

**Consolidated Financial Results for
First Quarter of Fiscal Year Ending December 31, 2008 (Fiscal 2008)
(Translation of Japanese Flash Report, Released on May 12, 2008)**

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 Stock Listing: Tokyo Stock Exchange (1st section)
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(Million yen amounts are rounded down to the nearest million yen)

1. Consolidated Performance for First Quarter of Fiscal 2008 (January 1, 2008 – March 31, 2008)

(1) Consolidated Business Performance

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

	Net Sales		Operating Income		Ordinary Income	
First Quarter of Fiscal 2008	¥4,396 million	23.0%	¥2,660 million	164.8%	¥2,174 million	175.9%
First Quarter of Fiscal 2007	¥3,574 million	60.3%	¥1,004 million	21.9%	¥788 million	7.7%
Fiscal 2007	¥27,441 million	65.2%	¥11,928 million	83.8%	¥10,595 million	103.6%

	Net Income		Net Income per Share	Fully Diluted Net Income per Share
First Quarter of Fiscal 2008	¥1,773 million	232.8%	¥6,230.83	¥5,996.93
First Quarter of Fiscal 2007	¥532 million	23.6%	¥3,950.22	¥3,405.83
Fiscal 2007	¥6,659 million	119.7%	¥24,141.19	¥21,773.90

(Note) RISA Partners implemented a two-for-one stock split for common stock on April 1, 2007. The per-share information for the 1st quarter of the fiscal year ended December 2007 was calculated and presented based on the pre-split number of shares.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
First Quarter of Fiscal 2008	¥132,335 million	¥40,182 million	22.2%	¥100,501.51
First Quarter of Fiscal 2007	¥98,603 million	¥22,356 million	21.0%	¥150,917.76
Fiscal 2007	¥119,000	¥37,394	23.2%	¥98,431.04

(Note) RISA Partners implemented a two-for-one stock split for common stock on April 1, 2007. The per-share information for the 1st quarter of the fiscal year ended December 2007 was calculated and presented based on the pre-split number of shares.

(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 Quarter of Fiscal 2008	(¥9,144 million)	(¥3,751 million)	¥13,012 million	¥17,950 million
First Quarter of Fiscal 2007	(¥17,162 million)	(¥2,596 million)	¥18,195 million	¥6,970 million
Fiscal 2007	¥3,225 million	(¥24,501 million)	¥30,397 million	¥17,833 million

2. Dividend

(Reference Date)	Dividend per Share				
	End of First Quarter	Interim	End of Third Quarter	Year-End	Annual
Fiscal 2007	-	-	-	¥1,800.00	¥1,800.00
Fiscal 2008 (actual)	-	-	-	-	¥1,500.00
Fiscal 2008 (forecast)	-	-	-	¥1,500.00	

3. Consolidated Forecasts for Fiscal 2008 (January 1, 2008 – December 31, 2008)

[Reference]

(Percentage figures shown indicate quarter-to-quarter changes for the whole year, and year-on-year changes for interim period)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Amount	%	Amount	%	Amount	%	Amount	%	
Interim Period	¥12,820 million	14.8%	¥5,050 million	53.6%	¥3,860 million	44.5%	¥2,890 million	60.1%	¥10,282.98
Full Year	¥39,570 million	44.2%	¥16,200 million	35.8%	¥13,780 million	30.1%	¥8,780 million	31.8%	¥31,240.33

4. Other

- (1) Changes in significant subsidiaries during period (changes in specified subsidiaries accompanying changes in scope of consolidation): None
- (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

(Note: 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.

[Qualitative Information, Financial Statements, etc.]

1. Qualitative Information Concerning Consolidated Operating Results

(1) Overall Business Performance

During the 1st quarter of fiscal 2008 (January 1 to March 31, 2008) it became apparent that Japan's economy had slowed due to the opaqueness of the financial circumstances in the aftermath of the subprime mortgage problem that originated in the U.S., bringing a slowdown in corporate activities; in addition, pressures on corporate earnings and reluctance of capital investment, in light of the rising prices of crude oil and various materials as well as the appreciation of yen with the sharp depreciation in the U.S. Dollar, further complicated the business environment. Furthermore, the trend of individual consumption can be said unpredictable under the negative wealth effect arising from the rise in consumer prices and sharp decline in stock prices, even though some view that employee income continues to increase mildly.

