

Presentation of 3rd Quarter Results for FY2007 (2007.4-2007.12)

NIS GROUP CO., LTD.
8571

The figures herein are based on Japanese GAAP, are unaudited and may be subject to revision.

※The term “FY 2007” refers to the Company’s fiscal year ending March 31, 2008 and other fiscal years are referred to in a corresponding manner unless otherwise stated.

Special Note Regarding Forward-Looking Statements

The risks that may affect our business results, stock price and financial position are discussed below.
The forward-looking statements are based on current management's judgment as of the date hereof.

- I. Risks related to the business environment
 - (a) Weak economic conditions
 - (b) Intensified customer acquisition competition by entry of major financial institutions and IT companies
 - (c) Misconduct by an employee or director, or negative publicity for our industry
- II. Risks related to Laws and Regulations
 - (a) Regulations under Japanese law
 - i) Regulations concerning the loan business
 - Regulations concerning interest rates
 - Regulations concerning excessive lending
 - Regulations concerning loan operations
 - ii) The Special Measures Law concerning the Claims Servicing Business
 - iii) The Installment Sales Law
 - iv) Financial Instruments and Exchange Law
 - v) Other related regulations
 - (b) Regulations under U.S. law
- 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) Influence on important decisions by the Chairman and Representative Director and his family
 - (e) Risk in our operating assets portfolio
 - (f) Condition and liquidity in stock markets
 - (g) Strategic alliances and joint ventures to acquire new customers
 - (h) Economic trends and liquidity in real estate-related businesses

Risks and uncertainties which may affect our business results are not limited to the factors listed above, as unknown risks and uncertainties may be as yet unexpected to us.

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I. Summary of 3rd Quarter Results for FY2007

Summary of Operating Results (Consolidated)



(Millions of yen)

	2005.12	2006.12	2007.12
Total operating revenues	42,508	59,796	68,863
Operating income (losses)	9,411	9,123	(2,284)
Ordinary income (losses)	9,434	8,922	(3,642)
Special gains	4,054	1,766	286
Special losses	337	7,822	10,436
Income (losses) before income taxes and minority interest	13,151	2,866	(13,792)
Net income (losses)	7,438	831	(22,363)

Highlights (Management Reform Program & Enhancing Asset Liability Management)



•NIS Group has been committed to strengthening its financial base and implementing management reform program and recording additional allowance for excess interest repayments in order to adapt to the changing business environment.



We aim to achieve stable revenue.

■ Management Reform Program

- 1. Enhance financial base**
 - December 2007: Announced capital and business alliance with TPG
 - * TPG will invest 20 billion yen in NIS Group at parent level, 30 billion yen group-wide
 - * Net worth ratio as of March 2009 (consolidated, forecast) ...23.3%
- 2. Reexamination of branch offices**
 - Integration of branch offices (Non-Consolidated)
 - * 22 branch offices →10 branch offices (sales departments: 4, branch offices: 4, and sales center: 2)
 - * Special losses...55 million yen
 - * Cost saving....220 million yen per year (forecast) (Impact ...21% rent expense base compared with previous year)
- 3. Reexamination of employees**
 - Voluntary retirement (Non-Consolidated)
 - * Result...335 employees have taken voluntary retirement, 1/3 of total (Non-consolidated)
 - * Special losses...1,916 million yen
 - * Cost saving....2 billion yen per year (forecast) (Impact...28% compared with previous year)
- 4. Integration of assets**
 - Sold investment securities of 7 issuers (including investment securities from non-listed companies)...7,956 million yen (2007.10~2007.12)
 - Impairment of investment securities (Non-Consolidate)...4,847 million yen (2007.10~ 2007.12)

■ Enhance Asset Liability Management

- 1. Additional allowance for excess interest repayments**
 - Conservatively record an additional provision for excess interest repayments though level of repayments has been relatively stable in recent months
 - * Additional allowance for excess interest repayments...4,488 million yen
 - Allowance for excess interest repayments (as of 2007.12.31)...15,900 million yen
 - (Allowance for excess interest repayments: 11,450 million yen; Allowance for loan charge-offs: 4,450 million yen)
- 2. Reversal of deferred tax assets**
 - To respond to changes in business environment, reversal of loan loss related and excess interest repayment related deferred tax assets
 - Reversal of deferred tax assets...11,375 millions of yen

