

Digital Advertising Consortium Inc.

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

Financial Highlights of 2nd Quarter of Fiscal Year 2012 (April 1, 2011 to September 30, 2011) and 2nd Quarter of Fiscal Year 2011 (December 1, 2009 to May 31, 2010)

(1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
2nd Quarter of FY 2012	38,062	(-)	839	(-)	867	(-)	304	(-)
2nd Quarter of FY 2011	26,958	(10.9)	867	(148.0)	903	(232.9)	560	(-)

	Net income per share	Diluted Net income per share	Comprehensive income	
	Yen	Yen	Mil.¥	%
2nd Quarter of FY 2012	586.73	581.28	497	(-)
2nd Quarter of FY 2011	1,065.20	1,059.02	651	(-)

*DAC has decided to change its fiscal year end from November 30 to March 31 of each year.

No comparison is made because of the change in accounting periods.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Mil.¥	Mil.¥	%
2nd Quarter of FY 2012 (As of Sep 30, 2011)	22,608	11,693	42.4
Fiscal Year 2011 (As of Mar 31, 2011)	24,107	12,792	45.3

(3) Cash dividend per share

Record date	End of 1 st quarter	End of 2 nd quarter	End of 3 rd quarter	End of 4 th quarter	End of period	Annual dividend
	Yen	Yen	Yen	Yen	Yen	Yen
Fiscal Year 2011		0.00			700.00	700.00
Fiscal Year 2012		0.00				
Fiscal Year 2012 (expected)			TBD		TBD	TBD

(4) Consolidated earnings forecast of 3rd Quarter of Fiscal Year 2012 (April 1, 2011 to December 31, 2011)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%	Yen
3rd Quarter of FY 2012	58,764	(-)	1,300	(-)	1,320	(-)	534	(-)	1,051.24
	~ 61,777	(-)	~ 1,523	(-)	~ 1,544	(-)	~ 645	(-)	~ 1,269.76

DAC Consolidated Financial Statements

(1)DAC Consolidated balance sheets

(Unit:Thousands of Yen)

Items of an account	FY2011 (As of March 31, 2011)	2nd Quarter of FY2012 (As of September 30,2011)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	7,849,895	6,925,865
Notes and accounts receivable-trade	10,568,054	9,763,615
Short-term investment securities	5,013	1,013
Other	1,273,816	1,142,187
Allowance for doubtful accounts	-18,900	-17,151
Total current assets	19,677,880	17,815,529
Noncurrent assets		
Property, plant and equipment	324,913	343,655
Intangible assets		
Goodwill	1,043,118	950,378
Software	539,487	604,475
Software in progress	42,925	76,845
Other	12,999	15,466
Total intangible assets	1,638,531	1,647,165
Investments and other assets		
Investment securities	1,634,851	1,854,287
Other	839,005	955,858
Allowance for doubtful accounts	-8,173	-7,910
Total investments and other assets	2,465,683	2,802,235
Total noncurrent assets	4,429,127	4,793,056
Total assets	24,107,007	22,608,586

(Unit:Thousands of Yen)

Items of an account	FY2011 (As of March 31, 2011)	2nd Quarter of FY2012 (As of September 30,2011)
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable-trade	8,416,399	8,276,427
Short-term loans payable	20,000	270,000
Current portion of long-term loans payable	129,254	111,866
Accounts payable-other	944,999	563,758
Income taxes payable	531,737	404,378
Provision for bonuses	231,573	242,251
Provision for directors' bonuses	63,000	19,440
Provision for point card certificates	23,352	24,060
Other	543,534	511,338
Total current liabilities	10,903,851	10,423,521
Noncurrent liabilities		
Long-term loans payable	42,532	141,293
Provision for retirement benefits	173,897	211,083
Provision for point card certificates	41,146	40,678
Other	153,057	98,849
Total noncurrent liabilities	410,632	491,904
Total liabilities	11,314,484	10,915,425
Net assets		
Shareholders' equity		
Capital stock	4,031,837	4,031,837
Capital surplus	3,184,465	3,184,465
Retained earnings	3,833,905	3,863,153
Treasury stock	-326,980	-1,626,980
Total shareholders' equity	10,723,228	9,452,475
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	217,784	140,039
Foreign currency translation adjustment	-12,527	-12,119
Total accumulated other comprehensive income	205,256	127,920
Subscription rights to shares	154,752	189,497
Minority interests	1,709,285	1,923,266
Total net assets	12,792,523	11,693,160
Total liabilities and net assets	24,107,007	22,608,586

(2)DAC Consolidated Statements of Income

(Unit:Thousands of Yen)

