

**Consolidated Financial Results for
First Half of Fiscal Year Ending December 31, 2007 (Fiscal 2007)
(Translation of Japanese Flash Report, Released on August 10, 2007)**

Company Name: RISA Partners, Inc.

Stock Listing: Tokyo Stock Exchange (1st section)

Code Number: 8924

URL: <http://www.risa-p.com>

Address: 5F, Akasaka Inter City, 1-11-44, Akasaka, Minato-ku, Tokyo, 107-0052, Japan

Representative: Atsushi Imuta, President

Inquiries: Hirokazu Okamoto, Executive Director, and General Manager of Corporate Planning Department
(Phone: +81-3-5573-8011)

Date semi-annual report is scheduled to be submitted: September 28, 2007

(Million yen amounts are rounded down to the nearest million yen)

1. Consolidated Performance for First Half of Fiscal 2007 (January 1, 2007 – June 30, 2007)

(1) Consolidated Results

(Percentage figures shown indicate year-on-year changes)

	Net Sales		Operating Income		Ordinary Income	
First Half of Fiscal 2007	¥11,171 million	36.1%	¥3,286 million	28.2%	¥2,672 million	42.3%
First Half of Fiscal 2006	¥8,210 million	215.1%	¥2,563 million	166.8%	¥1,878 million	124.9%
Fiscal 2006	¥16,607 million	–	¥6,490 million	–	¥5,203 million	–

	Net Income		Net Income per Share	Fully Diluted Net Income per Share
First Half of Fiscal 2007	¥1,805 million	59.5%	¥6,629.25	¥5,903.54
First Half of Fiscal 2006	¥1,131 million	134.1%	¥9,796.05	¥8,053.36
Fiscal 2006	¥3,030 million	–	¥24,407.44	¥20,697.61

Reference: Equity in earnings of affiliated companies

First half of fiscal 2007: ¥110 million

First half of fiscal 2006: ¥144 million

Fiscal 2006: ¥136 million

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
First Half of Fiscal 2007	¥94,829 million	¥24,660 million	24.0%	¥81,739.84
First Half of Fiscal 2006	¥79,579 million	¥17,273 million	21.7%	¥131,317.69
Fiscal 2006	¥81,130 million	¥19,367 million	23.9%	¥144,417.79

Reference: Shareholders' equity

First half of fiscal 2007: ¥22,788 million

First half of fiscal 2006: ¥17,236 million

Fiscal 2006: ¥19,327 million

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
First Half of Fiscal 2007	¥5,305 million	(¥9,665 million)	¥11,549 million	¥15,899 million
First Half of Fiscal 2006	(¥32,584 million)	(¥6,577 million)	¥46,634 million	¥13,501 million
Fiscal 2006	(¥32,859 million)	(¥10,516 million)	¥45,708 million	¥8,362 million

2. Dividend

(Reference Date)	Dividend per Share				
	End of First Quarter	Interim	End of Third Quarter	Year-End	Annual
Fiscal 2006	¥0.00	¥0.00	¥0.00	¥2,000.00	¥2,000.00
Fiscal 2007	¥0.00	¥0.00	–	–	¥1,000.00
Fiscal 2007 (forecast)	–	–	¥0.00	¥1,000.00	

3. Consolidated Forecasts for Fiscal 2007 (January 1, 2007 – December 31, 2007)

(Percentage figures shown indicate year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change	
Full Year	¥26,708 million	60.8%	¥9,753 million	50.3%	¥7,984 million	53.4%	¥4,567 million	50.7%	¥16,381.39

4. Other

(1) Changes in significant subsidiaries during period (changes in specified subsidiaries accompanying changes in scope of consolidation): No

Newly consolidated subsidiaries: 0

Excluded consolidated subsidiaries: 0

(2) Changes in accounting policies and procedures, method of presentation, etc. concerning preparation of interim consolidated financial statements (matters to be indicated under Changes in Significant Matters Forming Basis for Preparation of Interim Consolidated Financial Statements)