Consolidated Balance Sheets



(Millions of yen)

Assets	2007.9.30	2007.12.31
Total current assets	330,098	284,663
Cash and deposits	33,822	20,523
Notes and loans receivable	178,127	147,893
Other loans receivable	6,224	5,517
Purchased loans receivable	34,846	31,120
Real estate for sale in the servicing business	19,577	19,671
Real estate for sale in the real estate business	28,350	25,323
Installment loans	15,389	19,041
Deferred tax assets	3,927	1,664
Other	25,430	28,452
Allowance for loan losses	(15,594)	(14,546)
Total fixed assets	58,317	43,358
Assets held for leases	5,450	5,170
Other tangible & intangible fixed assets	5,167	5,488
Investment securities	26,710	21,098
Bankrupt and delinquent loans receivable	9,698	11,592
Investments in Tokumei-Kumiai relating to purchased loans	3,979	3,598
Investments in Tokumei-Kumiai relating to real estate	1,964	-
Deferred tax assets	8,618	61
Other	4,967	4,928
Allowance for loan losses	(7,825)	(8,581)
Deferred assets	411	389
Total assets	388,827	328,410

※Guaranteed loans outstanding 17,907 millions of yen 20,641 millions of yen
(After deduction of reserve for guarantee losses)

	2005.3.31	2006.3.31	2007.3.31	2007.9.30	2007.12.31
Net worth ratio	29.1%	22.8%	20.5%	19.3%	17.3%

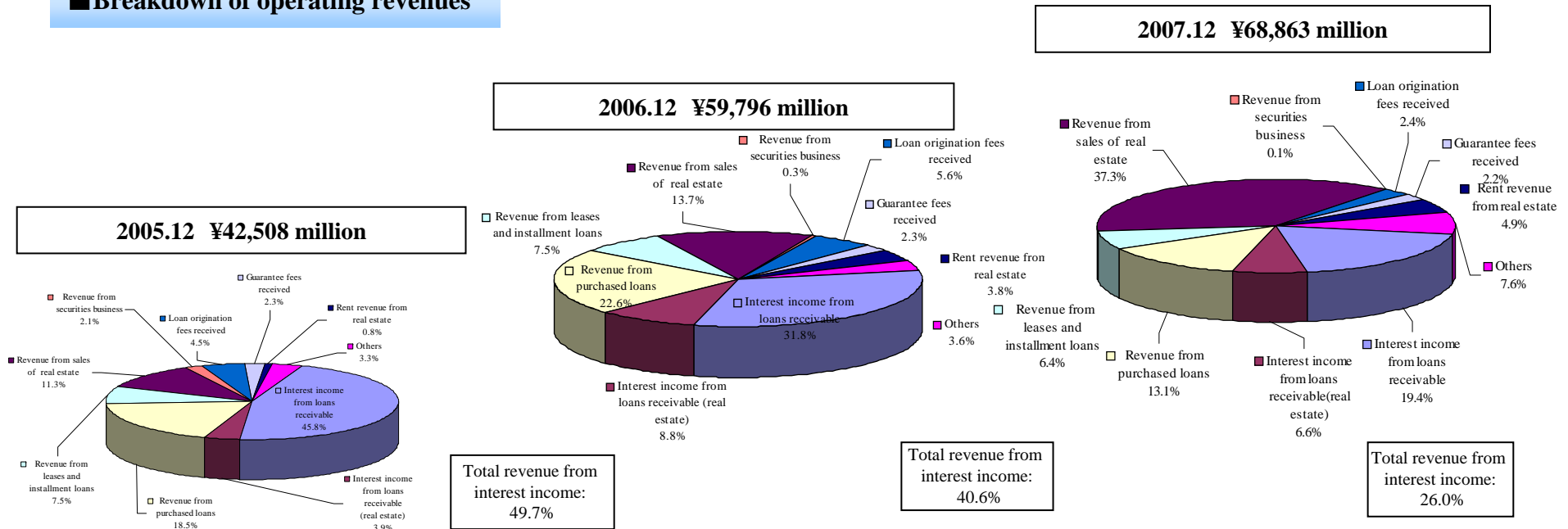
※Net Worth Ratio for 2007.12 including off-balance-sheet securitized loans receivable is 17.2%

