

**Consolidated Financial Results for
First Three Quarters of Fiscal Year Ending December 31, 2007 (Fiscal 2007)
(Translation of Japanese Flash Report, Released on November 12, 2007)**

Company Name: RISA Partners, Inc.

Stock Listing: Tokyo Stock Exchange (1st section)

Code Number: 8924

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

1. Consolidated Performance for First Three Quarters of Fiscal 2007 (January 1, 2007 – September 30, 2007)

(1) Consolidated Business Performance

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

	Net Sales		Operating Income		Ordinary Income	
First Three Quarters of Fiscal 2007	¥16,540 million	55.3%	¥5,810 million	74.3%	¥4,877 million	97.5%
First Three Quarters of Fiscal 2006	¥10,647 million	117.8%	¥3,334 million	92.8%	¥2,470 million	61.5%
Fiscal 2006	¥16,607 million	–	¥6,490 million	–	¥5,203 million	–

	Net Income		Net Income per Share	Fully Diluted Net Income per Share
First Three Quarters of Fiscal 2007	¥3,123 million	115.3%	¥11,376.77	¥10,262.26
First Three Quarters of Fiscal 2006	¥1,450 million	71.6%	¥11,975.20	¥9,981.46
Fiscal 2006	¥3,030 million	–	¥24,407.44	¥20,697.61

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
First Three Quarters of Fiscal 2007	¥111,219 million	¥27,632 million	21.7%	¥86,407.09
First Three Quarters of Fiscal 2006	¥78,768 million	¥17,620 million	22.3%	¥132,412.15
Fiscal 2006	¥81,130 million	¥19,367 million	23.9%	¥144,417.79

(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 Three Quarters of Fiscal 2007	(¥963 million)	(¥17,003 million)	¥26,647 million	¥17,390 million
First Three Quarters of Fiscal 2006	(¥32,819 million)	(¥7,553 million)	¥45,288 million	¥10,944 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	–	–	–	¥2,000.00	¥2,000.00
Fiscal 2007 (actual)	–	–	–	–	¥1,000.00
Fiscal 2007 (forecast)	–	–	–	¥1,000.00	

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

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

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Full Year	62.6%	¥11,400 million	75.7%	¥10,000 million	92.2%	¥6,000 million	98.0%	
Full Year	¥27,000 million	62.6%	¥11,400 million	75.7%	¥10,000 million	92.2%	¥6,000 million	98.0%	¥21,511.16

4. Other

- (1) Changes in significant subsidiaries during period (changes in specified subsidiaries accompanying changes in scope of consolidation): No
 - (2) Adoption of simplified accounting methods: No
 - (3) Changes in accounting methods since most recent consolidated accounting year: No
- (Note) Refer to “[Qualitative Information, Financial Statements, etc.] 4. Other” on page 5 for details.

***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 “[Qualitative Information, Financial Statements, etc.] 3. Qualitative Information Concerning Consolidated Performance Forecasts” on page 5 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 three quarters of fiscal 2006 and fiscal 2006 are the figures before the stock split.

[Qualitative Information, Financial Statements, etc.]

1. Qualitative Information Concerning Consolidated Business Performance

(1) Overall Business Performance

During the first three quarters of fiscal 2007 (January 1, 2007 – September 30, 2007), while corporate earnings remained at high levels, an ongoing rise was seen also in capital investment. In addition, personal spending continued to be strong. As these among other factors suggest, the Japanese economy is registering a moderate economic recovery.

The financial market, in which the Group operates, saw active disposal of non-performing loans 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 corporate restructuring moves in regional financial markets. In addition, in the real estate market, there was an increase in office demand owing to favorable corporate earnings. Backed by this increasing office demand, the market showed signs of real estate prices rising in the Tokyo and other major metropolitan areas, as well as brisk real estate transactions.

Under this business environment, RISA Partners managed to steadily grow all its business segments – the principal investment, fund and investment banking businesses. Notably, in August 2007, a strategic business alliance was entered into with The Nishi-Nippon City Bank, Ltd. and its consolidated subsidiary The Bank of Nagasaki, Ltd. in recognition of the RISA Partners Group's extensive track record as an investment bank. Furthermore, RISA Partners contributed capital for the preferred shares of The Bank of Nagasaki in September 2007. In the financial aspect, the commitment line and other loan facilities from financial institutions were increased considerably, establishing a structure that facilitates more flexible capital procurement for positive investment opportunities by the RISA Partners Group.

