

Notes for shareholders

Fiscal year	January 1 to December 31
General meeting of shareholders	Each March
Administrator of shareholders' register	The Chuo Mitsui trust and Banking Company, Limited 3-33-1 Shiba, Minato-ku, Tokyo
Office	The Chuo Mitsui Trust and Banking Company, Limited 2-8-4 Izumi, Sugunami-ku, Tokyo 168-0063 Stock Transfer agency department Phone (toll-free:0120-78-2031)
Agency	The Chuo Mitsui Trust and Banking Company, Limited Branches throughout Japan Japan Securities Agents, Ltd. Head office and branches
Public announcements	Please refer to the Funai Zaisan website

For information on balance sheet and income statements, please see <http://www.funai-zc.co.jp/ir/houtei.html>

About our website

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



IR information
<http://www.funai-zc.co.jp/ir/eng/index.html>

Newsletter for shareholders Vol. 9

Full Year (17th) business summary
January 1 to December 31, 2007

Funai Zaisan Consultants

Consulting for Individuals
Consulting for Companies
Land and Real Estate

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

Message from the President

It gives me great pleasure to reflect that, in its 17th year of business (to December 2007), Funai Zaisan Consultants has been able to achieve powerful annual growth of 30.0%, 58.8% and 70.9% in operating income, ordinary current profit and net profit respectively. This is the fruit of the warm-hearted support with which we have been favored by you our stockholders, for which I would again like to thank you most humbly and sincerely.

Since its founding in 1991, our company has operated under the business model of "a comprehensive asset consulting company for high net worth individuals which is unique among the approximately 4,000 listed companies in Japan. We have conducted our business on the foundation of "100-year asset consulting," in which we provide consulting services taking an effective long-term perspective on "asset preservation" for Japan's high net worth individuals down to the second and third generation. In our 18th business year (to December 2008), in addition to continuing our existing consulting services, we have three key projects underway, through which we are further developing our services to make them even more efficient and better tailored to our customers' needs.

Specifically, these projects include our "N Project," in which we are developing sector-specific consulting services nationwide for businesses endowed with substantial areas of land, such as driving schools and child minding facilities. There is also our unique "Business Succession Consulting" whose theme is to ensure the succession not only of client businesses' assets but also of their corporate culture, and which is exemplified by our affiliate Ukai Co. Ltd. (JASDAQ stock code 7621). And we have our highly regarded and unique real estate investment product, our "Joint Real Estate Ownership Schemes (Advantage Club)".

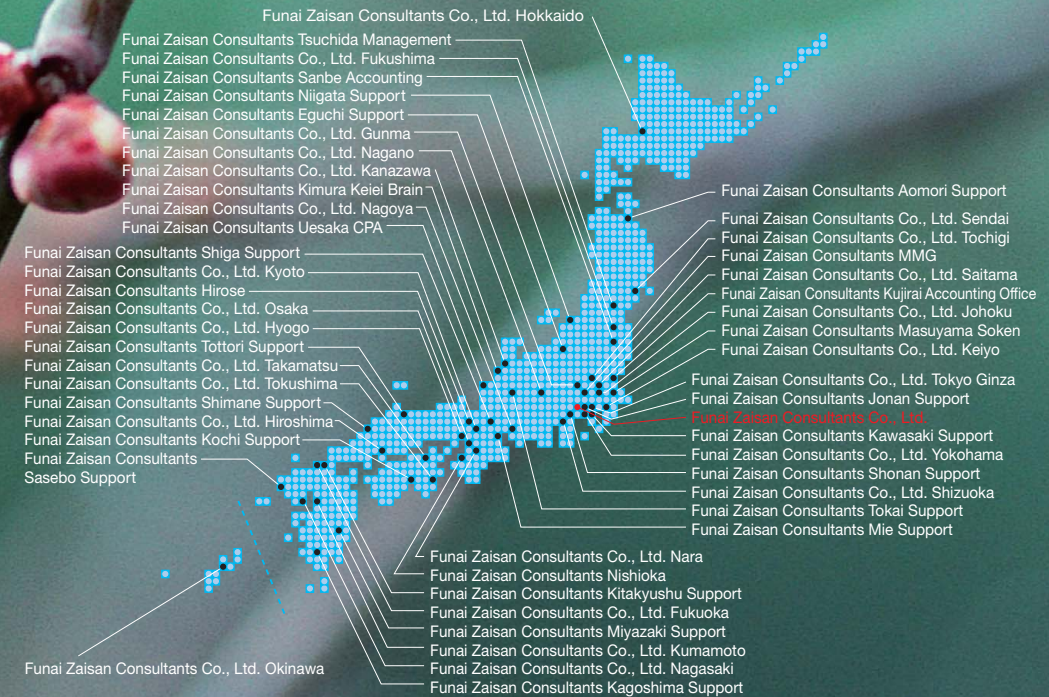
These services have received strong support from our customers, and through them we are aiming to assist in the vitalization of regional companies and to be of service in our customers' asset formation.

