Quarterly Financial Report

(Japanese GAAP)

This report is an English translation of "Shihanki-Houkokusho" as of and for the three months ended June 30, 2009, filed through the Electronic Disclosure for Investors' Network (EDINET) in Japan, pursuant to the Japanese Financial Instruments and Exchange Law, Regulation Section 27-30 Paragraph 2.

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Representative:	Kunihiko Sakioka President and Representative Director of the Board
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FIRST SECTION: CORPORATE INFORMATION

Note: All amounts are rounded down to the nearest million yen, and all percentages are rounded to the nearest one-tenth of one percent in this quarterly financial report.

ITEM 1. OVERVIEW OF THE CORPORATION

1. KEY FINANCIAL DATA AND TRENDS

	Three Months Ended / As of June 30, 2008	Three Months Ended / As of June 30, 2009	Year Ended / As of March 31, 2009
	(In millions except percentages, per share data and number of employees)		
Consolidated Financial Data:			
Operating revenues	¥ 12,249	¥ 1,737	¥ 32,170
Ordinary income (losses)	600	(2,387)	(38,412)
Net income (losses)	549	(541)	(50,805)
Net assets	57,736	15,530	16,019
Total assets	230,107	87,142	88,403
Net assets per share (in yen)	224.38	16.72	18.78
Net income (losses) per share (in yen):			
Basic	2.29	(2.26)	(212.03)
Diluted	-	-	-
Net worth ratio (%)	23.4	4.6	5.1
Net cash provided by (used in) operating activities	35,889	(1,025)	64,853
Net cash provided by investing activities	1,001	1,703	6,767
Net cash (used in) provided by financing activities	(38,883)	1,947	(78,598)
Cash and cash equivalents at end of period	7,560	5,200	2,575
Number of employees (persons)	720	112	134

Notes: 1. Consumption taxes are excluded from operating revenues.
2. Diluted net income per share for the three months ended June 30, 2008 was not presented there existed no shares with dilutive effect.
3. Diluted net income per share for the three months ended June 30, 2009 and the year ended March 31, 2009 was not presented because of net losses per share.

2. DESCRIPTION OF BUSINESS

There were no significant changes in the business operations of the NIS Group corporate group, comprised of NIS Group Co., Ltd., (the "Company") and its subsidiaries and affiliates (collectively the "Group") during the three months ended June 30, 2009.

In addition, changes in the principal subsidiaries and affiliates are stated in "3. OVERVIEW OF SUBSIDIARIES AND AFFILIATES."

Also, "Servicing Business," which was previously presented as a separate business segment, no longer exists since Nissin Servicer Co., Ltd., a consolidated subsidiary engaging in the serving business, became an affiliate accounted for under the equity method during the year ended March 31, 2009.

3. OVERVIEW OF SUBSIDIARIES AND AFFILIATES

Changes in significant subsidiaries and affiliates during the three months ended June 30, 2009, are as follows:

Newly-included

Company Name	Location	Common Stock (In millions of yen)	Main Business [1]	Voting Interest Owned (%)	Relationship
(Consolidated Subsidiary)					
Shuho (Shanhai) Investment & Consulting Co., Ltd.	Shanghai, People's Republic of China	183	Other Businesses	100.0	-
(Affiliate Accounted for under the Equity Method)					
La Parler Co., Ltd. [2&3]	Chiyoda-ku, Tokyo	3,226	Other Businesses	4.0	2 shared directors

Notes: 1. "Main Business" refers to the business segment.
2. Although voting interest owned by the Group is less than 20%, the company is an affiliate because the Group has a substantial influence on it through joint investment with other companies.
3. The company is required to file its annual financial report (Yukashoken-Houkokusho) with the Ministry of Finance.

4. EMPLOYEES

(1) Employees of the Group

	June 30, 2009
	(Persons)
Number of Employees	112

Note: The number of employees represents the number of full-time employees, including employees of third parties seconded to the Group, net of employees seconded to third parties by the Group.

(2) Employees of the Company

	June 30, 2009
	(Persons)
Number of Employees	111

Note: The number of employees represents the number of full-time employees, including employees of third parties seconded to the Company, net of employees seconded to third parties by the Company.

ITEM 2. OVERVIEW OF BUSINESS

1. OPERATING RESULTS

(1) Operating Results of the Group

1) Operating Revenues by Business Segment

	Three Months Ended June 30, 2008 Amount	2008 Percentage of Total	2009 Amount	2009 Percentage of Total
	(In millions except percentages)			
Integrated Financial Services:				
Interest income from notes and loans receivable:				
Secured loans	¥ 977	8.0%	¥ 198	11.4%
SME loans	1,430	11.7	149	8.6
Discount notes	1	0.0	-	-
Consumer loans	771	6.3	313	18.1
Total	3,180	26.0	661	38.1
Fees received	52	0.4	17	1.0
Guarantee fees received	258	2.1	408	23.5
Revenue from leases and installment loans receivable	1,054	8.6	-	-
Other	878	7.2	388	22.4
Total	2,244	18.3	813	46.9
Sub-total	5,424	44.3	1,475	85.0
Real Estate Business:				
Revenue from sales of real estate	830	6.8	-	-
Other	320	2.6	254	14.6
Sub-total	1,150	9.4	254	14.6
Other Businesses:				
Revenue from collections of purchased loans receivable	3,320	27.1	-	-
Revenue from sales of real estate	1,727	14.1	-	-
Other	626	5.1	7	0.4
Sub-total	5,674	46.3	7	0.4
Total	¥12,249	100.0%	¥1,737	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 serving business, becoming an affiliate accounted for under the equity method during the year ended March 31, 2009.

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 three months ended March 31, 2009.

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

2) Operating Assets by Business Segment

	June 30, 2008 Amount	June 30, 2008 Percentage of Total	June 30, 2009 Amount	June 30, 2009 Percentage of Total
	(In millions except percentages)			
Integrated Financial Services:				
Notes and loans receivable:				
Secured Loans	¥ 42,139	24.0%	¥ 9,532	19.4%
SME loans	27,258	15.6	11,081	22.6
Discount notes	28	0.0	1	0.0
Consumer loans	19,045	10.9	9,638	19.7
Total	88,472	50.5	30,253	61.7
Receivables from guarantees paid	2,851	1.6	4,200	8.6
Assets held for finance leases, of which ownership is non-transferable:				
Machinery	233	0.1	-	-
Equipment	1,890	1.1	-	-
Software	386	0.2	-	-
Other	27	0.0	-	-
Total	2,538	1.4	-	-
Assets held for operating leases	1,906	1.1	-	-
Installment loans receivable	3,922	2.2	-	-
Margin transaction assets	2,628	1.5	-	-
Other	3,501	2.1	808	1.7
Sub-total	105,821	60.4	35,262	72.0
Real Estate Business:				
Real estate for sale	15,871	9.1	7,550	15.4
Real estate under construction for sale	10,167	5.8	6,193	12.6
Sub-total	26,039	14.9	13,743	28.0
Other Businesses:				
Purchased loans receivable	25,712	14.7	-	-
Real estate for sale in the servicing business	17,533	10.0	-	-
Other	-	-	20	0.0
Sub-total	43,245	24.7	20	0.0
Total	¥175,107	100.0%	¥49,026	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:

	June 30, 2008 Amount	June 30, 2009 Amount
	(In millions)	
Guarantees for loans and accounts receivable	¥28,526	¥17,746

Note: Guarantees for loans and accounts receivable presented above are the amount after the deduction of reserve for guarantee losses and reserve for losses on business 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 serving 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 three months ended March 31, 2009, and NIS Securities Co., Ltd. (currently, Yamagen Securities Co., Ltd.), a former consolidated subsidiary mainly engaging in the securities business, was excluded from the scope of consolidation during the three months ended September 30, 2008.

2. BUSINESS RISK FACTORS

Forward -looking statements in the following sections reflect our judgment based on the information available as of the filing date of this Quarterly Financial Report.

(1) For the three months ended June 30, 2009, there are no extraordinary changes in financial position, results of operations and cash flows, and significant changes in "BUSINESS RISK FACTORS" described in the Annual Financial Report ("Yukashoken-Houkokkusho") for the year ended March 31, 2009.

(2) Events or Situations Raising Substantial Doubt concerning the Company's Ability to Continue as a Going Concern, and Other Factors Having a Material Impact on the Company's Operations

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 ¥2,441 million, ordinary losses of ¥2,387 million and net losses of ¥541 million for the three months ended June 30, 2009, and these conditions continuously raise substantial doubt concerning the Group's ability to continue as a going concern.

3. SIGNIFICANT CONTRACTS

None

4. MANAGEMENT'S DISCUSSION AND ANALYSIS

Forward -looking statements in the following sections reflect our judgment based on the information available as of the filing date of this Quarterly Financial Report.

(1) Management's Discussion and Analysis on Financial Position, Results on Operations and Cash Flows

1) Analysis of Business Performance

For the three months ended June 30, 2009, the financing environment for companies and liquidity of real estate in Japan has remained stagnant in the midst of prolonged period of global financial and capital markets turmoil, although a part of indicators, such as export and production data which had declined largely, have showed a recovery trend since the last autumn.

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 three months ended June 30, 2009, total operating revenues were ¥1,737 million, a decrease of ¥10,512 million, or 85.8%, 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.

