

Digital Advertising Consortium Inc.

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

Financial Highlights of 3rd Quarter of Fiscal Year 2013 (April 1, 2012 to December 31, 2012) and 3rd Quarter of Fiscal Year 2012(April 1, 2011 to December 31, 2011)

(1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
3rd Quarter of FY 2013	69,638	(15.6)	1,026	(38.7)	1,077	(37.2)	526	(30.3)
3rd Quarter of FY 2012	60,231	(-)	1,675	(-)	1,716	(-)	755	(-)

	Earnings per share	Diluted earnings per share	Comprehensive Income	
	Yen	Yen	Mil.¥	%
3rd Quarter of FY 2013	1,084.58	1,071.51	353	(63.1)
3rd Quarter of FY 2012	1,487.89	1,477.23	957	(-)

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

Prior year comparison of 3rd 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.¥	%
3rd Quarter of FY 2013 (As of December 31,2012)	30,410	16,081	35.7
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)					600.00	600.00

(4) Consolidated earnings forecast of Fiscal Year 2013(April 1,2012 to March 31,2013)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%	Yen
FY 2013	95,297	(15.1)	1,116	(50.0)	1,170	(49.0)	529	(61.4)	1,088.80
	~ 96,908	(17.1)	~ 1,419	(36.5)	~ 1,473	(35.8)	~ 687	(49.8)	~ 1,415.44

DAC Consolidated Financial Statements

(1)DAC Consolidated Balance Sheets

(Unit:Thousand Yen)

Items of an account	FY2012 (As of March 31, 2012)	3rd Quarter of FY2013 (As of December 31,2012)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	9,927,853	9,145,629
Notes and accounts receivable-trade	12,399,121	12,019,418
Short-term investment securities	704,752	501,014
Operational investment securities	1,002,177	835,435
Other	1,363,716	1,574,349
Allowance for doubtful accounts	-12,096	-2,791
Total current assets	25,385,523	24,073,056
Noncurrent assets		
Property, plant and equipment	605,424	817,658
Intangible assets		
Goodwill	914,291	750,763
Software	965,634	922,727
Software in progress	75,982	131,393
Other	20,084	29,519
Total intangible assets	1,975,993	1,834,403
Investments and other assets		
Investment securities	2,086,976	2,429,744
Guarantee deposits	1,132,855	907,369
Other	380,920	370,370
Allowance for doubtful accounts	-22,067	-21,858
Total investments and other assets	3,578,685	3,685,625
Total noncurrent assets	6,160,103	6,337,687
Total assets	31,545,626	30,410,744

(Unit: Thousand Yen)

Items of an account	FY2012 (As of March 31, 2012)	3rd Quarter of FY2013 (As of December 31, 2012)
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable-trade	10,751,372	9,855,791
Short-term loans payable	419,500	365,006
Current portion of long-term loans payable	171,652	267,013
Accounts payable-other	1,361,002	1,077,007
Income taxes payable	599,196	486,970
Provision for bonuses	162,248	170,647
Provision for directors' bonuses	14,000	20,250
Other	791,441	1,160,917
Total current liabilities	14,270,414	13,403,603
Noncurrent liabilities		
Long-term loans payable	316,938	528,134
Provision for retirement benefits	237,571	255,014
Provision for point card certificates	40,971	46,154
Other	225,788	96,415
Total noncurrent liabilities	821,269	925,718
Total liabilities	15,091,683	14,329,321
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	5,163,608
Treasury stock	-1,626,980	-1,628,417
Total shareholders' equity	10,517,665	10,751,494
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	257,671	134,165
Deferred gains or losses on hedges	-	-18,614
Foreign currency translation adjustment	-9,213	-12,595
Total accumulated other comprehensive income	248,458	102,956
Subscription rights to shares	287,895	266,342
Minority interests	5,399,923	4,960,629
Total net assets	16,453,943	16,081,422
Total liabilities and net assets	31,545,626	30,410,744

(2)DAC Consolidated Statements of Income

(Unit:Thousand Yen)

Items of an account	3rd Quarter of FY2012 (April 1,2011 to December 31,2011)	3rd Quarter of FY2013 (April 1,2012 to December 31,2012)
	Amount	Amount
Net sales	60,231,439	69,638,612
Cost of sales	51,548,628	59,174,311
Gross profit	8,682,810	10,464,301
Selling, general and administrative expenses	7,007,791	9,437,399
Operating income	1,675,019	1,026,901
Non-operating income		
Interest income	2,172	7,458
Dividends income	12,078	12,940
Foreign exchange gains	-	12,799
Equity in earnings of affiliates	28,979	42,366
Gain on tax-exempt consumption tax	-	28,030
Other	11,075	14,923
Total non-operating income	54,305	118,518
Non-operating expenses		
Interest expenses	5,204	15,660
Commission fee	-	36,591
Foreign exchange losses	1,501	-
Other	6,510	15,759
Total non-operating expenses	13,215	68,012
Ordinary income	1,716,109	1,077,408
Extraordinary income		
Gain on sales of investment securities	231,059	134,839
Gain on change in equity	2,604	101,154
Gain on reversal of subscription rights to shares	-	37,327
Gain on step acquisitions	25,809	-
Gain on negative goodwill	-	81,201
Other	18,257	-
Total extraordinary income	277,731	354,523
Extraordinary loss		
Impairment loss	110,176	83,785
Loss on exit penalty	955	27,161
Other	31,716	26,693
Total extraordinary losses	142,848	137,640
Income before income taxes	1,850,991	1,294,290
Income taxes-current	916,041	692,373
Income taxes-deferred	-15,167	20,132
Income taxes	900,874	712,506
Income before minority interests	950,117	581,784
Minority interests in income	194,313	55,163
Net income	755,804	526,621

