4%
Operating Margin*	20.7%	+1.1pt	20.8%	+4.6pt

*Operating Margin = Operating Income / Gross Profit

Quarterly Sales & Gross Profit (Non-consolidated)

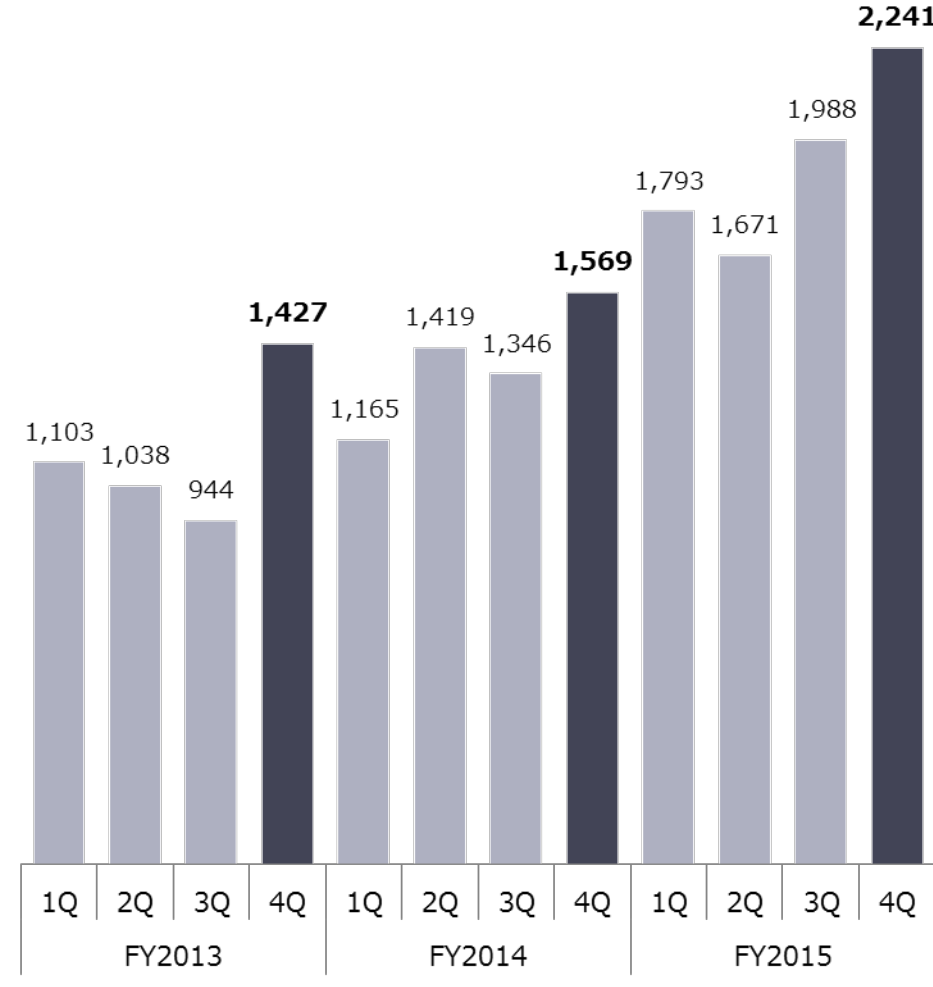
(Millions of Yen)

Sales



(Millions of Yen)

Gross Profit



Results by Service (Non-consolidated)

Sales	FY2014 Accumulated (Apr. 2014 to Mar. 2015)		FY2015 Accumulated (Apr. 2015 to Mar. 2016)		
	Amount (Millions of Yen)	%	Amount (Millions of Yen)	%	Y on Y (%)
Media Service	64,071	95.8	85,611	96.9	133.6
Technology Service	2,448	3.7	2,109	2.4	86.2
Investment & Operation Service	377	0.6	605	0.7	160.4
TOTAL	66,897	100.0	88,326	100.0	132.0

Gross Profit	FY2014 Accumulated (Apr. 2014 to Mar. 2015)		FY2015 Accumulated (Apr. 2015 to Mar. 2016)		
	Amount (Millions of Yen)	%	Amount (Millions of Yen)	%	Y on Y (%)
Media Service	4,152	75.5	6,195	80.5	149.2
Technology Service	1,020	18.5	1,010	13.1	98.9
Investment & Operation Service	327	6.0	488	6.4	149.4
TOTAL	5,501	100.0	7,694	100.0	139.9

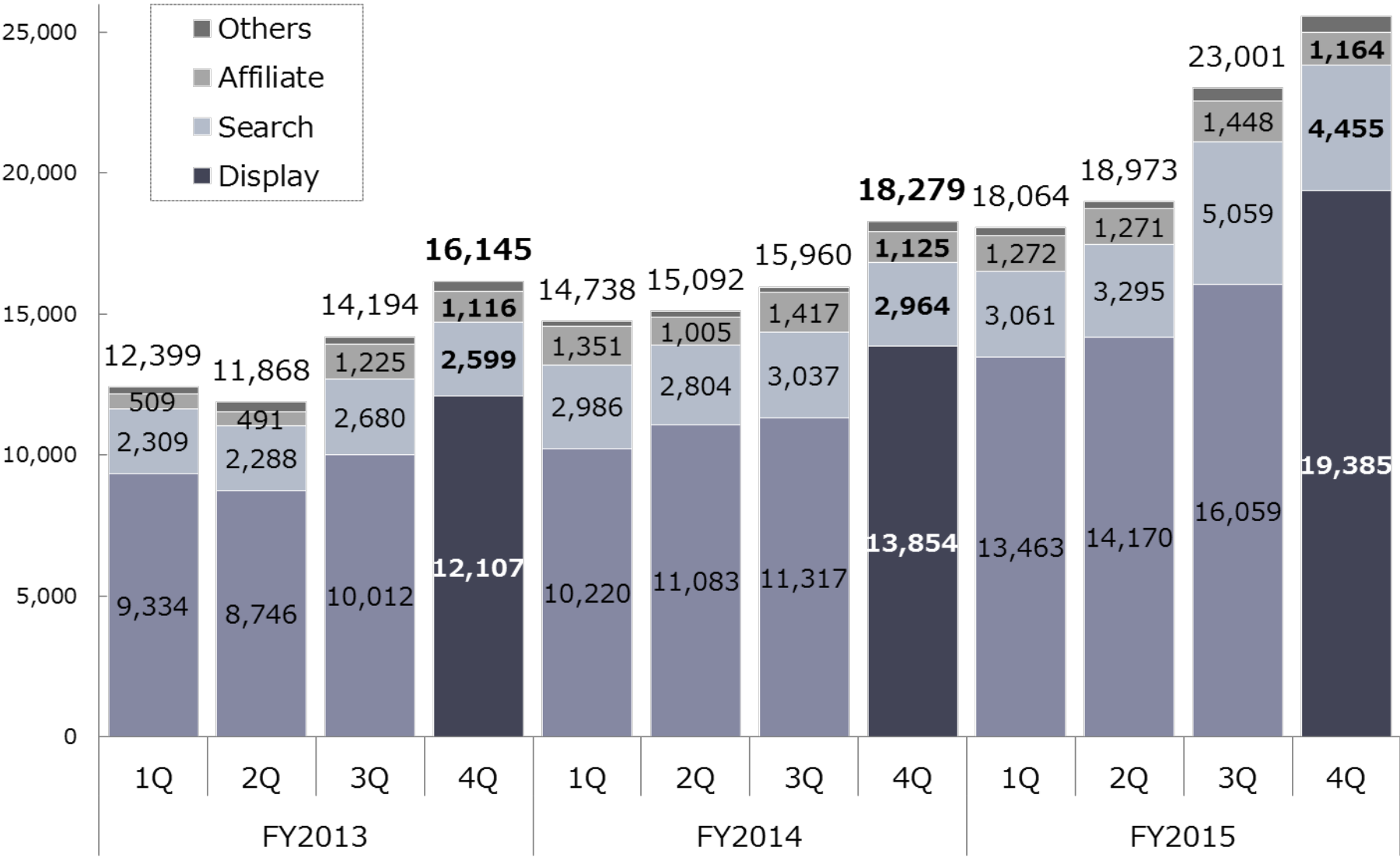
Business Trends

Sales breakdown by Ad Format (Non-consolidated)

