

(TRANSLATION)



February 10, 2010

Condensed Statements of Financial Results for the Nine Months Ended December 31, 2009

Company Name:	NIS GROUP CO., LTD. (URL: http://www.nisgroup.jp/)
Stock Exchange Listings:	Tokyo Stock Exchange, First Section (Code: 8571)
Representative:	Toshioki Otani President and Representative Director of the Board
Inquiries:	Shigeharu Nakashima Head of Strategic Planning Department (Tel: 81-3-5652-2270)
Scheduled Filing Date of Quarterly Financial Report ("Shihanki-Houkokusho"):	February 12, 2010
Application of GAAP:	Japanese GAAP

(Note: All amounts in these financial statements are rounded down to the nearest million yen and percentages represent the rates of changes from the respective figures for the corresponding period of the previous year)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2009

(1) Consolidated Operating Results

	Nine Months Ended December 31,			
	2009		2008	
	Amount	Percentage	Amount	Percentage
	(In millions except percentages)			
Operating revenues	¥ 8,686	(66.7)%	¥26,116	-%
Operating losses	5,301	-	27,788	-
Ordinary losses	5,686	-	27,534	-
Net losses	1,092	-	45,195	-

	Nine Months Ended December 31,	
	2009	2008
	(In yen)	
Net losses per share:		
Basic	¥4.56	¥188.62
Diluted	-	-

Notes: Diluted net income per share was not presented because of net losses per share.

(2) Consolidated Financial Position

	December 31, 2009	March 31, 2009
	(In millions except percentages and per share data)	
Total assets	¥79,508	¥88,403
Net assets	14,066	16,019
Net worth ratio (%)	3.8%	5.1%
Net assets per share (in yen)	12.53	18.78

Note: Net worth was ¥3,001 million as of December 31, 2009 and ¥4,499 million as of March 31, 2009.

2. Dividends

	Year Ended March 31,	
	2009	2010
	(In yen)	
Dividend per share:		
First quarter-end	¥ -	¥ -
Second quarter-end	0.00	0.00
Third quarter-end	-	-
Year-end	0.00	0.00 (forecast)
Full-year	¥0.00	¥0.00 (forecast)

Note: No adjustment has been made to dividend forecasts for the year ending March 31, 2010.

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2010

	Year Ending March 31, 2010	
	Amount	Percentage ^(Note)
	(In millions except percentages)	
Operating revenues	¥10,000	(68.9)%
Operating losses	4,500	-
Ordinary losses	5,100	-
Net losses	1,200	-

	Year Ending March 31, 2010	
	Amount	
	(In yen)	
Net losses per share	¥5.01	

Notes: 1. The percentages indicated above represent the rates of increase (decrease) from the respective figures for the previous fiscal year.
2. No adjustment has been made to the financial forecasts for the year ending March 31, 2010.

4. Other

- (1) Changes in Significant Subsidiaries during the Nine Months Ended December 31, 2009 (changes in the scope of consolidation of specified subsidiaries): None
- (2) Adoption of Simplified Accounting Treatments or Particular Accounting Treatments for the Preparation of Quarterly Financial Statements : None
- (3) Changes in Accounting Principles and Procedures, Presentation and Other Items Relating to the Preparation of Quarterly Consolidated Financial Statements (described in “Changes in Significant Items Relating to the Preparation of Quarterly Consolidated Financial Statements”):
 - 1) Changes in accordance with the amendment of accounting standards: None
 - 2) Other changes: None
- (4) Number of Issued Shares of Common Stock

	December 31, 2009	March 31, 2009
	(Shares)	
Number of issued shares	245,894,350	245,894,350
Of which treasury stock	6,289,129	6,285,085

	Nine Months Ended December 31,	
	2009	2008
	(Shares)	
Weighted-average number of outstanding shares	239,606,810	239,613,217

(Special Note Regarding Forward-looking Statements and Other Notes)

Forward-looking statements in this document reflect our judgment based on the information available at this time. Various factors could cause actual results to differ materially from any of the forward-looking statements. For an explanation of certain factors affecting these financial forecasts and other related considerations, see “QUALITATIVE INFORMATION AND FINANCIAL STATEMENTS - 3. Qualitative Information on Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2010” on page 5.

