



RISA PARTNERS INC.

RISA Partners, Inc.

Consolidated Interim Results

First half of the fiscal year ending December 31, 2010

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product launches, and pricing and product initiatives of competitors.

**SUMMARY OF FINANCIAL STATEMENTS (Consolidated)**

For the interim period ended June 30, 2010

RISA Partners, Inc.

Stock Code: 8924

Listed exchanges:
Inquiries:**August 11, 2010**Tokyo, 1st Section
Akihiko Haruyama
Executive Officer, Chief Director
Finance DepartmentURL: <http://www.risa-p.com>

President: Atsushi Imuta

Scheduled date of submission of Interim Securities Report: August 13, 2010

Telephone: 813 5573-8011

1. Consolidated Financial Results for the Six Months Ended June 30, 2010

1) Consolidated Operating Results

Millions of yen, rounded down; change compared to previous period

	Six months ended June 30, 2010		Six months ended June 30, 2009	
		Change %		Change %
Net sales	4,315	(24.6)	5,721	(59.7)
Operating income	1,370	11.2	1,231	(75.1)
Ordinary income	351	(28.5)	491	(87.3)
Net income (loss)	312	44.4	216	(92.7)
Net income per share (¥)	1,042.65	--	739.57	--
Fully diluted earnings per share (¥)	687.19	--	619.51	--

2) Financial Position

Millions of yen, rounded down

	As of June 30, 2010	As of December 31, 2009
Total assets	130,948	134,783
Net assets	39,863	38,668
Shareholders' equity ratio (%)	20.3	19.2
Net assets per share (¥)	72,861.16	74,465.17

Note: Shareholders' equity as of:

June 30, 2010: ¥26,580 million December 31, 2009: ¥25,836 million

2. Dividends

	FY ended December 31, 2009	FY ending December 31, 2010 (forecast)
Dividends per share (Record date)		
End of first quarter	--	--
End of second quarter	0.00	0.00
End of third quarter	--	--
End of fourth quarter	¥1,500.00	¥1,500.00
Annual dividend	¥1,500.00	¥1,500.00

Note 1: There has been no change to the dividend forecast during the period under review.

Note 2: The above dividend forecast refers to the ordinary share dividend. See "Preferred share dividends" on page 3 for the dividend on preferred shares.

3. Forecasts for the Fiscal Year Ending December 31, 2010*Millions of yen, rounded down; change compared to previous comparable period*

	Full year	Change in %
Net sales	36,000	81.3
Operating income	6,700	31.6
Ordinary income	3,800	18.6
Net income	1,800	--
Net income per share (¥)	¥5,742.18	--

Note: There has been no change to the consolidated interim and full-year forecasts during the period under review

**4. Other**

- 1) Transfer of important subsidiaries during the period (Transfers of certain subsidiaries resulting in changes in the scope of consolidation): None
- 2) Changes in accounting methods, procedures and presentation in the making of these financial statements: Yes
(Note: Details are available in Business Performance on page 6, "4. Other")
- 3) (i) Changes to preparation of quarterly statements in line with revision to accounting standards: Yes
(ii) Changes other than those in (i) above: Yes
(Note: Details are available in Business Performance on page 6, "4. Other")
- 4) Number of shares outstanding (ordinary shares)
- (1) Number of shares outstanding (including treasury shares):
- | | |
|----------------------|--------------------------|
| As of June 30, 2010: | As of December 31, 2009: |
| 313,963 shares | 296,461 shares |
- (2) Number of treasury shares:
- | | |
|----------------------|--------------------------|
| As of June 30, 2010: | As of December 31, 2009: |
| 4,046 shares | 4,046 shares |
- (3) Average number of shares outstanding (during fiscal year):
- | | |
|----------------------|--------------------------|
| As of June 30, 2010: | As of December 31, 2009: |
| 299,538 shares | 292,415 shares |

Notice regarding appropriate use of financial forecasts:

1. As of the current consolidated fiscal year, Accounting Standards for Quarterly Reporting (Accounting Standards Board of Japan Article 12) and Application Guidelines related to Accounting Standards for Quarterly Reporting (Accounting Standards Board of Japan Article 14) will be applied. Furthermore, RISA Partners prepares its quarterly consolidated financial statements in accordance with the Regulations concerning Quarterly Financial Statements.
2. The forecasts announced by RISA Partners on February 15, 2010 have not changed. The forecasts recorded above are based on information available at the time of publication. A number of factors could cause actual results to differ materially from expectations.