	FY2014 Accumulated (Apr. 2014 to Mar. 2015)		FY2015 Accumulated (Apr. 2015 to Mar. 2016)		
	Amount (Millions of Yen)	%	Amount (Millions of Yen)	%	Y on Y (%)
Display	46,476	72.5	63,079	73.7	135.7
Video Ad	4,252	6.6	9,924	11.6	233.4
Others	42,224	65.9	53,154	62.1	125.9
Search	11,793	18.4	15,872	18.5	134.6
Affiliate / Reward	4,898	7.6	5,156	6.0	105.3
Others	903	1.4	1,503	1.8	166.5
TOTAL	64,071	100.0	85,611	100.0	133.6

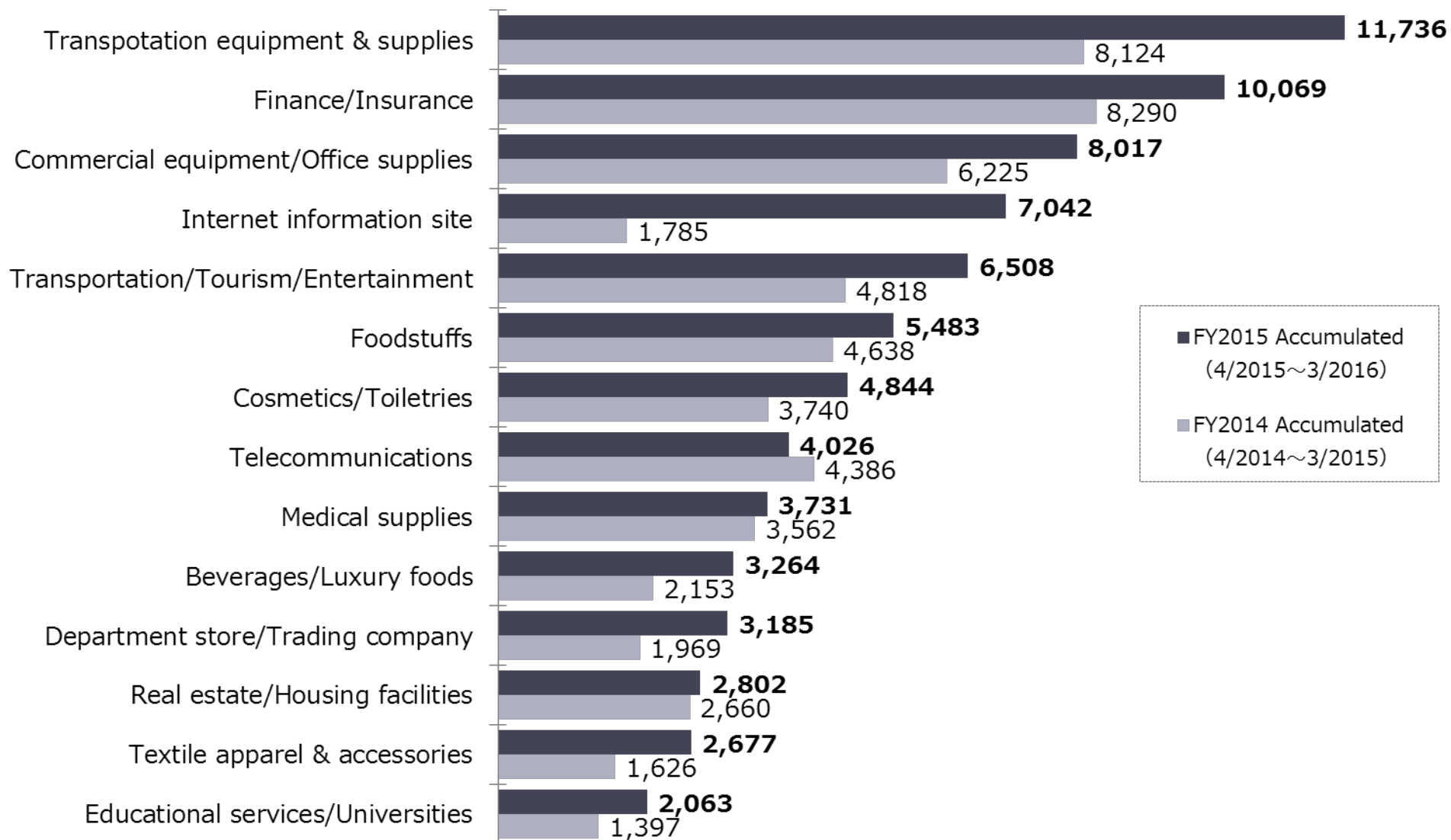
Quarterly Sales by Ad Format (Non-consolidated/Media Service)

(Millions of Yen)



Quarterly Sales by Client Industry (Non-consolidated/Media Service)