QUALITATIVE INFORMATION AND FINANCIAL STATEMENTS

1. Qualitative Information on Consolidated Financial Results

For the nine months ended December 31, 2009, the Japanese economy has become increasingly uncertain due to reduction of corporate capital expenditure and worsening employment situation, although demand has been partly recovering reflecting economic stimulus measures. In addition, the global financial and capital markets has remained uncertain despite a recovery trend, and the financial environment for small and medium-sized enterprises (“SMEs”) in Japan and liquidity of real estate in Japan has remained stagnant

NIS Group Co., Ltd. (the “Company”) and its consolidated subsidiaries (collectively, the “Group”) steadily implemented its rehabilitation plan which has been underway since the previous fiscal year to achieve a turnaround of its business structure.

With regard to the financial results for the nine months ended December 31, 2009, total operating revenues were ¥8,686 million, a decrease of ¥17,430 million, or 66.7%, compared with the corresponding period of the previous fiscal year. This is mainly attributable to a decrease in interest income from loans receivable due to a decrease in the balance of loans receivable, and sales of a part of the Group’s shares in consolidated subsidiaries resulting in their becoming affiliates accounted for under the equity method in the previous fiscal year, offset by revenue of ¥3,595 million from sales of real estate held.

Operating losses were ¥5,301 million, compared to ¥27,788 million of operating losses for the corresponding period of the previous fiscal year. This is mainly attributable to costs related to excess interest repayments and loan losses which have been incurred continuously for the nine months ended December 31, 2009.

Ordinary losses were ¥5,686 million, compared to ¥27,534 million of ordinary losses for the corresponding period of the previous fiscal year.

Net losses were ¥1,092 million, compared to ¥45,195 million of net losses for the corresponding period of the previous fiscal year. This is mainly attributable to gains of ¥4,291 million on retirement of repurchased bonds such as U.S. Dollar-denominated Unsecured Straight Bond.

Operating results by business segment are described below:

(1) Integrated Financial Services

In integrated financial services, the Group mainly engages in investment banking business, trading support business, credit guarantee business, and secured and unsecured lending to SMEs in Japan.

With respect to investment banking business, the Group is focusing on the advisory business for mergers and acquisitions (M&A), arrangement of investment and financing projects, support for due diligence, and operating investment funds by utilizing its expertise that the Group has cultivated thus far. With respect to trading support business, the Group is working to meet diverse needs of mid-sized SMEs such as factoring services related to international trading, development of new customers and suppliers, and negotiation services by utilizing its expertise that the Group has cultivated thus far. With respect to existing credit guarantee business and loan business, taking into account the current business environment, the Company is undertaking constraints on the origination of new loans, and integration and improvement of efficiency in its operations in order to maximize collection of loans receivable.

As a result, operating revenues from integrated financial services for the nine months ended December 31, 2009 were ¥4,050 million, a decrease of ¥9,412 million, or 69.9%, compared with the corresponding period of the previous fiscal year and operating losses were ¥4,302 million, compared to ¥15,424 million of operating losses for the corresponding period of the previous fiscal year.

(2) Real Estate Business

In the real estate business, the Group attempted to promote sales of assets held and improve its investment efficiency.

As a result, operating revenues from the real estate business for the nine months ended December 31, 2009 were ¥4,249 million, an increase of ¥2,219 million, or 109.4%, compared with the corresponding period of the previous fiscal year and operating losses were ¥652 million, compared to ¥8,021 million of operating losses for the corresponding period of the previous fiscal year.

(3) Other Businesses

Operating revenues from other businesses for the nine months ended December 31, 2009 were ¥386 million, a decrease of ¥10,237 million, or 96.4%, compared with the corresponding period of the previous fiscal year and operating losses were ¥4 million, compared to ¥4,197 million of operating losses for the corresponding period of the previous fiscal year.

As stated in “(5) Segment Information — 1) Business Segment Information — (Additional information),” there is no longer the “Servicing Business” segment and, accordingly, “Servicing Business” is included in “Other Businesses” in the information above.