Operating income decreased by ¥3,469 million, compared with the corresponding period of the previous fiscal year, to ¥2,441 million of operating losses. This is mainly attributable to an additional reserve of ¥1,180 million for losses on excess interest repayments and allowance for loan losses of ¥792 million for real estate-backed loans receivable, despite significant reduction of personnel and rental expenses as a result of improvement of management efficiency which has been underway since the previous fiscal year.

Ordinary income decreased by ¥2,988 million, compared with the corresponding period of the previous fiscal year, to ¥2,387 million of ordinary losses.

Net income for the three months ended June 30, 2009 decreased by ¥1,091 million, compared with the corresponding period of the previous fiscal year, to ¥541 million of net losses. This is mainly attributable to gains of ¥2,200 million on retirement of repurchased bonds such as U.S. Dollar-denominated Unsecured Straight Bond, and losses of ¥391 million on impairment of investment securities.

Operating results by business segment are described below:

i) Integrated Financial Services

In integrated financial services, the Group mainly engages in investment banking business, credit guarantee business, and secured and unsecured lending to small and medium-sized enterprises ("SMEs") in Japan.

With respect to investment banking business, the Group is working to expand fee income focusing on the advisory business for mergers and acquisitions (M&A), arrangement of investment and financing projects, support for due diligence, operating investment funds by utilizing its expertise that the Group has cultivated thus far. In addition, the Group commenced trading support services as a new business. With respect to existing 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 three months ended June 30, 2009 were ¥1,475 million, a decrease of ¥3,949 million, or 72.8%, and operating income decreased by ¥1,879 million to ¥2,086 million of operating losses, compared with the corresponding period of the previous fiscal year.

ii) Real Estate Business

In the real estate business, the Group attempted to improve the value of assets held as well as its investment efficiency.

As a result, operating revenues from the real estate business for the three months ended June 30, 2009 were ¥254 million, a decrease of ¥896 million, or 77.9%, and operating income decreased by ¥887 million to ¥236 million of operating losses, compared with the corresponding period of the previous fiscal year, respectively.

iii) Other Businesses

Operating revenues from other businesses for the three months ended June 30, 2009 were ¥7 million, a decrease of ¥5,667 million, or 99.9%, and operating income decreased by ¥679 million to ¥0 million of operating losses, compared with the corresponding period of the previous fiscal year, respectively.

As stated in "ITEM 5. FINANCIAL STATEMENTS－1. CONSOLIDATED FINANCIAL STATEMENTS－NOTES TO CONSOLIDATED FINANCIAL STATEMENTS－Segment Information－1. Business Segment Information－(Additional information)," there is no longer the "Servicing Business" segment and, accordingly, the information above is based on the financial results under the current business segments after the change.

2) Analysis of Consolidated Financial Position

As of June 30, 2009, total assets were ¥87,142 million, a decrease of ¥1,261 million, or 1.4%, compared with the end of the previous fiscal year. This is mainly attributable to a decrease of ¥3,195 million in loans receivable and ¥1,710 million in loans to affiliated companies, offset by an increase of ¥2,625 million in cash and deposits and ¥985 million in investment securities, compared with the end of the previous fiscal year, respectively

As of June 30, 2009, total liabilities were ¥71,612 million, a decrease of ¥771 million, or 1.1%, compared with the end of the previous fiscal year. This is mainly attributable to a decrease of ¥451 million in reserve for guarantee losses reflecting a decrease in the balance of guarantees for loans and accounts receivable, compared with the end of the previous fiscal year.

As of June 30, 2009, net assets were ¥15,530 million, a decrease of ¥489 million, or 3.1%, compared with the end of the previous fiscal year. This is attributable to a decrease of ¥550 million in retained earnings because of net losses for the three months ended June 30, 2009.

3) Cash Flows

As of June 30, 2009, cash and cash equivalents ("Cash") were ¥5,200 million, an increase of ¥2,624 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 used in operating activities for the three months ended June 30, 2009 was ¥1,025 million, compared to ¥35,889 million provided for the corresponding period of the previous fiscal year.

Cash used during the three months ended June 30, 2009 mainly comprised ¥529 million in losses before income taxes and minority interest, ¥2,200 million in gains on retirement of bonds repurchased, and ¥1,930 million provided by net collection of loans receivable, compared to ¥31,716 million provided for the corresponding period of the previous fiscal year.

(Cash Flows from Investing Activities)

Net Cash provided by investing activities for the three months ended June 30, 2009 was ¥1,703 million, compared to ¥1,001 million provided for the corresponding period of the previous fiscal year.

Cash provided during the three months ended June 30, 2009 mainly comprised ¥1,710 million provided by collection of loans to affiliated companies, compared to ¥1,714 million provided for the corresponding period of the previous fiscal year.

(Cash Flows from Financing Activities)

Net Cash provided by financing activities for the three months ended June 30, 2009 was ¥1,947 million, compared to ¥38,883 million used for the corresponding period of the previous fiscal year.

Cash provided during the three months ended June 30, 2009 mainly comprised ¥1,947 million provided by net proceeds from interest-bearing debt, compared to ¥39,459 million used in net repayments for the corresponding period of the previous fiscal year.

4) Challenges for the Group

There were no significant changes in challenges or new challenges arising for the Group during the three months ended June 30, 2009.

5) Research and Development

None

(2) Discussion and Analysis on Significant Conditions as Stated in "Business Risk Factors" and Measures to Resolve or Improve Such Conditions

As described in "BUSINESS RISK FACTORS" above, there are conditions that 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, stabilization of the Group's 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 expand fee income through a shift to businesses generating fee income focusing on the advisory business on mergers and acquisitions (M&A), arrangement of investment and financing projects, support for due diligence, and operation of investment funds by utilizing its expertise in investment in and M&A of unlisted companies and funds procurement for those companies, as well as in credit management and loan servicing business that the Group has cultivated thus far.

2) Stabilization of the Group's capital base

In order to establish a stable capital base, the Company entered into an agreement with Chusho-Kigyo Hosho Kiko Co., Ltd., a company providing management, capital and business support to SMEs, with regard to a strategic capital and business alliance in the previous fiscal year. The Company reinforces relationships with Chusho-Kigyo Hosho Kiko and further implements its management rehabilitation.

In addition, Incubator Bank of Japan, Limited and Chusho-Kigyo Hosho Kiko have provided necessary financial support, and the Company is striving to stabilize its funds procurement through financial support from certain other lenders as well as disposal of assets.

3) Establishment of a lean organizational structure

In order to improve management efficiency through concentration in areas of core competence, the Group implemented restructuring, including sales of a part of its shares in Nissin Servicer Co., Ltd., NIS Lease Co., Ltd. and other former consolidated subsidiaries, resulting in their becoming affiliates accounted for under the equity method, as well as sales of other operating assets, integration of sales offices to enhance its credit management system, and employment transfers and secondments during the year ended March 31, 2009. In addition, the Group has been continuously implementing cost reduction in this fiscal year, such as relocation of its headquarters and outsourcing of its operations.

ITEM 3. OVERVIEW OF PROPERTY AND EQUIPMENT

1. MAJOR PROPERTY AND EQUIPMENT

There were no significant changes in the Group's major property and equipment during the three months ended June 30, 2009.

2. PLANS FOR ACQUISITIONS AND DISPOSALS OF PROPERTY AND EQUIPMENT

(1) Acquisitions of Major Property and Equipment

There were no acquisitions and relocations of major property and equipment planned or implemented as of March 31, 2009.

In addition, there were no significant plans for acquisitions and relocations of major property and equipment newly determined during the three months ended June 30, 2009.

(2) Disposals of Major Property and Equipment

The following disposals of major property and equipment, which were planned as of March 31, 2009, were implemented during the three months ended June 30, 2009. In addition, there is no impact on profit and loss from the following disposals for the three months ended June 30 as reserve for losses on relocation of offices was provided in the previous fiscal year.

Company Name	Description (Business Segment)	Book Value (In millions)	Date of Completion
NIS Group Co., Ltd.	Sales facilities disposed due to relocation of Tokyo Head Office (Integrated Financial Services)	¥77	June 2009

In addition, there were no significant plans for disposals of major property and equipment newly determined during the three months ended June 30, 2009.

ITEM 4. OVERVIEW OF THE COMPANY

1. INFORMATION ON CAPITAL STOCK

(1) Total Number of Shares

1) Total Number of Authorized Shares

Type of Shares	Number of Shares
	(Shares)
Common stock	384,000,000
Total	384,000,000

2) Total Number of Issued Shares

Type of Shares	June 30, 2009 (Shares)	August 14, 2009 (Filing Date) (Shares)	Stock Exchange	Details
Common stock	245,894,350	245,894,350	Tokyo Stock Exchange (First Section)	Each unit under the Japanese Unit Share System equals 100 shares of common stock.
Total	245,894,350	245,894,350	-	-

Note: The number of issued shares of common stock as of the filing date does not include the number of shares newly issued upon exercises of stock acquisition rights during the period from August 1, 2009 to the filing date of this Quarterly Financial Report.