As a result, substantial growth in both sales and income were achieved, posting net sales of ¥16,540 million (up 55.3% year-on-year), operating income of ¥5,810 million (up 74.3% year-on-year), ordinary income of ¥4,877 million (up 97.5% year-on-year) and net income of ¥3,123 million (up 115.3% 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.

Concerning loans receivable investments, as a result of advancing efforts to support the revival of Kokuba-Gumi Co., Ltd., Okinawa Prefecture's largest construction company whose loans receivable were acquired in March 2006, RISA Partners succeeded in steadily earning revenue, including recording collection profits in advance for some loans receivable due to revival plans progressing at a faster speed than initially planned. In addition, concerning the purchase of loans receivable, the asset size is also expanding steadily as a result of managing to purchase loans far in excess of initial expectations during the period through to September (the final month of the interim fiscal period for financial institutions).

On the other hand, concerning real estate investment also, RISA Partners successfully steadily captured revenue by selling properties in line with the ever-changing market environment and managed to acquire properties based on accurately gauging risks and returns.

As a result, sales and income increased remarkably, with net sales of ¥11,545 million (up 58.0% year-on-year) and operating income of ¥3,465 million (up 109.0% year-on-year).

Fund Business

RISA Partners' fund business conducts large 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 ¥215.8 billion (on a commitment basis at the end of September 2007). On the other hand, investment property exits are also making extremely smooth progress.

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

As for the RISA Corporate Solution Fund, which increased to ¥21.85 billion in total commitment value in March 2007, investments are steadily increasing as a core initiative of the fund business. Moreover, RISA Partners forced “the Kyushu Corporate Solution Fund” specializing in the Kyushu region with The Nishi-Nippon City Bank through the RISA Corporate Solution Fund with a total commitment value of ¥3.0 billion and thereby managed to further expand investment opportunities.

During the first three quarters 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 balance. As a result, RISA Partners managed to secure sales and income increases, with net sales of ¥2,437 million (up 62.6% year-on-year) and operating income of ¥1,753 million (up 75.5% year-on-year).

Investment Banking Business

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

In the first three quarters of fiscal 2007, each of the services in the investment banking business maintained strong performance. In particular, Frontier Management Inc. steadily acquired advisory projects and this contributed to revenue. Consequently, sales and income growth were registered, with net sales of ¥3,335 million (up 61.0% year-on-year) and operating income of ¥1,574 million (up 14.9% year-on-year).

2. Qualitative Information Concerning Consolidated Financial Position

(1) Assets, Liabilities and Net Assets

Total assets at the end of the current consolidated accounting period for the first three quarters of fiscal 2007 increased by ¥30,089 million compared to the end of the previous consolidated accounting year to ¥111,219 million. This increase was chiefly due to investments in securities rising ¥12,244 million due to greater capital contribution in joint real estate investment funds and equity investments as well as property and equipment increasing ¥4,916 million as a result of proprietary investment in real estate based on the premise that the real estate will be held for a long term and cash and bank deposits increasing ¥9,036 million.

Liabilities at the end of the current consolidated accounting period for the first three quarters of fiscal 2007 increased by ¥21,825 million compared to the end of the previous consolidated accounting year to ¥83,587 million. This was chiefly due to corporate bond increasing ¥9,259 million as a result of issuing convertible notes with stock acquisition rights and long-term debt increasing ¥11,474 million.

(2) Consolidated Cash Flows

Cash and cash equivalents (hereafter, net cash) during the current consolidated accounting period for the first three quarters of fiscal 2007 increased ¥9,027 million compared to the end of the previous consolidated accounting year to ¥17,390 million at the end of the current consolidated accounting period for the first three

quarters of fiscal 2007. This increase was a result of recording ¥5,063 million in net income before income taxes and minority interests as well as procuring capital by issuing convertible notes with stock acquisition rights and borrowing long-term debt, among other factors, despite expenditures arising from payments for purchase of investments in securities and property and equipment, expenditures from contributing capital into funds and other expenditures.

