

Funai Zaisan Consultants

First half Business Summary
for Fiscal Year 2011(21st period)
January 1 to December 31, 2011



Funai Zaisan Consultants Co., Ltd.

~We will remain your best partner over 100 years~

Core Values

1. We always put our customers' happiness first.
2. We work on all things with modesty, loyalty and in good faith.
3. We value the feelings of consideration and gratitude.

Management Objectives

1. We will contribute to the society by offering optimum solutions for the preservation of individual asset and corporate value.
2. We aim for the physical and mental wellbeing of our coworkers.

Taking the Stage as the Leading Company in the Property Consulting Industry

First of all, from the bottom of my heart, I would like to express my sympathy to the victims of the Tohoku Earthquake, and send my prayer for the stricken area's speedy recovery.

During the first half of the fiscal year 2011, "The period that cannot have promised future" came true due to the great earthquake, and the extended economic slump. Because of this, it was discovered that the future could not be promised by owning property, which of course, should have been "the foundation of lifetime happiness." However, since the future cannot be promised, the needs for property consulting are expected to increase significantly.

At the end of first half of current fiscal year, we completed the "Financial Reform" and the "Integration and Reorganization of the Group", which we announced at the end of the last fiscal year. This is the starting point of our steady re-growth toward becoming a leading company in the property consulting industry.

In this fiscal year, our goal is to "change overwhelming information to overwhelming proposal power by the use of overwhelming analytical skills". To realize this goal, we issued Japan's first "Property White Paper 2011", specialized in personal properties, and achieved the overwhelming amount of information and overwhelming analytical skills. For the second half of this fiscal year, we will renew our publication and property management service, and hold seminars at local areas throughout Japan to realize overwhelming proposal power. Additionally, we will focus on the development of new products.

In the future, we will continue to provide high quality consulting services in order to strengthen our status as a leading company in the comprehensive asset consulting industry and to satisfy the needs of our customer. Please keep your high expectations in Funai Zaisan Consultants.

To our shareholders, we ask for your continuous advice and support in the future.



Funai Zaisan Consultants Co., Ltd
President Masazumi Hasumi

Performance Results at the end of second quarter (cumulative) in the 21st Fiscal Year

Operating Performance

During the period of the second quarter cumulative consolidated report in this fiscal year, the economic situation in Japan, little by little, has shown sign of recovery from the "Tohoku Earthquake" and the "Fukushima Nuclear Plant Problem". The earthquake's influence on our performance is not a little, and we will keep an eye on the situation. The media showed situations where property value was lost in a single moment. Therefore, we firmly believe that the era in which high net worth individuals vaguely assumed they would be able to pass their properties on to their children, or that their property ensured a safe and stable future, has ended. Now, the time when high net worth individuals must have a plan to secure their properties has arrived. Moreover, the decline of the productive age population caused by the progressing aging population due to a low birth rate, combined with low tax revenue from the extended economic slump, has put Japan in the financial crisis. In such circumstance, our group (our company and our consolidated five subsidiary companies) published the "Property White Paper 2011"

on July 1, 2011, under our business objective, "To provide one stop service for the various problems of high net worth individuals and business owners throughout Japan, we support safeguarding 'personal properties' and 'value of enterprises' and contribute to our society by providing the best solution." In the period of the second quarter cumulative consolidated report, we have formed the real-estate joint-ownership system, "ADVANTAGE CLUB Toranomon", based on the Real Estate Specified Joint Enterprise Act after a two-year interval. As a result, the operating income during the period of the second quarter cumulative consolidated report was 3,105 million yen (53.9% increase from the same accounting period in the previous year), the operation profit was 51 million yen (75.6% decrease from the same accounting period in the previous year), the ordinary profit was 38 million yen (79.8% decrease from the same accounting period in the previous year), and the quarterly net loss was 11 million yen (the net profit during the same accounting period in the previous year was 119 million yen).

