

Presentation of 1st Quarter Results for FY2008
(2008.4-2008.6)

NIS GROUP CO., LTD.
8571

The figures herein are based on Japanese GAAP, are unaudited and may be subject to revision.

※The term “FY 2008” refers to the Company’s fiscal year ending March 31, 2009 and other fiscal years are referred to in a corresponding manner unless otherwise stated.

Special Note Regarding Forward-Looking Statements

Certain risks that affect our business results, stock price and financial position are discussed below.

In addition, these materials contain forward-looking statements about our industry, our business, our plans and objectives, our financial condition and our results of operations that are based on our current expectations, assumptions, estimates and projections as of the date of filing of this earnings release (“kessan tanshin”) in Japan. These statements discuss future expectations, identify strategies, discuss market trends, contain projections of results of operations or of financial condition, or state other forward-looking information.

Our business results and these forward-looking statements are subject to various risks and uncertainties. Known and unknown risks, uncertainties and other factors could cause our actual results to differ materially from and be worse than those contained in or suggested by any forward-looking statement. We cannot promise that our expectations, projections, anticipated results or other information expressed in or underlying these forward-looking statements will turn out to be correct.

- I. Risks related to the business environment
 - (a) Weak economic conditions
 - (b) Misconduct by an employee or director or negative publicity for our industry

- II. Risks related to Laws and Regulations
 - (a) Regulations under Japanese law
 - i) Regulations concerning the loan business
 - ii) The Special Measures Law concerning the Claims Servicing Business
 - iii) Installment Sales Law
 - iv) Financial Instruments and Exchange Law
 - v) Other related regulations
 - (b) Regulations under U.S. law
 - (c) Amendments to current laws and the growing variety of legal means with which our customers can seek protection from creditors

- III. Business Risks
 - (a) Funding and market interest rates
 - (b) Claims for excess interest repayments
 - (c) Reliability of our information or technological systems and networks
 - (d) Influence on important decisions by TPG and its group companies
 - (e) Ability to pursue and maintain successful strategic investment and business alliance with TPG
 - (f) Influence on important decisions by the President, Representative Director of the Board and his family
 - (g) Risks in our operating assets portfolio
 - (h) Condition and liquidity in stock markets
 - (i) Ability to pursue and maintain successful strategic alliances and joint ventures
 - (j) Economic trends and liquidity in real estate markets

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I. Summary of 1st Quarter Results for FY2008

Summary of Operating Results (Consolidated)



Although operating revenues decreased due to a decrease in operating assets and a decrease in the number of consolidated subsidiaries, NIS Group moved into the black as a result of further implementation of management reform program and improvement of operational efficiency.

(Millions of yen)

	1Q FY2006	1Q FY2007	1Q FY2008	YOY %
Total operating revenues	15,088	17,090	12,249	(28.3)
Net operating revenues	11,310	11,473	5,732	(50.0)
Operating income	2,266	1,802	1,028	(42.9)
Ordinary income	2,376	1,501	600	(60.0)
Special gains	900	35	310	773.6
Special losses	90	902	139	(84.6)
Income before income taxes and minority interest	3,187	634	771	21.6
Net income (losses)	1,645	(240)	549	-

Highlights of 1st Quarter Results for FY2008

1 The trimming down of cost structure

	1 Q FY2007	1 Q FY2008
Employment costs	¥2.6 billion (¥1.8 billion)	¥1.5 billion (¥1.0 billion)
Number of employee	1,564 (1,072)	860 (639)
Number of branches	34	14

*The figures above are consolidated basis except that those in parenthesis are non-consolidated basis

2 Expansion of new business alliances

○Alliance with The Saikyo Bank, Ltd.