Liabilities and net assets	2007.9.30	2007.12.31
Total current liabilities	166,953	157,855
Short-term borrowings	147,215	139,757
Accounts payable/Accrued expenses	2,148	3,977
Accrued income taxes	5,166	2,288
Unearned revenue from installment loans	2,591	3,033
Accrued bonuses	614	450
Reserve for guarantee losses	1,137	1,221
Other	8,080	7,126
Total long-term liabilities	141,912	109,335
Long-term borrowings	122,359	96,590
Reserve for losses on excess interest repayments	9,252	12,052
Other	10,301	692
Total liabilities	308,865	267,191
Common stock	16,289	16,289
Additional paid-in capital	20,180	20,180
Retained earnings	45,237	24,833
Treasury stock	(3,886)	(3,891)
Unrealized losses on investment securities	(3,835)	(632)
Foreign currency translation adjustments	895	189
Issuance of stock acquisition rights	107	103
Minority interest	4,973	4,147
Total net assets	79,961	61,219
Total liabilities and net assets	388,827	328,410

※Total interest-bearing debt 269,574 millions of yen 236,348 millions of yen

Breakdown of Operating Revenues and Operating Results by Company

Breakdown of operating revenues



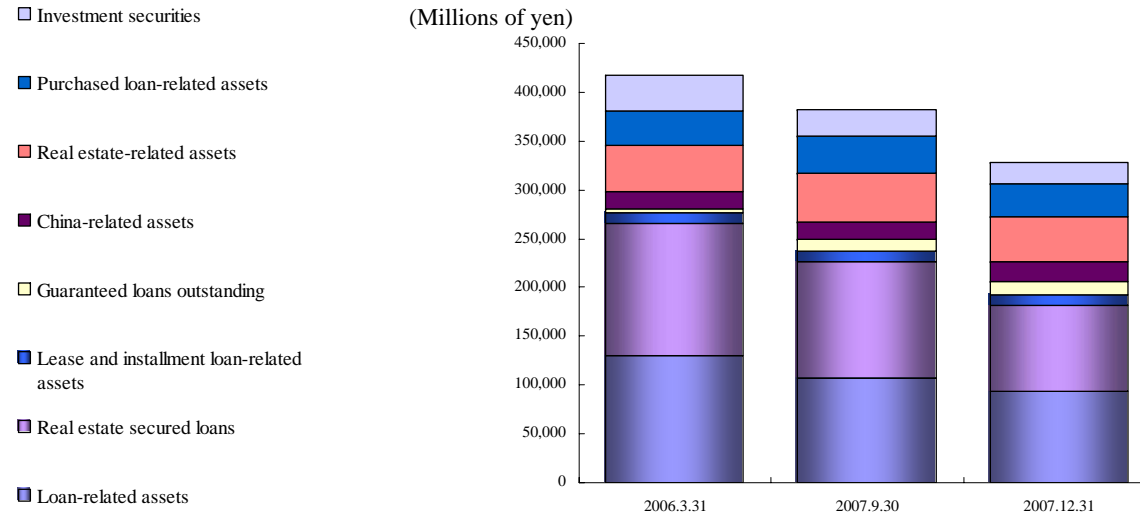
Breakdown of operating results by company (2007.12)

(Millions of yen)

	NIS Group	Nissin Servicer	Aprek	NIS Lease	NIS Property	NIS Securities	Nissin Leasing (China)	Others	Total
Operating revenues	22,950	24,119	1,684	4,925	11,448	409	1,901	14,617	68,863
Net operating revenues	18,906	9,391	1,395	792	4,461	399	921	5,963	35,171
Operating (losses) income	(10,022)	5,715	(574)	9	4,041	(154)	350	(116)	(2,284)
Ordinary (losses) income	(6,080)	4,432	(581)	12	3,632	(122)	387	(893)	(3,642)
(Losses) income before income taxes	(19,675)	4,443	(650)	12	3,587	(122)	387	(920)	(13,792)
Net (losses) income	(24,486)	2,415	(673)	11	2,030	(123)	381	(941)	(22,363)

*1 Total amounts include consolidated adjustment accounts. *2 Nissin Leasing (China)'s balance sheet date is the end of December.

