

Digital Advertising Consortium Inc.

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

Financial Highlights of 1st Quarter of Fiscal Year 2012 (April 1, 2011 to Jun 30, 2011) and 1st Quarter of Fiscal Year 2011 (December 1, 2009 to February 28, 2010)

(1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
1st Quarter of FY 2012	17,831	(-)	320	(-)	335	(-)	104	(-)
1st Quarter of FY 2011	13,133	(15.2)	378	(114.7)	392	(132.2)	256	(525.9)

	Earnings per share	Diluted earnings per share	Comprehensive income	
	Yen	Yen	Mil.¥	%
1st Quarter of FY 2012	199.06	196.30	243	(-)
1st Quarter of FY 2011	487.69	486.22	285	(-)

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

No comparison is made because of the change in accounting periods.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Mil.¥	Mil.¥	%
1st Quarter of FY 2012 (As of Jun 30, 2011)	21,436	12,590	50.0
Fiscal Year 2011 (As of Mar 31, 2011)	24,107	12,792	45.3

(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 2011		0.00			700.00	700.00
Fiscal Year 2012						
Fiscal Year 2012 (expected)		TBD	TBD		TBD	TBD

DAC Consolidated Financial Statements

(1)DAC Consolidated balance sheets

(Unit:Thousand Yen)

Items of an account	FY2011 (As of Mar 31, 2011)	1st Quarter of FY2012 (As of Jun 30,2011)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	7,849,895	7,451,907
Notes and accounts receivable-trade	10,568,054	8,448,802
Short-term investment securities	5,013	5,013
Other	1,273,816	1,005,491
Allowance for doubtful accounts	-18,900	-11,988
Total current assets	19,677,880	16,899,225
Noncurrent assets		
Property, plant and equipment	324,913	332,774
Intangible assets		
Goodwill	1,043,118	993,251
Software	539,487	597,615
Software in progress	42,925	40,061
Other	12,999	13,296
Total intangible assets	1,638,531	1,644,225
Investments and other assets		
Investment securities	1,634,851	1,727,820
Other	839,005	841,209
Allowance for doubtful accounts	-8,173	-9,158
Total investments and other assets	2,465,683	2,559,871
Total noncurrent assets	4,429,127	4,536,871
Total assets	24,107,007	21,436,097

(Unit: Thousand Yen)

Items of an account	FY2011 (As of Mar 31, 2011)	1st Quarter of FY2012 (As of Jun 30, 2011)
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable-trade	8,416,399	6,538,028
Short-term loans payable	20,000	250,000
Current portion of long-term loans payable	129,254	112,956
Accounts payable-other	944,999	625,648
Income taxes payable	531,737	208,874
Provision for bonuses	231,573	132,192
Provision for directors' bonuses	63,000	11,720
Provision for point card certificates	23,352	23,258
Other	543,534	581,237
Total current liabilities	10,903,851	8,483,916
Noncurrent liabilities		
Long-term loans payable	42,532	30,534
Provision for retirement benefits	173,897	200,076
Provision for point card certificates	41,146	42,098
Other	153,057	88,841
Total noncurrent liabilities	410,632	361,550
Total liabilities	11,314,484	8,845,466
Net assets		
Shareholders' equity		
Capital stock	4,031,837	4,031,837
Capital surplus	3,184,465	3,184,465
Retained earnings	3,833,905	3,663,189
Treasury stock	-326,980	-326,980
Total shareholders' equity	10,723,228	10,552,512
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	217,784	171,983
Foreign currency translation adjustment	-12,527	-11,301
Total accumulated other comprehensive income	205,256	160,681
Subscription rights to shares	154,752	159,865
Minority interests	1,709,285	1,717,571
Total net assets	12,792,523	12,590,630
Total liabilities and net assets	24,107,007	21,436,097

(2)DAC Consolidated Statements of Income

(Unit:Thousand Yen)

