

# Summary of Business Results for the Fiscal Year 2009

## (January 1 to December 31, 2009)

Date: February 12, 2010

Company           Funai Zaisan Consultants Co., Ltd.  
 Stock code       8929  
 Representative   Masazumi Hasumi , President  
 Contact           Hisao Nakatsuka , Managing Director  
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 Scheduled date of regular shareholders' meeting held: March 26, 2010  
 Submission date of annual securities report scheduled: March 26, 2010  
 Planned date of Dividend payout: none

Registered on the TSE Mothers  
 URL <http://www.funai-zc.co.jp/>

### 1. Consolidated business results for FY 2009 (January 1 to December 31, 2009)

#### (1) Consolidated Results of operations

(Note: Rounded down to million yen)

(The percentages shown for Total Revenue, operating income etc. represent changes from the same period in the previous fiscal year.)

Fiscal year ended	Total Revenue		Operating income		Ordinary income		Net income	
	(¥ Million)	(%)	(¥ Million)	(%)	(¥ Million)	(%)	(¥ Million)	(%)
December 31, 2009	5,408	-64.6	-3,246	—	-3,805	—	-4,380	—
December 31, 2008	15,269	-14.6	1,785	-41.1	947	-63.4	47	-96.9

Fiscal year ended	Net income per share (Primary)	Net income per share (Diluted)	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to Total revenue
	(¥)	(¥)	(%)	(%)	(%)
December 31, 2009	-41,440.05	—	-115.6	-31.7	-60.0
December 31, 2008	454.33	436.08	0.8	2.4	11.7

(Reference) Loss on investments in equity-method affiliates

FY2009 (Year ended December 31, 2009): ¥-494 million

FY2008 (Year ended December 31, 2008): ¥-668 million

Note: Net income per share (diluted) is not listed because of net loss for the fiscal year ended December 31, 2009.

#### (2) Consolidated Financial Position

Fiscal year ended	Total assets	Net assets	Equity capital ratio	Net assets per share
	(¥ Million)	(¥ Million)	(%)	(¥)
December 31, 2009	6,882	1,627	23.6	15,395.33
December 31, 2008	17,102	5,950	34.8	56,289.84

(Reference) Shareholders' Equity

FY2009 (Year ended December 31, 2009): ¥1,627 million

FY2008 (Year ended December 31, 2008): ¥5,950 million

#### (3) Consolidated Cash Flow

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	(¥ Million)	(¥ Million)	(¥ Million)	(¥ Million)
December 31, 2009	708	2,153	-5,339	947
December 31, 2008	2,238	-2,174	-2,534	3,424

## 2. Dividends

Fiscal year ended	Dividend per share					Total annual dividends (¥ Million)	Dividend payout ratio (consolidated) (%)	Ratio of dividends to net assets (consolidated) (%)
	End of Q1 (¥)	End of Interim (¥)	End of Q3 (¥)	End of FY2009 (¥)	Annual			
December 31, 2008	—	750.00	—	750.00	1,500.00	157	330.2	2.6
December 31, 2009	—	750.00	—	0.00	750.00	79	—	2.1
FY ending Dec. 2010 (projected)	—	0.00	—	750.00	750.00		35.1	

Note:

During the fiscal year ended December 2009, the Company paid out dividend of 750 yen per share in the first half and no dividend will be paid for the second half. During the fiscal year ending December 2010, the Company plans to pay no dividend in the first half and 750 yen per share in the second half assuming that it achieves its estimated earnings.

## 3. Forecast of consolidated business results for FY2010 (January 1 to December 31, 2010)

	Total Revenue		Operating income		Ordinary income		Net income		Net income per share (¥)
	(¥ Million)	(%)	(¥ Million)	(%)	(¥ Million)	(%)	(¥ Million)	(%)	
Six months ending June 30, 2010	1,770	-21.7	112		110		75		709.02
Year ending December 31, 2010	4,635	-14.3	316		312		225		2,135.11

Note: Percentage change compares current results with those of the period of the previous year.

