

July 20, 2010

To whom it may concern

**Notice Regarding the Holding of an Extraordinary Meeting of Shareholders
and Proposed Resolutions**

NIS Group Co., Ltd. (the “Company”) hereby announces that the Company will hold an Extraordinary Meeting of Shareholders, as described below.

The Company will also like to inform you that, as announced in the press release “Notice Regarding the Entering into of a Basic Understanding Agreement pertaining to the Investment and Business Alliance and the Issuance of New Shares by Third-party Allocation” on June 25, 2010, it has decided to submit the amendment of a part of the articles of incorporation involving an increase in the total number of issuable shares, the issuance of new shares through a third party allotment to Neoline Holdings Co., Ltd. and the selection of three directors and two auditors in connection with the dispatch of officers from Neoline Holdings Co., Ltd., for approval at the Extraordinary of Meeting of Shareholders.

1 . Date and Time of the Extraordinary Meeting of Shareholders:

August 23, 2010 (Monday) 10:00 am

2 . Place of Extraordinary Meeting of Shareholders:

Shin-Kasumigaseki Bldg. LB Fl. 3-3-2, Kasumigaseki, Chiyoda-ku, Tokyo
Japan National Council of Social Welfare, Nadao Hall

3 . Matters to be submitted at the Extraordinary Meeting of Shareholders:

Matters to be resolved:

Proposal No. 1: Amendment of a part of the article of incorporation (please refer to the attachment regarding the change)

Proposal No. 2: Issuance of new shares through a third party allotment

Proposal No. 3: Selection of three directors (for a description of the director candidates, please refer to the attachment.)

Proposal No. 4: Selection of two auditors (for a description of the auditor candidates, please refer to the attachment.)

< Note >

The Company set the record date in connection with the Extraordinary Meeting of Shareholders as July 11, 2010, as publicly announced by electronic notice, in accordance with the Company Law in Japan and the Company's Articles of Incorporation (however, as July 11, 2010 was a non-business-day for the custodian of the Company's shareholder registry, the actual record date was July 9, 2010). Therefore, the shareholders who are listed or recorded in the record of shareholders as of the close of business on the above-mentioned record date are deemed to be eligible to exercise their voting rights at the Extraordinary Meeting of Shareholders. Notice of the Extraordinary Meeting of Shareholder is scheduled to be sent to the above-mentioned shareholders on August 4, 2010. We request for shareholders to approve the proposals above only after carefully reading the disclosure contained in the Notice of the Extraordinary Meeting of Shareholders and understanding the necessity of the investment and business alliance with Neoline Holdings Co., Ltd.

Special Note Regarding Forward-Looking Statements

These materials contain forward-looking statements about our industry, our business, our plans and objectives, our financial condition and our results of operations that are based on our current expectations, assumptions, estimates and projections. These forward-looking statements are subject to various risks and uncertainties. These statements discuss future expectations, identify strategies, discuss market trends, contain projections of results of operations or of financial condition, or state other forward-looking information. Known and unknown risks, uncertainties and other factors could cause our actual results to differ materially from and be worse than those contained in or suggested by any forward-looking statement. We cannot promise that our expectations, projections, anticipated results, estimates or other information expressed in or underlying these forward-looking statements will turn out to be correct. Important risks and factors that could cause our actual results to differ materially from these forward-looking statements include without limitation the following: weak domestic economic conditions; the growing variety of legal means with which debtors can seek protection from creditors; changes to our portfolio of products and services and expansion into new business areas; the effect of fluctuations in the value of real estate held or securing loans; fluctuation in market environments regarding our investments; our ability to pursue and maintain profitable strategic alliances, joint ventures and strategic investments; any future inability to obtain funds from lenders or access the debt capital markets on favorable terms; an increase in prevailing market interest rates; failure to implement our business strategies; the failure of our risk management systems; our ability to adequately evaluate or control risks associated with loans or guarantees we make or related collateral; any disruption or other difficulties experienced by our information or technological systems and networks; misconduct by an employee or director and our exposure to negative publicity of the consumer or business finance industries; failure to maintain the confidentiality of personal information of our customers; and the influence of our vice-chairman and his family over important decisions.

