

Summary of Consolidated Business Results for the First Quarter of FY 2011 (January 1 to March 31, 2011)

Date: April 28, 2010

Company	Funai Zaisan Consultants Co., Ltd.	Registered on the TSE Mothers
Stock code	8929	URL http://www.funai-zc.co.jp/
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Planned release date of quarterly financial report: May 10, 2011		
Planned date of Dividend payout: —		
Supplemental Explanatory Material Prepared: None		
Results Briefing Held: None		

1. Consolidated Business Results for the First Quarter of FY 2011 (January 1 to March 31, 2011)

(1) Consolidated Results of operations (Note: Rounded down to million yen)
 (The percentages shown for Revenue, Operating Income etc. represent changes from the same period in the previous fiscal year.)

	Revenue		Operating income		Ordinary income		Net income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
Q1 2011	1,509	35.7	94	-53.8	81	-56.7	37	-82.0
Q1 2010	1,112	41.0	203	—	188	—	208	—

	Net income Per share		Diluted net income per share	
	¥		¥	
Q1 2011	356.73		—	
Q1 2010	1,976.69		—	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	¥ Million	¥ Million	%	¥
Q1 2011	4,046	1,090	26.9	10,312.24
FY 2010	4,498	1,222	27.2	11,565.19

(Reference) Shareholders' Equity Q1 2011: ¥1,090 million Full Year 2010: ¥1,222 million

2. Dividend Results

Date of issue	Dividend per Share				
	End of Q1	End of Interim	End of Q3	End of FY 2009	Annual
	¥	¥	¥	¥	¥
FY ended Dec.2010	—	0.00	—	500.00	500.00
FY ended Dec.2011	—				
FY ending Dec.2011 (projected)		0.00	—	750.00	750.00

Note: Revision of the dividend forecast in the first quarter of FY2010: None

3. Forecast of Consolidated Financial Performance for FY Ending December 2011

(January 1 to December 31, 2011)

(Percentage figures for the full fiscal year represent the change from the previous fiscal year, while percentage figures for the six months period represent the change from the same period of the previous year.)

	Revenue		Operating income		Ordinary income		Net income		Net income per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥
Six months	2,374	17.7	102	-52.1	87	-53.7	90	-24.9	851.42
Full year	4,840	-7.4	300	50.0	275	71.8	280	239.6	2,648.88

Note: Revision of the consolidated results forecast in the third quarter of FY2009: None

4. Other

- (1) Changes in major subsidiaries during the period: None
(Note) Indicates whether there was any change in a specific subsidiary related to a change in the scope of consolidation during the subject accounting period.
- (2) Adoption of simplified accounting procedures or accounting procedures specific to the preparation of quarterly financial statements: None
(Note) Indicates whether simplified accounting procedures or special accounting procedures in the preparation of the consolidated quarterly financial statements were applied.
- (3) Changes in accounting principles, procedures or reporting methods used in preparation of these quarterly financial statements
 - i. Changes in accounting principles applied: Yes
 - ii. Other changes: None

(Note) Indicates whether there were any changes in accounting principles and procedures or reporting methods, related to the preparation of the consolidated financial statements, noted in "Significant Changes Fundamental to the Preparation of Financial Statements."
- (4) Ordinary shares issued
 - i. Ordinary shares issued at end of period (including treasury stock)
Q1 2011: 105,705
Full Year 2010: 105,705
 - ii. Treasury stock issued at end of period
Q1 2011: None
Full Year 2010: None
 - iii. Average number of outstanding shares during the period
Q1 2011: 105,705
Q1 2010: 105,705

*Indication regarding the status of quarterly review procedures

The quarterly review procedures under the Financial Instruments and Exchange Act of these financial statements were being conducted at the time of disclosure.

*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.

5. Quarterly Consolidated financial statements

(1) Quarterly Consolidated balance sheet

(Thousands of yen)

	Current 1st quarter ended March 31, 2011	Previous consolidated financial year Summary of consolidated balance sheet (December 31, 2010)
Assets		
Current assets		
Cash and deposits	977,085	1,374,698
Accounts receivable	572,368	388,507
Real estate for sale	0	0
Bonds bought	225,914	238,153
Other current assets	116,450	83,751
Allowance for doubtful accounts	-49,036	-37,961
Total current assets	1,842,782	2,047,149
Fixed assets		
Tangible fixed assets	173,098	177,803
Intangible fixed assets		
Goodwill	409,216	450,139
Others	35,188	37,146
Total intangible fixed assets	444,404	487,285
Investments and other assets		
Investment Securities	1,435,367	1,587,122
Stocks of affiliated companies	3,260	54,379
Other assets	147,962	145,139
Total Investment and other assets	1,586,589	1,786,640
Total fixed assets	2,204,093	2,451,730
Total assets	4,046,875	4,498,879
Liabilities		
Current liabilities		
Accounts payable	88,920	78,042
Short-term debt	672,400	672,400
Bonds redeemable within one year	535,000	535,000
Accrued corporate tax, etc.	14,306	50,614
Allowance for bonus payable	63,240	6,307
Other reserves	5,216	11,194
Other current liabilities	276,869	409,522
Total current liabilities	1,655,953	1,763,080
Fixed liabilities		
Bonds	287,500	487,500
Long-term deposits payable	197,169	214,671
Allowance for employee retirement benefits	43,829	43,860
Reserve for directors' retirement benefits	93,597	90,589
Long-term security deposits payable	678,770	676,677
Total fixed liabilities	1,300,867	1,513,300
Total liabilities	2,956,820	3,276,380

