



FY2015-3Q Financial Results Briefing

D.A.C Consortium Inc.
February 5, 2016

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Overview of Consolidated Financial Results

Financial Highlights (Consolidated)

(Millions of Yen)

	FY2015-3Q			
	Quarterly (Oct. 2015 to Dec. 2015)		Accumulated (Apr. 2015 to Dec. 2015)	
		Y on Y		Y on Y
Sales	38,950	132.2%	103,501	119.7%
Gross Profit	5,256	120.3%	14,966	123.0%
Operating Income	1,424	174.6%	3,768	196.9%
Profit Attributable to Owners of Parent	717	152.4%	1,688	161.7%
EBITDA	1,653	160.0%	4,422	174.7%
Operating Margin*	27.1%	+8.4pt	25.2%	+9.4pt

*Operating Margin = Operating Income / Gross Profit

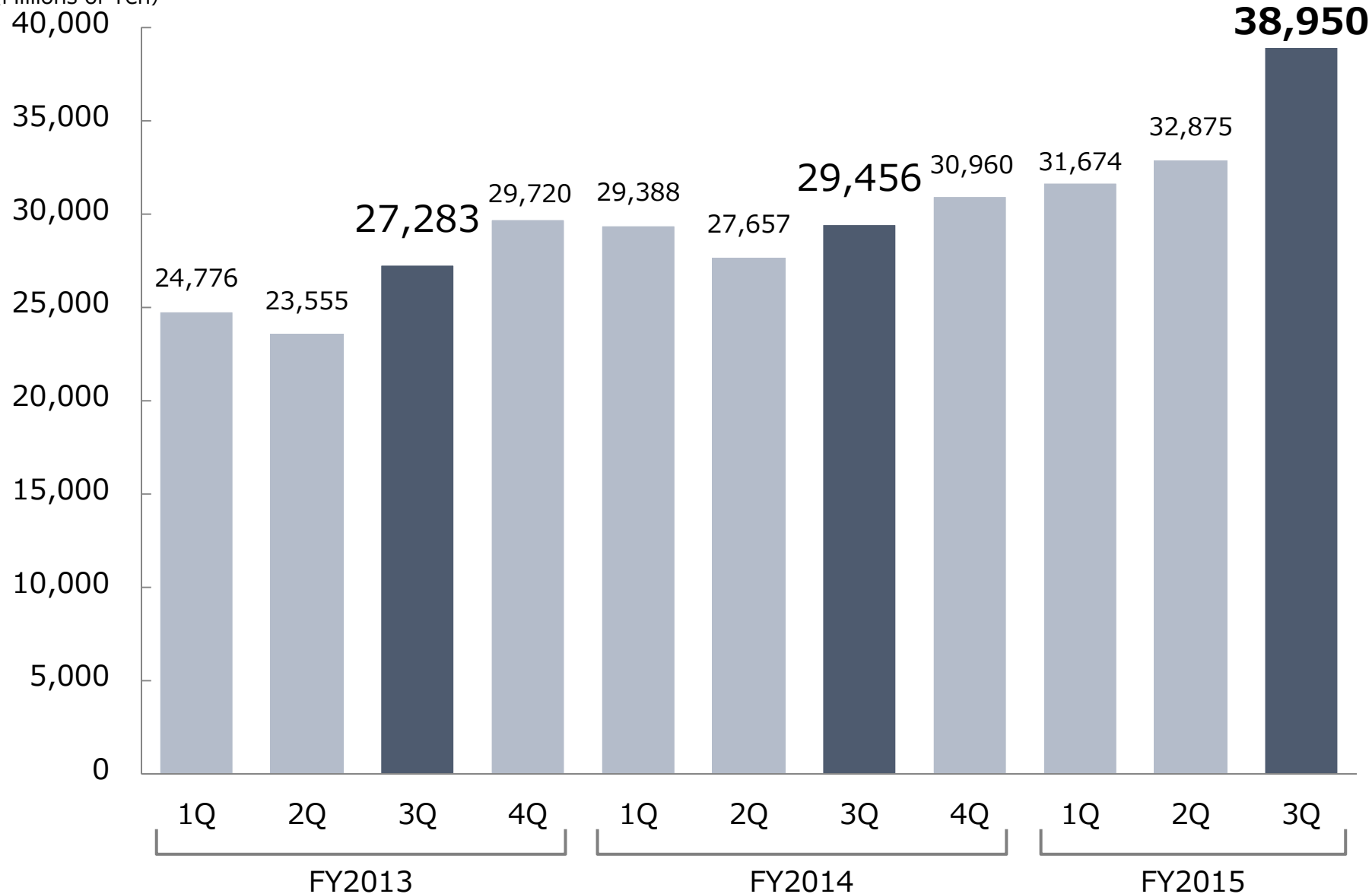
FY2015 Business Forecast Upward Revision

(Millions of Yen)

	FY2015 (Apr. 2015 to Mar. 2016)		
	8/4 Forecasts	Revised Forecasts	Differences
Sales	135,000	143,500	+8,500
Operating Income	3,550	4,400	+850
Ordinary Income	3,550	4,400	+850
Profit Attributable to Owners of Parent	1,350	1,800	+450
Net Income per Share	27.80	37.07	+9.27

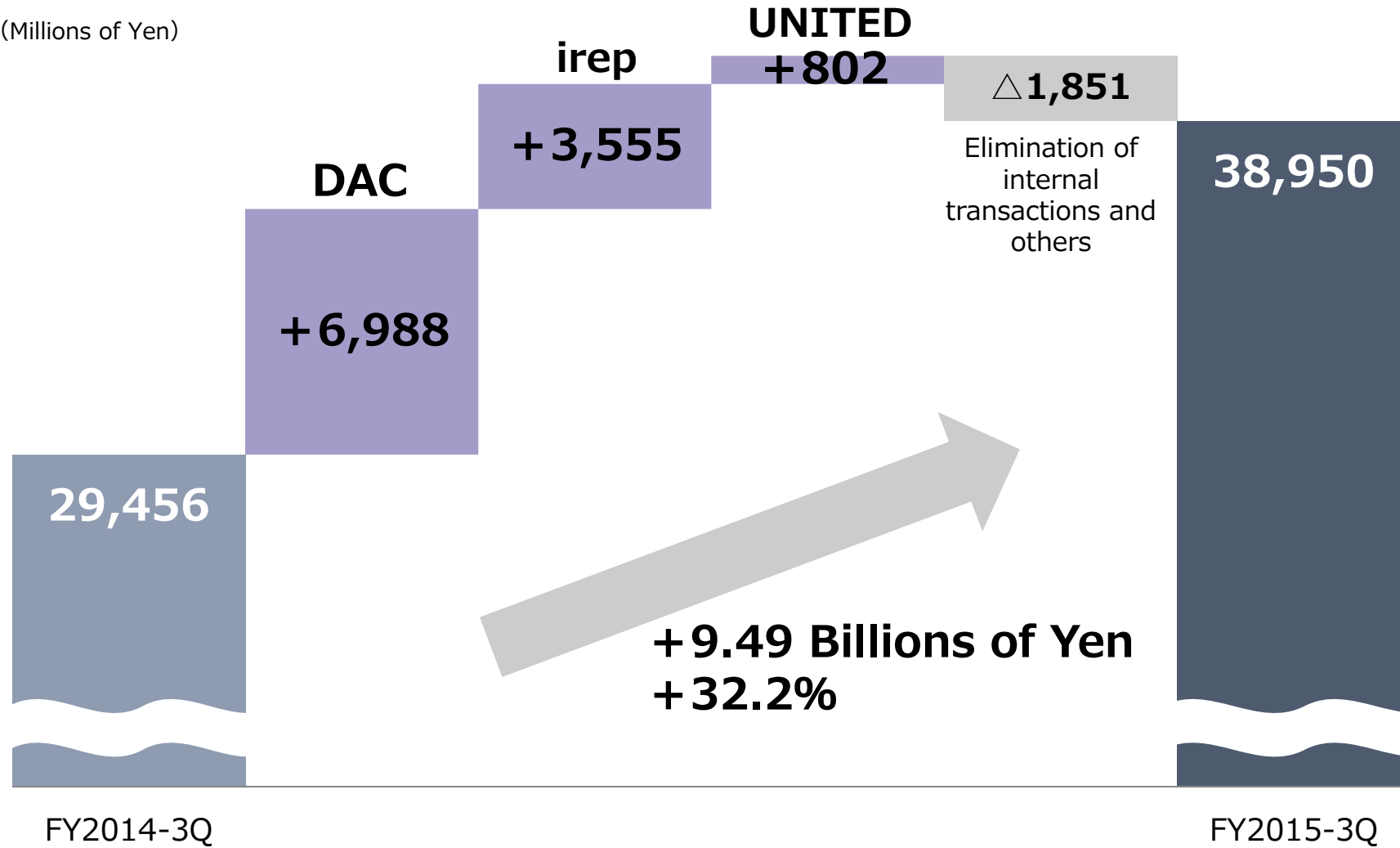
Quarterly Sales (Consolidated)

(Millions of Yen)



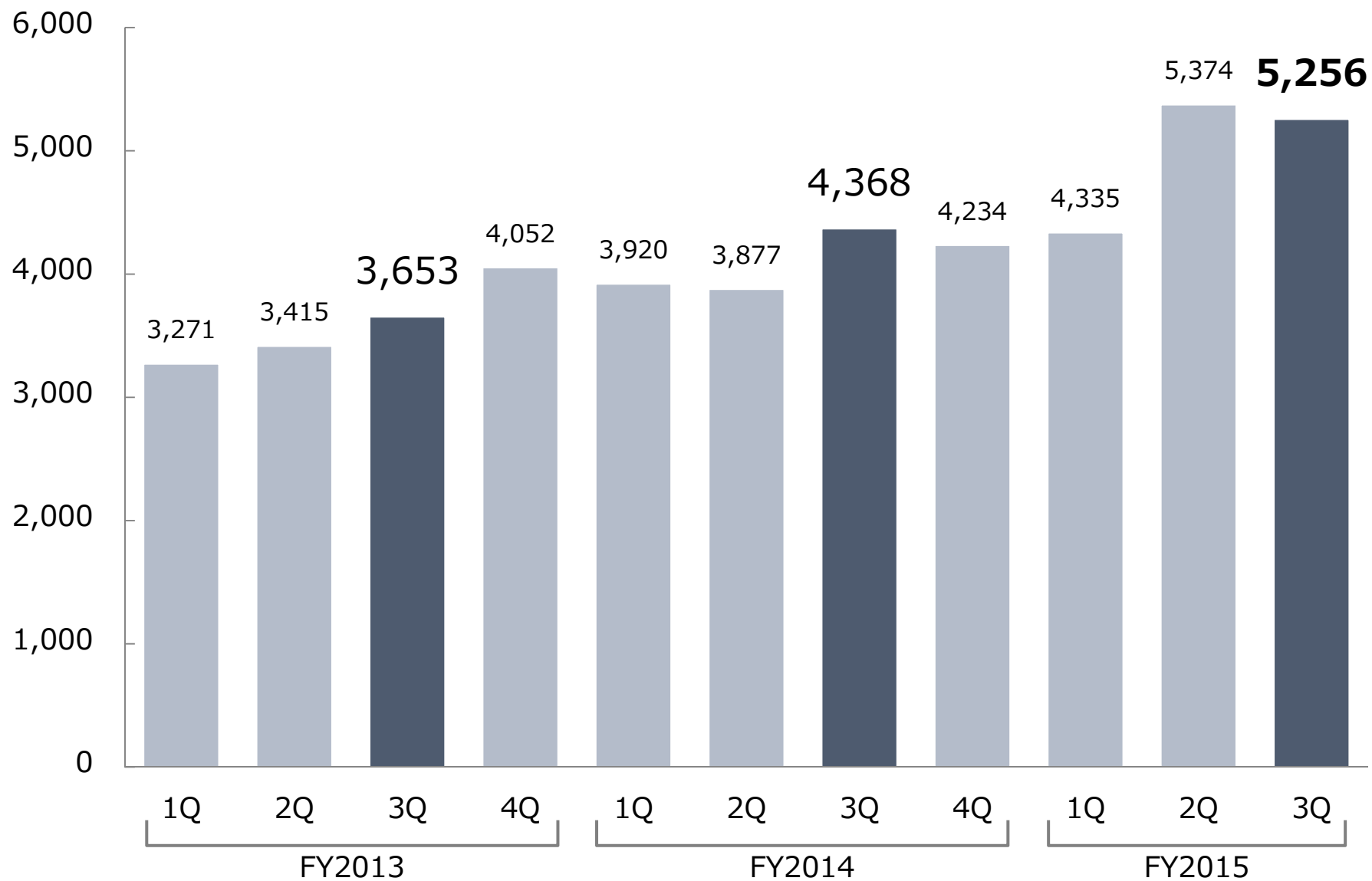
Increase Factor of Sales (Year on Year)

