

**To whom it may concern**

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Contact Information:

NIS GROUP CO., LTD.

Shigeharu Nakashima

Head of Strategic Planning Department

Tel: (TOKYO) +81-3-5652-2270

E-mail:Info-ir@nisgroup.co.jp

URL: <http://www.nisgroup.jp/english>**Notice Regarding Losses on Impairment of Securities****As of the End of the First Quarter For the Fiscal Year Ending March 31, 2010**

NIS GROUP CO., LTD. (the "Company") recognizes losses on impairment of securities whose market or actual values became substantially lower compared to their book value, in accordance with the "Accounting Standard for Financial Instruments" under Japanese GAAP. As a result of calculation as of the end of the first quarter for the fiscal year ending March 31, 2010, the Company hereby announces that it will recognize losses on impairment of securities as described below.

1. Losses on impairment of securities as of the end of the first quarter for the fiscal year ending March 31, 2010

(Units: millions of yen)

	Consolidated	Non-Consolidated
(A) Amount of losses on impairment of securities as of the end of the first quarter for the fiscal year ending March 31, 2010	391	391

※ The Company adopts "Araigae" method in the quarter for the valuation of securities which have market value.
(Adding back the credited reverse amount in full to the income in the following period.)

※ The Company's fiscal term end is March 31.

○ Ratio to net assets, ordinary income and net income

(Units: millions of yen, except percentages)

	Consolidated	Non-Consolidated
(B) Net assets for the fiscal year ended March 31, 2009	16,019	5,244
(A / B × 100)	2.4%	7.5%
(C) Average amount of ordinary income in the previous 5 fiscal years	6,140	4,209
(A / C × 100)	6.4%	9.3%
(D) Average amount of net income in the previous 5 fiscal years	3,113	2,657
(A / D × 100)	12.6%	14.7%

2. Future Projection

Because of uncertainties in the future projection such as possible increase in allowance for loan-losses, the Company will announce its financial forecasts as soon as they are estimated.

Special Note Regarding Forward-Looking Statements

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. These forward-looking statements are subject to various risks and uncertainties. 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. 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, estimates or other information expressed in or underlying these forward-looking statements will turn out to be correct. Important risks and factors that could cause our actual results to differ materially from these forward-looking statements include without limitation the following: weak domestic economic conditions; the growing variety of legal means with which debtors can seek protection from creditors; changes to our portfolio of products and services and expansion into new business areas; the effect of fluctuations in the value of real estate held or securing loans; fluctuation in market environments regarding our investments; our ability to pursue and maintain profitable strategic alliances, joint ventures and strategic investments; any future inability to obtain funds from lenders or access the debt capital markets on favorable terms; an increase in prevailing market interest rates; failure to implement our business strategies; the failure of our risk management systems; our ability to adequately evaluate or control risks associated with loans or guarantees we make or related collateral; any disruption or other difficulties experienced by our information or technological systems and networks; misconduct by an employee or director and our exposure to negative publicity of the consumer or business finance industries; failure to maintain the confidentiality of personal information of our customers; and the influence of our vice-chairman and his family over important decisions.