2. Qualitative Information on Consolidated Financial Position

(1) Assets, Liabilities and Net assets

As of December 31, 2009, total assets were ¥79,508 million, a decrease of ¥8,895 million, or 10.1%, compared with the end of the previous fiscal year. This is mainly attributable to a decrease of ¥8,536 million in loans receivable, ¥2,364 million in real estate for sale, offset by an increase of ¥2,104 million in cash and deposits and ¥1,587 million in investment securities, compared with the end of the previous fiscal year, respectively.

As of December 31, 2009, total liabilities were ¥65,441 million, a decrease of ¥6,941 million, or 9.6%, compared with the end of the previous fiscal year. This is mainly attributable to a decrease of ¥3,645 million in total interest-bearing debt due to a decrease in operating assets, and ¥1,041 million in reserve for guarantee losses due to a decrease in the balance of guarantees for loans and accounts receivable, compared with the end of the previous fiscal year, respectively.

As of December 31, 2009, net assets were ¥14,066 million, a decrease of ¥1,953 million, or 12.2%, compared with the end of the previous fiscal year. This is mainly attributable to a decrease of ¥1,101 million in retained earnings because of net losses for the nine months ended December 31, 2009 and ¥601 million in deferred gains on hedge instruments, compared with the end of the previous fiscal year.

(2) Cash Flows

As of December 31, 2009, cash and cash equivalents (“Cash”) were ¥4,269 million, an increase of ¥1,694 million, compared with the end of the previous fiscal year. The overview of cash flows is as follows:

(Cash Flows from Operating Activities)

Net Cash provided by operating activities for the nine months ended December 31, 2009 was ¥1,752 million, compared to ¥62,756 million provided for the corresponding period of the previous fiscal year.

Cash provided during the nine months ended December 31, 2009 mainly comprised ¥4,465 million provided by net collection of loans receivable, compared to ¥56,197 million provided for the corresponding period of the previous fiscal year, and ¥1,739 million provided by net decrease in real estate for sale and real estate under construction for sale, compared to ¥611 million used in net increase for the corresponding period of the previous fiscal year, offset by ¥1,034 million of losses before income taxes and minority interest, compared to ¥44,909 million of losses for the corresponding period of the previous fiscal year.

(Cash Flows from Investing Activities)

Net Cash provided by investing activities for the nine months ended December 31, 2009 was ¥142 million, compared to ¥2,936 million used for the corresponding period of the previous fiscal year.

Cash provided during the nine months ended December 31, 2009 mainly comprised ¥561 million provided by net increase in acquisition and sales of investment in subsidiaries resulting in change in the scope of consolidation, compared to ¥1,185 million used in net decrease for the corresponding period of the previous fiscal year, ¥392 million provided by sales of investment in affiliated companies, and ¥505 million provided by net collection of loans, compared to ¥2,915 million used in net payments for loan origination for the corresponding period of the previous fiscal year, offset by ¥1,469 million used in net acquisition of investment securities, compared to ¥2,821 million used for the corresponding period of the previous fiscal year.

(Cash Flows from Financing Activities)

Net Cash used in financing activities for the nine months ended December 31, 2009 was ¥186 million, compared to ¥66,752 million used for the corresponding period of the previous fiscal year.

Cash used during the nine months ended December 31, 2009 mainly comprised ¥524 million used in net repayments to minority interest, compared to ¥3,162 million provided by net proceeds for the corresponding period of the previous fiscal year, offset by ¥134 million provided by net proceeds from interest-bearing debt, compared to ¥72,399 million used in net repayments for the corresponding period of the previous fiscal year.

3. Qualitative Information on Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2010

No adjustment has been made to the consolidated financial forecasts for the year ending March 31, 2010 announced on November 11, 2009.

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

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.

