

**Presentation of FY2008 Results
(2008.04 – 2009.03)**

**NIS GROUP CO., LTD.
8571**

※The figures herein are based on Japanese GAAP.

The term “FY 2008” refers to the Company’s fiscal year ending March 31, 2009 and other fiscal years are referred to in a corresponding manner unless otherwise stated.

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I. Summary of FY2008 Results

Summary of Operating Results (Consolidated)

■ Japanese economy has fallen into a steep recession due to a decline in corporate profits and deterioration of the financing environment in the midst of a prolonged period of global finance and capital markets turmoil and credit crunch. NIS Group also face major losses due to deterioration of the financing environment and liquidity in the Japanese real estate markets. Details are as follows:

Reasons

Operating Revenues :

1. Decrease in interest income from loans receivable due to a decrease in the amount of loans originated and the balance of loans receivables
2. Decrease in sales of real estate due to a deterioration of liquidity in the real estate market
3. Changes in the scope of consolidation due to sale of a part of the NIS Group's shares of Nissin Servicer and other subsidiaries

Operating Expenses, and Selling, General and Administrative Expenses:

1. Impairment losses on real estate
2. Additional allowance for loan losses of real estate-backed loans receivable
3. Provision for excess interest repayment related losses

(Millions of yen except percentages)

	FY2007	FY2008	YoY %
Operating revenues	83,027	32,170	(61.3)
Operating losses	(15,427)	(36,328)	-
Ordinary losses	(17,348)	(38,412)	-
Special gains	740	11,149	-
Special losses	19,201	23,249	21.1
Net losses	(45,116)	(50,805)	-

Breakdown of Special Losses

(Millions of yen)

Special Gains	
Gains on retirement of bonds repurchased	7,089
Compensation income (Cancellation of the strategic investment and business alliances with TPG, etc)	3,192
Gains on sales of investment securities	151
Gains on change in equity interest	132
Other	583
Total Special Gains	11,149
Special losses	
Losses on exercise of convertible preferred interest (Losses related to conversion of interest in Nissin Leasing (China))	8,809
Investment securities	7,414
Losses on impairment and sales of investment securities	4,541
Losses on impairment and sales of investments in affiliated companies	1,968
Others (Losses on transfer of receivable from affiliated companies)	904
Losses on cancellation of derivative transactions	2,372 ¹
Losses on impairment, disposal, and sales of fixed assets	2,159
Losses on transfer of receivable from affiliated companies	1,522
Provision for losses on relocation of offices	336
Other	634
Special losses	23,249

Note 1. ¥1,439 million in gains on foreign exchange related to the cancellation of currency-swap was incurred as other income.

Highlights of 4Q for FY2008

1 Forming Strategic Capital and Business Alliances

- Formed strategic capital and business alliances with Chusho-Kigyo Hosho Kiko. (Dec. 2008)
 - Support for the Company's funds procurement by Chusho-Kigyo Hosho Kiko, etc.
 - Appointment of directors to the Company's board by Chusho-Kigyo Hosho Kiko.
 - Appointed Takumi Kimura, president of Chusho-Kigyo Hosho Kiko, as the Company's president. (Jan. 2009)

2 Terminating Strategic Capital and Business Alliances with TPG

- TPG paid the Company about ¥3 billion in settlement. (Dec. 2008 - Jan. 2009)
- TPG sold the part of the Company's share to Index Holdings. (7.9% out of 8.3%) (Mar. 2009)
- Remaining share will be transferred to the Company or a third party designated by the Company around the time of the Company's Annual Shareholders' Meeting (Jun. 2009). Proceeds from the transfer, if the transfer is made to a third party, will be paid to the Company as a part of the settlement for the termination of alliance.

3 Restructuring of the Group

- Due to the transfers of the shares of the following consolidated subsidiaries to Chusho-Kigyo Shinko network companies, these companies became affiliates accounted for under the equity method.
 - The Company sold a part of its shares in Nissin Servicer. (Dec. 2008)
 - Nissin Servicer issued new shares through a third party allotment. (Mar. 2009)
 - The Company's share in Nissin Servicer: 73.6% (before Dec. 2008) → 25.8% (after the issuance of new shares)
 - The Company sold a part of its shares in NIS Lease. (Jan. 2009)
 - The Company's share in NIS Lease: 100.0% → 39.0%

4 Trimming Down of Cost Structure

- Consolidated loan offices gradually into one office. (Jan. 2009)
- Change in personnel structure...164 employees (non-consolidated) (Apr. 1, 2009)
 - The Company sought cost cutting by outsourcing a part of its operation
- Change in organizational structure (Apr. 1, 2009)
 - The Company restructured its organizational structure from three headquarters and 18 departments to four divisions.
- Relocation of Tokyo headquarter (May. 2009)
 - New address: Nihonbashi Financial Building 6F, 10-1 Nihonbashi-kodenmachi, Chuo-ku, Tokyo 103-0001 Japan

Balance Sheets (Consolidated)



(Millions of yen)