(Date of agreement: August 2008)

▪Loan guarantee partnership : real estate collateral loan business and consolidation loan business for consumers

○Alliance with Incubator Bank of Japan, Limited

(Date of agreement: August 2008)

▪Loan guarantee partnership : real estate collateral loan business

3 Enhancement of liquidity by selling loans receivable

○Sold a total amount of ¥21 billion of loans receivable

▪Reaps the benefits from balanced risk-return relationship by guaranteeing loans receivable sold

4 Restructuring of the group (Effective date: July 2008)

○Merger with NIS property Co., Ltd. through approval at the ordinary general meeting of shareholders

Balance Sheets (Consolidated)



(Millions of yen)

Assets	2008.3.31	2008.6.30
Total current assets	216,425	176,227
Cash and deposits	11,652	10,748
Notes and loans receivable	124,545	88,472
Other loans receivable	2,593	3,365
Purchased loans receivable	28,777	25,712
Real estate for sale in the servicing business	19,145	17,533
Real estate for sale in the real estate business	25,812	26,039
Installment loans	5,522	5,148
Differed tax assets	2,252	2,225
Other	15,024	12,789
Allowance for loan losses	(18,901)	(15,808)
Total fixed assets	56,191	53,534
Assets held for leases	4,855	4,444
Other tangible and intangible fixed assets	3,544	3,275
Investment securities	27,752	26,620
Bankrupt and delinquent loans receivable	16,689	18,592
Investments in Tokumei-Kumiai relating to loans receivable	3,606	3,393
Investments in Tokumei-Kumiai relating to real estate	-	-
Differed tax assets	-	39
Other	10,184	8,512
Allowance for loan losses	(10,440)	(11,344)
Deferred assets	367	345
Total assets	272,983	230,107

※Guaranteed loans outstanding ¥16,397 million ¥28,526 million
(After deduction of reserve for guarantee losses and reserve for business of affiliated companies)

	2007.3.31	2008.3.31	2008.6.30
Net worth ratio	20.5%	20.1%	23.4%
	*18.9%		

*Off-balance-sheet securitized loans receivable are included in the basis for the calculation of net worth ratio.

Liabilities and net assets	2008.3.31	2008.6.30
Total current liabilities	128,213	101,671
Short-term borrowings	115,642	89,898
Accounts payable/Accrued expenses	2,202	1,781
Accrued income taxes	2,529	1,818
Unearned revenue from installment loans	1,253	1,225
Accrued bonuses	597	300
Reserve for guarantee losses	801	1,271
Other	5,186	5,375
Total long-term liabilities	86,006	70,699
Long-term borrowings	68,842	55,126
Reserve for losses on excess interest repayments	10,766	10,077
Other	6,398	5,495
Total liabilities	214,219	172,370
Common stock	26,289	26,289
Additional paid-in capital	30,180	30,180
Retained earnings	2,080	2,629
Treasury stock	(3,892)	(3,892)
Unrealized gains (losses) on investment securities	73	(703)
Foreign currency translation adjustments	116	(737)
Minority interest	3,814	3,870
Issuance of stock acquisition rights	102	101
Total net assets	58,763	57,736
Total liabilities and net assets	272,983	230,107

※Total interest-bearing debt ¥184,484 million ¥145,025 million

Breakdown of Operating Revenues and Operating Income by Business Segment



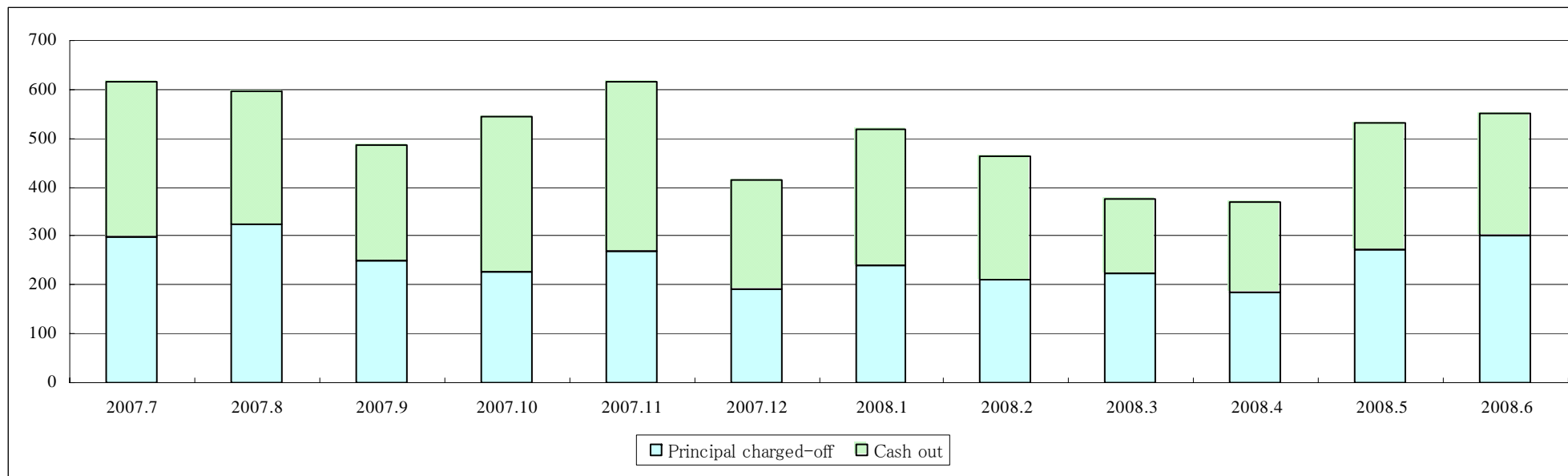
(Millions of yen except percentages)

