

RISA PARTNERS INC. (TSE code: 8924)
FY2010 Q2 Financial Results
The six-month period ended June 30, 2010

August 11, 2010



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2. FY2010 Q2 Highlights by Segment_____8

3. Forecasts for FY2010_____20

Financial Highlights (Consolidated) (Slide 1 of 2)

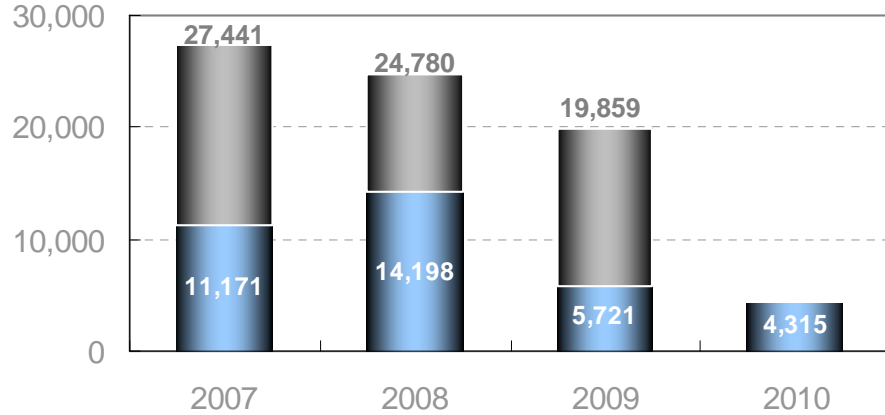
Millions of yen

	FY2008		FY2009		FY2010			
	Q2	Full year	Q2	Full year	Q2	Change	Full year forecast	Change
Net sales	14,198	24,780	5,721	19,859	4,315	(24.6%)	36,000	81.3%
Operating income	4,951	7,991	1,231	5,092	1,370	11.2%	6,700	31.6%
Ordinary income	3,864	5,123	491	3,202	351	(28.5%)	3,800	18.6%
Net income (loss)	2,943	(2,212)	216	(2,786)	312	44.4%	1,800	—
Net income per share in yen	10,162.46	(7,603.59)	739.57	(9,740.55)	1,042.65	—	5,742.18	—

Financial Highlights (Consolidated) (Slide 2 of 2)

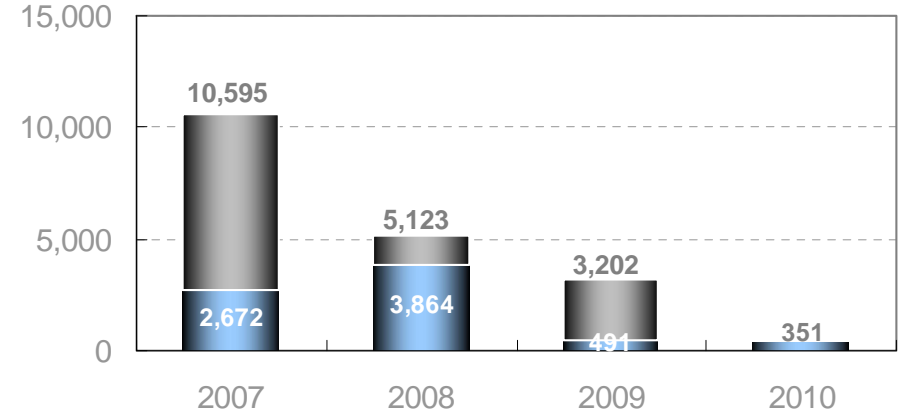
Net sales

Millions of yen



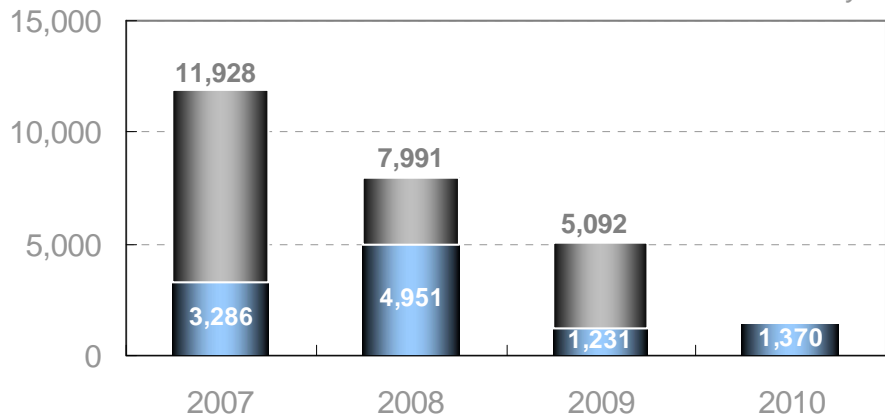
Ordinary income

Millions of yen



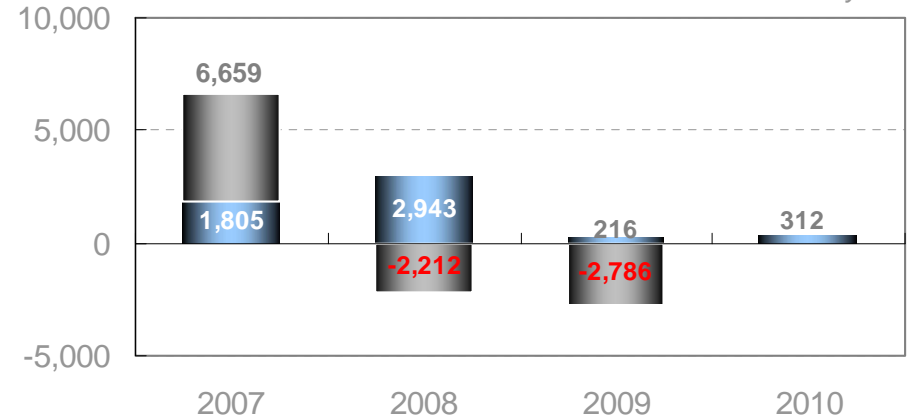
Operating income

Millions of yen



Net income (loss)

Millions of yen



Overview of Financial Results for FY2010 Q2 (January to June)

1

Earnings

Secured
stable
revenue

- Principal Investment Business: Hotel business revenues, returns on loan asset investments, and real estate rental income.
- Fund Business: Fund management fees, real estate management fees, etc.