Highlights of Consolidated Business Results (unit: million yen)

	Fiscal Year 2009 (19th period) The second quarter cumulative consolidated	Fiscal Year 2010 (20th period) The second quarter cumulative consolidated	Fiscal Year 2011 (21st period) The second quarter cumulative consolidated	Forecast for Fiscal year 2011 (21st period)
Operating revenue	2,261	2,017	3,105	4,840
Ordinary profit and loss	△1,193	188	38	275
Net profit and loss of the current period	△1,765	119	△11	280

Revenue by Segments

	Fiscal Year 2010 (20th period) The second quarter cumulative consolidated		Fiscal Year 2011 (21st period) The second quarter cumulative consolidated	
	Amount (Million yen)	Ratio (%)	Amount (Million yen)	Ratio (%)
Revenue from asset consulting	1,200	59.5	1,022	32.9
Revenue from real estate transactions	209	10.4	1,497	48.2
Revenue from sublease	583	28.9	551	17.8
Other revenue	23	1.2	34	1.1
Total	2,017	100.0	3,105	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.

Consolidated Balance Sheet in the Second Quarter

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

Consolidated Balance Sheet

Item	Term	Previous Fiscal Year ended Dec.31.2010	Current Second Quarter ended Jun.30.2011
Assets			
Current assets		2,047	1,635
Cash and deposits		1,374	1,186
Accounts receivable		388	335
Real estate held for sale		0	0
Purchased receivables		238	111
Others		83	72
Allowance for doubtful accounts		△37	△70
Fixed assets		2,451	2,096
Tangible fixed assets		177	168
Intangible fixed assets		487	400
Investments and other assets		1,786	1,528
Total assets		4,498	3,732

Item	Term	Previous Fiscal Year ended Dec.31.2010	Current Second Quarter ended Jun.30.2011
Liabilities			
Current liabilities		1,763	1,502
Fix liabilities		1,513	1,234
Total liabilities		3,276	2,736
Net assets			
Shareholders' equity		1,434	1,370
Common stock		1,030	1,030
Capital surplus		605	334
Retained earnings		△200	5
Evaluation and conversion difference		△212	△374
Unrealized gain on securities		△212	△374
Total net assets		1,222	995
Total inabilities and net assets		4,498	3,732

Consolidated Income Statements

Item	Term	Previous Second Quarter from Apr.1.2011 to Jun.30.2011	Current Second Quarter from Apr.1.2011 to Jun.30.2011
Revenue		2,017	3,105
Operating cost		1,046	2,359
Gross operating (loss) income		971	745
SG & A		758	694
Operating (loss) income		212	51
Non-operating revenue		12	6
Non-operating expenses		36	20
Ordinary (loss) income		188	38
Extraordinary income		38	—
Extraordinary loss		2	49
Net (loss) income before income taxes and minority interests before loss distribution to anonymous association		223	△11
Loss distribution to anonymous association		△4	△2
Net (loss) income before income taxes and minority interests		227	△9
Total income taxes		108	1
Net income (loss)		119	△11

Consolidated Cash Flows

Item	Term	Previous Second Quarter from Apr.1.2010 to Jun.30.2010	Current Second Quarter from Apr.1.2011 to Jun.30. 2010
Cash flow from operating activities		459	199
Cash flow from investing activities		73	48
Cash flow from financing activities		△1,056	△436
Change in cash and equivalents		△523	△188
Cash and equivalents at start of year		947	1,374
Cash and equivalents at end of the year		423	1,186

TOPICS 1

Release of the “Property White Paper 2011”

On July 1, 2011, we released a publication of the study and analysis of properties specially designed for high net worth individuals, and enterprise owners, “Property White Paper 2011, “Japan Wealth Date Book”. The “Property White Paper 2011” mainly investigates and analyzes the actual conditions of properties owned by the private wealthy class in Japan from the perspectives of ① Formation Process, ② Use and Consumption of Property and ③ Inheritance by the Next Generation. It analyzed and visualized the types, value fluctuation and distribution of the wealthy class’s properties that were rarely discussed, as well as the property owners’ distress, and the surrounding economic/market environment. It clarified the factors that form “market for high net worth individuals”, which has been an indistinct concept, and explain the services necessary to secure the properties and the important factors necessary for high net worth individuals to live affluent lives.



