



Summary of Business Results for the Fiscal Year Ended December 2008 (Consolidated)

Company Funai Zaisan Consultants Co., Ltd.

Stock code 8929

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Registered on the TSE Mothers

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

Planned date of annual meeting of shareholders: March 26, 2009

Planned date of Dividend payout: March 27, 2009

Planned date of release of financial report: March 27, 2009

1. Business Results as of FY 2008 (January 1, 2008 to December 31, 2008)

(1) Consolidated Results of operations

(Note: Rounded down to million yen)

	Operating revenue		Operating income		Ordinary income		Net Income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
Full Year 2008	15,269	-14.6	1,785	-41.1	947	-63.4	47	-96.9
Full Year 2007	17,887	30.0	3,031	56.6	2,586	58.8	1,543	70.9

	Net income Per share	Diluted net income per share	Return on equity	Ratio of recurring income to total assets	Ratio of recurring income to operating revenue
	¥	¥	%	%	%
Full Year 2008	454.33	436.08	0.8	2.4	11.7
Full Year 2007	14,726.36	13,697.82	28.1	13.0	16.9

(Reference) Earnings/loss on investments in equity-method affiliates

Full Year 2008: -¥691 million

Full Year 2007: -¥274 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	%	¥
Full Year 2008	17,102	5,950	34.8	56,289.84
Full Year 2007	22,210	6,259	27.9	59,189.53

(Reference) Shareholders' Equity

Full Year 2008: ¥5,950 million

Full Year 2007: ¥6,204 million

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

(3) Consolidated 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
Full Year 2008	2,238	-2,174	-2,534	3,424
Full Year 2007	-626	-553	2,611	5,895

2. Dividend Results

Date of issue	Dividend per Share							
	End of Q1	End of Interim	End of Q3	End of FY 2008	Annual	Total annual dividends	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
FY ended Dec. 2007	¥ –	¥ 1,500.00	¥ –	¥ 750.00	¥ 2,250.00	¥million 157	% 10.2	% 2.9
FY ended Dec.2008	–	750.00	–	750.00	1,500.00	157	330.2	2.6
FY ending Dec.2009 (projected)	–	750.00	–	750.00	1,500.00	158	38.6	–

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

3. Forecast of Consolidated Financial Performance for FY Ended December 2009

(January 1 to December 31, 2009)

(percentage figures show year-on-year change)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥
Interim	4,800	–40.0	280	–77.1	15	–98.2	145	–68.9	1,311.22
Full year	12,320	–19.3	670	–62.5	370	–61.0	430	803.8	3,888.45

4. Other

(1) Important changes to subsidiaries during the period (changes to specified subsidiaries accompanying changes to the scope of consolidation): Yes

New: None Excluded: 1 (Company: Centennial Fund Investment Limited Partnership)

(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: None

ii. Other changes: Yes

(3) Ordinary shares issued

i. Ordinary shares issued at end of period (including treasury stock)

Full Year 2008: 110,584

Full Year 2007: 104,824

ii. Treasury stock issued at end of period

Full Year 2008: 4,879

Full Year 2007: –

Note: 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.

4. Consolidated financial statements

(1) Consolidated balance sheet

		Previous consolidated Full Year ended December 31, 2007		Current consolidated Full Year ended December 31, 2008			
Category	Note Number	Amount (thousand)		Percentage (%)	Amount (thousand)		Percentage (%)
Assets							
I Current assets							
1. Cash and deposits			6,704,445			4,532,653	
2. Accounts receivable			592,631			365,011	
3. Real estate for sale	*1		8,578,178			5,984,387	
4. Bonds bought			955,857			688,910	
5. Deferred tax assets			85,910			432,888	
6. Other current assets			116,739			242,087	
7. Allowance for doubtful accounts			-3,645			-4,026	
Total current assets			17,030,118	76.7		12,241,912	71.6
II Fixed assets							
1. Tangible fixed assets							
(1) Property, plant and equipment		166,535			207,259		
Accumulated depreciation		65,605	100,929		76,768	130,491	
(2) Transportation equipment		14,621			22,024		
Accumulated depreciation		9,237	5,384		4,802	17,222	
(3) Land			70,132			71,211	
(4) Others		62,168			75,136		
Accumulated depreciation		34,100	28,068		36,549	38,586	
Total Tangible fixed assets			204,514	0.9		257,510	1.5
2. Intangible fixed assets							
(1) Software			28,570			68,918	
(2) Goodwill			27,362			778,074	
(3) Others			2,309			2,620	
Total intangible fixed assets			58,241	0.3		849,613	5.0
3. Investments and other assets							
(1) Investment securities			1,253,786			1,066,286	
(2) Stocks of affiliated companies			3,503,913			2,299,921	
(3) Deferred tax assets			-			150,730	
(4) Other assets			160,331			236,606	
Total Investment and other assets			4,918,030	22.1		3,753,545	21.9
Total fixed assets			5,180,787	23.3		4,860,670	28.4
Total assets			22,210,905	100.0		17,102,582	100.0