Items of an account	1st Quarter of FY2011 (December 1,2009 to February 28,2010)	1st Quarter of FY2012 (April 1,2011 to Jun 30,2011)
	Amount	Amount
Net sales	13,133,779	17,831,093
Cost of sales	11,060,603	15,253,248
Gross profit	2,073,176	2,577,845
Selling, general and administrative expenses	1,694,189	2,257,038
Operating income	378,986	320,806
Non-operating income		
Interest income	1,327	596
Dividends income	30	7,709
Equity in earnings of affiliates	13,098	6,119
Other	2,113	4,332
Total non-operating income	16,569	18,757
Non-operating expenses		
Interest expenses	786	1,152
Foreign exchange losses	25	529
Loss on exit penalty	-	1,162
Loss on running cost investment business management partnership	1,009	-
Provision of allowance for doubtful accounts	1,500	-
Other	123	1,021
Total non-operating expenses	3,445	3,865
Ordinary income	392,111	335,698
Extraordinary income		
Gain on sales of investment securities	-	12,957
Gain on change in equity	20,380	779
Other	1,507	-
Total extraordinary income	21,888	13,737
Extraordinary loss		
Loss on valuation of investment securities	2,509	-
Loss on retirement of noncurrent assets	-	3,505
Loss on valuation of membership	1,897	-
Loss on sales of subsidiaries' stocks	1,314	-
Loss on liquidation of subsidiaries and affiliates	-	955
Other	338	-
Total extraordinary losses	6,060	4,460
Income before income taxes	407,938	344,975
Income taxes-current	152,586	144,108
Income taxes-deferred	-27,241	41,460
Income taxes	125,344	185,569
Income before minority interests	282,594	159,406
Minority interests in income	26,146	54,779
Net income	256,447	104,627

(3)DAC Consolidated statements of comprehensive income

(Unit:Thousand Yen)

Items of an account	1st Quarter of FY2011 (December 1,2009 to February 28,2010)	1st Quarter of FY2012 (April 1,2011 to Jun 30,2011)
	Amount	Amount
Income before minority interests	282,594	159,406
Other comprehensive income		
Valuation difference on available-for-sale securities	1,607	81,908
Foreign currency translation adjustment	1,026	2,444
Share of other comprehensive income of associates accounted for using equity method	-139	-
Other comprehensive income	2,494	84,352
Comprehensive income	285,088	243,758
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	258,429	187,204
Comprehensive income attributable to minority interests	26,659	56,553

(4)DAC Consolidated statements of cash flows

(Unit:Thousand Yen)

Items of an account	1st Quarter of FY2011 (December 1,2009 to January 28,2010)	1st Quarter of FY2012 (April 1,2011 to Jun 30,2011)
	ammount	ammount
Net cash provided by (used in) operating activities		
Income before income taxes	407,938	344,975
Depreciation and amortization	76,384	83,952
Amortization of goodwill	22,854	49,867
Increase (decrease) in allowance for doubtful accounts	2,308	-5,927
Increase (decrease) in provision for retirement benefits	9,608	26,179
Increase (decrease) in provision for point card certificates	9,345	858
Increase (decrease) in provision for directors' bonuses	-13,587	-51,280
Loss (gain) on sales and valuation of investment securities	2,509	-12,957
Interest and dividends income	-1,357	-8,305
Interest expenses	786	1,152
Equity in (earnings) losses of affiliates	-13,098	-6,119
Loss (gain) on sales and retirement of noncurrent assets	-	3,505
Loss (gain) on change in equity	-20,380	-779
Loss (gain) on sales of subsidiaries' stocks	1,314	-
Decrease (increase) in notes and accounts receivable-trade	-431,855	2,119,252
Decrease (increase) in inventories	9,202	-24,355
Increase (decrease) in notes and accounts payable-trade	55,691	-1,878,370
Increase (decrease) in accounts payable-other	-26,645	-314,564
Increase (decrease) in accrued consumption taxes	77,591	4,559
Other, net	50,650	162,248
Subtotal	219,261	493,891
Interest and dividends income received	4,210	8,306
Interest expenses paid	-786	-1,152
Income taxes paid	-103,554	-453,318
Net cash provided by (used in) operating activities	119,131	47,727
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-7,082	-33,691
Purchase of intangible assets	-47,753	-121,263
Purchase of investment securities	-28,650	-82,270
Proceeds from sales and redemption of investment securities	-	23,820
Proceeds from sales of investments in subsidiaries	63,250	-
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-248,657	-
Payments for guarantee deposits	-5,471	-
Collection of loans receivable	4,166	-
Purchase of insurance funds	-	-8,329
Other, net	485	52
Net cash provided by (used in) investing activities	-269,713	-221,682
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-	230,000
Proceeds from long-term loans payable	-	7,350
Repayment of long-term loans payable	-28,890	-35,646
Proceeds from stock issuance to minority shareholders	-	3,000
Proceeds from exercise of stock option	-	1,911
Cash dividends paid	-98,747	-367,905
Cash dividends paid to minority shareholders	-	-62,076
Other, net	-482	-733
Net cash provided by (used in) financing activities	-128,120	-224,101
Effect of exchange rate change on cash and cash equivalents	1,094	68
Net increase (decrease) in cash and cash equivalents	-277,607	-397,988
Cash and cash equivalents at beginning of period	5,671,819	7,841,908
Cash and cash equivalents at end of period	5,394,212	7,443,920