“Property White Paper 2011” has achieved a lot of exposure in the media.



“Property White Paper 2011”
in the August issue
of Jisenn Keiei News

The list of the media which carries “Property White Paper 2011”

- ▶ Nikkei Inc. / Nikkei Shinbun
- ▶ Nikkan Kougyo Shinbun Inc. / Nikkan Kogyo Shinbun
- ▶ Thomson Reuters Markets / Reuters
- ▶ Yahoo / Yahoo! Japan news
- ▶ Yahoo / Yahoo! Japan finance
- ▶ Asahi Shinbun Inc. / asahi.com
- ▶ Newsweek / Newsweek Japan
- ▶ Nifty / @nifty business
- ▶ au one news / au one news
- ▶ Infoseek / Infoseek Money
- ▶ Chushokigyo kiban seibiki / J-Net21
- ▶ TV Tokyo / World Business Satellite
- ▶ Kentsu Shinbun Inc. / Kentsu Shinbun
- ▶ Jutaku Shinpo Inc. / Jutaku Shinpo
- ▶ Searchina / Searchina
- ▶ Livedoor / livedoor news
- ▶ Nifty / @nifty news
- ▶ Keizakai / Keizaikai
- ▶ Zaikai / Zaikai
- ▶ Hoken Mainichi Shinbun Inc. / Hoken Mainichi Shinbun
- ▶ Sport Sangyo Shinbun Inc. / Sport Sangyo Shinbun
- ▶ Hokensha Co., Ltd. / Hoken Joho
- ▶ Jitsumu Keiei Service Co., Ltd. / Jitsumu Keiei news
- ▶ Shinbun Henshu Center Co., Ltd. / Teimen Jidai (Asahi Shinbun)

※ And the interview will be published
in Sankei Shinbun and Hoken Mainichi Shinbun

TOPICS 2

“Property White Paper 2011” Publication Commemorative Seminar

We have been holding a “Property White Paper 2011” publication commemorative seminar throughout Japan. In the seminar, our president, Masazumi Hasumi, and the specialists introduce you to the new topics related to inheritance and business succession that have become evident through the editing of the property white paper. We provide the crucial information that retailers, service providers and media, whose target markets are the finance industry, insurance industry and high net worth individuals, do not want to miss. We plan to hold publication commemorative seminars for the book “The age of the property crisis - A convert plan of the property defense-” that will be published in September 20th.



“The age of the property crisis - A convert plan of the property defense-” that will be published in September 20th.



TOPICS 3

Real estate joint ownership system Resumption of the “ADVANTAGE CLUB”

As a part of property consulting operation, we resumed the real estate joint ownership system, “ADVANTAGE CLUB”, which we have developed to fulfill the needs of our customers, in the period of this second quarter cumulative consolidated report. The “ADVANTAGE CLUB” is a system that allows the members to enter a contract of voluntary association (monetary investment method) based on the Real Estate Specified Joint Enterprise Act to jointly own high-return real estates and receive the profit distribution. This is a new form of selective ownership and investment of real estates that conform to the time.



Corporate Data

Company Information

(as of July 31, 2011)

Name of company	Funai Zaisan Consultants Co.,Ltd
Head office	Aoyama Tower place 3rd Floor, 8-4-14 Akasaka, Minatoku,Tokyo 107-0052 tel.03-6439-5800 fax.03-6439-5850
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)	100
Business network	Hokkaido, Sendai, Fukushima, Tochigi, Gunma, Saitama, Keiyo, Tokyo, Yokohama, Kawasaki, Kanazawa, Nagano, Shizuoka, Nagoya, Kyoto, Osaka, Hyogo, Nara, Takamatsu, Tokushima, Fukuoka, Nagasaki, Kumamoto, Okinawa, Mito, Kumagaya, Yonezawa, Wakayama, Hachinohe, Miyazaki, Fukui, Mie, Tottori, Kitakyushu, Nagaoka, Shimane, Jonan, Saga
Consolidated subsidiaries	5 companies including Funai Estate Co.,Ltd., Project Holdings Co.,Ltd.

