# Summary of Business Results for the Fiscal Year Ended December 2007 (Consolidated)

Company	Funai Zaisan Cor	nsultants Co., Ltd.		Date: February 13, 2008 Registered on the TSE Mothers
Stock code	8929			Head office location: Tokyo
URL	http://www.funai	<u>zc.co.jp</u>		
Representative	Yoshihito Hiraba	yashi		
Contact	Title of Executive	Executive Director, E	xecutive O	fficer and Administration
		Manager		
	Name	Hisao Nakatsuka	TEL	03-5321-7020

Planned date of annual meeting of shareholders: March 23, 2008 Planned date of release of financial report: March 24, 2008

## 1. Business Results as of FY December 2007 (January 1, 2007 to December 31, 2007)

(1) Results of ope	erations	(Note: Rounded down to million yen)						
	Operating re	venue	Operating in	ncome	Ordinary in	ncome	Net Income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
December 2007	17,887	30.0	3,031	56.6	1,543	70.9	2,586	58.8
December 2006	13,756	22.4	1,935	50.7	903	40.9	1,628	46.0

	Net income Per share	Diluted net income per share	Return on equity	Ratio of recurring income to total assets	Ratio of recurring income to net sales	
	¥	¥	%	%	%	
December 2007	14,726.36	13,697.82	28.1	13.0	16.9	
December 2006	17,229.43	16,296.33	21.2	10.1	14.1	

(Reference) Earnings/loss on investments in equity-method affiliates Fiscal year ended December 2007: - ¥274 million Fiscal year ended December 2006: - ¥87 million

(Note) As of October 1, 2007, ordinary shares were split on a two-to-one basis.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	¥ Million	¥ Million	%	¥
December 2007	22,210	6,259	27.9	59,189.53
December 2006	17,684	4,829	27.0	91,096.96
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(Reference) Shareholders' Equity

Fiscal year ended December 2007: ¥6,204 million

Fiscal year ended December 2006: \$4,774 million

(Note) As of October 1, 2007, ordinary shares were split on a two-to-one basis.

(3) Results of Cash Flows

	Net cash flows by Operating activities	Net cash flows by investment activities	Net cash flows by financial activities	Balance of cash and cash equivalents at the end of the year
	¥ Million	¥ Million	¥ Million	¥ Million
December 2007	-626	-553	2,611	5,895
December 2006	2,918	-4,296	1,884	4,463

#### 2. Dividend Results

		Dividend per Share											
Date of issue	End of Q1	End of Interim	End of Q3	End of FY 2007	Annual	Total annual dividends	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)					
FY ended	¥	¥	¥	¥	¥	¥million	¥million	¥million					
Dec. 2006	-	1,250.00	-	1,500.00	2,750.00	111	12.3	2.6					
FY ended Dec.2007	-	1,500.00	-	750.00	2,250.00	157	10.2	2.9					
FY ending Dec.2008 (projected)	-	750.00	-	750.00	1,500.00	157	8.6	-					

(Note) As of October 1, 2007, ordinary shares were split on a two-to-one basis.

#### 3. Forecast of Consolidated Financial Performance for FY Ending December 2008

(January 1 to December 31, 2008)	(percentage figures show year-on-year change)

	Operating revenue		Operating income		Ordinary income		Net inco	ome	Net income per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥
Interim	9,963	22.1	1,936	19.7	1,753	-18.0	1,076	-17.3	10,267.14
Full year	19,033	6.4	3,380	11.5	2,946	13.9	1,835	18.9	17,507.21

#### 4. Other

(1) Important changes to subsidiaries during the period (changes to specified subsidiaries accompanying changes to the scope of consolidation): None

New: None Excluded: None

Note: For details, see page 21 of "Changes to Important Items Forming the Basis for the Creation of the Consolidated Financial Statement."