Cash flow conditions and their main components during the current consolidated accounting period for the first three quarters of fiscal 2007 were as follows.

Cash Flows from Operating Activities

Net cash used in operating activities stood at ¥963 million (down 97.1% year-on-year).

Despite recording ¥5,063 million in net income before income taxes and minority interests, this was due to such expenditures as ¥2,841 million resulting from an increase in purchased loans receivable and ¥3,387 million in income tax paid.

Cash Flows from Investing Activities

Net cash used in investing activities stood at ¥17,003 million (up 125.1% year-on-year).

This was mainly due to ¥7,873 million in payments for purchase of investments in securities and ¥5,540 million in payments for investments in silent partnerships, as well as ¥4,477 million in payments for purchase of property and equipment.

Cash Flows from Financing Activities

Net cash provided by financing activities stood at ¥26,647 million (down 41.2% year-on-year).

Despite posting decrease in short-term debt of ¥5,411 million, this was mainly due to ¥16,912 million in net increase in long-term debt and ¥12,323 million in proceeds from issuance of convertible notes with stock acquisition rights.

3. Qualitative Information Concerning Consolidated Performance Forecasts

The positive business environment is forecast to continue into the next quarter and steady business growth is expected in each of the RISA Partners Group's business segments of the principal investment, fund and investment banking businesses.

Furthermore, investment returns and incentive fees out of the sale of specific large properties surpassed initial forecasts in the fund business and fee income was generated from being retained as financial advisor on a large transaction. Due in part to such achievements, operating income, ordinary income and net income are each anticipated to materially exceed the performance forecasts disclosed earlier on February 9, 2007. Consequently, the performance forecasts were revised on November 1, 2007.

4. Other

- (1) Changes in significant subsidiaries during period (changes in specified subsidiaries accompanying changes in scope of consolidation)
Not applicable.
- (2) Adoption of simplified accounting methods
Not applicable.
- (3) Changes in accounting methods since most recent consolidated accounting year
Not applicable.

5. (Summarized) Quarterly Consolidated Financial Statements

(1) (Summarized) Quarterly Consolidated Balance Sheets

(Millions of yen)

Items	End of	End of	Increase (Decrease)		(Reference)
	First Three Quarters of Fiscal 2006	First Three Quarters of Fiscal 2007	Amount	Ratio (%)	End of Fiscal 2006
	Amount	Amount			Amount
ASSETS					
Current Assets					
Cash and bank deposits	10,963	17,447	6,483		8,411
Notes and accounts receivable, trade	628	1,083	455		1,095
Inventories	13,705	15,215	1,510		15,466
Purchased loans receivable	36,097	37,916	1,819		35,075
Deferred tax assets	168	248	79		173
Other current assets	598	2,835	2,236		2,353
Allowance for doubtful accounts	(37)	(28)	8		(36)
Total Current Assets	62,125	74,719	12,594	20.3	62,539
Fixed Assets					
Property and Equipment					
Buildings and structures	1,325	4,686	3,360		2,297
Land	3,577	6,402	2,825		3,906
Other	393	470	76		437
Total Property and Equipment	5,295	11,558	6,263	118.3	6,642
Intangible Fixed Assets					
Software	21	163	142		27
Consolidation adjustment accounts	268	–	(268)		–
Goodwill	–	307	307		249
Other	17	40	23		98
Total Intangible Fixed Assets	306	510	203	66.5	375
Investments and Other Assets					
Investments in securities	8,967	21,503	12,536		9,259
Long-term loans receivable	–	1,712	1,712		1,337
Deferred tax assets	196	269	73		267
Other assets	1,878	944	(933)		708
Total Investments and Other Assets	11,041	24,429	13,388	121.3	11,573
Total Fixed Assets	16,643	36,499	19,855	119.3	18,590
Total Assets	78,768	111,219	32,450	41.2	81,130

(Millions of yen)

