



**Notice of Extraordinary Losses Incurred and the Revision of
the Forecast of Full Year's Results**

TOKYO, February 9, 2009 – RISA Partners, Inc. (“RISA Partners”) announced that the Company recorded the extraordinary losses and also revised the consolidated and non-consolidated forecast for the fiscal year ended December 2008 as follows.

1. Extraordinary losses incurred and their details

RISA Partners has recorded the following extraordinary losses in the financial results for the fiscal year ended December 2008.

	Millions of yen	
	Non-consolidated	Consolidated
Valuation loss on investment securities	7,584	7,584
Provision for possible loan loss (extraordinary loss)	446	446

The details of the above extraordinary losses are as shown below.

(1) Valuation loss on investment securities

Since last year, the real estate market of Japan has been affected by the very severe stance adopted by financial institutions on real estate mortgage loans, part of the chain reaction to the worldwide financial crisis, and the supply of funds to the buyers of real estate has been excessively restricted. As a consequence, the entire real estate market has been very weak. In the second half of the fiscal year ended December 2008, RISA Partners made every effort to sell large properties in which the Company had co-invested with outside investors. However, the sale of the properties has yet to be completed, a reflection of the sluggishness of the real estate trade market as described above.

In this situation, the timing of any true recovery in the domestic real estate market remains unclear. Therefore, RISA Partners revised the book values of all equity investments in real estate holding companies (a part of the equity of real estate holding companies) in which the Company had invested as part of its real estate co-investment business. As a result, RISA Partners decided to record a valuation loss on investment securities as a valuation loss on the above equity investments.

The area of business for which the above valuation loss on investment securities is recorded is “II. Fund Business- 3. Real estate,” within the area of RISA Partners’ business (part circled by the dotted line in the following chart).



		Segments		
		I. Principal Investment Business	II. Fund Business	III. Investment Banking Business
D o m a i n s	1. Corporate	Corporate investment	Solution funds	Corporate advisory
	2. Loan asset	Loan asset investment	Regional corporate revitalization funds	Loan asset advisory
	3. Real estate	Real estate investment	Real estate co-investment	Real estate advisory

(2) Provision for possible loan loss (extraordinary loss)

Because of the recording of the above valuation loss on investment securities, RISA Partners recorded a provision for possible loan loss (extraordinary loss) with respect to loans extended to real estate holding companies in the real estate co-investment business.

2. Revised full year consolidated forecasts (January 1, 2008 - December 31, 2008)

(1) Consolidated full-year forecast

	Millions of yen				
	Net sales	Operating income	Ordinary profit	Net income	Net income per share
Previous forecast	28,200	8,520	5,980	4,010	13,779.85 yen
Revised forecast	24,780	7,990	5,110	(2,210)	(7,624.71 yen)
Increase (decrease) in yen	(3,420)	(530)	(870)	(6,220)	-
Increase (decrease) in percent	(12.1%)	(6.2%)	(14.5%)	(155.1%)	-
For reference:					
Results for full year ended December 31, 2007	27,441	11,928	10,595	6,659	24,141.19 yen
Increase (decrease) in percent	(9.7%)	(33.0%)	(51.8%)	(133.2%)	-

(2) Non-consolidated full-year forecast

	Millions of yen				
	Net sales	Operating income	Ordinary profit	Net income	Net income per share
Previous forecast	23,840	7,250	5,010	3,590	12,336.58 yen
Revised forecast	20,890	7,150	4,900	(2,550)	(8,772.65 yen)
Increase (decrease) in yen	(2,950)	(100)	(110)	(6,140)	-
Increase (decrease) in percent	(12.4%)	(1.4%)	(2.2%)	(171.0%)	-
For reference:					
Results for full year ended December 31, 2007	23,667	11,282	9,990	6,002	21,761.64 yen
Increase (decrease) in percent	(11.7%)	(36.6%)	(51.0%)	(142.5%)	-

Important note: The above forecasts are based on the information available to management as of the date issued. Various factors mean that actual results may be materially different from these projections.



3. Major reasons for the revision of the forecast full-year financial results

(1) Decline in net sales

Because of the sluggishness of the real estate market and a drop in selling prices caused by the turmoil of the financial market, we reduced the sales of inventory (small and midsize properties for sale) which were planned for the term ended December 2008, and focused on securing rent income through the sustained holding of properties. As a result, sales of small and midsize real estate for sale declined from the previous forecast. RISA Partners has therefore revised the sales shown in the forecast consolidated full-year financial results, from 28,200 million yen to 24,780 million yen, and non-consolidated, from 23,840 million yen to 20,890 million yen.

(2) Decline in operating income and ordinary income

Profits declined because of a decrease in profits on sale caused by the above reduction in the sales of small and midsize properties for sale and an addition to provision for possible loan loss for purchased loan receivables. RISA Partners will therefore revise the operating income shown in the forecast consolidated full-year financial results, from 8,520 million yen to 7,990 million yen, and non-consolidated, from 7,250 million yen to 7,150 million yen, the ordinary income shown in the forecast consolidated full-year financial results, from 5,980 million yen to 5,110 million yen, and non-consolidated, from 5,010 million yen to 4,900 million yen.

(3) Decline in net income

With the recording of extraordinary losses, described in “1. Extraordinary losses incurred” above, RISA Partners will revise the net income shown in the forecast consolidated full-year financial results, from 4,010 million yen to a net loss of 2,210 million yen, and non-consolidated, from 3,590 million yen to a net loss of 2,550 million yen.

4. Dividend forecast

The forecast FY2008 full-year dividend payment of 1,500 yen per share is unchanged.

Important note: This document has been translated from the original Japanese as a guide for non-Japanese investors.

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