

Digital Advertising Consortium Inc.

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

Financial Highlights of Fiscal Year 2008(December 1, 2007 to November 30, 2008)

(1) Consolidated

	Net sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
Fiscal Year 2008	45,826	(18.4)	1,406	(7.9)	1,346	(1.4)	843	(44.5)
Fiscal Year 2007	38,688	(19.7)	1,303	(18.4)	1,328	(24.2)	583	(-22.6)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Fiscal Year 2008	1,750.25		1,740.92	
Fiscal Year 2007	1,195.35		1,186.73	

(2) Non-Consolidated

	Net sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
Fiscal Year 2008	41,907	(16.1)	1,446	(-0.4)	1,454	(-1.6)	844	()
Fiscal Year 2007	36,090	(15.7)	1,451	(36.9)	1,476	(33.7)	-750	()

	Net income per share	
	Yen	
Fiscal Year 2008	1,752.39	
Fiscal Year 2007	-1,537.42	

(Note) The percentage shown next to Net Sales, operating income, ordinary income and net income represent year-on-year Changes.

(3) Consolidated financial position

	Total assets	Net assets	Equity ratio	Equity per share
	Mil.¥	Mil.¥	%	Yen
Fiscal Year 2008	14,307	8,462	53.6	15,936.17
Fiscal Year 2007	13,098	7,553	52.9	14,417.35

(4) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Equity per share
	Mil.¥	Mil.¥	%	Yen
Fiscal Year 2008	12,715	7,567	58.9	15,551.73
Fiscal Year 2007	11,378	6,761	59.2	14,027.48

DAC Consolidated Financial Statements

(1) DAC Consolidated Balance Sheet

(Unit : Thousand Yen)

Items of an account	FY2007 of fiscal year end (As of Nov.30, 2007)		FY2008 of fiscal year end (As of Nov.30, 2008)	
	Amount	Ratio	Amount	Ratio
(Assets)		%		%
Current Assets				
1. Cash and deposits	4,383,409		5,344,279	
2. Notes and accounts receivable-trade	4,264,423		4,981,095	
3. Short-term investment securities	391,107		96,571	
4. O t h e r	784,965		383,907	
Allowance for doubtful accounts	-3,155		-4,925	
Total current assets	9,820,751	75.0	10,800,928	75.5
Non-current Assets				
1. Property, plant and equipment				
(1) Buildings	166,614		174,321	
(2) Furniture and fixtures	219,120	385,735	206,853	381,174
2. Intangible assets				
(1) Goodwill	342,112		364,889	
(2) Software	261,774		370,620	
(3) Software in progress	88,178		185,808	
(4) Patent right	-		1,233	
(5) O t h e r	6,851	698,916	8,332	930,885
3. Investments and other assets				
(1) Investment securities	1,625,364		1,502,210	
(2) Deferred tax assets	-		144,932	
(3) O t h e r	695,118		675,965	
Allowance for doubtful accounts	-127,715	2,192,767	-128,167	2,194,941
Total non-current assets	3,277,418	25.0	3,507,001	24.5
Total assets	13,098,170	100.0	14,307,930	100.0

(Unit : Thousand Yen)

Items of an account	FY2007 of fiscal year end (As of Nov.30,2007)		FY2008 of fiscal year end (As of Nov.30,2008)	
	Amount	Ratio	Amount	Ratio
(Liabilities)		%		%
Current liabilities				
1. Accounts payable-trade	4,025,644		4,351,213	
2. Short-term loans payable	91,899		50,000	
3. Current portion of bonds payable	200,000		-	
4. Current portion of Long-term loans payable	59,429		173,328	
5. Accounts payable-other	367,295		431,480	
6. Income taxes payable	176,420		262,858	
7. Provision for directors' bonuses	30,000		35,000	
8. O t h e r	275,835		209,972	
Total current liabilities	5,226,524	39.9	5,513,852	38.6
Non-current liabilities				
1. Long-term loans payable	140,006		122,234	
2. Provision for retirement benefits	62,220		92,268	
3. Provision for directors' retirement benefits	95,013		94,397	
4. Provision for point certificate	19,829		21,057	
5. O t h e r	867		1,316	
Total non-current liabilities	317,936	2.4	331,273	2.3
Total liabilities	5,544,460	42.3	5,845,125	40.9
(Net assets)				
Shareholders' equity				
1. Capital stock	3,387,977	25.9	3,387,977	23.7
2. Capital surplus	2,800,445	21.4	2,741,944	19.2
3. Retained earnings	1,281,112	9.8	2,051,448	14.3
4. Treasury stock	-544,752	-4.2	-447,001	-3.1
Total shareholders' equity	6,924,783	52.9	7,734,368	54.1
Valuation and translation adjustments				
1. Valuation difference on available for sale securities	1,823	0.0	-61,131	-0.4
2. Foreign currency translation adjustment	281	0.0	-34	-0.0
Total valuation and translation adjustments	2,105	0.0	-61,165	-0.4
Subscription rights to shares	22,243	0.2	79,501	0.5
Minority interests	604,577	4.6	710,100	4.9
Total net Assets	7,553,709	57.7	8,462,804	59.1
	13,098,170	100.0	14,307,930	100.0