(i) Changes accompanying amendments to accounting standards, etc.: No

(ii) Changes other than (i): No

(3) Number of shares outstanding (common stock)

(i) Number of shares outstanding at end of period (including treasury stock)

First half of fiscal 2007: 278,798 shares

First half of fiscal 2006: 131,258 shares

Fiscal 2006: 133,833 shares

(ii) Number of shares of treasury stock at end of period

First half of fiscal 2007: 6 shares

First half of fiscal 2006: 3 shares

Fiscal 2006: 3 shares

*Explanation on the appropriate use of forecasts and other matters of special note

(Disclaimer regarding forward-looking statements, etc.)

The forecasts above are based on information available as of the date of publication of this material. Actual performance may differ from the forecast figures due to a variety of factors in the future. Refer to “Fiscal 2007 Outlook” on page 4 for matters related to the above forecasts.

(Other matters of special note)

RISA Partners implemented a two-for-one stock split for common stock on April 1, 2007. Accordingly, the respective per-share figures for the first half of fiscal 2006 and fiscal 2006 are the figures before the stock split.

5. Business Performance

(1) Analysis of Business Performance

1) Overall Business Performance

During the first half of fiscal 2007 (January 1, 2007 – June 30, 2007), while production was slightly weak in some areas, the Japanese economy exhibited a tone of economic recovery due to improvement in corporate earnings among other factors.

The financial market, in which the Group operates, saw active disposal of non-performing loans by financial institutions towards the March fiscal year end due to such factors as the financial standing of financial institutions being on the road to recovery in correlation with the economic expansion and the extensive corporate restructuring moves in the regional financial markets. In addition, in the real estate market also, there was an ongoing steady flow of investment funds in Japan and abroad and an increase in office demand in particularly the major metropolitan areas in correlation with the economic expansion. Due to these factors, the market showed signs of real estate prices rising in the major metropolitan areas, including Tokyo, as well as core regional cities. Although overheating was seen in some areas, solid performance was maintained overall.

Under this business environment, RISA Partners managed to steadily grow its business performance by commencing investment projects and expeditiously acquiring and disposing of real estate, loans receivable, etc. In addition, the organization of Frontier Management Inc. was strengthened in January as part of efforts to reinforce the advisory business segment, along with proactively launching marketing activities as a Group. In the financial aspect, in view of increasing future expansion in investment opportunities, ¥12 billion worth of zero coupon Japanese yen convertible notes with stock acquisition rights were issued in April as long-term stable funds. By taking these and other steps, the RISA Partners Group steadily made strategic moves towards business growth.

As a result, RISA Partners achieved substantial growth in both sales and income, posting net sales of ¥11,171 million (up 36.1% year-on-year), ordinary income of ¥2,672 million (up 42.3% year-on-year) and net income of ¥1,805 million (up 59.5% year-on-year).

2) Performance by Business Segment

Principal Investment Business

RISA Partners' principal investment business conducts proprietary investment in real estate, loans receivable and corporate equities.

In the first half of fiscal 2007, concerning loan investments, RISA Partners succeeded in purchasing loans far in excess of initial expectations as a result of actively pursuing investment opportunities utilizing a broad network with financial institutions. In addition, as a result of acquiring loans receivable for Kokuba-Gumi Co., Ltd., Okinawa Prefecture's largest construction company, in March 2006 and vigorously advancing efforts towards early revival of Kokuba-Gumi, RISA Partners succeeded in steadily progressing revival plans at a faster speed than initially planned and also succeeded in recording collection profits in advance for some loans receivable. Hereafter, close tie-ups with Kokuba-Gumi and various joint projects are in stall, and early completion of final loan collection is also anticipated.

On the other hand, concerning real estate investment, various projects are well underway, including the joint retail development with Hatagoya & Co., in which RISA Partners makes equity investment, and the development of a retail facility in Okinawa. Notably, the retail facility development project in Okinawa, R3 Ukishima, has received extensive media coverage in local Okinawa as well as nationwide. By accurately gauging market trends and ensuring that these lead to acquisition and sales transactions, RISA Partners successfully captured steady revenue.