2

Financial status

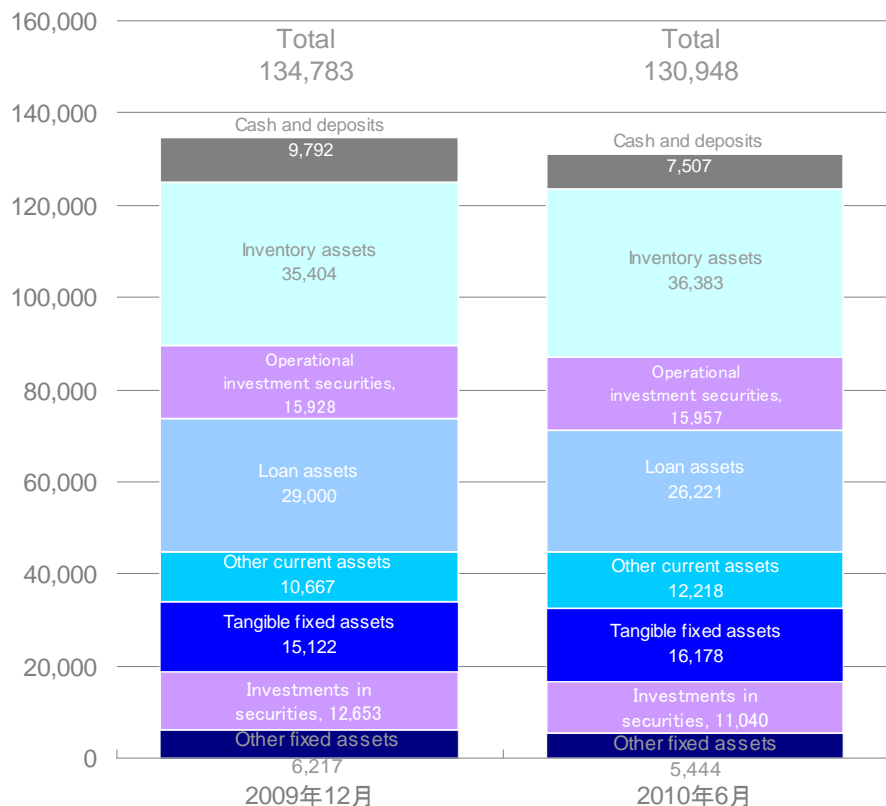
Stabilized
financial
base

- Issued [convertible bonds with attached warrants](#) with NEC Capital Solutions and Deutsche Bank as the allottees (issue amount: ¥9.0 bn)
- Continued on last year's procurement of long-term funding by securing a [syndicated loan](#)
- Continued procurement through bilateral transactions

Consolidated Financial Position: Assets, Liabilities and Capital

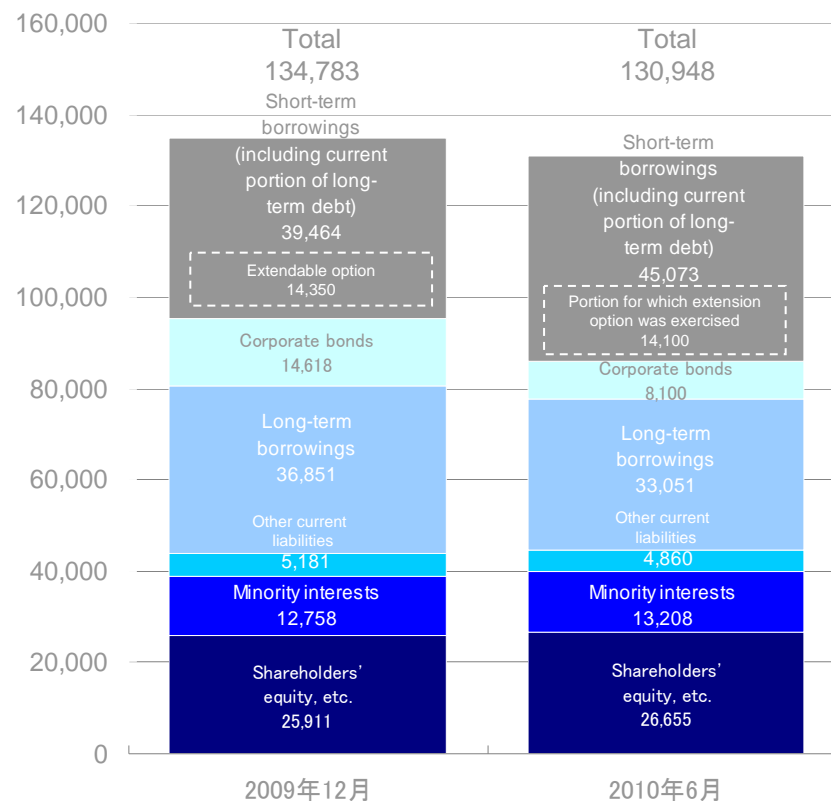
Assets

Millions of yen



Liabilities and Capital

Millions of yen



Shareholders equity ratio

19.2%

20.3%

Revised shareholders equity ratio*

21.2%

22.6%

*Revisions to the shareholders' equity ratio were calculated by deducting minority interests held by other investors from shareholders' equity and total assets.

Funding Procurement

Funding procurement activities

Convertible bond with attached warrant

- ✓ Implementation period: March 2010
- ✓ Amount procured: ¥9.0 bn
- ✓ Allottee: NEC Capital Solutions Limited ¥2.0 bn
Deutsche Bank ¥7.0 bn
- ✓ Coupon rate: 2.5% Period: 3 years
- ✓ Initial conversion price: ¥51,415 (1 downward revision possible in Jan. 2011)
- ✓ Put option: March 2011, March 2012
- ✓ Call option: Possible if share price reaches 140% of initial conversion price
- ✓ Intended use of funds: redemption of existing convertible bonds

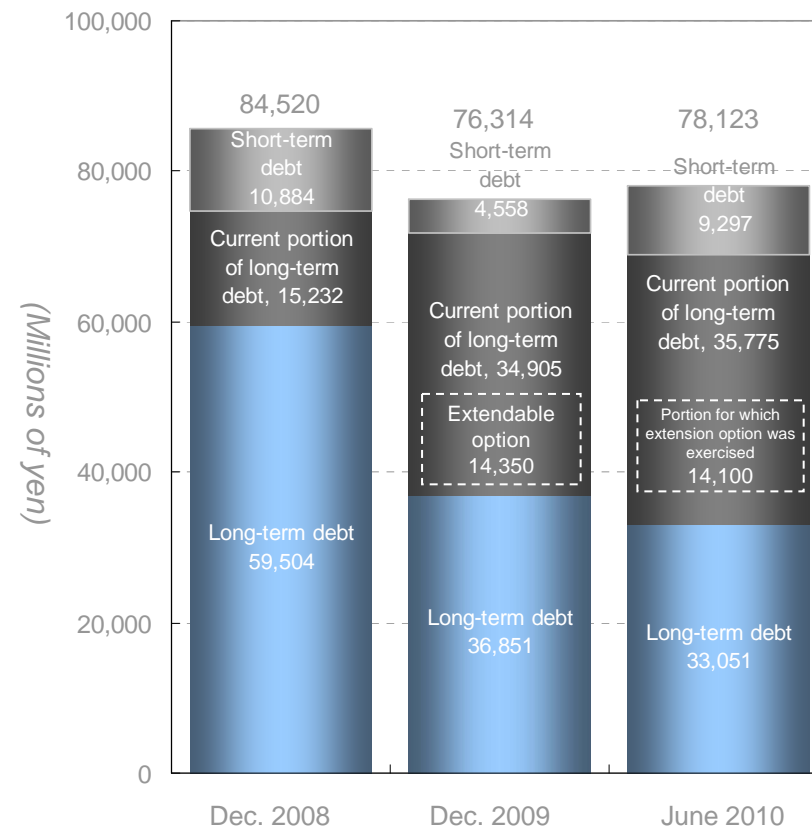
Syndicated loan

- ✓ Implementation period: March 2010 Amount procured: ¥6.6 bn
- ✓ No. of participating financial institutions: 10

Bilateral proceeds

- ✓ Continued procurement through bilateral transactions

Debt



- Average interest on debt was about 2% and we maintained our ability to procure assets as interest rate levels remained steady.

