

About our website

Our website introduces Funai Zaisan Consultants' business activities and trends, including corporate and financial data, for all shareholders and investors. Please visit our site for further details.



<http://www.funai-zc.co.jp/>

Seminar Information

The Company hosts a variety of seminars in many locations in Japan which are presented by highly experienced, individualistic consultants of Funai Zaisan Consultants.

Tel.+81-3-6439-5800 (main)
0120-313-271
(toll free, domestic calls only)

Details are available
on the website.

Examples of recently held seminars

- Earnings enhancement management seminar
- Cash management enhancement support seminar with utilization of the SME Finance Facilitation Act
- New inheritance planning seminar

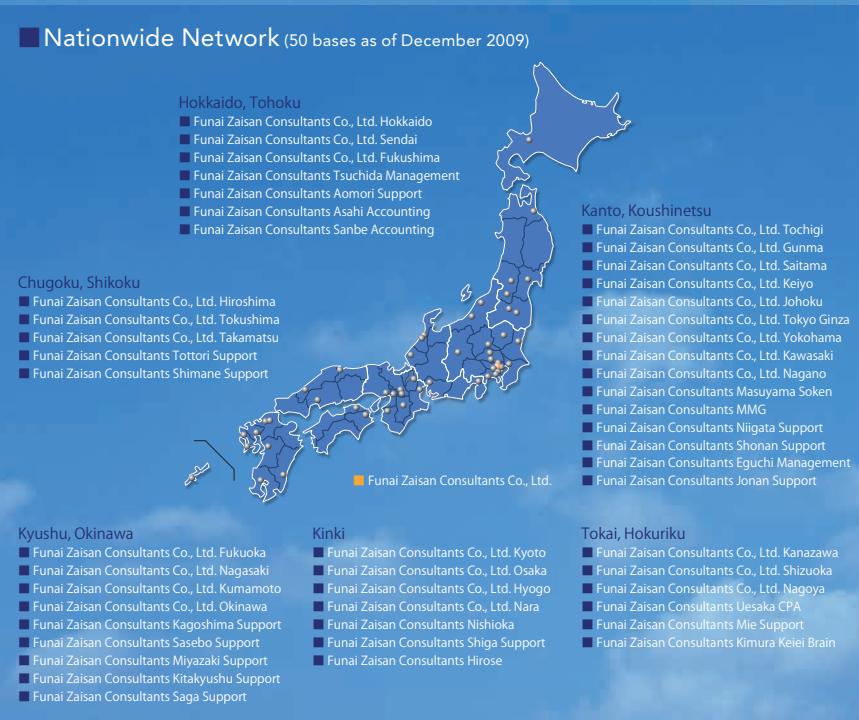
Funai Zaisan Consultants

Consulting for Individuals
Consulting for Companies
Land and Real Estate

Newsletter for shareholders Vol.15

Full-year Business Summary
for Fiscal Year 2009 (19th period)
January 1 to December 31, 2009

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



Newsletter for shareholders Vol.15

Full-year Business Summary for Fiscal Year 2009 (19th period) January 1 to December 31, 2009

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Dear Shareholders

I am pleased to present an overview of conditions during the 19th period of the Company from January 1 to December 31, 2009.

The Japanese economy in the period under review experienced a gradually weakening under the effects of financial instability centered on the U.S., economic deceleration, and surging raw materials prices, among other factors. Subsequently, the default of investment bank Lehman Brothers and the ensuing escalation from financial instability to global financial crisis caused a worldwide recession, with extremely hostile business conditions continuing also in Japan.

The look back at international economies suggests that the global economy has since been gradually bottoming out, thanks to efforts at financial system stabilization and economic stimulus implemented by governments in the major economies after the financial crisis. In the Japanese economy, too, rising exports and rebounding personal consumption continue, with signs that the economy is bottoming out.

Worsening employment and deflation are continuing concerns, however, centered on industrialized countries, and proof of a self-sustaining economic recovery has yet to emerge.

Amid these unprecedented difficult conditions, Funai Zaisan Consultants Group remains committed to its mission to create solid trust and permanent relationships as a consulting partner who achieves peace of mind and security for clients by providing solutions to their diverse problems. Furthermore, the Company works to augment its earning power by approaching clients with sincerity and offering consulting services of the highest quality.

We request the continued support and goodwill of our shareholders.



President Masazumi Hasumi

Management Principle

At Funai Zaisan Consultants Group, we have made it our mission as consulting partners to achieve peace of mind and security for clients by providing solutions for clients' varied problems, and to create solid trust and permanent relationships.

Basic Guidelines

In order to achieve the peace of mind and security that clients seek, we at Funai Zaisan Consultants Group have as consulting partners established the following new guidelines.