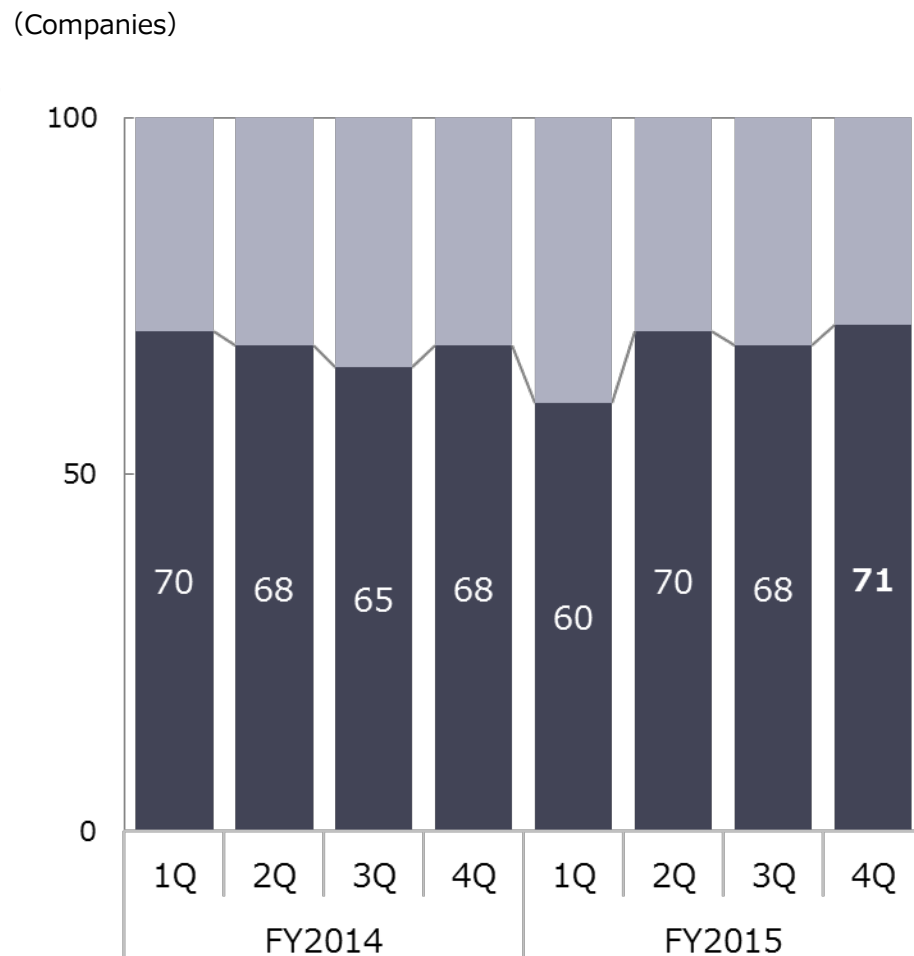
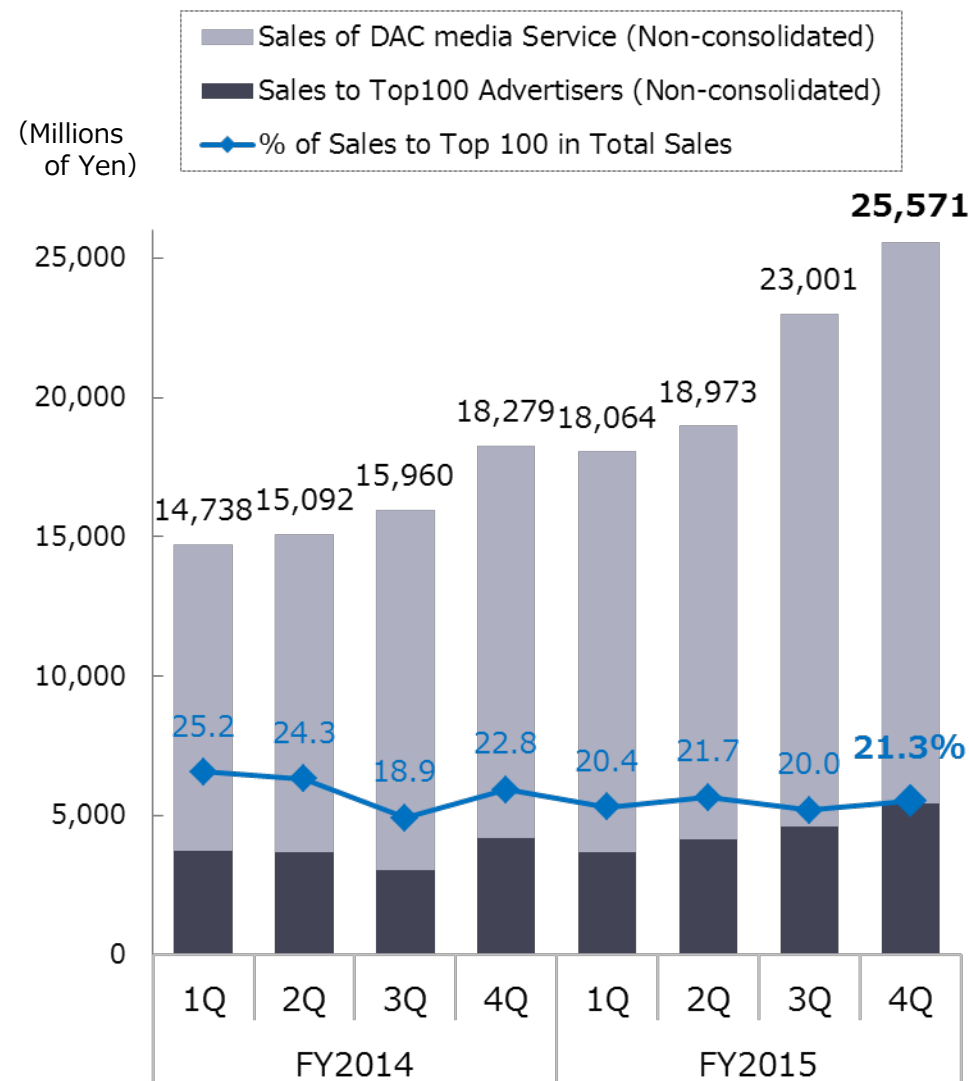
(Million of Yen)



Quarterly Trend of Top100 Advertisers (Non-consolidated/Media Service)

◆ Quarterly Sales to Top100 Advertisers

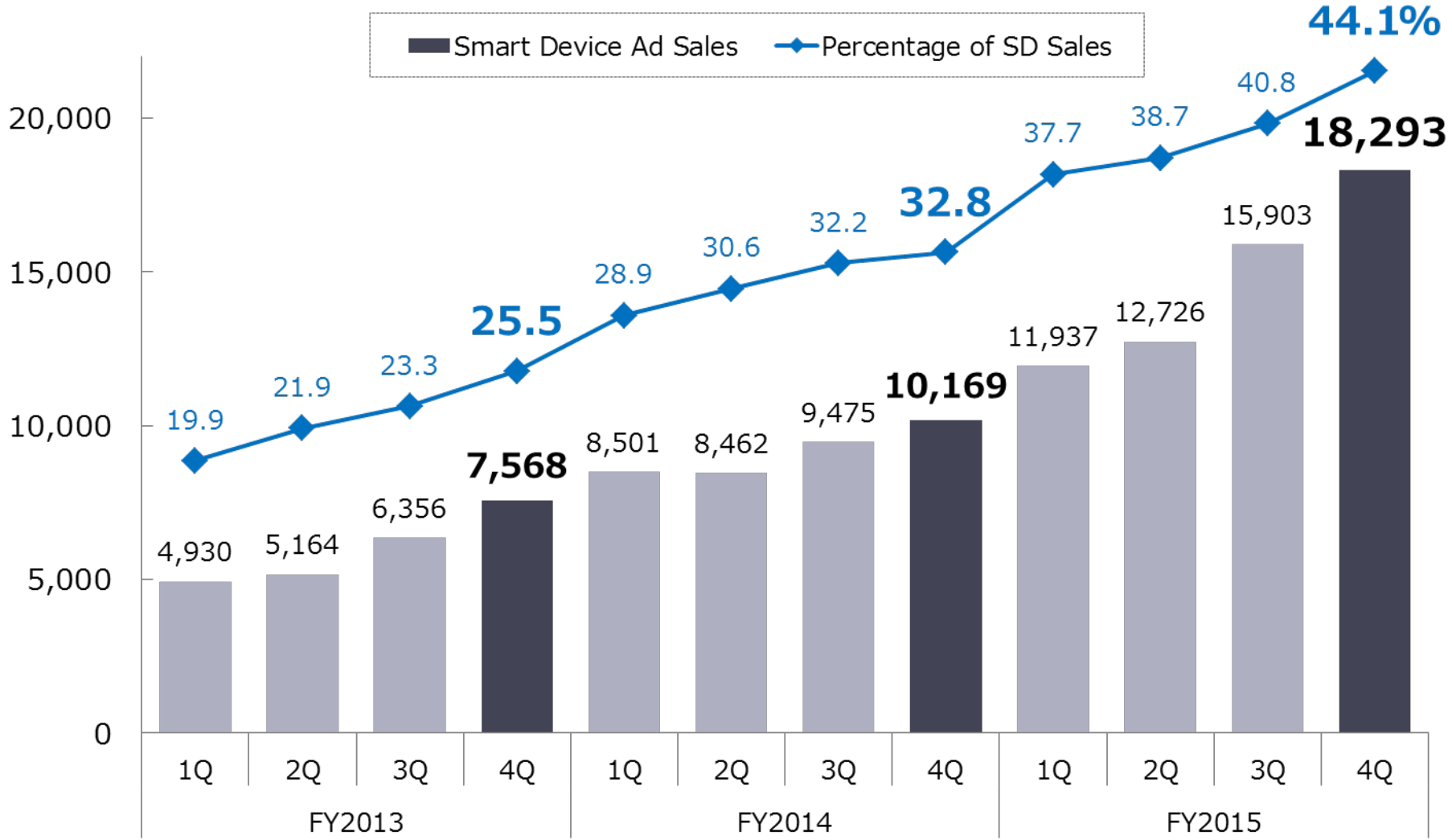
◆ Number of Our Clients in Top100 Advertisers