Finally, in order to incorporate into our company policies the information management disciplines needed to meet the requirements of internal control and J-SOX, from 2008 we have explicitly made it part of our employee creed to "practise standards of behavior that would be applauded by our grandparents, parents and families," and we will be running our business on the basis of high standards of behavior as Japan's largest comprehensive consulting company for high net worth individuals.



This year will be significant in that it will mark the fifth anniversary of our listing on the Mothers market of the Tokyo Stock Exchange, and as such all of our employees are determined to embrace their work with renewed vigor. I humbly request that you continue to honor us with your kind encouragement and support.

President & CEO
Funai Zaisan Consultants Co., Ltd.
Yoshihito Hirabayashi



52 bases established as of February 2008

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Business Lineup

Individual Asset Consulting



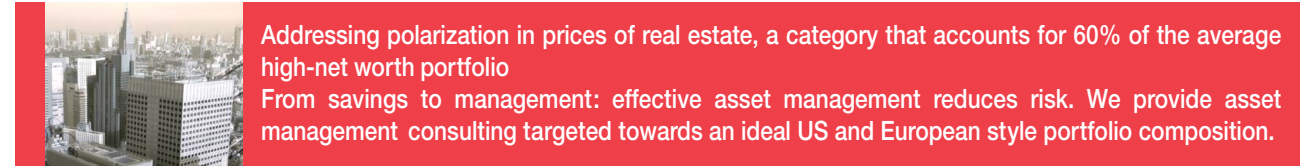
Japanese-style customer-first consulting tailored towards individual high net-worth Japanese investors

Institutional Asset Consulting



Corporate revitalization experience and know-how assisting more than 100 firms every year

Asset Management Consulting



Addressing polarization in prices of real estate, a category that accounts for 60% of the average high-net worth portfolio
From savings to management: effective asset management reduces risk. We provide asset management consulting targeted towards an ideal US and European style portfolio composition.

Asset Consulting

•100-Year Asset Consulting

Looking two to three generations ahead, the 100-Year Asset Consulting service primarily addresses one of the most important issues for high net-worth individuals: inheritance. We provide the best possible advice, given each individual client's circumstances, covering the areas of real estate, insurance and asset management.

•10 (Ichimaru) Consulting

10 (Ichimaru) Consulting targets a 10% return on the client's taxable assets. This service advises clients regarding the effective utilization of real estate, with respect to the readjustment of real-estate portfolios to include properties in favorable locations or the outright purchase of such properties, and on the use of Funai's joint real-estate ownership schemes.

Individual Business Consulting

Land owners frequently require consulting tailored towards the needs of specific business endeavors, such as the operation of a tennis court facility or the management of a golf driving range. Our consultants put forward various ideas for preserving wealth and developing clients' businesses, and these services currently enjoy an excellent reputation.

Corporate Revitalization Consulting

•Corporate Revitalization Network

Our consultants can oversee and coordinate corporate revitalization projects that utilize our impressive network of licensed tax accountants, real estate appraisers, debt servicers, certified accountants, attorneys, management consultants and other professionals.

•Establishment of Revitalization Funds

We are engaged in launching corporate revitalization funds in an effort to revitalize Japan and its corporations.

