

February 2, 2012

To whom it may concern

### **Notice Regarding Occurrence of Special Losses**

NIS Group Co., Ltd. (the “Company”) hereby announces that the Company recorded special losses for the three months ended December 31, 2011 as described below.

1. Additional losses on forward contracts

As announced in “Notice Regarding Occurrence of Special Losses” on August 5, 2011, the Company recorded losses on forward contracts of ¥1,171 million which was equivalent to the expected amount of losses on impairment of partly-paid shares for the three months ended June 30, 2011. The Company then recorded additional losses on forward contracts of ¥235 million as special losses for the three months ended December 31, 2011 because the total amount of purchase price was settled.

2. Future projection

The Company is currently negotiating with its lenders including Resolution and Collection Corporation on issues such as amendments to terms and conditions of the contracts, and the effect of the future progress of the negotiation on the consolidated financial results is uncertain. Therefore, the Company decided to put off announcement of the consolidated financial forecasts for the fiscal year ending March 31, 2012, and they will be announced as soon as they are determined.

#### **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.