

## To whom it may concern

December 22, 2006

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## Announcement of a Business Alliance with KUMAMOTO FAMILY BANK, LTD.

NIS GROUP CO., LTD. (the “Company”) hereby announces that, on December 21, 2006, it entered into a basic agreement to form a business alliance with KUMAMOTO FAMILY BANK, LTD. (listed on the Fukuoka Stock Exchange, Code: 8553, hereinafter referred to as “Kumamoto Family Bank”) to provide financial services to Small and Medium-sized Enterprises (SMEs), including start-up businesses, and business owners.

### 1. Purpose of the business alliance

Kumamoto Family Bank is based in Kumamoto prefecture and has developed a network throughout the Kyushu region, and aims to be a bank which provides superlative financial and information services which contribute to regional development. In addition, Kumamoto Family Bank envisions, in the future, a business merger with The Bank of Fukuoka, Ltd. (“The Bank of Fukuoka”) which has already entered into an alliance with the Company in the financial services area in August 2006.

The Company provides various financial and other services corresponding to various business owners’ stages of growth throughout Japan, and, in the Kyushu region, the Company has been trying to expand its sales channels through, among other things, its business alliance with The Bank of Fukuoka.

This business alliance will combine the strong business infrastructure throughout Kumamoto prefecture and the financial expertise that Kumamoto Family Bank has with respect to SMEs, and the business and credit expertise that the Company has with regard to business owners, including start-up businesses. The Company and Kumamoto Family Bank expect that this alliance will help to promote the revitalization of the Kyushu region by meeting the financial needs of SMEs and business owners, including start-up businesses.

Furthermore, the Company will continue to reinforce its relationships with regional banks and to actively support SMEs and venture businesses which play a significant role in the Japanese economy.

### 2. Outline of the business alliance

The Company will guarantee 100% of the new loans provided by Kumamoto Family Bank as described below.

#### Product profile

- |                     |  |
|---------------------|--|
| ① Form of contract: | Loan on deed   |
| ② Loan amount:      | 1 million yen to 10 million yen                          |
| ③ Period of loan:   | Five year maximum  |
| ④ Purpose of loan:  | Operating capital, funds for equipment, start-up capital |
| ⑤ Security, etc.:   | Unsecured, guaranteed by a representative guarantor      |

### 3. Outline of Kumamoto Family Bank, Ltd.

Company name:	KUMAMOTO FAMILY BANK, LTD.
Main business:	Banking
Founded:	January 19, 1929
Representative:	Kazuyuki Kawaguchi
Head Office:	29-20, 6-chome Suizenji, Kumamoto-shi, Kumamoto, 862-0950, Japan
Amount of capital:	342 million yen (As of March 31, 2006)
Relation with the Company	One of the sources of fund procurement

### 4. Schedule of Business Alliance

December 21, 2006: Business alliance agreement executed.  
December 26, 2006: Service will start. (Scheduled)

### 5. Future Projections

The effect on performance for the current period is expected to be minor, and there will be no change in our financial forecast.

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 effect of weak domestic economic conditions, including changes in corporate and personal bankruptcy and unemployment rates in Japan;
- competition by entry of major financial institutions and IT companies into the business owners and consumer loan industries;
- misconduct by an employee or director and our exposure to negative publicity of the consumer or business finance industries generally or us specifically;
- the effect of potential changes to legislation and accompanying enforcement, and restrictions and regulations associated with Japan or U.S. law, including restrictions on interest rates, on regulations for the money lending business;
- the growing variety of legal means with which debtors can seek protection from creditors;
- the uncertain liquidity of Japan's capital markets, availability of funding from lenders on favorable terms and potential changes to government policy, including Japan's monetary policy;
- the reliability of our information or technological systems and networks;
- the influence of our chairman and his family over important decisions;
- the failure to generate the results we desire by changes in the mix of our asset portfolio;
- fluctuations in market environments regarding our investments;
- our ability to pursue and maintain profitable joint ventures and strategic alliances;
- the effect of fluctuations in the value of real estate held and potential changes to tax legislation and amendments to regulations concerning real estate-related businesses; and
- increasing competition in the loan servicing market in which Nissin Servicer Co., Ltd., a consolidated subsidiary, operates.