Financial Institution Relationship Network

- Allied financial institutions: 75 – a stable pipeline for asset procurement

Allied financial institutions



Alliances with financial institutions in corporate revitalization (in alphabetical order)

Aichi Bank	Iyo Bank	Okinawa Bank
Aoki Shinyo Kinko	Kagoshima Bank	Ryukyu Bank
Asikaga Bank	Kawaguchi Shinyo Kinko	Saga Kyoei Bank
Ashikaga Oyama Shinkin	Kawanoe Shinkin	Saitamaken Shinkin Bank
Biwako Bank	Keiyo Bank	Saitama Risona Bank
Boso Shinyo Kumiai	Kimitsu Shinyo Kumiai	Saitama Shinyo Kumiai
Chiba Bank	Kirayaka Bank	San-in Godo Bank
Chiba Kogyo Bank	Kitanippon Bank	Sawara Shinkin Bank
Chiba Shinkin Bank	Koza Shinkin	Seki Shinkin
Choshi Shinkin Bank	Kumagaya Shoko Shinyo Kumiai	Seino Shinkin Bank
Choshi Shoko Kumiai	Kyoto Bank	Shiga Bank
Daito Bank	Kyoto Chuo Shinkin	Shonai Bank
Ehime Bank	Mashita Credit Union	Takayama Shinkin
Ehime Shinkin	Mishima Shinkin	Tateyama Shinkin Bank
Fukushima Bank	Miyazaki Bank	The Daishi Bank
Gifu Bank	Mori no Miyako Shinkin	The Eighteenth Bank
Gifu Shinkin	Musashino Bank	The Hyakujushi Bank
Gifu Shoko Shinkin	Nagano Bank	The Juroku Bank
Hachiman Shinkin	Nagasaki Bank	The 77 Bank
Hanno Shinyo Kinko	Nishi-Nippon City Bank	Toho Bank
Hida Shinkin	North Pacific Bank	Tokyo Bay Shinkin Bank
Hiroshima Bank	Ogaki Kyoritsu Bank	Tono Shinkin
Hokkaido Bank	Ogaki Shinkin	Toyo Shinkin
Hokkoku Bank	Oita Bank	Uwajima Shinkin
Hokuriku Bank	Okinawa Kaiho Bank	Yamagata Bank



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Gross Profit by Segment and Domain*1

- Accumulated steady revenues from each business (hotel business revenues, real estate rental income, fund management fees, real estate asset management fees)

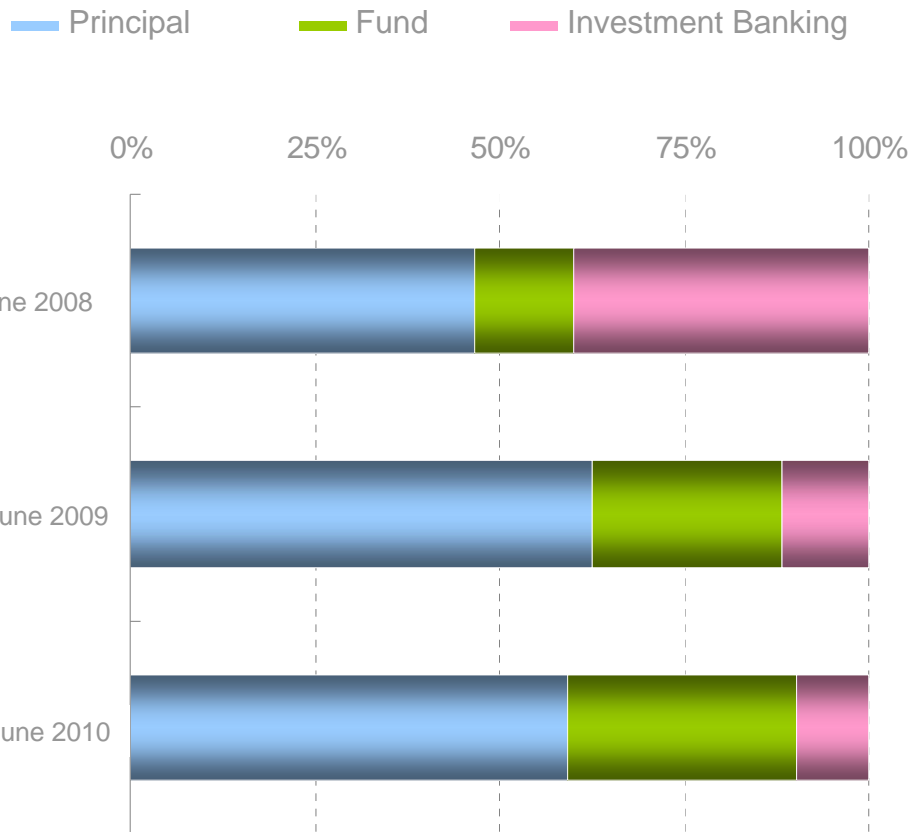


*1 Gross profit after subtracting internal transactions. This definition applied to all slides.

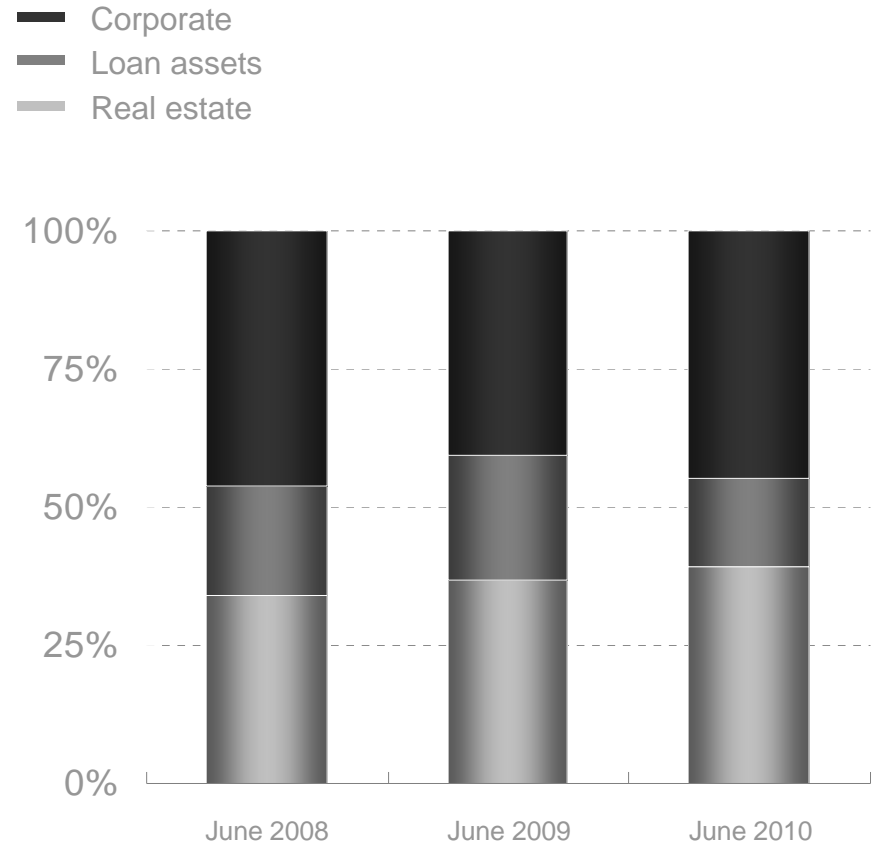
*2 Solution Fund management fees calculated using amount paid by external institutional investor fees as gross profit