1. Risks related to the Business Environment

- (a) Weak economic conditions
- (b) Misconduct by an employee or director, or negative publicity for our industry or the Group

2. Risks related to Laws and Regulations

- (a) Regulations concerning the loan business
 - i) Regulation concerning interest rates
 - ii) Regulation concerning excessive lending
 - iii) Regulation concerning loan operations
- (b) Financial Instruments and Exchange Law
- (c) Other related regulations

3. Business Risks

- (a) Funding and market interest rates
- (b) Claims for excess interest repayments
- (c) Outsourcing of operations
- (d) Investment banking businesses
- (e) Condition and liquidity in stock markets
- (f) Ability to pursue and maintain successful strategic alliances
- (g) Economic trends and liquidity in real estate markets
- (h) Transfer of receivables

4. Other

- (1) Changes in Significant Subsidiaries during the Nine Months Ended December 31, 2009 (changes in the scope of the consolidation of specified subsidiaries):

None

- (2) Adoption of Simplified Accounting Treatments or Particular Accounting Treatments for the Preparation of Consolidated Financial Statements:

None

- (3) Changes in Accounting Principles and Methods, Presentation and Other Items Relating to the Preparation of Quarterly Consolidated Financial Statements:

None

- (4) Going Concern

For the year ended March 31, 2009, the Group recorded significant operating losses, ordinary losses and net losses for the second consecutive fiscal year. In addition, the Group recorded operating losses of ¥5,301 million, ordinary losses of ¥5,686 million and net losses of ¥1,092 million for the nine months ended December 31, 2009, and these conditions continuously raise substantial doubt concerning the Group's ability to continue as a going concern.

In order to resolve this situation, the Group has been implementing a rehabilitation plan for reorganization of the Group's business structure, reinforcement of a stable capital base and establishment of a lean organizational structure as follows since the previous fiscal year.

1. Reorganization of the Group's business structure

The Group is working to ensure its stable revenues by actively promoting businesses generating fee income such as advisory business on merger and acquisition (M&A), arrangement of investment and financing projects, support for due diligence, and operation of investment funds, and trading support business which responds to various needs of mid-sized SMEs such as factoring services related to international trading, development of new customers and suppliers, and negotiation services as well as consulting services for both foreign and domestic mid-sized SMEs to expand their businesses overseas, by utilizing its expertise that the Group has cultivated thus far.

2. Reinforcement of a stable capital base

Based on an agreement with Chusho-Kigyo Hosho Kiko Co., Ltd. with regard to a strategic and capital and business alliance, Chusho-Kigyo Hosho Kiko, Incubator Bank of Japan, Limited and others have provided necessary financial support in order for the Company to establish a stable capital base. In addition, the Group sold eight real-estate properties held for sale by the end of the nine months ended December 31, 2009, and the Company is striving to reduce its assets continuously through sales of assets held and collection of loans receivable.

3. Establishment of a lean organizational structure

In order to improve management efficiency through concentration in areas of core competence, the Group implemented cost reduction such as relocation of its headquarters and outsourcing of its operations. The Group is continuously striving to reduce its costs and expenses.

Despite these measures, however, the Group recognizes substantial doubt concerning its ability to continue as a going concern at this time, because the possibility for the Group to ensure its operating revenues that could absorb increases in losses on excess interest repayments and loan loss-related expenses on loans receivable is highly dependent on external factors.

Nevertheless, the quarterly consolidated financial statements have been prepared on a going-concern basis and reflect no material doubt in those respects.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	December 31, 2009	(Summary) March 31, 2009
	Amount	Amount
	(In millions)	
ASSETS:		
Current Assets:		
Cash and deposits	¥ 5,531	¥ 3,427
Loans receivable	24,911	33,447
Receivables from guarantees paid	4,279	3,692
Other receivables	809	325
Real estate for sale in the real estate business	5,216	7,580
Real estate under construction for sale in the real estate business	6,193	6,193
Other	3,240	4,842
Allowance for loan losses	(4,553)	(7,373)
Total Current Assets	45,629	52,135
Fixed Assets:		
Tangible fixed assets	58	871
Intangible fixed assets	22	62
Investment and other assets:		
Investment securities	9,736	8,149
Bankrupt and delinquent loans receivable	46,482	46,955
Other	7,494	8,680
Allowance for loan losses	(29,952)	(28,609)
Total investment and other assets	33,761	35,175
Total Fixed Assets	33,842	36,109
Deferred Assets	37	159
Total Assets	¥79,508	¥88,403

