

## ❖ Company Information

(as of Sep. 1, 2010)

- Name of company: Funai Zaisan Consultants Co., Ltd.
- Head office:  
Aoyama Tower Place 3rd Floor, 8-4-14 Akasaka, Minato-ku, Tokyo 107-0052
- Incorporated: September 17, 1991
- Capital stock: 1030.81 million yen
- Line of business:  
Comprehensive individual asset consulting, financial consulting for corporate, and real estate solution consulting
- Number of employees (Group): 101
- Business network: 47 locations throughout Japan (including head office)  
Hokkaido, Sendai, Fukushima, Tochigi, Gunma, Saitama, Keiyo, Johoku, Tokyo, Yokohama, Kawasaki, Kanazawa, Nagano, Shizuoka, Nagoya, Kyoto, Osaka, Hyogo, Nara, Hiroshima, Takamatsu, Tokushima, Fukuoka, Nagasaki, Kumamoto, Okinawa, Mito, Kumagaya, Yonezawa, Wakayama, Hachinohe, Kagoshima, Miyazaki, Sasebo, Shonan, Shiga, Fukui, Mie, Tottori, Kitakyusyu, Nagaoka, Shimane, Jonan, Saga
- Consolidated subsidiaries:  
6 companies including Funai Estate Co., Ltd., Proggest Holdings Co., Ltd.
- Affiliates under equity method: Ukai Co., Ltd.

## ❖ Notes for Shareholder

- Fiscal year: January 1 to December 31
- Base date for the determination of shareholders with year-end dividend entitlements: December 31
- Base date for the determination of shareholders with interim dividend entitlements: June 30
- General meeting of shareholders: In late March
- Administrator of the shareholder registry:  
Mitsubishi UFJ Trust and Banking Corporation  
Contact:  
Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Department  
7-10-11, Higashisuna, Koto-ku, Tokyo, 137-8081  
Tel. 0120-232-711 (toll-free)
- Account administrator for special accounts:  
The Chuo Mitsui Trust and Banking Company, Limited  
Contact:  
The Chuo Mitsui Trust and Banking Company, Limited, Stock Transfer Agency Department  
2-8-4, Izumi, Suginami-ku, Tokyo, 168-8507  
Tel. 0120-78-2031 (toll-free)
- Stock exchange listings: TSE Mothers
- Public announcements: Please refer to the Funai Zaisan Consultants website

For reference:

1. Due to the dematerialization of share certificates, shareholders' address changes, repurchase requests, and such other procedures, as a rule, are filed with the account-administrating institutions where shareholders have their accounts (securities companies, etc.). Shareholders are requested to contact their account holding securities company, etc., for information. Shareholders are reminded that application filings cannot be made with the administrator of shareholder registry (Mitsubishi UFJ Trust and Banking Corporation).
2. For information on procedures concerning shares recorded in special accounts, shareholders are requested to contact The Chuo Mitsui Trust and Banking Company, Limited, the account administration institution for special accounts. Shareholders are reminded that procedures cannot be processed by Mitsubishi UFJ Trust and Banking Corporation, which serves as the administrator of the shareholder registry.
3. Dividends hitherto uncollected by shareholders are paid out by **Mitsubishi UFJ Trust and Banking Corporation, Head Office Branch.**

## ❖ Executives

(as of Sep. 1, 2010)

|   |                  |
|---|------------------|
| Chairman  | Hideo Murakami   |
| President   | Masazumi Hasumi  |
| Managing Director   | Hisao Nakatsuka  |
| Managing Director, Individual Asset Consulting 1st Division Manager | Takahiko Makino  |
| Director, Individual Asset Consulting 3rd Division Manager          | Tetsuo Akiyama   |
| Director, Corporate Financial Consulting Division Manager           | Seiki Noda       |
| Director, Individual Asset Consulting 2nd Division Manager          | Masayuki Yagi    |
| Director, Real Estate Division Manager                              | Takeshi Matsuura |
| Director, Network Division Manager                                  | Yasuhiko Sato    |
| Outside Director  | Haruo Shimada    |
| Outside Director  | Kiyoshi Ohno     |
| Outside Director  | Hitoshi Komasa   |
| Outside Representative Auditor                                      | Muneo Harada     |
| Outside Auditor   | Takao Kitamura   |
| Outside Auditor   | Toshio Honda     |
| Outside Auditor   | Hiroaki Rokugawa |