The financial market, in which our Group operates, continued to see the active disposal of non-performing loans by both regional financial institutions and megabanks. Meanwhile, the real estate market saw a sharp decrease in real estate transactions, stemming from the credit crunch ensuing from large macroeconomic changes in the business environment.

Despite these challenging business conditions, RISA Partners managed to achieve steady performance in each of its business segments—the principal investment, fund, and investment banking businesses. In the financial aspect, RISA Partners enlarged the financing from financial institutions by expanding the commitment lines to enable greater flexibility in view of our Group's abundant investment opportunities. In the current quarter our Group also traded with six more new banks (regional banks and trust banks) compared with the previous quarter and has continued to have favorable financial relationships with them.

As a result, substantial growth was achieved in both sales and profit: sales amounted to 4,396 million yen (up 23.0% year-on-year), operating profit to 2,660 million yen (up 164.8% year-on-year), ordinary income rose to 2,174 million yen (up 175.9% year-on-year), and net income of 1,773 million yen (up 232.8% year-on-year).

(2) Performance by Business Segment

Principal Investment Business

RISA Partners' principal investment business conducts proprietary investments in real estate, loan assets and corporate equities.

In the area of loan asset investment, RISA Partners further invested in both restructured loans and bulk loans from various institutions such as magabanks and government-affiliated / regional financial institutions, and the loan collection continued steadily, due in particular to the success of the revival plans.

In addition, real estate investments were also performing well, led by revenues from the invested properties as initially planned. As a result, segmental sales amounted to 1,861 million yen (down 35.4% year-on-year) and segmental operating profit to 932 million yen (up 5.0% year-on-year).

Fund Business

RISA Partners' fund business conducts large joint real estate investments with Grove International Partners, Corporate Restructuring Funds in alliance with regional financial institutions nationwide, and a corporate value enhancement fund, called the Solution Fund, which comprehensively utilizes our Group's solutions functions. RISA Partners aimed to secure revenues, mainly in the form of asset management fees on the joint real estate investment as initially planned. With respect to

corporate restructuring funds, the relationship with regional financial institutions was expanding favorably with the startup of “The 77 Business Restructuring Fund” in our partnership with The 77 Bank, Ltd. in March and the launch of the “Gifu Medium to Small Sized Companies Support Fund” in Gifu Prefecture, in alliance with the Organization for Small & Medium Enterprises and Regional Innovation, Japan. The core of our fund business, the “RISA Corporate Solution Fund”, which increased its commitment amount to 21,850 million yen in March 2007, continued expanding its investments favorably; accordingly we were able to invest nearly the entire commitment amount in the first quarter. As investment needs have been accumulating on track, RISA Partners launched to found No. 2 Fund.

As a result, growth was achieved in both sales and profit: segmental sales amounted to 549 million yen (up 31.2% year-on-year) and segmental operating profit to 327 million yen (up 51.0% year-on-year).

Investment Banking Business

RISA Partners’ investment banking business provides financial advisory services including M&A and corporate restructuring consulting services, loan servicing (management and collection of loans) and due diligence services, and a solutions business, utilizing its extensive investment and advisory service know-how for real estate and financing in a thoroughly integrated manner.

In the first quarter under review, Frontier Management, our consolidated subsidiary, grew favorably as a corporate restructuring advisory; through this subsidiary, RISA Partners could win large-sized advisory service contracts—involving a financial restructuring project and sales of real estate overseas—boosting sales to 2,238 million yen (up 349.1% year-on-year) and operating profit to 1,905 million yen (up 896.4% year-on-year).

2. Qualitative Information concerning Consolidated Financial Position

(1) Assets, Liabilities and Net Assets

Consolidated total assets at the end of the first quarter increased by 13,335 million yen, compared to the end of the previous fiscal year, to 132,335 million yen. This increase was mainly due to the 7,760 million yen increase in the loans purchased directly or via the corporate restructuring funds and the 1,166 million yen increase in investment securities, including the investment in the joint real estate investment fund and the expanded equity investments.

