

# Summary of Business Results for the Fiscal Year 2010

## (January 1 to December 31, 2010)

Date: February 15, 2011

Company           Funai Zaisan Consultants Co., Ltd.  
 Stock code       8929  
 Representative   Masazumi Hasumi , President  
 Contact           Hisao Nakatsuka , Managing Director  
 TEL               03-6439-5800

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

Scheduled date of regular shareholders' meeting held: March 25, 2011  
 Planned date of Dividend payout: March 28, 2011  
 Submission date of annual securities report scheduled: March 25, 2011

### 1. Consolidated business results for FY 2010 (January 1 to December 31, 2010)

#### (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, 2010	5,227	-3.4	200	—	160	—	82	—
December 31, 2009	5,408	64.6	-3,686	—	-4,245	—	-4,820	—

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, 2010	779.98	—	6.8	2.9	3.8
December 31, 2009	-45,602.58	—	-135.0	-36.1	-68.2

(Reference) Loss on investments in equity-method affiliates

FY2009 (Year ended December 31, 2010): ¥-2 million

FY2008 (Year ended December 31, 2009): ¥-494 million

#### (2) Consolidated Financial Position

Fiscal year ended	Total assets	Net assets	Equity capital ratio	Net assets per share
	(¥ Million)	(¥ Million)	(%)	(¥)
December 31, 2010	4,498	1,222	27.2	11,565.19
December 31, 2009	6,442	1,187	18.4	11,232.80

(Reference) Shareholders' Equity

FY2010 (Year ended December 31, 2010): ¥1,222 million

FY2009 (Year ended December 31, 2009): ¥1,187 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, 2010	1,890	282	-1,745	1,374
December 31, 2009	708	2,153	-5,339	947

## 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 FY (¥)	Annual			
December 31, 2009	—	750.00	—	0.00	750.00	79	—	2.2
December 31, 2010	—	0.00	—	500.00	500.00	52	64.1	4.4
FY ending Dec. 2011 (projected)	—	0.00	—	750.00	750.00		28.3	

Note: Payment source of dividends for fiscal year ended December 31, 2010 includes other capital surplus.

## 3. Forecast of consolidated business results for FY2011 (January 1 to December 31, 2011)

	Total Revenue		Operating income		Ordinary income		Net income		Net income per share (¥)
	(¥ Million)	(%)	(¥ Million)	(%)	(¥ Million)	(%)	(¥ Million)	(%)	
Six months ending June 30, 2010	2,374	17.7	102	-52.1	87	-53.7	90	-24.9	851.42
Year ending December 31, 2010	4,840	-7.4	300	50.0	275	71.8	280	239.6	2,648.88

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: None
  - ii. Other changes: Yes
- (3) Ordinary shares issued
  - i. Ordinary shares issued at end of period (including treasury stock)
    - FY2010: 105,705
    - FY2009: 110,584
  - ii. Treasury stock issued at end of period
    - FY2010: 0
    - FY2009: 4,879

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

### 1. Non-consolidated business results for FY 2010 (January 1 to December 31, 2010)

#### (1) Non-consolidated Results of operations

Fiscal year ended	Total Revenue		Operating income		Ordinary income		Net income	
	(¥ Million)	(%)	(¥ Million)	(%)	(¥ Million)	(%)	(¥ Million)	(%)
December 31, 2010	4,026	0.7	-2	—	85	—	113	—
December 31, 2009	3,996	-72.3	-3,527	—	-3,189	—	-4,022	—

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, 2010	1,076.46	—
December 31, 2009	-38,050.09	—

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

Fiscal year ended	Total assets (¥ Million)	Net assets (¥ Million)	Equity capital ratio (%)	Net assets per share (¥)
December 31, 2010	4,197	1,212	28.9	11,468.46
December 31, 2009	6,091	1,145	18.8	10,839.58

### 2. Forecast of consolidated business results for FY2011 (January 1 to December 31, 2011)

	Total Revenue		Operating income		Ordinary income		Net income		Net income per share (¥)
	(¥ Million)	(%)	(¥ Million)	(%)	(¥ Million)	(%)	(¥ Million)	(%)	
Six months ending June 30, 2011	1,872	30.9	137	-2.0	125	-23.7	125	-37.7	1,182.54
Year ending December 31, 2011	3,900	-3.1	285	—	260	205.3	260	128.5	2,459.68

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

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

Forward-looking statements in this document, including the performance outlook, etc., were written based on the information available to the Company as of the date this document was published. Actual performance may differ from the forecast figures due to various factors. .