	December 31, 2009	(Summary) March 31, 2009
	Amount	Amount
(In millions)		
LIABILITIES:		
Current Liabilities:		
Short-term borrowings	¥21,568	¥12,700
Current portion of long-term borrowings	7,467	13,763
Current portion of bonds	400	5,000
Obligation under security buy-back agreements	7,200	7,200
Accrued income taxes	1,333	1,162
Reserve for guarantee losses	1,611	2,653
Other reserves	-	336
Other	1,878	2,511
Total Current Liabilities	41,460	45,328
Long-term Liabilities:		
Bonds	3,200	11,198
Long-term borrowings	7,737	1,358
Reserve for losses on excess interest repayments	10,449	11,340
Reserve for losses on businesses of affiliated companies	2,029	2,726
Other reserves	27	27
Other	537	405
Total Long-term Liabilities	23,981	27,055
Total Liabilities	65,441	72,383
NET ASSETS:		
Shareholders' Equity:		
Common stock	26,289	26,289
Additional paid-in capital	30,180	30,180
Accumulated deficit	(49,813)	(48,711)
Treasury stock	(3,893)	(3,893)
Total Shareholders' Equity	2,763	3,864
Valuation and Translation Adjustments:		
Unrealized gains (losses) on investment securities	69	(148)
Deferred gains on hedging instruments	182	783
Foreign currency translation adjustments	(13)	-
Total Valuation and Translation Adjustments	238	634
Minority Interest	11,065	11,520
Total Net Assets	14,066	16,019
Total Liabilities and Net Assets	¥79,508	¥88,403

(2) Consolidated Statement of Operations
For the Nine Months Ended December 31, 2008 and 2009

	Nine Months Ended December 31,	
	2008	2009
	Amount	Amount
	(In millions)	
Operating Revenues	¥26,116	¥ 8,686
Operating Expenses	26,162	6,696
Net Operating (Expenses) Revenues	(45)	1,990
Selling, General and Administrative Expenses	27,742	7,292
Operating Losses	27,788	5,301
Other Income:		
Interest received	99	228
Dividends received	29	67
Guarantee fees received	330	138
Equity in income of affiliates accounted for under the equity method	-	186
Gains on foreign exchange	2,986	460
Other	116	43
Total Other Income	3,562	1,124
Other Expenses:		
Interest expenses	1,869	1,333
Equity in losses of affiliates accounted for under the equity method	1,055	-
Losses on investment funds	195	142
Other	188	33
Total Other Expenses	3,309	1,509
Ordinary Losses	27,534	5,686
Special Gains:		
Gains on sales of fixed assets	3	0
Gains on sales of investment securities	143	4
Gains on retirement of bonds repurchased	-	4,291
Compensation income	2,587	-
Other	28	949
Total Special Gains	2,762	5,245
Special Losses:		
Losses on sales of fixed assets	7	-
Losses on disposal of fixed assets	17	0
Losses on impairment	1,872	60
Losses on impairment of investment securities	3,495	522
Losses on impairment of investment in affiliated companies	1,485	-
Losses on cancellation of derivative transactions	2,372	-
Losses on exercise of convertible preferred interest	8,809	-
Other	2,076	9
Total Special Losses	20,137	592
Losses before Income Taxes and Minority Interest	44,909	1,034
Income Taxes:		
Current	49	49
Deferred	2,334	-
Total Income Taxes	2,384	49
Minority Interest in Net (Losses) Income of Subsidiaries	(2,098)	8
Net Losses	¥45,195	¥1,092