Consolidated total liabilities at the end of the first quarter increased by 10,547 million yen, compared with the end of the previous fiscal year, to 92,153 million yen, due mainly to a 12,180 million yen increase in long and short-term loans payable to fund the loan and real estate acquisitions.

(2) Consolidated Cash Flows

Consolidated cash and cash equivalents (hereinafter “funds”) during the first quarter increased by 116 million yen over the end of the previous fiscal year to 17,950 million yen at the end of the first quarter due to the quarterly pre-tax income of 3,080 million yen and funds raised by long and short-term borrowing, despite the expenditures for the purposes of purchasing loans, acquiring investment securities and investing in funds.

Consolidated cash flows and their main components during the first quarter are summarized as follows:

Cash Flows from Operating Activities

Net cash used in operating activities stood at 9,144 million yen (down 46.7% year-on-year).

Despite the quarterly pre-tax income amounting to 3,080 million yen, this decrease was caused by the increase in the purchased loans by 7,760 million yen and the corporation tax and other payments amounting to 3,404 million yen.

Cash Flows from Investing Activities

Net cash used in investing activities stood at 3,751 million yen (up 44.5% year-on-year).

This was mainly due to the expenditure of 1,619 million yen in acquisition of investment securities and expenditure of 4,856 million yen through loans.

Cash Flows from Financing Activities

Net cash provided from the financing activities stood at 13,012 million yen (down 28.5% year-on-year)

This was mainly due to the increases of 1,558 million yen in the short-term loans payable and 10,622 million yen in the long-term loans payable.

3. Qualitative Information Concerning Consolidated Performance Forecasts

No amendment has been made to the forecast announced on February 8, 2008.

4. Other

(1) Changes in significant subsidiaries during period (changes in specified subsidiaries accompanying changes in scope of consolidation):

None applicable.

(2) Adoption of simplified accounting methods:

None applicable.

(3) Changes in accounting methods since most recent consolidated fiscal year:

None applicable.

5. (Summarized) Quarterly Consolidated Financial Statements

(1) (Summarized) Quarterly Consolidated Balance Sheets

(Millions of yen)

Items	End of First Quarter of Fiscal 2007	End of First Quarter of Fiscal 2008	Increase (Decrease)		(Reference) End of Fiscal 2007
	Amount	Amount	Amount	Ratio (%)	Amount
ASSETS					
Current Assets					
Cash and bank deposits	7,020	18,002	10,981		17,877
Notes and accounts receivable, trade	1,035	1,553	517		1,799
Inventories	15,995	15,615	(380)		15,394
Purchased loans receivable	50,013	43,480	(6,533)		35,719
Deferred tax assets	48	489	441		436
Other current assets	2,136	7,166	5,029		2,457
Allowance for doubtful accounts	(35)	(601)	(565)		(590)
Total Current Assets	76,215	85,705	9,490	12.5	73,094
Fixed Assets					
Property and Equipment					
Buildings and structures	2,278	3,096	817		3,123
Land	3,903	5,260	1,353		5,827
Construction in progress	-	47	47		47
Other	448	474	26		470
Total Property and Equipment	6,633	8,878	2,244	33.8	9,469
Intangible Fixed Assets					
Software	143	146	2		154
Goodwill	230	251	21		279
Other	63	44	(18)		45
Total Intangible Fixed Assets	437	442	4	1.1	479
Investments and Other Assets					
Investments in securities	12,842	33,289	20,446		32,122
Long-term loans receivable	1,337	2,643	1,306		2,317
Deferred tax assets	279	617	337		807
Other assets	857	1,004	146		955
Allowance for doubtful accounts	-	(245)	(245)		(245)
Total Investments and Other Assets	15,317	37,309	21,991	143.6	35,957
Total Fixed Assets	22,388	46,629	24,241	108.3	45,905
Total Assets	98,603	132,335	33,732	34.2	119,000

(Millions of yen)