*Top100Advertisers : By Nikkei Advertising Research Institute 「AD SPENDING OF LEADING JAPANESE CORPORATIONS」

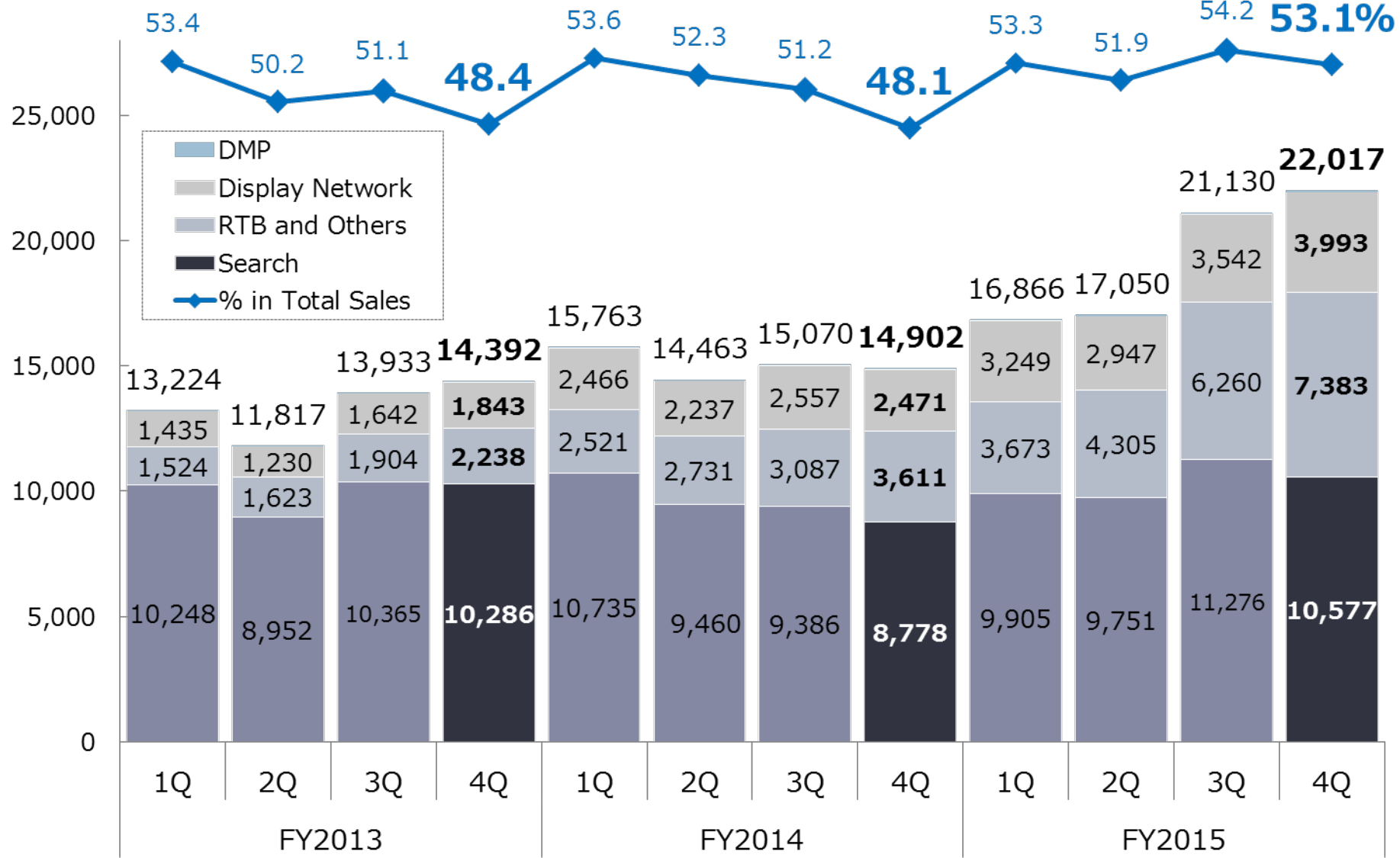
Quarterly Sales of Smart Device Ads (Consolidated)

(Millions of Yen)



























Quarterly Sales of Programmatic Ads (Consolidated)

(Millions of Yen)

