

Company information

(as of October 1, 2008)

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 million yen
Business line:	Individual asset consulting, institutional asset consulting, and asset management
Number of employees:	766 (Group)
Business network: 53 locations throughout Japan	Sapporo, Aomori, Sendai, Yamagata, Koriyama, Mito, Tochigi, Gunma, Saitama, Kumagaya, Chiba, Johoku, Ginza, Jonan, Kawasaki, Yokohama, Odawara, Niigata, Kanazawa, Tokuyama, Fukui, Matsumoto, Takayama, Shizuoka, Nagoya, Mie, Shiga, Kyoto, Osaka, Hyogo, Nara, Wakayama, Tottori, Shimane, Hiroshima, Tokushima, Takamatsu, Kochi, Fukuoka, Kitakyushu, Saga, Nagasaki, Sasebo, Kumamoto, Miyazaki, Kagoshima, Okinawa
Consolidated subsidiaries:	8 companies including Funai Estate Co., Ltd and the Proggest Co., Ltd.
Affiliates under equity method:	4 companies including Nippon Investors Securities Co., Ltd., Ukai Co., Ltd.

Notes for shareholders

Fiscal year:	January 1 to December 31
General meeting of shareholders:	Each March
Administrator of shareholders' register:	3-33-1 Shiba, Minato-ku, Tokyo The Chuo Mitsui Trust and Banking Company, Limited
Office:	2-8-4 Izumi, Suginami-ku, Tokyo 168-0063 The Chuo Mitsui Trust and Banking Company, Limited. 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

Executives

(as of October 1, 2008)

Chair Person	Hideo Murakami
President CEO	Masazumi Hasumi
Managing Director	Hisao Nakatsuka
Managing Director	Takahiko Makino
Director, 2nd Division Manager	Tetsuo Akiyama
Director, 3rd Division Manager	Seiki Noda
Director, 1st Division Manager	Masayuki Yagi
Director, 4th Division Manager	Ken Matsuura
Director, 5th Division Manager	Yasuhiko Sato
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

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/index.html>

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

18F, Shinjuku NS Bldg. 2-4-1 Nishishinjuku, Shinjuku-ku,
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 We will remain your best partner over 100 years
Funai Zaisan Consultants Co., Ltd.

Newsletter Vol.12

Third Quarter (18th) business summary
January 1 to September 30, 2008

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

President & CEO

Masazumi Hasumi

“Further growth and development” are the topics that captivate our minds at Funai Zaisan Consultants. Only recently, we have implemented management integration with Proggest Holdings Ltd. – management integration, that means positive catalytic effects from combining different cultures and solutions.

As Japan’s leading property and finance consulting company, Funai Zaisan Consultants will work to become a group of genuine professionals formed by qualification holders such as certified public accountants and tax attorneys, etc., and real estate consultants.

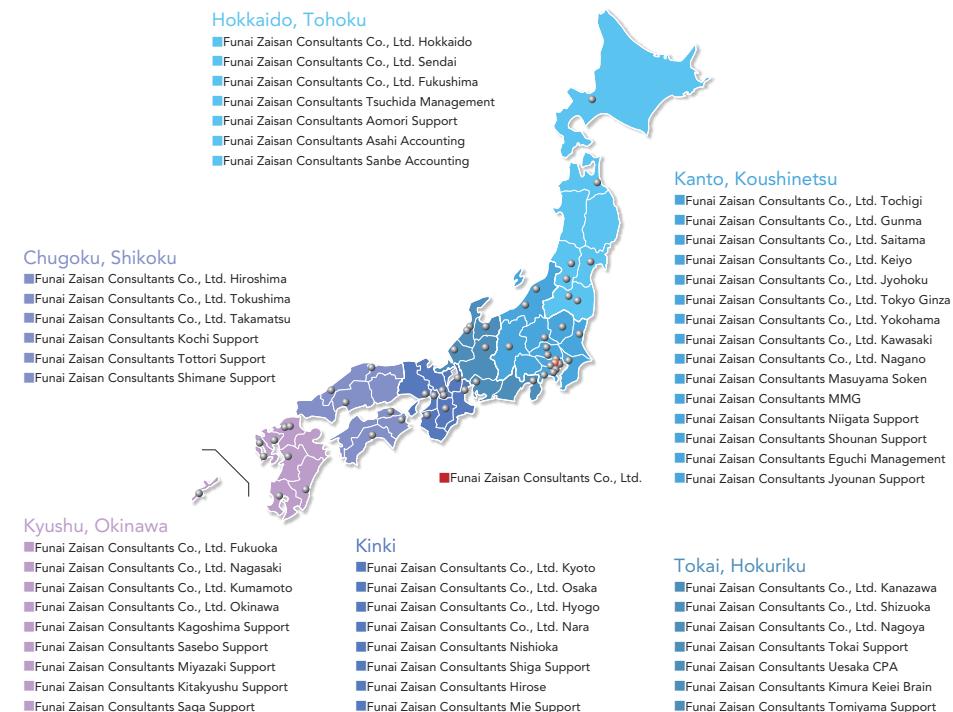
With society moving into a period of great change, continuous transformation is a feature of our time. For individual investors, this pertains to the bifurcation of real estate markets and the conceptual shift from saving to investment. For business enterprises and their owners, it shows in new legislation such as the Company Law and the Financial Instruments and Exchange Law, as well as frequent revisions to accounting rules and tax regulations. The Company has long understood that the change of the times holds valuable opportunities and in so doing has accomplished further growth, as have you, the Company’s shareholders. In order to enhance our consulting for corporate clients, in October 2008, the Company implemented management integration with Proggest Holdings Ltd, a group of finance consulting specialists for business enterprises and their owners.