## 4. Other

### (1) Important changes to subsidiaries during the period

(changes in specified subsidiaries accompanying changes to the scope of consolidation): None

New: None

Excluded: None

### (2) Changes in accounting disposal principles, procedures, and publication methods relating to the creation of consolidated financial statements (recorded as changes to significant items forming the basis for the creation of the consolidated financial statement)

i. Changes in accounting principles applied: Yes

ii. Other changes: None

### (3) Ordinary shares issued

i. Ordinary shares issued at end of period (including treasury stock)

FY2009: 110,584

FY2008: 110,584

ii. Treasury stock issued at end of period

FY2009: 4,879

FY2008: 4,879

## (Ref.) Summary of non-consolidated business results

### 1. Non-consolidated business results for FY 2009 (January 1 to December 31, 2009)

#### (1) Non-consolidated Results of operations (January 1 to December 31, 2010)

Fiscal year ended	Total Revenue		Operating income		Ordinary income		Net income	
	(¥ Million)	(%)	(¥ Million)	(%)	(¥ Million)	(%)	(¥ Million)	(%)
December 31, 2009	3,996	-72.3	-3,087	—	-2,749	—	-3,582	—
December 31, 2008	14,439	-11.5	1,737	-36.6	1,567	-39.2	60	-96.2

Note: Percentage change compares current results with those of the period of the previous year.

Fiscal year ended	Net income per share (Primary) (¥)	Net income per share (Diluted) (¥)
December 31, 2009	-33,887.56	—
December 31, 2008	578.90	555.64

Note: Net income per share (diluted) is not listed because of net loss for the fiscal year ended December 31, 2009.

#### (2) Non-consolidated Financial Position

Fiscal year ended	Total assets (¥ Million)	Net assets (¥ Million)	Equity capital ratio (%)	Net assets per share (¥)
December 31, 2009	6,531	1,585	24.3	15,002.11
December 31, 2008	16,145	5,671	35.1	53,657.78

### 2. Forecast of consolidated business results for FY2010 (January 1 to December 31, 2010)

	Total Revenue		Operating income		Ordinary income		Net income		Net income per share (¥)
	(¥ Million)	(%)	(¥ Million)	(%)	(¥ Million)	(%)	(¥ Million)	(%)	
Six months ending June 30, 2010	1,104	-37.8	47		81		70		665.75
Year ending December 31, 2010	3,236	-19.0	115		184		168		1,597.64

Note: Percentage change compares current results with those of the period of the previous year.

#### \*Appropriate use of these results forecasts and other items

The above forecasts are based on judgments made in accordance with information available at the time these materials were prepared, and contain numerous uncertainties. Changing conditions and other factors may cause actual results to differ from the results in these forecasts.

#### 4. Consolidated financial statements

##### (1) Consolidated balance sheets

( Thousands of yen )

	As of December 31, 2008	As of December 31, 2009
<b>Assets</b>		
Current assets		
Cash and deposits	4,532,653	951,396
Accounts receivable	365,011	403,186
Real estate for sale	1 5,984,387	1 2,044,399
Bonds bought	688,910	275,282
Deferred tax assets	432,888	1,646
Other current assets	242,087	193,876
Allowance for doubtful accounts	-4,026	-8,807
Total current assets	12,241,912	3,860,980
Fixed assets		
Tangible fixed assets		
Buildings and structures	207,259	153,042
Accumulated depreciation	-76,768	-45,538
Buildings and structures (Book Value)	130,491	107,503
Vehicles	22,024	5,131
Accumulated depreciation	-4,802	-2,451
Vehicles (Book Value)	17,222	2,679
Land	71,211	71,211
Others	75,136	66,160
Accumulated depreciation	-36,549	-36,716
Others (Book Value)	38,586	29,443
Total tangible fixed assets	257,510	210,839
Intangible fixed assets		
Software	68,918	46,023
Goodwill	778,074	613,990
Others	2,620	2,512
Total intangible fixed assets	849,613	662,526
Investments and other assets		
Investment Securities	1,066,286	1 1,931,392
Stocks of affiliated companies	2,299,921	67,973
Deferred tax assets	150,730	21
Other assets	236,606	149,189
Total Investment and other assets	3,753,545	2,148,576
Total fixed assets	4,860,670	3,021,941
Total assets	17,102,582	6,882,921