(Thousands of yen)

	Current 1st quarter ended March 31, 2011	Previous consolidated financial year Summary of consolidated balance sheet (December 31, 2010)
Net Assets		
Shareholders' equity		
Common stock	1,030,817	1,030,817
Capital surplus	334,224	605,035
Retained earnings	51,756	-200,983
Total shareholders' equity	1,416,797	1,434,868
Evaluation and conversion difference		
Unrealized gains on securities	-326,742	-212,370
Total evaluation and conversion difference	-326,742	-212,370
Total net assets	1,090,054	1,222,498
Total liabilities and net assets	4,046,875	4,498,879

(2) Quarterly Consolidated income statements (1st Quarter YTD)

(Thousands of yen)

	Previous 1st quarter ended March 31, 2010	Current 1st quarter ended March 31, 2011
Revenue		
Consulting Revenue	954,444	854,497
Sales of real estate	157,866	654,515
Revenue	1,112,311	1,509,013
Operating cost		
Operating cost	441,199	454,302
Cost of sales of real estate	118,623	636,825
Operating cost	559,823	1,091,128
Gross operating profit	552,487	417,885
SG&A	348,513	323,559
Operating income	203,973	94,325
Non-operating income		
Interest received	227	77
Dividends received	849	915
Other non-operating income	640	305
Non-operating income	1,716	1,298
Non-operating expenses		
Interest paid	9,114	5,423
Investment loss on equity method	4,480	6,452
Other non-operating expenses	4,023	2,244
Non-operating expenses	17,617	14,119
Ordinary income	188,072	81,504
Extraordinary profit		
Gain on liquidation of affiliates	38,151	—
Extraordinary profit	38,151	—
Extraordinary loss		
Loss on retirement of fixed assets	—	30,000
Loss on disaster	—	8,679
Loss on sales of investment securities	—	4,559
Loss on valuation of investment securities	2,380	1,496
Extraordinary loss	2,380	44,734
Current net income before profit distribution to anonymous association (pre-tax)	223,843	36,769
Dividends distribution from anonymous association	-1,116	-1,243
Current net income before taxes	224,960	38,013
Current income taxes	19,703	304
Deferred income taxes	-3,688	—
Current income taxes	16,014	304
Income before minority interests	—	37,708
Net income	208,946	37,708

(3) Consolidated quarterly cash flow

(Thousand of yen)

	Previous 1st quarter ended March 31, 2010	Current 1st quarter ended March 31, 2011
Cash flow from operating activities		
Income before income taxes and minority interests	224,960	38,013
Depreciation	10,122	8,085
Amortization of goodwill	40,987	40,923
Change in provisions for doubtful accounts (negative indicates decrease)	-4,963	11,074
Increase in reserve for bonuses (negative indicates decrease)	—	56,933
Increase (decrease) in reserve for retirement benefits (negative indicates decrease)	1,724	-30
Increase in reserve for directors' retirement benefits (negative indicates decrease)	5,561	3,007
Decrease in other reserves (negative indicates decrease)	-26,326	-5,978
Income from interest and dividends	-1,076	-992
Interest paid	9,114	5,423
Equity in losses of affiliates (negative indicates increase)	4,480	6,452
Loss on revaluation of investments in securities (negative indicates increase)	2,380	1,496
Loss on sales of investment securities (negative indicates increase)	—	4,559
Loss on sales of stocks of affiliates (negative indicates increase)	—	30,000
Gain on liquidation of affiliates (negative indicates increase)	-38,151	—
Loss on disaster	—	8,679
Increase in accounts receivable (negative indicates increase)	-11,749	-183,860
Decrease in real estate for sale (negative indicates increase)	83,113	—
Decrease in other current assets (negative indicates increase)	22,235	12,238
Increase (decrease) in accounts payable (negative indicates decrease)	-37,848	10,877
Decrease in lease and guarantee deposits received (negative indicates decrease)	27,785	2,092
Decrease in long-term deposits received (negative indicates decrease)	-1,764	-8,114
Others	589,295	-169,961
Subtotal	899,882	-129,080
Interest and dividends received	1,076	992
Interest paid	-15,446	-10,298
Corporate tax paid	-25,830	-36,613
Prior consumption tax refund	—	3,467
Cash flow from operating activities	859,680	-171,533

(Thousand of yen)

	Previous 1st quarter ended March 31, 2010	Current 1st quarter ended March 31, 2010
Cash flow from investing activities		
Proceeds from repayment of time deposits	4,000	—
Payment for purchase of intangible fixed assets	-3,095	-1,422
Payment for purchase of tangible fixed assets	-3,015	—
Proceeds from sale of investment securities	18,584	8,000
Purchase of stocks of affiliates	—	-3,260
Proceeds from sales of stocks of affiliates	—	15,000
Proceeds from liquidation of affiliates	43,000	—
Others	676	-2,823
Cash flow from investing activities	60,151	15,493
Cash flow from financing activities		
Payment for redemption of corporate bonds	-830,073	-200,000
Dividends paid	—	-33,430
Others	-11,718	-8,143
Cash flow from financing activities	-841,792	-241,573
Decrease in cash and cash equivalents (negative indicates decrease)	78,039	-397,613
Cash and cash equivalents at beginning of term	947,396	1,374,698
Cash and cash equivalents at end of term	1,025,436	977,085