As a result, sales and income increased remarkably, with net sales of ¥7,921 million (up 37.1% year-on-year) and operating income of ¥2,140 million (up 72.0% year-on-year).

Fund Business

RISA Partners' fund business conducts joint real estate investments with Grove International Partners (hereafter, Grove), and is involved in corporate restructuring funds in partnership with regional financial institutions across Japan and a corporate value enhancement fund called Solution Fund that comprehensively utilizes the solutions functions of the Group.

In the joint real estate investment business, RISA Partners succeeded in steadily building up the investment balance, bringing the cumulative investment total to about ¥191.2 billion (on a commitment basis at the end of June 2007). On the other hand, extremely favorable investment property exits brought the investment balance (at the end of June 2007) to ¥155.1 billion.

In the corporate restructuring fund business, RISA Partners continued to steadily expand relationships with regional financial institutions.

As for the RISA Corporate Solution Fund, the total commitment value increased to ¥21.85 billion in March 2007, enabling the fund to be structured as a segment that plays a vital role in the fund business.

During the first half of fiscal 2007, RISA Partners made good progress in generating revenue through fund investment into real estate and loans receivable and also achieved growth in asset management fees due to an increase in investment balances. As a result, RISA Partners managed to secure sales and income increases, with net sales of ¥1,114 million (up 28.9% year-on-year) and operating income of ¥632 million (up 14.5% year-on-year).

Investment Banking Business

RISA Partners' investment banking business provides M&A and corporate restructuring consulting and other financial advisory services and servicing, as well as due diligence services. This business also provides financial solutions services by leveraging the expertise gained in providing real estate and financial investment and advisory services.

In the first half of fiscal 2007, the strong performance in each of the services in the investment banking business and revenue contributions from the start of operations in earnest at Frontier Management Inc. was among factors that positively impacted performance. On the other hand, a substantial amount of revenue was recorded due to large project exits during the first half of fiscal 2006. Consequently, net sales of ¥2,596 million (up 50.1% year-on-year) and operating income of ¥1,177 million (down 5.8% year-on-year) were registered.

3) Fiscal 2007 Outlook

RISA Partners expects ongoing solid expansion in the Japanese economy for the time being in the latter half of the fiscal year. Steady business growth of the RISA Partners Group is also anticipated, in consideration of the robust principal investment business as well as the sale of large properties being scheduled in the fund business, along with the start of operations in earnest in the investment banking business centering on the advisory business.

However, due in part to changes in the environment surrounding the financial and real estate markets, in which the RISA Partners Group operates, and other uncertainties, RISA Partners has decided to leave the existing forecasts that were disclosed on February 9, 2007 unchanged as the forecasts for fiscal 2007.

(2) Analysis of Financial Position

Consolidated Cash Flows in the First Half of Fiscal 2007

Consolidated cash and cash equivalents (hereafter, net cash) during the first half of fiscal 2007 rose ¥7,536 million compared to the end of fiscal 2006 to ¥15,899 million at the end of the first half of fiscal 2007. This increase was a

result of recording ¥2,867 million in net income before income taxes and minority interests and procuring funds by such means as borrowing from financial institutions and issuing convertible notes with stock acquisition rights, despite expenditures arising from the acquisition of property and equipment, expenditures from contributing equity into funds and other expenditures.

Cash flows and their main components during the first half of fiscal 2007 were as follows.

Cash Flows from Operating Activities

Net cash provided by operating activities stood at ¥5,305 million (negative cash flow of ¥32,584 million in the first half of FY2006).

Despite income taxes and other payments, this was due to ¥2,867 million in net income before income taxes and minority interests and collections of purchased loans receivable, collections through selling of for-sale real estate and other collections.

Cash Flows from Investing Activities

Net cash used in investing activities stood at ¥9,665 million (up 46.9% year-on-year).

This was mainly due to payments for acquisition of property and equipment as investment real estate, payments for contributing equity into funds and other payments.

