

To whom it may concern

May 7, 2010

Notice Regarding Adjustments in Financial Forecasts and Occurrence of Losses on Impairment of Securities

NIS GROUP CO., LTD. (the “Company”) hereby announces, as described below, that it has revised its consolidated financial forecasts which were publicly announced on November 11, 2009, taking into account its recent business operations.

In addition, the Company recognized losses on impairment of investment securities for the fourth quarter of the fiscal year ended March 31, 2010 as a result of impairment of securities whose market or actual values became substantially lower compare to their book value, in accordance with the “Accounting Standard for Financial Instruments” under Japanese GAAP.

1. Adjustments in consolidated financial forecasts

Adjustments in consolidated financial forecasts for the year ended March 31, 2010

(Units: Millions of yen, except percentages and per share amounts)

| | Operating Revenues | Operating Income | Ordinary Income | Net Income | Net Income Per Share |
|--|--------------------|------------------|-----------------|------------|----------------------|
| Previous Projections (A) | 10,000 | (4,500) | (5,100) | (1,200) | (5.01)yen |
| Revised Figures (B) | 10,866 | (7,172) | (7,944) | (1,001) | (4.18)yen |
| Difference (B – A) | 866 | (2,672) | (2,844) | 199 | - |
| Percent Change (%) | 8.7 | - | - | - | - |
| (Reference) For the Fiscal Year Ended March 31, 2009 | 32,170 | (36,328) | (38,412) | (50,805) | (212.03)yen |

2. Reasons for the adjustments in the financial forecasts

With respect to operating revenues, it is expected to be more than originally planned as above because sales of real estate for sale exceeded the initial projection due to promotion of sales of real estate held in the real estate business.

With respect to operating income and ordinary income, the Company revised its forecasts as above because it recorded costs of real estate sold incurred as operating expenses as a result of sales of real estate held, in addition to allowance for loan losses on real estate-backed loans receivable and reserve for losses on excess interest repayments incurred as selling, general and administrative expenses.

With respect to net income, the Company revised its forecasts as above due to gains on sales of investment in affiliated companies as a result of sales of a part of its shares in Credit Organization of Small and Medium-sized Enterprises Co., Ltd. and Nissin Servicer Co., Ltd., both of which were affiliates accounted for under the equity method.

3. Losses on impairment of investment securities in the fourth quarter of the fiscal year ended March 31, 2010

(Units: Millions of yen)

| | Consolidated | Non-Consolidated |
|--|--------------|------------------|
| (A) Total amount of losses on impairment of investment securities for the fourth quarter of the fiscal year ended March 31, 2010 (<i>i-ii</i>) | 409 | 388 |
| Total amount of losses on impairment of investment securities for the fiscal year ended March 31, 2010 (<i>i</i>) | 931 | 910 |
| Total amount of losses on impairment of investment securities for the third quarter of the fiscal year ended December 31, 2009 (<i>ii</i>) | 522 | 522 |

Note: The balance sheet date of the Company is March 31.

* Ratio to net assets, ordinary income and net income

(Units: Millions of yen, except percentages)

| | Consolidated | Non-Consolidated |
|---|--------------|------------------|
| (B) Net asset as of March 31, 2009 | 16,019 | 5,244 |
| (A/B×100) | 2.6% | 7.4% |
| (C) Average amount of ordinary income in the last five fiscal years | 6,140 | 4,209 |
| (A/C×100) | 6.7% | 9.2% |
| (D) Average amount of net income in the last five fiscal years | 3,113 | 2,657 |
| (A/D×100) | 13.2% | 14.6% |

Special Note Regarding Forward-Looking Statements

These materials contain forward-looking statements about our industry, our business, our plans and objectives, our financial condition and our results of operations that are based on our current expectations, assumptions, estimates and projections. These forward-looking statements are subject to various risks and uncertainties. These statements discuss future expectations, identify strategies, discuss market trends, contain projections of results of operations or of financial condition, or state other forward-looking information. Known and unknown risks, uncertainties and other factors could cause our actual results to differ materially from and be worse than those contained in or suggested by any forward-looking statement. We cannot promise that our expectations, projections, anticipated results, estimates or other information expressed in or underlying these forward-looking statements will turn out to be correct. Important risks and factors that could cause our actual results to differ materially from these forward-looking statements include without limitation the following: weak domestic economic conditions; misconduct by an employee or director, or negative publicity for our industry or the Group; regulations concerning the loan business; regulations concerning the overseas and trading support business; Financial Instruments and Exchange Law; other related regulations; funding and market interest rates; claims for excess interest repayments; outsourcing of operations; investment banking businesses; condition and liquidity in stock markets; ability to pursue and maintain successful strategic alliance and joint ventures; economic trends and liquidity in real estate markets; and transfer of receivables.