<Attachment>

1 . Amendment of a part of the article of incorporation

(1) Reason

In the event that at the Extraordinary Meeting of Shareholders scheduled to be held on August 23, 2010, Proposal No. 2 “Issuance of New Shares through a Third Party Allotment” is approved as originally proposed and new shares are subsequently issued, the total number of issuable shares will exceed the total number of issuable shares; therefore the current number of issuable shares have to be modified from 384,000,000 shares to 630,000,000 shares

(2) Contents of Amendment

The proposed amendment is as follows:

(Amendments are underlined)

Current Articles of Incorporation	Proposed Plan
(Total Number of Issuable Shares) Clause 6 The total number of issuable shares of NIS shall be <u>384,000,000</u> .	(Total Number of Issuable Shares) Clause 6 The total number of issuable shares of NIS shall be <u>630,000,000</u> .

(3) Schedule

- Date of the Extraordinary Meeting of Shareholders for amending the articles of incorporation:
August 23, 2010 (Monday)
- Effective date of the amendment to the articles of incorporation: August 23, 2010 (Monday)

2 . Candidates for directors

Name (Date of Birth)	Career highlights		
Nobuyoshi Fujisawa (January 17, 1970)	June 2001	Joined	Bejapan
	October 2008	President & CEO of	Next Japan Holdings Co., Ltd. (current position)
	March 2009	President & CEO of	NLHD Co., Ltd (current position)
	July 2009	President & CEO of	Neoline Holdings Co., Ltd. (current position)
	January 2010	Chairman of the Board of	MacGregor Golf Japan Limited (current position)
	May 2010	Director of	21st Century Asset Management Co., Ltd. (current position)
	June 2010	Director of	J Trust Co., Ltd. (current position)
	June 2010	Director of	Adore Inc. (current position)
	June 2010	Director of	La Parler (current position)
	[Important Concurrent Posts] President of Neoline Holdings Co., Ltd.		
Joji Harakawa (September 23, 1959)	January 1999	Joined	Credia Co., Ltd.
	December 2008	President & CEO of	Phlox Co., Ltd. (current position)
	January 2009	President & CEO of	AAD (current position)
	April 2009	President & CEO of	Neoline Capital Co., Ltd. (current position)
	April 2009	Director of	Neoline Holdings (current position)
		[Important Concurrent Posts] Director of Neoline Holdings Co., Ltd. President & CEO of Phlox Co., Ltd.	
Makoto Miyoshi (September 25, 1978)	April 2001	Joined	Casco Co., Ltd. (current : Primex Capital Co., Ltd)
	April 2008	Joined	Kazaka Financial Group Co., Ltd.
	November 2008	Joined	Phlox Co., Ltd.
	December 2008	Joined	Ikko Corp. (current : J Trust Co., Ltd.) Middle-office dept. (current position)
	March 2010	Auditor of	Saikyo Card Co., Ltd. (current position)
	July 2010	Corporate advisor of	NIS Group Co., Ltd. (current position)

Note 1: Two of the persons above (Nobuyoshi Fujisawa and Joji Harakawa) are candidates for outside director.

Note 2: The three candidates above would take office on the settlement date for the issuance of the new shares through a third party allotment referenced in proposal No. 2. (The settlement date for the issuance of the new shares through a third party allotment is currently expected to be August 25, 2010.)

Note 3: In the event the three director candidates above are elected as directors, two current directors, Akihiro Kurosawa and Yoshihiko Okuno will resign as of that date.

3 . Candidates for Auditor

Name (Date of Birth)	Career highlights		
Mitsuji Ikeda (July 17, 1954)	February	1981	Joined Wide Co., Ltd. (current : Apentacle Co., Ltd.)
	March	2001	Joined Credia Co., Ltd.
	October	2008	Transferred to Phlox Co., Ltd. (current position)
Tutomu Kasori (February 6, 1952)	July	1975	Joined Promise Trust Co., Ltd. (current : Promise Co., Ltd.)
	June	1995	Director of Promise Trust Co., Ltd.
	May	2000	Executive Director of Mobit Co., Ltd.
	November	2009	Corporate advisor of Promise Co., Ltd.
	November	2009	Chairman of the Board of Net Future Co., Ltd.
	July	2010	Chairman of the Board of Neoline Holdings Co., Ltd. (current position)
	[Important Concurrent Posts] Chairman of the Board of Neoline Holdings Co., Ltd.		

Note 1: The two persons above are candidates for outside auditor.

Note 2: The two persons above who are candidates would take office on the settlement date for issuance of the new shares through a third party allotment referenced in proposal No. 2. (The settlement date for the issuance of such new shares through a third party allotment is currently expected to be August 25, 2010.)

Note 3: In the event the two auditor candidates above are elected as auditors, two current auditors, Tamotsu Kitao and Hajime Iwasaki will resign as of that date.