- (2) Changes in accounting disposal principles, procedures, and publication methods relating to the creation of consolidated financial statements (recorded as changes to significant items forming the basis for the creation of the consolidated financial statement).
  - i. Changes in accounting principles applied: Yes
  - ii. Other changes: None

Note: For details, see page 26 of "Changes to Important Items Forming the Basis for the Creation of the Consolidated Financial Statement."

- (3) Ordinary shares issued
  - i. Ordinary shares issued at end of period (including treasury stock)
    - FY ended December 2007: 104,824
    - FY ended December 2006: 52,412
  - ii. Treasury stock issued at end of period
  - FY ended December 2007: None
  - FY ended December 2006: None
  - Note: 1. See page 39 of "Per-share Data" for details of share numbers forming the basis for calculating per-share net income (consolidated) for the current interim.
    - 2. As of October 1, 2007, ordinary shares were split on a two-to-one basis.

\*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.

Please see page 4 of "Business Forecasts of the Fiscal year ending December 2008" documents for details of the above forecasts.

# **4. Consolidated financial statements** (1) Consolidated balance sheet

			onsolidated Ful cember 31, 2006		ear Current consolidated Full Year ending December 31, 2007			
Category	Note Number		(thousand)	Percent age (%)		(thousand)	Percent age (%)	
Assets								
I Current assets								
1. Cash and deposits			5,213,882			6,704,445		
2. Accounts receivable			408,000			592,631		
3. Real estate for sale	*1		5,944,546			8,578,178		
4. Bonds bought			$544,\!553$			955,857		
5.Deferred tax assets			43,589			85,910		
6.Other current assets			343,734			116,739		
7. Allowance for doubtful accounts			-229			-3,645		
Total current assets			12,528,076	70.8		17,030,118	76.	
II Fixed assets 1.Tangible fixed								
assets								
(1)Property, Plant and		164,055			166,535			
Equipment Accumulated depreciation		51,701	112,353		65,605	100,929		
2)Transportation equipment		19,623			14,621			
Accumulated depreciation		8,400	11,222		9,237	5,384		
(3)Land			76,055			70,132		
(4) Others		48,525			62,168			
Accumulated depreciation		23,450	25,074		34,100	28,068		
Total Tangible fixed assets			224,705	1.3		204,514	0.	
2. Intangible fixed assets								
(1) Software			40,282			28,570		
(2)Goodwill			2,072			27,362		
(3) Others			2,417			2,309		
Total Intangible fixed assets			44,772	0.3		58,241	0.	

3. Investments and other assets				
(1) Investment securities	1,053,265		1,253,786	
(2) Stocks of affiliated	3,675,686		3,503,913	
companies (3) Other assets	157,957		160,331	
Total Investment and other assets	4,886,909	27.6	4,918,030	22.1
Total fixed assets	5,156,387	29.2	5,180,787	23.3
Total assets	17,684,464	100.0	22,210,905	100.0

			ending December 31, 2006			Current consolidated Full Year ending December 31, 2007		
Category	Note Number	Amount	t (thousand)	Percen tage (%)	Amount	(thousand)	Percen tage (%)	
Liabilities								
I Current liabilities								
1. Accounts payable			88,867			70,020		
2. Short-term debt	*1		3,258,000			2,720,668		
3. Bonds redeemable within one year			940,000			1,020,000		
4.Accrued corporate tax, etc.			522,721			819,642		
5.Other current liabilities			710,820			725,404		
Total current liabilities I Fixed liabilities			5,520,409	31.2		5,355,736	24.1	
1. Bonds			3,145,000			3,025,000		
2. Long-term debt	*1		94,000			3,500,000		
3. Anonymous association investment deposits payable			3,098,434			3,037,244		
4.Accumulated depreciation			64,923			28,609		
5. Allowance for employee retirement benefits			25,263			31,497		
6. Addition to reserve for compensation to retired directors			133,583			172,373		
7. Deposits payable			772,447			800,685		
8. Other fixed liabilities			743			-		
Total fixed liabilities			7,334,394	41.5		10,595,409	47.7	
Total liabilities Net assets			12,854,803	72.7		15,951,145	71.8	