Business segment			Operating revenues				Operating income*	
			1Q FY2007		1Q FY2008		1Q FY2008	
			Amount	%	Amount	%	Amount	%
Integrated financial services	Interest income from notes and loans receivable	Unsecured loans and notes	4,816	28.2	2,203	18.0	(206)	-
		Secured loans	1,638	9.6	977	8.0		
		Total	6,454	37.8	3,180	26.0		
	Fees received		592	3.5	52	0.4		
	Guarantee fees received		514	3.0	258	2.1		
	Revenue from leases and installment loans		1,654	9.7	1,054	8.6		
	Other		1,487	8.7	878	7.2		
	Total		4,249	24.9	2,244	18.3		
Sub-total		10,703	62.7	5,424	44.3			
Servicing business	Revenue from collections of purchased loans		3,334	19.5	3,320	27.1	734	(63.1)
	Revenue from sales of real estate		953	5.6	1,727	14.1		
	Other		760	4.4	577	4.7		
	Sub-total		5,049	29.5	5,626	45.9		
Real estate business	Revenue from sales of real estate		706	4.1	830	6.8	651	34.9
	Other		459	2.7	320	2.6		
	Sub-total		1,166	6.8	1,150	9.4		
Other businesses	Others		171	1.0	48	0.4	(55)	-
Total			17,090	100.0	12,249	100.0	1,028	(42.9)

*The amount of total operating income includes consolidated adjustment

Trend of Losses on Excess Interest Repayments

(Millions of yen)



(Millions of yen)

	2007.7	2007.8	2007.9	2007.10	2007.11	2007.12	2008.1	2008.2	2008.3	2008.4	2008.5	2008.6
Principal charged-off	297	323	250	226	270	191	241	210	223	184	272	302
Cash out	318	274	236	317	345	221	278	252	152	184	258	247
Total	616	597	487	543	615	413	519	463	376	368	531	549

Funding Situation (Non-consolidated)

(Millions of yen)