Business Succession Consulting

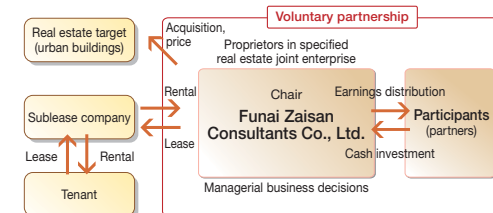
Business succession is not just an issue of finance and assets. It also encompasses the passing on of corporate culture, and we see it as very important to keep this at the core of any thinking about long-term management planning. At Funai Zaisan, we draw upon the consulting expertise that we have built up over many years to objectively identify the strengths of our client companies, and to provide our advice in such a way as to extend those strengths.

Joint Real-Estate Ownership Schemes

We are now in what is sometimes called the age of real estate securitization, but to meet the needs of clients who want to enjoy the benefits of owning actual real estate, Funai Zaisan has created joint real-estate ownership schemes. These schemes involve the formation of voluntary partnership agreements (through monetary investment) for the co-ownership of income-bearing real estate and the apportionment of that income. This system is operated in accordance with the Real Estate Specified Joint Enterprise Law.

Total Assets Under Custody: **18.53** billion yen (as of end February 2008)

ADVANTAGE CLUB
Funai's real estate joint ownership scheme



Funai Real Estate Net Auction

This services takes advantage of the Internet to bring together people wishing to sell real estate with those wishing to buy, and facilitates real estate transactions in a way that promotes confidence and satisfaction from clients.



- October 2004: Funai Real Estate Net Auction launched
- April 2005: Business alliance formed with DeNA Co., Ltd. (TSE Mothers, Mothers: 2432)
- November 2005: Business alliance formed with Tokyu Resort Co., Ltd.
- July 2006: Business alliance formed with Benefit One Inc. (TSE, 2nd section: 2412)

Nippon Real Estate Rating Services Co., Ltd.

Providing a safe and accessible real estate market, boosting market activity and specializing in building diagnosis

On January 23, 2006, we established Nippon Real Estate Rating Service Co., Ltd. as a joint venture with the NIS Group (TSE, 1st section). Collaborating through this entity, we launched real estate rating, building diagnosis, real estate appraisal and due diligence services.

- Real estate appraisal and due diligence related activities
- Building diagnosis, earthquake resistance, asbestos and Probable Maximum Loss (PML) evaluations
- Operation of a ratings website

Business Results for the Fiscal Year Ended December 2007

Overview of Results

This consolidated business year, the Funai Zaisan group (comprising Funai Zaisan, our seven consolidated affiliates and four equity affiliates) conducted its asset consulting business on the basis of our all-encompassing motto of "Customers first," and under our management philosophy of "Building a company respected by society, and pursuing the happiness of customers and employees." We have also maintained a focus on developing new clients, for example by conducting an active program of seminars and distributing published materials relating to our asset consulting service.

We have enjoyed very good revenue results from real estate transactions [this year] thanks to the marketing of our "Real Estate Joint Ownership Schemes (Advantage Club®)" and our marketing as packaged financial products of large scale real estate properties, especially central urban properties. Because of this, on the profit side we have been able to secure gross operating profits substantially in excess of our original plans, and achieved significant growth in our [final] earnings performance.

This consolidated business year, as an illustration of our business succession consulting service, in February 2007 we used a business succession fund to spin off the Kawaguchi lagoon museum business of our affiliated company Ukai Co. Ltd. (head office: Hachioji City, Tokyo; President and CEO: Isamu Okubo), thus securing the financial soundness of Ukai and realizing efficiencies in its management.

We will drive on further with our business succession consulting

service, which supports the planning and implementation of our clients' business succession plans. In March 2007 we merged with our former consolidated affiliate Funai Zaisan Consulting Network Systems, making the management of our national area companies and area partners more efficient.

Looking further forward, we will be aiming to further energize our business by generating synergies from two of the special assets that we possess as a group, namely the success stories that we have in each sector of industry and the strong geographical bases of our national area companies and area partners in each region of Japan.

As a result of the factors described above, operating income for the consolidated interim period under review was up 30.0% year-on-year to 17,887 million yen, operating profit rose 56.6% to 3,031 million yen, ordinary profit surged 58.8% to 2,586 million yen, and 4th quarter net profit jumped 70.9% to 1,543 million yen.