#### 4. Consolidated financial statements

##### (1) Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2009	As of December 31, 2010
<b>Assets</b>		
Current assets		
Cash and deposits	951,396	1,374,698
Accounts receivable	403,186	388,507
Real estate for sale	※1 1,604,399	0
Bonds bought	275,282	238,153
Deferred tax assets	1,646	—
Other current assets	193,876	83,751
Allowance for doubtful accounts	-8,807	-37,961
<b>Total current assets</b>	<b>3,420,980</b>	<b>2,047,149</b>
Fixed assets		
Tangible fixed assets		
Buildings and structures	153,042	142,555
Accumulated depreciation	-45,538	-57,752
Buildings and structures (Book Value)	107,503	84,803
Vehicles	5,131	5,131
Accumulated depreciation	-2,451	-3,569
Vehicles (Book Value)	2,679	1,562
Land	71,211	70,766
Others	66,160	62,625
Accumulated depreciation	-36,716	-41,954
Others (Book Value)	29,443	20,671
<b>Total tangible fixed assets</b>	<b>210,839</b>	<b>177,803</b>
Intangible fixed assets		
Software	46,023	34,742
Goodwill	613,990	450,139
Others	2,512	2,403
<b>Total intangible fixed assets</b>	<b>662,526</b>	<b>487,285</b>
Investments and other assets		
Investment Securities	※1 1,931,392	※1 1,587,122
Stocks of affiliated companies	67,973	54,379
Deferred tax assets	21	—
Other assets	149,189	145,139
<b>Total Investment and other assets</b>	<b>2,148,576</b>	<b>1,786,640</b>
<b>Total fixed assets</b>	<b>3,021,941</b>	<b>2,451,730</b>
<b>Total assets</b>	<b>6,442,921</b>	<b>4,498,879</b>

(Thousands of yen)

	As of December 31, 2009	As of December 31, 2010
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	62,274	78,042
Short-term debt	※1 ※2 850,000	※1 ※2 672,400
Bonds redeemable within one year	1,370,000	535,000
Accrued corporate tax, etc.	25,559	50,614
Reserve for bonuses	—	6,307
Other reserves	110,525	11,194
Other current liabilities	528,397	409,522
<b>Total current liabilities</b>	<b>2,946,756</b>	<b>1,763,080</b>
<b>Fixed liabilities</b>		
Bonds	1,195,000	487,500
Long-term deposits payable	264,479	214,671
Allowance for employee retirement benefits	34,772	43,860
Addition to reserve for compensation to retired directors	107,052	90,589
Long-term security deposits payable	707,496	676,677
<b>Total fixed liabilities</b>	<b>2,308,801</b>	<b>1,513,300</b>
<b>Total liabilities</b>	<b>5,255,558</b>	<b>3,276,380</b>
<b>Net Assets</b>		
<b>Shareholders' equity</b>		
Common stock	1,030,817	1,030,817
Capital surplus	1,104,154	605,035
Retained earnings	-283,431	-200,983
Treasury stock	-499,119	—
<b>Total shareholders' equity</b>	<b>1,352,420</b>	<b>1,434,868</b>
<b>Evaluation and conversion difference</b>		
Unrealized gains/losses on securities	-165,057	-212,370
<b>Total evaluation and conversion difference</b>	<b>-165,057</b>	<b>-212,370</b>
<b>Total net assets</b>	<b>1,187,363</b>	<b>1,222,498</b>
<b>Total liabilities and net assets</b>	<b>6,422,921</b>	<b>4,498,879</b>

## (2) Consolidated income statements

(Thousands of yen)