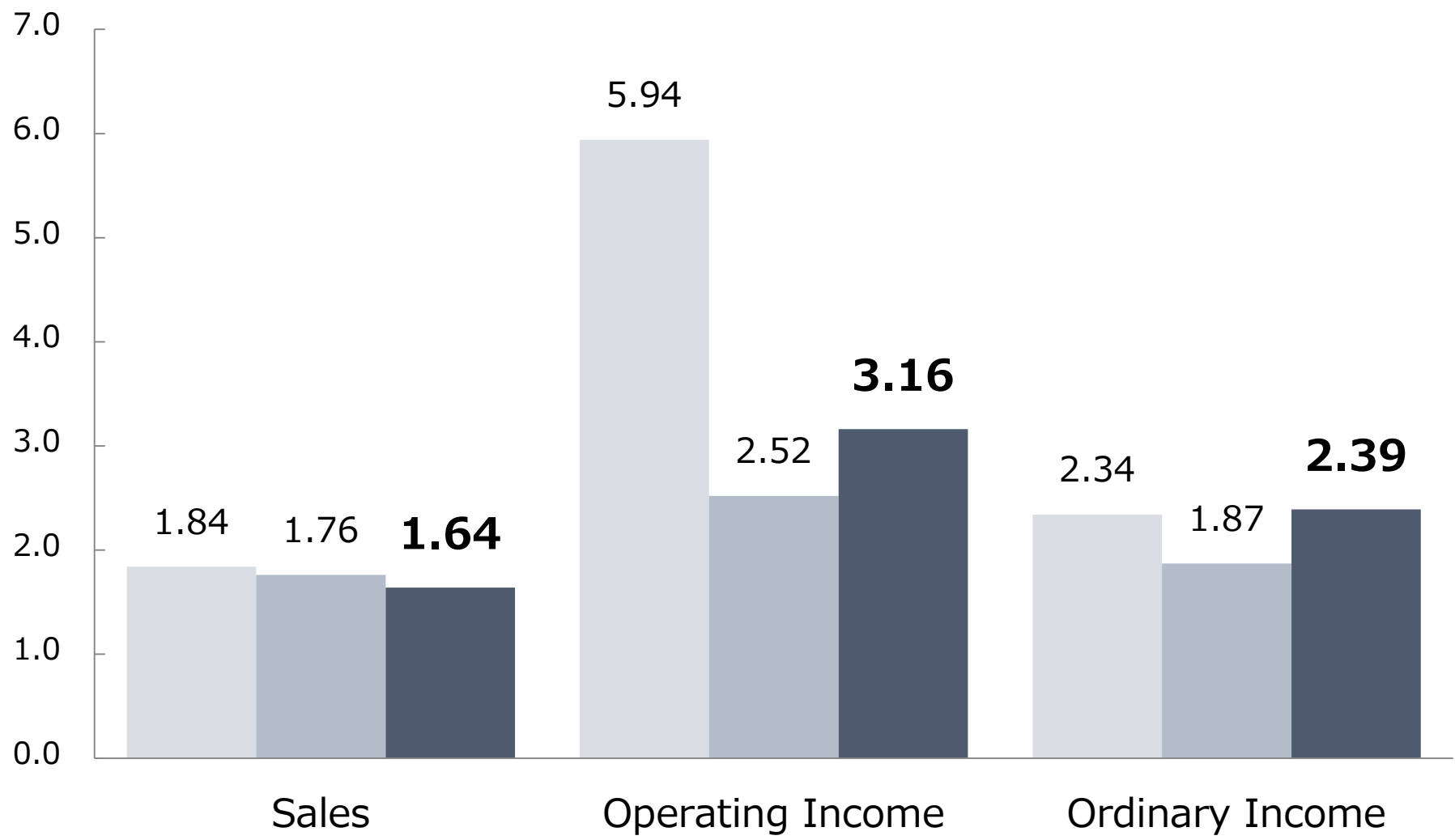


Summary of Consolidated Subsidiaries' Results (Y on Y)

		Sales	Operating Income
	IREP Co., Ltd. Agent DAS		
	UNITED, Inc. Agent Media		
	HAKUHODO i-studio Inc. DAS		
	Platform One Inc. Agent DAS		
	ADPRO inc. Agent		
	Torchlight Inc. Agent DAS		
	D.A.Consortium Beijing CO., LTD. Agent		
	DAC ASIA PTE. LTD. Agent		

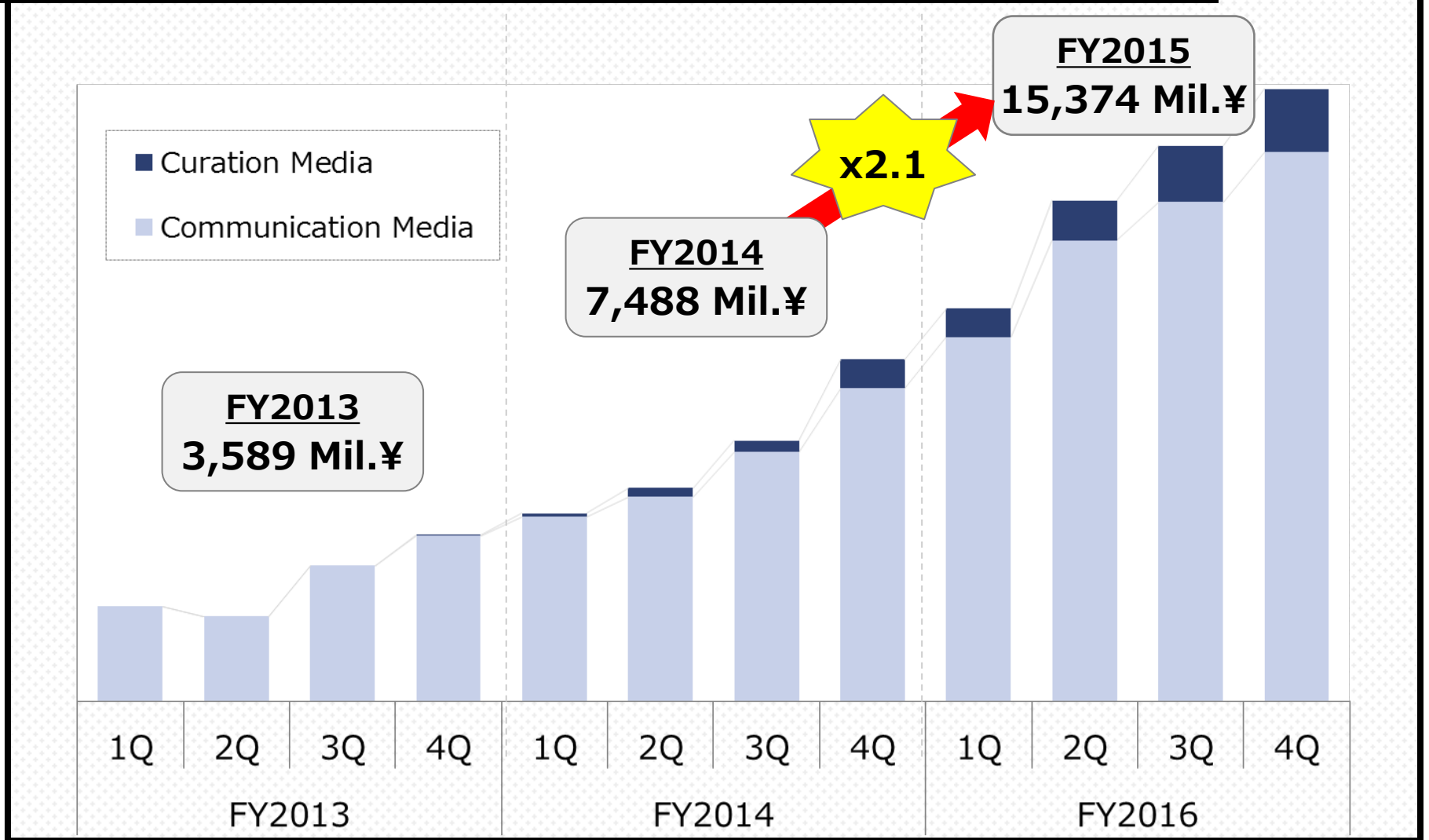
Consolidated/Non-consolidated Ratio

FY2013 Accumulated (4/2013~3/2014) FY2014 Accumulated (4/2014~3/2015) FY2015 Accumulated (4/2015~3/2016)

