

**To whom it may concern**

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URL: <http://www.nisgroup.jp/english>**Notice Regarding Occurrence of Gains on Foreign Exchange and Special Gains**

NIS GROUP CO., LTD. (the “Company”) hereby announces gains on foreign exchange and special gains accrued in the second quarter ended September 30, 2009. The details are as follows.

1. Outline of Gains on Foreign Exchange (Other Gains)

Due to the recent exchange rate fluctuations, gains on foreign exchange of approximately 200 million yen are recorded in the second quarter ended September 30, 2009.

Note that the above-mentioned gains on foreign exchange are reflecting change from the currency market exchange rate as of June 30, 2009. Accordingly, the amount of gains on foreign exchange adds up to approximately 500 million yen for the period from April 1, 2009 to September 30, 2009.

2. Outline of Special Gains

A part of No. 9 Series Domestic Unsecured Straight Bonds issued on February 28, 2007 and a part of US Dollar-denominated Unsecured Straight Bonds issued on June 20, 2007 were repurchased and cancelled by the Company. As a result, the Company will record special gains of approximately 1.7 billion yen in the second quarter ended September 30, 2009.

① No. 9 Series Domestic Unsecured Straight Bonds

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|------------------------------------|-------------------------------|
| (1) Amount Cancelled: | 1.9 billion yen |
| (2) Special Gains: | Approximately 200 million yen |
| (3)Balance After the Cancellation: | 2.1 billion yen |

② U.S. Dollar-denominated Unsecured Straight Bonds

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|------------------------------------|-------------------------------|
| (1) Amount Cancelled: | 38.7 million U.S dollar |
| (2) Special Gains: | Approximately 1.5 billion yen |
| (3)Balance After the Cancellation: | 36.8 million U.S. dollar |

Note that special gains on cancellation of bonds add up to approximately 3.9 billion yen for the period from April 1, 2009 to September 30, 2009.

3. 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.