Trends in Main Assets (Consolidated)



(Millions of yen except percentages)

Assets	Principal companies	2006.3.31		2007.9.30		2007.12.31		YTD	
		Amount	%	Amount	%	Amount	%	Amount	%
Loan-related assets	NIS Group & Aprek	129,896	31.1	107,731	28.2	93,099	28.4	(14,632)	(13.6)
Real estate secured loans	NIS Group & Aprek	135,894	32.6	119,029	31.1	88,795	27.1	(30,233)	(25.4)
Lease and installment loan-related assets	NIS Lease	10,959	2.6	10,390	2.7	9,999	3.1	(390)	(3.8)
China-related assets	Nissin Leasing (China)	4,064	1.0	11,775	3.1	14,482	4.4	2,706	23.0
Guaranteed loans outstanding	NIS Group & NIS Lease	17,398	4.2	17,907	4.7	20,641	6.3	2,733	15.3
Credit total		298,211	71.5	266,835	69.8	227,018	69.2	(39,817)	(14.9)
Real estate-related assets	Nissin Servicer & NIS Property	48,037	11.5	49,893	13.1	44,994	13.7	(4,898)	(9.8)
Purchased loan-related assets	Nissin Servicer	34,788	8.3	38,825	10.2	34,718	10.6	(4,106)	(10.6)
Investment securities	NIS Group & NIS Lease	36,011	8.6	26,710	7.0	21,099	6.4	(5,610)	(21.0)
Principal total		118,836	28.5	115,429	30.2	100,813	30.8	(14,615)	(12.7)
Total		417,047	100.0	382,264	100.0	327,831	100.0	(54,432)	(14.2)

Note 1: Loan-related assets include business owner loans, consumer loans, loans secured by securities, and others (including bankrupt and delinquent loans receivable)

Note 2: Loans secured by real estate include bankrupt and delinquent loans receivable and off-balance-sheet securitized loans receivable.

Note 3: Leases and installment loan-related assets and China-related assets include unrealized profits on installment loans after deductions.