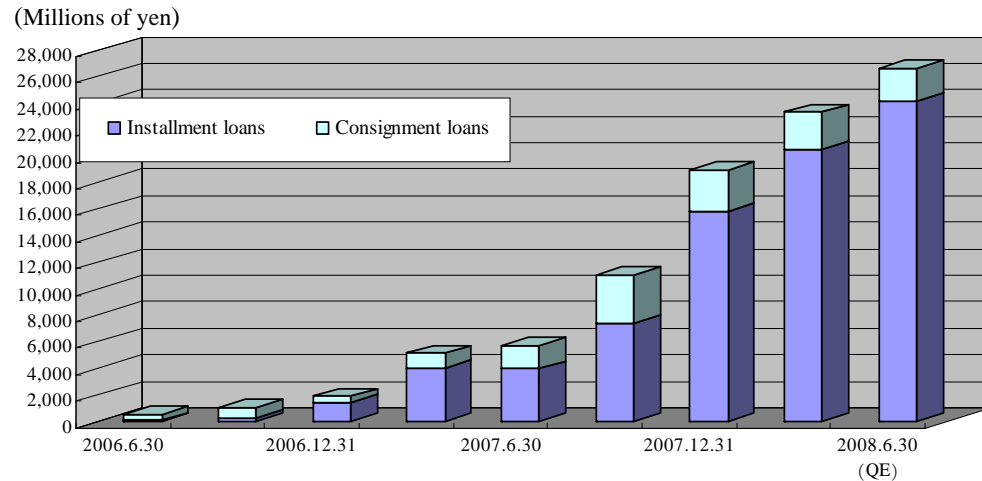
	2007.3.31		2008.3.31		2008.6.30		YTD
	Amount	%	Amount	%	Amount	%	
Indirect	143,124	52.6%	71,162	51.5%	51,757	50.2%	(19,405)
Banks	86,021	31.6%	39,691	28.7%	33,767	32.8%	(5,924)
Insurance companies	2,199	0.8%	2,062	1.5%	2,050	2.0%	(12)
Other financial institutions	2,684	1.0%	1,372	1.0%	1,257	1.2%	(115)
Non-bank financial companies (including securities companies)	52,220	19.2%	28,036	20.3%	14,683	14.2%	(13,353)
Direct	129,057	47.4%	67,065	48.5%	51,314	49.8%	(15,751)
SB	41,200	15.1%	56,880	41.1%	49,380	47.9%	(7,500)
CB	-	-	-	-	-	-	-
CP	27,100	10.0%	-	-	-	-	-
Securitization	60,757	22.3%	10,185	7.4%	1,934	1.9%	(8,251)
Total	272,182	100.0%	138,228	100.0%	103,072	100.0%	(35,156)
Weighted average cost of borrowing at the end of the period		1.7%		2.6%		2.7%	

Note: The amount of securitization as of 2007.3.31 includes off-balance-sheet secured loans receivable as a result of securitization.

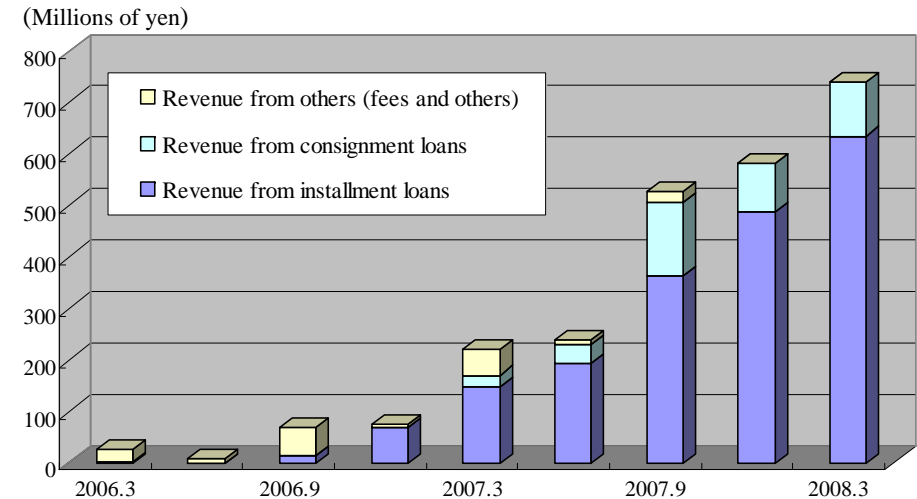
II. Reference

China Business

Trend of operating assets



Trend of operating revenues by sources



*The figures above are quarterly period revenues

*The balance sheet date of Nissin Leasing (China) and its consolidated subsidiaries is the end of December. As a result, gains/losses on equity method are recognized on a 3-month delayed basis