(2) Information on Stock Acquisition Rights and Convertible Bonds

Stock Acquisition Rights Issued under the Corporate Law of Japan

(Special Resolution at the Extraordinary Shareholders' Meeting on February 18, 2008)

	June 30, 2009
Number of stock acquisition rights:	87,500 units
Number of stock acquisition rights for share repurchases:	87,500 units
Type of shares:	Common stock Each unit under the Japanese Unit Share System equals 100 shares of common stock.
Number of shares of common stock issuable upon exercise:	8,750,000 shares (1) NIS Group Co., Ltd. 10th Equity Warrant (the "Equity Warrant") is exercisable for shares of the Company's common stock. The number of shares to be issued upon exercise of one Equity Warrant (the "Allotted Shares") shall be 100 shares. (2) However, upon any adjustment in the Exercise Price (as defined below) pursuant to "Amount to be paid in upon exercise" below, for each Equity Warrant, the number of Allotted Shares shall be adjusted to equal the number of shares obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of Allotted Shares deliverable upon exercise of one Equity Warrant immediately prior to such adjustment and dividing the product thereof by the Exercise Price resulting from such adjustment. (3) If, in accordance with paragraph (2) above, an adjustment to the number of shares would result in a fraction of an integral number of one share, such situation will be dealt with in the manner set forth in Article 283 of the Corporate Law.
Amount to be paid in upon exercise:	1. The value of property that will be contributed upon exercise of the Equity Warrants: (1) The value of property that will be contributed upon exercise of one Equity Warrant is calculated by multiplying the number of Allotted Shares by the Exercise Price (as adjusted pursuant to "3. Adjustment of Exercise Price" below). Values below one yen will be rounded down to the nearest integral number. (2) The amount to be paid per share for the shares issued by the Company upon exercise of Equity Warrants (the "Exercise Price") shall, initially, be ¥200 per share (the "Initial Exercise Price"). However, if the average closing price of the Company's common stock in ordinary trading on the Tokyo Stock Exchange, Inc. (including the average of the bid prices (*uri-kehaine*) and ask prices (*kai-kehaine*) or, if more than one in either case, the average of the average bid prices and average ask prices) for the five consecutive trading days ending the day (inclusive) before the exercise date, falls below the Initial Exercise Price (or the Exercise Price after adjustment, if adjusted pursuant to "3. Adjustment of Exercise Price"), the Exercise Price shall be obtained by multiplying 0.9 to the Initial Exercise Price (or the Exercise Price after adjustment, if adjusted pursuant to "3. Adjustment of Exercise Price") (rounded down to the nearest first decimal place) (if any event requiring adjustment of the Exercise Price pursuant to "3. Adjustment of Exercise Price" should arise during such five consecutive trading days, the value calculated by multiplying 0.9 to the Exercise Price shall be subject to further adjustments considered appropriate by the Company pursuant to these terms and conditions). In addition, the Exercise Price is subject to adjustment as noted in "3. Adjustment of Exercise Price." 2. Amendment of Exercise Price No amendment will be made to the Exercise Price of the Equity Warrants.

	June 30, 2009
	3. Adjustment of Exercise Price

(1) In case the Company shall, while any of the Equity Warrants are outstanding, conduct a stock split or a reverse stock split of the shares of Common Stock of the Company, the Exercise Price shall be adjusted in accordance with the following formula:

$$\text{Adjusted Exercise Price} = \text{Exercise Price in effect at the opening of business on the day following the day upon which such stock split or consolidation becomes effective} \times \frac{\text{The number of shares of Common Stock Outstanding immediately before such split or consolidation}}{\text{The number of shares of Common Stock Outstanding immediately after such split or consolidation}}$$

Such adjustment of the Exercise Price shall become effective immediately after the opening of business in Japan on the day following the day on which such stock split or consolidation becomes effective.

In this section, "Common Stock" means the common stock of the Company and shares of common stock of the Restructuring Company (as defined in "Restructuring on issuance in connection with organizational restructuring" below) as at the relevant time.

In this section, "Common Stock Outstanding" means the number of issued and outstanding shares of Common Stock of the Company (which under Japanese law includes common stock of the Company held as treasury stock) minus the number of the shares of Common Stock of the Company held by the Company as treasury stock.

(2) In case the Company shall, while any of the Equity Warrants are outstanding, offer to all holders of shares of Common Stock Outstanding (x) new shares of Common Stock of the Company, or (y) shares of Common Stock of the Company held by the Company as treasury stock, in either case as a gratis allotment of shares of Common Stock (excluding any case of conversion, exchange or exercise of the securities, rights, or warrants set forth in paragraph (3) below), then the Exercise Price shall be adjusted as follows:

$$\text{Adjusted Exercise Price} = \text{Exercise Price in effect at the opening of business on the day when such adjustment becomes effective} \times \frac{\text{Number of shares of Common Stock Outstanding}}{\text{Number of shares of Common Stock Outstanding} + \text{Total number of shares of Common Stock so allotted}}$$

Number of shares of Common Stock Outstanding used in the formula set forth in this paragraph shall be the number of shares of Common Stock Outstanding as of the record date fixed for determination of shareholders entitled to such gratis allotment in case the Company fixed such date (in all other cases, as of the day one month prior to the day upon which the Exercise Price after adjustment becomes effective). Such adjustment of the Exercise Price shall become effective immediately after the opening of business in Japan on the day following the record date fixed for the determination of stockholders entitled to receive such gratis allotment (if the record date is not fixed, the effective date thereof).

If any allotment of the type described in this paragraph is determined but not so made, the Exercise Price shall again be adjusted to the Exercise Price that would have been in effect if such gratis allotment had not been determined.

June 30, 2009

(3) In case the Company shall, while any of the Equity Warrants are outstanding, confer to all holders of shares of Common Stock Outstanding, any securities, rights, or warrants (including any warrants attached to bonds with warrants (the same applies hereinafter)) (such conferment includes any gratis allotment of shares and warrants), which entitle the holders thereof to acquire from the Company shares of Common Stock (other than any gratis allotment of share of Common Stock to which paragraph (2) above applies) or any securities, rights or warrants convertible into or exchangeable for or exercisable for shares of Common Stock, at a Price Per Share less than the Current Market Price on the day on which the adjusted Exercise Price becomes effective, the Exercise Price shall be adjusted as follows:

$$\text{Adjusted Exercise Price} = \text{Exercise Price at the opening of business on the day on which the adjusted Exercise Price becomes effective} \times \frac{\text{Number of shares of Common Stock Outstanding} + \dfrac{\text{Number of shares of Common Stock which are issued or disposed} \times \text{Price Per Share}}{\text{Current Market Price on the day on which the adjusted Exercise Price becomes effective}}}{\text{Number of shares of Common Stock Outstanding} + \text{Number of shares of Common Stock which are issued or disposed}}$$

Such adjustment of the Exercise Price shall become effective immediately after the opening of business in Japan on the day following the record date fixed for the determination of stockholders entitled to such conferment; provided, that if the record date for such conferment is not fixed, such adjustment shall become effective immediately after the opening of business in Japan on the day following (i) the payment date or the last day of the payment period of the relevant shares or (ii) the effective date in the case of a gratis allotment of shares and warrants. The Exercise Price after adjustment shall be calculated in accordance with the above formula, assuming that all the securities, rights, or warrants to be issued or disposed of have been (i) converted at the initial conversion price, (ii) exchanged at the initial exchange price or (iii) exercised at the initial exercise price, as the case may be (in case of the securities, rights, or warrants which entitle the holders thereof to acquire from the Company any securities, rights, or warrants convertible into or exchangeable for or exercisable for shares of Common Stock, further assuming that all such securities, rights, or warrants have been (i) converted at the initial conversion price, (ii) exchanged at the initial exchange price or (iii) exercised at the initial exercise price, as the case may be).

Notwithstanding the above, in case that the consideration for the shares of Common Stock of the Company to be delivered upon conversion, exchange or exercise cannot be determined as of the day when such adjustment becomes effective as provided for in the preceding paragraph, the Exercise Price after adjustment shall be calculated in accordance with the above formula, assuming that all the outstanding securities, rights, or warrants then issued and outstanding are converted, exchanged or exercised in accordance with the terms and conditions thereof as of the date of determination of such consideration (in case of the securities, rights, or warrants which entitle the holders thereof to acquire from the Company any securities, rights, or warrants convertible into or exchangeable for or exercisable for shares of Common Stock, further assuming that all such securities, rights, or warrants have been (i) converted at the initial conversion price, (ii) exchanged at the initial exchange price or (iii) exercised at the initial exercise price, as the case may be) (in which case adjustment of the Exercise Price shall become effective immediately after the opening of business on the day following the determination of such consideration).