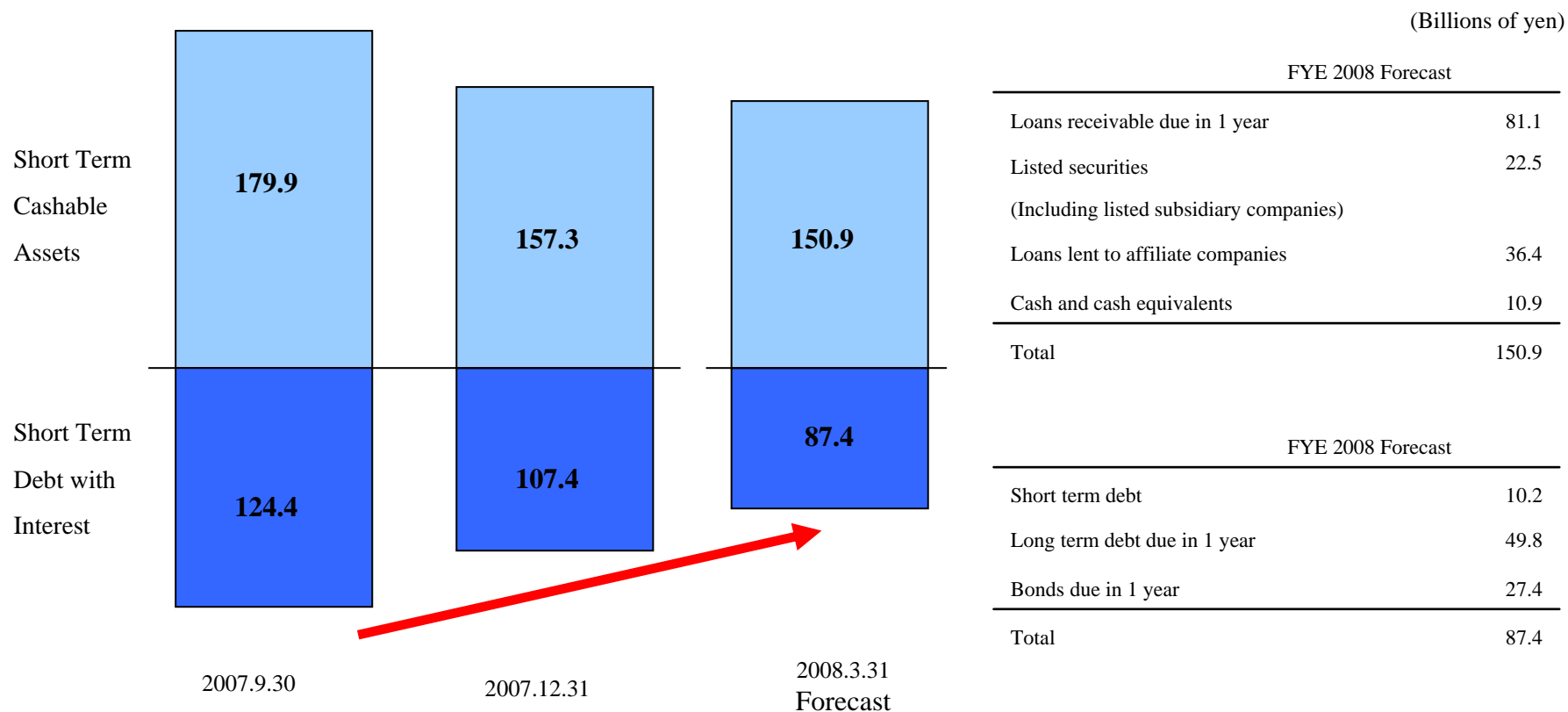
Note 4: Real estate-related assets include real estate assets for sale (NIS Property), acquired real estate assets (NIS Servicer) and investments in Tokumei-Kumiai (NIS Property)

Note 5: Purchased loan-related assets include purchased loans receivable and investments in Tokumei-Kumiai (purchased loans)

Note 6: Guarantee borrowings outstanding represents the amount after deduction of reserve for guarantee losses.

Funding Situation

◆ Match short term liabilities with collection of loans receivable



◆ Redeem CP (End of December 2007)

Forecasts for the Year Ending March 31, 2008 (Consolidated)



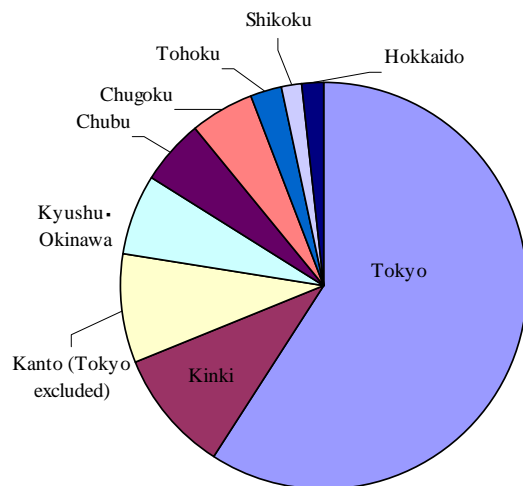
(Millions of yen)

	FY2005 results	FY2006 results	FY2007 forecasts
Operating Revenue	60,991	88,152	87,500
Operating Income (Losses)	12,784	10,435	(5,500)
Ordinary Income (Losses)	12,785	9,323	(7,500)
Net Income (Losses)	9,033	8	(30,000)

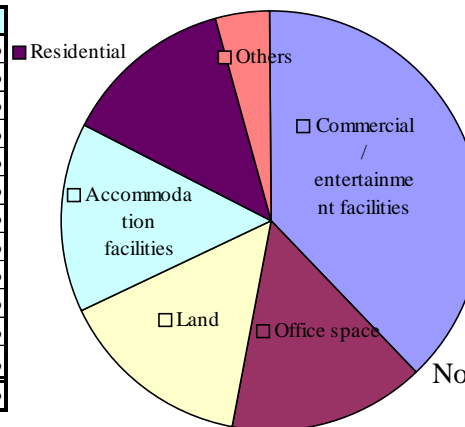
II. Reference

Real Estate Related Business

Loans secured by real estate (Non-Consolidated)