(Millions of Yen)



Quarterly Gross Profit (Consolidated)

(Millions of Yen)



Results by Domain (Consolidated)

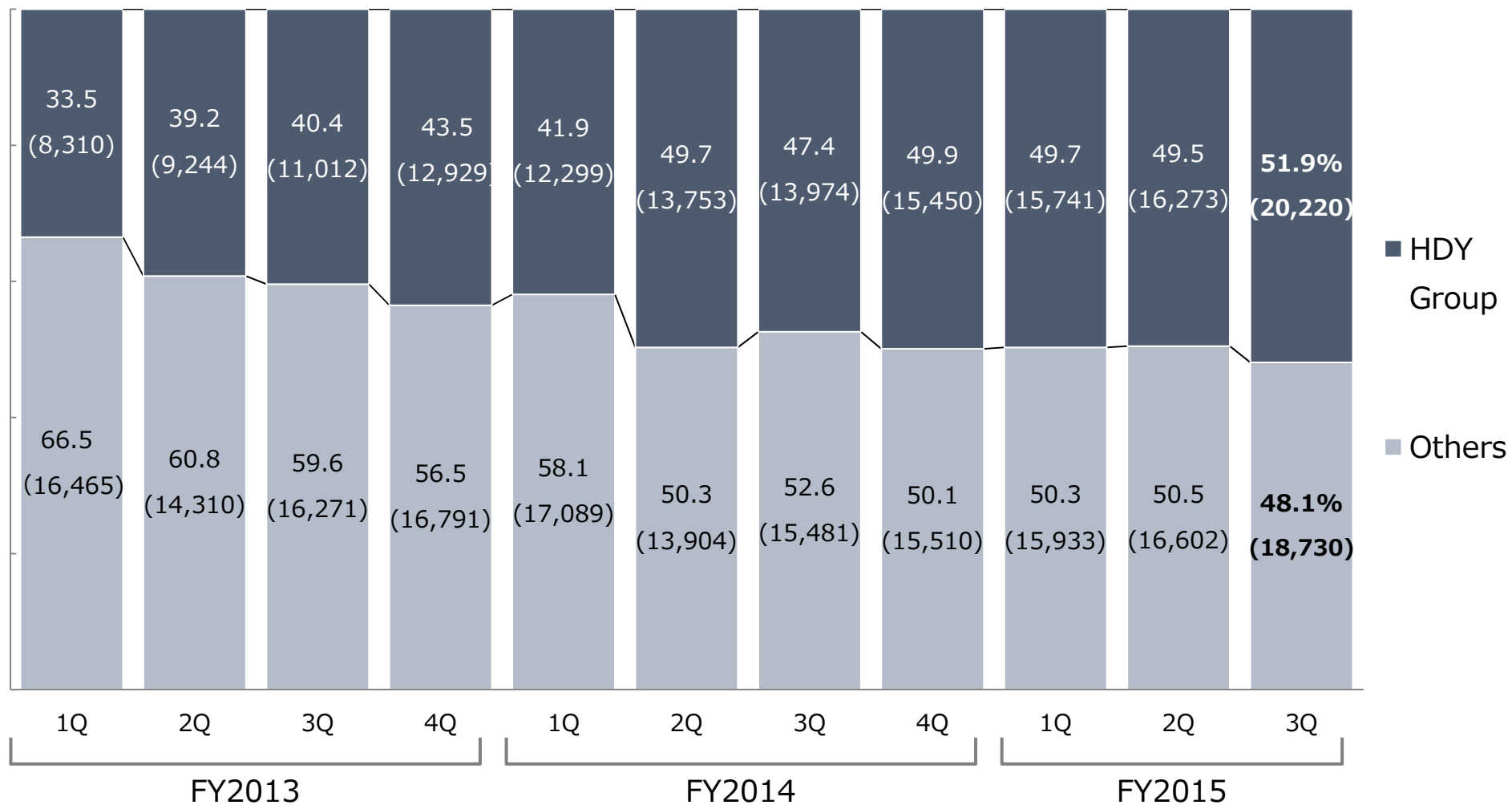
	FY2014-3Q Accumulated (Apr. 2014 to Dec. 2014)		FY2015-3Q Accumulated (Apr. 2015 to Dec. 2015)		
Sales	Sales (Millions of Yen)	%	Sales (Millions of Yen)	%	Y on Y (%)
Internet-related Business	86,472	99.8	101,654	98.1	117.6
Agent Domain	77,592	89.6	92,977	89.8	119.8
Media and DAS Domain	10,628	12.3	10,079	9.7	94.8
Adjustment between Domains	△1,748	△2.0	△1,402	△1.4	—
Investment Business	155	0.2	1,934	1.9	x12.4
TOTAL	86,628	100.0	103,588	100.0	119.6
Gross Profit	Gross Profit (Millions of Yen)	%	Gross Profit (Millions of Yen)	%	Y on Y (%)
Internet-related Business	12,054	99.1	13,082	87.4	108.5
Agent Domain	7,695	63.3	9,212	61.6	119.7
Media and DAS Domain	4,539	37.3	4,040	27.0	89.0
Adjustment between Domains	△180	△1.5	△169	△1.1	—
Investment Business	110	0.9	1,883	12.6	x16.9
TOTAL	12,165	100.0	14,966	100.0	123.0

Sales to HDY Group and Others (Consolidated)

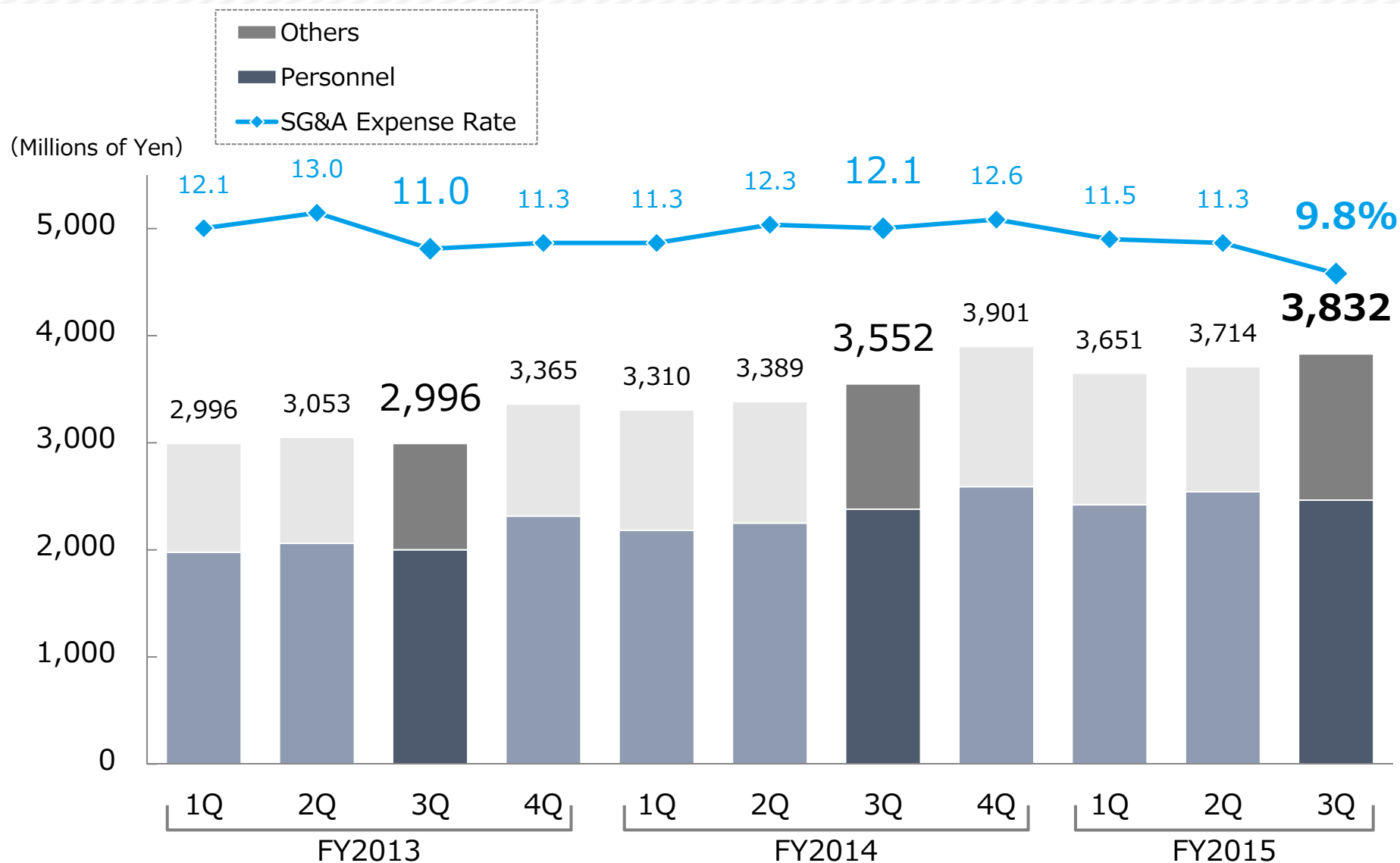
	FY2014-3Q Accumulated (Apr. 2014 to Dec. 2014)		FY2015-3Q Accumulated (Apr. 2015 to Dec. 2015)		
	Sales (Millions of Yen)	Share (%)	Sales (Millions of Yen)	Share (%)	Y on Y (%)
Hakuhodo DY Group	40,027	46.3	52,235	50.5	130.5
Others	46,475	53.7	51,265	49.5	110.3
TOTAL	86,502	100.0	103,501	100.0	119.7

Sales to HDY Group and Others (Consolidated)

(% / Millions of Yen)