Assets	2008.3.31	2009.3.31	Liabilities and net assets	2008.3.31	2009.3.31
Total current assets	216,425	52,135	Total current liabilities	128,213	45,328
Cash and deposits	11,652	3,427	Short-term borrowings	115,642	38,663
Notes and loans receivable	124,545	33,448	Accounts payable/Accrued expenses	2,202	1,942
Other loans receivable	2,593	4,085	Accrued income taxes	2,529	1,162
Purchased loans receivable	28,777	26	Unearned revenue from installment loans	1,253	-
Real estate for sale in the servicing business	19,145	-	Accrued bonuses	597	-
Real estate for sale in the real estate business	25,812	13,773	Reserve for guarantee losses	801	2,653
Installment loans	5,522	-	Other	5,186	905
Deffered tax assets	2,252	-	Total long-term liabilities	86,006	27,055
Other	15,024	4,747	Long-term borrowings	68,842	12,556
Allowance for loan losses	(18,901)	(7,373)	Reserve for losses on excess interest repayments	10,766	11,340
Total fixed assets	56,191	36,109	Other	6,398	3,159
Assets held for leases	4,855	-	Total liabilities	214,219	72,383
Other tangible and intangible fixed assets	3,544	933	Common stock	26,289	26,289
Investment securities	27,752	8,149	Additional paid-in capital	30,180	30,180
Bankrupt and delinquent loans receivable	16,689	46,955	Retained earnings	2,080	(48,711)
Investments in Tokumei-Kumiai relating to loans receivable	3,606	-	Treasury stock	(3,892)	(3,893)
Deffered tax assets	49	-	Valuation and translation adjustments	189	634
Others	10,134	8,680	Minority interest	3,814	11,520
Allowance for loan losses	(10,440)	(28,609)	Stock acquisition rights	102	-
Deffered assets	367	159	Total net assets	58,763	16,019
Total assets	272,983	88,403	Total liabilities and net assets	272,983	88,403
※Guarantees for loans and accounts receivable	16,397	21,614	※Total interest-bearing debt	184,484	51,219

(After deduction of reserve for guarantee losses and reserve for business of affiliated companies)

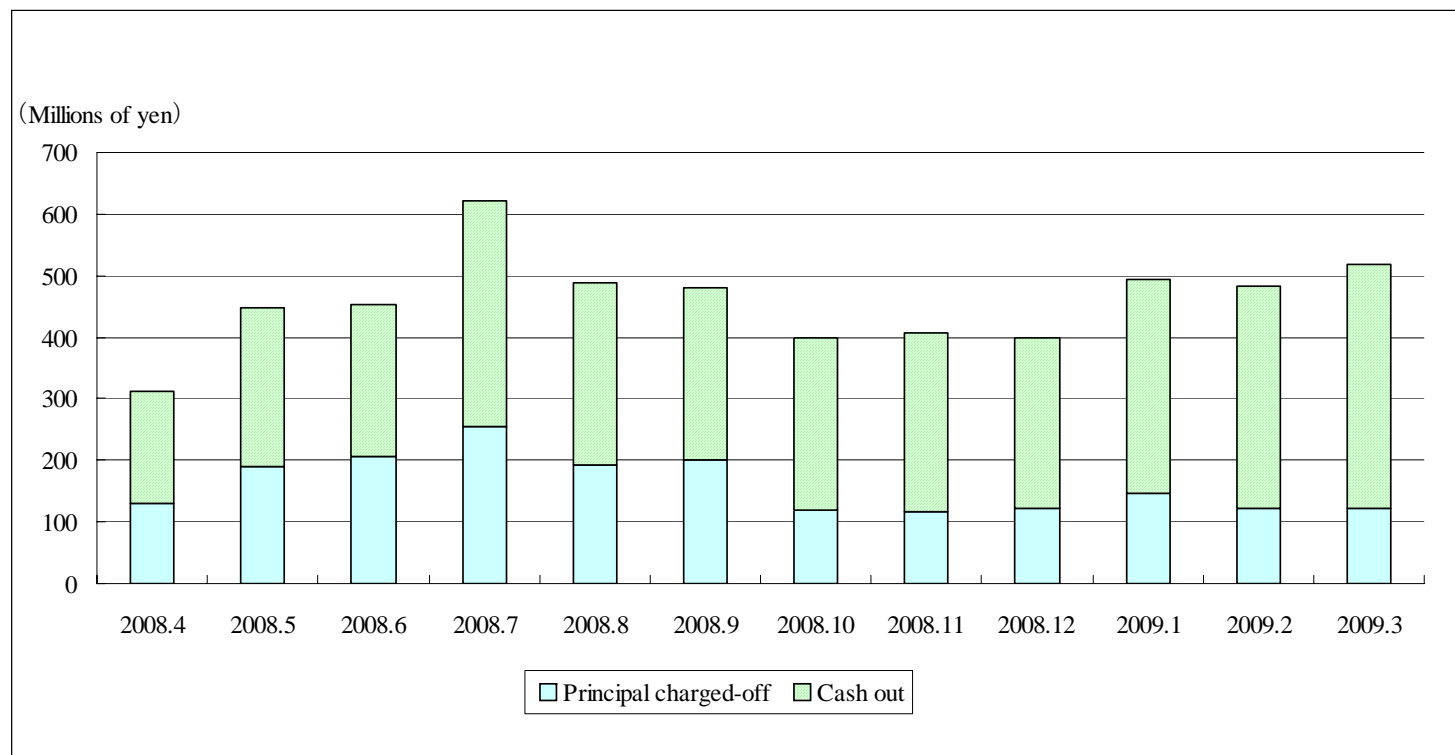
	2008.3.31	2008.9.30	2009.3.31
Net worth ratio	20.1%	14.9%	5.1%