Gross Profit Composition by Segment and Domain

Gross profit *composition by segment



Gross profit *composition by domain



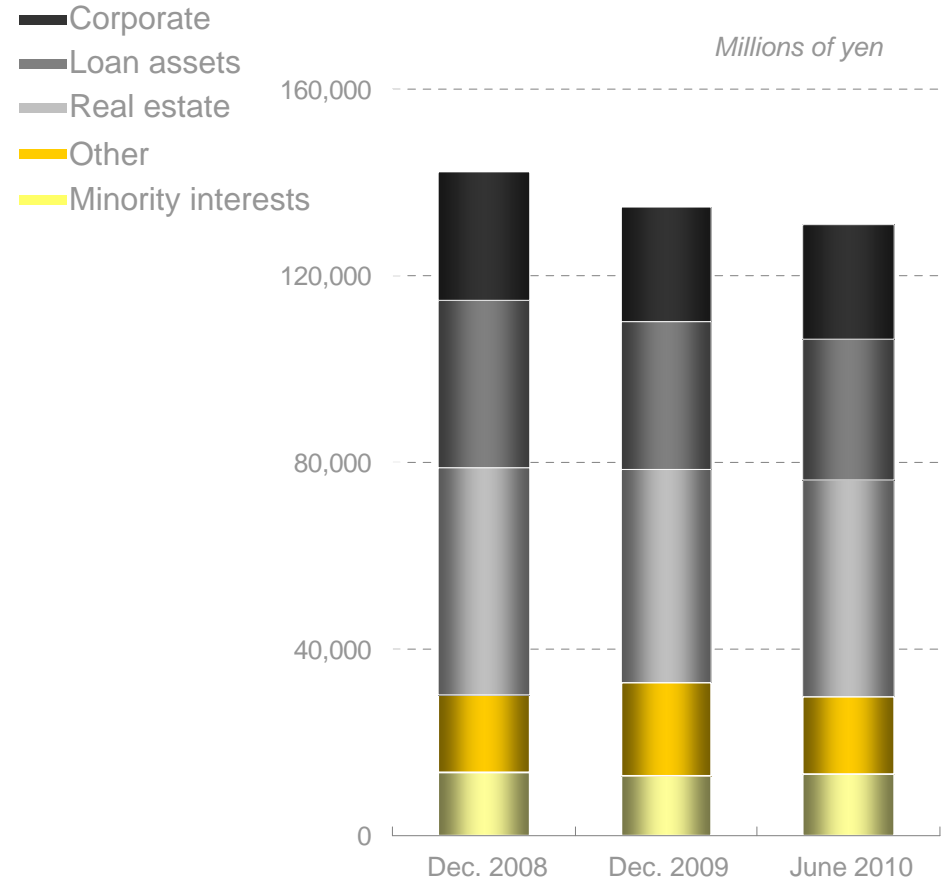
*Corporate Solution Fund management fees calculated using amount paid by external institutional investor fees as gross profit

Asset Composition by Segment and Domain

Assets by segment



Assets by domain



Earnings of Principal Investment Business

- Achieved steady earnings from existing investment assets in corporate investment, loan asset investment, and real estate investment

Principal Investment Business by domain

Corporate investment

- Recorded steady earnings mainly from investments in hotels and ryokans. In particular, Hotel JAL City Naha maintained a high occupancy ratio, making a contribution to earnings

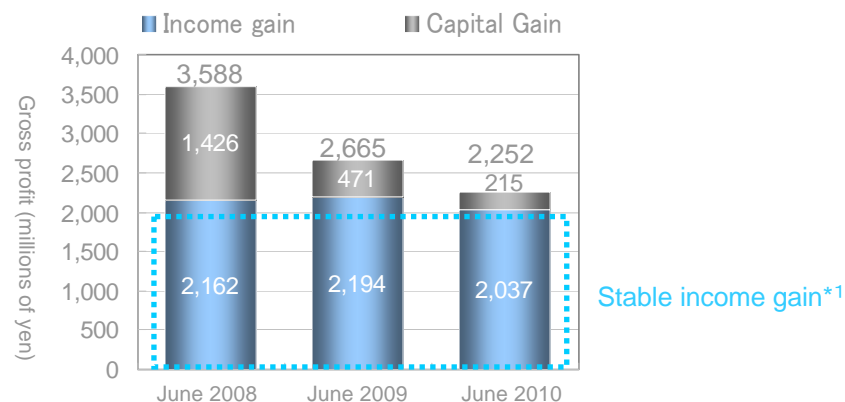
Loan assets investment

- Continued performance of previous year, recording constant income through stable collection from loan assets (approx. ¥4.4 bn from start of year; return of approx. ¥0.4 bn)
- Purchased loan assets (approx. ¥1.2 bn)
- Aggressively bid for loan assets made available by the exit of financial institutions

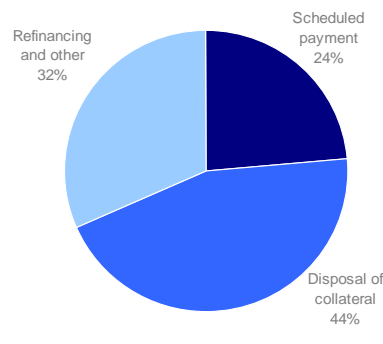
Real estate investment

- Achieved stable earnings from rental income on investment properties (recent average NOI of approx. 6.7%)

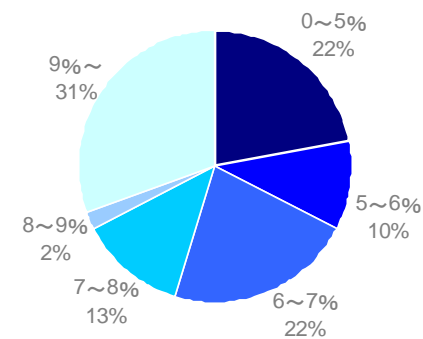
Principal Investment Business gross profit