(3) Consolidated Statement of Cash Flows

	Nine Months Ended December 31,	
	2008	2009
	Amount	Amount
	(In millions)	
Operating Activities:		
Losses before income taxes and minority interest	¥(44,909)	¥(1,034)
Depreciation and amortization	1,570	36
Losses on impairment	1,872	60
Increase (decrease) in allowance for loan losses	6,959	(1,458)
Decrease in reserve for losses on excess interest repayments	(586)	(890)
Decrease in reserve for losses on businesses of affiliated companies	(2,448)	(396)
Increase (decrease) in reserve for guarantee losses	2,328	(1,041)
Decrease in other reserves	(419)	(247)
Gains on foreign exchange	(2,986)	(460)
Interest and dividends received	(257)	(297)
Interest expenses	3,640	3,101
Equity in losses (gains) of affiliates accounted for under the equity method	1,055	(186)
Losses on sales and disposal of fixed assets	21	0
Losses (gains) on sales of investment securities	25	(4)
Losses on impairment of investment securities	3,495	522
Losses on impairment of investment in affiliated companies	1,485	-
Losses on exercise of convertible preferred interest	8,809	-
Losses on impairment of real estate for sale in the servicing business	3,397	-
Losses on impairment of real estate for sale and real estate under construction for sale in the real estate business	8,801	444
Compensation income	(2,587)	(39)
Losses on cancellation of derivative transactions	2,372	-
Gains on retirement of bonds repurchased	-	(4,291)
Charge-offs of loans receivable	8,399	5,083
Decrease in interest receivable	289	48
Increase (decrease) in advanced interest received	0	(13)
Other	(324)	(861)
Sub-total	4	(1,926)
Proceeds from interest and dividends received	258	296
Interest paid	(4,040)	(3,012)
Proceeds from compensation received	2,587	39
Income taxes paid	(1,101)	150
Sub-total	(2,290)	(4,451)
Decrease in loans receivable	56,197	4,465
Decrease in purchased loans receivable	4,551	-
Decrease in real estate for sale in the servicing business	2,415	-
Purchases of assets held for leases	(150)	-
Decrease in installment loans receivable	1,362	-
(Increase) decrease in real estate for sale and real estate under construction for sale in the real estate business	(611)	1,739
Decrease in operational investment securities	1,282	-
Net cash provided by operating activities	62,756	1,752

(Continued)

	Nine Months Ended December 31,	
	2008	2009
	Amount	Amount
	(In millions)	
(Continued)		
Investing Activities:		
Time deposits	(1,351)	(110)
Proceeds from withdrawal of time deposits	1,450	200
Purchases of tangible fixed assets	(37)	(6)
Proceeds from sales of tangible fixed assets	30	11
Purchases of intangible fixed assets	(65)	(11)
Purchases of investment securities	(4,761)	(1,680)
Proceeds from sales of investment securities	1,940	211
Proceeds from sales of investment in affiliated companies	-	392
Proceeds from sales of other investment in affiliated companies	1,956	-
Proceeds from redemption of other investment in affiliated companies	1,589	-
Payments for acquisition of investment in subsidiaries resulting in change in the scope of consolidation	-	(234)
Payments for sales of investment in subsidiaries resulting in change in the scope of consolidation	(1,185)	-
Proceeds from sales of investment in subsidiaries resulting in change in the scope of consolidation	-	795
Payments for loan origination	(6,650)	(1,204)
Proceeds from collection of loans receivable	3,735	1,710
Other	413	69
Net cash (used in) provided by investing activities	(2,936)	142
Financing Activities:		
Deposits of restricted cash in banks	(1,502)	(0)
Proceeds from withdrawal of restricted cash in banks	2,130	204
Proceeds from short-term borrowings	16,750	24,070
Repayments of short-term borrowings	(27,652)	(15,202)
Proceeds from long-term borrowings	6,538	9,822
Repayments of long-term borrowings	(52,919)	(9,975)
Payments for redemption of bonds	(17,530)	(8,580)
Proceeds from collection of cash collateral on redemption of bonds	1,392	-
Decrease in asset-backed securities	(10,185)	-
Increase in obligation under receivable buy-back agreements	8,176	-
Decrease in obligation under receivable buy-back agreements	(741)	-
Increase in obligation under security buy-back agreements	5,165	-
Proceeds from issuance of new shares to minority interest	3,231	991
Repayments to minority interest	-	(1,515)
Other	394	(0)
Net cash used in financing activities	(66,752)	(186)
Effect of exchange rate changes on cash and cash equivalents	(14)	(14)
Net (decrease) increase in cash and cash equivalents	(6,947)	1,694
Cash and cash equivalents at beginning of period	9,552	2,575
Cash and cash equivalents at end of period	¥ 2,605	¥ 4,269

(4) Going Concern

(April 1, 2009 ~ December 31, 2009)

For the year ended March 31, 2009, the Group recorded significant operating losses, ordinary losses and net losses for the second consecutive fiscal year. In addition, the Group recorded operating losses of ¥5,301 million, ordinary losses of ¥5,686 million and net losses of ¥1,092 million for the nine months ended December 31, 2009, and these conditions continuously raise substantial doubt concerning the Group's ability to continue as a going concern.