## ❖ Stock Overview

(as of Jun. 30, 2010)

|                           |         |
|---------------------------|---------|
| Number of shares in issue | 105,705 |
| Number of shareholders    | 7,198   |

## ❖ Major Shareholders (Top 10)

| Name   | Shares held | Shareholding ratio |
|--|-------------|--------------------|
| MID Plus Co., Ltd.                                 | 11,003      | 10.40              |
| Funai Consulting Co., Ltd.                         | 9,132       | 8.63               |
| Masazumi Hasumi                                    | 4,884       | 4.62               |
| Mutsumi Shimada                                    | 2,811       | 2.65               |
| Baillie Gifford Shin Nippon plc                    | 1,672       | 1.58               |
| Hideo Murakami                                     | 1,610       | 1.52               |
| Baillie Gifford Japan Trust plc                    | 1,473       | 1.39               |
| Tomio Sugimura                                     | 1,062       | 1.00               |
| CACEIS Bank Ordinary Account                       | 1,000       | 0.94               |
| JP Morgan Chase Oppenheimer JASDEC Lending Account | 1,000       | 0.94               |



We will remain your best partner over 100 years  
**Funai Zaisan Consultants Co., Ltd.**

Business Summary of the first half  
of fiscal year 2010 (20th period)  
January 1 to June 30, 2010

Newsletter for shareholders **vol. 16**

# Funai Zaisan Consultants

Consulting for Individuals  
Consulting for Companies  
Land and Real Estate



We will remain your best partner over 100 years  
**Funai Zaisan Consultants Co., Ltd.**

# We will remain your best partner over 100 years for comprehensive individual consulting

## Nationwide Network (47 bases as of September 1, 2010)



## Newsletter for shareholders **Vol.16**

Business summary of the first half  
of fiscal Year 2010 (20th period)  
January 1 to June 30, 2010

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## Dear Shareholders

I would thank you all for your usual support to the Company in its business operation.

I am pleased to present a business summary for the first half of fiscal year 2010 (20th period) of the Company from January 1 to June 30, 2010.

The Japanese economy in the period under review has shown signs of turnaround albeit at a modest pace, driven by the external demand mainly in Asian markets, while the peak of the financial instability appeared to have passed. Our business environment, however, remained tough due primarily to still stagnant employment situation as well as weak personal consumption.

The look back at international economies suggests that the global economy has shown gradual recovery, thanks primarily to respective governments' stimulus policy packages, though a part of the global economy has not yet got rid of further downside risk.

In the real estate market which strongly affects the business of Funai Zaisan Consultants Group, investment appetite remains solid mainly among wealthier private investors, in limited areas of the metropolitan region, where real estate transactions are gradually picking up.

Under such business environment, the Group as a group of asset/financial consulting professionals, is offering the best to its clients in need of comprehensive asset management service through consulting on asset succession including inheritance planning and that on financial planning including investment portfolio rearrangement, along with consulting on corporate rehabilitation and M&A.

We request further support of our shareholders.



President  
Masazumi Hasumi

### ❖ Business Results

The Japanese economy in the period under review remained unpredictable as both employment situation and personal consumption remained weak, despite its being on a recovery track mainly in manufacturing sectors thanks to the recovery trend in exports as supported by economic growth in the emerging markets.

Under such economic environment, appetite for investment in the real estate market which strongly affects Funai Zaisan Consultants Group is solid mainly among wealthier private investors, albeit in limited areas primarily in the metropolitan region, where real estate transactions are gradually revitalized.

Thanks primarily to an increase in larger businesses from wealthier clients, the Group's asset consulting revenues significantly improved

from the same period in the previous year in which real estate market was in a dysfunctional state. However, the environment surrounding real estate transactions is still stagnant as disposal of real estate held for sale is delayed until the 3rd quarter or beyond.