Sources of loan asset collection



Average NOI on income-generating real estate※2

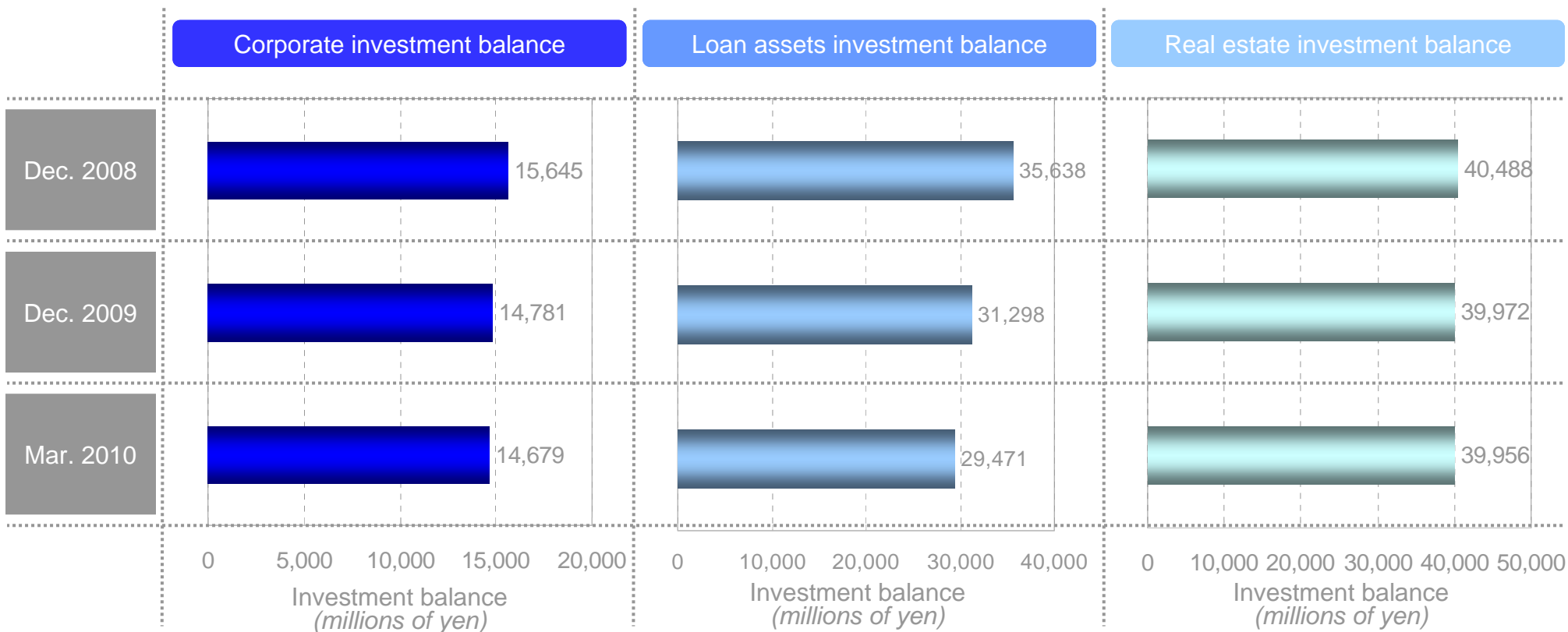


※1 Half of loan asset collection was recorded as income gain, and half in capital gain

※2 NOI for investment property excluding land is recorded as a percentage of book value

Principal Investment Business: Investment Activity

Managed existing portfolio stably and aimed to maintain the current level of investment balance

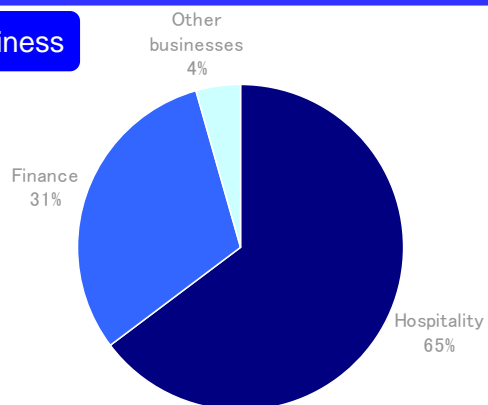


Principal Investment Business: Investment Portfolio

• In corporate investment, we are making medium to long-term investments in businesses with expected synergies and are primarily targeting hospitality and finance related businesses. In loan assets, we consider the earnings potential of each scenario and invest accordingly, without pre-established investment limits by debtor or business. In real estate investments, we pursue a broad range of investments without pre-established investment limits by type or region.