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2. Reinforcement of a stable capital base

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Despite these measures, however, the Group recognizes substantial doubt concerning its ability to continue as a going concern at this time, because the possibility for the Group to ensure its operating revenues that could absorb increases in losses on excess interest repayments and loan loss-related expenses on loans receivable is highly dependent on external factors.

Nevertheless, the quarterly consolidated financial statements have been prepared on a going-concern basis and reflect no material doubt in those respects.

(5) Segment Information

1) Business Segment Information

Business segment information for the nine months ended December 31, 2008 is as follows:

	Nine Months Ended December 31, 2008						
	Integrated Financial Services	Servicing Business	Real Estate Business	Other Businesses	Total	Eliminations	Consolidated
	(In millions)						
Operating revenues:							
(1) Operating revenues from third parties	¥13,462	¥10,196	¥2,029	¥428	¥26,116	¥ -	¥26,116
(2) Operating revenues from inter-segment sales or transfers	590	-	175	1	766	(766)	-
Total operating revenues	14,053	10,196	2,204	429	26,883	(766)	26,116
Operating losses	¥15,424	¥ 4,066	¥8,021	¥131	¥27,643	¥ 144	¥27,788

Notes: 1. Classification of business segments

Business segments are classified by taking into consideration similarities in the type and nature of businesses and operating transactions.

2. Main descriptions of each business segment

- (1) Integrated Financial Services: Provider of loan products to individuals including consumers, SMEs and their owners
Provider of leases, etc.
Provider of guarantee services
Securities business
- (2) Servicing Business: Management, collection, acquisition, and investment in specific money claims
- (3) Real Estate Business: Real estate transactions
Real estate development
Asset management
- (4) Other Businesses: SME support services
Agent for life or non-life insurance companies, etc.

Business segment information for the nine months ended December 31, 2009 is as follows:

	Nine Months Ended December 31, 2009					
	Integrated Financial Services	Real Estate Business	Other Businesses	Total	Eliminations	Consolidated
	(In millions)					
Operating revenues:						
(1) Operating revenues from third parties	¥4,050	¥4,249	¥386	¥ 8,686	¥ -	¥8,686
(2) Operating revenues from inter-segment sales or transfers	568	63	21	654	(654)	-
Total operating revenues	4,619	4,312	408	9,340	(654)	8,686
Operating (losses) income	¥(4,302)	¥ (652)	¥ 4	¥(4,950)	¥ (351)	¥(5,301)

Notes: 1. Classification of business segments

Business segments are classified by taking into consideration similarities in the type and nature of businesses and operating transactions.

2. Main descriptions of each business segment

- (1) Integrated Financial Services: Provider of loan products to individuals including consumers, SMEs and their owners
Provider of guarantee services
Investment banking business
- (2) Real Estate Business: Real estate transactions
Real estate development
Asset management
- (3) Other Businesses: SME support services, etc.

(Additional information)

“Servicing Business,” which was previously presented as a separate business segment, no longer exists as a result of Nissin Servicer Co., Ltd., a former consolidated subsidiary engaging in the serving business, becoming an affiliate accounted for under the equity method during the year ended March 31, 2009.

2) Geographical Segment Information

Geographical segment information is omitted for the nine months ended December 31, 2008 and 2009 as domestic operating revenues accounted for more than 90% of consolidated operating revenues for all segments during the period.

3) Overseas Operating Revenues

Information on overseas operating revenues is omitted for the nine months ended December 31, 2008 and 2009 as overseas operating revenues accounted for less than 10% of consolidated operating revenues during the period.

