

Digital Advertising Consortium Inc.

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

Financial Highlights of Fiscal Year 2013 (April 1, 2012 to March 31, 2013) and Fiscal Year 2012 (April 1, 2011 to March 31, 2012)

(1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
Fiscal Year 2013	96,319	(16.3)	1,658	(25.8)	1,704	(25.7)	804	(41.3)
Fiscal Year 2012	82,785	(-)	2,234	(-)	2,295	(-)	1,369	(-)

Note1: Comprehensive income: March 31, 2013 944million yen(up 48.7%) March 31, 2012 1,842million yen(-%)

Note2: DAC has decided to change fiscal year 2011 end from November 30 to March 31 of each year.

In fiscal Year 2012, no comparison is made because of the change in accounting periods.

	Net income	Diluted Net income	Return	Return	Operating income
	per share	per share	on equity	on assets	margin
	Yen	Yen	%	%	%
Fiscal Year 2013	16.57	16.39	7.3	5.4	1.7
Fiscal Year 2012	27.27	27.08	12.6	8.2	2.7

(Reference) Equity in earnings(losses)of affiliates:

Fiscal year ended March 31, 2013: 26 million yen Fiscal year ended March 31, 2012: 47 million yen

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 March 31,2012 and March 31,2013 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	Equity
	Mil.¥	Mil.¥	%	per share
				Yen
Fiscal Year 2013 (As of March 31,2013)	31,344	16,472	36.0	232.69
Fiscal Year 2012 (As of March 31,2012)	31,545	16,453	34.1	221.73

(Reference) Capital: March 31, 2013: 11,298 million yen March 31, 2012: 10,766 million yen

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

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal Year 2013	Mil.¥ 309	Mil.¥ -2,688	Mil.¥ -654	Mil.¥ 6,595
Fiscal Year 2012	2,817	80	-1,178	9,573

(4) Cash 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	Total Amount of dividends	Dividend payout ratio	Dividends to net assets ratio
	Yen	Yen	Yen	Yen	Yen	Mil.¥	%	%
Fiscal Year 2012		0.00		600.00	600.00	291	22.0	2.8
Fiscal Year 2013		0.00		600.00	600.00	291	36.2	2.6
Fiscal Year 2014 (expected)								

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

(5) Consolidated earnings forecast of 1st Quarter of Fiscal Year 2014 (April 1, 2013 to June 31, 2013)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%	Yen
1st quarter of 2014	25,821	(16.4)	453	(-23.1)	456	(-24.7)	115	(-40.3)	2.36
Fiscal Year 2014	~26,133	(17.8)	~589	(0.0)	~593	(-2.1)	~160	(-16.9)	~3.29

DAC Consolidated Financial Statements

(1)DAC Consolidated balance sheets

(Unit:Thousands of Yen)

Items of an account	FY2012 (As of March 31, 2012)	FY2013 (As of March 31, 2013)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	9,927,853	8,138,811
Notes and accounts receivable-trade	12,399,121	13,627,949
Securities	704,752	501,014
Operational investment securities	1,002,177	681,463
Other	1,363,716	1,918,238
Allowance for doubtful accounts	-12,096	-7,741
Total current assets	25,385,523	24,859,737
Noncurrent assets		
Property, plant and equipment		
Buildings	460,499	688,873
Accumulated depreciation	-135,729	-247,144
Buildings, net	324,769	441,728
Tools, furniture and fixtures	839,772	997,206
Accumulated depreciation	-567,710	-619,095
Tools, furniture and fixtures, net	272,061	378,111
Lease assets	19,315	33,103
Accumulated depreciation	-10,723	-11,844
Lease assets, net	8,592	21,259
Construction in progress	-	3,596
Total property, plant and equipment	605,424	844,695
Intangible assets		
Goodwill	914,291	697,162
Software	965,634	728,950
Software in progress	75,982	178,707
Other	20,084	28,311
Total intangible assets	1,975,993	1,633,131
Investments and other assets		
Investment securities	2,086,976	2,768,719
Guarantee deposits	1,132,855	913,386
Other	380,920	345,697
Allowance for doubtful accounts	-22,067	-20,612
Total investments and other assets	3,578,685	4,007,191
Total noncurrent assets	6,160,103	6,485,018
Total assets	31,545,626	31,344,755