Preferred share dividends

	FY ended December 31, 2009	FY ending December 31, 2010 (forecast)
Dividend per Class 1 preferred share (Record date)		
End of first quarter	--	--
End of second quarter	--	--
End of third quarter	--	--
End of fourth quarter	¥1,556.20	¥2,000.00
Annual dividend	¥1,556.20	¥2,000.00



Business Performance

(1) ANALYSIS OF BUSINESS PERFORMANCE

1) Overall Business Performance

The Japanese economy saw corporate earnings continue to improve during the period under review (the period January 1, 2010 to June 30, 2010), but the employment situation remained severe. Significant downside risks persist, with concerns of a further deterioration in the European economy and the impact of deflation, and the recovery still lacks self-sustaining momentum.

In the financial markets in which RISA Partners operates, while the financial market in Japan is returning to relative stability, in Europe there is continued risk of market volatility.

In the real estate market, another area in which RISA Partners operates, financial institutions continued to place restrictions on financing of real estate. However, a trend has emerged in which some individual investors and corporations are making real estate purchases as part of a long-term holding strategy aimed at securing stable earnings. The overall real estate market has shown a trend toward selectivity according to each property.

Amid these conditions, RISA Partners continued to pursue business in its three business segments—principal investment business, fund business, and investment banking business. Despite the severe market conditions previously described, we pursued stable business operation in accordance with our business plan announced at the start of the fiscal year, and of our three business segments in the principal investment business and fund business we secured stable revenues and earnings from collection on loan assets as well as from rental income, while in the fund business management fees provided stable revenue and earnings. In investment banking we recorded a profit due to an accumulation of financial advisory mandates.

In preparation for the redemption at maturity (in March 2010) and early redemption (in April 2010) of RISA Partners-issued convertible bonds, in March 2010 we issued convertible bonds with NEC Capital Solutions Limited (“NEC Capital Solutions”) and Deutsche Bank as the allottees and also took measures to procure a syndicated loan with Sumitomo Mitsui Banking Corporation as the lead arranger. This procurement of capital has further reinforced our financial base and provided us with a framework from which we can rapidly respond to future investment opportunities.

In February 2009, we concluded an operational and capital alliance with NEC Capital Solutions, and have been pursuing collaborative investments in the formation of new areas of financial solutions. We have already implemented more than 20 collaborative projects with NEC Capital Solutions.

For the six-month period ended June 30, 2010, RISA Partners’ net sales declined 24.6% to ¥4,315 million, operating income increased 11.2% to ¥1,370 million, and ordinary income declined 28.5% to ¥351 million. Net income increased by 44.4% to ¥312 million.

2) Performance by Business Segment

Principal Investment Business

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

In corporate (equity) investment, we recorded steady earnings from existing investments. In particular, our May 2008 acquisition of Hotel JAL City Naha maintained a high occupancy ratio and contributed to revenues in accordance with plans.

In the area of loan asset investment, RISA Partners continued to purchase loan assets from financial institutions around the country, and also pursued purchases of loan assets on the secondary market, as



an upward trend emerged in non-performing loans on the secondary market. Loan collection on previously acquired loan assets continued steadily, generating stable revenues.

In real estate investment, we took measures to increase the value of real estate holdings with a view to increasing sale value, and we recorded steady revenue from the stable flow of rental fees provided by invested properties.

Net sales in the principal investment business for the first half declined 25.4% to ¥2,941 million, and operating income declined 13.5% to ¥1,105 million.