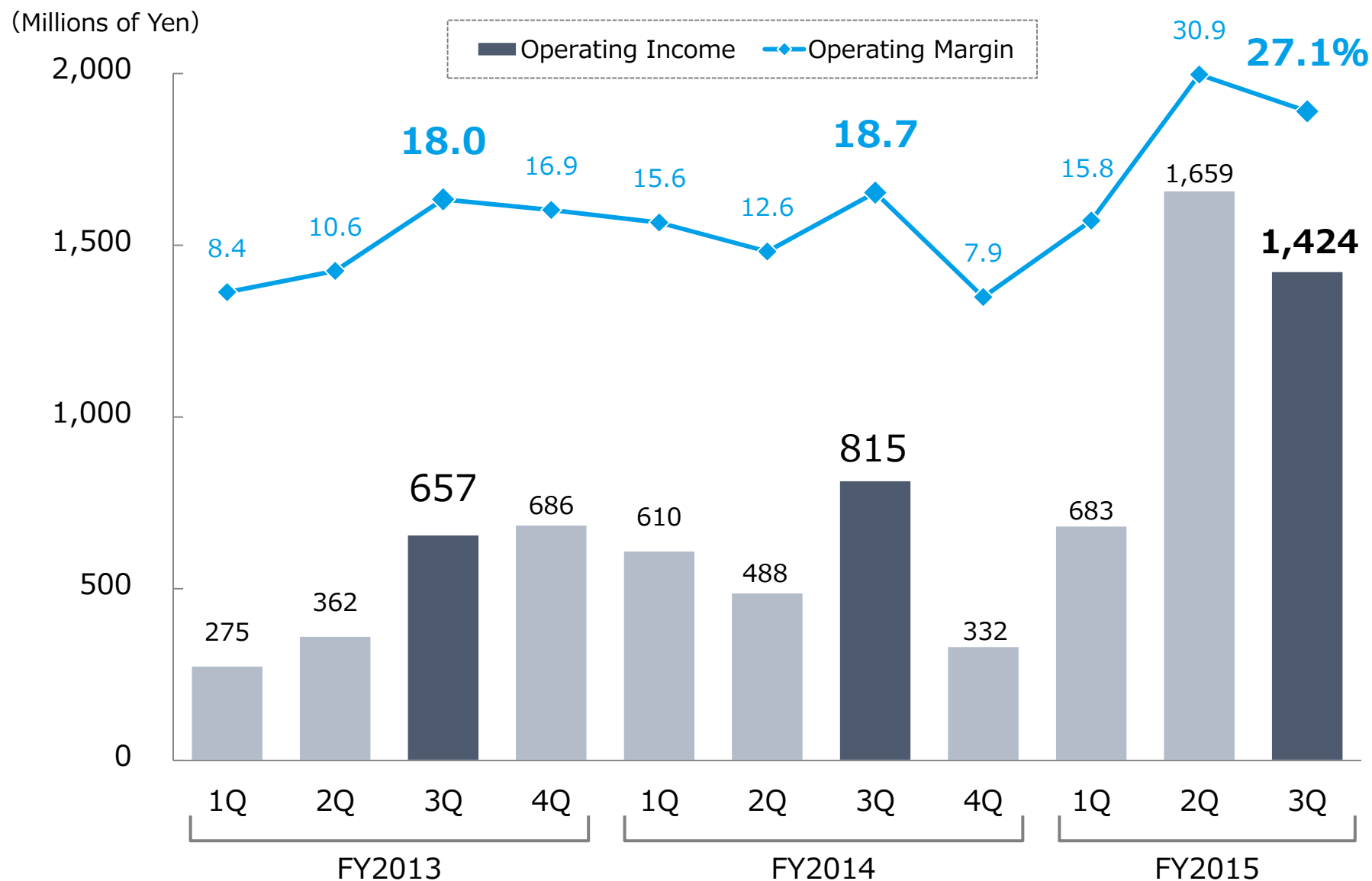
Quarterly SG&A Expenses (Consolidated)



Number of Employees* 1,990 → 2,099

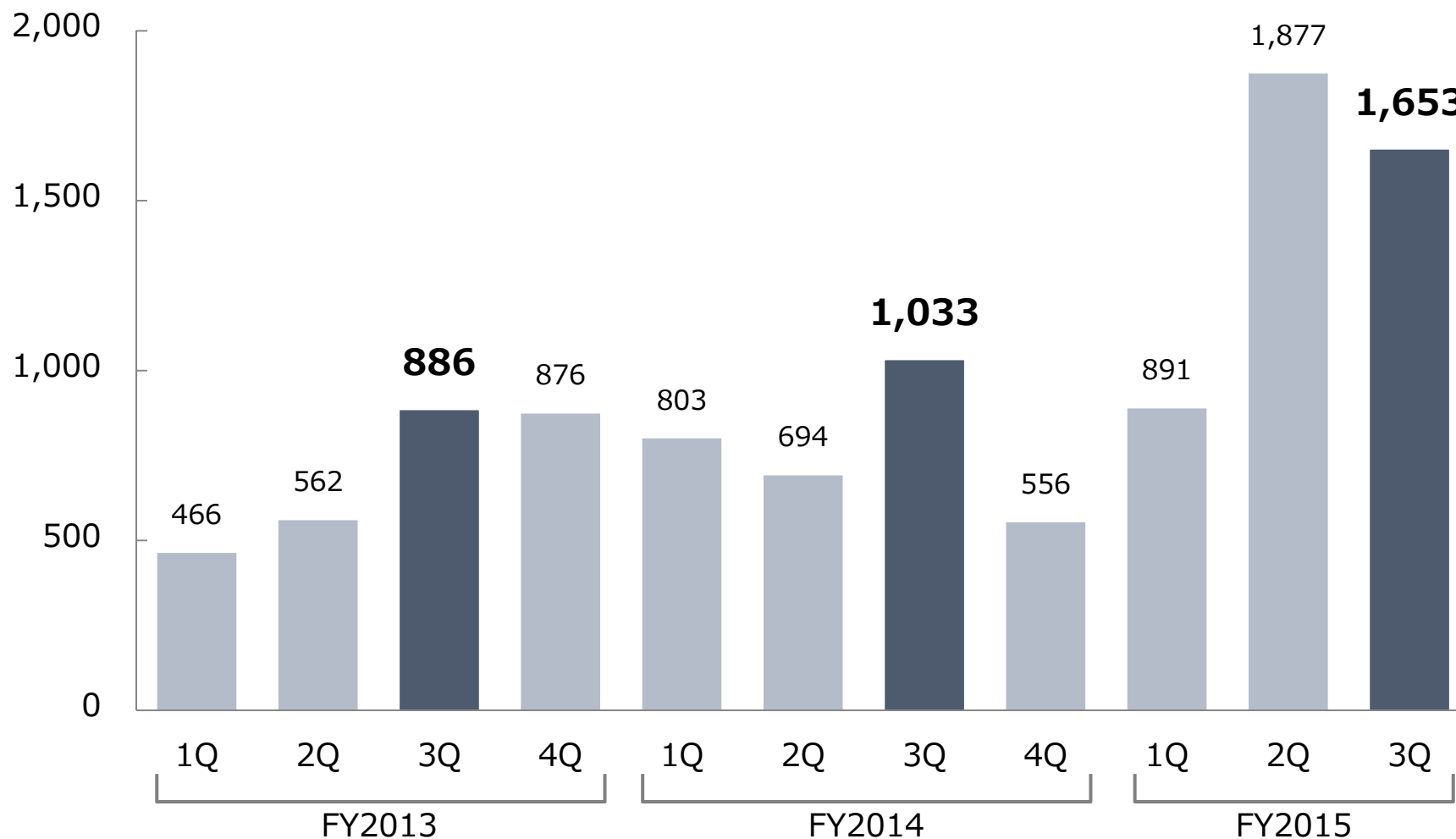
*Total number of directors, employees, temporary employees, etc.

Quarterly Operating Income (Consolidated)



Quarterly EBITDA (Consolidated)

(Millions of Yen)



*EBITDA=Operating Profit + Depreciation + Amortization of goodwill

Balance Sheets (Consolidated)

	FY2014 (As of Mar.31, 2015)		FY2015-3Q (As of Dec.31, 2015)		
	Amount (Millions of Yen)	%	Amount (Millions of Yen)	%	Comparisons (%)
Current Assets	36,049	82.1	42,232	81.1	117.2
Non-current Assets	7,848	17.9	9,862	18.9	125.7
Total Assets	43,897	100.0	52,094	100.0	118.7
Current Liabilities	20,345	46.3	26,581	51.0	130.6
Non-current Liabilities	553	1.3	425	0.8	76.8
Total Liabilities	20,899	47.6	27,006	51.8	129.2
Shareholders' Equity	13,467	30.7	14,162	27.2	105.2
Non-controlling Interests	7,584	17.3	8,500	16.3	112.1
Others	1,946	4.4	2,426	4.7	124.6
Total Net Assets	22,998	52.4	25,088	48.2	109.1
Total Liabilities and Net Assets	43,897	100.0	52,094	100.0	118.7

Statements of Cash Flows (Consolidated)

(Millions of Yen)

	FY2015-3Q (Apr. 2015 to Dec. 2015)
Cash flows from operating activities	3,638
Cash flows from investing activities	△2,870
Cash flows from financing activities	1,093
Effect of exchange rate change on cash and cash equivalents	△13
Net increase (decrease) in cash and cash equivalents	1,848
Cash and cash equivalents at beginning of period	11,421
Cash and cash equivalents at end of period	13,270

Overview of Non-consolidated Financial Results

Financial Highlights (Non-consolidated)

(Millions of Yen)

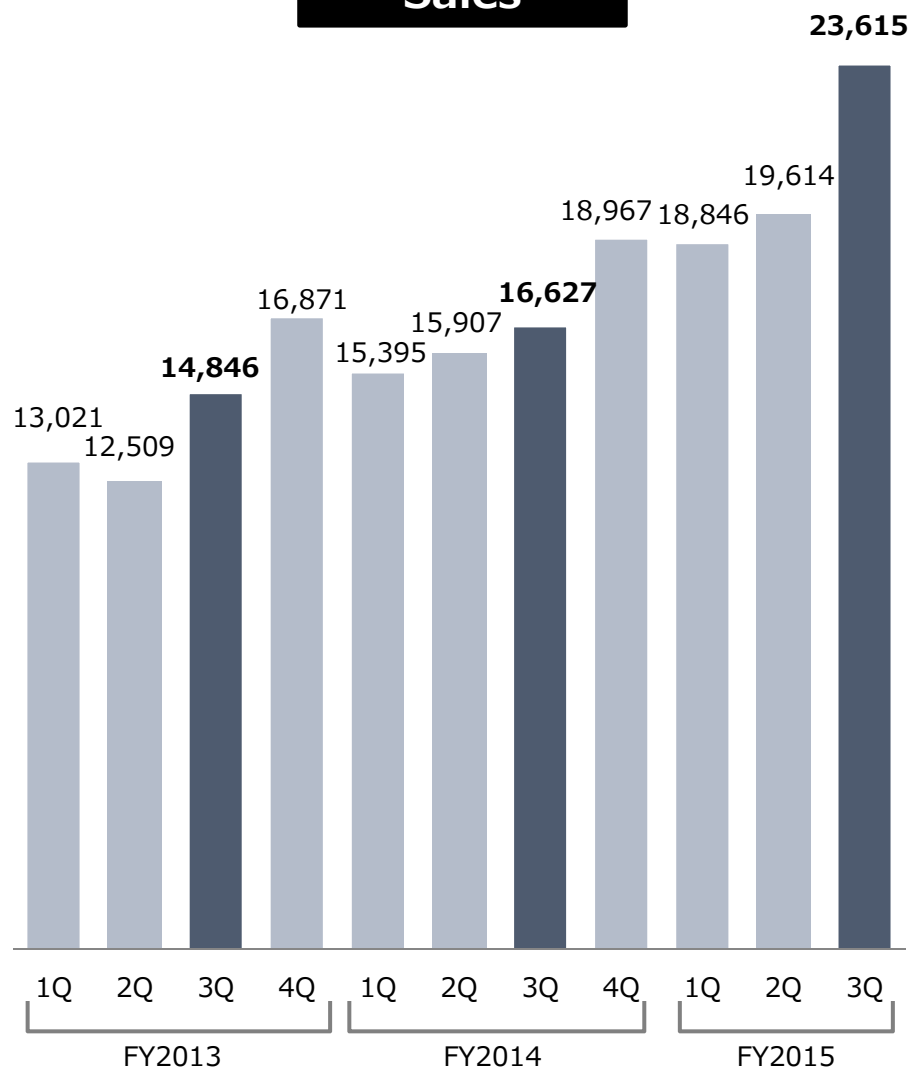
	FY2015-3Q			
	Quarterly (Oct. 2015 to Dec. 2015)		Accumulated (Apr. 2015 to Dec. 2015)	
		Y on Y		Y on Y
Sales	23,615	142.0%	62,076	129.5%
Gross Profit	1,988	147.8%	5,453	138.7%
Operating Income	473	255.0%	1,136	194.7%
Net Income	348	256.5%	1,147	134.3%
Operating Margin*	23.8%	+10.0pt	20.8%	+6.0pt

*Operating Margin = Operating Income / Gross Profit

Quarterly Sales & Gross Profit (Non-consolidated)

