

Digital Advertising Consortium Inc.

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

Financial Highlights of Fiscal Year 2005(December 1, 2004 to November 30, 2005)

(1) Consolidated

	Gross billings		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
Fiscal Year 2005	25,375	(67.9)	1,235	(78.7)	904	(40.7)	302	(-)
Fiscal Year 2004	15,114	(47.2)	691	(83.8)	642	(58.8)	-342	(-)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal Year 2005	562.45	552.47
Fiscal Year 2004	-1,521.72	-

(2) Non-Consolidated

	Gross billings		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
Fiscal Year 2005	24,882	(67.1)	1,194	(60.2)	1,288	(64.4)	705	(73.1)
Fiscal Year 2004	14,892	(45.4)	745	(91.8)	783	(85.8)	407	(46.6)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal Year 2005	1,395.86	1,371.08
Fiscal Year 2004	1,627.34	1,581.30

(Note) The percentage shown next to gross billings, operating income, ordinary income and net income represent year-on-year changes

On February 3, 2005, DAC declared a two-for-one stock split, effective March 31, 2005.

(3) Consolidated financial position

	Total assets	Total stockholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Mil.¥	Mil.¥	%	Yen
Fiscal Year 2005	10,358	6,237	60.2	12,786.43
Fiscal Year 2004	8,766	5,855	66.8	24,347.03

(4) Non-consolidated financial position

	Total assets	Total stockholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Mil.¥	Mil.¥	%	Yen
Fiscal Year 2005	11,344	7,389	65.1	15,157.54
Fiscal Year 2004	9,461	6,604	69.8	27,471.42

(Note) On February 3, 2005, DAC declared a two-for-one stock split, effective March 31, 2005.

(5) Dividends

	Cash dividends applicable to the year	Total Amount of dividends	Dividends payout ratio	Dividends on equity
	¥	Mil.¥	%	%
Fiscal Year 2005	140.00	67	9.6	0.9
Fiscal Year 2004	170.00	40	10.0	0.6

DAC Consolidated Financial Statements

(1) DAC Consolidated Balance Sheet

(Unit : Thousand Yen)

Items of an account	FY2004 of fiscal year-end (As of Nov.30,2004)		FY2005 of fiscal year-end (As of Nov.30, 2005)	
	Amount	Ratio	Amount	Ratio
(Assets)		%		%
Current Assets				
1. Cash and deposits	2,511,651		2,812,617	
2. Accountsreceivable-trade	2,056,318		2,958,256	
3. Marketable securities	2,466,814		1,958,570	
4. Other current assets	79,954		254,652	
Allowance for doubtful receivables	-8,151		-1,445	
Total currents assets	7,106,588	81.1	7,982,650	77.1
Non-current Assets				
1. Property, plant and equipment				
(1) Buildings	36,665		140,925	
(2) Other tangible assets	31,461	68,127	114,785	255,710
2. Intangible assets				
(1) Software	104,302		111,118	
(2) Software in progress	6,111		9,716	
(3) Other intangible assets	504	110,918	3,509	124,344
3. Investments and other assets				
(1) Investment securities	1,273,652		1,659,139	
(2) Other assets	211,550		340,408	
Allowance for doubtful receivables	-3,890	1,481,312	-3,872	1,995,675
Total non-current assets		1,660,357		2,375,731
Total assets		8,766,946		10,358,382

(Unit : Thousand Yen)

Items of an account	FY2004 of fiscal year-end (As of Nov.30,2004)		FY2005 of fiscal year-end (As of Nov.30,2005)	
	Amount	Ratio	Amount	Ratio
(Liabilities)		%		%
Current liabilities				
1. Accounts payable-trade	2,273,272		3,254,441	
2. Accounts payable-others	123,625		206,407	
3. Income tax payable	316,198		399,711	
4. Warrant	2,860		1,648	
5. Other current liabilities	106,516		111,990	
Total current liabilities	2,822,474	32.2	3,974,199	38.4
Non-current liabilities				
1. Accrued retirement benefits	18,515		32,269	
2. Accrued retirement benefits to directors	54,768		68,048	
Total non-current liabilities	73,283	0.8	100,317	1.0
Total liabilities	2,895,757	33.0	4,074,516	39.4
(Minority interests)				
Minority interests	15,742	0.2	45,898	0.4
(Shareholders' equity)				
Common stock	3,289,235	37.5	3,349,723	32.3
Additional paid-in capital	2,711,035	30.9	2,769,390	26.7
Retained earnings	-111,561	-1.2	129,902	1.3
Unrealized gain on available-for-sale securities	11,636	0.1	24,421	0.2
Treasury stock	-44,900	-0.5	-35,471	-0.3
Total shareholders' equity	5,855,446	66.8	6,237,966	60.2
Total liabilities, minority interests And shareholders' equity	8,766,946	100.0	10,358,382	100.0

(2) DAC Consolidated Statements of Income

(Unit : Thousand Yen)

Items of an account	Fiscal year 2004 (Dec. 2003 thru Nov.2004)		Fiscal year 2005 (Dec. 2004 thru Nov.2005)		
	Amount	Ratio	Amount	Ratio	
Gross billings		15,114,105	100.0	25,375,978	100.0
Cost of sales		12,970,458	85.8	22,034,000	86.8
Gross profit		2,143,647	14.2	3,341,978	13.2
selling, general and admin.expenses		1,452,117	9.6	2,106,253	8.3
Operating income		691,529	4.6	1,235,724	4.9
Non-operating income					
1. Interest and dividend income	31,332			9,289	
2. Gain on valuation of securities	-			74,225	
3. Gain on foreign currency transaction	2,575			696	
4. O t h e r s	6,982	40,891	0.3	14,039	98,251
Non-operating expenses					
1. Loss on equity securities	87,573			427,254	
2. O t h e r s	2,439	90,012	0.6	2,683	429,938
Ordinary income		642,408	4.3	904,038	3.6
Extraordinary income					
1. Profit from sale of investment securities	19,131			-	
2. Reversal of allowance for doubtful receivables	-			6,724	
3. Gain on change of equity securities	1,608	20,739	0.1	-	6,724
Extraordinary losses					
1. Loss from devaluation of investment securities	23,814			36,564	
2. Loss on disposal of fixed assets	380			60,168	
3. Loss on equity securities	616,577	640,772	4.2	-	96,733
Income before income taxes and minority interests		22,376	0.2	814,028	3.2
Provision for income taxes	406,423			563,521	
Deferred income taxes	-35,040	371,383	2.5	-51,858	511,662
Minority interests		-6,513	-0.0		156
Net income		-342,493	-2.3	302,209	1.2

(3) DAC Consolidated Statements of Cash Flows

(Unit : Thousand Yen)

Items of an account	FY2004 fiscal year-end (Dec 2003 thru Nov 2004)	FY2005 fiscal year-end (Dec 2004 thru Nov 2005)
	Amount	Amount
Cash flows from Operating Activities: Net cash provided by Operating Activities	748,864	925,649
Cash flows from Investing Activities: Net cash used by Investing Activities	-564,864	-1,143,012
Cash flows from Financing Activities Net cash provided by Financing Activities	95,876	116,313
Foreign currency translation adjustments on cash and cash equivalents	43	1,885
Net increase/decrease in cash and cash equivalents	279,920	-99,164
Cash and cash equivalents at beginning of Term	3,693,803	3,973,723
Cash and cash equivalents at end of term	3,973,723	3,874,559