Fund Business

RISA Partners' fund business manages corporate investment funds (primarily equity investment, nationwide), regional corporate revitalization funds (primarily loan asset investment, in various regions), and real estate co-investment (targeting medium- and large-scale real estate assets, nationwide).

Our nationwide corporate investment fund, the RISA Corporate Solution Fund, was launched in September 2006 and consists of two funds: the No.1 fund and the No.2 fund, the combined total commitment amount of which is approximately ¥43.6 billion. The number of investment projects is currently at 12.

In our corporate revitalization fund activities we associate with regional financial institutions throughout Japan. We currently operate 20 funds.

In our real estate co-investment program, targeting medium- to large-sized real estate investments, we continue to conduct operations in cooperation with Grove International Partners. RISA Partners itself provides asset management services for investment properties.

Net sales in the fund business for the first half decreased 10.0% to ¥955 million, and operating income increased 12.0% to ¥681 million.

Investment Banking Business

RISA Partners' investment banking business provides financial advisory services including M&A and corporate revitalization consulting services, loan servicing (management and collection of loans) and due diligence services, along with a corporate solutions business that utilizes our extensive investment and advisory expertise in the areas of finance and real estate.

During the six-month period under review, we used our network of leading regional financial institutions to obtain advisory mandates in corporate restructuring.

Net sales in the investment banking business for the first half declined 36.3% to ¥582 million, and operating income decreased 16.0% to ¥152 million.

(2) ANALYSIS OF FINANCIAL POSITION

(1) Total assets, liabilities and net assets

Total assets as of June 30, 2010 were ¥130,948 million, a decrease of ¥3,834 million compared to the end of the previous fiscal year. This decrease was mainly attributable to a decrease of ¥2,779 million in loan assets and a decrease of ¥2,285 million in cash and cash equivalents ("net cash").

Total liabilities as of June 30, 2010 were ¥91,084 million, a decrease of ¥5,029 million compared to the



end of the previous fiscal year. Key factors contributing to this outcome included a decrease in current portion of bonds of ¥14,618 million and an increase in corporate bonds of ¥8,100 million.

Net assets as of June 30, 2010 were ¥39,863 million, an increase of ¥1,195 million compared to the end of the previous year. This was chiefly due to increases of ¥450 million in both capital and capital surplus due to the conversion to ordinary shares of unsecured convertible bonds with call options maturing in 2013.

(2) Consolidated cash flows

Consolidated cash and cash equivalents (“net cash”) at June 30, 2010 had decreased by ¥2,285 million compared to the end of fiscal 2009 to ¥7,407 million.

Cash flows and their main components during the six-month period were as follows.

Operating activity cash flows

Net cash provided by operating activities was ¥2,022 million, compared to net cash provided of ¥3,211 million in the first half of fiscal 2009. The main factors contributing to this were a decrease of ¥2,779 million in loan assets and an increase of ¥983 million in inventory assets.

Investing activity cash flows

Net cash used in investing activities was ¥844 million, compared to net cash used of ¥3,841 million in the first half of fiscal 2009. This was primarily due to an outflow of ¥1,655 million for payments of loans receivable and an inflow ¥451 million in collection of loans receivable.

Financing activity cash flows

Net cash used by financing activities was ¥3,464 million, compared to ¥2,006 million used in the first half of fiscal 2009. This was mainly due to an outflow of ¥13,065 million in proceeds for the redemption of convertible bonds, and proceeds of ¥8,973 million for the issuance of bonds.

(3) OUTLOOK FOR FY2010

There is no change to the results forecast announced on February 15, 2010.