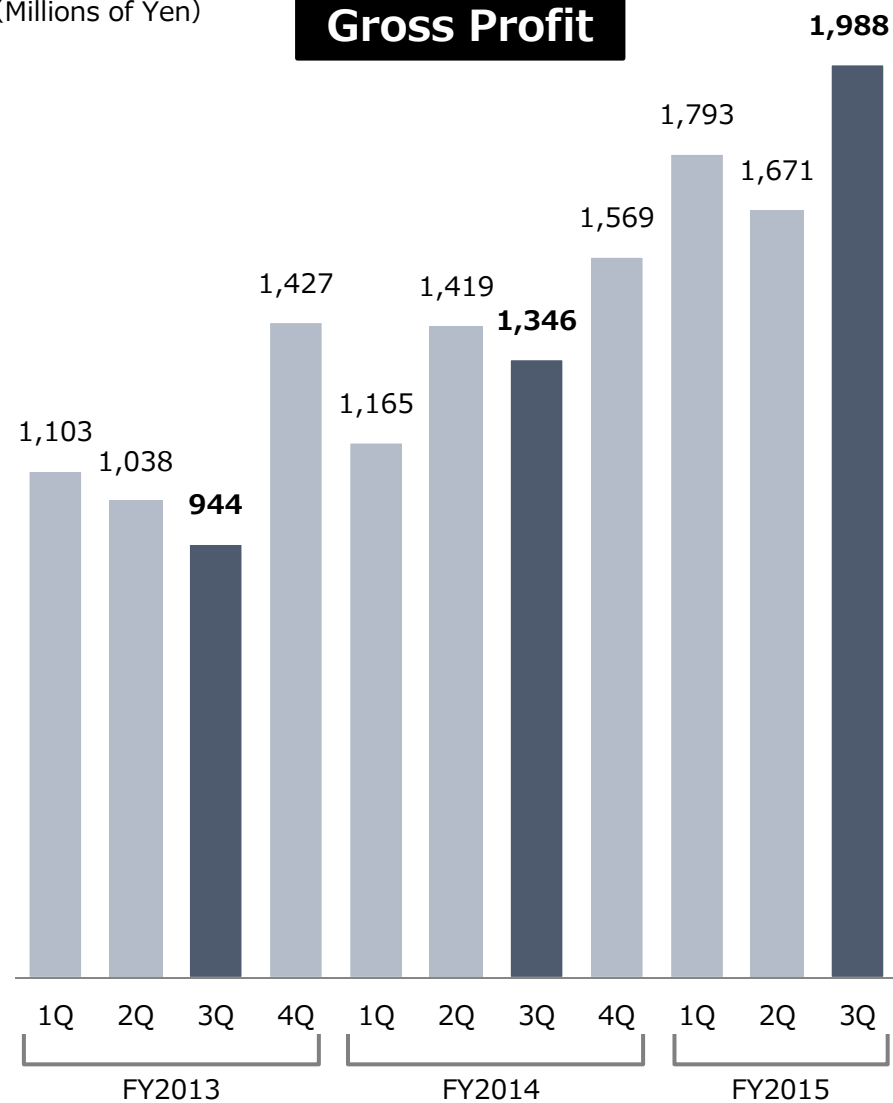
(Millions of Yen)

Sales



(Millions of Yen)

Gross Profit



Results by Service (Non-consolidated)

Sales	FY2014-3Q Accumulated (Apr. 2014 to Dec. 2014)		FY2015-3Q Accumulated (Apr. 2015 to Dec. 2015)		
	Amount (Millions of Yen)	%	Amount (Millions of Yen)	%	Y on Y (%)
Media Service	45,792	95.5	60,039	96.7	131.1
Technology Service	1,851	3.9	1,552	2.5	83.9
Investment & Operation Service	287	0.6	484	0.8	168.7
TOTAL	47,930	100.0	62,076	100.0	129.5

Gross Profit	FY2014-3Q Accumulated (Apr. 2014 to Dec. 2014)		FY2015-3Q Accumulated (Apr. 2015 to Dec. 2015)		
	Amount (Millions of Yen)	%	Amount (Millions of Yen)	%	Y on Y (%)
Media Service	2,871	73.0	4,281	78.5	149.1
Technology Service	822	20.9	733	13.4	89.2
Investment & Operation Service	237	6.0	439	8.1	185.0
TOTAL	3,931	100.0	5,453	100.0	138.7

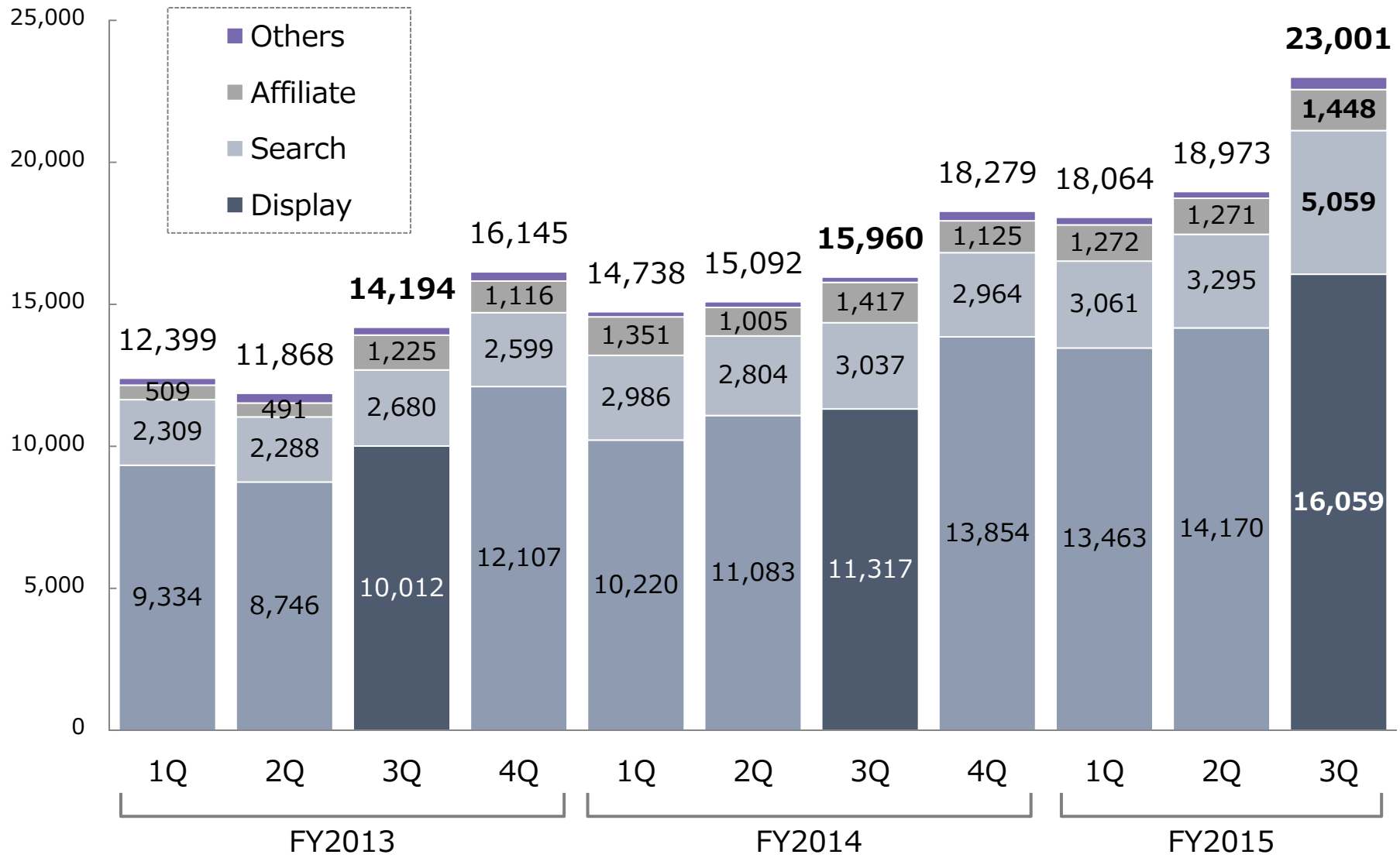
Business Trends

Sales breakdown by Ad Format (Non-consolidated)

	FY2014-3Q Accumulated (Apr. 2014 to Dec. 2014)		FY2015-3Q Accumulated (Apr. 2015 to Dec. 2015)		
	Amount (Millions of Yen)	%	Amount (Millions of Yen)	%	Y on Y (%)
Display	32,621	71.2	43,693	72.8	133.9
Video Ad	2,565	5.6	6,694	11.2	260.9
Others	30,056	65.6	36,998	61.6	123.1
Search	8,828	19.3	11,417	19.0	129.3
Affiliate / Reward	3,773	8.2	3,992	6.6	105.8
Others	568	1.2	937	1.6	165.1
TOTAL	45,792	100.0	60,039	100.0	131.1

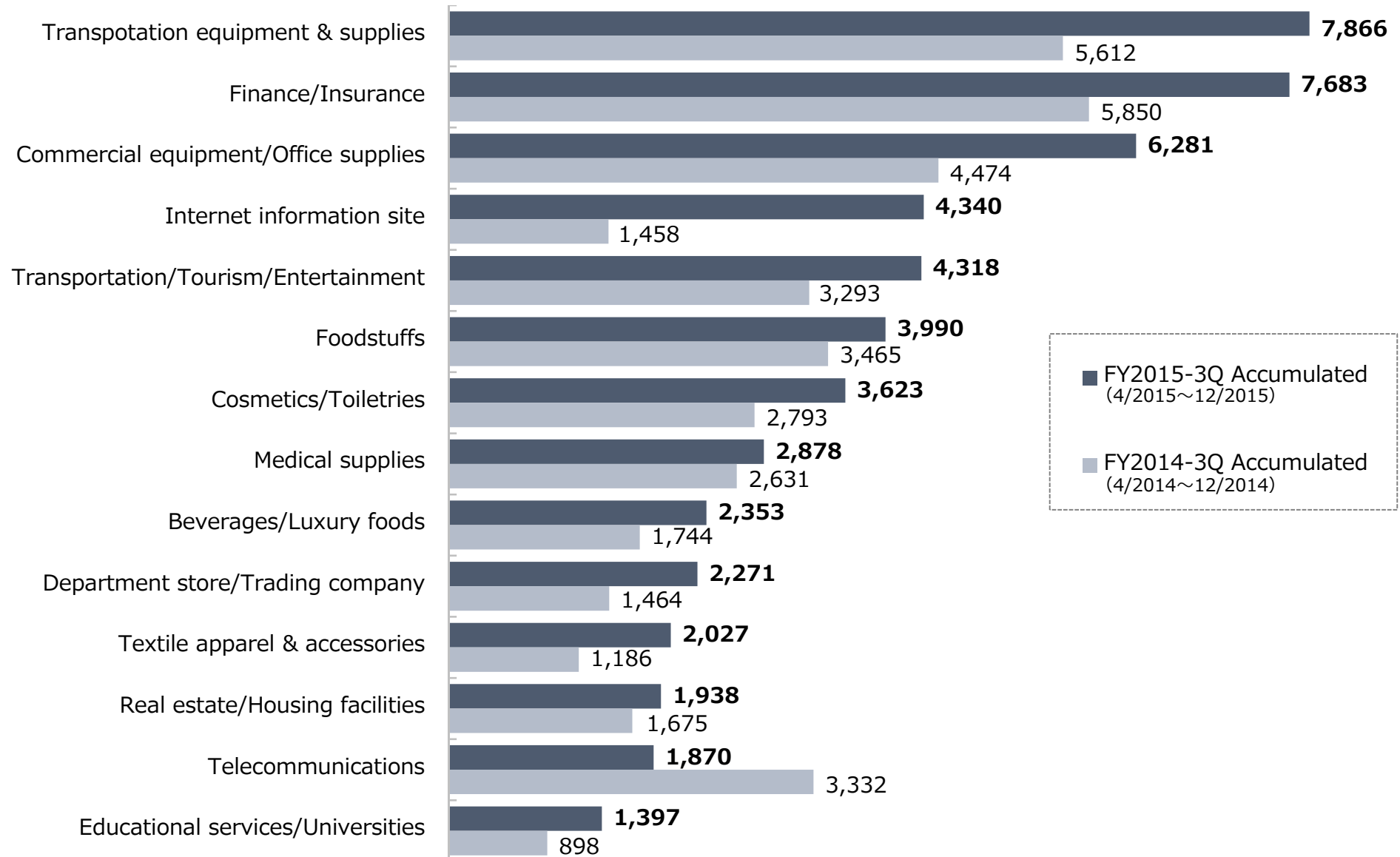
Quarterly Sales by Ad Format (Non-consolidated/Media Service)

(Millions of Yen)