( Thousands of yen )

	As of December 31, 2008	As of December 31, 2009
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	94,828	62,274
Short-term debt	1,006,667	1 2 850,000
Long-term debt repayable within one year	1 3,500,000	
Bonds redeemable within one year	1,480,000	1,370,000
Accrued corporate tax, etc.	173,396	25,559
Other reserves		110,525
Other current liabilities	677,092	528,397
<b>Total current liabilities</b>	<b>6,931,984</b>	<b>2,946,756</b>
<b>Fixed liabilities</b>		
Bonds	2,565,000	1,195,000
Long-term deposits payable	688,194	264,479
Allowance for employee retirement benefits	45,584	34,772
Addition to reserve for compensation to retired directors	214,262	107,052
Long-term security deposits payable	707,438	707,496
<b>Total fixed liabilities</b>	<b>4,220,479</b>	<b>2,308,801</b>
<b>Total liabilities</b>	<b>11,152,464</b>	<b>5,255,558</b>
<b>Net Assets</b>		
<b>Shareholders' equity</b>		
Common stock	1,030,817	1,030,817
Capital surplus	1,104,154	1,104,154
Retained earnings	4,147,706	156,568
Treasury stock	-499,119	-499,119
<b>Total shareholders' equity</b>	<b>5,783,558</b>	<b>1,792,420</b>
<b>Evaluation and conversion difference</b>		
Unrealized gains/losses on securities	166,559	-165,057
<b>Total evaluation and conversion difference</b>	<b>166,559</b>	<b>-165,057</b>
<b>Total net assets</b>	<b>5,950,117</b>	<b>1,627,363</b>
<b>Total liabilities and net assets</b>	<b>17,102,582</b>	<b>6,882,921</b>

## (2) Consolidated income statements

( Thousands of yen )

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Total Revenue		
Revenue	4,514,604	3,031,722
Sales of real estate	10,755,085	2,376,629
Total Revenue	15,269,690	5,408,352
Operating cost		
Operating cost	2,195,742	2,117,909
Cost of sales of real estate	9,203,999	4,540,828
Operating cost	11,399,741	6,658,738
Gross operating profit	3,869,948	-1,250,386
SG&A	2,084,456	1,996,241
Operating income	1,785,492	-3,246,627
Non-operating income		
Interest received	14,635	4,070
Dividends received	7,213	1,854
Gain on investment of anonymous association	14,490	14,928
Insurance premium refunded cancellation	-	15,549
Other non-operating income	9,002	6,000
Non-operating income	45,341	42,402
Non-operating expenses		
Interest paid	158,531	73,017
Bond issuance expenses	27,301	-
Investment loss on equity method	668,536	494,287
Other non-operating expenses	28,673	34,121
Non-operating expenses	883,043	601,427
Ordinary income	947,789	-3,805,652
Extraordinary income		
Gain on sale of investment securities	-	177,426
Gain on sale of affiliated companies' securities	357,159	137,697
Gain on change in equity	-	13,773
Extraordinary income	357,159	328,896

