

Digital Advertising Consortium Inc.

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

Financial Highlights of Fiscal Year 2009(December 1, 2008 to November 30, 2009)

(1) Consolidated operating results

	Net Sales		Operating income		Ordinary income		Net income	
	Mil. ¥	%	Mil. ¥	%	Mil. ¥	%	Mil. ¥	%
Fiscal Year 2009	47,915	(4.6)	943	(-32.9)	881	(-34.5)	296	(-64.9)
Fiscal Year 2008	45,826	(18.4)	1,406	(7.9)	1,346	(1.4)	843	(44.5)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal Year 2009	573.92	571.65
Fiscal Year 2008	1,750.25	1,740.92

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Equity per share
	Mil. ¥	Mil. ¥	%	Yen
Fiscal Year 2009	15,499	9,924	58.6	17,284.08
Fiscal Year 2008	14,307	8,462	53.6	15,936.17

(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	Yen	Yen	Yen	Yen
Fiscal Year 2008	—	0.00	—	320.00	320.00
Fiscal Year 2009	—	0.00	—	200.00	200.00
Fiscal Year 2010 (expected)	TBD	TBD	TBD	TBD	TBD

DAC Consolidated Financial Statements

(1)DAC Consolidated Balance Sheet

(Unit:Thousand Yen)

Items of an account	FY2008 (As of Nov 30,2008)	FY2009 (As of Nov,2009)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	5,344,279	5,678,796
Notes and accounts receivable-trade	4,981,095	5,047,038
Short-term investment securities	96,571	100,963
Other	383,907	881,451
Allowance for doubtful accounts	-4,925	-3,732
Total current assets	10,800,928	11,704,516
Noncurrent assets		
Property, plant and equipment		
Buildings	308,209	293,511
Accumulated depreciation	-133,888	-142,316
Buildings, net	174,321	151,195
Tools, furniture and fixtures	537,093	632,243
Accumulated depreciation	-330,239	-414,717
Tools, furniture and fixtures, net	206,853	217,525
Lease assets	—	3,848
Accumulated depreciation	—	-855
Lease assets, net	—	2,993
Total property, plant and equipment	381,174	371,714
Intangible assets		
Goodwill	364,889	673,826
Software	370,620	549,442
Software in progress	185,808	50,086
Patent right	1,233	2,520
Other	8,332	8,323
Total intangible assets	930,885	1,284,200
Investments and other assets		
Investment securities	1,502,210	1,369,207
Deferred tax assets	144,932	172,823
Other	675,965	725,680
Allowance for doubtful accounts	-128,167	-128,309
Total investments and other assets	2,194,941	2,139,402
Total noncurrent assets	3,507,001	3,795,316
Total assets	14,307,930	15,499,833

Items of an account	FY2008 (As of Nov 30,2008)	FY2009 (As of Nov,2009)
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable-trade	4,351,213	4,168,747
Short-term loans payable	50,000	—
Current portion of long-term loans payable	173,328	62,220
Accounts payable-other	431,480	446,330
Income taxes payable	262,858	256,257
Provision for directors' bonuses	35,000	19,587
Provision for bonuses	—	113,147
Provision for point card certificates	—	13,709
Other	209,972	192,794
Total current liabilities	5,513,852	5,272,794
Noncurrent liabilities		
Long-term loans payable	122,234	60,014
Provision for retirement benefits	92,268	121,752
Provision for directors' retirement benefits	94,397	—
Provision for point card certificates	21,057	16,213
Other	1,316	105,042
Total noncurrent liabilities	331,273	303,021
Total liabilities	5,845,125	5,575,816
Net assets		
Shareholders' equity		
Capital stock	3,387,977	4,031,837
Capital surplus	2,741,944	3,369,621
Retained earnings	2,051,448	2,193,472
Treasury stock	-447,001	-448,094
Total shareholders' equity	7,734,368	9,146,836
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-61,131	-47,948
Foreign currency translation adjustment	-34	-10,244
Total valuation and translation adjustments	-61,165	-58,192
Subscription rights to shares	79,501	127,886
Minority interests	710,100	707,486
Total net assets	8,462,804	9,924,016
Total liabilities and net assets	14,307,930	15,499,833

(2)DAC Consolidated Statements of Income

(Unit:Thousand Yen)