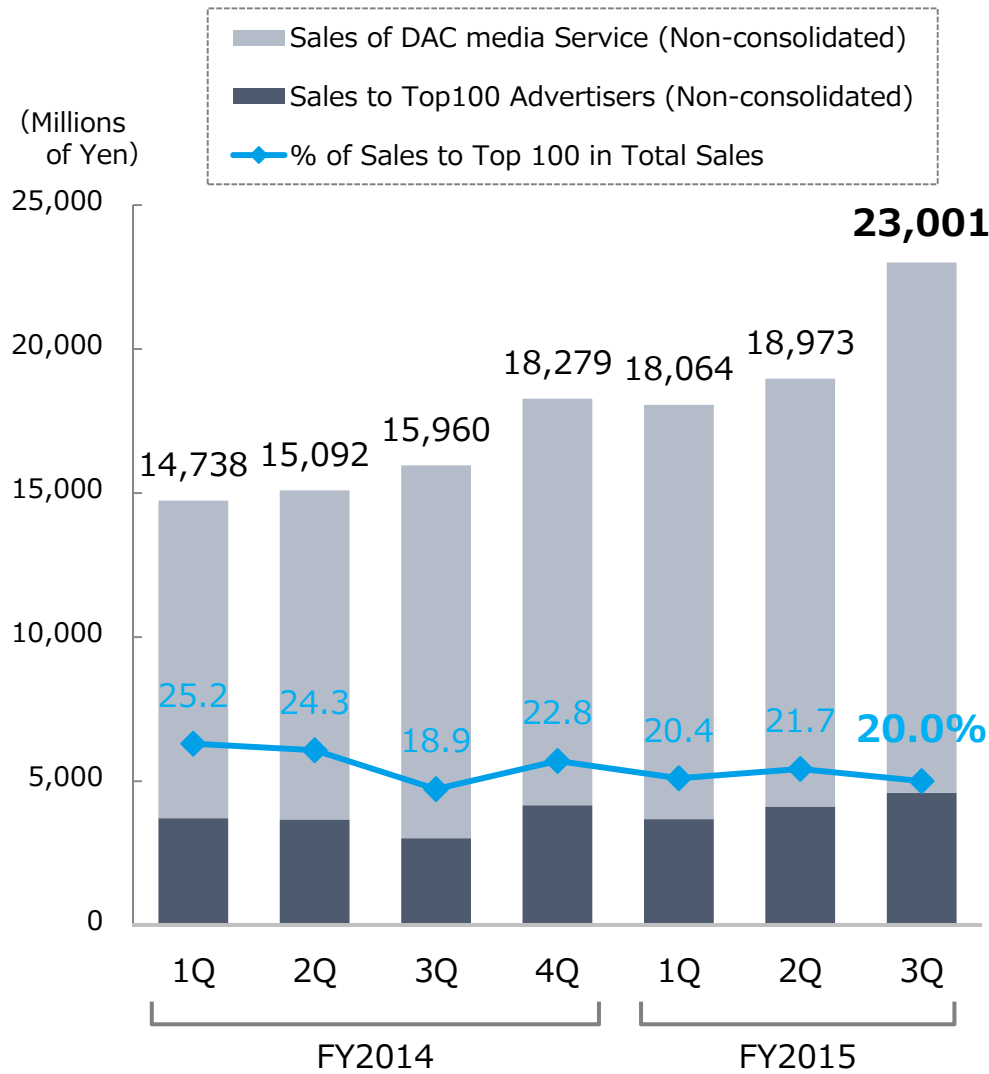
Quarterly Sales by Client Industry (Non-consolidated/Media Service)

(Millions of Yen)

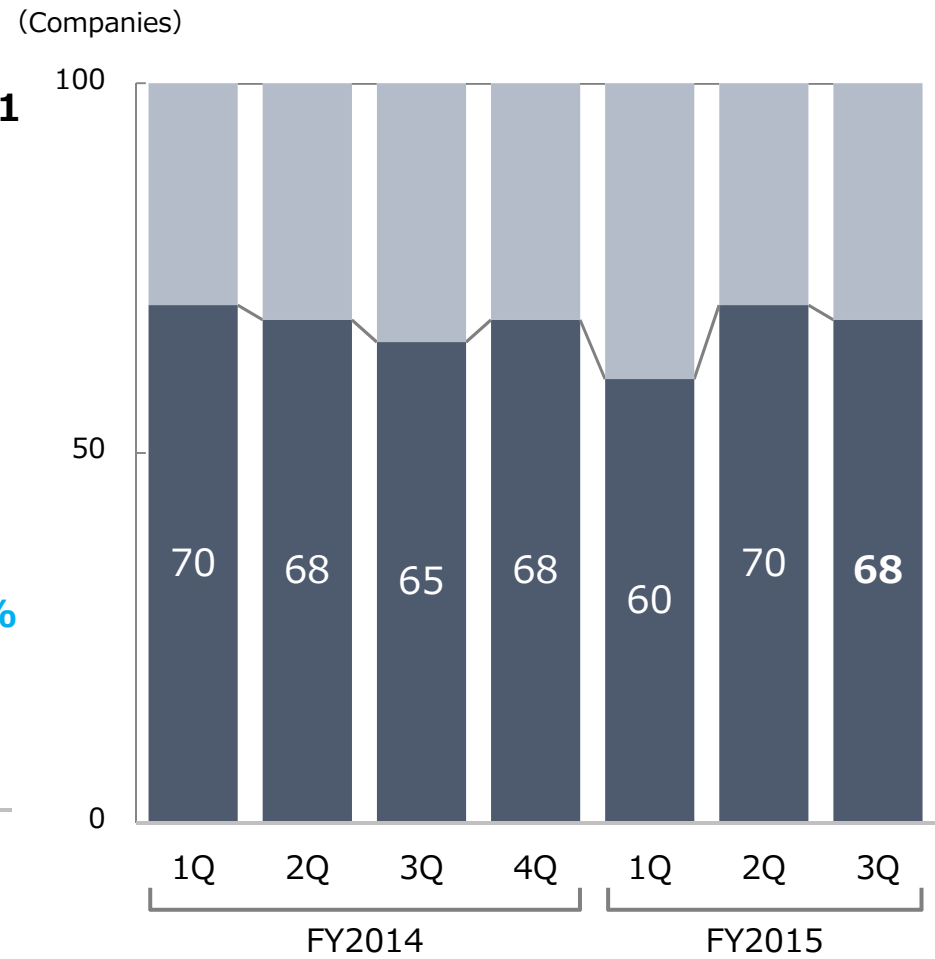


Quarterly Trend of Top100 Advertisers (Non-consolidated/Media Service)

◆ Quarterly Sales to Top100 Advertisers



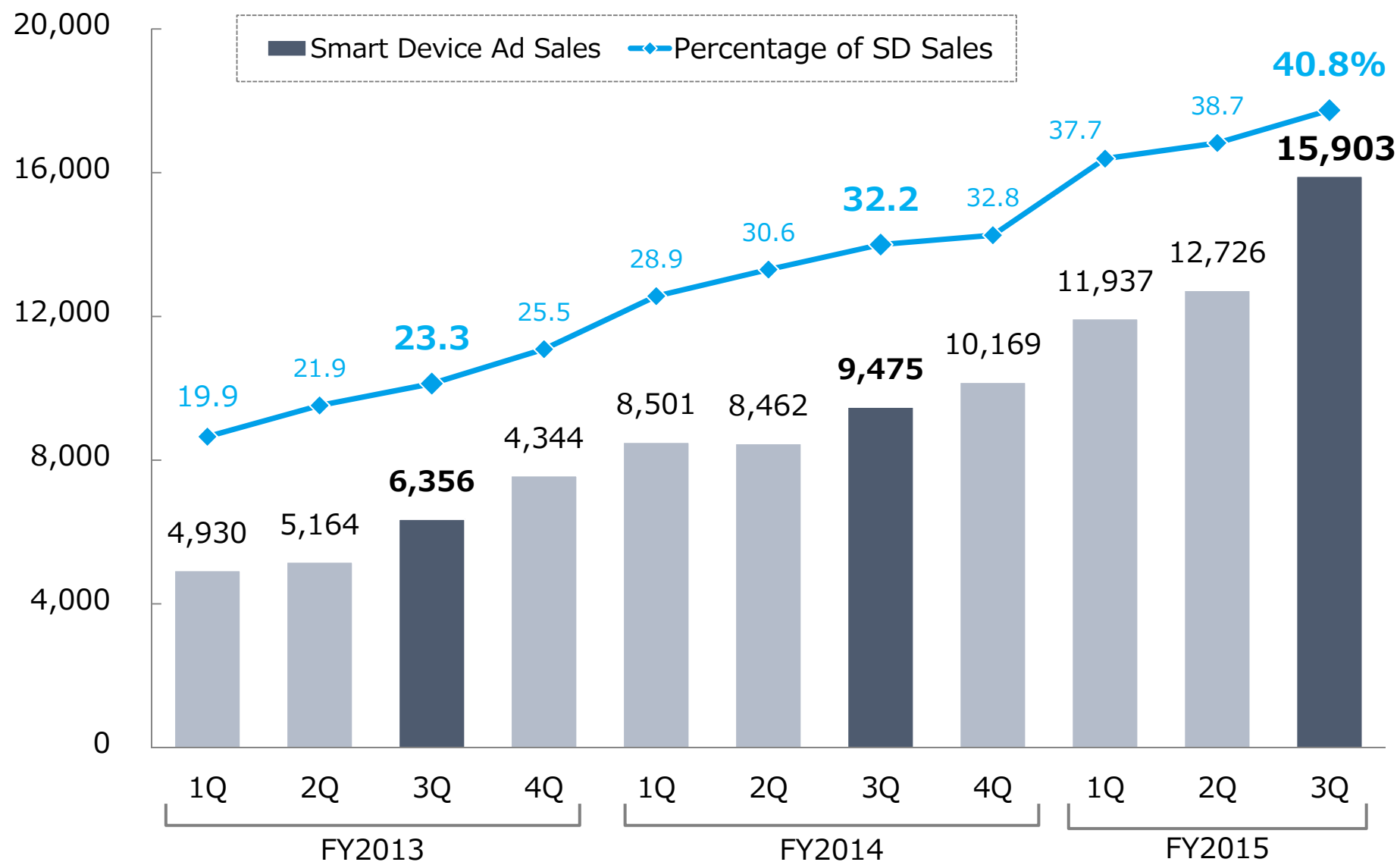
◆ Number of Our Clients in Top100 Advertisers



*Top100Advertisers : By Nikkei Advertising Research Institute 「AD SPENDING OF LEADING JAPANESE CORPORATIONS」