(Unit:Thousands of Yen)

Items of an account	FY2012 (As of March 31, 2012)	FY2013 (As of March 31, 2013)
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable-trade	10,751,372	10,753,799
Short-term loans payable	419,500	295,000
Current portion of long-term loans payable	171,652	155,628
Current portion of bonds	-	30,600
Accounts payable-other	1,361,002	808,888
Income taxes payable	599,196	608,678
Provision for bonuses	162,248	374,844
Provision for directors' bonuses	14,000	25,200
Other	791,441	911,748
Total current liabilities	14,270,414	13,964,387
Noncurrent liabilities		
Bonds payable	-	59,400
Long-term loans payable	316,938	410,794
Provision for retirement benefits	237,571	268,873
Provision for point card certificates	40,971	47,223
Other	225,788	121,276
Total noncurrent liabilities	821,269	907,567
Total liabilities	15,091,683	14,871,954
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	5,441,672
Treasury stock	-1,626,980	-1,628,474
Total shareholders' equity	10,517,665	11,029,500
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	257,671	194,102
Foreign currency translation adjustment	-9,213	74,442
Total accumulated other comprehensive income	248,458	268,545
Subscription rights to shares	287,895	242,771
Minority interests	5,399,923	4,931,983
Total net assets	16,453,943	16,472,800
Total liabilities and net assets	31,545,626	31,344,755

(2)DAC Consolidated Statements of Income

(Unit:Thousands of Yen)

Items of an account	FY2012 (April 1,2011 to March 31,2012)	FY2013 (April 1,2012 to March 31,2013)
	Amount	Amount
Net sales	82,785,163	96,319,867
Cost of sales	71,002,160	82,131,029
Gross profit	11,783,002	14,188,838
Selling, general and administrative expenses	9,548,976	12,530,703
Operating income	2,234,025	1,658,135
Non-operating income		
Interest income	3,051	10,010
Dividends income	14,993	17,069
Equity in earnings of affiliates	47,379	26,575
Foreign exchange gains	-	8,685
Gain on tax-exempt consumption tax	10,834	41,586
Other	11,003	17,975
Total non-operating income	87,263	121,903
Non-operating expenses		
Interest expenses	7,968	19,745
Commission fee	-	36,591
Foreign exchange losses	8,514	-
Loss on investments in partnership	2,627	-
Other	6,670	19,187
Total non-operating expenses	25,781	75,525
Ordinary income	2,295,507	1,704,512
Extraordinary income		
Gain on sales of investment securities	237,922	134,919
Gain on change in equity	2,517	101,167
Gain on reversal of subscription rights to shares	-	61,052
Gain on bargain purchase	423,988	81,201
Other	44,067	35,589
Total extraordinary income	708,496	413,930
Extraordinary loss		
Loss on retirement of noncurrent assets	34,788	26,336
Impairment loss	110,176	107,035
Loss on valuation of investment securities	25,451	4,927
Loss on exit penalty	955	64,762
Other	34,507	37,464
Total extraordinary losses	205,880	240,525
Income before income taxes	2,798,123	1,877,916
Income taxes-current	1,153,181	1,093,083
Income taxes-deferred	15,300	-137,945
Income taxes	1,168,482	955,138
Income before minority interests	1,629,641	922,778
Minority interests in income	259,797	118,093
Net income	1,369,844	804,684

(3)DAC Consolidated statements of comprehensive income

(Unit:Thousands of Yen)

Items of an account	FY2012 (April 1,2011 to March 31,2012)	FY2013 (April 1,2012 to March 31,2013)
	Amount	Amount
Income before minority interests	1,629,641	922,778
Other comprehensive income		
Valuation difference on available-for-sale securities	205,976	-79,710
Foreign currency translation adjustment	6,580	65,907
Share of other comprehensive income of associates accounted for using equity method	-	35,212
Total other comprehensive income	212,556	21,409
Comprehensive income	1,842,198	944,188
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,540,630	824,356
Comprehensive income attributable to minority interests	301,568	119,831

(4)DAC Consolidated statements of cash flows

(Unit:Thousands of Yen)