1 Self-respect and self-perception as professionals

In order to create civic and economic environments where clients can live securely and happily, we act on a basis of self-respect and self-perception as professionals toward the attainment of this goal.

* To be a professional means, at all times, (i) to assume the perspective of the client; (ii) to update one's knowledge; (iii) to be ready for new challenges; (iv) to work on problem solutions with loyalty and in good faith; (v) to be a person of faculty and action who inspires in clients the wish for a long-term relationship.

2 Taking responsibility for contributing to client interests

We perceived the purpose and opportunity that clients give us as a proof of their trust. We focus on our contribution to the interests of the client and take responsibility for our conduct and the results in achieving it.

3 Mutual understanding and creation of orchestration

We endeavor to deepen mutual understanding with everyone who we work with, mutually respect the other's uniqueness and value preferences, enhance communication, and create "orchestration."

* Orchestration refers to a condition that enables top-flight performance by having people bring to bear their special characteristics in a cooperative effort such as under a musical conductor and as opposed to a solo act.

4 Compliance awareness and the practice thereof

We commit to ethics of the highest standards and act on the basis of a universal sense of social good and with a high awareness of legal adherence.

5 Continuous improvement and innovation

In the world of today, where swift changes in social environments call for novel management plans, we continuously endeavor to enhance and innovate the services we provided to clients.

Comprehensive Asset Consulting for Individuals

For individual asset owners we offer a range of property-related problem solutions with inheritance planning as the cornerstone. As our main offerings, "100-year asset consulting" advises individual asset owners on asset preservation for the long term with a planning horizon of two to three generations forward, and to enable the retention of a substantial estate to pass on to the next generation, "10 (Ichimaru) consulting" aims to ensure a 10 percent yield on inheritance taxable asset.



Financial Consulting for Corporate

Our "Services for corporate rehabilitation, financial structure strengthening, and corporate real estate" aim to enhance the financial status of corporations by performing a status analysis, plan development, and providing support in the plan execution. Furthermore, our "Transaction services" associated with enhancing the financial status comprise real estate appraisal and sale, enterprise evaluation, and M&A support.

Our "Business succession and capital policy services" provide a review of company stock evaluation, help enhance the management succession environment including with regard to financials and shareholders, and provide support for the succession to company stock holdings and management of the subject company while promoting business growth and development and maintaining employment.



Real Estate Solution Consulting

Real estate solution consulting helps clients with their asset formation through the "real-estate joint ownership program," which comprises the selection of objects out of a flood of real estate information, conclusion of a partnership agreement under the Real Estate Specified Joint Enterprise Law, joint ownership of yield-generating real estate, and distribution of the generated yields. We also offer a "consulting on yield-generating real estate in central urban locations," which consists of integrated support ranging from object selection to acquisition and subsequent follow-up.



Business Results for Fiscal Year 2009 (19th Period)

Business Results

The Japanese economy in the term under review came under intense pressure from financial instability caused by the U.S. subprime loan problem which combined with a rapidly deteriorating business climate. However, signs are emerging that the global economy is bottoming out, thanks to the economic stimulus measures in each country. Also in Japan exports and production are beginning to recover. Moreover, in the real estate market, which strongly affects Funai Zaisan Consultants Group, in September sales of new condominiums in the metropolitan area posted the first increase in 25 months over the number posted in the same month a year earlier, indicating that the market has bottomed out.

Amid these difficult conditions, Funai Zaisan Consultants Group (comprised of Funai Zaisan Consultants, seven consolidated subsidiaries, and two equity-method affiliates) remains committed to its mission to create solid trust and permanent relationships as a

consulting partner who achieves peace of mind and security for clients by providing solution to their diverse problems. Based on these management principles, without depending on real estate sales, the Group has worked with the focus on increasing its fee business by providing consulting services of the highest quality.

As a result, revenues from real estate transactions and from asset consulting displayed a gradual recovery, with revenue from asset consulting in the 4th quarter rising above plan. However, the rebound could not offset the slump in the first and second quarters, leaving final results significantly below target. Moreover, due to a valuation loss of 2,491 million yen charged in accordance with the Accounting Standard for Inventory Valuation in connection with real estate transactions, a substantial operating loss resulted.

Based on the above, consolidated operating revenue totaled 5,408 million yen, with an operating loss of 3,686 million yen, ordinary loss of 4,245 million yen, and net loss of 4,820 million yen.