Items	End of First Quarter of Fiscal 2007	End of First Quarter of Fiscal 2008	Increase (Decrease)		(Reference) End of Fiscal 2007
	Amount	Amount	Amount	Ratio (%)	Amount
LIABILITIES					
Current Liabilities					
Notes and accounts payable, trade	8	92	84		87
Short-term debt	37,136	34,372	(2,764)		30,003
Income taxes payable	345	1,435	1,090		3,557
Accrued bonuses	72	167	94		85
Other current liabilities	3,010	3,752	741		3,276
Total Current Liabilities	40,574	39,821	(752)	(1.9)	37,010
Long-term Liabilities					
Corporate bond	4,310	14,734	10,423		14,789
Long-term debt	30,818	36,968	6,149		29,157
Reserve for employees' retirement benefits	-	3	3		3
Other long-term liabilities	543	625	82		645
Total Long-term Liabilities	35,672	52,332	16,659	46.7	44,595
Total Liabilities	76,246	92,153	15,906	20.9	81,605
NET ASSETS					
Shareholders' Equity					
Capital stock	7,396	8,459	1,062		7,829
Capital surplus	7,534	8,596	1,062		7,967
Retained earnings	5,686	13,077	7,391		11,811
Treasury stock	(1)	(821)	(820)		(1)
Total Shareholders' Equity	20,615	29,311	8,695	42.2	27,607
Valuation and Translation Adjustments					
Net unrealized gain on other securities	46	39	(6)		56
Total Valuation and Translation	46	39	(6)	(14.9)	56
Stock Warrants	-	-	-	-	7
Minority Interests	1,694	10,831	9,136	539.2	9,723
Total Net Assets	22,356	40,182	17,825	79.7	37,394
Total Liabilities and Net Assets	98,603	132,335	33,732	34.2	119,000

(2) (Summarized) Quarterly Consolidated Statements of Income

(Millions of yen)

Items	First Quarter of Fiscal 2007	First Quarter of Fiscal 2008	Increase (Decrease)		(Reference) Fiscal 2007
	Amount	Amount	Amount	Ratio (%)	Amount
Net Sales	3,574	4,396	822	23.0	27,441
Cost of Sales	1,860	511	(1,349)	(72.5)	9,584
Gross Profit	1,714	3,855	2,171	126.7	17,857
Selling, General and Administrative Expenses	709	1,225	515	72.7	5,928
Operating Income	1,004	2,660	1,655	164.8	11,928
Other Income	97	28	(69)	(71.2)	192
Other Expenses	314	514	199	63.7	1,525
Ordinary Income	788	2,174	1,386	175.9	10,595
Extraordinary Gains	-	916	916	-	385
Extraordinary Losses	-	-	-	-	99
Net income before distribution of profit/loss from silent partnerships, income taxes and minority interests	788	3,090	2,302	292.1	10,881
Distribution of profit/loss from silent partnerships	10	10	0	0.0	37
Net income before income taxes and minority interests	777	3,080	2,302	296.0	10,844
Income taxes	261	1,326	1,064	406.9	5,439
Income taxes – deferred	124	142	17	14.1	(798)
Minority interests in income (loss)	(141)	(162)	(20)	14.6	(456)
Net Income	532	1,773	1,240	232.8	6,659

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

(Millions of yen)