Breakdown of Operating Revenues and Operating Income by Business Segments

Business segment			Operating revenues				Operating (losses) income*	
			FY2007		FY2008		FY2007	FY2008
			Amount	%	Amount	%	Amount	Amount
Integrated financial services	Interest income from notes and loans receivable	Unsecured loans and notes	15,923	19.2	4,690	14.6	(21,845)	(24,278)
		Secured loans	6,239	7.5	2,148	6.7		
		Total	22,162	26.7	6,838	21.3		
	Fees received	1,742	2.1	129	0.4			
	Guarantee fees received	1,962	2.3	2,090	6.5			
	Revenue from leases and installment loans	5,867	7.1	2,875	8.9			
	Other	5,480	6.6	3,145	9.8			
	Total	15,052	18.1	8,241	25.6			
	Sub-total	37,215	44.8	15,079	46.9			
Servicing business	Revenue from collections of purchased loans	12,335	14.9	6,441	20.0	4,870	(4,035)	
	Revenue from sales of real estate	4,326	5.2	2,506	7.8			
	Other	2,197	2.6	1,279	4.0			
	Sub-total	18,860	22.7	10,227	31.8			
Real estate business	Revenue from sales of real estate	23,317	28.1	4,957	15.4	3,403	(7,590)	
	Other	1,676	2.0	1,415	4.4			
	Sub-total	24,994	30.1	6,372	19.8			
Other businesses	Others	1,956	2.4	491	1.5	(250)	(167)	
Total			83,027	100.0	32,170	100.0	(15,427)	(36,328)

*The amount of total operating income includes consolidated adjustment.

Trend of Losses on Excess Interest Repayments



(Millions of yen)

	2008.4	2008.5	2008.6	2008.7	2008.8	2008.9	2008.10	2008.11	2008.12	2009.1	2009.2	2009.3
Principal charged-off	130	190	207	254	192	200	119	117	121	147	122	121
Cash out	183	258	247	366	297	281	280	291	279	346	362	397
Total	314	448	454	620	489	481	399	408	400	493	484	518

(Reference) (Millions of yen)

	FY2006	FY2007	FY2008
Principal charged-off	3,076	3,030	1,925
Cash out	1,717	3,203	3,591
Total	4,793	6,233	5,517

Funding Situation (Non-consolidated)



(Millions of yen except percentages)

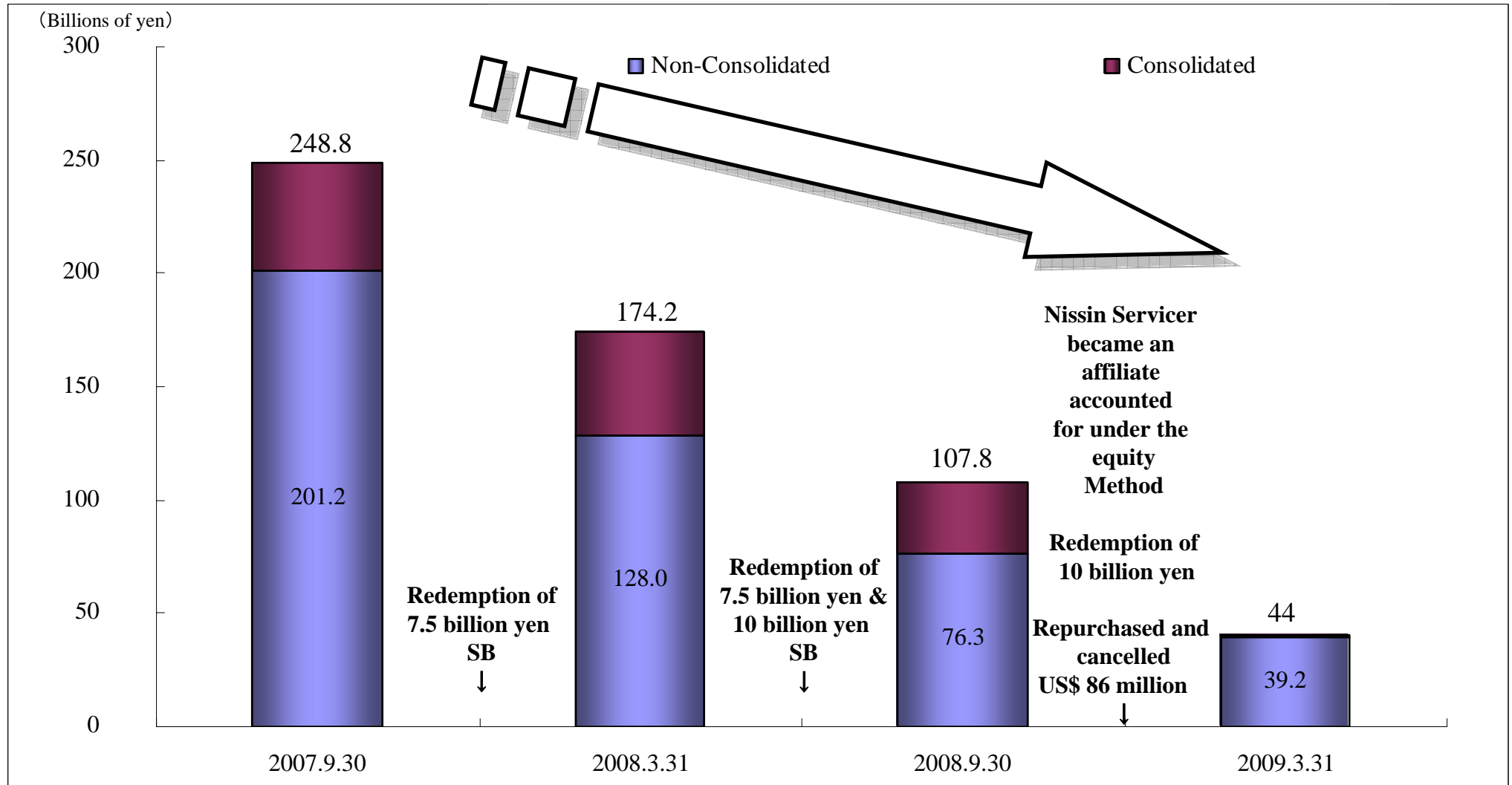
	2007.3.31		2008.9.30		2008.3.31		YTD
	Amount	%	Amount	%	Amount	%	
Indirect	71,162	51.5%	40,715	53.3%	23,074	58.8%	(48,088)
Banks	39,691	28.7%	25,465	33.3%	17,169	43.7%	(22,522)
Insurance companies	2,062	1.5%	1,370	1.8%	178	0.5%	(1,884)
Other financial institutions	1,372	1.0%	919	1.2%	243	0.6%	(1,129)
Non-bank financial companies (including securities companies)	28,036	20.3%	12,959	17.0%	5,483	14.0%	(22,553)
Direct	67,065	48.5%	35,664	46.7%	16,198	41.2%	(50,867)
SB	56,880	41.1%	35,664	46.7%	16,198	41.2%	(40,682)
CP	-	-	-	-	-	-	-
Securitization	10,185	7.4%	-	-	-	-	(10,185)
Total	138,228	100.0%	76,379	100.0%	39,272	100.0%	(98,956)
Weighted average borrowing rates		2.6%		4.5%		5.7%	