	Fiscal year ended December 31, 2009	Fiscal year ended December 31, 2010
Total Revenue		
Revenue	3,031,722	3,567,758
Sales of real estate	2,376,629	1,659,268
Total Revenue	5,408,352	5,227,026
Operating cost		
Operating cost	2,117,909	1,741,196
Cost of sales of real estate	*4 4,980,828	1,756,982
Operating cost	7,098,738	3,498,178
Gross operating profit	-1,690,386	1,728,848
SG&A	*1 1,996,241	*1 1,528,817
Operating income	-3,686,627	200,030
Non-operating income		
Interest received	4,070	357
Dividends received	1,854	11,079
Gain on investment of anonymous association	14,928	—
Insurance premium refunded cancellation	15,549	—
Other non-operating income	6,000	1,330
Non-operating income	42,402	12,767
Non-operating expenses		
Interest paid	73,017	37,090
Investment loss on equity method	494,287	2,889
Guarantee commission	—	9,556
Other non-operating expenses	34,121	3,170
Non-operating expenses	601,427	52,706
Ordinary income/loss	-4,245,652	160,091
Extraordinary income		
Gain on sale of investment securities	177,426	704
Gain on sale of affiliated companies' securities	137,697	—
Gain on change in equity	13,773	—
Reversal of reserve for directors' retirement benefits	—	31,788
Settlement received	—	45,000
Gain on liquidation of affiliates	—	38,151
Refund of consumption tax for prior periods	—	5,034
Extraordinary income	328,896	120,678

	Fiscal year ended December 31, 2009	(Thousands of yen) Fiscal year ended December 31, 2010
Extraordinary loss		
Loss on sales of investment securities	33,531	53,860
Loss on valuation of investment securities	781	22,841
Loss on sales of fixed assets	—	*2 10,706
Loss on retirement of fixed assets	*3 158	*3 388
Loss on cancellation of lease contracts	132	—
Office transfer expenses	150,643	—
Early extra retirement payments	43,124	—
Extraordinary loss	228,371	87,797
Income before dividends distribution from anonymous association, income taxes	-4,145,127	192,972
Dividends distribution from anonymous association	-111,511	-7,862
Income before income taxes	-4,033,616	200,834
Income taxes-current	81,090	55,777
Income taxes for prior periods	—	78,985
Refund of income taxes	—	-18,042
Income taxes-deferred	705,714	1,667
Total income taxes	786,804	118,386
Net income/loss	-4,820,420	82,448

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

	(Thousands of yen)	
	Fiscal year ended December 31, 2009	Fiscal year ended December 31, 2010
Shareholder's equity		
Common stock		
Balance at the end of previous period	1,030,817	1,030,817
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	1,030,817	1,030,817
Capital surplus		
Balance at the end of previous period	1,104,154	1,104,154
Changes of items during the period		
Retirement of treasury stock	—	-499,119
Total changes of items during the period	—	-499,119
Balance at the end of current period	1,104,154	605,035
Retained earnings		
Balance at the end of previous period	4,147,706	-283,431
Changes of items during the period		
Dividends from surplus	-158,557	—
Net income/loss	-4,820,420	82,448
Change in scope of equity method affiliates	547,840	—
Total changes of items during the period	-4,431,137	82,448
Balance at the end of current period	-283,431	-200,983
Treasury stock		
Balance at the end of previous period	-499,119	-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	—
Total shareholders' equity		
Balance at the end of previous period	5,783,558	1,352,420
Changes of items during the period		
Dividends from surplus	-158,557	—
Net income/loss	-4,820,420	82,448
Change in scope of equity method affiliates	547,840	—
Total changes of items during the period	-4,431,137	82,448
Balance at the end of current period	1,352,420	1,434,868

	Fiscal year ended December 31, 2009	Fiscal year ended December 31, 2010
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	166,559	-165,057
Changes of items during the period		
Net changes of items other than shareholders' equity (net)	-331,616	-47,312
Total changes of items during the period	-331,616	-47,312
Balance at the end of current period	-165,057	-212,370
Valuation and translation adjustments		
Balance at the end of previous period	166,559	-165,057
Changes of items during the period		
Net changes of items other than shareholders' equity (net)	-331,616	-47,312
Total changes of items during the period	-331,616	-47,312
Balance at the end of current period	-165,057	-212,370
Total net assets		
Balance at the end of previous period	5,950,117	1,187,363
Changes of items during the period		
Dividends from surplus	-158,557	—
Net income	-4,820,420	82,448
Change in scope of equity method affiliates	547,840	—
Net changes of items other than shareholders' equity (net)	-331,616	-47,312
Total changes of items during the period	-4,762,754	35,135
Balance at the end of current period	1,187,363	1,222,498