Cash Flows from Financing Activities

Net cash provided by financing activities stood at ¥11,549 million (down 75.2% year-on-year).

This was mainly due to procuring funds by such means as borrowing from financial institutions and issuing convertible notes with stock acquisition rights, as funds for real estate investments, loan investments and contributing equity into funds.

The Group's cash flow indicator trends are as follows.

	Fiscal 2005		Fiscal 2006		Fiscal 2007
	Interim	Year-End	Interim	Year-End	Interim
Equity ratio	27.7%	25.4%	21.7%	23.9%	24.0%
Equity ratio based on market price	160.8%	201.8%	74.8%	82.8%	98.8%
Ratio of interest-bearing debt to cash flow	—	—	—	—	9.5
Interest coverage ratio	—	—	—	—	8.9

Notes: 1) All indicators are based on consolidated financial figures and are calculated as follows.

Equity ratio = Shareholders' equity ÷ Total assets

Equity ratio based on market price = Capitalization at market price ÷ Total assets

Ratio of interest-bearing debt to cash flow = Interest-bearing debt ÷ Operating cash flow

Interest coverage ratio = Operating cash flow ÷ Interest payments

2) Operating cash flow is used for cash flow. Interest-bearing debt covers all interest-bearing debt out of the liabilities recorded on the consolidated balance sheets.

3) The ratio of interest-bearing debt to cash flow and interest coverage ratio are not indicated because operating cash flow was negative in Fiscal 2005 and Fiscal 2006.

(3) Basic Policy on Income Distribution and Dividends for Fiscal 2007

RISA Partners positions the maximization of shareholder returns as one critical business task. From this perspective, RISA Partners adopts the basic dividend policy of enhancing retained earnings for the purpose of reinforcing the business constitution and future business development and, on this basis, paying out dividends flexibly in accordance with business performance. In fiscal 2006, RISA Partners paid out 2,000 yen in dividend per share in comprehensive view of the historical business performance, along with the fiscal 2006 business

performance forecasts and financial position, among other factors. In addition, in light of actual results of fiscal 2006 and other factors, RISA Partners expects at this stage to pay out 1,000 yen in dividend per share in fiscal 2007. Considering that RISA Partners implemented a two-for-one stock split for common stock, this means that the same level of dividends as fiscal 2006 is envisaged.

Pursuant to the abovementioned policy, RISA Partners will continue hereafter to strive to maximize shareholder returns while taking into account the business performance of the respective fiscal years. However, depending on the business performance trends, there is the possibility that no dividends will be paid out.

6. Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheets

(Millions of yen)

Items	End of First Half of Fiscal 2006 (at June 30, 2006)		End of First Half of Fiscal 2007 (at June 30, 2007)		YOY Change	Fiscal 2006 Summarized Consolidated Balance Sheets (at December 31, 2006)	
	Amount	Share of Total (%)	Amount	Share of Total (%)	Increase (Decrease)	Amount	Share of Total (%)
ASSETS							
Current Assets							
Cash and bank deposits	13,521		15,950			8,411	
Notes and accounts receivable, trade	812		922			1,095	
Inventories	13,611		13,522			15,466	
Purchased loans receivable	35,131		32,940			35,075	
Deferred tax assets	121		180			173	
Other current assets	898		2,215			2,353	
Allowance for doubtful accounts	(36)		(21)			(36)	
Total Current Assets	64,060	80.5	65,710	69.3	1,649	62,539	77.1
Fixed Assets							
Property and Equipment							
Buildings and structures	1,145		4,461			2,297	
Land	3,549		6,284			3,906	
Other	393		653			437	
Total Property and Equipment	5,088	6.4	11,399	12.0	6,311	6,642	8.2
Intangible Fixed Assets							
Software	22		144			27	
Consolidation adjustment accounts	287		—			—	
Goodwill	—		334			249	
Other	0		37			98	
Total Intangible Fixed Assets	310	0.4	516	0.6	206	375	0.5
Investments and Other Assets							
Investments in securities	8,187		14,547			9,259	
Long-term loans receivable	—		1,553			1,337	
Deferred tax assets	196		254			267	
Other assets	1,735		848			708	
Total Investments and Other Assets	10,120	12.7	17,202	18.1	7,082	11,573	14.2
Total Fixed Assets	15,518	19.5	29,118	30.7	13,600	18,590	22.9
Total Assets	79,579	100.0	94,829	100.0	15,249	81,130	100.0