Highlights of Consolidated Business Results (unit: million yen)

	Fiscal Year 2008 (18th Period)	Fiscal Year 2009 (19th Period)	Forecast for Fiscal Year 2010 (20th Period)
Revenue	15,269	5,408	6,553
Ordinary income	947	(4,245)	693
Net income of the current period	47	(4,820)	645

Revenue by Segments (unit: million yen)

	Fiscal Year 2008 (18th Period)		Fiscal Year 2009 (19th Period)	
	Amount	Ratio (%)	Amount	Ratio (%)
Revenue from property consulting	3,192	20.9	1,811	33.5
Revenue from real estate transactions	10,755	70.4	2,376	44.0
Revenue from sublease	1,103	7.3	1,054	19.5
Other revenue	218	1.4	164	3.0
Total	15,269	100.0	5,408	100.0

Earnings Estimates for the Next Fiscal Year

For the fiscal year to December 2010, the Group expects consolidated operating revenue of 6,553 million yen, operating income of 696 million yen, ordinary income of 693 million yen, and net income of 645 million yen.

Policies for the Next Fiscal Year



Foster imagination and energy to present and execute propositions that positively impress clients.

Target further growth and development as an independent comprehensive property and finance consulting company for individual asset owners and business owners.

Consolidated Balance Sheet

Item	Term	Previous Fiscal Year ended Dec. 31, 2008	Current Fiscal Year ended Dec. 31, 2009
Assets			
Current assets		12,241	3,420
Cash and deposits		4,532	951
Accounts receivable		365	403
Real estate held for sale		5,984	1,604
Purchased receivables		688	275
Deferred tax assets		432	1
Others		242	193
Allowance for doubtful accounts		(4)	(8)
Fixed assets		4,860	3,021
Tangible fixed assets		257	210
Property, plant and equipment		130	107
Vehicles and transportation equipment		17	2
Land		71	71
Others		38	29
Intangible fixed assets		849	662
Investments and other assets		3,753	2,148
Investment securities		1,066	1,931
Shares in affiliates		2,299	67
Deferred tax assets		150	0
Others		236	149
Total assets		17,102	6,442

Item	Term	Previous Fiscal Year ended Dec. 31, 2008	Current Fiscal Year ended Dec. 31, 2009
Liabilities			
Current liabilities		6,931	2,946
Accounts payable		94	62
Short-term debt		1,006	850
Long-term debt repayable within one year		3,500	—
Bonds redeemable within one year		1,480	1,370
Accrued corporate taxes		173	25
Other reserves		—	110
Others		677	528
Fixed liabilities		4,220	2,308
Bonds		2,565	1,195
Long-term deposits payable		688	264
Allowance for employee retirement benefits		45	34
Addition to reserve for compensation of retired directors		214	107
Long-term lease and security deposits		707	707
Total liabilities		11,152	5,255
Net assets			
Shareholders' equity		5,783	1,352
Common stock		1,030	1,030
Capital surplus		1,104	1,104
Retained earnings		4,147	(283)
Treasury stock		(499)	(499)
Evaluation and conversion difference		166	(165)
Unrealized gain on securities		166	(165)
Total net assets		5,950	1,187
Total liabilities and net assets		17,102	6,442

Consolidated Income Statements

Item	Term	Previous Fiscal Year ended Dec. 31, 2008	Current Fiscal Year ended Dec. 31, 2009
Revenue		15,269	5,408
Operating cost		11,399	7,098
Gross operating (loss) income		3,869	(1,690)
SG&A		2,084	1,996
Operating (loss) income		1,785	(3,686)
Non-operating revenue		45	42
Non-operating expenses		883	601
Ordinary (loss) income		947	(4,245)
Extraordinary income		357	328
Extraordinary loss		1,144	228
Net (loss) income before income taxes and minority interests before loss distribution to anonymous association		160	(4,145)
Loss distribution to anonymous association		(118)	(111)
Net (loss) income before income taxes and minority interests		279	(4,033)
Income taxes		717	81
Deferred income taxes		(466)	705
Minority interests		(18)	—
Net (loss) income		47	(4,820)

Consolidated Cash Flows

Item	Term	Previous Fiscal Year ended Dec. 31, 2008	Current Fiscal Year ended Dec. 31, 2009
Cash flow from operating activities		2,238	708
Cash flow from investing activities		(2,174)	2,153
Cash flow from financing activities		(2,534)	(5,339)
Change in cash and equivalents		(2,470)	(2,477)
Cash and equivalents at start of year		5,895	3,424
Cash and equivalents at end of year		3,424	947

