

D.A.Consortium Inc.

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

Financial Highlights of 1st Quarter of Fiscal Year 2013 (April 1, 2013 to June 30, 2013) and 1st Quarter of Fiscal Year 2012 (April 1, 2012 to June 30, 2012)

(1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
1st Quarter of FY 2013	24,776	(11.7)	275	(53.3)	283	(53.2)	17	(90.9)
1st Quarter of FY 2012	22,187	(24.4)	588	(83.5)	605	(80.4)	192	(83.7)

	Earnings per share		Diluted earnings per share		Comprehensive Income	
	Yen		Yen		Mil.¥	%
1st Quarter of FY 2013	0.36		0.32		194	(25.6)
1st Quarter of FY 2012	3.96		3.90		261	(7.2)

Note: On April 1, 2013, DAC conducted a 100-for-1 stock split for shareholders as of March 31, 2013. In addition, basic net income per share for fiscal years ended June 30, 2012 and June 30, 2013 was calculated assuming that said stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Mil.¥	Mil.¥	%
1st Quarter of FY 2013 (As of June 30, 2013)	30,238	16,215	36.7
Fiscal Year 2012 (As of March 31, 2013)	31,344	16,472	36.0

(Reference) Capital: June 30, 2013: 11,099 million yen March 31, 2013: 11,298 million yen

(3) Dividend per share

Record date	End of 1 st quarter	End of 2 nd quarter	End of 3 rd quarter	End of period	Annual dividend
	Yen				
Fiscal Year 2012		0.00		600.00	600.00
Fiscal Year 2013					
Fiscal Year 2013 (expected)					

Note: 1. Revisions of the forecasts of consolidated results since the latest announcement: No

Note: 2. On April 1, 2013, DAC conducted a 100-for-1 stock split for shareholders as of March 31, 2013.

The above figures for Fiscal Year 2012 are based on actual dividend paid before the stock split.

(4) Consolidated earnings forecast of 2nd Quarter of Fiscal Year 2013 (April 1, 2013 to September 30, 2013)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Mil.¥ %	Mil.¥ %	Mil.¥ %	Mil.¥ %	Yen
2nd quarter of FY 2013	49,730(13.0)	583(27.0)	601(28.7)	180(33.0)	3.71
	~ 50,515(14.8)	~ 758(5.1)	~ 781(7.3)	~ 234(12.9)	~ 4.82
Fiscal Year 2013					

Note: Revisions of the forecasts of consolidated results since the latest announcement: Yes

DAC Consolidated Financial Statements

(1)DAC Consolidated Balance Sheets

(Unit:Thousands of Yen)

Items of an account	FY2012 (As of March 31, 2013)	1st Quarter of FY2013 (As of June 30,2013)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	8,138,811	9,353,891
Notes and accounts receivable-trade	13,627,949	11,711,139
Short-term investment securities	501,014	1,014
Operational investment securities	681,463	772,357
Other	1,918,238	2,259,246
Allowance for doubtful accounts	-7,741	-3,516
Total current assets	24,859,737	24,094,134
Noncurrent assets		
Property, plant and equipment	844,695	806,464
Intangible assets		
Goodwill	697,162	643,561
Software	728,950	674,488
Software in progress	178,707	162,881
Other	28,311	28,251
Total intangible assets	1,633,131	1,509,183
Investments and other assets		
Investment securities	2,768,719	2,744,384
Guarantee deposits	913,386	835,420
Other	345,697	264,358
Allowance for doubtful accounts	-20,612	-14,993
Total investments and other assets	4,007,191	3,829,169
Total noncurrent assets	6,485,018	6,144,817
Total assets	31,344,755	30,238,951

(Unit: Thousand Yen)

Items of an account	FY2012 (As of March 31, 2013)	1st Quarter of FY2013 (As of June 30, 2013)
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable-trade	10,753,799	9,687,849
Short-term loans payable	295,000	1,050,000
Current portion of long-term loans payable	155,628	102,737
Current portion of bonds	30,600	-
Accounts payable-other	808,888	911,063
Income taxes payable	608,678	326,881
Provision for bonuses	374,844	116,734
Provision for directors' bonuses	25,200	31,950
Other	958,972	1,148,681
Total current liabilities	14,011,611	13,375,896
Noncurrent liabilities		
Bonds payable	59,400	-
Long-term loans payable	410,794	260,000
Provision for retirement benefits	268,873	266,810
Other	121,276	120,470
Total noncurrent liabilities	860,343	647,280
Total liabilities	14,871,954	14,023,177
Net assets		
Shareholders' equity		
Capital stock	4,031,837	4,031,837
Capital surplus	3,184,465	3,184,465
Retained earnings	5,441,672	5,167,870
Treasury stock	-1,628,474	-1,628,534
Total shareholders' equity	11,029,500	10,755,639
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	194,102	198,834
Foreign currency translation adjustment	74,442	144,941
Total accumulated other comprehensive income	268,545	343,776
Subscription rights to shares	242,771	224,951
Minority interests	4,931,983	4,891,406
Total net assets	16,472,800	16,215,774
Total liabilities and net assets	31,344,755	30,238,951

(2)DAC Consolidated Statements of Income

(Unit:Thousands of Yen)