Operating Income by Category (unit: million yen)

	Previous interim period (Jan. - Jun. 2006)		Current interim period (Jan. - Jun. 2007)		Increase (%)
	Amount	Ratio(%)	Amount	Ratio(%)	
Income from asst consulting	2,897	21.1	2,848	15.9	-1.7
Income from real estate deals	9,508	69.1	13,528	75.6	42.3
Income from sublease	1,122	8.1	1,113	6.2	-0.8
Other income	227	1.7	397	2.3	74.6
Total	13,756	100.0	17,887	100.0	30.0

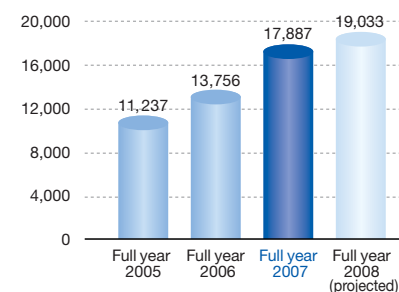
Business Results

	Previous year (Jan. - Dec. 2006)	Current year (Jan. - Dec. 2007)	Next year projected (Jan. - Dec. 2008)
Operating Income	13,756 (+22.4%)	17,887 (+30.0%)	19,033(+6.4%)
Operating profit	1,628(+46.0%)	2,586(+58.8%)	2,946(+13.9%)
Ordinary profit	903(+40.9%)	1,543(+70.9%)	1,835(+18.9%)

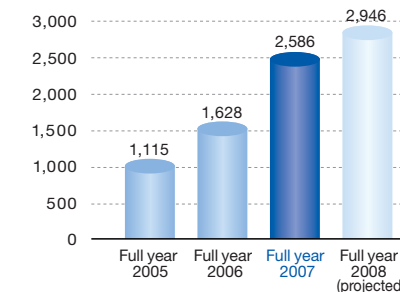
(The percentages are based on the figures of the same period previous FY)

Highlights of Consolidated Business Results

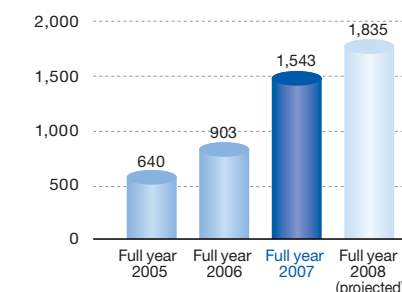
Operating income (unit: million yen)



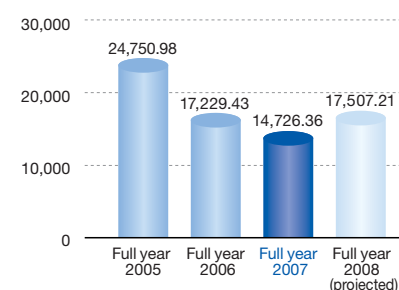
Ordinary profit (unit: million yen)



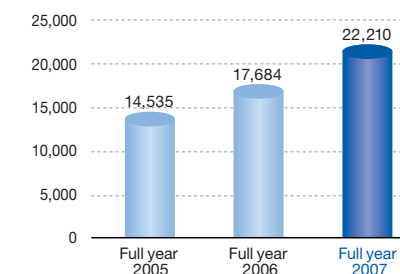
Net profit of the current year (unit: million yen)



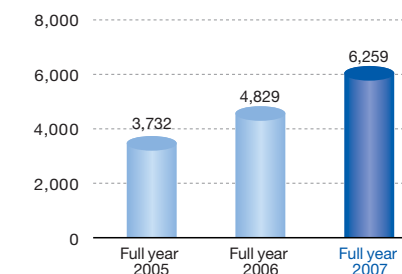
Net profit per share for the current year (unit: yen)*



Total assets (unit: million yen)



Net assets (unit: million yen)



*The company implemented a two-for-one stock split in the years as follows:
 February 14, 2005 (15th financial term) Three-for-one stock split.
 December 20, 2005 (15th financial term) Two-for-one stock split.
 November 1, 2006 (16th financial term) Two-for-one stock split.
 October 1, 2007 (17th financial term) Two-for-one stock split.

Projection of Full-Year Results

Demand for the company's asset consulting services is expected to continue to trend firmly.