In challenging times like today, the need for an independent consulting company that acts from the perspective of the client can only increase. At Funai Zaisan Consultants we aim to create a company for which there is a need in society, contribute to the pursuit of happiness on the part of clients, shareholders, and employees, and become Japan’s top-scale, independent comprehensive property and finance consulting company.

We would like to thank you for holding the Company’s stock in your valuable asset portfolios and request your continued support.

Nationwide Network

53 bases as of October 2008.



Contents

Message from the President	1
Business results for the Third Quarter (18th)	3
Close Up	4
TOPICS	5
Company Info, Executives, Notes for shareholder	Back cover

Business Results

The Japanese economy in the term under review was impacted both by the securities market dislocation caused by the US subprime mortgage problem and the high energy and raw materials prices, without even tentatively regaining control over the disrupted financial economy.

In this environment, with the objective of strengthening our consulting operations, plans proceeded for management integration with Proggest Holdings Ltd. and on October 1 the Company started out with a new structure.

As to the financial results during the period under review, revenues from real estate transactions fell to 8,043 million yen, which was 2,393 million less than in the previous year, with a significant contraction in the gross margin. This result was due to the further worsened environment of the real estate and construction sector connecting to an even more cautious approach of the Company in

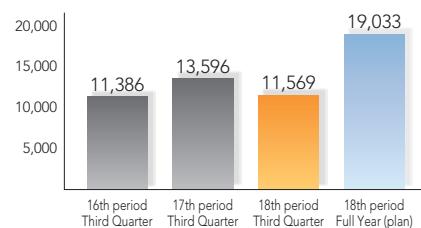
its real estate transactions.

By contrast, revenue and earnings in our core business line in property consulting reached 2,489 million yen, an increase of 446 million yen on the year, with an improved gross margin. This result was due to the launch of consulting for acquiring yield-bearing real estate in central urban locations for wealthy individuals, which gradually connected to contracts, after large-scale consulting projects in the first quarter.

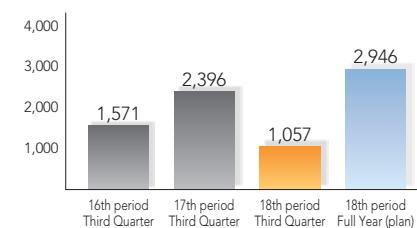
As a result of the foregoing, for the period under review, operating revenue posted 11,569 million yen (reflecting a decline of 14.9 percent on the year), with operating income of 1,650 million yen (a decline of 40.9 percent), ordinary income of 1,057 million yen (a decline of 55.9 percent), and net income of 453 million yen (a decline of 70.1 percent).

Highlights of consolidated business results (unit: million yen)

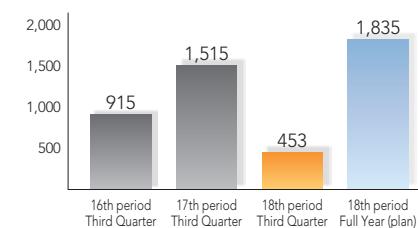
Operating income



Ordinary income



Net income of the current period



Operating Income by Category

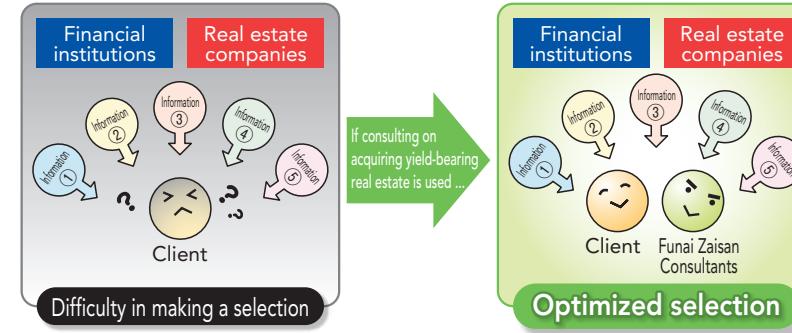
	Previous Third Quarter (Jan. – Sep. 2007)		Current Third Quarter (Jan. – Sep. 2008)		Increase (%)	Projection of Full-Year 2008 Results	
	Amount (Million yen)	Ratio (%)	Amount (Million yen)	Ratio (%)		Amount (Million yen)	Goal Met (%)
Income from asst consulting	2,023	14.9	2,489	21.5	23.0	3,096	80.4
Income from real estate deals	10,436	76.8	8,043	69.5	△22.9	14,429	55.7
Income from sublease	831	6.1	857	7.4	3.2	1,117	76.7
Other income	305	2.2	178	1.6	△41.5	389	45.8
Total	13,596	100.0	11,569	100.0	△14.9	19,033	60.8

*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.