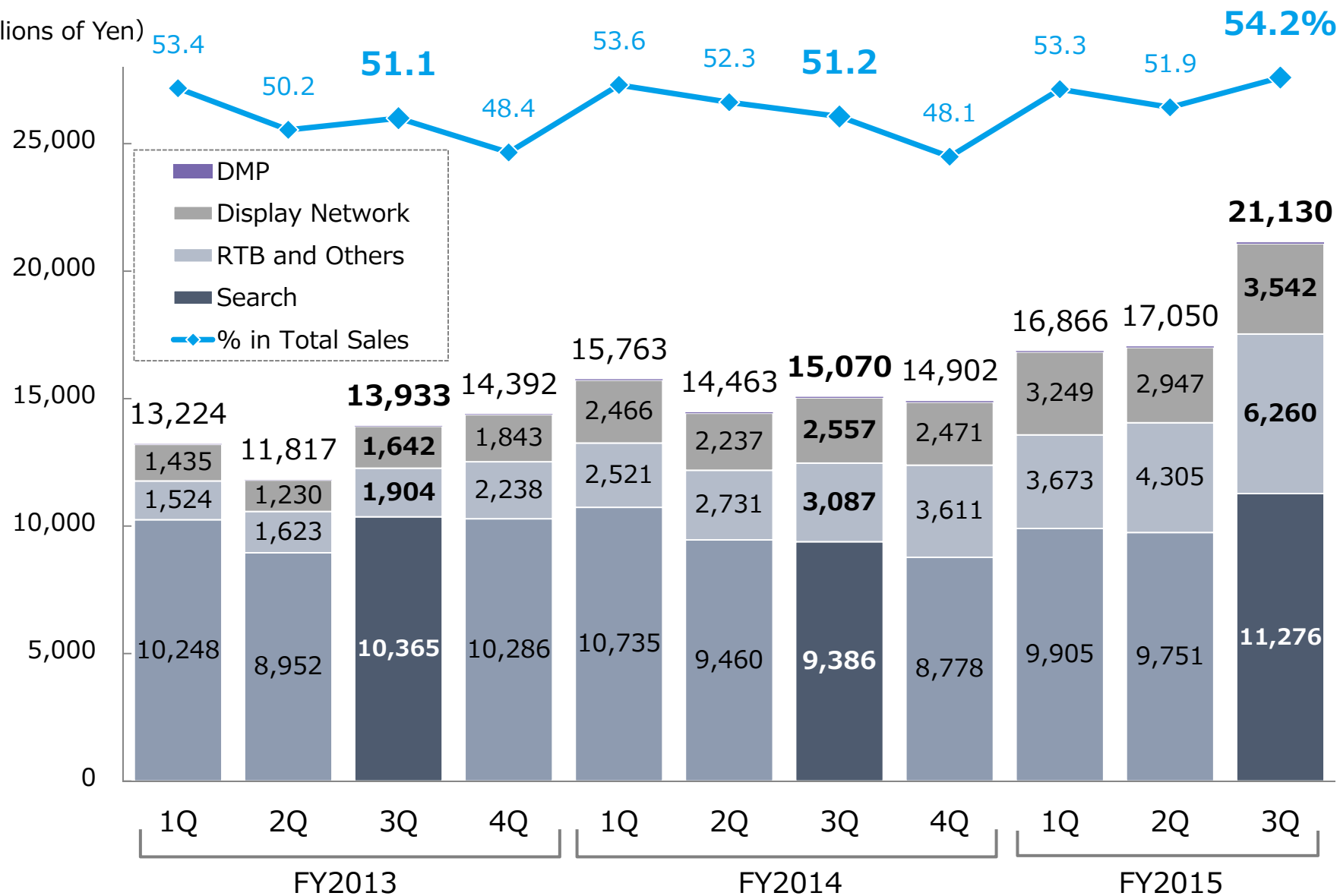
Quarterly Sales of Smart Device Ads (Consolidated)

(Millions of Yen)






























Quarterly Sales of Programmatic Ads (Consolidated)

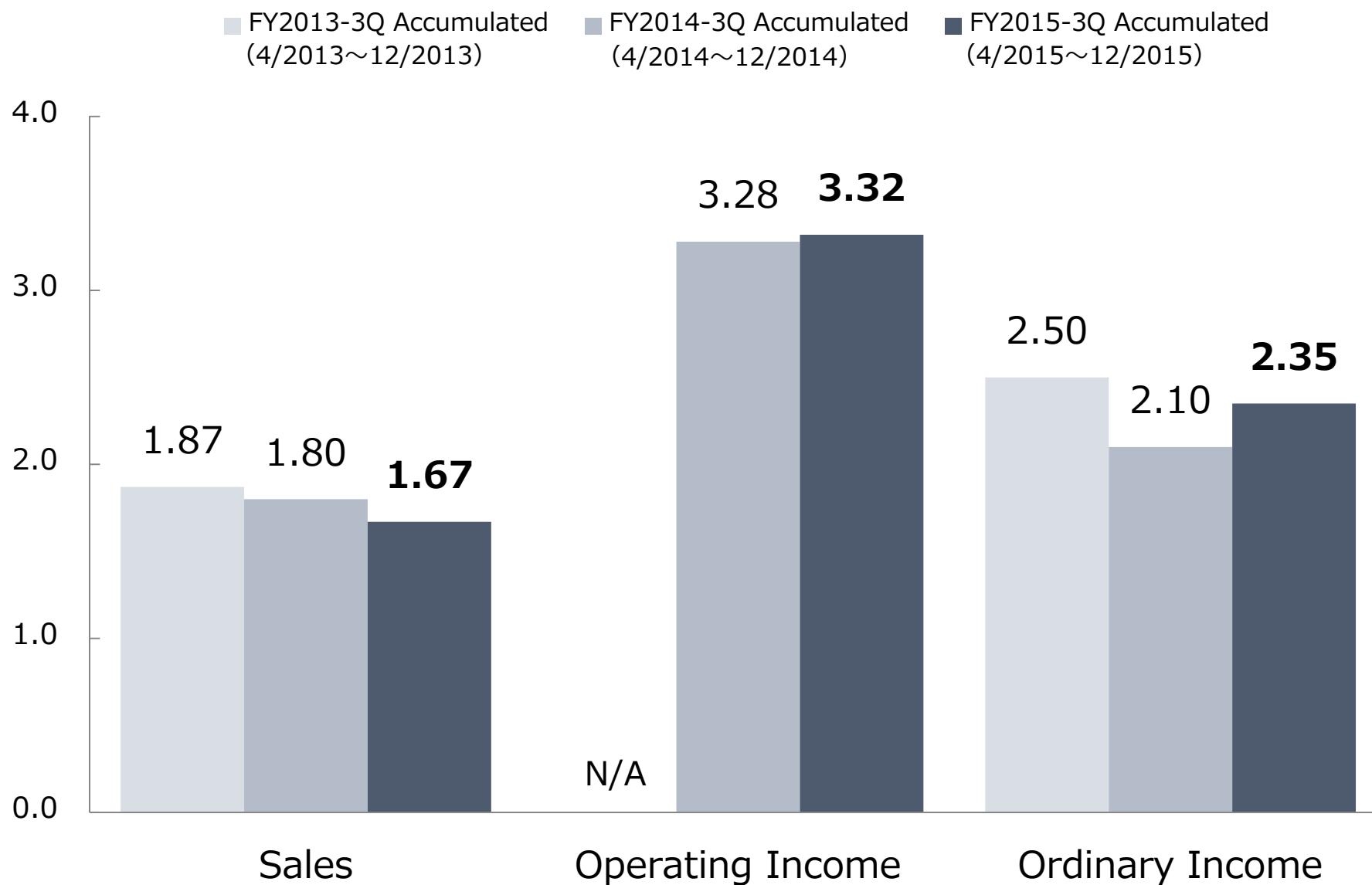
(Millions of Yen)



Summary of Consolidated Subsidiaries' Results (Y on Y)

			Sales	Operating Income
	IREP Co., Ltd.	Agent DAS		
	UNITED, Inc.	Agent Media		
	HAKUHODO i-studio Inc.	DAS		
	Platform One Inc.	Agent DAS		
	ADPRO inc.	Agent		
	Torchlight Inc.	Agent DAS		
	Bumblebee Inc.	Media		
	D.A.Consortium Beijing CO., LTD.	Agent		
	DAC ASIA PTE. LTD.	Agent		