Items of an account	FY2012 (April 1,2011 to March 31,2012)	FY2013 (April 1,2012 to March 31,2013)
	amount	amount
Net cash provided by (used in) operating activities		
Income before income taxes	2,798,123	1,877,916
Depreciation and amortization	397,946	670,505
Impairment loss	110,176	107,035
Amortization of goodwill	205,499	240,227
Increase (decrease) in allowance for doubtful accounts	-12,402	-5,399
Increase (decrease) in provision for directors' bonuses	-49,000	11,200
Increase (decrease) in provision for point card certificates	-20,871	14,772
Increase (decrease) in provision for retirement benefits	63,674	31,302
Increase (decrease) in provision for bonuses	-69,324	212,595
Interest and dividends income	-18,045	-27,080
Interest expenses	7,968	19,745
Equity in (earnings) losses of affiliates	-47,379	-26,575
Loss (gain) on sales and retirement of noncurrent assets	34,794	31,749
Gain on sales of investment securities	-237,922	-134,919
Loss (gain) on valuation of investment securities	25,451	4,927
Loss on valuation of stocks of subsidiaries and affiliates	-	11,676
Gain on bargain purchase	-423,988	-81,201
Loss (gain) on step acquisitions	-25,809	-
Gain on reversal of subscription rights to shares	-	-61,052
Loss (gain) on change in equity	3,135	-94,444
Decrease (increase) in notes and accounts receivable-trade	-1,095,071	-1,410,804
Decrease (increase) in inventories	-21,821	2,935
Decrease (increase) in investment securities for sale	-	1,433
Increase (decrease) in advances received	11,817	135,367
Increase (decrease) in notes and accounts payable-trade	2,166,825	2,426
Increase (decrease) in accounts payable-other	3,751	-291,631
Increase (decrease) in accrued consumption taxes	-9,842	13,214
Other, net	119,927	127,586
Subtotal	3,917,612	1,383,508
Interest and dividends income received	18,051	26,835
Interest expenses paid	-7,968	-18,413
Income taxes paid	-1,110,186	-1,082,554
Net cash provided by (used in) operating activities	2,817,508	309,376
Net cash provided by (used in) investing activities		
Payments into time deposits	-	-2,966,450
Proceeds from withdrawal of time deposits	-	2,000,000
Proceeds from sales and redemption of securities	4,000	-
Purchase of investment securities	-205,259	-293,683
Proceeds from sales and redemption of investment securities	283,069	268,041
Purchase of property, plant and equipment	-247,251	-672,778
Purchase of intangible assets	-441,896	-499,861
Purchase of stocks of subsidiaries and affiliates	-	-610,695
Proceeds from sales of stocks of subsidiaries and affiliates	85,050	-
Payments of purchase of Investments in other securities of subsidiaries and affiliates	-	-30,000
Payments for asset retirement obligations	-22,000	-
Payments for liquidation of subsidiaries	-7,433	-
Proceeds from transfer of business	24,000	11,660
Payments for transfer of business	-	-57,467
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	1,062,340	-
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-68,859	-
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	70,652
Payments for guarantee deposits	-374,520	-37,396
Proceeds from collection of guarantee deposits	-	242,428
Payments of loans receivable	-	-109,899
Collection of loans receivable	-	18,782
Purchase of insurance funds	-11,458	-12,764
Other, net	506	-8,983
Net cash provided by (used in) investing activities	80,287	-2,688,414
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	277,000	-124,500
Proceeds from long-term loans payable	342,350	591,000
Repayment of long-term loans payable	-185,203	-439,251
Proceeds from issuance of bonds	-	90,000
Purchase of treasury stock	-1,300,000	-
Payments of found trust for Subsidiarys Treasury Stock	-	-424,000
Proceeds from stock issuance to minority shareholders	128,000	66,536
Proceeds from exercise of stock option	12,096	7,526
Cash dividends paid	-369,136	-294,072
Cash dividends paid to minority shareholders	-80,795	-124,311
Other, net	-3,232	-3,741
Net cash provided by (used in) financing activities	-1,178,922	-654,813
Effect of exchange rate change on cash and cash equivalents	12,823	45,005
Net increase (decrease) in cash and cash equivalents	1,731,696	-2,988,845
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	9,573,605	6,595,701