(Millions of yen)

Items	End of First Half of Fiscal 2006 (at June 30, 2006)		End of First Half of Fiscal 2007 (at June 30, 2007)		YOY Change	Fiscal 2006 Summarized Consolidated Balance Sheets (at December 31, 2006)	
	Amount	Share of Total (%)	Amount	Share of Total (%)	Increase (Decrease)	Amount	Share of Total (%)
LIABILITIES							
Current Liabilities							
Notes and accounts payable, trade	2		62			10	
Short-term debt	26,549		21,543			28,586	
Income taxes payable	1,067		1,229			2,089	
Accrued bonuses	98		193			—	
Other current liabilities	2,924		3,085			2,376	
Total Current Liabilities	30,642	38.5	26,114	27.5	(4,527)	33,062	40.7
Long-term Liabilities							
Corporate bond	5,965		15,533			5,530	
Long-term debt	25,272		27,902			22,626	
Reserve for employees' retirement benefits	4		4			—	
Deferred tax liabilities	—		—			—	
Other	421		613			543	
Total Long-term Liabilities	31,663	39.8	44,054	46.5	12,390	28,699	35.4
Total Liabilities	62,305	78.3	70,168	74.0	7,863	61,762	76.1
NET ASSETS							
Shareholders' Equity							
Capital stock	6,749	8.5	7,812	8.2		6,852	
Capital surplus	6,886	8.7	7,949	8.4		6,990	
Retained earnings	3,522	4.4	6,958	7.3		5,421	
Treasury stock	(1)	(0.0)	(1)	(0.0)		(1)	
Total Shareholders' Equity	17,157	21.6	22,719	23.9	5,562	19,263	23.7
Valuation and Translation Adjustments							
Net unrealized gain on other securities	79		68			64	
Total Valuation and Translation Adjustments	79	0.1	68	0.1	(10)	64	0.1
Minority Interests	37	0.0	1,871	2.0	1,834	40	0.1
Total Net Assets	17,273	21.7	24,660	26.0	7,386	19,367	23.9
Total Liabilities and Net Assets	79,579	100.0	94,829	100.0	15,249	81,130	100.0

(2) Interim Consolidated Statements of Income

(Millions of yen)

Items	First Half of Fiscal 2006 (January 1, 2006 – June 30, 2006)		First Half of Fiscal 2007 (January 1, 2007 – June 30, 2007)		YOY Change	Fiscal 2006 Summarized Consolidated Statements of Income (January 1, 2006 – December 31, 2006)		
	Amount	Share of Total (%)	Amount	Share of Total (%)	Increase (Decrease)	Amount	Share of Total (%)	
Net Sales	8,210	100.0	11,171	100.0	2,961	16,607		
Cost of Sales	4,333	52.8	5,330	47.7	997	7,606		
Gross Profit	3,876	47.2	5,840	52.3	1,963	9,001		
Selling, General and Administrative Expenses	1,313	16.0	2,553	22.9	1,206	2,511		
Operating Income	2,563	31.2	3,286	29.4	757	6,490	39.1	
Other Income								
Interest income	11		6			4		
Dividend income	2		1			2		
Equity in earnings of affiliated companies	144		110			136		
Rental income	8		–			16		
Other	6	172	73	191	1.7	22	182	
Other Expenses								
Interest expense	409		592			916		
Loan commissions	389		59			436		
Rental expense	9		–			18		
New share issue expenses	43		–			–		
Share issue expenses	–		–			43		
Other	6	857	154	806	7.2	(16)	52	
Ordinary Income		1,878	22.9	2,672	23.9	793	5,203	31.3
Extraordinary Gains								
Gain on sale of investments in securities	–		230			–		
Gain on sale of fixed assets	–	–	10	240	2.2	240	0	
Extraordinary Losses								
Loss on disposal of fixed assets	–	–	26	26	0.2	26	5	
Net income before distribution of profit/loss from silent partnerships, income taxes and minority interests		1,878	22.9	2,886	25.9	1,008	5,198	31.3
Distribution of profit/loss from silent partnerships	–	–	–	18	0.2	18	20	
Net income before income taxes and minority interests		1,878	22.9	2,867	25.7	989	5,177	31.2
Income taxes	1,007		1,334			2,541		
Income taxes – deferred	(265)	742	9.1	2	1,336	12.0	594	(377)
Minority interests in income (loss)		4	0.0	(274)	(2.5)	278	(17)	
Net Income		1,131	13.8	1,805	16.2	673	3,030	18.2