	( Thousands of yen )	
	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Extraordinary loss		
Loss on sales of fixed assets	2 233	-
Loss on retirement of fixed assets	2 12,329	2 158
Loss on sales of stocks of affiliates	6,539	-
Equity in losses of affiliates	23,354	-
Loss on valuation of investment securities	62,040	781
Settlement paid	60,650	-
Loss on cancellation of lease contracts	8,291	132
Office transfer expenses	9,663	150,643
Loss on devaluation of real estate held for sale	961,130	-
Loss on sales of investment securities	-	33,531
Early extra retirement payments	-	43,124
Extraordinary loss	<u>1,144,232</u>	<u>228,371</u>
Income before dividends distribution from anonymous association, income taxes	160,717	- 3,705,127
Dividends distribution from anonymous association	<u>-118,941</u>	<u>-111,511</u>
Income before income taxes	<u>279,658</u>	<u>-3,593,616</u>
Income taxes-current	717,436	81,090
Income taxes-deferred	<u>-466,461</u>	<u>705,714</u>
Total income taxes	<u>250,975</u>	<u>786,804</u>
Minority interests in income	-18,894	-
Net income	<u>47,577</u>	<u>-4,380,420</u>

## (3) Consolidated statements of changes in net assets

	( Thousands of yen )	
	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Shareholder's equity		
Common stock		
Balance at the end of previous period	805,817	1,030,817
Changes of items during the period		
Issuance of new shares - merger	225,000	-
Total changes of items during the period	225,000	-
Balance at the end of current period	1,030,817	1,030,817
Capital surplus		
Balance at the end of previous period	875,266	1,104,154
Changes of items during the period		
Issuance of new shares - merger	228,888	-
Total changes of items during the period	228,888	-
Balance at the end of current period	1,104,154	1,104,154
Retained earnings		
Balance at the end of previous period	4,255,754	4,147,706
Changes of items during the period		
Dividends from surplus	-157,236	-158,557
Net income	47,577	-4,380,420
Change in scope of consolidation	1,609	-
Change in scope of equity method affiliates	-	547,840
Total changes of items during the period	-108,048	-3,991,137
Balance at the end of current period	4,147,706	156,568
Treasury stock		
Balance at the end of previous period	-	-499,119
Changes of items during the period		
Acquisition of treasury stock	-499,119	-
Total changes of items during the period	-499,119	-
Balance at the end of current period	-499,119	-499,119
Total shareholders' equity		
Balance at the end of previous period	5,936,838	5,783,558
Changes of items during the period		
Issuance of new shares - merger	453,888	-
Dividends from surplus	-157,236	-158,557
Net income	47,577	-4,380,420
Purchase of treasury stock	-499,119	-
Change in scope of consolidation	1,609	-
Change in scope of equity method affiliates	-	547,840
Total changes of items during the period	-153,279	-3,991,137
Balance at the end of current period	5,783,558	1,792,420

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	267,645	166,559
Changes of items during the period		
Net changes of items other than shareholders' equity (net)	-101,086	-331,616
Total changes of items during the period	-101,086	-331,616
Balance at the end of current period	166,559	-165,057
Valuation and translation adjustments		
Balance at the end of previous period	267,645	166,559
Changes of items during the period		
Net changes of items other than shareholders' equity (net)	-101,086	-331,616
Total changes of items during the period	-101,086	-331,616
Balance at the end of current period	166,559	-165,057
Minority interests		
Balance at the end of previous period	55,275	-
Changes of items during the period		
Net changes of items other than shareholders' equity (net)	-55,275	-
Total changes of items during the period	-55,275	-
Balance at the end of current period	-	-
Total net assets		
Balance at the end of previous period	6,259,759	5,950,117
Changes of items during the period		
Net changes of items other than shareholders' equity (net)	-55,275	-
Issuance of new shares - merger	453,888	-
Dividends from surplus	-157,236	-158,557
Net income	47,577	-4,380,420
Acquisition of treasury stock	-499,119	-
Change in scope of consolidation	1,609	-
Change in scope of equity method affiliates	-	547,840
Net changes of items other than shareholders' equity (net)	-156,362	-331,616
Total changes of items during the period	-309,641	-4,322,753
Balance at the end of current period	5,950,117	1,627,363