Items of an account	2nd Quarter of FY2011 (December 1,2009 to May 31,2010)	2nd Quarter of FY2012 (April 1,2011 to September 30,2011)
	Amount	Amount
Net sales	26,958,422	38,062,505
Cost of sales	22,690,571	32,677,734
Gross profit	4,267,850	5,384,770
Selling, general and administrative expenses	3,400,440	4,544,963
Operating income	867,410	839,806
Non-operating income		
Interest income	2,463	1,517
Dividends income	72	11,987
Foreign exchange gains	-	733
Equity in earnings of affiliates	33,478	13,282
Other	6,669	7,038
Total non-operating income	42,684	34,558
Non-operating expenses		
Interest expenses	1,336	2,846
Foreign exchange losses	625	-
Loss on exit penalty	-	1,162
Loss on investments in partnership	1,009	1,457
Provision of allowance for doubtful accounts	3,000	-
Other	342	1,353
Total non-operating expenses	6,313	6,819
Ordinary income	903,781	867,546
Extraordinary income		
Gain on sales of investment securities	98,000	12,957
Gain on transfer of business	-	18,037
Other	23,395	1,726
Total extraordinary income	121,395	32,721
Extraordinary loss		
Loss on valuation of investment securities	12,358	-
Loss on retirement of noncurrent assets	328	4,149
Loss on valuation of membership	1,897	-
Loss on sales of stocks of subsidiaries and affiliates	1,314	-
Stock selling cost	-	14,037
Other	338	960
Total extraordinary losses	16,238	19,147
Income before income taxes	1,008,938	881,120
Income taxes-current	404,219	448,203
Income taxes-deferred	-42,977	-4,904
Income taxes	361,241	443,298
Income before minority interests	647,696	437,821
Minority interests in income	87,574	133,167
Net income	560,122	304,654

(3)DAC Consolidated statements of comprehensive income

(Unit:Thousands of Yen)

Items of an account	2nd Quarter of FY2011 (December 1,2009 to May 31,2010)	2nd Quarter of FY2012 (April 1,2011 to September 30,2011)
	Amount	Amount
Income before minority interests	647,696	437,821
Other comprehensive income		
Valuation difference on available-for-sale securities	3,367	59,336
Foreign currency translation adjustment	1,540	776
Share of other comprehensive income of associates accounted for using equity method	-1,600	-
Other comprehensive income	3,307	60,112
Comprehensive income	651,004	497,934
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	562,655	354,279
Comprehensive income attributable to minority interests	88,349	143,655

(4)DAC Consolidated statements of cash flows

(Unit: Thousands of Yen)

Items of an account	2nd Quarter of FY2011 (December 1,2009 to May 31,2010)	2nd Quarter of FY2012 (April 1,2011 to September 30,2011)
	ammount	ammount
Net cash provided by (used in) operating activities		
Income before income taxes	1,008,938	881,120
Depreciation and amortization	155,748	186,406
Amortization of goodwill	45,071	99,609
Increase (decrease) in allowance for doubtful accounts	4,263	-2,011
Increase (decrease) in provision for retirement benefits	24,120	37,186
Increase (decrease) in provision for directors' retirement benefits	-	600
Increase (decrease) in provision for point card certificates	19,468	2,895
Increase (decrease) in provision for directors' bonuses	2,614	-43,560
Loss (gain) on change in equity	-20,380	-1,500
Loss (gain) on transfer of business	-	-18,037
Loss (gain) on sales and valuation of investment securities	-85,641	-12,957
Interest and dividends income	-2,535	-13,505
Interest expenses	1,336	2,846
Equity in (earnings) losses of affiliates	-33,478	-13,282
Loss (gain) on sales and retirement of noncurrent assets	328	4,149
Loss (gain) on sales of stocks of subsidiaries and affiliates	1,314	-
Decrease (increase) in notes and accounts receivable-trade	-887,215	804,439
Decrease (increase) in inventories	6,732	-36,830
Increase (decrease) in notes and accounts payable-trade	331,146	-168,715
Increase (decrease) in accounts payable-other	339,113	-350,377
Increase (decrease) in accrued consumption taxes	84,859	-4,982
Other, net	-217,320	195,610
Subtotal	778,484	1,549,102
Interest and dividends income received	5,391	13,501
Interest expenses paid	-1,336	-2,850
Income taxes paid	-173,606	-581,335
Net cash provided by (used in) operating activities	608,931	978,417
Net cash provided by (used in) investing activities		
Proceeds from redemption of securities	-	4,000
Purchase of property, plant and equipment	-19,670	-77,695
Purchase of intangible assets	-84,497	-255,570
Purchase of investment securities	-28,650	-184,958
Proceeds from sales and redemption of investment securities	248,000	23,820
Purchase of stocks of subsidiaries and affiliates	-50,000	-140,000
Proceeds from sales of stocks of subsidiaries and affiliates	63,250	85,050
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	45,797	-
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-248,657	-
Proceeds from transfer of business	-	4,000
Payments for guarantee deposits	-5,471	-67,194
Collection of loans receivable	16,664	-
Purchase of insurance funds	-	-8,778
Payments for liquidation of subsidiaries	-	-7,433
Other, net	81	306
Net cash provided by (used in) investing activities	-63,152	-624,454
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-	250,000
Proceeds from long-term loans payable	-	179,350
Repayment of long-term loans payable	-42,222	-97,977
Purchase of treasury stock	-	-1,300,000
Proceeds from stock issuance to minority shareholders	-	128,000
Proceeds from exercise of stock option	-	3,679
Cash dividends paid	-101,229	-367,915
Cash dividends paid to minority shareholders	-	-62,242
Other, net	-976	-1,560
Net cash provided by (used in) financing activities	-144,427	-1,268,665
Effect of exchange rate change on cash and cash equivalents	1,673	-9,328
Net increase (decrease) in cash and cash equivalents	403,024	-924,030
Cash and cash equivalents at beginning of period	5,671,819	7,841,908
Cash and cash equivalents at end of period	6,074,844	6,917,878