	June 30, 2009
	Number of shares of Common Stock Outstanding used in the formula set forth in this paragraph shall be the number of shares of Common Stock Outstanding as of the record date fixed for determination of shareholders entitled to rights to receive allotment upon the relevant offering, issuance or disposal in case the Company fixed such date (in all other cases, as of the day one month prior to the day upon which the Exercise Price after adjustment becomes effective). In the event that conferment of such securities, rights, or warrants is determined but not so issued or delivered upon the issuance date or effective date, the Exercise Price shall again be adjusted to be the Exercise Price that would have been in effect if such conferment had not been determined. For the purposes of this paragraph only, the capitalized term "Price Per Share" means the amount calculated by (A－B)÷C, where: "A" means the amount paid to the Company by the recipients of such conferred securities, rights, or warrants to acquire the relevant securities, rights, or warrants (in the case of warrants, the amount to be contributed upon the exercise should be added; and in case of the securities, rights, or warrants which entitle the holders thereof to acquire from the Company any securities, rights, or warrants exercisable for shares of Common Stock, the amount to be contributed upon the exercise of such securities, rights or warrants should be added); "B" means the amount of cash and the value of the other assets (which should be reasonably determined in good faith by the Board of Directors of the Company) (excluding the shares of Common Stock) to be delivered to the holder of such securities, rights, or warrant upon the conversion, exchange or exercise thereof (in case of the securities, rights, or warrants which entitle the holders thereof to acquire from the Company any securities, rights, or warrants convertible into or exchangeable for or exercisable for shares of Common Stock, the amount of such cash and the value of such other assets to be delivered upon the conversion, exchange or exercise thereof should be added); and "C" means the number of shares of Common Stock to be acquired upon conversion at the initial conversion price, exchange at the initial exchange price, or exercise at the initial exercise price of such conferred securities, rights, or warrants (in case of the securities, rights, or warrants which entitle the holders thereof to acquire from the Company any securities, rights, or warrants convertible into or exchangeable for or exercisable for shares of Common Stock, the number of shares of Common Stock to be acquired upon conversion at the initial conversion price, exchange at the initial exchange price, or exercise at the initial exercise price of such securities, rights, or warrants should be added). In this section, "Current Market Price" means, on any date, the average of the Sale Price per share of Common Stock for the 30 consecutive Trading Days commencing 45 Trading Days prior to such date. In such case, the average shall be rounded to the nearest tenth of a yen. In this section, "Trading Day" for the Common Stock means a day on which the Tokyo Stock Exchange, Inc. is open for business. In this section, "Sale Price" of the Common Stock on any date means the last reported per share sale price (or, if no last sale price is reported, the average of the bid prices and ask prices or, if more than one in either case, the average of the average bid prices and average ask prices) on such date as reported in ordinary transactions for the Tokyo Stock Exchange, Inc., or if the Common Stock is not listed on the Tokyo Stock Exchange, Inc. at the relevant time, any other principal financial instruments exchange in Japan on which the Common Stock is then listed.　In the absence of such quotations, the Board of Directors of the Company shall make a good faith determination of the Sale Price.

June 30, 2009

(4) In case the Company shall, while the Equity Warrants are outstanding, distribute or allot to all holders of its Common Stock Outstanding shares of any class of Capital Stock of the Company (other than any dividends, distributions, or allotments of Common Stock to which paragraph (2) above applies) or evidences of its indebtedness or assets (including securities, but excluding any securities, rights, or warrants referred to in paragraph (3) above, and excluding any dividend, distribution or allotment (x) paid exclusively in cash or (y) referred to in paragraph (2) above) (any of the foregoing, in this section, the "Distributed Securities"), then, in each such case, the Exercise Price shall be reduced as follows:

$$\text{Adjusted Exercise Price} = \text{Exercise Price in effect on the record date with respect to such dividend, distribution or allotment} \times \frac{\text{Current Market Price on such record date} - \dfrac{\text{Aggregate fair market value of the Distributed Securities}}{\text{Number of shares of Common Stock Outstanding on such record date}}}{\text{Current Market Price on such record date}}$$

Such reduction in the Exercise Price shall become effective immediately after the opening of business on the day following the record date for such dividend, distribution or allotment.

If any dividend, distribution or allotment of the type described in this paragraph is determined but not so made, the Exercise Price shall again be adjusted to the Exercise Price that would have been in effect if such dividend, distribution or allotment had not been determined.

"Capital Stock" means, with respect to any corporation, any and all shares, warrants and rights convertible into or exchangeable for or exercisable for any class of shares issued by that corporation.

(5) In case the Company shall, while any of the Equity Warrants are outstanding, distribute to all holders of its shares of Common Stock Outstanding, cash (excluding any cash distributed as part of a distribution referred to in paragraph (4) above or upon a Restructuring Transaction (as defined in "Restriction on issuance in connection with organizational restructuring" below)), and the total sum of (i) the amount of such distributions of such cash, (ii) the amount of the distributions paid to all holders of shares of Common Stock of the Company made exclusively in cash within the 12 months preceding the effective date of such distributions (and in respect of which no adjustment pursuant to this paragraph has been made); and (iii) the aggregate amount of any cash, plus the fair market value (which shall be determined in good faith by the Board of Directors of the Company, and which shall be set forth in accordance with the resolution of such Board of Directors) of other consideration for acquisition of shares of treasury stock of Common Stock of the Company by way of a tender offer concluded within the 12 months preceding the effective date of such distribution (and in respect of which no adjustment pursuant to paragraph (6) below has been made) exceeds 10% of the product of (1) the Current Market Price on the record date with respect to such distribution, times (2) the number of shares of Common Stock Outstanding on such record date (such excess over 10%, in this section, the "Excess Amount"), then the Exercise Price shall be adjusted in accordance with the following formula:

June 30, 2009

$$\text{Adjusted Exercise Price} = \text{Exercise Price in effect immediately prior to the close of business in Japan on such record date} \times \frac{\text{Current Market Price on such record date} - \dfrac{\text{Excess Amount}}{\text{Number of shares of Common Stock Outstanding on such record date}}}{\text{Current Market Price on such record date}}$$

Such adjustment of the Exercise Price shall become effective immediately after the close of business in Japan on the record date with respect to such distribution.

(6) In case the Company, while the Equity Warrants are outstanding, conducts a tender offer to acquire its shares of Common Stock, and the sum of (i) the fair market value (which shall be determined in good faith by the Board of Directors of the Company, and which shall be set forth in accordance with the resolution of such Board of Directors) of the consideration for acquisition of such shares (in this section, the "Purchased Shares") payable pursuant to such tender offer; (ii) the aggregate of the cash plus the fair market value (which shall be determined in good faith by the Board of Directors of the Company, and which shall be set forth in accordance with the resolution of such Board of Directors) of any other consideration payable by the Company for acquisition of shares of Common Stock of the Company in response to a tender offer concluded within the 12 months preceding the Expiration Time (as defined below) (and in respect of which no adjustment pursuant to this paragraph has been made); and (iii) the aggregate amount of the dividends to all holders of Common Stock Outstanding made exclusively in cash within the 12 months preceding the Expiration Time (and in respect of which no adjustment pursuant to paragraph (5) above has been made), exceeds 10% of the product of (1) the Current Market Price as of the last time (in this section, the "Expiration Time") tenders could have been made pursuant to such tender offer (as it may be amended), multiplied by (2) the number of shares of Common Stock Outstanding (including any Purchased Shares) at the Expiration Time, then, and in each such case, the Exercise Price shall be adjusted as follows:

$$\text{Adjusted Exercise Price} = \text{Exercise Price in effect immediately prior to close of business in Japan on the date of the Expiration Time} \times \frac{\text{Number of shares of Common Stock Outstanding (including any Purchased Shares) at the Expiration Time} \times \text{Current Market Price of the Common Stock on the Trading Day next succeeding the Expiration Time}}{\text{Fair market value of the aggregate consideration payable to stockholders based on the acceptance of the Purchased Shares} + \text{Number of shares of Common Stock Outstanding (less any Purchased Shares) at the Expiration Time} \times \text{Current Market Price of the Common Stock on the Trading Day next succeeding the Expiration Time}}$$

Such reduction (if any) shall become effective immediately after the opening of business on the business day following the Expiration Time. In the event that the Company is obligated to purchase shares pursuant to any such tender offer, but the Company is permanently prevented by applicable law from effecting any such purchases or all such purchases are rescinded, the Exercise Price shall again be adjusted to be the Exercise Price that would have been in effect if such tender offer had not been made.

	June 30, 2009
	If the application of this paragraph to any tender offer would result in an increase in the Exercise Price, no adjustment shall be made for such tender offer under this paragraph. (7) With respect to the formulas set forth in paragraphs (1), (2), (3), (4), (5), (6) or this paragraph, each such calculation shall be rounded to the nearest tenth of a yen. If, in the case of any transaction set forth in paragraphs (1), (2), (3), (4) or (5), (x) the record date for determining the holders of shares of Common Stock of the Company for the purpose of such transaction is fixed and (y) the effectiveness of each such transaction is made subject to an approval of the general meeting of shareholders, the board of directors or any other organ of the Company on or after such record date, notwithstanding the provisions of paragraphs (1), (2), (3), (4) or (5) the Exercise Price shall be adjusted on and after the date immediately following the date of such approval (the "Retroactive Adjustment"). In this case, additional shares of Common Stock of the Company shall be delivered to any person who exercised Equity Warrants during the period (i) beginning on the record date fixed for determining the holders of shares of Common Stock of the Company for the purpose of such transaction and (ii) ending on the date of the approval of such transaction, in a number equal to the excess of (x) the number of shares of Common Stock which would have been acquired upon exercise of such Equity Warrant if the relevant Retroactive Adjustment had been given effect as at the said exercise date, over (y) the number of shares of Common Stock previously acquired pursuant to such exercise. In this case, any fraction of one share shall be treated by the method provided for in Article 283 of the Corporate Law.
Exercise period:	From February 20, 2008 to February 20, 2015, 5.00 p.m.
Exercise price:	¥200 per share
Amount to be credited to common stock:	¥100 per share
Requirement for exercise of stock acquisition rights:	Each Equity Warrant shall be exercisable only in whole and not in part.
Transfer restrictions:	The acquisition of the Equity Warrants through assignment shall not require approval by resolution of the Company's board of directors.
Substitution for cash payment:	-
Restriction on issuance in connection with organizational restructuring:	In the event the Company restructures by consolidation or merger (provided that the Company is the dissolving company in the transaction), demerger or company split (provided that in each case the Company is the de-merged company in the transaction), share exchange or share transfer (but only where the Company becomes a wholly-owned subsidiary of another corporation) (collectively, "Restructuring Transaction"), new equity warrants ("New Equity Warrants") of the joint stock corporation as specified in Article 236, Section 1, Item 8, *i* through *ho* of the Corporate Law ("Restructuring Company"), as set forth in (1) to (8) below, shall be delivered to the holders of any remaining Equity Warrants outstanding immediately prior to the relevant effective dates (for the purpose of this section, "effective dates" mean, as the case may be: (a) in case of merger, the effective date of such merger; (b) in case of consolidation, the date of establishment of a new joint stock corporation which is formed by the relevant consolidation; (c) in case of demerger, the effective date of such demerger; (d) in case of company split, the date of establishment of a new joint stock corporation which is formed by the relevant company split; (e) in case of share exchange, the effective date of such share exchange; and (f) in case of share transfer, the date of establishment of a new corporation which is formed by the relevant share transfer and has all of outstanding shares of common stock of the Company immediately after such share transfer) of the Restructuring Transaction ("Outstanding Warrants"). In such case, Outstanding Warrants shall expire and the Restructuring Company shall issue New Equity Warrants.

