

Digital Advertising Consortium Inc.

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

Financial Highlights of 3rd Quarter, Fiscal Year 2008(December 1, 2007 thru August 31, 2008)

(1) Consolidated

	Net Sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
3rd Quarter of FY 2008	33,199	(18.5)	970	(28.1)	943	(20.1)	389	(182.5)
3rd Quarter of FY 2007	28,028	(19.5)	757	(11.7)	785	(20.8)	137	(-75.6)
(Ref.) Fiscal Year 2007	38,688	-	1,303	-	1,328	-	583	-

	Net income per share	Diluted net income per share
	Yen	Yen
3rd Quarter of FY 2008	808.93	804.24
3rd Quarter of FY 2007	282.31	280.10
(Ref.) Fiscal Year 2007	1,195.35	1,186.73

(2) Non - Consolidated

	Net Sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
3rd Quarter of FY 2008	30,449	(15.9)	989	(1.9)	992	(-0.1)	485	(-)
3rd Quarter of FY 2007	26,281	(15.5)	971	(38.5)	993	(37.6)	-1,031	(-)
(Ref.) Fiscal Year 2007	36,090	-	1,451	-	1,476	-	-750	-

	Net income per share
	Yen
3rd Quarter of FY 2008	1,008.16
3rd Quarter of FY 2007	-2,113.40
(Ref.) Fiscal Year 2007	-1,537.42

(Note) The percentage shown next to Net Sales, operating income, ordinary income and net income represent year on year Changes.

(3) Consolidated financial position

	Total assets	Net assets	Equity ratio	Equity per share
	Mil.¥	Mil.¥	%	Yen
3rd Quarter of FY 2008	13,300	8,059	55.1	15,077.09
3rd Quarter of FY 2007	12,412	7,478	55.9	14,200.75
(Ref.) Fiscal Year 2007	13,098	7,553	52.9	14,417.35

(4) Non - consolidated financial position

	Total assets	Net assets	Equity ratio	Equity per share
	Mil.¥	Mil.¥	%	Yen
3rd Quarter of FY 2008	11,969	7,299	60.4	14,953.84
3rd Quarter of FY 2007	10,921	6,917	63.3	14,153.77
(Ref.) Fiscal Year 2007	11,378	6,761	59.2	14,027.48

DAC Consolidated Financial Statements

(1) DAC Consolidated Balance Sheet

(Unit : Thousand Yen)

Items of an account	Q3 FY2007 (As of August.31, 2007)		Q3 FY2008 (As of August.31,2008)		FY2007 (As of Nov.30,2007)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Assets)		%		%		%
Current Assets						
1. Cash and deposits	4,123,755		5,237,708		4,383,409	
2. Notes and accounts receivable-trade	3,369,501		3,852,864		4,264,423	
3. Short-term investment securities	1,243,107		390,357		391,107	
4. O t h e r	364,263		360,264		784,965	
Allowance for doubtful accounts	-2,130		-2,803		-3,155	
Total currents assets	9,098,498	73.3	9,838,392	74.0	9,820,751	75.0
Non-current Assets						
1. Property, plant and equipment	390,658		390,459		385,735	
2. Intangible assets						
(1) Goodwill	355,538		290,922		342,112	
(2) Software	221,035		372,853		261,774	
(3) Software in progress	122,992		124,506		88,178	
(4) O t h e r	5,080	704,647	7,153	795,435	6,851	698,916
3. Investments and other assets						
(1) Investment securities	1,689,376		1,637,465		1,625,364	
(2) O t h e r	656,603		766,948		695,118	
Allowance for doubtful accounts	-127,199	2,218,780	-127,957	2,276,456	-127,715	2,192,767
Total non-current assets	3,314,086	26.7	3,462,351	26.0	3,277,418	25.0
Total assets	12,412,585	100.0	13,300,744	100.0	13,098,170	100.0

(Unit : Thousand Yen)