I Shareholders'					
equity					
1.Common stock		805,817	4.6	805,817	3.6
2.Capital surplus		875,266	4.9	$875,\!266$	3.9
3.Retained earnings		2,869,314	16.2	$4,\!255,\!754$	19.2
Total shareholders'		4,550,398	25.7	5,936,838	26.7
equity					
I Evaluation and					
conversion					
difference					
1. Unrealized gains		224,175	1.3	$267,\!645$	1.2
on securities					
Total evaluation and		224,175	1.3	$267,\!645$	1.2
conversion					
difference					
III Minority interests		55,087	0.3	55,275	0.3
Total net assets		4,829,661	27.3	$6,\!259,\!759$	28.2
Total liabilities and		17,684,464	100.0	22,210,905	100.0
net assets					

## Funai Zaisan Consultants Company, Limited (8929 Mothers) Interim Business Results for the Fiscal Year Ending December 2008 (2) Consolidated income statements

	Note Number		Previous consolidated Full Year ending December 31, 2006			Current consolidated Full Year ending December 31, 2007		
Category		Amount(thousand)		Percen tage (%)	Amount (thousand)		Percen tage (%)	
I Operating income 1.Operating revenue		4,247,696			4,359,139			
2. Sales of real estate		9,508,682	13,756,379	100.0	13,528,535	17,887,674	100.0	
II Operating cost 1. Operating cost		1,913,076			1,739,414			
2. Cost of sales of real estate		7,977,325	9,890,402	71.9	10,850,364	12,589,778	70.4	
Gross operating profit			3,865,977	28.1		5,297,895	29.6	
ⅢSG&A Operating profit	*1		$\frac{1,930,621}{1,935,355}$	14.0 $14.1$		2,266,512 3,031,382	$12.7 \\ 16.9$	
IV Non-operating income			1,000,000			0,001,001	10.0	
1. Interest received		917			8,357			
2. Dividends received		4,981			4,808			
3.Investment profit on equity method		-			5,205			
4.Other non-operating income		3,346	9,245	0.0	12,241	30,613	0.2	
V Non-operating				-				
expenses 1. Interest paid		116,380		-	142,551			
2. Bond issue costs		33,079		-	26,529			
3.Comitment line fee		50,000			-			
4. Investment loss on equity method 5.Other		87,046		-	274,492			
non-operating expenses		29,306	315,812	2.3		475,292	2.6	
Ordinary income VI Extraordinary			1,628,788	11.8		2,586,703	14.5	
profit 1.Gain from								
reversal of allowance for doubtful debts		1,063			-			
2. Gain from sales of stocks of								
affiliated companies		448			1,150			
3. Gain on sales of investment in securities		3,750	5,261	0.0	-	1,150	0.0	

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VII Extraordinary							
loss							
1.Loss on sale of	*2	-			3,389		
fixed assets	2				0,000		
2. Loss on disposal	*3	10,743			_		
of fixed assets	5	10,745					
3. Loss from sales							
of stocks of		07 001					
affiliated		35,021			-		
companies							
4. Appraisal loss							
on investment		118,645			16,786		
and securities		,			,		
5. Appraisal loss							
on investment		-	164,410	1.1	34,053	54,229	0.3
and securities			,		,	*	
Current net							
income before							
profit/loss							
distribution to			1,469,639	10.7		2,533,624	14.2
anonymous			, ,			, ,	
association							
(pre-tax)							
Loss distribution							
to anonymous			-168,126	-1.2		-196,332	-1.1
association						/	
Current net							
income before			1,637,766	11.9		2,729,957	15.3
taxes			, ,			,,	
Current income					1 22 4 2		
taxes		751,710			1,294,645		
Deferred income							
taxes		-24,154	727,555	5.3	-108,457	1,186,187	6.7
Minority interests			7,182	0.0		93	0.0
Net income			903,028	6.6		1,543,675	8.6
			000,010	0.0		1,010,010	0.0
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