(6) Note to Significant Changes in Shareholders' Equity

Not Applicable

6. Other Information

Operating Results of the Group

(1) Operating Revenues by Business Segment

	Nine Months Ended December 31,			
	2008		2009	
	Amount	Percentage of Total	Amount	Percentage of Total
	(In millions except percentages)			
Integrated Financial Services:				
Interest income from notes and loans receivable:				
Secured loans	¥ 2,092	8.0%	¥ 531	6.1%
SME loans	2,247	8.6	373	4.3
Discount notes	2	0.0	0	0.0
Consumer loans	1,875	7.2	770	8.9
Total	6,218	23.8	1,675	19.3
Fees received	121	0.5	22	0.3
Guarantee fees received	1,603	6.1	1,050	12.1
Revenue from leases and installment loans receivable	2,832	10.8	-	-
Other	2,686	10.3	1,301	15.0
Total	7,244	27.7	2,374	27.4
Sub-total	13,462	51.5	4,050	46.7
Real Estate Business:				
Revenue from sales of real estate	979	3.7	3,595	41.4
Other	1,050	4.1	654	7.5
Sub-total	2,029	7.8	4,249	48.9
Other Businesses:				
Revenue from collections of purchased loans receivable	6,410	24.5	-	-
Revenue from sales of real estate in the servicing business	2,506	9.6	-	-
Other	1,707	6.6	386	4.4
Sub-total	10,624	40.7	386	4.4
Total	¥26,116	100.0%	¥8,686	100.0%

Notes: 1. Business segments presented above are identical to the business segments presented in "Business Segment Information."

In addition, with respect to the business segment, "Servicing Business," which was previously presented as a separate business segment, no longer exists as a result of Nissin Servicer Co., Ltd., a former consolidated subsidiary engaging in the servicing business, becoming an affiliate accounted for under the equity method during the year ended March 31, 2009, and operating revenues from the servicing business for the nine month ended December 31, 2008 until the exclusion from the scope of consolidation are included in "Other Businesses."

2. In integrated financial services, NIS Lease Co., Ltd., a former consolidated subsidiary mainly engaging in the leasing business, became an affiliate accounted for under the equity method during the year ended March 31, 2009.

3. Consumption taxes are excluded from the amount presented above.

(2) Operating Assets by Business Segment

	December 31,			
	2008		2009	
	Amount	Percentage of Total	Amount	Percentage of Total
(In millions except percentages)				
Integrated Financial Services:				
Notes and loans receivable:				
Secured Loans	¥ 26,279	32.3%	¥ 8,223	19.9%
SME loans	13,748	16.9	9,374	22.7
Discount notes	13	0.0	1	0.0
Consumer loans	12,797	15.7	7,313	17.7
Total	52,839	64.9	24,912	60.3
Receivables from guarantees paid	3,307	4.1	4,279	10.4
Assets held for finance leases, of which ownership is non-transferable:				
Machinery	169	0.2	-	-
Equipment	1,439	1.8	-	-
Software	306	0.4	-	-
Other	21	0.0	-	-
Total	1,936	2.4	-	-
Assets held for operating leases	1,403	1.7	-	-
Installment loans receivable	2,725	3.3	-	-
Other	1,857	2.3	418	1.0
Sub-total	64,069	78.7	29,611	71.7
Real Estate Business:				
Real estate for sale	10,746	13.2	5,216	12.6
Real estate under construction for sale	6,609	8.1	6,193	15.0
Sub-total	17,355	21.3	11,409	27.6
Other Businesses:				
Other	26	0.0	253	0.7
Sub-total	26	0.0	253	0.7
Total	¥81,451	100.0%	¥41,274	100.0%

Notes: 1. Installment loans receivable presented above are the amount after the deduction of unearned revenues from installment loans receivable.
2. In addition to those presented above, the amount of loans and accounts receivable of other companies that the Group guarantees in connection with the credit guarantee business in the integrated financial services segment is as follows:

	December 31,	
	2008	2009
	Amount	Amount
(In millions)		
Guarantees for loans and accounts receivable	¥31,150	¥13,510

Note: Guarantees for loans and accounts receivable presented above are the amounts after the deduction of the reserve for guarantee losses and reserve for losses on businesses of affiliated companies.

3. With respect to the business segment, "Servicing Business," which was previously presented as a separate business segment, no longer exists as a result of Nissin Servicer Co., Ltd., a former consolidated subsidiary engaging in the servicing business, becoming an affiliate accounted for under the equity method during the year ended March 31, 2009.
4. In integrated financial services, NIS Lease Co., Ltd., a former consolidated subsidiary mainly engaging in the leasing business, became an affiliate accounted for under the equity method during the year ended March 31, 2009.