Category	Note Number	Previous consolidated Full Year ended December 31, 2007		Current consolidated Full Year ended December 31, 2008	
		Amount (thousand)	Percentage (%)	Amount (thousand)	Percentage (%)
Liabilities					
I Current liabilities					
1. Accounts payable		70,020		94,828	
2. Short-term debt	*1	2,720,668		1,006,667	
3. Long-term debt repayable within one year	*1	—		3,500,000	
4. Bonds redeemable within one year		1,020,000		1,480,000	
5. Accrued corporate tax, etc.		819,642		173,396	
6. Other current liabilities		725,404		677,092	
Total current liabilities		5,355,736	24.1	6,931,984	40.5
II Fixed liabilities					
1. Bonds		3,025,000		2,565,000	
2. Long-term debt	*1	3,500,000		—	
3. Anonymous association investment deposits payable		3,037,244		688,194	
4. Deferred tax		28,609		—	
5. Allowance for employee retirement benefits		31,497		45,584	
6. Addition to reserve for compensation to retired directors		172,373		214,262	
7. Deposits payable		800,685		707,438	
Total fixed liabilities		10,595,409	47.7	4,220,479	24.7
Total liabilities		15,951,145	71.8	11,152,464	65.2
Net Assets					
I Shareholders' equity					
1. Common stock		805,817	3.6	1,030,817	6.0
2. Capital surplus		875,266	3.9	1,104,154	6.4
3. Retained earnings		4,255,754	19.2	4,147,706	24.3
4. Treasury stock		—	—	—499,119	—2.9
Total shareholders' equity		5,936,838	26.7	5,783,558	33.8
II Evaluation and conversion difference					
1. Unrealized gains on securities		267,645	1.2	166,559	1.0
Total evaluation and conversion difference		267,645	1.2	166,559	1.0
III Minority interests					
Total net assets		6,259,759	28.2	5,950,117	34.8
Total liabilities and net assets		22,210,905	100.0	17,102,582	100.0

(2) Consolidated income statements

Category	Note Number	Previous consolidated Full Year ended December 31, 2007		Current consolidated Full Year ended December 31, 2008				
		Amount (thousand)		Percentage (%)	Amount (thousand)		Percentage (%)	
I Operating income	*1							
1. Operating revenue		4,359,139			4,514,604			
2. Sales of real estate		13,528,535	17,887,674	100.0	10,755,085	15,269,690	100.0	
II Operating cost								
1. Operating cost		1,739,414			2,195,742			
2. Cost of sales of real estate		10,850,364	12,589,778	70.4	9,203,999	11,399,741	74.7	
Gross operating profit			5,297,895	29.6		3,869,948	25.3	
III SG&A			2,266,512	12.7		2,084,456	13.6	
Operating profit			3,031,382	16.9		1,785,492	11.7	
IV Non-operating income								
1. Interest received		8,357			14,635			
2. Dividends received		4,808			7,213			
3. Investment profit on equity method		5,205			14,490			
4. Other non-operating income		12,241	30,613	0.2	9,002	45,341	0.3	
V Non-operating expenses								
1. Interest paid		142,551			158,531			
2. Bond issue costs		26,529			27,301			
3. Investment loss on equity method	274,492			668,536				
4. Other non-operating expenses	31,718	475,292	2.6	28,673	883,043	5.8		
Ordinary income		2,586,703	14.5		947,789	6.2		

Category	Note Number	Previous consolidated Full Year ended December 31, 2007			Current consolidated Full Year ended December 31, 2008		
		Amount (thousand)		Percentage (%)	Amount (thousand)		Percentage (%)
VI Extraordinary profit							
1. Gain from sales of stocks of affiliated companies		1,150	1,150	0.0	357,159	357,159	2.4
VII Extraordinary loss							
1. Loss on sale of fixed assets	*2	3,389			233		
2. Loss on disposal of fixed assets	*3	—			12,329		
3. Loss from sales of stocks of affiliated companies		—			6,539		
4. Investment loss on equity method		—			23,354		
5. Loss from sale of investment and securities		16,786			—		
6. Appraisal loss on investment and securities		34,053			62,040		
7. Loss on settlement		—			60,650		
8. Loss on cancellation of leases		—			8,291		
9. Office relocation expenses		—			9,663		
10. Loss from reevaluation of property.		—	54,229	0.3	961,130	1,144,232	7.5
Current net income before profit/loss distribution to anonymous association (pre-tax)			2,533,624	14.2		160,717	1.1
Loss distribution to anonymous association			—196,332	—1.1		—118,941	—0.7
Current net income before taxes			2,729,957	15.3		279,658	1.8
Current income taxes		1,294,645			717,436		
Deferred income taxes		—108,457	1,186,187	6.7	—466,461	250,975	1.6
Minority interests			93	0.0		—18,894	—0.1
Net income			1,543,675	8.6		47,577	0.3