Close up

Consulting on acquiring yield-bearing real estate in central urban locations

The Company has introduced a proprietary appraisal system and has been helping clients with the acquisition of yield-bearing real estate at appropriate prices.



Currently, the variety of sales information available in real estate markets makes it difficult to judge what kind of real estate one should buy.

At Funai Zaisan Consultants, when clients acquire real estate for income generation, we carefully check and analyze individual objects one by one from a neutral position. For each object, our proprietary appraisal system generates clear quantitative values. After a judgment concerning the object, negotiations are held repeatedly with the seller, so that the client acquires ownership of the real estate object at an appropriate price.

Given how difficult it has become to acquire real estate for income generation in these times, we look to be a strong partner for our clients and provide quality services now and in the future.

Acquiring yield-bearing real estate – Four important points to consider

Risk of long-term vacancies

While it is true that actual occupancy rates vary depending on the object, indications of prospective yields frequently assume full occupancy even if there are current vacancies. It is therefore essential to examine objects based on an analysis that uses accurate data with respect to appropriate rents and vacancy risks.

Cost calculation of administrative charges and repair and maintenance expenses

Once a building is roughly over ten years old, significant repair expenses arise. It is important to prepare a business plan with consideration of the status of property administration and medium and long-term maintenance and repair schedules.

Identifying current tenant attributes

It can happen that tenants suddenly terminate their leases, which implies not only calls for security deposit refunds but may also mean that projected revenue and income are not obtainable. It is therefore vital to get a grasp of the situation before an acquisition. Surveys and analyses should be carried out by the acquirer.

Future rent declines

With property rents currently on the decline, already now there are many tenancies at rents above market prices in the surrounding vicinity. The appropriate rent level needs to be identified before the acquisition, and the acquisition decision must be examined based on that information.

Flow-chart of consulting for acquiring yield-bearing real estate

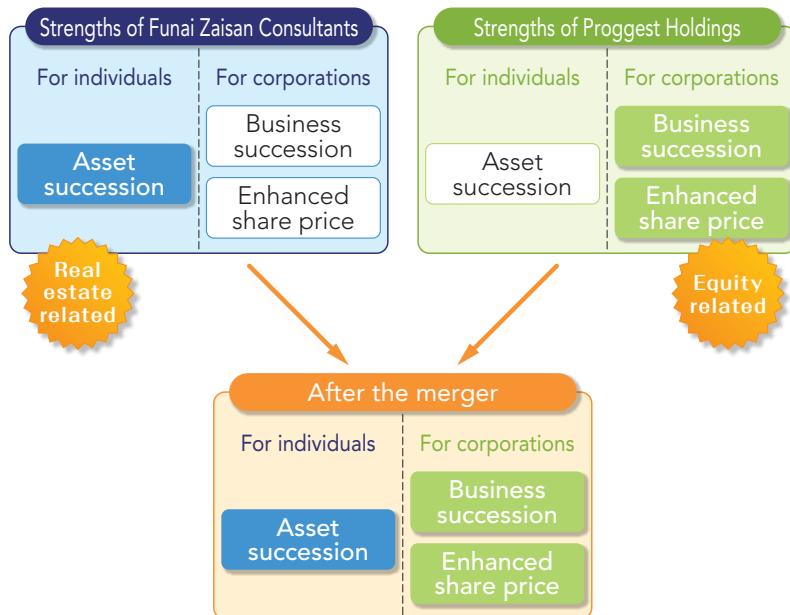


Management integration with Proggest Holdings Ltd.

In order to further strengthen our business succession consulting operations, a field that has been of central importance to our management strategy, in October 2008 the Company implemented management integration with Proggest Holdings Ltd, a group of specialists for equity related solutions. Through this management integration, we aim to become Japan's largest integrated property and financial consulting company.

Q What are the strengths of Funai Zaisan Consultants under the new structure?

A Through the management integration, the Company and Proggest Holdings Ltd. will create an ideal partnership relation, and using their respective strengths form Japan's top-scale comprehensive property and finance consulting company.



Q Going forward, what business fields will be your main focus?

A We will focus on our service offerings for corporations. In particular, we will concentrate on business succession, an area displaying strong demand, commercial real estate, and the core themes of financial structure enhancement and strengthening.

Q What is your view on the synergy prospects from the integration?

A Through our proactive efforts, we will realize and expand specific integration synergies at an early stage.