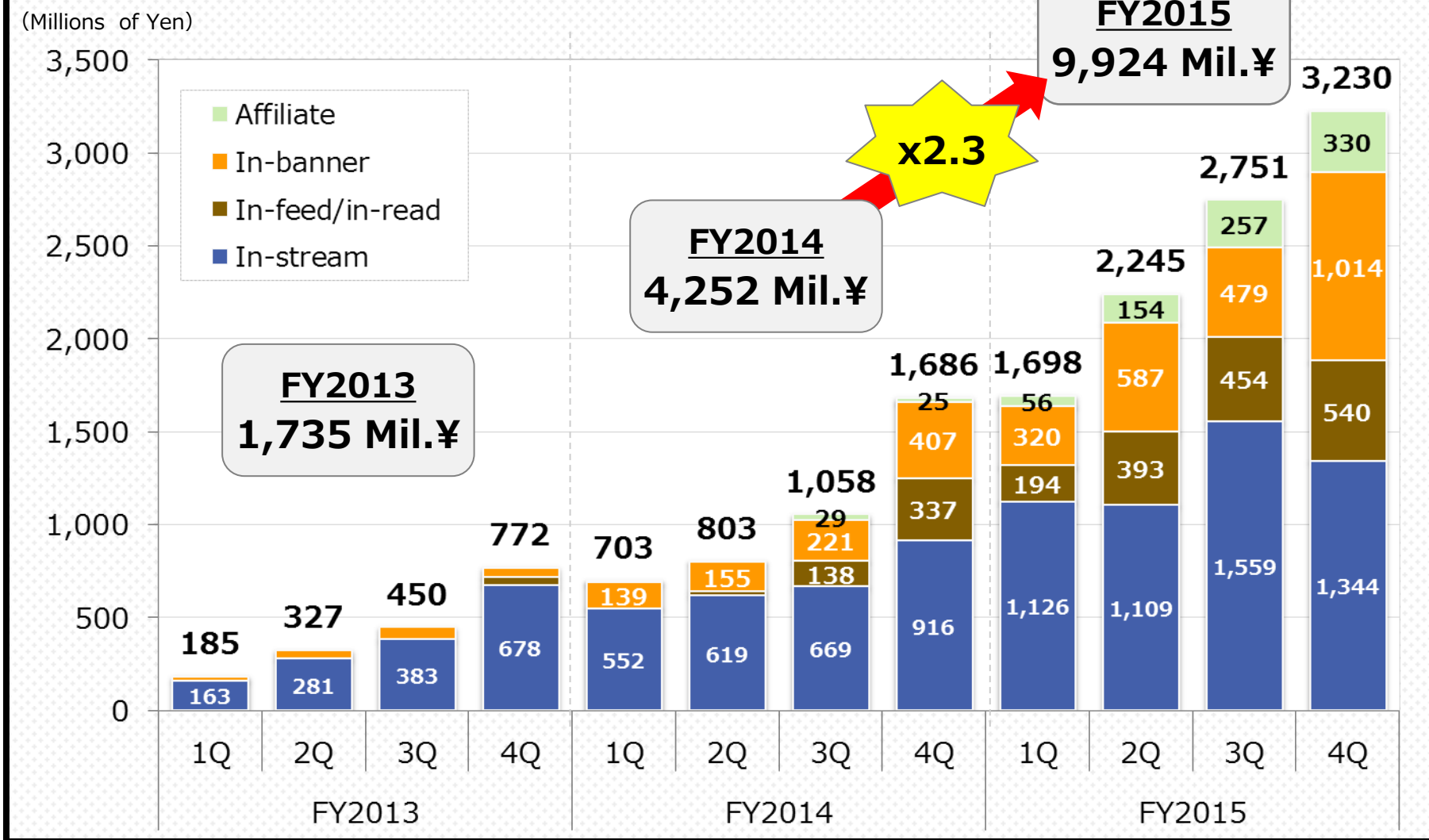


Key Measures

Quarterly Sales of Premium Media Ads (Non-consolidated)

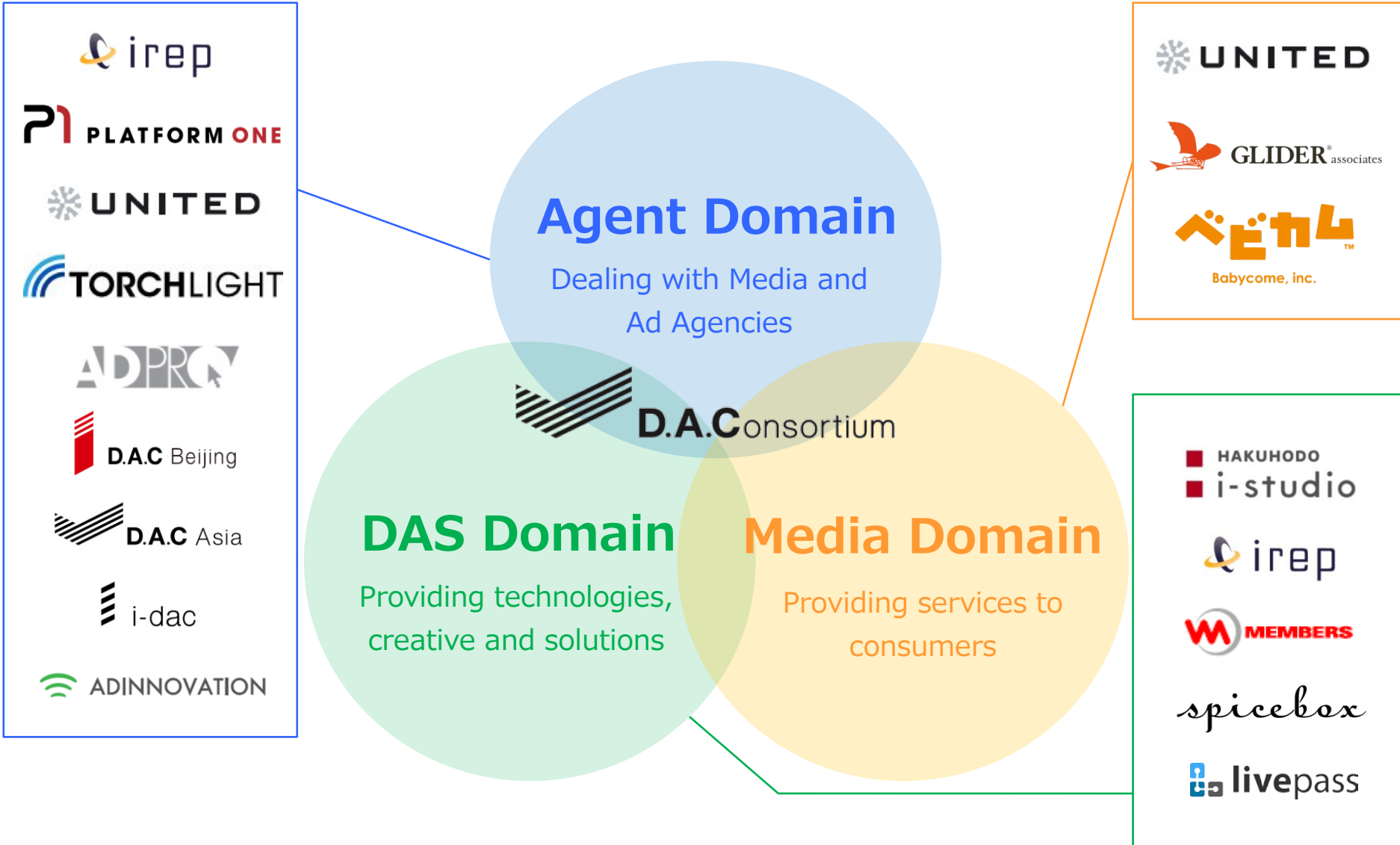


Quarterly Sales of Video Ads (Non-consolidated)