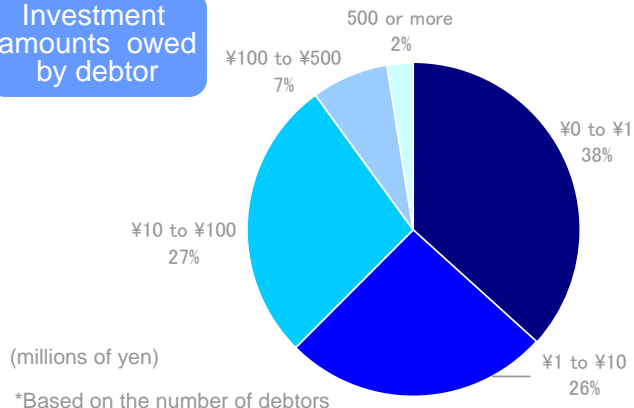
Corporate investment balance

By business



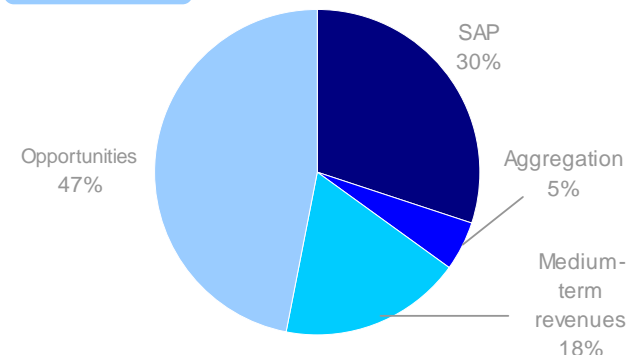
Loan asset investment balance

Investment amounts owed by debtor

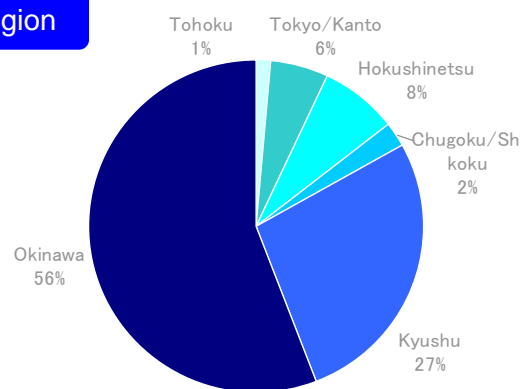


Real estate investment balance

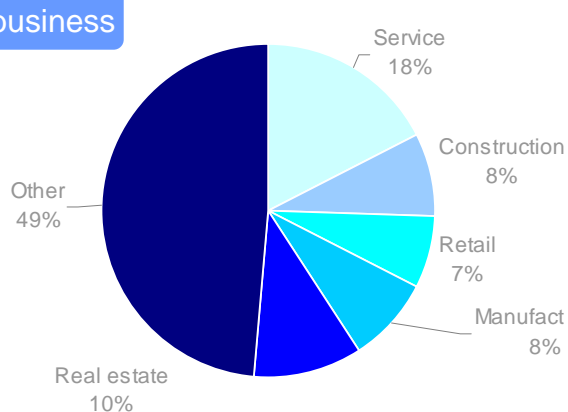
By business



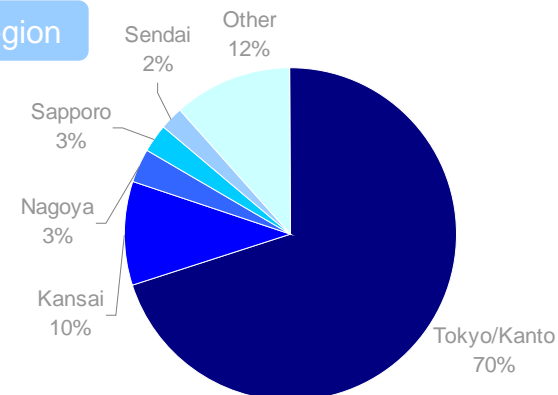
By region



By business



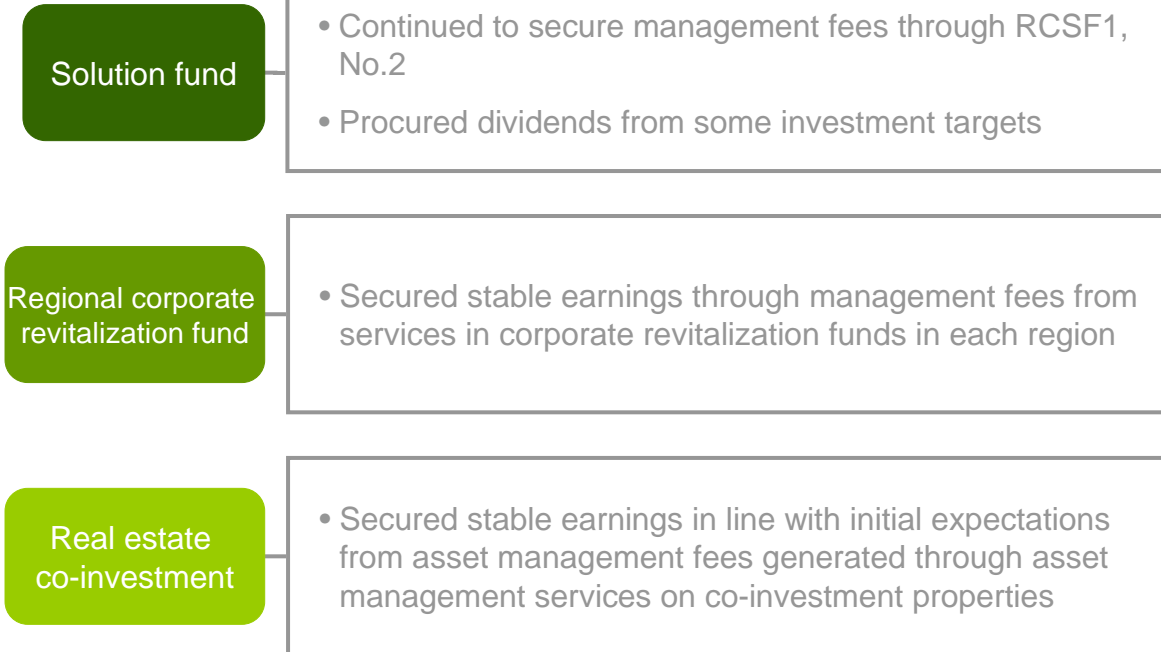
By region



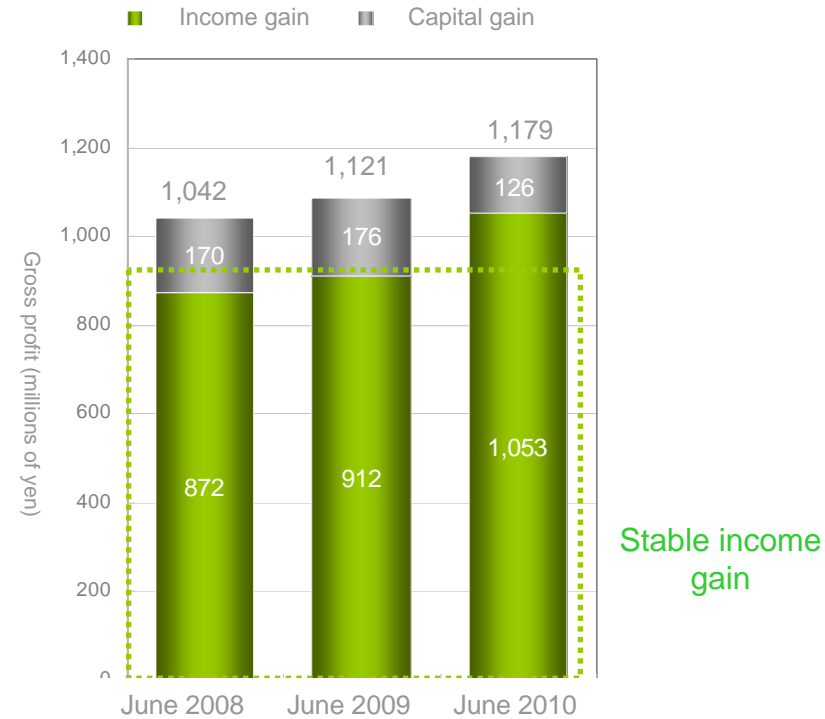
Earnings of Fund Business

- Secured stable earnings through management fees from services in RCSF, regional corporate revitalization fund, real estate co-investment program.