Notes 1. The Company entered into currency swap contracts in association with the U.S. dollar-denominated unsecured straight bonds issued in Jun. 2007 and other transactions; however, it cancelled these contracts in Sep. 2008.

As a result, weighted average borrowing rates for SB and others are calculated based on the U.S. dollar-denominated rate.

2. The Company repurchased and cancelled US\$ 86 million worth of U.S. dollar-denominated unsecured straight bonds in Mar. 2009.

Decrease of Borrowings



Note: Each figure represents the aggregate amount of bonds and borrowings.

II. Future Strategy and Business Plan

Forecasts

While the business environment is expected to remain severe, NIS Group will increase its efforts to achieve early improvement of its business performance by promoting transformation of the company's business structure from a business relying on its operating assets to a business earning fees for income.



- NIS Group will work to improve efficiency in the credit management and maximize collection of loans receivable in the loan business.
- NIS Group will promote expansion of the investment banking business by utilizing its expertise that the Company has cultivated thus far as well as its business network and other resources.

(Millions of yen)

	FY2008	(Forecasts) First Half of FY2009	(Forecasts) Second Half of FY2009	(Forecasts) FYE2009
Operating revenues	32,170	3,600	4,400	8,000
Operating (losses) income	(36,328)	(1,000)	700	(300)
Ordinary (losses) income	(38,412)	(1,500)	500	(1,000)
Net (losses) income	(50,805)	(1,500)	500	(1,000)

Future Business Strategy

■ NIS Group provide variety of unique businesses by utilizing its expertise in investing in companies, and business in Asia, as well as its business network and other sources.

Core Businesses:

M&A Advisory Related (Domestic) Business

- **M&A mediation service :**
(Track record: 10)
- **Corporate revitalization service :**
(Track record: 2)
- **Composition of fund service :**
(Track record: 5)
- **Financial advisory service :**
(Track record: 5)

※Starting from Aug. 2008

Rising Businesses:

Overseas Business

- Support services for Japanese SME to advance overseas
(ex: Advisory services for restaurants aiming to expand business overseas)
- Support services for foreign SMEs to advance business in Japan
- China business
- ※Acquired overseas subsidiary in China (Schedule to start from Jul. 2009)

New Businesses:

Trade Finance Business

- Provide credit for business transactions among SMEs
(targeting both domestic and non-domestic companies)
- Logistics, and representative services for settlement
- Promotional support in Asia and Russia

Core Business: M&A Mediation Service

- Leverage knowledge and network built up through investments in over 150 companies
- Offer services for overseas M&A needs
- Actively engage in small projects targeting mid-sized SMEs

■ Cases

- | | |
|--|---|
| ➤ Software development service industry
(Company A) | ▪ Took over an entire division of about 50 staff to bolster SE/SI personnel |
| ➤ Software development service industry
(Company B) | ▪ Acquired a company with many Chinese SEs to expand business scale by gaining Asian personnel |
| ➤ Chinese software development service industry | ▪ Sold stocks to Japanese companies in same industry to expand trading partner network comprising Japanese companies. |
| ➤ Restaurant industry (Franchise) | ▪ Acquired a barbeque restaurant in Shanghai (Japanese owner) to begin restaurant business in China |
| ➤ Chinese personnel dispatch and introduction industry | ▪ Sold business as capacity to operate country-wide was slumping due to insufficient staff |

* Since Aug. 2008, the Company have performed 10 cases of M&A mediation services.