Executives

(as of March 25, 2011)

Chairman	Hideo Murakami
President and Executive Officer	Masazumi Hasumi
Managing Director and Executive Officer	Hisao Nakatsuka
Outside Director	Haruo Shimada
Outside Director	Keiji Watanabe
Outside Representative Auditor	Muneo Harada
Outsider Auditor	Takao Kitamura
Outsider Auditor	Toshio Honda
Outsider Auditor	Hiroaki Rokugawa

Nationwide Network (40 bases as of February 2011)

Chugoku, Shikoku

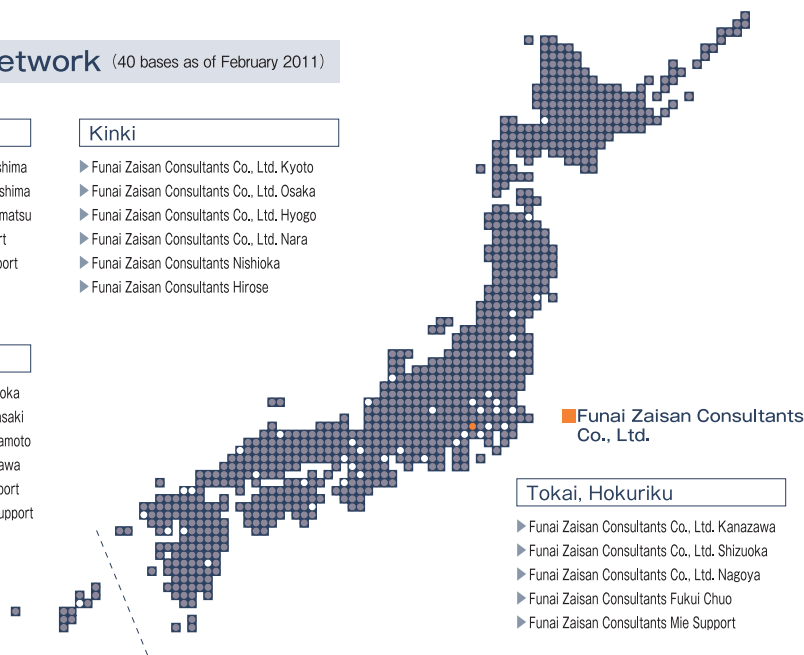
- ▶ Funai Zaisan Consultants Co., Ltd. Hiroshima
- ▶ Funai zaisan Consultants Co., Ltd. Tokushima
- ▶ Funai zaisan Consultants Co., Ltd. Takamatsu
- ▶ Funai zaisan Consultants Tottori Support
- ▶ Funai Zaisan Consultants Shimane Support

Kinki

- ▶ Funai Zaisan Consultants Co., Ltd. Kyoto
- ▶ Funai Zaisan Consultants Co., Ltd. Osaka
- ▶ Funai Zaisan Consultants Co., Ltd. Hyogo
- ▶ Funai Zaisan Consultants Co., Ltd. Nara
- ▶ Funai Zaisan Consultants Nishioka
- ▶ Funai Zaisan Consultants Hirose

Kyushu, Okinawa

- ▶ Funai Zaisan Consultants Co., Ltd. Fukuoka
- ▶ Funai Zaisan Consultants Co., Ltd. Nagasaki
- ▶ Funai Zaisan Consultants Co., Ltd. Kumamoto
- ▶ Funai Zaisan Consultants Co., Ltd. Okinawa
- ▶ Funai Zaisan Consultants Miyazaki Support
- ▶ Funai Zaisan Consultants Kitakyushu Support
- ▶ Funai Zaisan Consultants Saga Support