Projected full-year consolidated results for the year ending December 2008 are as follows: operating income of 19,033 million yen, representing year-on-year growth of 6.4%, operating profit of 3,380 million yen, a rise of 11.5%, ordinary profit of 2,946 million yen, a rise of 13.9%

%, net profit of 1,835 million yen, a rise of 18.9%, and net profit per share of 1,500 yen.

*The projected figures appearing above reflect analysis based on information available at the time of preparation, and are subject to various uncertainties. Actual realized results may vary significantly from the above projections due to changes in business conditions and/or other factors.

Consolidated Financial Data (Summary) (Million of yen, rounded down to the nearest million)

Interim Consolidated Balance Sheet

Item	Term	Previous year ended December 2006	Current year ended December 2007	Item	Term	Previous year ended December 2006	Current year ended December 2007
Assets				Liabilities			
Current assets		12,528	17,030	Current liabilities		5,520	5,355
Cash and deposits		5,213	6,704	Accounts payable		88	70
Accounts receivable		408	592	Short-term debt		3,258	2,720
Real estate held for sale		5,944	8,578	Bonds redeemable within one year		940	1,020
Purchased receivables		544	955	Accrued corporate taxes		522	819
Deffered tax assets		43	85	Others		710	725
Others		373	116	Fixed liabilities		7,334	10,595
Allowance for doubtful accounts		-0	-3	Bonds		3,145	3,025
Fixed assets		5,156	5,180	Long-term debt		94	3,500
Tangible fixed assets		224	204	Anonymous association investment deposits payable		3,098	3,037
Property, plant and equipment		112	100	Deffered tax liability		64	28
Transportation equipment		11	5	Allowance for employee retirement benefits		25	31
Land		76	70	Addition to reserve for compensation of retired directors		133	172
Others		25	28	Deposits payable		772	800
Intangible fixed assets		44	58	Others		0	-
Investments and other assets		4,886	4,918	Total liabilities		12,854	15,951
Investment securities		1,053	1,253	Net assets			
Shares in affiliates		3,675	3,503	Shareholders' equity		4,550	5,936
Others		157	160	Common stock		805	805
Total assets		17,684	22,210	Capital surplus		875	875
				Retained earnings		2,869	4,255
				Evaluation and conversion difference		224	267
				Minority interests		55	55
				Total net assets		4,829	6,259
				Total liabilities and net assets		17,684	22,210

Full Year Consolidated Income Statements

Item	Term	Previous year ended December 2006	Current year ended December 2007
Operating income		13,756	17,887
Operating cost		9,890	12,589
Gross operating profit		3,865	5,297
SG&A		1,930	2,266
Operating profit		1,935	3,031
Non-operating income		9	30
Non-operating expenses		315	475
Ordinary profit		1,628	2,586
Extraordinary profit		5	1
Extraordinary loss		164	54
Anonymous association investment deposits payable		-168	-196
Interim net income before taxes		1,637	2,729
Income taxes		751	1,294
Deferred income taxes		-24	-108
Minority interests		7	0
Net profit		903	1,543

Full Year Consolidated Cash Flows

Item	Term	Previous year ended December 2006	Current year ended December 2007
Cash flow from operating activities		2,918	-626
Cash flow from investing activities		-4,296	-553
Cash flow from financing activities		1,884	2,611
Change in cash and equivalents		505	1,431
Cash and equivalents at start of period		3,957	4,463
Cash and equivalents at end of interim period		4,463	5,895

Full Year Consolidated Statement of Shareholders' Equity

Jan. 1 – Dec. 31 2007	Shareholders' equity				Evaluation and conversion difference		Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity	Other marketable securities evaluation difference	Total evaluation and conversion difference		
Balance on Dec. 31, 2006	805	875	2,869	4,550	224	224	55	4,829
Consolidated interim period changes								
Distribution of reserves	-	-	-157	-157	-	-	-	-157
Interim net profit	-	-	1,543	1,543	-	-	-	1,543
Changes in other items (net)	-	-	-	-	43	43	0	43
Total	-	-	1,386	1,386	43	43	0	1,430
Balance on Dec. 31, 2007	805	875	4,255	5,936	267	267	55	6,259

Stock/Stockholder Information/Company information/Executives

Overview

(as of December 31, 2007)

Total number of authorized shares	288,000
Number of shares in issue	104,824
Number of shareholders	4,991

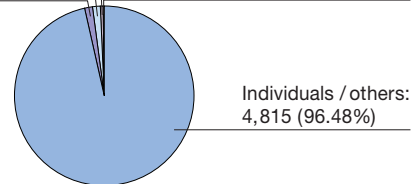
*The company implemented a two-for-one stock split of its common stock on October 1, 2007.