Based on the above, first-half consolidated operating revenue totaled 2,017 million yen (down 10.8% year-on-year), with an operating income of 212 million yen (compared with 806 million yen operating loss for the same period of the previous year), an ordinary income of 188 million yen (compared with 1,193 million yen ordinary loss for the same period of the previous year), and a net income of 119 million yen (compared with 1,765 million yen net loss for the same period of the previous year).

### ❖ Highlights of Consolidated Business Results (unit: million yen)

|                                  | First Half of Fiscal Year 2008<br>(18th Period) | First Half of Fiscal Year 2009<br>(19th Period) | First Half of Fiscal Year 2010<br>(20th Period) | Forecast for Fiscal Year 2010<br>(20th Period) |
|----------------------------------|---|---|---|--|
| Operating revenue                | 7,998   | 2,261   | 2,017   | 5,508  |
| Ordinary income                  | 840   | (1,193)   | 188   | 471  |
| Net income of the current period | 465   | (1,765)   | 119   | 427  |

### ❖ Revenue by Segments

|                                       | First Half of Fiscal Year 2009 |           | First Half of Fiscal Year 2010 |           |
|---------------------------------------|--------------------------------|-----------|--------------------------------|-----------|
|                                       | Amount (Million yen)           | Ratio (%) | Amount (Million yen)           | Ratio (%) |
| Revenue from asset consulting         | 853                            | 37.7      | 1,200                          | 59.5      |
| Revenue from real estate transactions | 881                            | 39.0      | 209                            | 10.4      |
| Revenue from sublease                 | 499                            | 22.1      | 583                            | 28.9      |
| Other revenue                         | 27                             | 1.2       | 23                             | 1.2       |
| Total                                 | 2,261                          | 100.0     | 2,017                          | 100.0     |

\*The above forecasts are based on the information available as of the preparation of this document, involving some uncertainty. Actual business results might prove different from these forecasts, depending on the changes in business conditions.

We are developing a nationwide network aligned with a strong sense of unity, to become consulting professionals.

We are training consulting professionals nationwide

Under the initiative of Funai Zaisan Consultants headquarters, a training system was launched targeting consultants under the Group network, with the aim to develop professionals in asset and financial consulting on a nationwide basis. Under these strategies, the whole Group is committed to providing high quality comprehensive asset management service to individual asset owners throughout the country, and addressing to customer needs.

Human asset out of human resources

In the times of global structural change and historic transformation, consultants are playing vital roles in helping clients to come up with solutions for various problems, by fully appreciating the interests of asset owners and corporate executives under the principle of customer comes first. We believe it is the Group's mission to create human asset out of human resources by training consultants capable of providing practical solutions based on an adequate grasp of clients' needs.



# Consolidated Financial Data for the First Half of Fiscal Year 2010 (Summary)

(Million of yen, rounded down to the nearest million)

## Consolidated Balance Sheet

| Item                            | Term | Previous Fiscal Year ended<br>Dec. 31, 2009 | First Half of Current Fiscal Year ended<br>Jun. 30, 2010 |
|---------------------------------|------|---|--|
| <b>Assets</b>                   |      |   |  |
| Current assets                  |      | 3,420                                       | 2,829  |
| Cash and deposits               |      | 951   | 423  |
| Accounts receivable             |      | 403   | 615  |
| Real estate held for sale       |      | 1,604                                       | 1,502  |
| Purchased receivables           |      | 275   | 249  |
| Others                          |      | 195   | 49   |
| Allowance for doubtful accounts |      | (8)   | (11)   |
| Fixed assets                    |      | 3,021                                       | 2,766  |
| Tangible fixed assets           |      | 210   | 200  |
| Intangible fixed assets         |      | 662   | 576  |
| Goodwill                        |      | 613   | 532  |
| Others                          |      | 48  | 44   |
| Investments and other assets    |      | 2,148                                       | 1,989  |
| Investment securities           |      | 1,931                                       | 1,796  |
| Shares in affiliates            |      | 67  | 45   |
| Others                          |      | 149   | 147  |
| <b>Total assets</b>             |      | <b>6,442</b>                                | <b>5,596</b>   |