	June 30, 2009
	(1) Number of New Equity Warrants of the Restructuring Company to be delivered: Number of warrants equal to the Outstanding Warrants held by warrant holders shall be issued. (2) Type of shares of the Restructuring Company subject to New Equity Warrants: Common Stock of the Restructuring Company (3) Number of shares of the Restructuring Company subject to New Equity Warrants: To be decided in the manner described in paragraphs (1) through (3) of "Number of shares of common stock issuable upon exercise" above, taking into account the terms and conditions of the Restructuring Transaction. (4) The value of property that will be contributed upon exercise of New Equity Warrants: The amount to be contributed upon exercise of New Equity Warrants shall be calculated by multiplying (x) the Exercise Price as determined pursuant to "Amount to be paid in upon exercise" above as adjusted to take into account of the terms and conditions of the Restructuring Transaction by (y) the number of shares of the Restructuring Company subject to relevant New Equity Warrants determined pursuant to paragraph (3) above. (5) The period New Equity Warrants can be exercised: From the later of the commencement date of Exercise Period for New Equity Warrants pursuant to "Exercise period" above and the effective date of the Restructuring Transaction, until the last date of the Exercise Period pursuant to "Exercise period." (6) Matters relating to increases in stated capital and additional paid-in capital from issuance of shares through exercise of New Equity Warrant: To be decided pursuant to "Exercise price" and "Amount to be credited to common stock." (7) Limitations on the acquisition of New Equity Warrants by assignment: The acquisition of New Equity Warrants through assignment shall not require an approval by resolution of the Restructuring Company's Board of Directors. (8) Terms for acquiring New Equity Warrants: No terms for the acquisition of New Equity Warrants will be set.

(3) Summary of Rights Plan

Not Applicable

(4) Changes in the Number of Issued Shares and Balance of Paid-in Capital

Date	Change in Issued Shares of Common Stock	Balance of Issued Shares of Common Stock	Change in Common Stock	Balance of Common Stock	Change in Additional Paid-in Capital	Balance of Additional Paid-in Capital
			(In millions except thousand shares)			
June 30, 2009	-	245,894	¥-	¥26,289	¥-	¥28,586

(5) Major Shareholders

The Company did not receive any copies of Reports on Large Shareholding during the three months ended June 30, 2009; therefore, the Company does not recognize changes in major shareholders for the three months ended June 30, 2009.

(6) Voting Rights of Capital Stock

The following information on voting rights of capital stock is based on the list of shareholders on March 31, 2009, which is the most recent record date for the determination of shareholders, since the Company could not recognize beneficial shareholders as of June 30, 2009.

1) Issued Shares

Type	Number of Shares		Number of Voting Rights	Details
Non-voting capital stock		-	-	-
Capital stock with restricted voting rights (Treasury stock)		-	-	-
Capital stock with restricted voting rights (Others)		-	-	-
Capital stock with voting rights (Treasury stock)	(Treasury stock) Common stock:	6,285,000	-	-
Capital stock with voting rights (Others)	Common stock:	238,362,300	2,383,623	-
Capital stock below one unit under the Japanese Unit Share System	Common stock:	1,247,050	-	-
Total number of issued shares		245,894,350	-	-
Total number of voting rights		-	2,383,623	-

Note: 85 shares of treasury stock are included in “Capital stock below one unit under the Japanese Unit Share System.”

2) Treasury Stock

		Shares of Common Stock Owned As of March 31, 2009			
Owner	Address	Under the Company’s Name	Under Other Names	Total Number of Shares	Percentage of Total Issued Shares
			(Shares except percentages)		
(Treasury stock) NIS Group Co., Ltd.	7-6, Chifune-machi 5-chome, Matsuyama City, Ehime	6,285,000	-	6,285,000	2.56%
Total	-	6,285,000	-	6,285,000	2.56%

2. MARKET PRICE INFORMATION

The Monthly Highest and Lowest Share Prices of the Company’s Common Stock for the Three Months Ended June 30, 2009

	April 2009	May 2009	June 2009
		(In yen)	
Highest	¥64	¥52	¥54
Lowest	28	42	41

Note: These highest and lowest prices are those quoted on the First Section of the Tokyo Stock Exchange.

3. MEMBERS OF THE BOARD OF DIRECTORS

There were no changes in Directors during the period from the filing date of the Annual Financial Report for the previous fiscal year to the filing date of this Quarterly Financial Report.

ITEM 5. FINANCIAL STATEMENTS

1. In respect of the requirements for the preparation of quarterly consolidated financial statements:

   The preparation of the quarterly consolidated financial statements conforms to the Regulations concerning Terminology, Format and Preparation Method of Quarterly Consolidated Financial Statements (the "QCFS Regulations") (Cabinet Office Ordinance No. 64, 2007).

   The consolidated financial statements as of and for the three months ended June 30, 2008 were generally prepared in conformity with the QCFS Regulations prior to amendment. The consolidated financial statements as of and for the three months ended June 30, 2009 were prepared in conformity with the QCFS Regulations as amended.

2. In respect of the report of independent certified public accountants:

   The quarterly consolidated financial statements as of and for the three months ended and nine months ended December 31, 2008 were reviewed by Sanyu & Co. pursuant to the Japanese Financial Instruments and Exchange Law, Regulation 193-2-1.

1. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

		June 30, 2009		(Summary) March 31, 2009
		Amount		Amount
		(In millions)		
ASSETS:				
Current Assets:				
Cash and deposits	(Note 2)	¥ 6,052	(Note 2)	¥ 3,427
Loans receivable	(Notes 2 and 4)	30,252	(Notes 2 and 4)	33,447
Receivables from guarantees paid		4,200		3,692
Real estate for sale in the real estate business	(Note 2)	7,550	(Note 2)	7,580
Real estate under construction for sale in the real estate business	(Note 2)	6,193		6,193
Other		2,671		5,167
Allowance for loan losses		(5,484)		(7,373)
Total Current Assets		51,434		52,135
Fixed Assets:				
Tangible fixed assets	(Note 1)	108	(Note 1)	871
Intangible fixed assets		43		62
Investment and other assets:				
Investment securities	(Note 2)	9,134	(Note 2)	8,149
Bankrupt and delinquent loans receivable	(Note 2)	47,948	(Note 2)	46,955
Other	(Note 2)	8,092	(Note 2)	8,680
Allowance for loan losses		(29,718)		(28,609)
Total investment and other assets		35,457		35,175
Total Fixed Assets		35,610		36,109
Deferred Assets		97		159
Total Assets		¥ 87,142		¥ 88,403

		June 30, 2009 Amount		(Summary) March 31, 2009 Amount
		(In millions)		
LIABILITIES:				
Current Liabilities:				
Short-term borrowings	(Notes 2 and 4)	¥20,120	(Notes 2 and 4)	¥12,700
Current portion of long-term borrowings	(Note 2)	8,533	(Note 2)	13,763
Current portion of bonds		4,000		5,000
Obligation under security buy-back agreements	(Note 2)	7,200	(Note 2)	7,200
Accrued income taxes		1,081		1,162
Reserve for guarantee losses		2,202		2,653
Other reserves		28		336
Other		3,075		2,511
Total Current Liabilities		46,241		45,328
Long-term Liabilities:				
Bonds		7,248		11,198
Long-term borrowings	(Note 2)	3,978	(Note 2)	1,358
Reserve for losses on excess interest repayments		11,210		11,340
Reserve for losses on business of affiliated companies		2,502		2,726
Other reserves		27		27
Other		403		405
Total Long-term Liabilities		25,370		27,055
Total Liabilities		71,612		72,383
NET ASSETS:				
Shareholders' Equity:				
Common stock		26,289		26,289
Additional paid-in capital		30,180		30,180
Accumulated deficit		(49,262)		(48,711)
Treasury stock		(3,893)		(3,893)
Total Shareholders' Equity		3,313		3,864
Valuation and Translation Adjustments:				
Unrealized gains (losses) on investment securities		215		(148)
Deferred gains on hedging instruments		476		783
Total Valuation and Translation Adjustments		691		634
Minority Interest		11,524		11,520
Total Net Assets		15,530		16,019
Total Liabilities and Net Assets		¥87,142		¥88,403