Consolidated Statement of Shareholders' Equity

Jan. 1 – Dec. 31, 2009	Shareholders' equity					Evaluation and conversion difference		Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gain on securities	Total evaluation and conversion difference		
Balance at the start of the period	1,030	1,104	4,147	(499)	5,783	166	166	—	5,950
Changes during the period									
Dividends from surplus			(158)		(158)				(158)
Net (loss) income for the period			(4,820)		(4,820)				(4,820)
Increase due to reduction in equity-method affiliates			547		547				547
Changes during the period in items other than shareholders' equity (net)						(331)	(331)	—	(331)
Total	—	—	(4,431)	—	(4,431)	(331)	(331)	—	(4,762)
Balance at the end of the period	1,030	1,104	(283)	(499)	1,352	(165)	(165)	—	1,187

Stock Information & Corporate Data

Stock Overview

(as of Dec. 31, 2009)

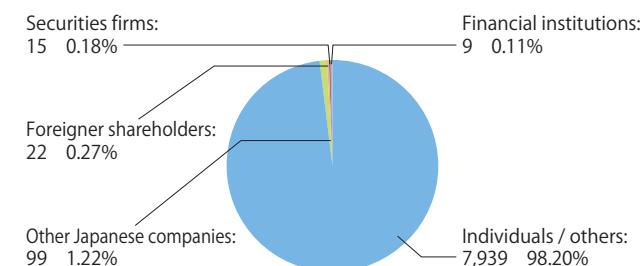
Number of shares in issue	110,584
Number of shareholders	8,084
Treasury stock	4,879
Number of shares excluding treasury stock	105,705

Major Shareholders (Top 10)

Name	Shares held	Shareholding ratio
MID Plus Co., Ltd.	11,003	10.41
Funai Consulting Co., Ltd.	9,132	8.64
Masazumi Hasumi	4,709	4.45
Mutsumi Shimada	2,030	1.92
Baillie Gifford Shin Nippon plc	1,672	1.58
Hideo Murakami	1,522	1.44
CACEIS Bank Ordinary Account	1,500	1.42
Baillie Gifford Japan Trust plc	1,473	1.39
Nippon Life Insurance Company	960	0.91
HSBC Bank plc – Clients UK Tax Treaty	947	0.90

* Shareholding ratio is calculated net of treasury stock (4,879 shares).

Number of Shareholders by Category



Notes for Shareholder

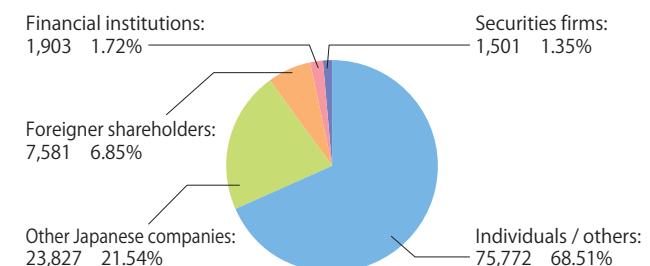
Information concerning the administrator of the shareholder registry of the Company effective from March 27, 2010.

- 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-administering 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**.

Number of Shares by Category



Note: 4,879 shares held in the name of the Company are included in "Individuals / others."

Company Information

(as of Dec. 31, 2009)

- Name of company: Funai Zaisan Consultants Co., Ltd.
- Head office: 18F, Shinjuku NS Bldg. 2-4-1, Nishishinjuku, Shinjuku-ku, Tokyo, 163-0818
- 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): 108
- Business network: 50 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, Niigata, Hachinohe, Kagoshima, Miyazaki, Sasebo, Shonan, Shiga, Fukui, Mie, Tottori, Kitakyusyu, Nagaoka, Shimane, Jonan, Yamagata, Saga
- Consolidated subsidiaries: 7 companies including Funai Estate Co., Ltd., Proggest Holdings Co., Ltd.
- Affiliates under equity method: 4 companies including Nippon Investors Securities Co., Ltd., Kawaguchiko Ukai Co., Ltd.

Executives

(as of Dec. 31, 2009)

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	Ken Matsuura
Director, Network Division Manager	Yasuhiko Sato
Outside Director	Haruo Shimada
Outside Director	Kiyoshi Ohno
Outside Director	Hitoshi Komasa
Outside Representative Auditor	Takao Kitamura
Outside Auditor	Toshio Honda
Outside Auditor	Hiroaki Rokugawa

Shareholder Reward System

Eligible are shareholders with continuing shareholdings* who may choose either of

- A** Ukai Co., Ltd., dinner voucher (¥20,000 value), or
- B** Ukai Choice Beef (sukiyaki grade) (¥20,000 value)

* Shareholders with continuing shareholdings: Shareholders with continuing shareholdings are persons who as of the end of December 2009 are shareholders of Funai Zaisan Consultants who have been holding two or more shares of the Company without interruption since the end of December 2007.

- Information on how to order the free loyalty gift for continuing shareholders will be mailed in late March 2010.