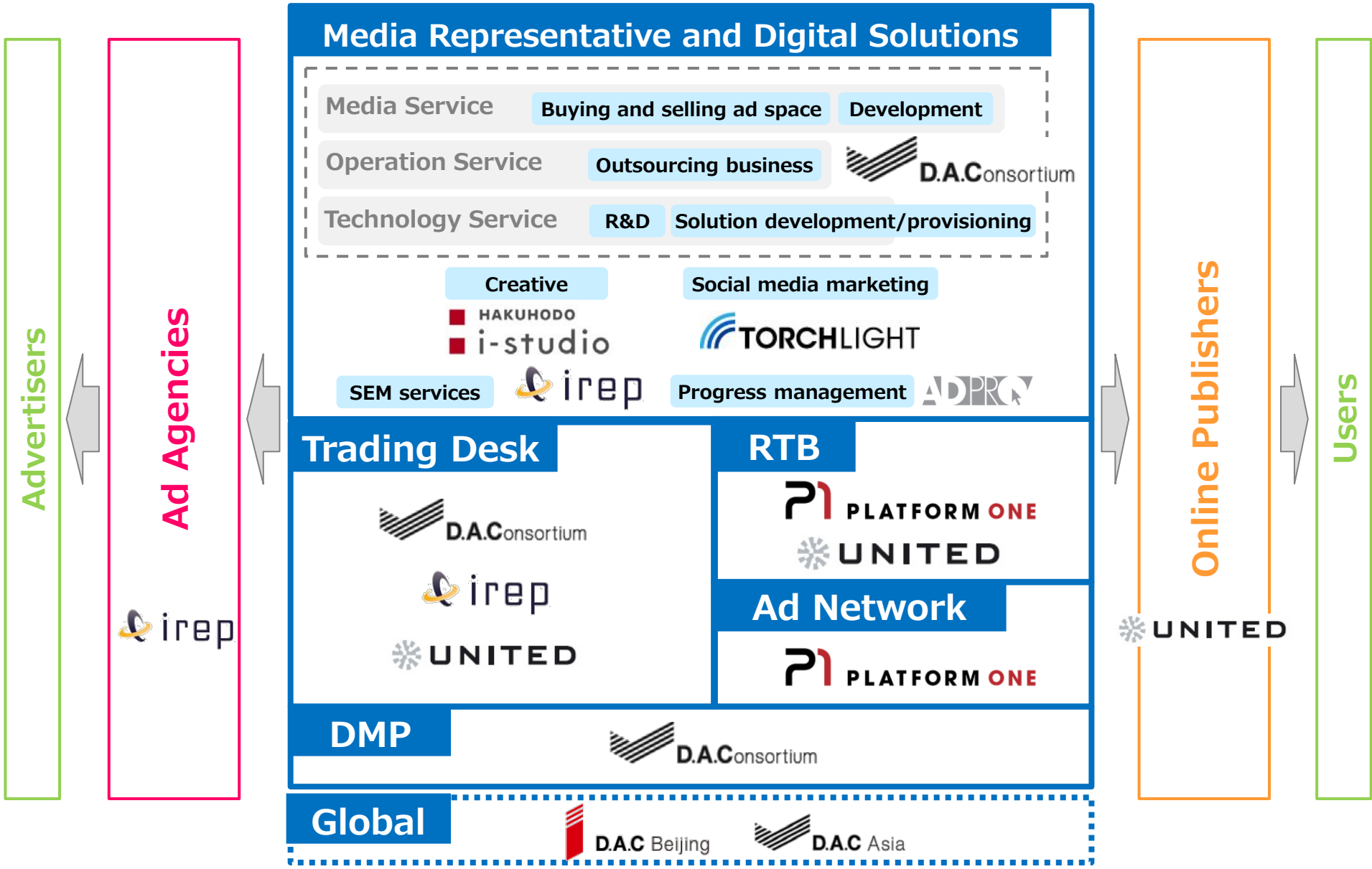


Appendix

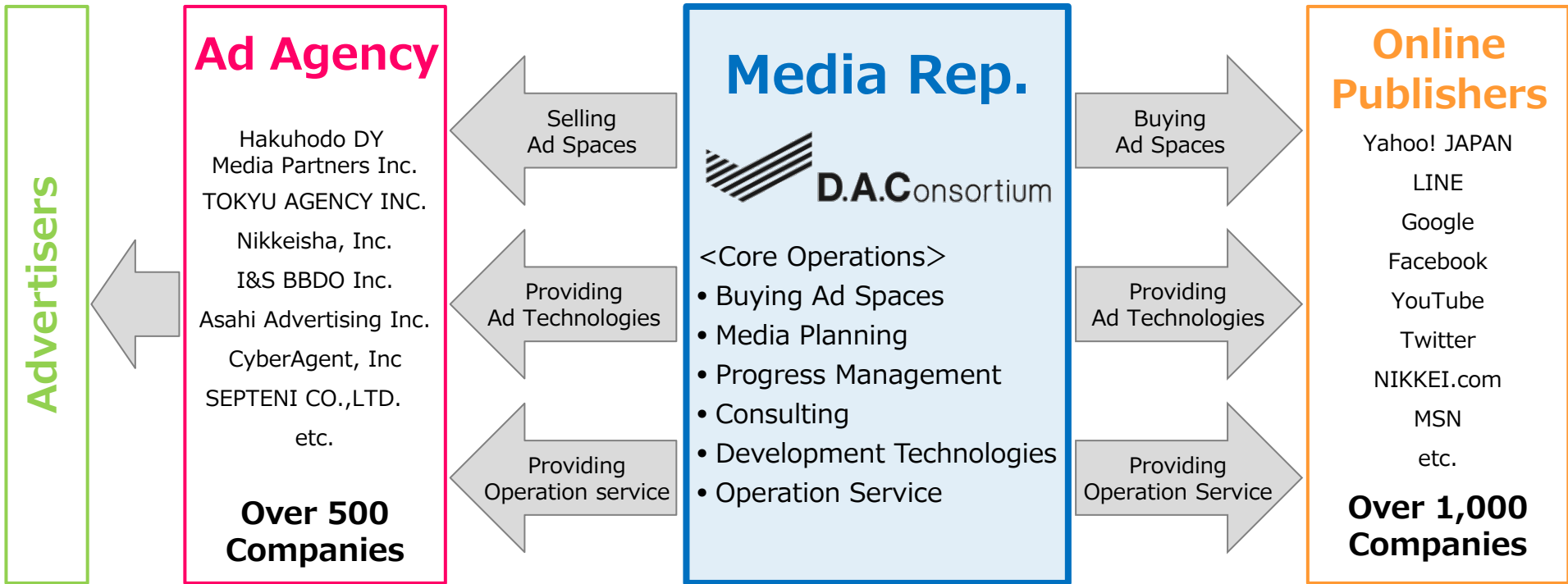
Business Domains of DAC Group



Business Model of DAC Group



DAC's Core Business "Media Representative"