Tokai, Hokuriku

- ▶ Funai Zaisan Consultants Co., Ltd. Kanazawa
- ▶ Funai Zaisan Consultants Co., Ltd. Shizuoka
- ▶ Funai Zaisan Consultants Co., Ltd. Nagoya
- ▶ Funai Zaisan Consultants Fukui Chuo
- ▶ Funai Zaisan Consultants Mie Support

Hokkaido, Tohoku

- ▶ Funai Zaisan Consultants Co., Ltd. Hokkaido
- ▶ Funai Zaisan Consultants Co., Ltd. Sendai
- ▶ Funai Zaisan Consultants Co., Ltd. Fukushima
- ▶ Funai Zaisan Consultants Tsuchida Management
- ▶ Funai Zaisan Consultants Aomori Support
- ▶ Funai Zaisan consultants Sanbe Accounting

Kanto, Koshinetsu

- ▶ Funai Zaisan Consultants Co., Ltd. Tochigi
- ▶ Funai Zaisan Consultants Co., Ltd. Gunma
- ▶ Funai Zaisan Consultants Co., Ltd. Saitama
- ▶ Funai Zaisan Consultants Co., Ltd. Keiyou
- ▶ Funai Zaisan Consultants Co., Ltd. Tokyo Ginza
- ▶ Funai Zaisan Consultants Co., Ltd. Yokohama
- ▶ Funai Zaisan Consultants Co., Ltd. Kawasaki
- ▶ Funai Zaisan Consultants Co., Ltd. Nagano
- ▶ Funai Zaisan Consultants Masuyama Soken
- ▶ Funai Zaisan Consultants MMG
- ▶ Funai Zaisan Consultants Jonan Support

Stock Information

Stock overview

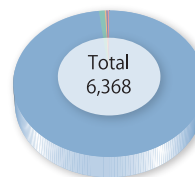
(as of Jun.30, 2011)

Number of shares in issue	105,705
Number of shareholders	6,368

Major Shareholders (Top 10)

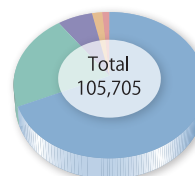
Name	Shares held	Shareholding ratio
MID Plus Co.,Ltd	11,003	10.41
Funai Consulting co.,Ltd.	9,132	8.64
Masazumi Hasui	5,281	5.00
Mutsumi Shimada	4,300	4.07
Hideo Murakami	1,810	1.71
Baillie Gifford Shin Nippon plc	1,672	1.58
Tomio Sugmura	1,574	1.49
Baillie Gifford Japan Trust plc	1,473	1.39
HSBC Bank plc Clients UK Tax Treaty	947	0.90
Mitsuyoshi Watanabe	940	0.89

Number of Shareholders by Category



- Individuals and others / 6,256 (98.24%)
- Other Japanese companies / 79 (1.24%)
- Securities firms / 17 (0.27%)
- Overseas companies and others / 12 (0.19%)
- Financial institutions / 4 (0.06%)

Number of shares by Category



- Individuals and others / 75,991 (71.89%)
- Other Japanese companies / 23,151 (21.90%)
- Overseas Companies and others / 4,801 (4.54%)
- Securities firms / 1,246 (1.18%)
- Financial institutions / 516 (0.49%)

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 March
- Administrator of the shareholder registry: Mitsubishi UFJ Trust and Banking Corporation
Contact: Mitsubishi UFJ Trust and Banking Corporation, Sock Transfer Agency Department
7-10-11, Higashisuna, Koto-ku, Tokyo, 137-8081 Tel.0120-232-7111(toll-free)
- Account administrator for special accounts:
The Chuo Mitsui Trust and Banking Company, Ltd.,
Stock Transfer Agency Department
Contact: The Chuo Mitsui Trust and Banking Company, Ltd. 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 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 companies, 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, Ltd., 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 by Mitsubishi UFJ Trust and Banking Corporation, Head Office Branch.

About our website

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



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

We will remain your best partner over 100 years



Funai Zaisan Consultants Co., Ltd.