1. Consolidated Balance Sheets

Millions of yen, rounded down

	As of June 30, 2010	As of December 31, 2009
ASSETS		
Current assets		
Cash and bank deposits.....	7,507	9,792
Notes & accounts receivable, trade inventories.....	2,258	2,011
Real estate for sale.....	36,383	35,404
Operating investment securities	15,957	15,928
Purchased loans receivable	26,221	29,000
Other	11,953	10,672
Allowance for doubtful accounts.....	(1,994)	(2,017)
Total current assets	98,286	100,791
Fixed assets		
Property and equipment.....	16,178	15,122
Intangible assets		
Other.....	114	127
Total intangible assets.....	114	127
Investments and other assets		
Investments in securities.....	11,040	12,653
Other	6,464	7,177
Allowance for doubtful accounts.....	(1,136)	(1,088)
Total investments and other assets	16,369	18,741
Total fixed assets	32,662	33,991
Total assets.....	130,948	134,783

**Consolidated Balance Sheets (contd.)***Millions of yen, rounded down*

	As of June 30, 2010	As of December 31, 2009
LIABILITIES		
Current liabilities		
Notes & accounts payable, trade	33	44
Short-term borrowings.....	9,297	4,558
Current portion of long-term debt	35,775	34,905
Current portion of bonds	--	14,618
Income taxes payable	--	122
Accrued bonuses	115	1
Other.....	2,356	2,773
Total current liabilities	47,578	57,025
Non-current liabilities		
Corporate bonds	8,100	--
Long-term borrowings	33,051	36,851
Reserve for employees' retirement benefits...	2	2
Negative goodwill.....	39	26
Other.....	2,314	2,209
Total non-current liabilities	43,506	39,089
Total liabilities	91,084	96,114
NET ASSETS		
Shareholders' equity		
Capital	10,911	10,461
Capital surplus.....	11,048	10,598
Retained earnings	5,476	5,668
Treasury stock.....	(821)	(821)
Total shareholders' equity	26,613	25,906
Valuation and translation adjustments		
Net realized gain on other securities.....	(32)	(69)
Total valuation and translation adjustments	(32)	(69)
Stock warrants.....	74	72
Minority interests	13,208	12,758
Total net assets.....	39,863	38,668
Total liabilities and net assets	130,948	134,783



2. Consolidated Statements of Income (abbreviated)
Six months to June 30, 2010

Millions of yen, rounded down

	Six months ended June 30, 2010	Six months ended June 30, 2009
Net sales.....	4,315	5,721
Cost of sales.....	770	1,711
Gross profit.....	3,544	4,010
Selling, general and administrative expenses.....	2,174	2,778
Operating income.....	1,370	1,231
Non-operating income		
Interest income.....	8	32
Dividend income.....	6	6
Equity in earnings of affiliated companies.....	10	156
Allowance for doubtful accounts.....	17	--
Other.....	24	57
Total non-operating income.....	66	252
Non-operating expenses		
Interest expenses.....	872	819
Loan commissions.....	164	162
Other.....	49	11
Total non-operating expenses.....	1,086	993
Ordinary income	351	491
Extraordinary income		
Gain on sale of investment securities.....	52	--
Gain on redemption of corporate bonds.....	243	--
Other.....	1	--
Total extraordinary income	296	--
Extraordinary losses		
Loss on sale of investment securities.....	3	--
Loss on valuation of securities.....	--	189
Allowance for doubtful accounts.....	47	--
Total extraordinary losses	50	189
Net income (losses) before distribution of profit/loss from silent partnerships, income taxes and minority interests.....	597	301
Distribution of profit/loss from silent partnerships ..	18	18
Net income (losses) before income taxes and minority interests.....	578	283
Income taxes—current.....	132	152
Income tax adjustment.....	222	17
Total income tax.....	354	170
Loss in minority interests.....	(88)	(103)
Net income	312	216