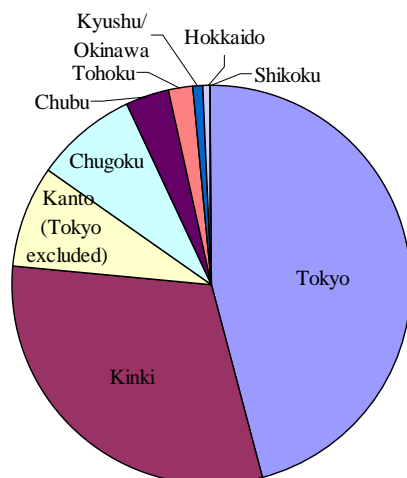
Region	%
Tokyo	59.1%
Central Tokyo (5 wards)	50.9%
Other 18 wards	7.7%
Others	0.6%
Kinki	9.8%
Kanto (Tokyo excluded)	8.6%
Kyushu/Okinawa	6.3%
Chubu	5.3%
Chugoku	4.9%
Tohoku	2.6%
Shikoku	1.7%
Hokkaido	1.6%
Total	100.0%



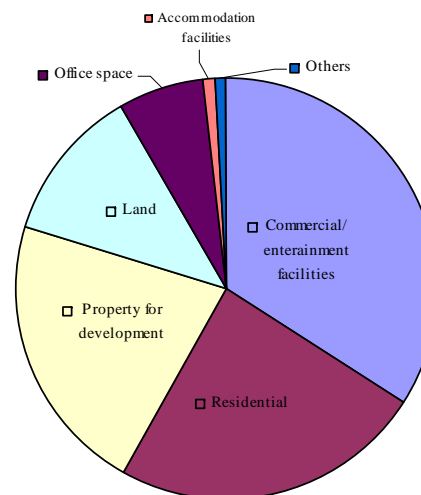
Property type	%
Commercial / entertainment facilities	37.6%
Office space	15.1%
Land	15.2%
Accommodation facilities	14.7%
Residential	13.1%
Others	4.3%
Total	100.0%

Note 1: Both data are based on loans secured by real estate with loans outstanding of more than ¥25 million as of the end of December 2007.

Real estate investment



Region	%
Tokyo	45.9%
Central Tokyo (5 wards)	18.3%
Other 18 wards	14.6%
Others	13.0%
Kinki	30.6%
Kanto (Tokyo excluded)	8.3%
Chugoku	8.1%
Chubu	3.6%
Tohoku	2.0%
Kyushu/Okinawa	0.7%
Hokkaido	0.6%
Shikoku	0.1%
Total	100.0%



Property type	%
Commercial/entertainment facilities	34.1%
Residential	24.0%
Property for development	21.7%
Land	11.9%
Office space	6.5%
Accommodation facilities	1.1%
Others	0.7%
Total	100.0%

Note 2: Both data are based on investment amounts as of the end of December 2007.

NPL Servicing Business

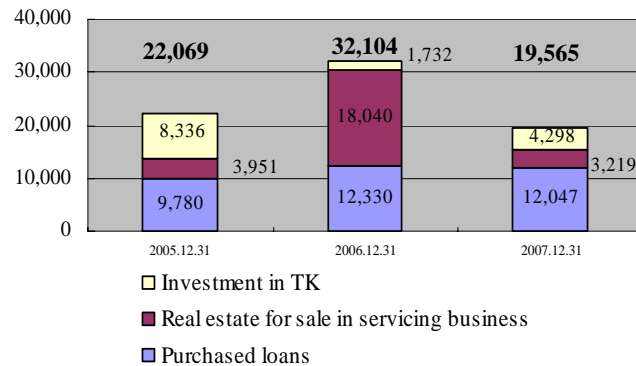
Breakdown of Nissin Servicer's consolidated operating revenues

(Millions of yen except percentages)