(2) Consolidated Statements of Operations

For the Three Months Ended June 30, 2008 and 2009

	Three Months Ended June 30,			
	2008		2009	
		Amount		Amount
		(In millions)		
Operating Revenues		¥12,249		¥ 1,737
Operating Expenses		6,517		996
Net Operating Revenues		5,732		741
Selling, General and Administrative Expenses	(Note 1)	4,704	(Note 1)	3,182
Operating Income (Losses)		1,028		(2,441)
Other Income:				
Interest received		39		106
Dividends received		25		32
Guarantee fees received		152		55
Equity in income of affiliates accounted for under the equity method		-		122
Gains on foreign exchange		-		246
Other		68		28
Total Other Income		285		592
Other Expenses:				
Interest expenses		575		476
Equity in losses of affiliates accounted for under the equity method		65		-
Losses on investment funds		34		44
Other		37		17
Total Other Expenses		713		538
Ordinary Income (Losses)		600		(2,387)
Special Gains:				
Gains on sales of fixed assets		2		-
Gains on sales of investment securities		105		-
Gains on retirement of bonds repurchased		-		2,200
Compensation income		200		-
Other		2		144
Total Special Gains		310		2,344
Special Losses:				
Losses on sales of fixed assets		0		-
Losses on disposal of fixed assets		9		0
Losses on impairment		64		19
Losses on impairment of investment securities		31		391
Other		33		75
Total Special Losses		139		487
Income (Losses) before Income Taxes and Minority Interest		771		(529)
Income Taxes:				
Current		104		8
Deferred		37		-
Total Income Taxes		141		8
Minority Interest in Net Income of Subsidiaries		80		3
Net Income (Losses)		¥ 549		¥ (541)

(3) Consolidated Statement of Cash Flows

	Three Months Ended June 30, 2008 Amount	Three Months Ended June 30, 2009 Amount
	(In millions)	
Operating Activities:		
Income (Losses) before income taxes and minority interest	¥ 771	¥ (529)
Depreciation and amortization	540	19
Losses on impairment	64	19
Decrease in allowance for loan losses	(2,189)	(760)
Decrease in reserve for losses on excess interest repayments	(689)	(130)
Decrease in reserve for losses on business of affiliated companies	(609)	(223)
Decrease in reserve for guarantee losses	-	(451)
Decrease in other reserves	(205)	(227)
Interest and dividends received	(129)	(139)
Interest expenses	1,293	1,078
Losses on sales and disposal of fixed assets	7	0
(Gains) Losses on sales of investment securities	(105)	0
Losses on impairment of investment securities	31	391
Gains on retirement of bonds repurchased	-	(2,200)
Charge-offs of loans receivable	3,201	2,185
Decrease in interest receivable	81	19
Decrease in advanced interest received	(4)	(13)
Other	(682)	(423)
Sub-total	1,376	(1,384)
Proceeds from interest and dividends received	106	139
Interest paid	(1,608)	(1,413)
Income taxes paid	(920)	(42)
Sub-total	(1,045)	(2,702)
Decrease in loans receivable	31,716	1,930
Decrease in purchased loans receivable	2,473	-
Decrease in real estate for sale in the servicing business	1,609	-
Purchases of assets held for leases	(138)	-
Decrease in installment loans receivable	326	-
Increase in real estate for sale and real estate under construction for sale in the real estate business	(151)	(253)
Decrease in operational investment securities	1,100	-
Net cash provided by (used in) operating activities	35,889	(1,025)

(Continued)

	Three Months Ended June 30, 2008		Three Months Ended June 30, 2009	
		Amount		Amount
		(In millions)		
(Continued)				
Investing Activities:				
Time deposits		(450)		-
Purchases of tangible fixed assets		(21)		-
Proceeds from sales of tangible fixed assets		18		-
Purchases of intangible fixed assets		(16)		(7)
Purchases of investment securities		(1,839)		(639)
Proceeds from sales of investment securities		1,203		13
Proceeds from redemption of other investment in affiliated companies		369		-
Proceeds from collections of loans to affiliated companies		1,714		1,710
Other		23		627
Net cash provided by investing activities		1,001		1,703
Financing Activities:				
Deposits of restricted cash in banks		(638)		(0)
Proceeds from short-term borrowings		7,400		10,050
Repayments of short-term borrowings		(11,560)		(2,630)
Proceeds from long-term borrowings		3,238		1,000
Repayments of long-term borrowings		(22,787)		(3,601)
Payments for redemption of bonds		(7,500)		(2,870)
Decrease in asset-backed securities		(8,250)		-
Other		1,214		(0)
Net cash (used in) provided by financing activities		(38,883)		1,947
Effect of exchange rate changes on cash and cash equivalents		-		(0)
Net decrease in cash and cash equivalents		(1,992)		2,624
Cash and cash equivalents at beginning of period		9,552		2,575
Cash and cash equivalents at end of period	(Note 1)	¥ 7,560	(Note 1)	¥ 5,200

GOING CONCERN

(April 1, 2009 ~ June 30, 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 ¥2,441 million, ordinary losses of ¥2,387 million and net losses of ¥541 million for the three months ended June 30, 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, stabilization of the Group's 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 expand fee income through a shift to businesses generating fee income focusing on the advisory business on mergers and acquisitions (M&A), arrangement of investment and financing projects, support for due diligence, and operation of investment funds by utilizing its expertise in investment in and M&A of unlisted companies and funds procurement for those companies, as well as in credit management and loan servicing business that the Group has cultivated thus far.

2. Stabilization of the Group's capital base

   In order to establish a stable capital base, the Company entered into an agreement with Chusho-Kigyo Hosho Kiko Co., Ltd., a company providing management, capital and business support to SMEs, with regard to a strategic capital and business alliance in the previous fiscal year. The Company reinforces relationships with Chusho-Kigyo Hosho Kiko and further implements its management rehabilitation.

   In addition, Incubator Bank of Japan, Limited and Chusho-Kigyo Hosho Kiko have provided necessary financial support, and the Company is striving to stabilize its funds procurement through financial support from certain other lenders as well as disposal of assets.

3. Establishment of a lean organizational structure

   In order to improve management efficiency through concentration in areas of core competence, the Group implemented restructuring, including sales of a part of its shares in Nissin Servicer Co., Ltd., NIS Lease Co., Ltd. and other former consolidated subsidiaries, resulting in their becoming affiliates accounted for under the equity method, as well as sales of other operating assets, integration of sales offices to enhance its credit management system, and employment transfers and secondments during the year ended March 31, 2009. In addition, the Group has been continuously implementing cost reduction in this fiscal year, such as relocation of its headquarters and outsourcing of its operations.

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 with uncertainties.

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

CHANGES IN SIGNIFICANT ITEMS RELATING TO THE PREPARATION OF QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

(April 1, 2009 ~ June 30, 2009)

1. Changes in Scope of Consolidation

During the three months ended June 30, 2009, Shuho (Shanghai) Investment & Consulting Co., Ltd. became a consolidated subsidiary through acquisition of ownership interest, and two companies, including NIS1 Co., Ltd., became consolidated subsidiaries through new establishment. In addition, Seizanso C.C. Management LLC was excluded from the scope of consolidation due to transfer of the Company's ownership interest.

2. Application of the Equity Method

During the three months ended June 30, 2009, two companies, including Food papa Co., Ltd., became affiliates accounted for under the equity method through new establishment, Bay City Service Co., Ltd. became an affiliate accounted for under the equity method through a purchase of new shares, and La Parler Co., Ltd. became an affiliate accounted for under the equity method taking into consideration the Group's influence through joint investment with other companies. In addition, three companies, including Bird's Eye Technological Investment Co., Ltd. and Real Estate Organization of Small and Medium-sized Enterprises Co., Ltd., were excluded from the application of the equity method due to a decrease in the Company's voting rights as a result of a third-party allotment.

CHANGES IN PRESENTATION

(April 1, 2009 ~ June 30, 2009)

(Consolidated Balance Sheets)

1. With respect to "Notes and loans receivable," which was presented as a separate item as of June 30, 2008, "Loans receivable" is presented separately and "Notes receivable" is included in "Other" in "Current Assets" beginning from the three months ended June 30, 2009, because the amount of "Notes receivable" became insignificant for financial reporting purposes. The amount of "Notes receivable" as of June 30, 2009 was ¥1 million, and the amounts of "Notes receivable" and "Loans receivable" as of June 30, 2008 were ¥28 million and ¥88,443 million, respectively.

2. "Bankrupt and delinquent loans receivable," which was included in "Other" in "Investment and other assets" as of June 30, 2008, is presented as a separate item beginning from the three months ended June 30, 2009, as the amount became more than 10% of total assets. The amount of "Bankrupt and delinquent loans receivable" as of June 30, 2008 was ¥18,592 million.

3. "Reserve for guarantee losses," which was included in "Reserves" in Current Liabilities" as of June 30, 2008, is presented as a separate item beginning from the three months ended June 30, 2009, as the amount became more than 1% of total liabilities and net assets. The amount of "Reserve for guarantee losses" as of June 30, 2008 was ¥1,271 million.

(Consolidated Statement of Cash Flows)

With respect to cash flows from operating activities, "Decrease in reserve for guarantee losses," which was included in "Decrease in other reserves" for the three months ended June 30, 2008, is presented as a separate item beginning from the three months ended June 30, 2009, due to an increase in its significance for financial reporting purposes. The amount of "Increase in reserve for guarantee losses" for the three months ended June 30, 2008 was ¥469 million.

