

January 17, 2012

To whom it may concern

Notice Regarding Change in Subsidiary

NIS Group Co., Ltd. (the “Company”) hereby announces that the Company resolved to transfer shares of Agasta Co., Ltd. (“Agasta”), a consolidated subsidiary, at the board of directors’ meeting held today and consequently, Agasta will be excluded from the scope of consolidation as described below.

1. Reason for the transfer

The Company acquired shares of Agasta in August 2009 for the purpose of boosting expansion of the overseas trading business. However, the Company decided to sell all 6,000 shares of Agasta held to WebCrew Inc. (listed on the Mothers market of the Tokyo Stock Exchange (code: 8767)) and Grand Ageing Co., Ltd. in order to reduce its liabilities through sale of assets.

As a result of this transfer of shares, Agasta is no longer a consolidated subsidiary of the Company.

2. Outline of Agasta

- (1) Name: Agasta Co., Ltd.
- (2) Representative: Koji Suzuki
- (3) Location: 1-7-12 Toranomom, Minato-ku, Tokyo
- (4) Date of establishment: June 17, 1997
- (5) Description of business: Export and sale of used cars, etc.
- (6) Fiscal year-end: March 31
- (7) Capital amount: JPY 364 million
- (8) Major shareholder: NIS Group Co., Ltd. 100%
- (9) Financial results for the recent fiscal year (in millions of JPY):

Fiscal Year	Year Ended / As of June 30, 2009	Year Ended / As of June 30, 2010	Year Ended / As of June 30, 2011
Operating Revenues	1,529	1,558	2,240
Operating (Losses) Income	(223)	(79)	1
Ordinary (Losses) Income	(225)	(112)	0
Net (Losses) Income	(254)	(116)	(6)
Total Assets	1,184	1,062	1,038
Net Assets	841	724	717

3. Outline of the transfer

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|---|---|
| (1) Number of shares to be transferred: | 6,000 shares (100% of outstanding shares) |
| (2) Transferee: | WebCrew Inc. 5,999 shares (99.99%)
Grand Ageing Co., Ltd. 1 share (0.01%) |
| (3) Transfer price: | JPY 83,834 per share |
| (4) Schedule: | January 17, 2012 Resolution of the board of directors
Conclusion of share transfer agreement
Settlement of share transfer |

4. Outline of the transferee

(1) WebCrew Inc.

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| (i) Company name: | WebCrew Inc. |
| (ii) Representative: | Hiroshi Aoyama |
| (iii) Location: | 1-10-5 Dogenzaka, Shibuya-ku, Tokyo |
| (iv) Description of business: | Operation of e-marketplace, etc. |
| (v) Capital amount: | JPY 2,162 million |
| (vi) Relationship with the Company: | None |

(2) Grand Ageing Co., Ltd.

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|-------------------------------------|---------------------------------------|
| (i) Company name: | Grand Ageing Co., Ltd. |
| (ii) Representative: | Yasuhiro Suzuki |
| (iii) Location: | 1-18-3 Dogenzaka, Shibuya-ku, Tokyo |
| (iv) Description of business: | Elderly housing agency business, etc. |
| (v) Capital amount: | JPY 22 million |
| (vi) Relationship with the Company: | None |

5. Future projection

As a result of the exclusion of the subsidiary from the scope of consolidation described above, the Company expects to record losses on sales of investment in affiliated companies as special losses for the three months ending March 31, 2012 as follows:

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|----------------------------|-------------------------------|
| (1) Consolidated basis: | Approximately JPY 100 million |
| (2) Non-consolidated basis | Approximately JPY 263 million |

Special Note Regarding Forward-Looking Statements

These materials contain forward-looking statements about our industry, our business, our plans and objectives, our financial position 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 position, 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 trading business; regulations concerning the investment banking; 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; economic trends and liquidity in real estate markets; transfer of receivables; capital and business alliance; ability to continue to be listed on the Tokyo Stock Exchange; and transfer of the Group's borrowings by its lender.