	End of First Quarter of Fiscal 2007	End of First Quarter of Fiscal 2008	(Reference) Fiscal 2007
Items	Amount	Amount	Amount
Cash Flows from Operating Activities			
Net income before income taxes and minority interests	777	3,080	10,844
Depreciation and amortization	43	57	258
Amortization of long-term prepayment expenses	7	-	76
Gain on sale of tangible fixed assets	-	(6)	(144)
Loss on disposal of intangible assets	-	-	26
Amortization of goodwill	19	27	128
Equity in earnings of affiliated companies	(76)	87	(72)
Silent partnership contribution received (paid)	(10)	(45)	(3,327)
Valuation loss on investment securities	-	-	73
Loss on sale of shares in affiliates	-	(901)	(240)
Increase (Decrease) in allowance for doubtful accounts	(0)	10	799
Increase in accrued bonuses	72	82	85
Increase (Decrease) in reserve for employees' retirement benefits	-	-	(2)
Interest income and dividend income	(4)	(15)	(19)
Interest expense	263	332	1,234
(Increase) Decrease in notes and accounts receivable	59	246	(632)
(Increase) Decrease in inventories	(529)	(221)	(593)
(Increase) Decrease in purchased loans receivable	(14,938)	(7,760)	(644)
Increase (Decrease) in notes and accounts payable	(1)	5	16
Other	(557)	(370)	585
Sub total	(14,876)	(5,390)	8,448
Interest and dividend received	4	14	16
Interest paid	(284)	(362)	(1,229)
Income tax paid	(2,005)	(3,404)	(4,009)
Net Cash Used in Operating Activities	(17,162)	(9,144)	3,225
Cash Flows from Investing Activities			
Investments in time deposits	-	(8)	-
Payments for purchase of property and equipment	(88)	(245)	(5,718)
Payments for acquisition of intangible fixed assets	-	(0)	-
Proceeds from sale of tangible fixed assets	-	738	2,117
Proceeds from sale of investments in securities	(139)	(1,619)	(16,577)
Payments for purchase of affiliated company's shares	(8)	(0)	(15)
Proceeds from sale of shares in affiliates	-	1,257	240
Expenditure on sale of shares in subsidiaries entailing a change in the scope of consolidation	-	-	(187)
Payments for investments in silent partnerships	(4,289)	(106)	(8,552)
Proceeds from dividend of silent partnerships	766	142	5,316

Payments for loans	(150)	(4,856)	(3,656)
Proceeds from loan collections	1,565	1,003	3,019
Other	(253)	(58)	(486)
Net Cash Used in Investing Activities	(2596)	(3,751)	(24,501)

(Millions of yen)

	End of First Quarter of Fiscal 2007	End of First Quarter of Fiscal 2008	(Reference) Fiscal 2007
Items	Amount	Amount	Amount
Cash Flows from Financing Activities			
Increase in short-term debt	7,334	1,558	(3,524)
Proceeds from long-term debt	11,900	16,017	29,779
Repayment of long-term debt	(2,491)	(5,395)	(17,307)
Proceeds from bond issuance	270	-	12,323
Payments for bonds redeemable	(345)	(364)	(724)
Proceeds from issuance of capital stock	-	1,258	28
Payments for share buybacks	-	(820)	-
Cash dividends paid	(245)	(509)	(266)
Proceeds from minority interests	1,775	1,270	10,244
Other	(2)	(2)	(155)
Net Cash Provided by Financing Activities	18,195	13,012	30,397
Increase in Cash and Cash Equivalents	(1,563)	116	9,121
Cash and Cash Equivalents at Beginning of Period	8,362	17,833	8,362
Increase in Cash and Cash Equivalents from New Consolidation	172	-	349
Cash and Cash Equivalents at End of Period	6,970	17,950	17,833

(4) Segment Information

Segment Information by Business Segment

First Quarter of Fiscal 2007

(Millions of yen)

	Principal Investment Business	Fund Business	Investment Banking Business	Total	Elimination/Corporate	Consolidated
Net Sales	2,882	418	498	3,799	(225)	3,574
Operating Expenses	1,994	201	307	2,503	66	2,569
Operating Income	887	217	191	1,296	(291)	1,004

First Quarter of Fiscal 2008

(Millions of yen)

	Principal Investment Business	Fund Business	Investment Banking Business	Total	Elimination/Corporate	Consolidated
Net Sales	1,861	549	2,238	4,648	(252)	4,396
Operating Expenses	929	221	332	1,483	253	1,736
Operating Income	932	327	1,905	3,165	(505)	2,660

(Reference) Fiscal 2007

(Millions of yen)

	Principal Investment Business	Fund Business	Investment Banking Business	Total	Elimination/Corporate	Consolidated
Net Sales	16,054	8,064	4,331	28,449	(1,007)	27,441
Operating Expenses	11,205	1,363	2,458	15,027	486	15,513
Operating Income	4,848	6,700	1,873	13,422	(1,493)	11,928

Segment Information by Business Location

During the first quarter of fiscal 2007 (January 1, 2007 – March 31, 2007) and first quarter of fiscal 2008 (January 1, 2008 – March 31, 2008), there was no consolidated subsidiary in any country or territory outside Japan and there was no major overseas branch. Thus, this item is inapplicable.