(3)DAC Consolidated statements of comprehensive income

(Unit:Thousand Yen)

Items of an account	3rd Quarter of FY2012 (April 1,2011 to December 31,2011)	3rd Quarter of FY2013 (April 1,2012 to December 31,2012)
	Amount	Amount
Income before minority interests	950,117	581,784
Other comprehensive income		
Valuation difference on available-for-sale securities	8,661	-179,585
Deferred gains or losses on hedges	-	-42,392
Foreign currency translation adjustment	-1,481	-6,341
Other comprehensive income	7,180	-228,319
Comprehensive income	957,297	353,464
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	716,457	380,630
Comprehensive income attributable to minority interests	240,839	-27,165

(4)DAC Consolidated statements of cash flows

(Unit:Thousand Yen)

Items of an account	3rd Quarter of FY2012 (April 1,2011 to December 31,2011)	3rd Quarter of FY2013 (April 1,2012 to December 31,2012)
	amount	amount
Net cash provided by (used in) operating activities		
Income before income taxes	1,850,991	1,294,290
Depreciation and amortization	276,662	501,877
Impairment loss	110,176	83,785
Amortization of goodwill	149,633	185,456
Increase (decrease) in allowance for doubtful accounts	-11,204	-9,628
Increase (decrease) in provision for retirement benefits	41,793	17,443
Increase (decrease) in provision for point card certificates	-20,681	10,037
Increase (decrease) in provision for directors' bonuses	-33,840	6,250
Loss (gain) on sales and valuation of investment securities	-231,059	-129,911
Gain on negative goodwill	-	-81,201
Interest and dividends income	-14,250	-20,398
Interest expenses	5,204	15,660
Equity in (earnings) losses of affiliates	-28,979	-42,366
Loss (gain) on sales and retirement of noncurrent assets	12,026	6,551
Loss (gain) on step acquisitions	-25,809	-
Gain on reversal of subscription rights to shares	-	-37,327
Loss (gain) on change in equity	3,048	-96,339
Loss (gain) on transfer of business	-18,037	-
Decrease (increase) in notes and accounts receivable-trade	135,888	380,763
Decrease (increase) in inventories	-99,202	-54,222
Decrease (increase) in investment securities for sale	-	-42,511
Increase (decrease) in notes and accounts payable-trade	-93,070	-895,581
Increase (decrease) in accounts payable-other	-240,441	-72,773
Increase (decrease) in accrued consumption taxes	36,915	263,661
Other, net	267,168	-75,911
Subtotal	2,072,931	1,207,602
Interest and dividends income received	14,251	21,283
Interest expenses paid	-5,204	-14,328
Income taxes paid	-940,693	-800,731
Net cash provided by (used in) operating activities	1,141,285	413,825
Net cash provided by (used in) investing activities		
Payments into time deposits	-	-2,816,450
Proceeds from withdrawal of time deposits	-	1,700,000
Proceeds from redemption of securities	4,000	-
Purchase of property, plant and equipment	-160,412	-582,227
Proceeds from sales of property, plant and equipment	-	243
Purchase of intangible assets	-340,529	-424,878
Purchase of investment securities	-185,099	-62,554
Proceeds from sales and redemption of investment securities	273,409	266,860
Purchase of stocks of subsidiaries and affiliates	-	-604,636
Proceeds from sales of stocks of subsidiaries and affiliates	85,050	-
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-68,859	-
Proceeds from transfer of business	4,000	-
Payments for transfer of business	-	-57,467
Payments for guarantee deposits	-208,787	-12,663
Proceeds from collection of guarantee deposits	-	241,721
Payments of long-term loans receivable	-	-74,440
Collection of loans receivable	-	10,451
Purchase of insurance funds	-11,010	-11,010
Payments for liquidation of subsidiaries	-7,433	-
Other, net	306	-3,000
Net cash provided by (used in) investing activities	-615,366	-2,430,050
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	297,000	-54,494
Proceeds from long-term loans payable	292,350	531,000
Repayment of long-term loans payable	-133,250	-224,443
Purchase of treasury stock	-1,300,000	-
Proceeds from stock issuance to minority shareholders	128,000	65,133
Proceeds from exercise of stock option	12,096	5,526
Cash dividends paid	-367,915	-294,072
Cash dividends paid to minority shareholders	-80,795	-122,722
Other, net	-2,392	-3,032
Net cash provided by (used in) financing activities	-1,154,907	-97,103
Effect of exchange rate change on cash and cash equivalents	-7,302	-23
Net increase (decrease) in cash and cash equivalents	-636,290	-2,113,352
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	7,205,618	7,471,194