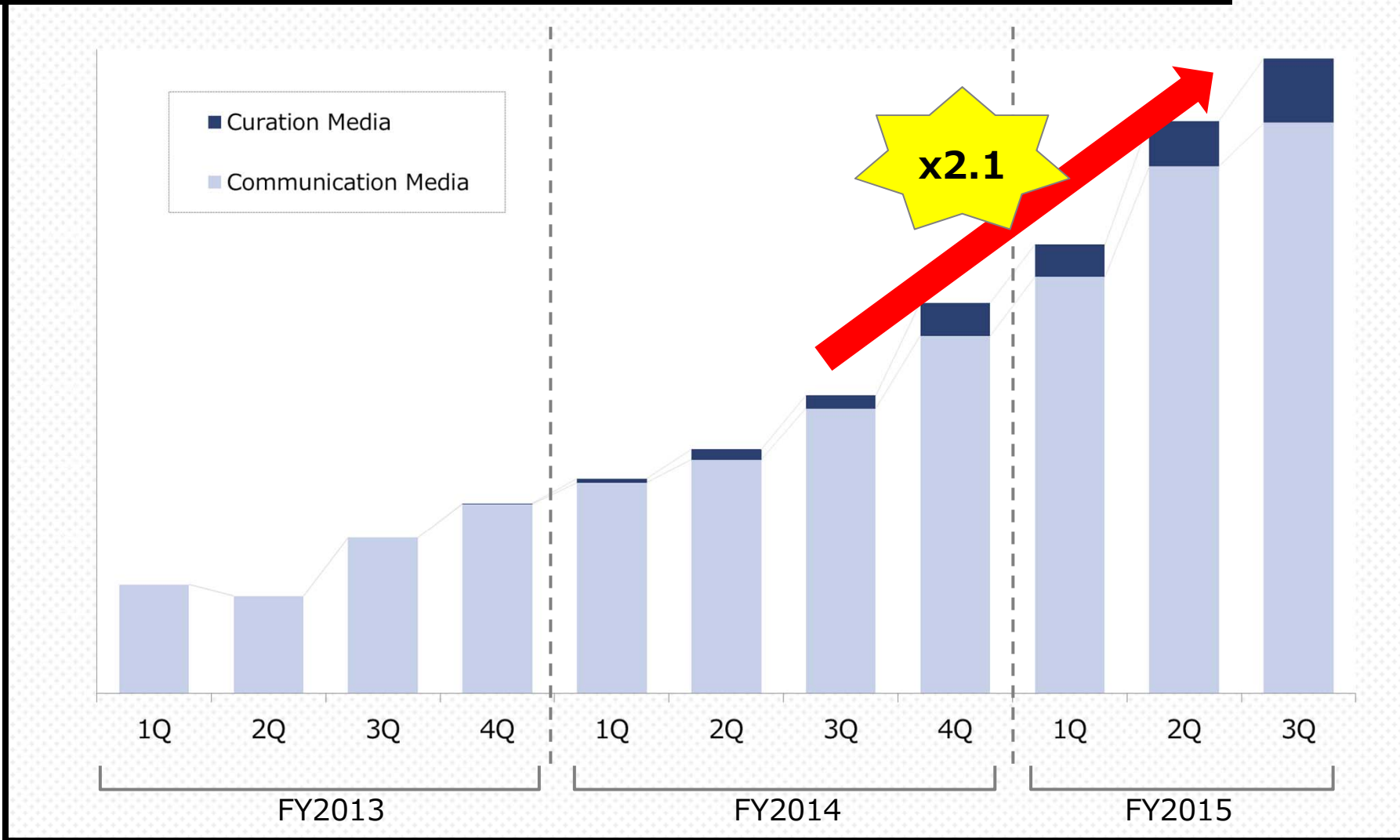
Consolidated/Non-consolidated Ratio



Key Measures

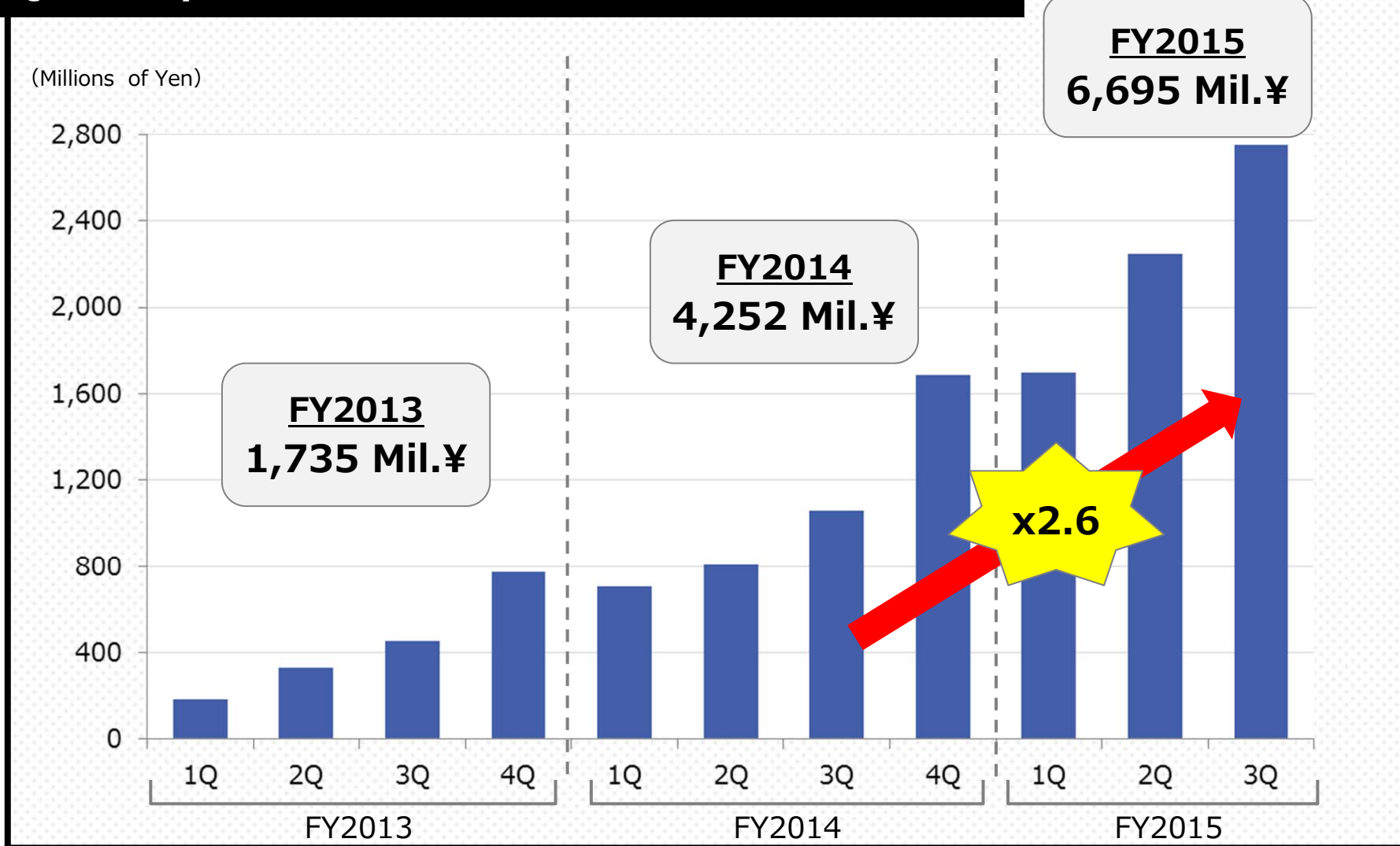
Focus Area Premium Media Ad Sales

Quarterly Sales of Premium Media Ads (Non-consolidated)



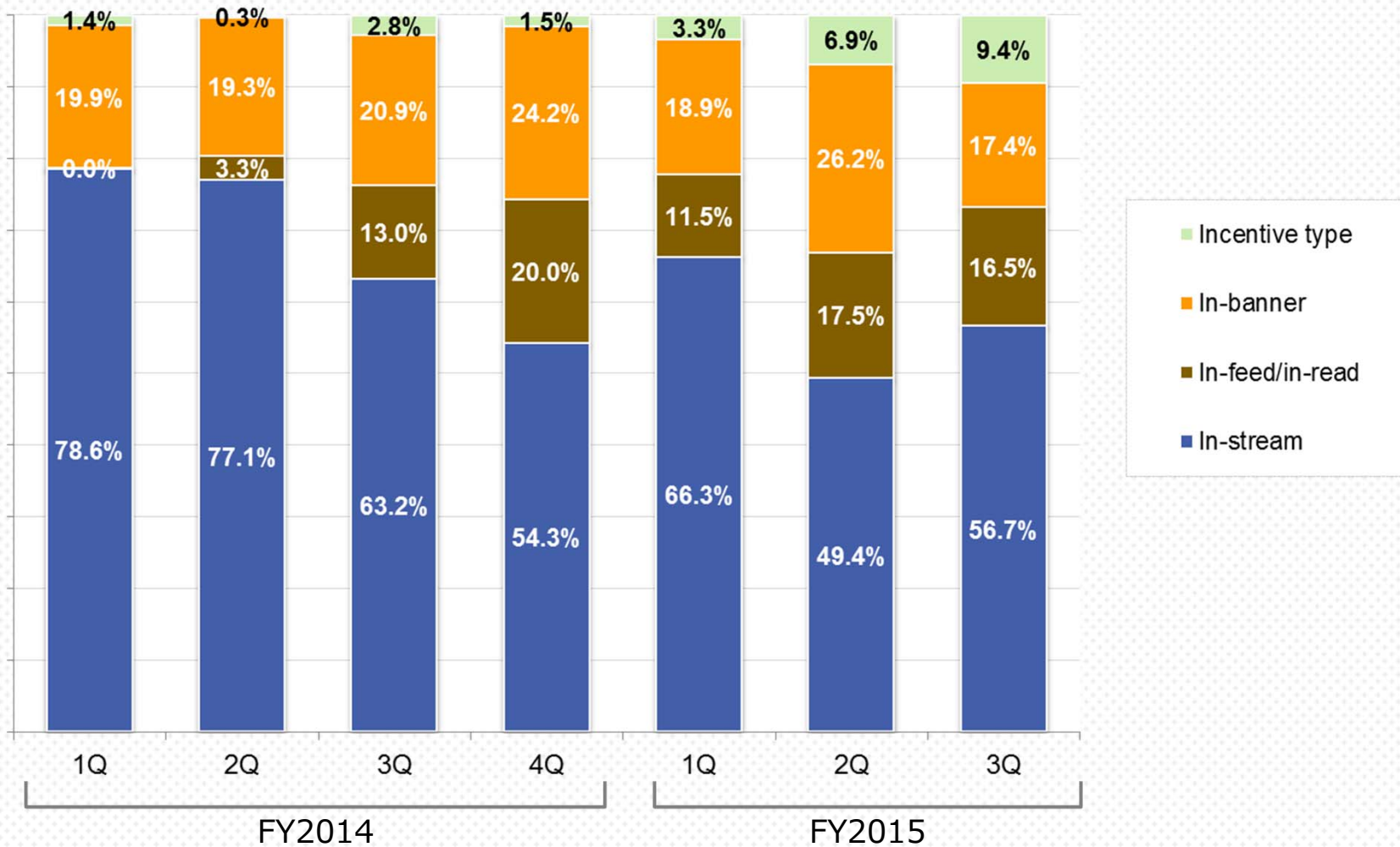
Focus Area Video Ad Sales

Quarterly Sales of Video Ads (Non-consolidated)



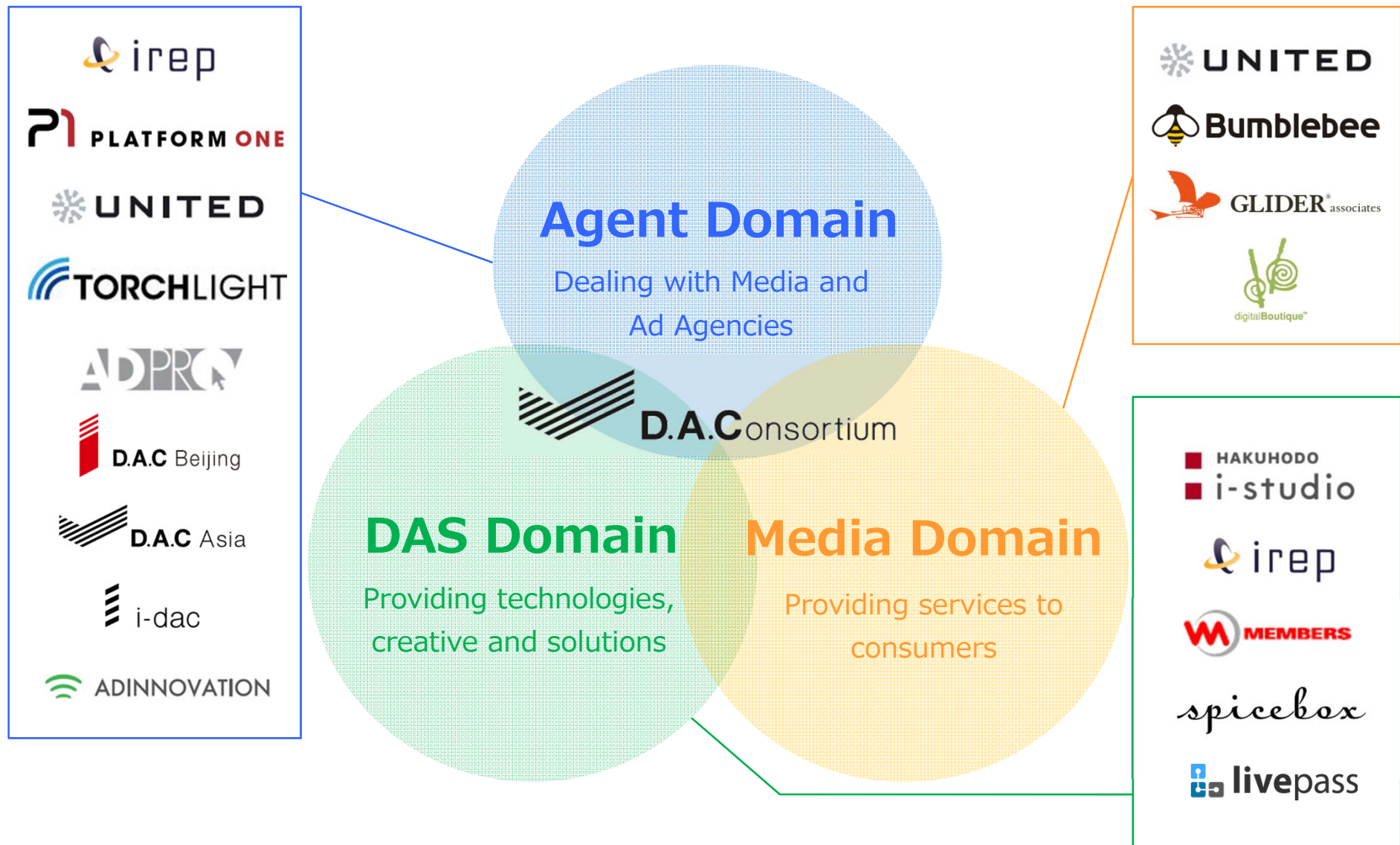
Focus Area Quarterly Share by Video Ad Products