(3) Interim Consolidated Statements of Changes in Shareholders' Equity

First Half of Fiscal 2006 (January 1, 2006 – June 30, 2006)

(Millions of yen)

	Shareholders' Equity					Valuation and Translation Adjustments	Minority Interests	Total Net Assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain on other securities		
Balance at December 31, 2005	2,471	2,608	2,556	(0)	7,636	97	31	7,765
Changes during the fiscal first half								
New share issuance	4,277	4,277	–	–	8,555	–	–	8,555
Dividends	–	–	(165)	–	(165)	–	–	(165)
Net income	–	–	1,131	–	1,131	–	–	1,131
Share buybacks	–	–	–	(1)	(1)	–	–	(1)
Changes during the fiscal first half in items not included in shareholders' equity, net	–	–	–	–	–	(18)	5	(13)
Total changes during the fiscal first half	4,277	4,277	965	(1)	9,519	(18)	5	9,507
Balance at June 30, 2006	6,749	6,886	3,522	(1)	17,157	79	37	17,273

First Half of Fiscal 2007 (January 1, 2007 – June 30, 2007)

(Millions of yen)

	Shareholders' Equity					Valuation and Translation Adjustments	Minority Interests	Total Net Assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain on other securities		
Balance at December 31, 2006	6,852	6,990	5,421	(1)	19,263	64	40	19,367
Changes during the fiscal first half								
New share issuance	959	959	–	–	1,919	–	–	1,919
Dividends	–	–	(267)	–	(267)	–	–	(267)
Net income	–	–	1,805	–	1,805	–	–	1,805
Decrease in retained earnings from new consolidation	–	–	(0)	–	(0)	–	–	(0)
Changes during the fiscal first half in items not included in shareholders' equity, net	–	–	–	–	–	4	1,831	1,835
Total changes during the fiscal first half	959	959	1,537	–	3,456	4	1,831	5,292
Balance at June 30, 2007	7,812	7,949	6,958	(1)	22,719	68	1,871	24,660

Fiscal 2006 Consolidated Statements of Changes in Shareholders' Equity (January 1, 2006 – December 31, 2006)

(Millions of yen)

	Shareholders' Equity					Valuation and Translation Adjustments	Minority Interests	Total Net Assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain on other securities		
Balance at December 31, 2005	2,471	2,608	2,556	(0)	7,636	97	31	7,765
Changes during the fiscal year								
New share issuance	4,381	4,381	–	–	8,762	–	–	8,762
Dividends	–	–	(165)	–	(165)	–	–	(165)
Net income	–	–	3,030	–	3,030	–	–	3,030
Share buybacks	–	–	–	(1)	(1)	–	–	(1)
Changes during the fiscal year in items not included in shareholders' equity, net	–	–	–	–	–	(33)	9	(24)
Total changes during the fiscal year	4,381	4,381	2,864	(1)	11,626	(33)	9	11,602
Balance at December 31, 2006	6,852	6,990	5,421	(1)	19,263	64	40	19,367

(4) Interim Consolidated Statements of Cash Flows

(Millions of yen)