SIMPLIFIED ACCOUNTING TREATMENTS

(April 1, 2008 ~ June 30, 2009)

Not applicable

PARTICULAR ACCOUNTING TREATMENTS FOR THE PREPARATION OF QUARTERLY FINANCIAL STATEMENTS

(April 1, 2009 ~ June 30, 2009)

Not applicable

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheets

Note 1. Accumulated depreciation of tangible fixed assets as of June 30, 2009 and March 31, 2009 are ¥182 million and ¥357 million, respectively.

Note 2. Assets pledged as collateral for short and long-term borrowings as of June 30, 2009 and March 31, 2009 are as follows:

	June 30, 2009	March 31, 2008
	(In millions)	
Cash and deposits	¥ 851	¥ 851
Loans receivable	12,544	13,444
Real estate for sale in the real estate business	4,997	5,020
Real estate under construction for sale in the real estate business	6,193	-
Investment securities	3,903	1,850
Bankrupt and delinquent loans receivable	294	395
Investment and other assets (Other)	6,650	6,650
Total	¥35,434	¥28,212

Corresponding borrowings secured by the above collateral as of June 30, 2009 and March 31, 2009 are as follows:

	June 30, 2009	March 31, 2009
	(In millions)	
Short-term borrowings	¥13,620	¥12,200
Current portion of long-term borrowings	6,147	7,119
Long-term borrowings	500	763
Total	¥20,267	¥20,082

(June 30, 2009)

With respect to real estate for sale in the real estate business and investment securities presented above, ¥402 million and ¥1,936 million are pledged, respectively, as comprehensive collateral for borrowings, guarantee transactions and business alliances.

The Group pledged its TMK bonds (bonds issued by *Tokutei Mokuteki Kaisha*) of ¥2,000 million issued by a consolidated subsidiary, which was eliminated in consolidation.

In addition to the above assets, the Group pledged loans receivable of ¥704 million, real estate for sale in the real estate business of ¥2,292 million, investment securities of ¥215 million and bankrupt and delinquent loans receivable of ¥7 million for borrowings of affiliated companies.

Also, the Group sold its TMK bonds issued by a consolidated subsidiary, and pledged investment in an investment fund as collateral in order to raise funds. However, since the transfer agreement includes a repurchase clause and the TMK bonds are expected to be repurchased in the short term, this transaction is recognized as a financial transaction. Proceeds from sales of TMK bonds are recorded as “Obligations under security buy-back agreements.” In addition, the aforementioned TMK bonds and investment in an investment fund were eliminated in consolidation in the amount of ¥7,200 million and ¥488 million, respectively.

(March 31, 2009)

With respect to real estate for sale in the real estate business and investment securities presented above, ¥402 million and ¥1,850 million are pledged, respectively, as comprehensive collateral for borrowings, guarantee transactions and business alliances.

The Group pledged its TMK bonds of ¥2,000 million issued by a consolidated subsidiary, which was eliminated in consolidation.

In addition to the above assets, the Group pledged loans receivable of ¥806 million, real estate for sale in the real estate business of ¥2,298 million, investment securities of ¥190 million and bankrupt and delinquent loans receivable of ¥18 million for borrowings of affiliated companies.

Also, the Group sold its TMK bonds issued by a consolidated subsidiary, and pledged investment in an investment fund as collateral in order to raise funds. However, since the transfer agreement includes a repurchase clause and the TMK bonds are expected to be repurchased in the short term, this transaction is recognized as a financial transaction. Proceeds from sales of TMK bonds are recorded as "Obligations under security buy-back agreements." In addition, the aforementioned TMK bonds and investment in an investment fund were eliminated in consolidation in the amount of ¥7,200 million and ¥805 million, respectively.

Note 3. Commitments and contingencies as of June 30, 2009 and March 31, 2009 are as follows:

	June 30, 2009	March 31, 2009
	(In millions)	
Guarantees for receivables in the credit guarantee business	¥17,113	¥20,647
Guarantees for loans receivable held by affiliated companies	632	966
Guarantees for borrowings of affiliated companies	14,144	16,559

Note: "Guarantees for loans receivable held by affiliated companies" as of June 30, 2009 and March 31, 2009 presented above includes guarantees for loans receivable which were transferred from an affiliated company to a third party.

With respect to ¥18 million included in the amount of guarantees for receivables in the credit guarantee business as of March 31, 2009 presented above, Credit Organization of Small and Medium-sized Enterprises Co., Ltd. ("COS") reguarantees 50% of that amount.

In addition to the above, the Company has to indemnify COS until February 28, 2013, for losses that COS incurs due to claims for excess interest repayments raised by customers to whom COS lent money on or before March 3, 2008. Although it is difficult to estimate the amount of this liability, the Company estimated the amount of such losses as being ¥982 million and ¥1,063 million, included in "Reserve for losses on businesses of affiliated companies" as of June 30, 2009 and March 31, 2009, respectively.

Note 4. (1) In order to raise funds efficiently, the Company entered into overdraft agreements and loan commitment agreements with several banks. The unused balance of these prescribed limit agreements as of June 30, 2009 and March 31, 2009 are as follows:

	June 30, 2009	March 31, 2009
	(In millions)	
Total overdraft facilities and loan commitment limits	¥1,000	¥ 2,000
Outstanding borrowings within the limits	(1,000)	(2,000)
Unused balance	¥ -	¥ -

(2) In providing its core business, integrated financial services, the Company contracts credit line agreements with certain customers, and these customers are able to borrow as needed within set credit lines. The unfunded credit lines as of June 30, 2009 and March 31, 2009 are as follows:

	June 30, 2009	March 31, 2009
	(In millions)	
Total amount of credit line agreements	¥ 4,107	¥ 4,481
Loans outstanding under credit line agreements	(3,696)	(4,066)
Total unfunded credit lines	¥ 410	¥ 415
Of which unfunded credit lines without loans outstanding	211	215

Certain portions of these agreements lapse without ever being used. Therefore, the amount of unfunded credit lines will not necessarily affect future cash flows of the Company.

Under these agreements, the Company also may discontinue or reduce the credit lines of customers based on the deterioration of their credit status and other substantial reasons. In addition, the Company examines the agreements regularly in order to take measures for credit preservation.

Consolidated Statements of Operations

Note 1. Significant components of "Selling, General and Administrative Expenses" for the three months ended June 30, 2008 and 2009 are as follows:

Three Months Ended June 30,			
2008		2009	
(In millions)			
Selling, General and Administrative Expenses:		Selling, General and Administrative Expenses:	
Provision for loan losses	¥ 432	Provision for loan losses	¥ 705
Provision for guarantee losses	738	Provision for guarantee losses	124
Depreciation and amortization	186	Provision for losses on excess interest repayments	1,180
Salaries for employees	1,037	Depreciation and amortization	19
Provision for bonuses for employees	223	Salaries for employees	180
Taxes and duties	203	Taxes and duties	120
Lease and rental expenses	403	Lease and rental expenses	141
Commission fees	235	Commission fees	365

Consolidated Statement of Cash Flows

Note 1. Cash and cash equivalents as of June 30, 2008 and 2009 are reconciled to the accounts reported in the quarterly consolidated balance sheets as follows:

	June 30,	
	2008	2009
	(In millions)	
Cash and deposits	¥10,748	¥6,052
Time deposits with maturities of over three months	(550)	-
Restricted cash in banks pledged as collateral	(2,638)	(851)
Cash and cash equivalents	¥ 7,560	¥5,200

Shareholders' Equity

(June 30, 2009) and (April 1, 2009 ~ June 30, 2009)

1. Information on issued shares as of June 30, 2009 are as follows:

	June 30, 2009
Type of share	Common stock
Number of shares (thousand shares)	245,894

2. Information on shares of treasury stock as of June 30, 2009 are as follows:

	June 30, 2009
Type of share	Common stock
Number of shares (thousand shares)	6,287

3. Information on issuance of stock acquisition rights as of June 30, 2009 are as follows:

Company Name	Type of Shares Attributable to Stock Acquisition Rights	Number of Shares Attributable to Stock Acquisition Rights	Outstanding as of June 30, 2009
		(Thousand shares)	(In millions)
NIS Group Co., Ltd.	Common stock	-	¥-
		(8,750)	(-)
Total		-	¥-
		(8,750)	(-)

Notes: 1. "Number of Shares Attributable to Stock Acquisition Rights" presented above is the number of exercisable shares of stock acquisition rights.
2. Each figure in parentheses represents the stock acquisition rights for share repurchase, which is not included in the relevant figures.

4. Dividends

Not applicable

Derivative Transactions

(June 30, 2009)

The Group does not utilize derivative transactions.

During the three months ended September 30, 2008, the Group cancelled derivative transactions which had been utilized as hedging instruments and terminated adoption of hedge accounting. Accordingly, gains and losses of the hedging instruments at the time of termination will be deferred until gains and losses of the hedged items are recognized.

Segment Information

1. Business Segment Information

Business segment information for the three months ended June 30, 2008 is as follows:

	Three Months Ended June 30, 2008						
	Integrated Financial Services	Servicing Business	Real Estate Business	Other Businesses	Total	Eliminations	Consolidated
				(In millions)			
Operating revenues:							
(1) Operating revenues from third parties	¥5,424	¥5,626	¥1,150	¥ 48	¥12,249	¥ -	¥12,249
(2) Operating revenues from inter-segment sales or transfers	192	-	-	0	193	(193)	-
Total operating revenues	5,617	5,626	1,150	48	12,443	(193)	12,249
Operating (losses) income	¥ (206)	¥ 734	¥ 651	¥(55)	¥ 1,124	¥ (95)	¥ 1,028

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 transaction
	Real estate development
	Asset management
(4) Other Businesses:	SME support services
	Agent for life or non-life insurance companies, etc.