Items	End of	End of	Increase (Decrease)		(Reference)
	First Three Quarters of Fiscal 2006	First Three Quarters of Fiscal 2007	Amount	Ratio (%)	End of Fiscal 2006
	Amount	Amount			Amount
LIABILITIES					
Current Liabilities					
Notes and accounts payable, trade	7	58	51		10
Short-term debt	26,200	29,082	2,882		28,586
Income taxes payable	844	1,190	346		2,089
Accrued bonuses	151	316	165		–
Other current liabilities	3,232	3,402	169		2,376
Total Current Liabilities	30,436	34,050	3,614	11.9	33,062
Long-term Liabilities					
Corporate bond	5,690	14,789	9,513		5,530
Long-term debt	24,586	34,100	9,099		22,626
Reserve for employees' retirement benefits	4	3	(0)		–
Other long-term liabilities	431	642	211		543
Total Long-term Liabilities	30,712	49,536	18,823	61.3	28,699
Total Liabilities	61,148	83,587	22,438	36.7	61,762
NET ASSETS					
Shareholders' Equity					
Capital stock	6,766	7,817	1,051		6,852
Capital surplus	6,903	7,955	1,051		6,990
Retained earnings	3,841	8,276	4,435		5,421
Treasury stock	(1)	(1)	–		(1)
Total Shareholders' Equity	17,509	24,047	6,537	37.3	19,263
Valuation and Translation Adjustments					
Net unrealized gain on other securities	71	47	(23)		64
Total Valuation and Translation Adjustments	71	47	(23)	(33.1)	64
Minority Interests	38	3,536	3,497	9,037.1	40
Total Net Assets	17,620	27,632	10,012	56.8	19,367
Total Liabilities and Net Assets	78,768	111,219	32,450	41.2	81,130

(2) (Summarized) Quarterly Consolidated Statements of Income

(Millions of yen)

Items	First Three Quarters of Fiscal 2006	First Three Quarters of Fiscal 2007	Increase (Decrease)		(Reference) Fiscal 2006
	Amount	Amount	Amount	Ratio (%)	Amount
Net Sales	10,647	16,540	5,892	55.3	16,607
Cost of Sales	5,429	6,926	1,496	27.6	7,606
Gross Profit	5,217	9,613	4,395	84.2	9,001
Selling, General and Administrative Expenses	1,883	3,802	1,919	101.9	2,511
Operating Income	3,334	5,810	2,476	74.3	6,490
Other Income	259	221	(37)	(14.4)	182
Other Expenses	1,123	1,155	32	2.9	1,468
Ordinary Income	2,470	4,877	2,407	97.5	5,203
Extraordinary Gains	0	240	240	120,311.6	0
Extraordinary Losses	5	26	21	411.7	5
Net income before distribution of profit/loss from silent partnerships, income taxes and minority interests	2,465	5,092	2,626	106.6	5,198
Distribution of profit/loss from silent partnerships	10	28	18	178.5	20
Net income before income taxes and minority interests	2,454	5,063	2,608	106.3	5,177
Income taxes	1,305	2,356	1,050	80.5	2,541
Income taxes – deferred	(306)	(65)	240	78.6	(377)
Minority interests in income (loss)	5	(350)	(355)	–	(17)
Net Income	1,450	3,123	1,672	115.3	3,030