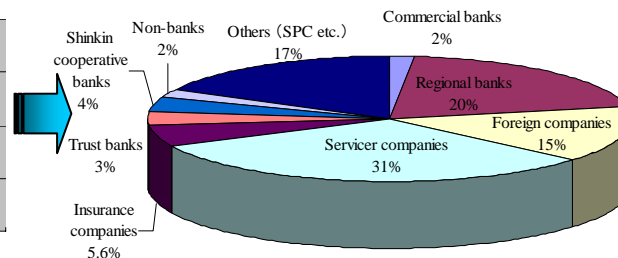
	2005.12		2006.12		2007.12		YOY (%)
	Amount	%	Amount	%	Amount	%	
Revenue from purchased loans	7,820	62.7	13,432	77.2	15,453	64.1	15.1
Revenue from sales of real estate	4,122	33.1	2,466	14.2	4,326	17.9	75.5
Revenue from investments (TK)	320	2.6	652	3.8	3,084	12.8	372.8
Consignment fees received	72	0.6	87	0.5	45	0.2	(47.7)
Others	128	1.0	750	4.3	1,209	5.0	61.2
Operating revenues	12,463	100.0	17,387	100.0	24,119	100.0	38.7

Investments in purchased loans receivable (outstanding)

(Millions of yen)

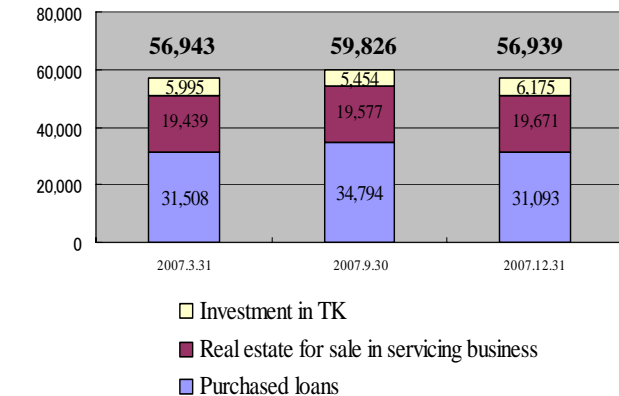


Breakdown of sources



Trend of Assets

(Millions of yen)

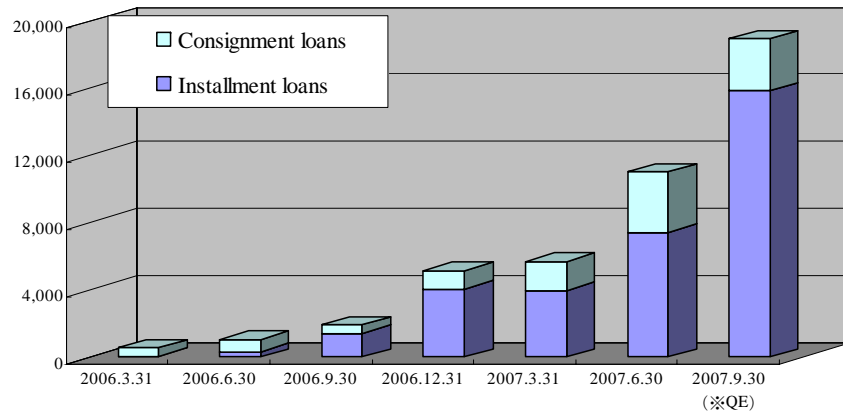


China Business



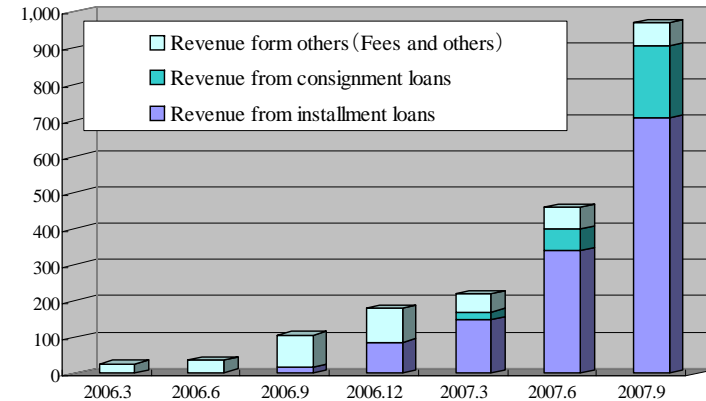
Trend of operating assets

(Millions of yen)



Trend of operating revenues

(Millions of yen)



*The balance sheet date of Nissin Leasing (China) and its consolidated subsidiaries is the end of December. As a result, the figures are consolidated on a 3-month delayed basis.