Items of an account	Q3 FY2007 (As of August.31,2007)		Q3 FY2008 (As of August.31,2008)		FY2007 (As of Nov.30,2007)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Liabilities)		%		%		%
Current liabilities						
1. Accounts payable-trade	3,500,114		3,359,206		4,025,644	
2. Short-term loans payable	81,470		-		91,899	
3. Current portion of bonds payable	-		200,000		200,000	
4. Current portion of Long-term loans payable	90,174		139,995		59,429	
5. Accounts payable-other	240,894		314,311		367,295	
6. Income taxes payable	218,059		308,268		176,420	
7. Provision for director's bonuses	22,500		22,500		30,000	
8. O t h e r	235,725		500,030		275,835	
Total current liabilities	4,388,938	35.4	4,844,312	36.4	5,226,524	39.9
Non-current liabilities						
1. Bonds payable	200,000		-		-	
2. Long-term loans payable	150,005		198,899		140,006	
3. Provision for retirement benefits	59,800		86,625		62,220	
4. Provision for director's retirement benefits	91,953		91,255		95,013	
5. Provision for point certificate	42,439		19,849		19,829	
6. O t h e r	1,114		407		867	
Non-current liabilities	545,312	4.4	397,036	3.0	317,936	2.4
Total liabilities	4,934,250	39.8	5,241,348	39.4	5,544,460	42.3
(Net Assets)						
Shareholders' equity						
1. Capital stock	3,387,977	27.3	3,387,977	25.5	3,387,977	25.9
2. Capital surplus	2,801,242	22.6	2,741,944	20.6	2,800,445	21.4
3. Retained earnings	835,553	6.7	1,598,208	12.0	1,281,112	9.8
4. Treasury stock	95,112	-0.8	380,605	-2.9	544,752	-4.2
Total shareholders' equity	6,929,661	55.8	7,347,525	55.2	6,924,783	52.9
Valuation and translation adjustments						
1. Valuation difference on available-for-sale securities	3,009	0.0	22,235	-0.1	1,823	0.0
2. Foreign currency translation adjustment	334	0.0	183	0.0	281	0.0
Total valuation and translation adjustments	3,344	0.0	22,419	-0.1	2,105	0.0
Subscription right to shares	7,688	0.1	65,126	0.5	22,243	0.2
Minority interests	537,640	4.3	669,163	5.0	604,577	4.6
Total net Assets	7,478,334	60.2	8,059,396	60.6	7,553,709	57.7
Total liabilities and net assets	12,412,585	100.0	13,300,744	100.0	13,098,170	100.0

(2) DAC Consolidated Statements of Income

(Unit : Thousand Yen)

Items of an account	Q3 FY2007 (Dec. 2006 thru August 2007)			Q3 FY2008 (Dec. 2007 thru August 2008)			FY2007 (Dec. 2006 thru Nov.2007)		
	Amount		Ratio	Amount		Ratio	Amount		Ratio
			%			%			%
Net Sales		28,028,027	100.0		33,199,662	100.0		38,688,514	100.0
Cost of sales		23,770,184	84.8		28,245,905	85.1		32,728,249	84.6
Gross income		4,257,843	15.2		4,953,756	14.9		5,960,265	15.4
Selling, general and administrative expenses		3,500,524	12.5		3,983,714	12.0		4,657,049	12.0
Operating income		757,318	2.7		970,041	2.9		1,303,216	3.4
Non-operating income									
1. Interest income	18,736			11,998			25,054		
2. Dividends income	18,473			1,970			21,003		
3. Foreign exchange gains	474			687			966		
4. Equity in earnings of affiliates	6,433			-			824		
5. O t h e r	3,632	47,749	0.2	2,233	16,890	0.0	5,633	53,482	0.1
Non-operating expenses									
1. Interest expense	4,842			6,783			6,821		
2. Equity in losses of affiliates	-			22,652			-		
3. Loss on valuation of securities	13,545			10,072			17,642		
4. O t h e r	1,481	19,869	0.1	4,104	43,613	0.1	4,195	28,659	0.1
Ordinary income		785,198	2.8		943,318	2.8		1,328,039	3.4
Extraordinary income									
1. Gain on sales of investment securities	-			11,532			9,661		
2. Gain on sales of noncurrent assets	1,890			-			1,828		
3. Gain on change in equity	68,533			-			81,490		
4. O t h e r	40	70,464	0.2	260	11,793	0.0	1,734	94,714	0.2
Extraordinary losses									
1. Loss on valuation of investment securities	30,497			69,760			78,111		
2. Loss on sales of investment securities	1,290			852			9,817		
3. Loss on retirement of noncurrent assets	28,414			33,739			32,000		
4. One-time amortization of goodwill	227,411			-			227,411		
5. Amortization of advance payments - trade	-			-			92,390		
6. Loss on change in equity	5,572			-			-		
7. O t h e r	695	293,880	1.0	3,537	107,890	0.3	23,286	463,017	1.1
Income before income taxes and minority interests		561,782	2.0		847,221	2.5		959,736	2.5
Income taxes-current	473,254			519,021			436,122		
Income taxes-deferred	70,316	543,571	1.9	-27,859	491,162	1.4	47,178	483,301	1.2
Minority interests		-119,560	-0.4		-33,103	-0.1		-106,894	-0.2
Net income		137,771	0.5		389,162	1.2		583,329	1.5

(3) DAC Consolidated Cash Flow Statements

(Unit : Thousand Yen)

Items of an account	FY2007 (Dec. 2006 thru Aug.2007)	FY2008 (Dec. 2007 thru Aug.2008)	FY2007 (Dec. 2006 thru Nov.2007)
	Amount	Amount	Amount
Cash flows from Operating Activities: Net cash provided by Operating Activities:	1,052,218	1,233,913	944,022
Cash flows from Investing Activities: Net cash provided by (used in) Investing Activities	91,147	-562,664	297,092
Cash flows from Financing Activities: Net cash provided by (used in) Financing Activities	-103,354	179,921	514,160
Effect of exchange rate change on cash and cash equivalents	472	-977	334
Net increase in cash and cash equivalents	1,040,483	850,193	727,289
Cash and cash equivalents at beginning of term	3,926,586	4,653,876	3,926,586
Cash and cash equivalents at end of term	4,967,070	5,504,069	4,653,876