Fund Business by domain

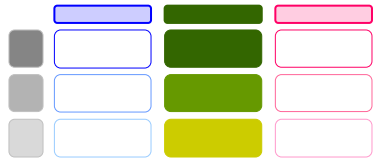


Fund Business gross profit*

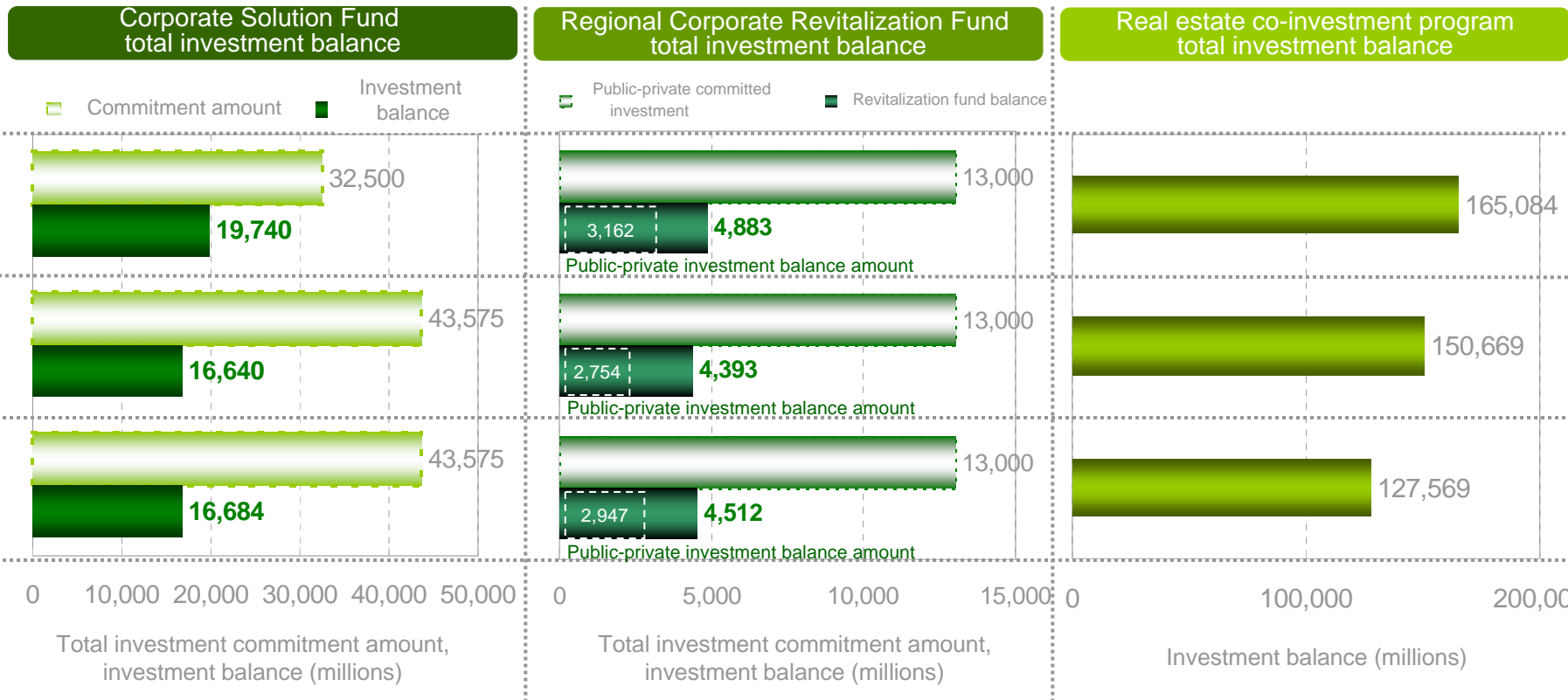


*Solution fund management fees record amount paid by external investors

Fund Business: Investment Activity



- Maintained stable investment balance in Corporate Solution Fund and Regional Corporate Revitalization Fund
- In the real estate co-investment program, investment balance decreased due to property sales



Fund Management: Solution Fund

- We have a structure enabling us to win projects without having to participate in a bidding process, due to our strong relations with financial institutions
- Results of business investments have generally been steady

Company B

Equity investment in a manufacturer and retailer of health-related equipment. Underwriting of a third-party capital increase via Solution Fund to support business revitalization.

Company C

Equity investment in restaurants. Underwriting of common shares via Solution Fund to support growth.

Company E

Investment support to revitalize real estate management company

Company F

Equity investment in retail businesses. Underwriting of preferred shares via Solution Fund as a part of the MBO

Home Improvement Hirose Co., Ltd.

Development of a home center operation based in Oita Prefecture. Total of ¥1.5 billion invested in preferred shares via Solution Fund for growth support. Successful support for acquisition of similar business in Nagasaki Prefecture. Considering listing.

FMI acting in consulting role.

ALPICO Group

One of the largest corporate groups in Nagano Prefecture. Invested ¥2.5 billion in ordinary and preferred shares via Corporate Solution Fund for revitalization support. Undertaking revitalization in collaboration with local financial institutions.

FMI also supporting (incl. placement of management personnel).



Company D

Equity investment in an electrical equipment parts maker. Underwriting of preferred shares for growth support via Solution Fund of an MBO.

Maruya Co., Ltd.

Supermarket listed on the TSE 2nd section. Underwriting of a third-party capital increase to support revitalization via Solution Fund.

FMI providing business revitalization support (including placement of management personnel.)



Hallo Foods, Co. Ltd.

Revitalization support for a regional supermarket chain based in Aichi Prefecture and the Tokai area. Provision via Solution Fund of a total of ¥1.7 billion in ordinary shares, preferred shares and bonds with stock acquisition rights.

FMI also supporting (incl. placement of management personnel).



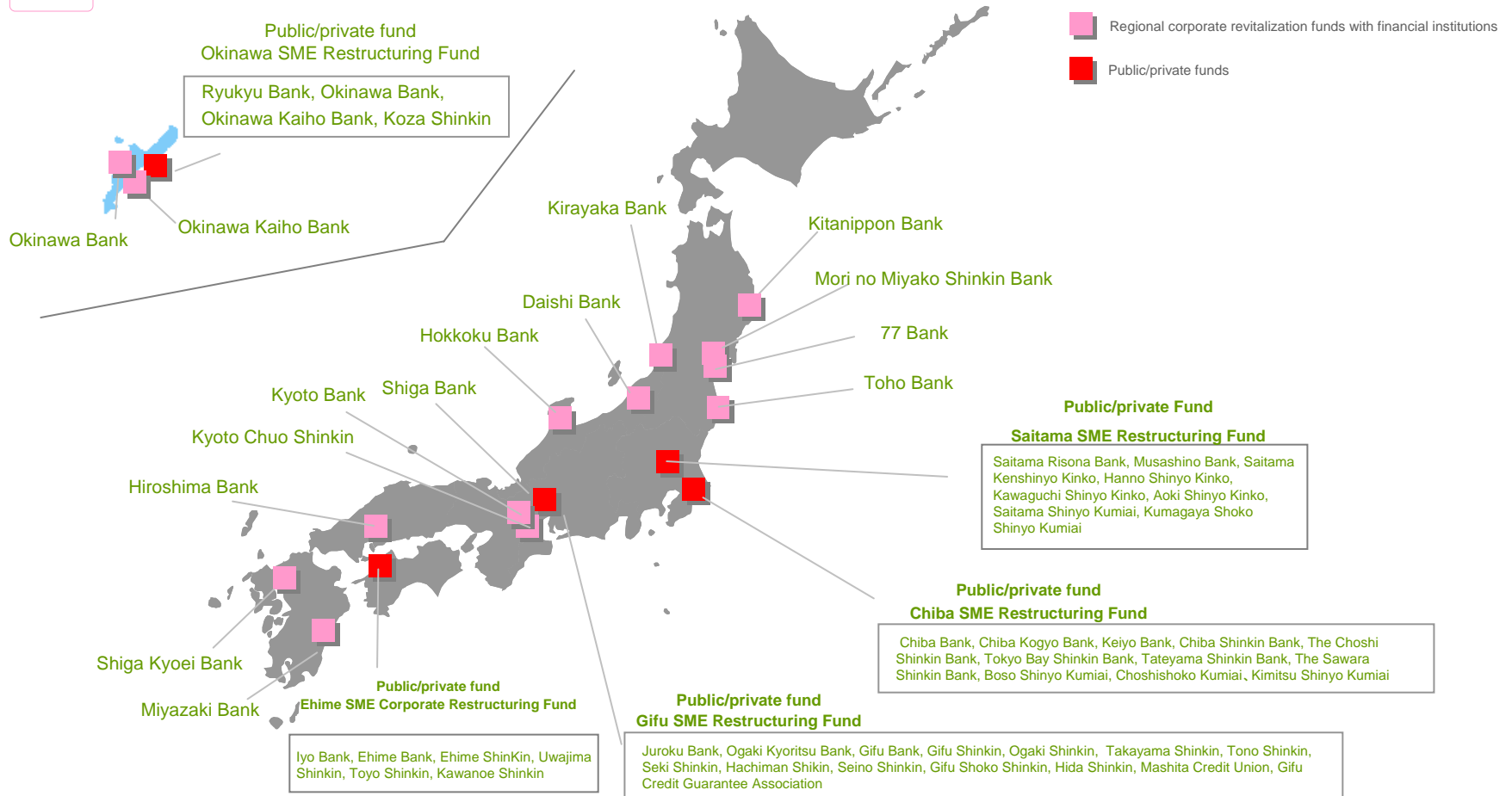
Company A

Equity investment in wedding-related industry. Partial underwriting of outstanding ordinary shares via Solution Fund for growth support.