Major Shareholders (Top 10)

Name	No. shares held	Ratio of shareholding(%)
Taihei Shoji Co., Ltd.	10,560	10.07
JP Morgan Chase Oppenheimer Funds JASDEC Account	10,000	9.53
Funai Consulting Co., Ltd.	9,132	8.71
BBH Matthews Asian Pacific Fund	5,202	4.96
Japan Trustee Services Bank Ltd.	3,672	3.50
City Bank London Global Window Scottish Equitable	2,962	2.82
Yoshihito Hirabayashi	2,824	2.69
The Bank of New York, GCM Client Accounts EISG	2,733	2.60
BBH Matthews Japan Fund	1,948	1.85
Goldman Sachs Internationall	1,797	1.71

Number of Shareholders by Category

Foreign nationals: 70 (1.40%) Securities firms: 24 (0.48%)
 Other Japanese companies: 71 (1.42%) Financial institutions: 11 (0.22%)

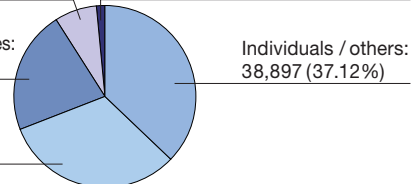


Number of Shareholders by Category

Financial institutions: 7,875 (7.51%) Securities firms: 1,584 (1.51%)

Other Japanese companies: 22,942 (21.88%) Individuals / others: 38,897 (37.12%)

Foreign nationals: 33,526 (31.98%)



Company information

(as of December 31, 2007)

Name of company	Funai Zaisan Consultant Co., Ltd.
Head office	18F, Shinjuku NS Bldg. 2-4-1 Nishishinjuku, Shinjuku-ku, Tokyo 163-0818
Incorporated	September 17, 1991
Capital stock	805.81 million yen
Business line	Individual asset consulting, institutional asset consulting, and asset management
Number of employees	125
Business network	Sapporo, Aomori, Sendai, Yonezawa, Koriyama, Mito, Tsukuba, Tochigi, Gunma, Saitama, Kumagaya, Chiba, Johoku, Ginza, Jonan, Kawasaki, Yokohama, Odawara, Niigata, Kanazawa, Fukui, Matsumoto, Takayama, Shizuoka, Nagoya, Mie, Shiga, Kyoto, Osaka, Hyogo, Nara, Wakayama, Tottori, Shimane, Hiroshima, Tokushima, Takamatsu, Kochi, Fukuoka, Kitakyushu, Nagasaki, Sasebo, Kumamoto, Miyazaki, Kagoshima, Okinawa
Consolidated subsidiaries	7 companies including Funai Estate, Nippon Real Estate Rating Services Co., Ltd., and the Centennial Fund Investment Limited Partnership
Affiliates under equity method	4 companies including Nippon Investors Securities Co., Ltd., Ukai Co., Ltd.

Executives

(as of March 23, 2008)

President & CEO	Yoshihito Hirabayashi
Deputy President	Hideo Murakami
Managing Director	Hisao Nakatsuka
Managing Director	Takahiko Makino
Director, 4th Division Manager	Seiki Noda
Director, 1st Division Manager	Masayuki Yagi
Director, 5th Division Manager	Yasuhiko Sato
Director, 6th Division Manager	Takeshi Matsuura
Director, 3rd Division Manager	Tetsuo Akiyama
Outside Director	Haruo Shimada
Outside Director	Kiyoshi Ohno
Outside Auditor (full-time)	Takao Kitamura
Auditor	Takehiko Yamamura
Outside Auditor	Hiroshi Yamagishi
Outside Auditor	Toshio Honda

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