(2) DAC Consolidated Statements of Income

(Unit : Thousand Yen)

Items of an account	Fiscal year 2007 (Dec. 2006 thru Nov.2007)		Fiscal year 2008 (Dec. 2007 thru Nov.2008)			
	Amount	Ratio	Amount	Ratio		
Net sales		38,688,514	100.0	45,826,187	100.0	
Cost of sales		32,728,249	84.6	39,077,095	85.3	
Gross profit		5,960,265	15.4	6,749,091	14.7	
Selling, general and administrative expenses		4,657,049	12.0	5,343,057	11.6	
Operating income		1,303,216	3.4	1,406,033	3.1	
Non operating income						
1. Interest income	25,054			15,984		
2. Dividends income	21,003			1,970		
3. Foreign exchange gains	966			4,699		
4. Equity in earnings of affiliates	824			-		
5. O t h e r	5,633	53,482	0.1	6,581	29,237	0.0
Non operating expenses						
1. Interest payable	6,821			8,889		
2. Equity in losses of affiliates	-			54,909		
3. Loss on valuation of securities	17,642			10,072		
4. O t h e r	4,195	28,659	0.1	14,645	88,517	0.2
Ordinary income		1,328,039	3.4	1,346,753	2.9	
Extraordinary income						
1. Gain on sales of investment securities	9,661			11,854		
2. Gain on change in equity	81,490			5,271		
3. Gain on sales of noncurrent assets	1,828			-		
4. O t h e r	1,734	94,714	0.2	393	17,519	0.0
Extraordinary loss						
1. Loss on valuation of investment securities	78,111			99,764		
2. Loss on sales of investment securities	9,817			852		
3. Loss on retirement of noncurrent assets	32,000			41,193		
4. One-time amortization of goodwill	227,411			-		
5. Amortization of advance payments-trade	92,390			-		
6. O t h e r	23,286	463,017	1.1	3,537	145,347	0.3
Income before income taxes and minority interests		959,736	2.5	1,218,925	2.6	
Income taxes-current	436,122			481,546		
Income taxes-deferred	47,178	483,301	1.2	-53,731	427,815	0.9
Minority interests in income(loss)		-106,894	-0.2		-52,028	-0.1
Net income		583,329	1.5	843,137	1.8	

(3) DAC Consolidated Statements of Cash Flows

(Unit : Thousand Yen)

Items of an account	FY2007 fiscal year end (Dec 2006 thru Nov 2007)	FY2008 fiscal year end (Dec 2007 thru Nov 2008)
	Amount	Amount
Cash flows from Operating Activities: Net cash provided by Operating Activities:	944,022	1,464,268
Cash flows from Investing Activities: Net cash provided by(used in) Investing Activities	297,092	-701,476
Cash flows from Financing Activities: Net cash used in Financing Activities	-514,160	-79,806
Effect of exchange rate change on cash and cash equivalents	334	-1,725
Net increase in cash and cash equivalents	727,289	681,260
Cash and cash equivalents at beginning of term	3,926,586	4,653,876
Increase in cash and cash equivalents from newly consolidated subsidiary	-	2,161
Cash and cash equivalents at end of term	4,653,876	5,337,297