## (4) Consolidated statements of cash flows

	(Thousand of yen)	
	Fiscal year ended December 31, 2009	Fiscal year ended December 31, 2010
Cash flow from operating activities		
Net income / Loss before income taxes	-4,033,616	200,834
Depreciation	53,784	41,288
Amortization of goodwill	164,083	163,851
Increase (decrease) in provisions for doubtful accounts (negative indicates decrease)	4,780	29,154
Increase (decrease) in reserve for retirement benefits (negative indicates decrease)	-10,811	9,087
Increase (decrease) in reserve for directors' retirement benefits (negative indicates decrease)	-107,209	-16,462
Increase (decrease) in other reserves (negative indicates decrease)	110,525	-99,331
Income from interest and dividends	-5,924	-11,436
Interest paid	73,017	37,090
Equity in losses of affiliates (negative indicate increase)	494,287	2,889
Loss on revaluation of investments in securities (negative indicate increase)	781	22,841
Loss (gain) on sales of marketable and investment securities (negative indicate increase)	-143,894	53,156
Gain on sales of stocks of affiliates (negative indicate increase)	-137,697	—
Gain on liquidation of affiliates (negative indicate increase)	—	-38,151
Loss (gain) on sales of fixed assets	—	10,706
Loss on retirement of fixed assets	158	388
Dividends distribution from anonymous association	-111,511	-7,862
Increase in accounts receivable (negative indicate increase)	-23,838	14,678
Decrease in real estate for sale (negative indicates increase)	4,379,987	1,604,399
Decrease in accounts payable (negative indicates decrease)	413,628	37,128
Increase (decrease) in other reserves (negative indicates decrease)	-32,554	15,767
Decrease in lease and guarantee deposits received (negative indicates decrease)	58	-30,818
Decrease in long-term deposits received (negative indicates decrease)	-268,176	-17,492
Others	147,193	148,436
Subtotal	967,053	1,823,270
Interest and dividends received	18,524	11,436
Interest paid	-77,496	-38,368
Settlement received	—	45,000
Refund of consumption tax for prior periods	—	1,566
Income tax (paid) refund	-199,832	65,689
Income taxes-correction	—	-68,188
Cash flow from operating activities	708,249	1,890,407

	(Thousand of yen)	
	Fiscal year ended December 31, 2009	Fiscal year ended December 31, 2010
Cash flow from investing activities		
Payments for making of time deposits	-114,000	—
Proceeds from repayment of time deposits	1,217,874	4,000
Payment for purchase of intangible fixed assets	-60,576	-3,385
Proceeds from sale of intangible fixed assets	11,448	3,588
Payment for purchase of tangible fixed assets	-16,649	-3,748
Proceeds from sale of investment securities and investment in capital	373,105	237,049
Proceeds from sales of stocks of affiliates	555,000	48,856
Purchase of investment securities	—	-1,000
Collection of loans receivable	100,000	—
Others	87,417	-3,245
Cash flow from investing activities	2,153,620	282,115
Cash flow from financing activities		
Decrease in short-term loans payable (negative indicates decrease)	-156,667	-177,600
Repayment of long-term debt	-3,500,000	—
Payment for redemption of corporate bonds	-1,480,000	-1,543,168
Payments for dividend of deposit for investment in anonymous association	-44,027	-24,452
Dividends paid	-158,557	—
Cash flow from financing activities	-5,339,251	-1,745,221
Decrease in cash and cash equivalents (negative indicates decrease)	-2,477,382	427,301
Cash and cash equivalents at beginning of term	3,424,778	947,396
Cash and cash equivalents at end of term	* 947,396	* 1,374,698