

March 2, 2010

**Notice Regarding the Reduction in Legal Capital Surplus,
Appropriation of Retained Earnings and Cancellation of Treasury Stock**

Funai Zaisan Consultants Co., Ltd. (“The Company”) hereby announces that at the meeting of its Board of Directors held on March 2, 2010, it has decided to reduce its legal capital surplus, as well as to appropriate its retained earnings, in accordance with the articles of association based on Article 459, Paragraph 1 of the Companies Act. In addition, the Company also decided to cancel a portion of its treasury stock in accordance with article 178 of the Companies Act. Further details are described below:

Description

1. Reduction in Legal Capital Surplus Revision

(1) Purpose of Reduction in Legal Capital Surplus

The reduction in legal capital surplus will be implemented in order to secure a source of the cancellation of treasury stock.

(2) Procedures of Reduction in Legal Capital Surplus

The legal capital surplus will be reduced based on Article 449 (Paragraph 1 and 2) and 459 (Paragraph 2) of the Companies Act.

- 1) Amount of legal capital surplus to be reduced
Legal capital surplus: ¥992,035,199 (out of ¥1,100,266,487)
- 2) Increasing item and amount of retained earnings
Other capital surplus: ¥992,035,199
- 3) Increased item and amount of retained earnings
Other capital surplus: ¥995,923,199

(3) Schedule of Reduction in Legal Capital Surplus

- 1) March 2, 2010: The Board resolution
- 2) March 2, 2010: Effective date

2. Appropriation of Retained Earnings

(1) Purpose of Appropriation of Retained Earnings

The appropriation of retained earnings will be implemented in order to dispose the deficit of retained earnings carried forward and prepare for a future dividend distribution.

(2) Procedures of Appropriation of Retained Earnings

The other reserves will be reversed and transferred to retained earnings carried forward, based on Article 459, Paragraph 2 of the Companies Act.

- 1) Decreased item and amount of retained earnings

Other reserves	¥1,700,000,000
2) Increased item and amount of retained earnings	
Retained earnings carried forward	¥1,700,000,000

(3) Schedule of Appropriation of Retained Earnings

- 1) March 2, 2010: The Board resolution
- 2) March 2, 2010: Effective date

3. Schedule of Cancellation of Treasury Stock

- 1) Class of shares to be cancelled: Common Stock
- 2) Number of shares to be cancelled: 4,879 shares
- 3) Planned date of cancellation: March 2, 2010
- 4) Number of shares after cancellation: 105,705 shares

4. Future Forecast

No changes have been made to the earnings forecast for the current fiscal year.