Items of an account	FY2008 (December 1,2007 to November 30,2008)	FY2009 (December 1,2008 to November 30,2009)
	Amount	Amount
Net sales	45,826,187	47,915,379
Cost of sales	39,077,095	40,436,373
Gross profit	6,749,091	7,479,005
Selling, general and administrative expenses	5,343,057	6,535,481
Operating income	1,406,033	943,524
Non-operating income		
Interest income	15,984	7,815
Dividends income	1,970	4,731
Foreign exchange gains	4,699	8,812
Reversal of provision for point card certificates	—	3,775
Other	6,581	9,171
Total non-operating income	29,237	34,306
Non-operating expenses		
Interest expenses	8,889	6,473
Commission fee	—	25,000
Equity in losses of affiliates	54,909	39,319
Valuation difference on available for sale securities	10,072	—
Rent expenses on real estates	—	13,022
Other	14,645	12,184
Total non-operating expenses	88,517	96,001
Ordinary income	1,346,753	881,829
Extraordinary income		
Gain on sales of investment securities	11,854	49
Gain on change in equity	5,271	93,827
Gain on sales of noncurrent assets	—	13
Other	393	4,628
Total extraordinary income	17,519	98,519
Extraordinary loss		
Loss on valuation of investment securities	99,764	275,428
Loss on sales of investment securities	852	252
Loss on retirement of noncurrent assets	41,193	48,452
Loss on sales of noncurrent assets	—	13,643
Impairment loss	—	56,550
Special retirement expenses	—	26,608
Other	3,537	11,523
Total extraordinary losses	145,347	432,459
Income before income taxes and minority interests	1,218,925	547,890
Income taxes-current	481,546	426,510
Income taxes-deferred	-53,731	-7,949
Total income taxes	427,815	418,561
Minority interests in loss	-52,028	-166,774
Net income	843,137	296,102

(3)DAC Consolidated statements of cash flows

(Unit:Thousand Yen)

Items of an account	FY2008	FY2009
	(December 1,2007 to November 30,2008)	(December 1,2008 to November 30,2009)
	amount	amount
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,218,925	547,890
Depreciation and amortization	235,263	278,910
Amortization of goodwill	67,308	94,119
Increase (decrease) in allowance for doubtful accounts	1,769	-1,050
Increase (decrease) in provision for retirement benefits	30,048	29,484
Increase (decrease) in provision for directors' retirement benefits	-616	-94,397
Increase (decrease) in provision for point card certificates	2,121	7,633
Increase (decrease) in provision for directors' bonuses	5,000	-15,412
Valuation difference on available for sale securities	10,072	—
Gain on sales of investment securities	-11,854	-49
Loss on sales of investment securities	852	252
Loss (gain) on valuation of investment securities	99,764	275,428
Interest and dividends income	-17,955	-12,547
Interest expenses	8,889	6,473
Equity in (earnings) losses of affiliates	54,909	39,319
Loss (gain) on sales and retirement of noncurrent assets	41,193	60,347
Gain on change in equity	-5,271	-93,827
Decrease (increase) in notes and accounts receivable-trade	-716,672	610,918
Decrease (increase) in inventories	-43,546	46,535
Decrease (increase) in advance payments	-9,872	—
Increase (decrease) in notes and accounts payable-trade	325,568	-370,627
Increase (decrease) in accounts payable-other	84,805	-13,462
Increase (decrease) in accrued consumption taxes	2,170	-28,381
Other, net	469,453	25,937
Subtotal	1,852,328	1,393,495
Interest and dividends income received	17,978	12,968
Interest expenses paid	-9,328	-6,473
Income taxes paid	-396,709	-528,329
Net cash provided by (used in) operating activities	1,464,268	871,661
Net cash provided by (used in) investing activities		
Payments into time deposits	-5,000	—
Proceeds from withdrawal of time deposits	20,000	—
Purchase of investment securities	-300,000	-2,700
Proceeds from sales and redemption of investment securities	164,290	200,000
Purchase of property, plant and equipment	-190,469	-113,598
Purchase of intangible assets	-268,689	-252,762
Purchase of investments in subsidiaries	-43	—
Payments for guarantee deposits	-50,946	-82,307
Proceeds from collection of guarantee deposits	8,413	102,355
Payments for long-term prepaid expenses	-19,282	—
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	8,704
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	-878,262
Purchase of stocks of subsidiaries and affiliates	—	-372,643
Proceeds from maturity of insurance funds	—	12,729
Other, net	-59,747	-14,557
Net cash provided by (used in) investing activities	-701,476	-1,393,042

Items of an account	FY2008 (December 1,2007 to November 30,2008)	FY2009 (December 1,2008 to November 30,2009)
	ammount	ammount
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-41,899	-50,000
Repayment of long-term loans payable	-103,873	-173,328
Proceeds from long-term loans payable	200,000	—
Redemption of bonds	-200,000	—
Proceeds from issuance of common stock	—	1,283,130
Purchase of treasury stock	-362,045	-33,498
Proceeds from sales of treasury stock	401,295	16,222
Proceeds from issuance of common stock to minority shareholders	98,000	26,280
Cash dividends paid	-71,283	-158,327
Cash dividends paid to minority shareholders	—	-38,800
Other, net	—	-897
Net cash provided by (used in) financing activities	-79,806	870,781
Effect of exchange rate change on cash and cash equivalents	-1,725	-14,878
Net increase (decrease) in cash and cash equivalents	681,260	334,521
Cash and cash equivalents at beginning of period	4,653,876	5,337,297
Cash and cash equivalents from newly consolidated subsidiary, beginning of year	2,161	—
Cash and cash equivalents at end of period	5,337,297	5,671,819