Core Business : Corporate Revitalization Services (Ex: Baycity Service)

■ Core Business

Developing, design, manufacture and sales of industrial machinery

- Main commercial products :
 - * “Food Server” : a machine for cooking and dispensing measured amounts of soup, curry, pasta, Chinese food, or similar
 - * “One Plot Shop”: a unit store equipped with food servers
 - * “Mobile Sales Vehicle”: a van-typed vehicle fitted out as a store equipped with food servers

■ Background and History

- As demand for manufactured goods rises, there are more customers seeking to lease products or pay for them by installments. However, with financial institutions tightening credit limits due to worsening business confidence, there has been an inevitable sudden increase in customers who have given up on purchasing the products.
- Other factor include a rise in manufacturing cost of machinery due to high raw material costs, and insufficient funds for manufacturing due to an increase in orders received.



NIS Group Services:

- Debt mediation
- Equity
- Other (Restructuring of business model, etc.)

■ Additional support from NIS Lease, and companies in Incubator Network for SMEs have resulted increasing monthly sales by 3.8 × compared to the month before the Company started the project

Core Business: Fund Composition and Financial Advisory Business (Ex: Venture Link)



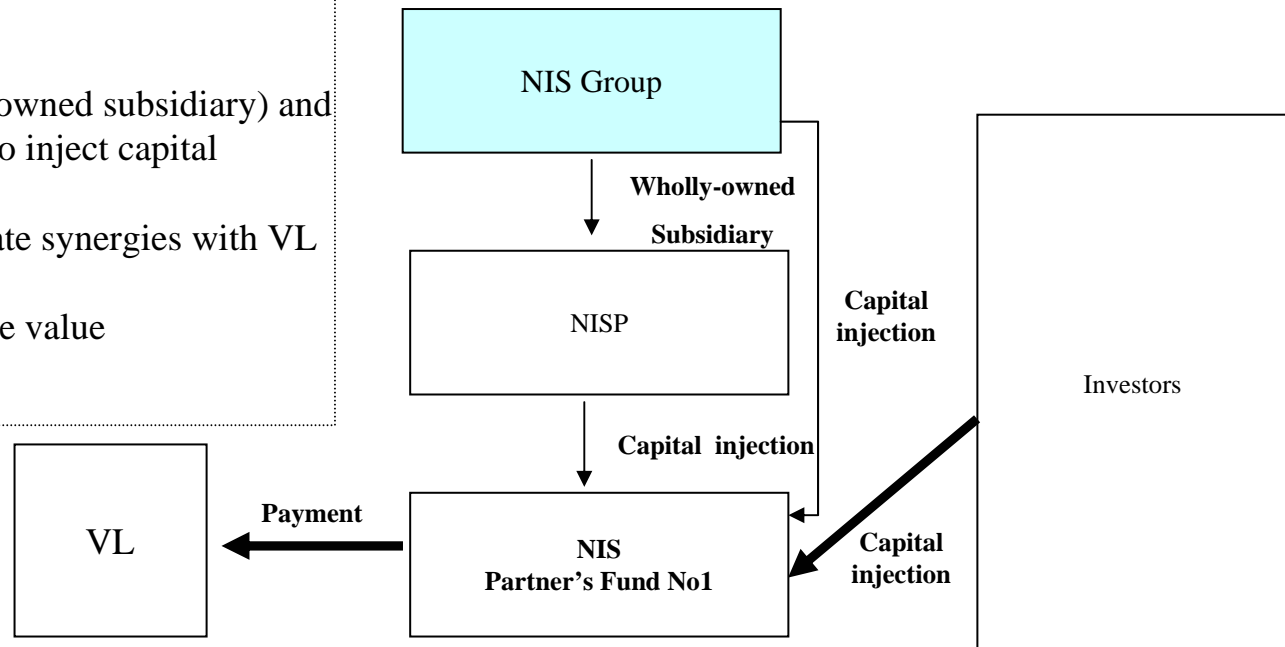
Background and History

Venture Link (VL) found itself in a difficult business environment with many of its major customers performing poorly or going bankrupt due the global financial uncertainty and economic slowdown. As a means of riding out the storm, VL was seeking a partner with whom it could create synergy in business while raising its corporate value in the medium to long-term.

Scheme and Role of NIS Group

Role of NIS Group

- Compose a fund through NISP (a wholly-owned subsidiary) and conduct 3rd party allotment of new shares to inject capital
- Arrange potential investors who could create synergies with VL
- Continue to support VL in raising corporate value after injecting capital



Growing Business: Resumption of operation in China

■ NIS Group's Business in China to Date:

Jul. 2004

○ Established Matsuyama Nissin Investment Consulting (Shanghai) Co., Ltd., a consolidated subsidiary

- Operations included various consulting businesses, Chinese market research and other

Sept. 2005

○ Changed name to Matsuyama Nissin Leasing (Shanghai) Co., Ltd.