Diversification of Video Ad Products

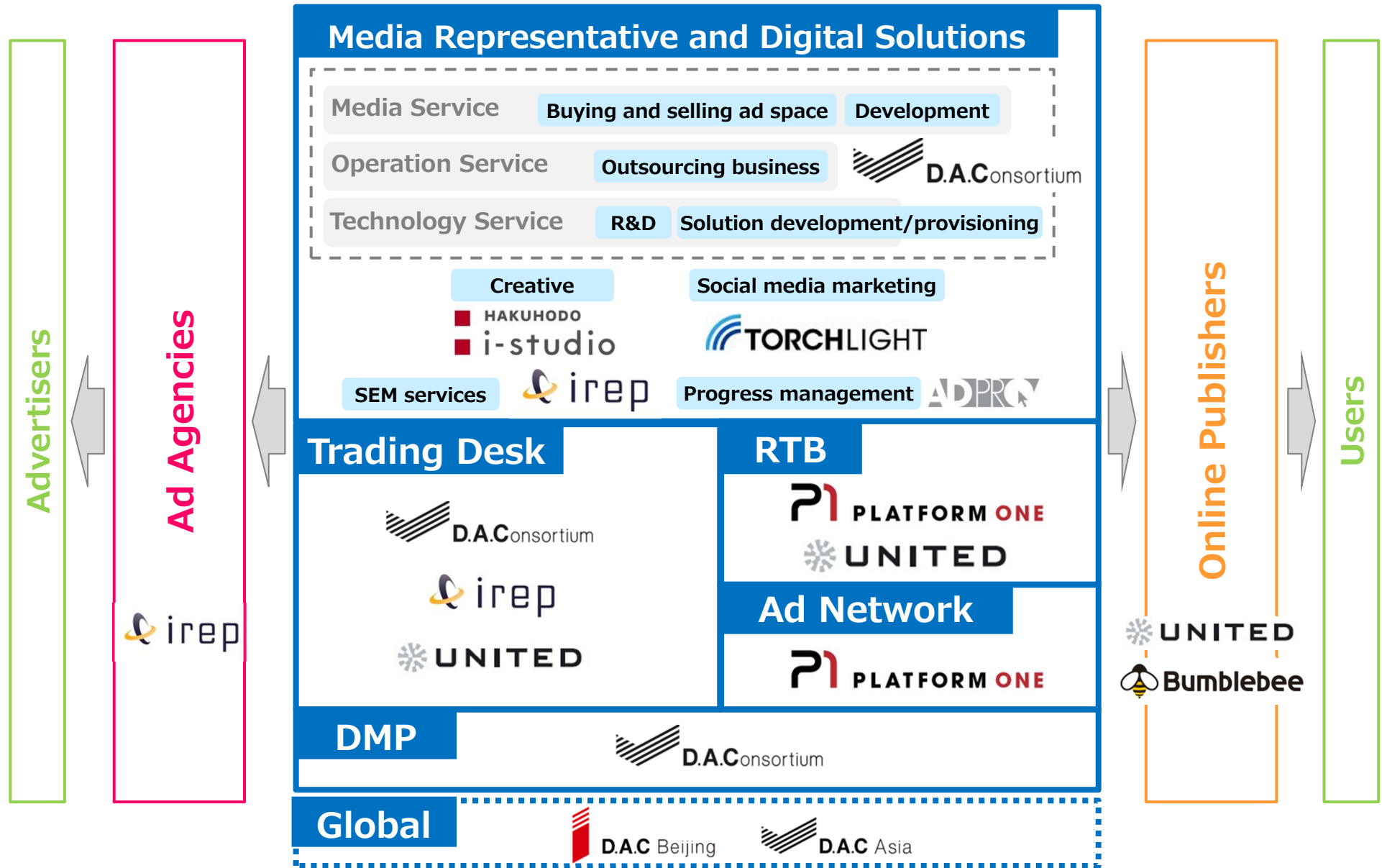


Appendix

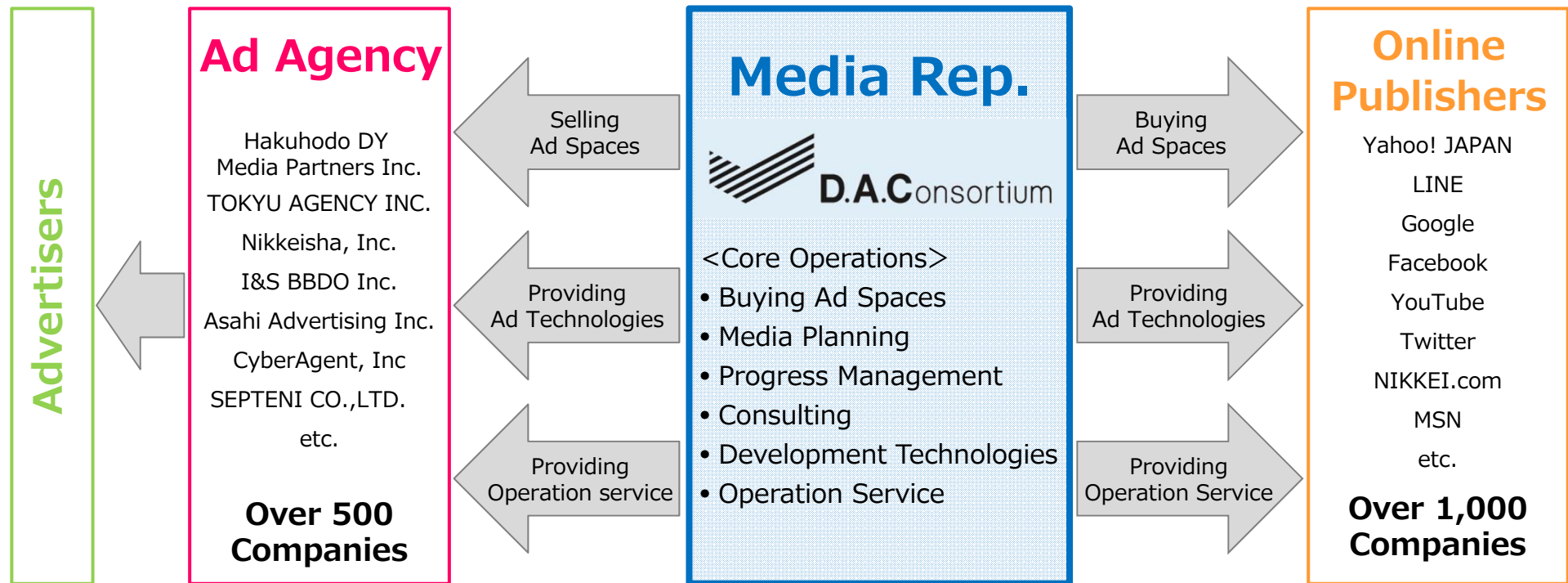
Business Domains of DAC Group



Business Model of DAC Group



DAC's Core Business "Media Representative"



Consortium

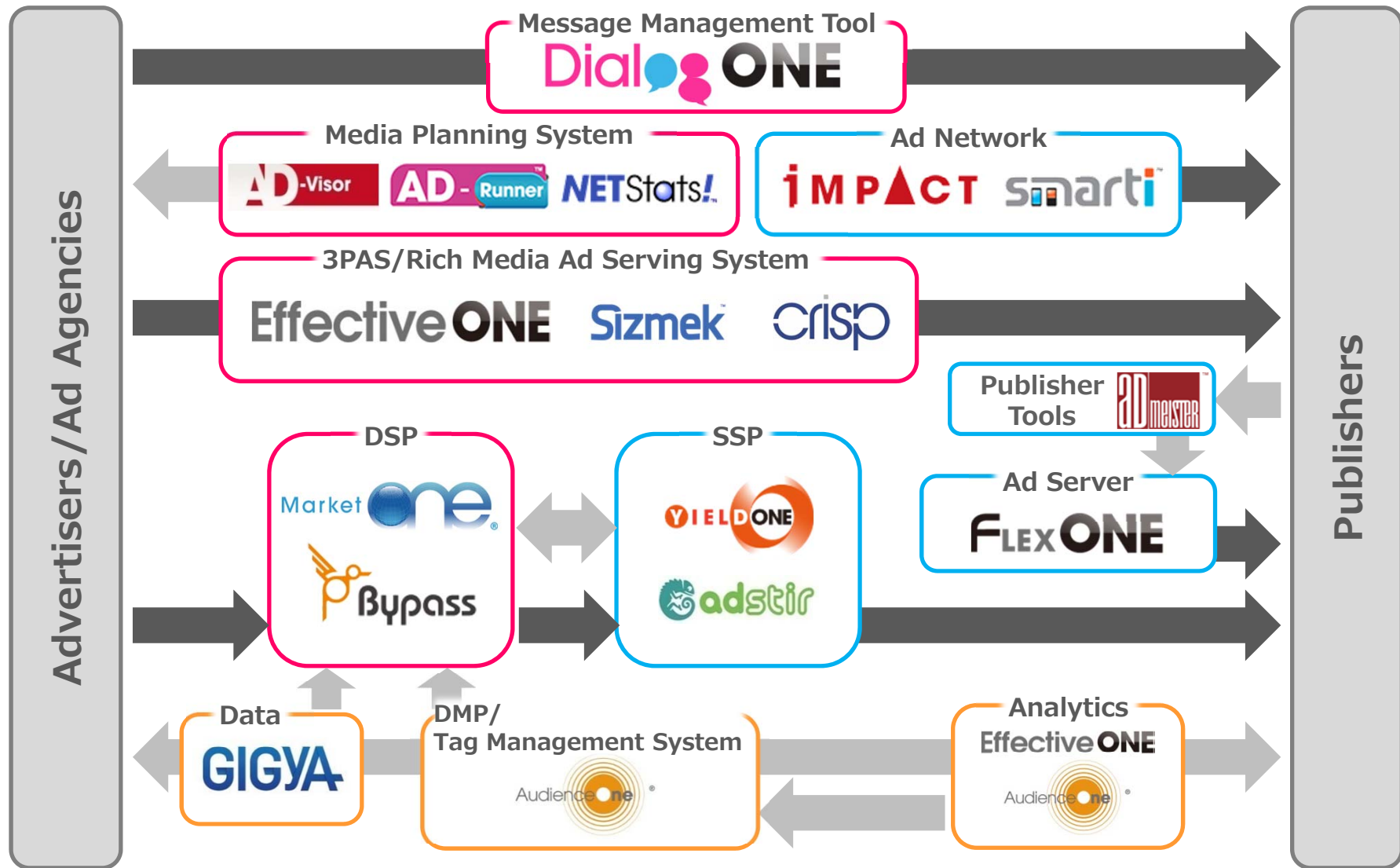
DAC was established as a consortium of leading ad agencies, headed by Hakuhodo DY Group












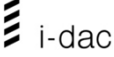
Media Representative

Providing total support for online advertising








Ad technology lineup of DAC Group


















Consolidated Subsidiaries (As of December,2015)

Name		Ownership	Business
	IREP Co., Ltd. <small>TSE 2nd</small>	57.6%	Digital marketing including performance-based ad focused on listing ads, search engine optimization, content marketing and web analytics.
	UNITED, Inc. <small>Mothers</small>	44.1%	Smartphone applications and advertising technology business.
	HAKUHODO i-studio Inc.	60.0%	Production, system development and CRM services for the entire online advertising field.
	Platform One Inc.	100.0%	Providing platforms for online advertising trading.
	ADPRO inc.	100.0%	Operational services for online advertising, including schedule management, sending ad data and placement confirmation.
	Torchlight Inc.	70.0%	Services supporting the utilization of social media including owned media and ad.
	Bumblebee Inc.	89.8%	Media and advertising platform business including smartphone applications.
	D.A.Consortium Beijing CO., LTD.	50.1%	Online advertising business in China.
	DAC ASIA PTE. LTD.	100.0%	Supports online advertising strategy, business development, market research and the expansion of group companies in the Southeast Asian region.
	I-DAC PTE. LTD.	80.0%	Comprehensive digital marketing solution in the Southeast Asian region.

Equity-method Affiliates (As of December,2015)

Name	Ownership	Business
 Members Co., Ltd. <small>Centrex</small>	18.8%	Web integration service, social media marketing service, and support service of digital marketing.
 spicebox, inc.	34.4%	Marketing and consultation services for digital communications design.
 Adinnovation Inc.	18.0%	Marketing business for smartphones, ad tracking tool business for smartphones, media consulting business.
 digitalBoutique, Inc.	38.2%	Service planning, creating, and operating community sites.
 livepass Inc.	22.4%	Next generation personal video marketing platform company.
 Innity Corporation Berhad <small>Bursa Malaysia</small>	25.1%	Online advertising trading platform and advertising network in the Southeast Asian region.
 GLIDER associates, INC.	15.7%	Planning and administration of curation magazine "antenna*".

Other companies in which DAC invests (As of December,2015)

Name	Business
 Digital Catapult Inc.	Provides digital content-serving and creative services for PC and mobile.
 Data Stadium Inc.	Sports data contents and related solutions.
 Video Research Interactive Inc.	Internet audience measurements and provides ad servers.
 BrandXing Inc.	Marketing and CRM consulting services.
 O-uccino, Inc. Mothers	Ad agency, planning, creating, and operating real estate websites.
 Voltage Inc. TSE 1st	Planning and creating services for mobile digital contents.
 mediba Inc.	As a mobile media representative, provides planning, organization and creation services.
 YUMEMI Inc.	Mobile-related planning, development, operation and consultation services.
 Co-Core Inc.	Operating the 3-D visual space website "meet-me".
 ALBERT Inc. Mothers	"Recommendation engine" developed in-house and advertising optimization solutions using core analytical abilities.
 Origami Inc.	Planning and administration of the next-generation e-commerce platform "Origami".
 DataSection Inc. Mothers	Online consumer and reputation analysis service.
 Yummy Japan Inc.	YouTube channel management, web-based video production, web-based PR and advertising.
 ZEDO,Inc.	Developing ad server and video ad format for media companies.
 IPONWEB Holdings Limited	Development of various ad technologies and cloud advertisement solution and consulting service.

Empowering the digital future

デジタルの未来に、もっと力を。



“The Axel”

This logo, called “the axel”, expresses the spirit embodied in our brand slogan “Empowering the digital future” – the spirit to pioneer and impart vitality into the future of digital society.