Items of an account	1st Quarter of FY2012 (April 1,2012 to June 30,2012)	1st Quarter of FY2013 (April 1,2013 to June 30,2013)
	Amount	Amount
Net sales	22,187,230	24,776,781
Cost of sales	18,646,746	21,505,246
Gross profit	3,540,484	3,271,535
Selling, general and administrative expenses	2,951,941	2,996,459
Operating income	588,542	275,076
Non-operating income		
Interest income	2,113	1,873
Dividends income	8,616	3,085
Equity in earnings of affiliates	17,583	-
Insurance premiums refunded cancellation	-	14,791
Other	6,608	7,448
Total non-operating income	34,921	27,199
Non-operating expenses		
Interest expenses	4,140	1,716
Commission fee	5,279	-
Equity in losses of affiliates	-	8,324
Foreign exchange losses	6,755	2,142
Loss on insurance cancellation	-	6,350
Other	1,807	137
Total non-operating expenses	17,983	18,671
Ordinary income	605,481	283,603
Extraordinary income		
Gain on sales of investment securities	14,095	-
Gain on reversal of subscription rights to shares	5,816	-
Gain on change in equity	264	16,056
Gain on asset retirement obligation	-	8,000
Total extraordinary income	20,175	24,056
Extraordinary loss		
Office transfer expenses	4,470	5,059
Loss on exit penalty	24,912	-
Other	2,516	384
Total extraordinary losses	31,900	5,443
Income before income taxes	593,756	302,216
Income taxes-current	255,478	230,294
Income taxes-deferred	27,456	3,225
Income taxes	282,935	233,519
Income before minority interests	310,821	68,696
Minority interests in income	118,659	51,142
Net income	192,162	17,554

(3)DAC Consolidated Statements of Comprehensive Income

(Unit:Thousands of Yen)

Items of an account	1st Quarter of FY2012 (April 1,2012 to June 30,2012)	1st Quarter of FY2013 (April 1,2013 to June 30,2013)
	Amount	Amount
Income before minority interests	310,821	68,696
Other comprehensive income		
Valuation difference on available-for-sale securities	-83,142	32,457
Deferred gains or losses on hedges	10,872	-
Foreign currency translation adjustment	22,859	56,795
Share of other comprehensive income of associates accounted for using equity method	-	36,411
Other comprehensive income	-49,410	125,664
Comprehensive income	261,411	194,361
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	149,124	92,785
Comprehensive income attributable to minority interests	112,287	101,576

(4)DAC Consolidated Statements of Cash Flows

(Unit:Thousands of Yen)

Items of an account	1st Quarter of FY2012 (April 1,2012 to June 30,2012)	1st Quarter of FY2013 (April 1,2013 to June 30,2013)
	amount	amount
Net cash provided by (used in) operating activities		
Income before income taxes	593,756	302,216
Depreciation and amortization	155,737	137,559
Amortization of goodwill	55,865	53,601
Increase (decrease) in allowance for doubtful accounts	-2,989	-134
Increase (decrease) in provision for retirement benefits	16,963	-2,063
Increase (decrease) in provision for point card certificates	4,023	-3,292
Increase (decrease) in provision for bonuses	-33,595	-258,110
Increase (decrease) in provision for directors' bonuses	-3,250	6,750
Increase (decrease) in deposits received	97,009	139,152
Loss (gain) on sales and valuation of investment securities	-13,796	179
Interest and dividends income	-10,730	-4,959
Interest expenses	4,140	1,716
Equity in (earnings) losses of affiliates	-17,583	8,324
Loss (gain) on sales and retirement of noncurrent assets	923	204
Gain on reversal of subscription rights to shares	-5,816	-
Loss (gain) on change in equity	1,030	-16,056
Decrease (increase) in notes and accounts receivable-trade	1,589,297	1,880,336
Decrease (increase) in advance payments	-116,824	-270,313
Decrease (increase) in inventories	-3,671	-3,037
Decrease (increase) in investment securities for sale	-352	-17,780
Increase (decrease) in notes and accounts payable-trade	-2,260,389	-1,065,949
Increase (decrease) in accounts payable-other	-170,357	219,998
Increase (decrease) in accrued consumption taxes	67,453	89,077
Other, net	112,022	-126,869
Subtotal	58,868	1,070,549
Interest and dividends income received	13,637	12,491
Interest expenses paid	-3,960	-2,061
Income taxes paid	-493,212	-486,254
Net cash provided by (used in) operating activities	-424,666	594,724
Net cash provided by (used in) investing activities		
Payments into time deposits	-1,800,000	-2,600,000
Proceeds from withdrawal of time deposits	1,050,000	2,034,555
Purchase of property, plant and equipment	-458,284	-68,694
Proceeds from sales of property, plant and equipment	123	-
Purchase of intangible assets	-168,570	-202,442
Purchase of investment securities	-104,841	-9,895
Proceeds from sales and redemption of investment securities	47,520	-
Payments for guarantee deposits	-	-10,589
Proceeds from collection of guarantee deposits	67,459	22,901
Payments of long-term loans receivable	-	-1,400
Collection of loans receivable	4,267	340
Purchase of stocks of subsidiaries and affiliates	-71,828	-19,762
Purchase of insurance funds	-8,329	-3,952
Proceeds from cancellation of insurance funds	-	30,638
Other, net	-	-958
Net cash provided by (used in) investing activities	-1,442,484	-829,260
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-3,332	800,000
Repayment of long-term loans payable	-37,002	-34,784
Proceeds from stock issuance to minority shareholders	-	3,400
Proceeds from exercise of stock option	1,026	69,318
Cash dividends paid	-294,072	-291,530
Cash dividends paid to minority shareholders	-71,044	-52,360
Other, net	-826	-2,657
Net cash provided by (used in) financing activities	-405,250	491,385
Effect of exchange rate change on cash and cash equivalents	3,851	50,820
Net increase (decrease) in cash and cash equivalents	-2,268,550	307,671
Cash and cash equivalents at beginning of period	9,573,605	6,595,701
Increase in cash and cash equivalents of merged previously non-consolidated subsidiary	-	-157,465
Cash and cash equivalents at end of period	7,305,054	6,745,906