- Entered the leasing business in the Chinese market
- Launched one of China's largest lease companies solely invested by non-Chinese capital (capital invested US\$100 m)

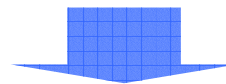
Mar. 2006

○ Changed name to Nissin Leasing (China) Co., Ltd.

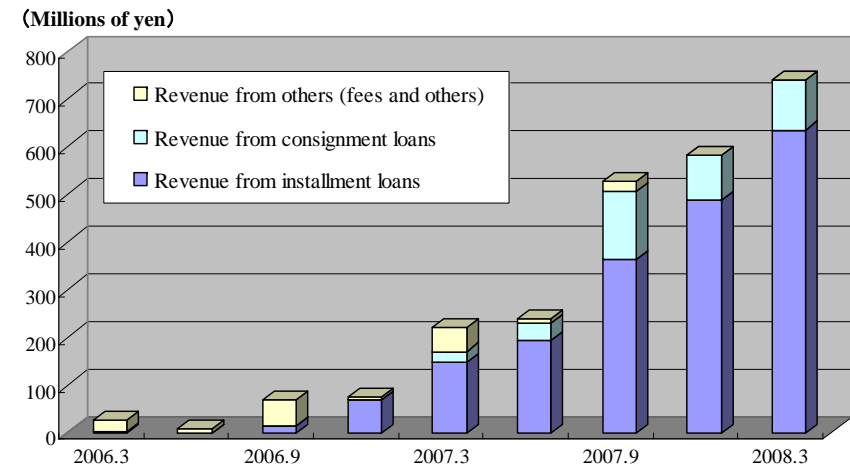
- Utilized NIS Group's network in every region of China to provide financial services for businesses invested from inside China
- Provided business matching services for Chinese companies and Japanese companies in China.
- Established offices in each region of China
(Five offices: Shanghai, Beijing, Zhengzhou, Shenzhen, and Chengdu)

Nov. 2008

○ The company sold its equity stake in Nissin Leasing (China) Co., Ltd., temporarily halting expansion in China as the Company's holding became 0%



■ Trend of Operating Revenues



- Operating Revenues for FY2007 were approximately 800 million yen
- Outstanding for Operating Assets as of Jun. 30, 2008 was 26 billion yen

Main items:

Construction Equipment: 45.3%

Production Equipment: 24.0%

Printing Equipment: 20.4%

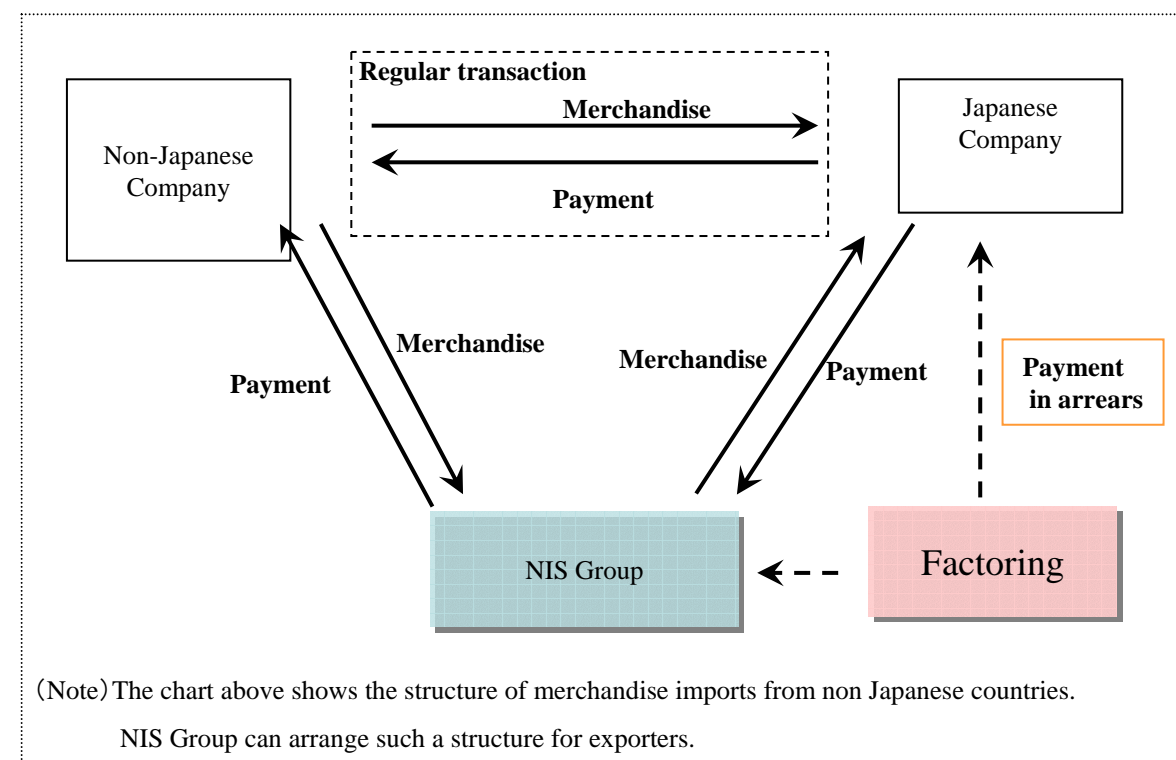
■ In Apr. 2009, the Company acquired a 100% holding in Shuho (Shanghai) Investment & Consulting Co., Ltd. with aim of re-starting operations in China.