2. Consolidated Statements of Income (abbreviated)

Three months to June 30, 2010

Millions of yen, rounded down

	Three months ended June 30, 2010	Three months ended June 30, 2009
Net sales.....	2,362	3,140
Cost of sales.....	395	1,117
Gross profit	1,967	2,022
Selling, general and administrative expenses.....	1,132	1,373
Operating income	834	649
Non-operating income		
Interest income	4	17
Dividend income	2	3
Equity in earnings of affiliated companies.....	4	5
Reversal of allowance for doubtful accounts	6	--
Other.....	13	35
Total non-operating income	30	62
Non-operating expenses		
Interest expenses	457	404
Loan commissions	85	108
Other.....	16	5
Total non-operating expenses.....	560	518
Ordinary income	304	193
Extraordinary income		
Gain on redemption of corporate bonds.....	53	--
Other	1	--
Total extraordinary income	54	--
Extraordinary losses		
Loss on sale of investment securities	0	--
Loss on revaluation of securities	--	137
Provision of allowance for doubtful accounts.....	47	--
Total extraordinary losses	47	137
Net income (losses) before distribution of profit/loss from silent partnerships, income taxes and minority interests	311	55
Distribution of profit/loss from silent partnerships ..	9	9
Net income (losses) before income taxes and minority interests.....	301	46
Income taxes—current	(13)	(8)
Income tax adjustment	152	78
Total income tax	138	69
Income (losses) in minority interests.....	36	(73)
Net income	126	49

**3. Consolidated Statements of Cash Flows***Millions of yen, rounded down*

	Six months ended June 30, 2010	Six months ended June 30, 2009
I. Cash flows from operating activities		
Net income before income taxes and minority interests	578	283
Depreciation and amortization.....	149	183
Amortization of goodwill.....	12	29
Loss (gain) on sale of investment securities.....	(49)	--
Valuation loss on investment securities.....	--	189
Silent partnership contributions received (paid).....	(62)	(4)
Equity in earnings of affiliated companies	(10)	(156)
Increase (decrease) in allowance for doubtful accounts....	24	(70)
Increase (decrease) in accrued bonuses.....	113	157
Interest income and dividend income	(14)	(38)
Interest expense	872	819
(Increase) decrease in notes and accounts receivable.....	(259)	270
(Increase) decrease in inventories	(983)	145
(Increase) decrease in purchased loans receivable	2,779	2,718
Increase (decrease) in notes and accounts payable	(10)	(16)
Other	(535)	(28)
Sub-total.....	2,604	4,481
Interest and dividends received.....	21	20
Interest paid.....	(822)	(754)
Income taxes paid	218	(535)
Net cash provided by (used in) operating activities	2,022	3,211
II. Cash flows from investing activities		
Payments for time deposits	--	(666)
Payments for purchase of property and equipment.....	(2)	(1,305)
Gain on sale of property and equipment.....	0	--
Payments for purchase of investment securities	(22)	(31)
Proceeds from sale of investment securities	195	0
Payments on sale of shares of subsidiaries entailing a change in the scope of consolidation.....	--	(53)
Proceeds from sale of shares of subsidiaries entailing a change in the scope of consolidation.....	137	--
Payments for loans.....	(1,655)	(2,300)
Proceeds from loan collections.....	451	553
Other	52	(37)
Net cash used in investing activities	(844)	(3,841)

**4. Consolidated Statements of Cash Flows (contd.)**

	<i>Millions of yen, rounded down</i>	
	Six months ended June 30, 2010	Six months ended June 30, 2009
III. Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,507	(4,430)
Proceeds from long-term borrowings	12,162	11,805
Repayment of long-term borrowings	(15,092)	(13,935)
Proceeds from issuance of bonds	8,973	--
Payments for bonds redeemable	(13,065)	(84)
Proceeds from issuance of capital stock	--	4,000
Cash dividends paid	(495)	(433)
Proceeds from minority interests	546	1,137
Other	--	(65)
Net cash provided by financing activities	(3,464)	(2,006)
IV. (Decrease) increase in cash and cash equivalents	(2,285)	(2,637)
V. Cash and cash equivalents at beginning of period	9,692	8,443
VI. Increase in cash and cash equivalents from new consolidation	(0)	(221)
VII. Cash and cash equivalents at end of period	7,407	5,584



(4) Items related to the company as a going concern: None

(5) Segment information

Three-month period from April 1, 2010 to June 30, 2010

(Millions of yen)