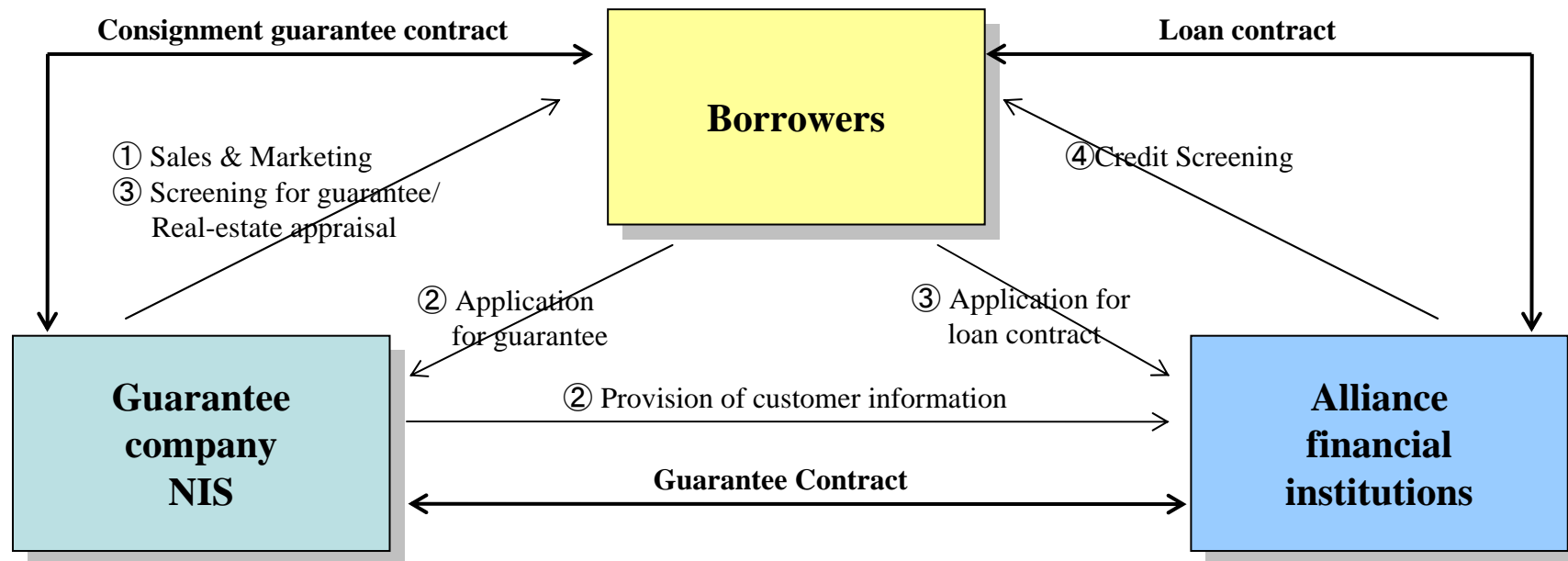
Specialties & Strengths

- Acquisition of Chinese domestic customers through local sales agents nationwide in China
- Offering business matching between Chinese companies and Japanese companies
- Breakdown of leased assets by type
Construction machinery: 45.3% Production machinery: 24.0% Printing machinery: 20.4%
- Reinforcement of corporate structure
Number of sales offices at the end of June 2008: 5 (Shanghai, Beijing, Zhen Zhou, Sichuan and Chengdu)

Notes 1: Exchange rate at the end of March 2008: 1 yuan = 14.13 yen

2: Weighted average exchange rate for the quarter: 1 yuan = 14.69 yen

Scheme of Alliance for the Real Estate Collateral Loan Business



- August 2008: Business alliance with The Saikyo Bank, Ltd.
- August 2008: Business alliance with Incubator Bank of Japan, Limited

Loan Business (Non-consolidated)

■ Total loans outstanding

(Millions of yen except percentages)

	2007.3.31	2008.3.31	2008.6.30	YTD %
Secured loans	139,990	71,308	53,373	(25.2)
SME loans	70,970	45,503	33,495	(26.4)
Discount notes receivable	211	86	64	(26.0)
Consumer loans	34,958	23,448	20,943	(10.7)
Total	246,130	140,346	107,876	(23.1)
Amount of guarantee of loans receivable	7,986	19,490	31,315	60.7
Guarantee of loans receivable related to secured loans	2,982	4,795	11,153	132.6

Notes 1: Loans receivable as of 2007.3.31 include off-balance-sheet securitized loans receivable.

2: Loans receivable above include bankrupt and delinquent loans receivable.