■ Operations in China are planned to start from Jul. 2009, focused on trade business and support services for Japanese and Chinese companies

New Business: Trade Finance

- Leverage our knowledge of company credit developed through making loans to SMEs to start providing credit between companies through “goods”
- Pursue new business opportunities, making full use of network, as well as the track record and knowledge relating to providing credit for overseas companies developed through our overseas expansion activities

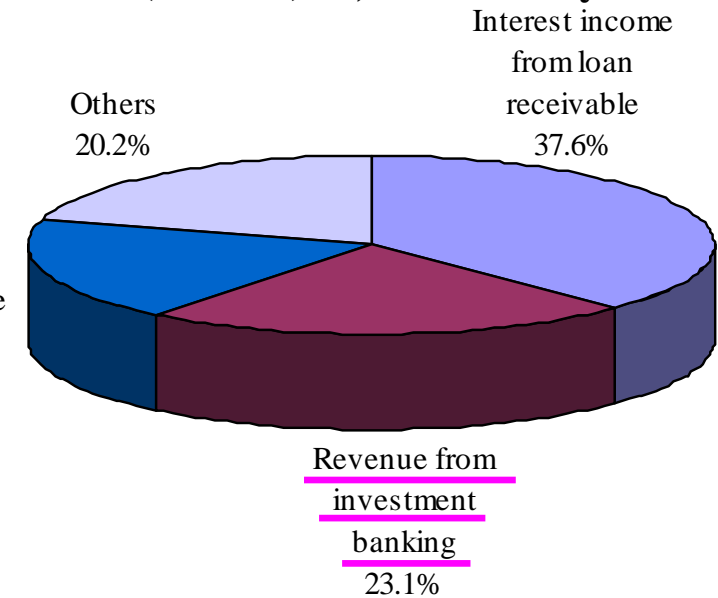
■ Scheme



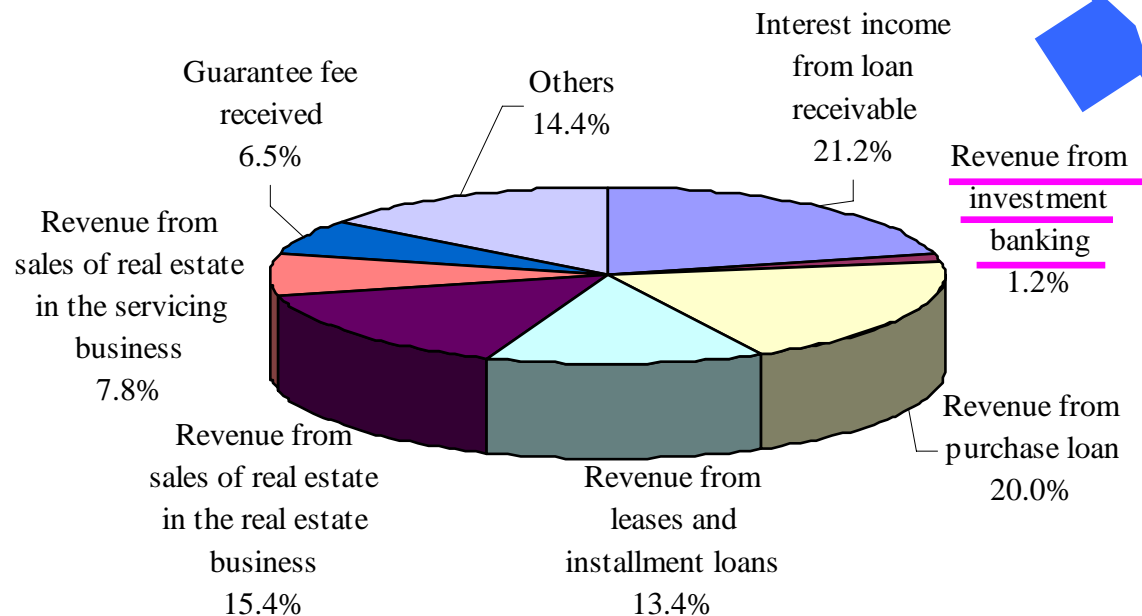
- Provide both promotional support, and business matching
- Provide support for companies which are diversifying their business in Asia and/or Russia
- Provide credit to non Japanese companies by utilizing the Company’s experience in China.

Breakdown of Operating Revenue

FY2009 (Forecast) 8,000 million yen



FY2008 32,170 million yen



III. Reference

Loan Business (Non-consolidated)

■ Total loans outstanding

(Millions of yen except percentages)

	2008.3.31	2008.9.30	2008.3.31	YTD %
Secured loans	71,308	50,018	48,850	(31.5)
SME loans	45,503	19,491	15,851	(66.6)
Discount notes receivable	86	56	25	(70.5)
Consumer loans	23,448	16,257	12,266	(47.7)
Total	140,346	85,825	76,324	(45.6)
Amount of guarantee of loans receivable	19,490	37,551	25,580	31.3
Guarantee of loans receivable related to secured loans	4,795	12,411	7,603	58.6

Note: Loans receivable above include bankrupt and delinquent loans receivable.