(4) Consolidated quarterly cash flow

		Full Year 2007 (previous) (Jan. 1 to Dec.31, 2007)	Full Year 2008 (applicable) (Jan. 1 to Dec. 31, 2008)
Account	Note no.	Amount (thousand yen)	Amount (thousand yen)
I Cash flow from operating activities			
Income before income taxes and minority interests		2,729,957	279,658
Depreciation		49,186	46,574
Amortization of goodwill		–	37,406
Change in provisions for doubtful accounts		3,416	–24
Directors' retirement allowances		6,233	14,087
Addition to reserve for compensation for retired directors		38,789	41,889
Income from interest and dividends		–13,166	–21,849
Interest paid		142,551	158,531
Loss on issuance of corporate bonds		26,529	27,301
Equity in earnings of affiliates		274,492	691,891
Loss on revaluation of investments in securities		34,053	62,040
Loss on sales of investments in securities		16,786	–
Gain from sales of stocks of affiliated companies		–1,150	–357,159
Loss from sales of stocks of affiliated companies		–	6,539
Loss on settlement		–	60,650
Loss on sales of fixed assets		3,389	233
Loss on retirement of fixed assets		–	12,329
Distribution of loss for silent partnerships, etc.		–196,332	–118,941
Increase in accounts receivable		–80,559	146,573
Real estate for sale (negative indicates increase)		–2,370,286	2,593,791
Increase in non-receivable accounts (negative indicate increase)		–411,303	266,946
Accounts payable (negative indicates decrease)		–18,846	36,294
Entrusted deposits and bonds (negative indicates decrease)		28,238	–93,247
Entrusted equity from silent partnerships, etc. (negative indicates decrease)		297,490	–94,524
Others		–110,292	–26,222
Subtotal		449,178	3,770,771
Interest and dividends received		45,566	42,099
Interest paid		–146,374	–150,732
Settlement paid		–	–60,650
Corporate tax paid		–974,866	–1,363,428
Cash flow from operating activities		–626,497	2,238,059

		Full Year 2007 (previous) (Jan. 1 to Dec.31, 2007)	Full Year 2008 (applicable) (Jan. 1 to Dec. 31, 2008)
Account	Note no.	Amount (thousand yen)	Amount (thousand yen)
II Cash flow from investing activities			
Payments for depositing of time deposits		-1,157,281	-1,823,928
Proceeds from repayment of time deposits		1,099,373	1,525,312
Payment for purchase of tangible fixed assets		-24,157	-92,626
Proceeds from sale of tangible fixed assets		13,428	4,513
Payment for purchase of intangible fixed assets		-9,835	-64,296
Payment for acquisition of investment securities and paid-in capital		-431,362	-103,100
Proceeds from sale of investment securities and paid-in capital		249,383	129,884
Payment for acquisition of stocks of affiliates		-145,020	-
Proceeds from sale of stocks of affiliates		-	1,606,500
Proceeds from sale of subsidiaries' share capital due to change in the scope of consolidation	*3	1,098	-21,107
Loss from purchase of subsidiaries' share capital due to change in the scope of consolidation	*2	-	-425,638
Acquisition of minority interests		-154,936	-
Payment for deposits payable from silent partnerships, etc.		-	-2,771,342
Expenses for loans provided		-	-100,000
Others		6,086	-38,592
Cash flow from investing activities		-553,221	-2,174,420
III Cash flow from financing activities			
Increase in short-term debt (negative indicates decrease)		236,668	-1,640,663
Proceeds from long-term debt		3,500,000	-
Repayment of long-term debt		-868,000	-128,636
Proceeds from issuance of corporate bonds		973,470	1,072,698
Payment for redemption of corporate bonds		-1,040,000	-1,100,000
Proceeds from deposits payable from silent partnerships, etc.		-33,817	-81,090
Payment for acquisition of treasury stock		-	-499,119
Dividends paid		-157,236	-157,236
Cash flow from financing activities		2,611,084	-2,534,046
IV Increase in cash and cash equivalents		1,431,365	-2,470,408
V Cash and cash equivalents at beginning of term		4,463,821	5,895,187
VI Cash and cash equivalents at end of term	*1	5,895,187	3,424,778