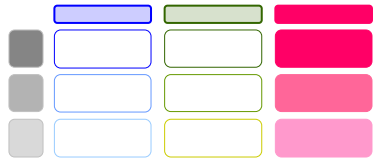


Fund Management: Regional Corporate Revitalization Fund

- We have managed and operated 20 regional corporate revitalization funds



Earnings from Investment Banking Business



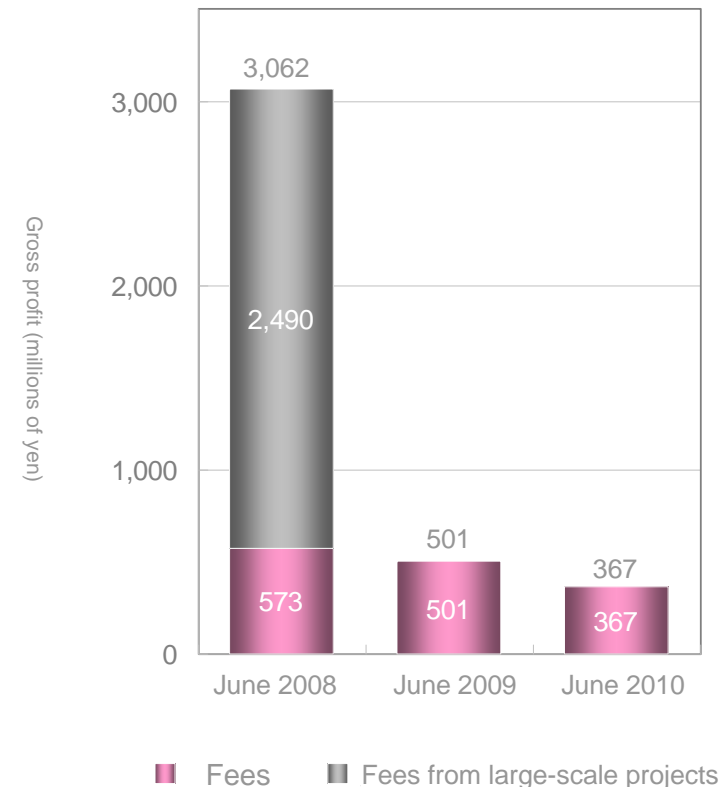
• The investment banking business provides financial advisory services specializing in the following areas: corporate (comprehensive solutions leveraging our expertise in M&A, financial and real estate, etc.); loan asset (loan evaluation and due diligence, loan servicing, etc.); and real estate (real estate asset management, real estate intermediation, etc.). We have been leveraging our network of partner financial institutions to receive mandates for advisory services relating to corporate revitalization.

Investment Banking Business by domain

- Acted as financial advisor to a quasi-public corporation in which Hiroshima Prefecture invests; also provided advisory services relating to the sale of a golf business by the same company
- Secured fee income by providing services on CRE, advisory and other mandates, leveraging RISA's network of regional financial institutions and our accumulated real estate expertise

- Secured fees income through undertaking real estate sale intermediary functions leveraging our network

Investment Banking Business gross profit





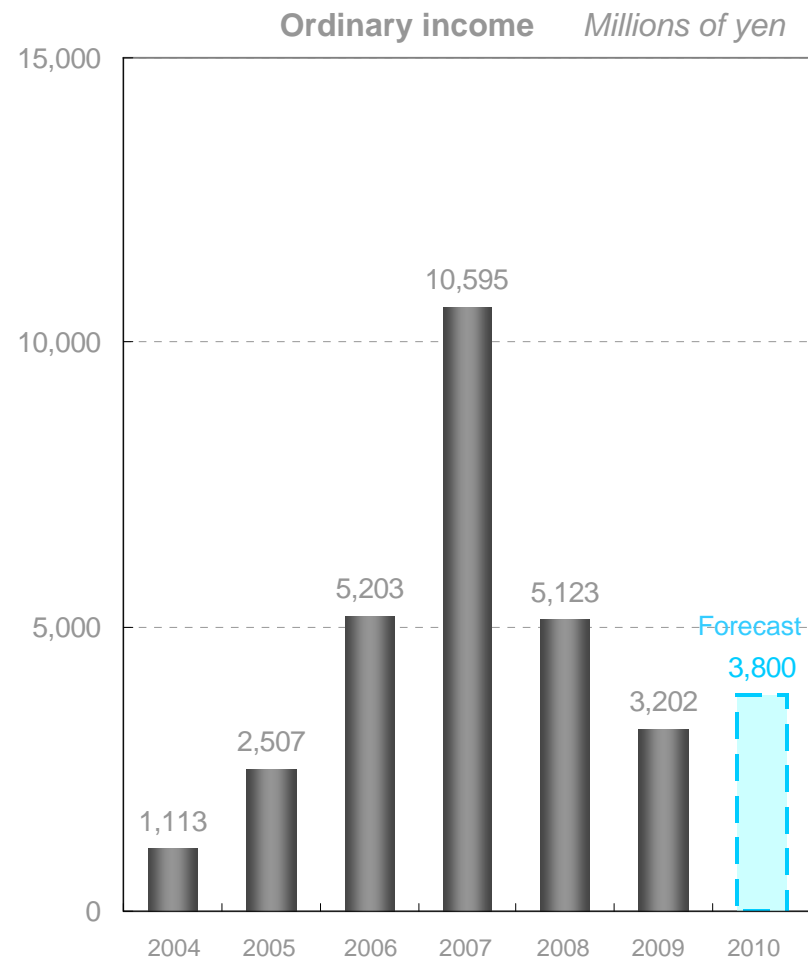
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Revenue Forecast for Fiscal Year to December 2010

- Forecasting net sales of ¥36.0 billion, operating income of ¥6.7 billion and ordinary income of ¥3.8 billion and net income of ¥1.8 billion for the year ending December 31, 2010

	<i>Millions of yen</i>		
	Dec. 2009	Dec. 2010	
	Results	Forecasts	Change
Net sales	19,859	36,000	81.3%
Operating income	5,092	6,700	31.6%
Ordinary income	3,202	3,800	18.6%
Net income (loss)	(2,786)	1,800	—
Net income (loss) per share in yen	(9,740.55)	5,742.18	—
Dividend per share in yen	1,500.00	1,500.00	—





Contact Information

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