3. In the Company and the consolidated subsidiaries which operate the integrated financial services, financial costs on borrowings had been previously treated as “Operating Expenses,” unless it was obvious that the purpose of borrowings did not correspond to operating transactions. However, beginning from the three months ended June 30, 2008, the Group changed its accounting treatment as follows: total assets are classified into operating assets related to the integrated financial services and the other assets, and financial costs corresponding to the operating assets are treated as “Operating Expenses” and financial costs corresponding to the other assets are treated as “Other Expenses,” in proportion to the balance of those classified assets.

As a result of this change, compared with the results under the previous treatment, “Operating Expenses” decreased by ¥260 million, while “Operating Income” increased by the same amount in “Integrated Financial Services.”

Business segment information for the three months ended June 30, 2009 is as follows:

	Three Months Ended June 30, 2009					
	Integrated Financial Services	Real Estate Business	Other Businesses	Total	Eliminations	Consolidated
	(In millions)					
Operating revenues:						
(1) Operating revenues from third parties	¥1,475	¥254	¥7	¥1,737	¥ -	¥1,737
(2) Operating revenues from inter-segment sales or transfers	193	7	-	201	(201)	-
Total operating revenues	1,669	261	7	1,938	(201)	1,737
Operating losses	¥2,086	¥236	¥0	¥2,323	¥ 177	¥2,441

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 three months ended June 30, 2008 and 2009, as domestic operating revenues accounted for more than 90% of total operating revenues for all segments during the respective period.

3. Overseas Operating Revenues

Information on overseas operating revenues is omitted for the three months ended June 30, 2008 and 2009 as overseas operating revenues accounted for less than 10% of total operating revenues during the respective period.

Per Share Data

1. Net assets per share

	June30, 2009	March 31, 2009
	(In yen)	
Consolidated:		
Net assets per share	¥16.72	¥18.78

Note: The basis for the calculation of net assets per share presented above is as follows:

	June 30, 2009	March 31, 2009
	(In millions)	
Total net assets on the consolidated balance sheets	¥15,530	¥16,019
Net assets attributable to common stock	4,005	4,499
Differences between net assets and net assets attributable to common stock:		
Minority interest	11,524	11,520

	June 30, 2009	March 31, 2009
	(Thousand shares)	
Number of issued shares	245,894	245,894
Number of shares of treasury stock	6,287	6,285
Number of shares for the calculation of net assets per share	239,607	239,609

2. Basic and diluted net income (losses) per share

	Three Months Ended June 30,	
	2008	2009
	(In yen)	
Consolidated:		
Net income (losses) per share:		
Basic	¥2.29	¥(2.26)
Diluted	-	-

Notes: 1. Diluted net income per share for the three months ended June 30, 2008 was not presented because there existed no shares with dilutive effect.
2. Diluted net income per share for the three months ended June 30, 2009 was not presented because of net losses per share.
3. The basis for the calculation of net income (losses) per share presented above is as follows:

	Three Months Ended June 30,	
	2008	2009
	(In millions except shares)	
Net income (losses) on the consolidated statement of operations	¥549	¥(541)
Net income (losses) attributable to common stock	549	(541)
Amounts not attributable to common shareholders	-	-
Weighted-average number of outstanding shares (thousand shares)	239,615	239,608
Summary of significant changes from the end of the previous fiscal year, if any, in shares without dilutive effect which were not reflected in the calculation of diluted net income per share:	-	-

Significant Subsequent Events

None

2. OTHER

None

SECOND SECTION: GUARANTOR COMPANY OF THE COMPANY

None

Independent Auditors' Quarterly Review Report

August 13, 2008

Board of Directors of
NIS GROUP CO., LTD.

Sanyu & Co.

Representative Partner, Engagement Partner: Keisuke Takase
Engagement Partner: Kouta Yamamoto

Pursuant to Article 193-2-1 of "Financial Instruments and Exchange Law," we have reviewed the consolidated balance sheet and the related consolidated statements of income and cash flows of NIS GROUP CO., LTD. and its consolidated subsidiaries included in "FINANCIAL STATEMENTS" as of and for the three months ended June 30, 2008. These financial statements are the responsibility of the management. Our responsibility is to express a result of review of these financial statements based on our review.

We conducted our review in accordance with quarterly review standards generally accepted in Japan. A quarterly review principally inquiries of the management and person in charge of finance and accounting, analytical procedures and other quarterly review procedures. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in Japan.

Based on our review, we are not aware of any material modifications that should be made to the consolidated financial position of NIS Group Co., Ltd. and its consolidated subsidiaries as of June 30, 2008 and consolidated results of their operations and their cash flows for the three months then ended in order for them to be in conformity with quarterly review standards generally accepted in Japan.

Additional information:

1. As discussed in "CHANGES IN SIGNIFICANT ITEMS RELATING TO THE PREPARATION OF QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS," the Company changed its accounting treatment for classification of financial costs into "Operating Expenses" and "Other Expenses."
2. As discussed in "Significant Subsequent Events," on July 1, 2008, the Company completed an absorption merger with NIS Property Co., Ltd., a consolidated subsidiary, based on the merger agreement approved by the Board of Directors on May 23, 2008 and Annual Shareholders' Meeting held on June 24, 2008.

We have no interest in NIS GROUP CO., LTD. and its consolidated subsidiaries, which should be disclosed pursuant to the provision of the Certified Public Accountants Law.

Notes: 1. The above are the electronic copies of the items on the original Report of Independent Certified Public Accountants. Such original is kept by the Company.
2. XBRL data themselves are not included in the scope of the quarterly consolidated financial statements.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Independent Auditors' Quarterly Review Report

August 11, 2009

Board of Directors of
NIS GROUP CO., LTD.

Sanyu & Co.

Representative Partner, Engagement Partner: Keisuke Takase
Engagement Partner: Hiroshi Saito

Pursuant to Article 193-2-1 of "Financial Instruments and Exchange Law," we have reviewed the consolidated balance sheet and the related consolidated statements of operations and cash flows of NIS GROUP CO., LTD. and its consolidated subsidiaries included in "FINANCIAL STATEMENTS" as of and for the three months ended June 30, 2009. These financial statements are the responsibility of the management. Our responsibility is to express a result of review of these financial statements based on our review.

We conducted our review in accordance with quarterly review standards generally accepted in Japan. A quarterly review principally inquiries of the management and person in charge of finance and accounting, analytical procedures and other quarterly review procedures. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in Japan.

Based on our review, we are not aware of any material modifications that should be made to the consolidated financial position of NIS Group Co., Ltd. and its consolidated subsidiaries as of June 30, 2009 and consolidated results of their operations and their cash flows for the three months then ended in order for them to be in conformity with quarterly review standards generally accepted in Japan.

Additional information:

As discussed in "GOING CONCERN," the Group recorded significant operating losses, ordinary losses and net losses for the second consecutive fiscal year in the previous fiscal year, and also recorded significant operating losses, ordinary losses and net losses for the three months ended June 30, 2009. These conditions raise substantial doubt concerning the Group's ability to continue as a going concern, and an uncertainty exists regarding the ability of the Group to continue as a going concern as of the date of the report. Management's plans in response to these conditions and the reasons for an uncertainty are described in the corresponding section. The quarterly consolidated financial statements have been prepared assuming the Group will continue as a going concern and do not include any adjustments that might result from the outcome of this uncertainty.

We have no interest in NIS GROUP CO., LTD. and its consolidated subsidiaries, which should be disclosed pursuant to the provision of the Certified Public Accountants Law.

Notes: 1. The above are the electronic copies of the items on the original Report of Independent Certified Public Accountants. Such original is kept by the Company.
2. XBRL data themselves are not included in the scope of the quarterly consolidated financial statements.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Certification of Quarterly Financial Report

Document for filing:	Certification of Quarterly Financial Report
Pursuant to:	Japanese Financial Instruments and Exchange Law, Regulation 24-4-8-1
Administrative division for filing:	Director of Kanto Local Finance Bureau
Filing date:	August 14, 2009
Company name:	NIS GROUP CO., LTD.
Representative:	Kunihiko Sakioka President and Representative Director of the Board
Chief Financial Officer:	Not Applicable
Location of Matsuyama Head Office:	7-6, Chifune-machi 5-chome, Matsuyama City, Ehime (The address above is the registered head office; the actual principal executive office is the Tokyo Head Office stated below)
Locations where the filing is available to the public:	Tokyo Head Office, NIS Group Co., Ltd. (10-1, Nihonbashi Kodenma-cho, Chuo-ku, Tokyo) Sales Department, NIS Group Co., Ltd. (1-8, Hon-cho 4-chome, Kawaguchi City, Saitama) Tokyo Stock Exchange, Inc. (2-1, Nihonbashi Kabuto-cho, Chuo-ku, Tokyo)

1. FAIRNESS OF THE INFORMATION CONTAINED IN THE ANNUAL FINANCIAL REPORT

Kunihiko Sakioka, President and Representative Director of the Board, hereby certifies that the contents of the Quarterly Financial Report for the three months ended June 30, 2009 fairly present the information therein in conformity with the regulations of the Japanese Financial Instruments and Exchange Law.

2. SPECIAL NOTES

None