| Item  | Term | Previous Fiscal Year ended<br>Dec. 31, 2009 | First Half of Current Fiscal Year ended<br>Jun. 30, 2010 |
|---|------|---|--|
| <b>Liabilities</b>  |      |   |  |
| Current liabilities                                       |      | 2,946                                       | 2,539  |
| Accounts payable  |      | 62  | 80   |
| Short-term debt   |      | 850   | 825  |
| Bonds redeemable within one year                          |      | 1,370                                       | 760  |
| Accrued corporate taxes                                   |      | 25  | 110  |
| Allowance for employee bonuses                            |      | —   | 11   |
| Other reserves  |      | 110   | 49   |
| Others  |      | 528   | 701  |
| Fixed liabilities   |      | 2,308                                       | 1,856  |
| Bonds   |      | 1,195                                       | 795  |
| Long-term deposits payable                                |      | 264   | 225  |
| Allowance for employee retirement benefits                |      | 34  | 39   |
| Addition to reserve for compensation of retired directors |      | 107   | 115  |
| Long-term lease and security deposits                     |      | 707   | 681  |
| <b>Total liabilities</b>                                  |      | <b>5,255</b>                                | <b>4,395</b>   |
| <b>Net assets</b>   |      |   |  |
| Shareholders' equity                                      |      | 1,352                                       | 1,472  |
| Common stock  |      | 1,030                                       | 1,030  |
| Capital surplus   |      | 1,104                                       | 605  |
| Retained earnings   |      | (283)                                       | (163)  |
| Treasury stock  |      | (499)                                       | —  |
| Evaluation and conversion difference                      |      | (165)                                       | (271)  |
| Unrealized gain on securities                             |      | (165)                                       | (271)  |
| <b>Total net assets</b>                                   |      | <b>1,187</b>                                | <b>1,200</b>   |
| <b>Total liabilities and net assets</b>                   |      | <b>6,442</b>                                | <b>5,596</b>   |

## Consolidated Income Statements

| Item   | Term | First Half of Previous Fiscal Year<br>(Jan. - Jun. 2009) | First Half of Current Fiscal Year<br>(Jan. - Jun. 2010) |
|--|------|--|---|
| Revenue  |      | 2,261  | 2,017   |
| Cost of sales  |      | 1,898  | 1,046   |
| Gross operating income   |      | 362  | 971   |
| SG&A   |      | 1,169  | 758   |
| Operating (loss) income  |      | (806)  | 212   |
| Non-operating revenue  |      | 37   | 12  |
| Non-operating expenses   |      | 424  | 36  |
| Ordinary (loss) income   |      | (1,193)  | 188   |
| Extraordinary income   |      | 191  | 38  |
| Extraordinary loss   |      | 34   | 2   |
| Net (loss) income before income taxes and minority interests before loss distribution to anonymous association |      | (1,037)  | 223   |
| Loss distribution to anonymous association   |      | (3)  | (4)   |
| Net (loss) income before income taxes and minority interests   |      | (1,033)  | 227   |
| Income taxes   |      | 27   | 27  |
| Income taxes-correction  |      | —  | 81  |
| Deferred income taxes  |      | 704  | (0)   |
| Total income taxes   |      | 731  | 108   |
| Net (loss) income  |      | (1,765)  | 119   |

## Consolidated Cash Flows

| Item  | Term | First Half of Previous Fiscal Year<br>(Jan. - Jun. 2009) | First Half of Current Fiscal Year<br>(Jan. - Jun. 2010) |
|---|------|--|---|
| Cash flow from operating activities                   |      | (213)  | 459   |
| Cash flow from investing activities                   |      | 1,522  | 73  |
| Cash flow from financing activities                   |      | (3,162)  | (1,056)   |
| Change in cash and equivalents                        |      | (1,852)  | (523)   |
| Cash and equivalents at start of year                 |      | 3,424  | 947   |
| Cash and equivalents at end of the first half of year |      | 1,572  | 423   |