■ Total loans outstanding by interest rate

(Millions of yen except percentages)

Interest rate	2008.3.31		2008.9.30		2009.3.31	
	Amount	%	Amount	%	Amount	%
Less than 5.0%	1,291	0.9	1,748	2.0	1,645	2.2
5.0% to less than 10.0%	70,198	50.0	48,293	56.3	46,749	61.3
10.0% to less than 15.0%	7,215	5.1	4,259	5.0	4,083	5.3
15.0% to less than 20.0%	16,941	12.1	8,081	9.4	6,514	8.5
20.0% to less than 25.0%	32,775	23.4	18,670	21.8	13,817	18.1
25.0% and above	11,924	8.5	4,772	5.6	3,514	4.6
Total	140,346	100.0	85,825	100.0	76,324	100.0
Average contractual interest rate (%)	14.4	-	13.3	-	12.6	-

Notes 1: Loans receivable above include bankrupt and delinquent loans receivable.

2: The average contractual interest rate is weighted-average interest rate and does not include fees, etc.

Trend of Loan Charge-Offs and Excess Interest Repayments (Non-consolidated)

【Ratio of charged-offs of loans receivable】 (Annual)

	FY2007	2Q FY2008	FY2008
Secured loans	0.21%	0.10%	0.08%
SME loans	15.54%	27.90%	26.17%
Consumer loans	9.86%	11.10%	14.36%
Total	7.33%	9.23%	8.95%

【Loan charged-offs】 (Quarterly)

(Millions of yen)

	4Q FY2007	1Q FY2008	2Q FY2008	3Q FY2008	4Q FY2008
Charge-offs of loans receivable	2,281	2,414	1,735	2,133	1,216
Of which charge-offs related to excess interest repayments	674	529	646	357	391

【Allowance】 (Total of general and specific allowance)

(Millions of yen)

	FY2007	2Q FY2008	FY2008
	All Products	All Products	All Products
Allowance	23,359	24,241	29,236
General allowance	3,340	1,512	1,186
Specific allowance	16,159	20,185	25,941
Allowance for excess interest repayments-related losses	3,859	2,543	2,109

【Reserve for losses on excess interest repayments (cash out)】

(Millions of yen)

	FY2007	2Q FY2008	FY2008
Reserve for losses on excess interest repayments	10,766	10,360	11,340

Allowance related to losses on excess interest repayments
¥ 13,449 million

Breakdown of Investments in Securities

As of March 31, 2009

(Millions of yen except unit price and stock price)

Listed Companies: Brand	Number of shares	Unit (¥)	Book value	Stock price (¥)	Market Value	Difference
Riskmonster	2,500	40,550	101	60,000	150	48
Raccoon	500	17,204	8	100,000	50	41
The Bank of Kochi	60,000	78	4	78	4	-
Xinhua Finance	114,717	1,410	161	1,410	161	-
Soft Bank	400	2,445	0	1,256	0	(0)
Info Mart	330	120,000	39	112,000	36	(2)
The Tokushima Bank	122,971	592	72	538	66	(6)
Tenpos Busters	496	50,700	25	25,500	12	(12)
Index Holdings	143,500	3,500	502	3,100	444	(57)
Total	445,414	-	917	-	927	10

Non-listed Companies and Others	Book value
Non-listed Companies (139 brands)	4,152
Bonds (8 brands)	65
Investment on Tokumei-Kumiai, etc. (16 brands)	2,452
Others (4 brands)	0
167 Investees	6,669

*Deemed securities are included.

Affiliated Companies (Equity methods)	Book value
Nissin Servicer	192
Credit Organization of Small and Medium-sized Enterprises	208
Nippon Real Estate Rating Services	15
Others	136
Total	552

Total	Book value
186 Investees	8,149

Special Notice Regarding Forward Looking Statements



Our business results and these forward-looking statements are subject to various risks and uncertainties. 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 or other information expressed in or underlying these forward-looking statements will turn out to be correct.

I. Risks related to the Business Environment

- (a) Weak economic conditions
- (b) Misconduct by an employee or director, or negative publicity for our industry or the Group

II. Risks related to Laws and Regulations

- (a) Regulations concerning the loan business
 - i) Regulation concerning interest rates
 - ii) Regulation concerning excessive lending
 - iii) Regulation concerning loan operations
- (b) The Special Measures Law concerning the Claims Servicing Business
- (c) Installment Sales Law
- (d) Financial Instruments and Exchange Law
- (e) Other related regulations

III. Business Risks

- (a) Funding and market interest rates
- (b) Claims for excess interest repayments
- (c) Reliability of our information or technological systems and networks
- (d) Risks in our operating assets portfolio
- (e) Condition and liquidity in stock markets
- (f) Ability to pursue and maintain successful strategic alliances and joint ventures
- (g) Economic trends and liquidity in real estate markets