	Principal Investment Business	Fund Business	Investment Banking Business	Total	Eliminations or Corporate	Consolidated
Sales						
(1) Sales to external customers	1,547	652	162	2,362	--	2,362
(2) Inter-segment sales or transfers	--	--	68	68	(68)	--
Total sales	1,547	652	231	2,431	(68)	2,362
Operating income	618	506	20	1,145	(311)	834

Three-month period from April 1, 2009 to June 30, 2009

(Millions of yen)

	Principal Investment Business	Fund Business	Investment Banking Business	Total	Eliminations or Corporate	Consolidated
Sales						
(1) Sales to external customers	2,394	552	193	3,140	--	3,140
(2) Inter-segment sales or transfers	--	--	96	96	(96)	--
Total sales	2,394	552	290	3,236	(96)	3,140
Operating income	652	320	49	1,022	(373)	649

Notes:

1. Segmentation is based on business type.
2. Segment operations are as follows:

Principal Investment Business	Loan asset investment, equity investment, proprietary real estate investment, other corporate investment
Fund Business	Corporate revitalization fund investment, corporate revitalization fund asset management, solution fund investment, solution fund asset management, real estate fund investment, real estate fund asset management
Investment Banking Business	Solutions, financial advisory service, due diligence, servicing, real estate intermediation



Six-month period from January 1, 2010 to June 30, 2010

(Millions of yen)

	Principal Investment Business	Fund Business	Investment Banking Business	Total	Eliminations or Corporate	Consolidated
Sales						
(1) Sales to external customers	2,941	955	418	4,315	--	4,315
(2) Inter-segment sales or transfers	--	--	163	163	(163)	--
Total sales	2,941	955	582	4,479	(163)	4,315
Operating income	1,105	681	152	1,939	(569)	1,370

Six-month period from January 1, 2009 to June 30, 2009

(Millions of yen)

	Principal Investment Business	Fund Business	Investment Banking Business	Total	Eliminations or Corporate	Consolidated
Sales						
(1) Sales to external customers	3,943	1,062	716	5,721	--	5,721
(2) Inter-segment sales or transfers	--	--	197	197	(197)	--
Total sales	3,943	1,062	913	5,919	(197)	5,721
Operating income	1,277	608	181	2,067	(835)	1,231

Notes:

1. Segmentation is based on business type.
2. Segment operations are as follows:

Principal Investment Business	Loan asset investment, equity investment, proprietary real estate investment, other corporate investment
Fund Business	Corporate revitalization fund investment, corporate revitalization fund asset management, solution fund investment, solution fund asset management, real estate fund investment, real estate fund asset management
Investment Banking Business	Solutions, financial advisory service, due diligence, servicing, real estate intermediation

Segment information by area:

Interim period of the fiscal year ending December 31, 2009 (January 1, 2009 to June 30, 2009) and interim period of the fiscal year ending December 31, 2010 (January 1, 2010 to June 30, 2010)

Since RISA Partners does not have any consolidated subsidiaries with operations overseas or important branch offices overseas, segment information by area has been omitted.

Second quarter of the fiscal year ending June 30, 2009 (April 1, 2009 to June 30, 2009) and second quarter of the fiscal year ending June 30, 2010 (April 1, 2010 to June 30, 2010)

Since RISA Partners does not have any consolidated subsidiaries with operations overseas or important branch offices overseas, segment information by area has been omitted.



Overseas sales:

Interim period of the fiscal year ending December 31, 2009 (January 1, 2009 to June 30, 2009) and interim period of the fiscal year ending December 31, 2010 (January 1, 2010 to June 30, 2010)

Since overseas sales are less than 10% of consolidated sales, overseas sales information has been omitted.

Second quarter of the fiscal year ending June 30, 2009 (April 1, 2009 to June 30, 2009) and second quarter of the fiscal year ending June 30, 2010 (April 1, 2010 to June 30, 2010)

Since overseas sales are less than 10% of consolidated sales, overseas sales information has been omitted.

(6) Changes to shareholders equity: None