(3) (Summarized) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	First Three Quarters of Fiscal 2006	First Three Quarters of Fiscal 2007	(Reference) Fiscal 2006
Items	Amount	Amount	Amount
Cash Flows from Operating Activities			
Net income before income taxes and minority interests	2,454	5,063	5,177
Depreciation and amortization	65	186	101
Amortization of long-term prepayment expenses	10	14	21
Loss on disposal of fixed assets	–	26	5
Amortization of consolidation adjustment accounts	57	–	–
Amortization of goodwill	–	100	76
Equity in earnings of affiliated companies	(211)	(107)	(136)
Silent partnership contribution received (paid)	–	(416)	(1,200)
Gain on sale of investments in securities	–	(230)	–
Increase (Decrease) in allowance for doubtful accounts	24	(7)	22
Increase in accrued bonuses	151	316	–
Increase (Decrease) in reserve for employees' retirement benefits	(5)	(2)	(9)
Interest income and dividend income	(22)	(18)	(7)
Interest expense	659	888	916
Share issue expenses	–	–	43
(Increase) Decrease in notes and accounts receivable	259	83	(207)
(Increase) Decrease in inventories	(6,614)	157	(8,374)
(Increase) Decrease in purchased loans receivable	(28,508)	(2,841)	(27,486)
Increase (Decrease) in notes and accounts payable	0	(13)	3
Other	825	114	366
Sub total	(30,851)	3,315	(30,685)
Interest and dividend received	4	8	5
Interest paid	(663)	(899)	(910)
Income tax paid	(1,308)	(3,387)	(1,268)
Net Cash Used in Operating Activities	(32,819)	(963)	(32,859)
Cash Flows from Investing Activities			
Payments for purchase of property and equipment	(3,442)	(4,477)	(4,775)
Payments for purchase of investments in securities	(569)	(7,873)	(669)
Proceeds from sale of investments in securities	–	240	–
Payments for purchase of affiliated company's shares	(115)	(13)	(165)
Payments for investments in companies	(40)	0	(40)
Payments for investments in silent partnerships	(5,049)	(5,540)	(5,332)
Proceeds from dividend of silent partnerships	2,001	1,396	2,339
Proceeds from receipt of silent partnership investments	300	–	–
Payments for loans	(2,033)	(2,263)	(3,690)
Proceeds from loan collections	1,411	2,024	1,411
Other	(17)	(496)	406
Net Cash Used in Investing Activities	(7,553)	(17,003)	(10,516)

(Millions of yen)

	First Three Quarters of Fiscal 2006	First Three Quarters of Fiscal 2007	(Reference) Fiscal 2006
Items	Amount	Amount	Amount
Cash Flows from Financing Activities			
Increase in short-term debt	15,295	(5,411)	15,858
Proceeds from long-term debt	24,772	24,995	26,172
Repayment of long-term debt	(2,266)	(8,083)	(3,803)
Proceeds from bond issuance	–	12,323	–
Payments for bonds redeemable	(660)	(724)	(660)
Proceeds from issuance of capital stock	8,309	5	8,279
Payments for share buybacks	(1)	–	(1)
Cash dividends paid	(163)	(265)	(163)
Proceeds from minority interests	2	3,965	27
Other	–	(155)	–
Net Cash Provided by Financing Activities	45,288	26,647	45,708
Increase in Cash and Cash Equivalents	4,915	8,680	2,333
Cash and Cash Equivalents at Beginning of Period	6,028	8,362	6,028
Increase in Cash and Cash Equivalents from New Consolidation	–	347	–
Cash and Cash Equivalents at End of Period	10,944	17,390	8,362

(4) Segment Information

Segment Information by Business Segment

First Three Quarters of Fiscal 2006

(Millions of yen)

	Principal Investment Business	Fund Business	Investment Banking Business	Total	Elimination/Corporate	Consolidated
Net Sales	7,305	1,499	2,072	10,877	(230)	10,647
Operating Expenses	5,647	500	701	6,849	463	7,313
Operating Income	1,658	999	1,370	4,028	(694)	3,334

First Three Quarters of Fiscal 2007

(Millions of yen)

	Principal Investment Business	Fund Business	Investment Banking Business	Total	Elimination/Corporate	Consolidated
Net Sales	11,545	2,437	3,335	17,319	(778)	16,540
Operating Expenses	8,080	684	1,760	10,525	203	10,729
Operating Income	3,465	1,753	1,574	6,793	(982)	5,810

(Reference) Fiscal 2006

(Millions of yen)

	Principal Investment Business	Fund Business	Investment Banking Business	Total	Elimination/Corporate	Consolidated
Net Sales	11,055	3,356	2,700	17,112	(504)	16,607
Operating Expenses	7,969	773	974	9,717	400	10,117
Operating Income	3,085	2,583	1,725	7,395	(905)	6,490

Segment Information by Business Location

During the first three quarters of fiscal 2006 (January 1, 2006 – September 30, 2006) and first three quarters of fiscal 2007 (January 1, 2007 – September 30, 2007), there was no consolidated subsidiary in any country or territory outside Japan and there was no major overseas branch. Thus, this item is inapplicable.