	First Half of Fiscal 2006 (January 1, 2006 – June 30, 2006)	First Half of Fiscal 2007 (January 1, 2007 – June 30, 2007)	YOY Change	Fiscal 2006 Summarized Consolidated Statements of Cash Flows (January 1, 2006 – December 31, 2006)
Items	Amount	Amount	Increase (Decrease)	Amount
Cash Flows from Operating Activities				
Net income before income taxes and minority interests	1,878	2,867		5,177
Depreciation and amortization	41	107		101
Amortization of long-term prepayment expenses	8	14		21
Loss on disposal of fixed assets	–	26		5
Amortization of consolidation adjustment accounts	38	–		–
Amortization of goodwill	–	72		76
Equity in earnings of affiliated companies	(144)	(110)		(136)
Silent partnership contribution received (paid)	–	(194)		(1,200)
Gain on sale of investments in securities	–	(230)		–
Increase (Decrease) in allowance for doubtful accounts	23	(14)		22
Increase in accrued bonuses	98	193		–
Increase (Decrease) in reserve for employees' retirement benefits	(4)	(1)		(9)
Interest income and dividend income	(13)	(7)		(7)
Interest expense	409	592		916
Share issue expenses	–	–		43
(Increase) Decrease in notes and accounts receivable	75	244		(207)
(Increase) Decrease in inventories	(6,520)	1,851		(8,374)
(Increase) Decrease in purchased loans receivable	(27,542)	2,135		(27,486)
Increase (Decrease) in notes and accounts payable	(4)	(8)		3
Other	274	535		366
Sub total	(31,382)	8,074	39,456	(30,685)
Interest and dividend received	4	4		5
Interest paid	(419)	(606)		(910)
Income tax paid	(787)	(2,167)		(1,268)
Net Cash Provided by (Used in) Operating Activities	(32,584)	5,305	37,890	(32,859)
Cash Flows from Investing Activities				
Payments for purchase of property and equipment	(3,219)	(4,260)		(4,775)
Payments for purchase of investments in securities	(549)	(1,489)		(669)
Proceeds from sale of investments in securities	–	240		–
Payments for purchase of affiliated company's shares	(15)	(13)		(165)
Payments for investments in companies	(30)	(0)		(40)
Payments for investments in silent partnerships	(4,099)	(4,905)		(5,332)
Proceeds from dividend of silent partnerships	1,535	1,141		2,339
Proceeds from receipt of silent partnership investments	300	–		–
Payments for loans	(1,854)	(1,755)		(3,690)
Proceeds from loan collections	1,391	1,725		1,411
Other	(36)	(347)		406
Net Cash Used in Investing Activities	(6,577)	(9,665)	(3,087)	(10,516)

(Millions of yen)

	First Half of Fiscal 2006 (January 1, 2006 – June 30, 2006)	First Half of Fiscal 2007 (January 1, 2007 – June 30, 2007)	YOY Change	Fiscal 2006 Summarized Consolidated Statements of Cash Flows (January 1, 2006 – December 31, 2006)
Items	Amount	Amount	Increase (Decrease)	Amount
Cash Flows from Financing Activities				
Increase in short-term debt	16,216	(8,905)		15,858
Proceeds from long-term debt	23,772	11,900		26,172
Repayment of long-term debt	(1,152)	(5,231)		(3,803)
Proceeds from bond issuance	–	12,323		–
Payments for bonds redeemable	(315)	(345)		(660)
Proceeds from issuance of capital stock	8,275	4		8,279
Payments for share buybacks	(1)	–		(1)
Cash dividends paid	(162)	(265)		(163)
Proceeds from minority interests	2	2,223		27
Other	–	(154)		–
Net Cash Provided by Financing Activities	46,634	11,549	(35,085)	45,708
Increase in Cash and Cash Equivalents	7,472	7,189	(282)	2,333
Cash and Cash Equivalents at Beginning of Period	6,028	8,362	2,333	6,028
Increase in Cash and Cash Equivalents from New Consolidation	–	347	347	–
Cash and Cash Equivalents at End of Period	13,501	15,899	2,397	8,362