## (4) Consolidated statements of cash flows

( Thousand of yen )

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Cash flow from operating activities		
Net income / Loss before income taxes	279,658	-3,593,616
Depreciation	46,574	53,784
Amortization of goodwill	37,406	164,083
Increase (decrease) in provisions for doubtful accounts (negative indicates decrease)	-24	4,780
Increase (decrease) in reserve for retirement benefits (negative indicates decrease)	14,087	-10,811
Increase (decrease) in reserve for directors' retirement benefits (negative indicates decrease)	41,889	-107,209
Income from interest and dividends	-21,849	-5,924
Interest paid	158,531	73,017
Bond issuance expenses	27,301	-
Equity in losses of affiliates (negative indicate increase)	691,891	494,287
Loss on revaluation of investments in securities (negative indicate increase)	62,040	781
Loss (gain) on sales of marketable and investment securities (negative indicate increase)	-	-143,894
Gain on sales of stocks of affiliates (negative indicate increase)	-350,620	-137,697
Settlement paid	60,650	-
Loss (gain) on sales of fixed assets	233	-
Loss on retirement of fixed assets	12,329	158
Dividends distribution from anonymous association	-118,941	-111,511
Increase in accounts receivable (negative indicate increase)	146,573	-23,838
Decrease in real estate for sale (negative indicates increase)	2,593,791	3,939,987
Decrease in accounts payable (negative indicates decrease)	266,946	413,628
Increase (decrease) in other reserves (negative indicates decrease)	-	110,525
Decrease in lease and guarantee deposits received (negative indicates decrease)	-93,247	58
Decrease in long-term deposits received (negative indicates decrease)	-94,524	-268,176
Others	-26,222	147,193
Subtotal	3,770,771	967,053
Interest and dividends received	42,099	18,524
Interest paid	-150,732	-77,496
Settlement paid	-60,650	-
Corporate tax paid	-1,363,428	-199,832
Cash flow from operating activities	2,238,059	708,249

( Thousand of yen )

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009
Cash flow from investing activities		
Payments for making of time deposits	-1,823,928	-114,000
Proceeds from repayment of time deposits	1,525,312	1,217,874
Payment for purchase of intangible fixed assets	-92,626	-60,576
Proceeds from sale of intangible fixed assets	4,513	11,448
Payment for purchase of tangible fixed assets	-64,296	-16,649
Payment for purchase of investment securities and investment in capital	-103,100	-
Proceeds from sale of investment securities and investment in capital	129,884	373,105
Proceeds from sales of stocks of affiliates	1,606,500	555,000
Payment for purchase of shares of newly consolidated subsidiaries	<sup>3</sup> -21,107	-
Payment for acquisition of shares of newly consolidated subsidiaries	<sup>2</sup> -425,638	-
Payments for purchase of deposit for investment in anonymous association	-2,771,342	-
Payment for loans		
Collection of loans receivable	-	100,000
Others	-38,592	87,417
Cash flow from investing activities	-2,174,420	2,153,620
Cash flow from financing activities		
Decrease in short-term loans payable (negative indicates decrease)	-1,640,663	-156,667
Repayment of long-term debt	-128,636	-3,500,000
Issuance of bonds	1,072,698	-
Payment for redemption of corporate bonds	-1,100,000	-1,480,000
Payments for dividend of deposit for investment in anonymous association	-81,090	-44,027
Purchase of treasury stock	-499,119	-
Dividends paid	-157,236	-158,557
Cash flow from financing activities	-2,534,046	-5,339,251
Decrease in cash and cash equivalents (negative indicates decrease)	-2,470,408	-2,477,382
Cash and cash equivalents at beginning of term	5,895,187	3,424,778
Cash and cash equivalents at end of term	<sup>1</sup> 3,424,778	<sup>1</sup> 947,396