■ Total loans outstanding by interest rate

(Millions of yen except percentages)

Interest rate	2007.3.31		2008.3.31		2008.6.30	
	Amount	%	Amount	%	Amount	%
Less than 5.0%	3,352	1.4%	1,291	0.9%	1,192	1.1%
5.0% to less than 10.0%	136,651	55.5%	70,198	50.0%	52,803	48.9%
10.0% to less than 15.0%	13,131	5.3%	7,215	5.1%	6,345	5.9%
15.0% to less than 20.0%	18,538	7.5%	16,941	12.1%	12,872	11.9%
20.0% to less than 25.0%	56,251	22.9%	32,775	23.4%	23,737	22.0%
25.0% and above	18,205	7.4%	11,924	8.5%	10,925	10.1%
Total	246,130	100.0%	140,346	100.0%	107,876	100.0%
Average contractual interest rate (%)	13.5%	-	14.4%	-	14.6%	-

Notes 1: Loans receivable as of 2007.3.31 include off-balance-sheet securitized loans receivable.

2: Loans receivable above include bankrupt and delinquent loans receivable.

3: The average contractual interest rate is weighted-average interest rate and does not include fees, etc.

Trend of Loan Charge-Offs and Excess Interest Repayments (Non-consolidated)

【Ratio of charged-offs of loans receivable】 (Annual)

	FY2006	FY2007	1Q FY2008
Secured loans	0.01%	0.21%	0.06%
SME loans	8.89%	15.54%	22.47%
Consumer loans	7.68%	9.86%	9.24%
Total	3.85%	7.33%	8.89%

Note: Loans receivable for FY2006 include off-balance-sheet securitized loans receivable.

【Loan charged-offs】 (Quarterly)

(Millions of yen)

	1Q FY2007	2Q FY2007	3Q FY2007	4Q FY2007	1Q FY2008
Charge-offs of loans receivable	2,837	3,394	2,593	2,281	2,414
Of which charge-offs related to excess interest repayments	794	871	688	675	760

【Allowance】 (Total of general and specific allowance)

(Millions of yen)

	2007.3.31	2008.3.31	2008.6.30
	All Products	All Products	All Products
Allowance	15,806	23,359	21,187
General allowance	4,470	3,340	2,897
Specific allowance	6,536	16,159	15,190
Allowance for excess interest repayments-related losses	4,800	3,859	3,099

【Reserve for losses on excess interest repayments (cash out)】

(Millions of yen)

	2007.3.31	2008.3.31	2008.6.30
Reserve for losses on excess interest repayments	4,600	10,766	10,077

Allowance for losses on
excess interest
repayments related

¥13,176 million

Breakdown of Investments in Securities

As of June 30, 2008

(Millions of yen except unit price and stock price)

Listed Companies: brand	Number of shares	Unit price (¥)	Book value	Stock price (¥)	Market value	Difference
Raccoon	500	17,205	8	300,000	150	141
Info Mart	330	120,000	39	183,000	60	20
Riskmonster	2,500	40,550	101	42,600	106	5
Shinsei Bank	100,000	329	32	364	36	3
Fujitsu Business Systems	17,300	1,401	24	1,429	24	0
The Bank of Kochi	60,000	104	6	104	6	0
Aeria	90	122,000	10	122,000	10	0
Soft Bank	400	2,445	0	1,790	0	0
Tenpos Busters	496	50,700	25	48,800	24	0
The Tokushima Bank	122,971	593	72	527	64	(8)
Tosei	1,500	82,176	123	47,900	71	(51)
Xinhua Finance	114,717	7,790	893	5,250	602	(291)
Venture Link	12,285,400	102	1,253	71	872	(380)
Total	12,706,204		2,592		2,031	(561)

Non-listed Companies and Others	Book value
Non-listed Companies (160 brands)	5,804
Bonds (9 brands)	107
Tokumei-Kumiai investment, etc. (22 brands)	7,823
Others (6 brands)	83
197 investees	13,817

*Deemed securities are included

*Tokumei-Kumiai investment, etc. includes investments in Tokumei-Kumiai relating to loans receivable

Affiliated Companies (Equity method)	Book value
Delaware LLC (Nissin Leasing (China))	10,804
Araigumi	2,030
Credit Organization of Small and Medium-sized Enterprises	226
Nippon Real Estate Rating Services	19
Others (7 investees)	1,082
Total	14,161

Total	Book value
221 investees	30,013