Consortium

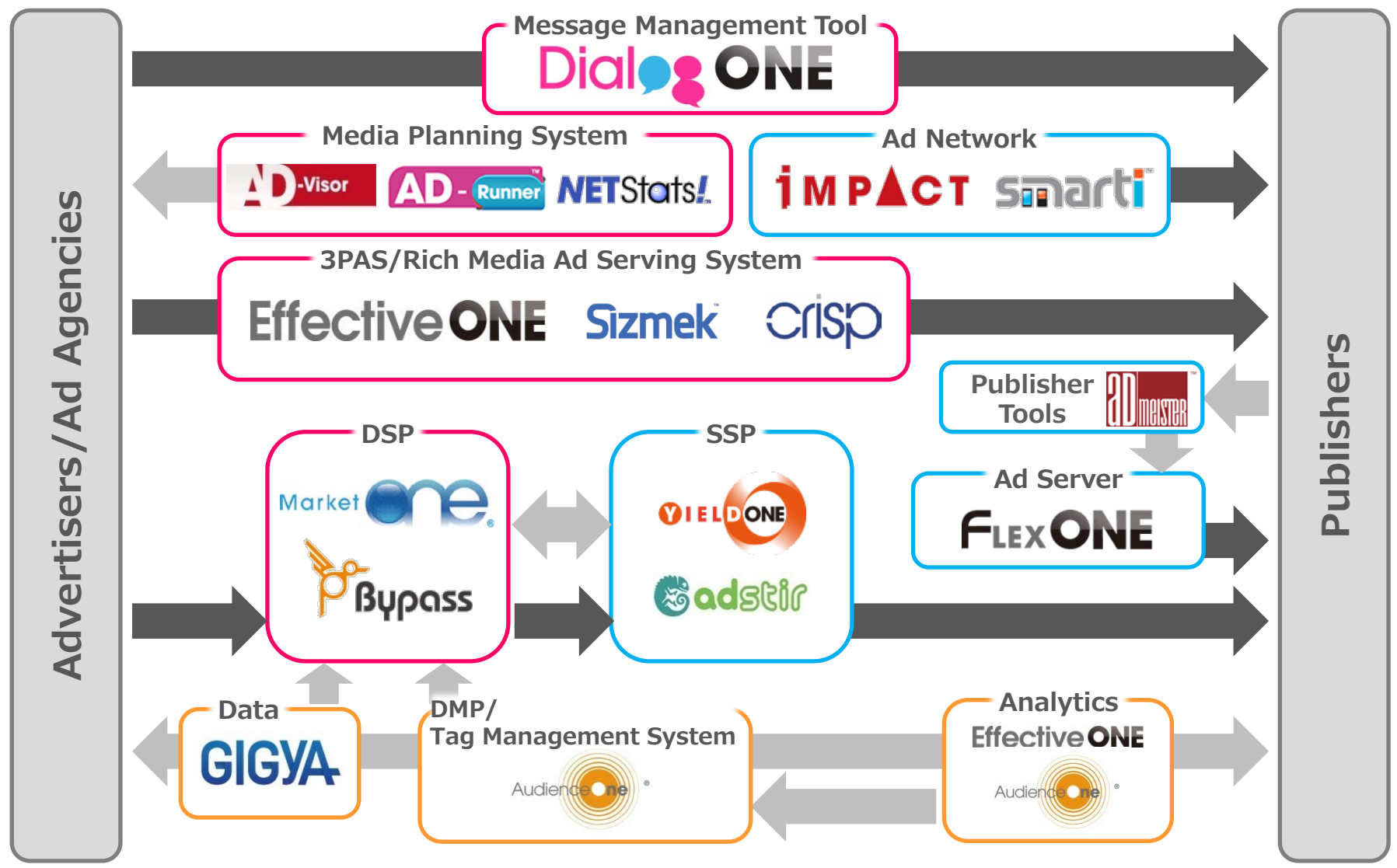
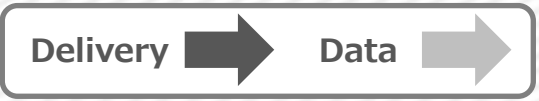
DAC was established as a consortium of leading ad agencies, headed by Hakuhodo DY Group










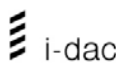
Media Representative

Providing total support for online advertising






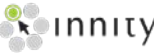

Ad technology lineup of DAC Group


















Consolidated Subsidiaries (As of March,2016)

Name	Ownership	Business
 IREP Co., Ltd. TSE 2nd	57.6%	Digital marketing including performance-based ad focused on listing ads, search engine optimization, content marketing and web analytics.
 UNITED, Inc. Mothers	44.4%	Smartphone applications and advertising technology business.
 HAKUHODO i-studio Inc.	60.0%	Production, system development and CRM services for the entire online advertising field.
 Platform One Inc.	100.0%	Providing platforms for online advertising trading.
 ADPRO inc.	100.0%	Operational services for online advertising, including schedule management, sending ad data and placement confirmation.
 Torchlight Inc.	70.0%	Services supporting the utilization of social media including owned media and ad.
 D.A.Consortium Beijing CO., LTD.	50.1%	Online advertising business in China.
 DAC ASIA PTE. LTD.	100.0%	Supports online advertising strategy, business development, market research and the expansion of group companies in the Southeast Asian region.
 I-DAC PTE. LTD.	80.0%	Comprehensive digital marketing solution in the Southeast Asian region.

Equity-method Affiliates (As of March,2016)

Name	Ownership	Business
 Members Co., Ltd. TSE 2nd NSE 2nd	18.5%	Web integration service, social media marketing service, and support service of digital marketing.
 spicebox, inc.	34.4%	Marketing and consultation services for digital communications design.
 Adinnovation Inc.	18.0%	Marketing business for smartphones, ad tracking tool business for smartphones, media consulting business.
 Babycome, inc.	38.2%	Operating "Babycome": one of the largest parenting site in Japan and "Babytube": parenting related movies site.
 livepass Inc.	22.4%	Next generation personal video marketing platform company.
 Innity Corporation Berhad Bursa Malaysia	25.1%	Online advertising trading platform and advertising network in the Southeast Asian region.
 GLIDER associates, INC.	15.7%	Planning and administration of curation magazine "antenna*".

Other companies in which DAC invests (As of March,2016)

Name	Business
 Digital Catapult Inc.	Provides digital content-serving and creative services for PC and mobile.
 Data Stadium Inc.	Sports data contents and related solutions.
 Video Research Interactive Inc.	Internet audience measurements and provides ad servers.
 O-uccino, Inc.	Ad agency, planning, creating, and operating real estate websites.
 Voltage Inc. Mothers	Planning and creating services for mobile digital contents.
 mediba Inc. TSE 1st	As a mobile media representative, provides planning, organization and creation services.
 YUMEMI Inc.	Mobile-related planning, development, operation and consultation services.
 Co-Core Inc.	Operating the 3-D visual space website "meet-me".
 ALBERT Inc. Mothers	"Recommendation engine" developed in-house and advertising optimization solutions using core analytical abilities.
 Origami Inc.	Planning and administration of the next-generation e-commerce platform "Origami".
 Datasection Inc. Mothers	Online consumer and reputation analysis service.
 Yummy Japan Inc.	YouTube channel management, web-based video production, web-based PR and advertising.
 Ubiregi Inc.	Ubiregi is an iPad POS(Point of Sales) Application and cloud based platform.
 ZEDO,Inc.	Developing ad server and video ad format for media companies.
 IPONWEB Holdings Limited	Development of various ad technologies and cloud advertisement solution and consulting service.

Empowering the digital future

デジタルの未来に、もっと力を。



“The Axel”

This logo, called “the axel”, expresses the spirit embodied in our brand slogan “Empowering the digital future” – the spirit to pioneer and impart vitality into the future of digital society.