Specialties & Strengths

- Acquisition of Chinese domestic customers through local sales agents nationwide in China
- Construction machinery and production machinery are main leased assets for installment loans
(Ratio of leased construction machinery to the amount of total advances for this fiscal year: 39.3% production machinery: 35.8%)
- Increased funding
June 2007: Increased capital up to \$100 million (funded by NIS Group)
February 2008: Increased capital up to \$200 million (funded by TPG)
- Reinforcement of corporate structure
Number of sales offices at the end of December 2007: 4 (Shanghai, Beijing, Zhen Zhou, and Sichuan)

Note: Calculated at the exchange rate: 1 yuan = 15 yen

Loan Business (Non-Consolidated)



■ Total loans outstanding (Stock)

(Millions of yen except percentages)

	2006.12.31	2007.9.30	2007.12.31	QBQ (%)
Secured loans	139,990	120,727	91,408	(24.3)
SME loans	70,970	60,298	51,968	(13.8)
Discount notes receivable	211	186	196	5.4
Consumer loans	34,958	29,755	26,716	(10.2)
Total	246,130	210,967	170,289	(19.3)

Notes 1: Loans receivable above include off-balance-sheet securitized loans receivable.

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

■ Total advances

(Millions of yen)

	2005.12	2006.12	2007.12
Secured loans	75,573	179,751	118,997
SME loans	50,399	33,388	15,413
Discount notes receivable	485	623	460
Consumer loans	12,657	8,991	3,081
Total	139,115	222,754	137,953

Trend of Contractual Interest Rates (Non-Consolidated)

■ Total loans outstanding by interest rate (stock)

(Millions of yen except percentages)

Contractual interest rate	2006.12.31		2007.9.30		2007.12.31	
	Amount	%	Amount	%	Amount	%
Less than 5.0%	3,352	1.4	1,734	0.8	1,468	0.9
5.0% to less than 10.0%	136,651	55.5	119,119	56.5	89,526	52.6
10.0% to less than 15.0%	13,131	5.3	13,034	6.2	8,418	4.9
15.0% to less than 20.0%	18,538	7.5	19,350	9.2	19,065	11.2
20.0% to less than 25.0%	56,251	22.9	42,616	20.2	37,662	22.1
25.0% and above	18,205	7.4	15,112	7.2	14,148	8.3
Total	246,130	100.0	210,967	100.0	170,289	100.0
Average contractual interest rate (%)	13.5%	-	13.4%	-	14.1%	-
Average effective interest rate (%)	14.8%	-	14.5%	-	14.9%	-

Notes 1: Loans receivable above include off-balance-sheet securitized loans receivable.

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

3: The average contractual interest rates shown above are not effective rates on loans but contractual yield on loans; contractual interest rates exclude loan origination fees.

4: The effective interest rates shown above are contractual yield on loans including loan origination fees.

■ Newly contracted loans by interest rate (advances)

(Millions of yen except percentages)

Contractual interest rate	2005.12		2006.12		2007.12	
	Amount	%	Amount	%	Amount	%
Less than 5.0%	7,233	5.2	4,580	2.1	1,506	1.1
5.0% to less than 10.0%	72,857	52.4	176,668	79.3	117,169	84.9
10.0% to less than 15.0%	4,655	3.4	10,011	4.5	8,008	5.8
15.0% to less than 20.0%	13,412	9.6	12,470	5.6	8,399	6.1
20.0% to less than 25.0%	26,619	19.1	11,609	5.2	523	0.4
25.0% and above	14,337	10.3	7,414	3.3	2,345	1.7
Total	139,115	100.0	222,754	100.0	137,953	100.0
Average contractual interest rate (%)	13.0%	-	9.2%	-	8.8%	-

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

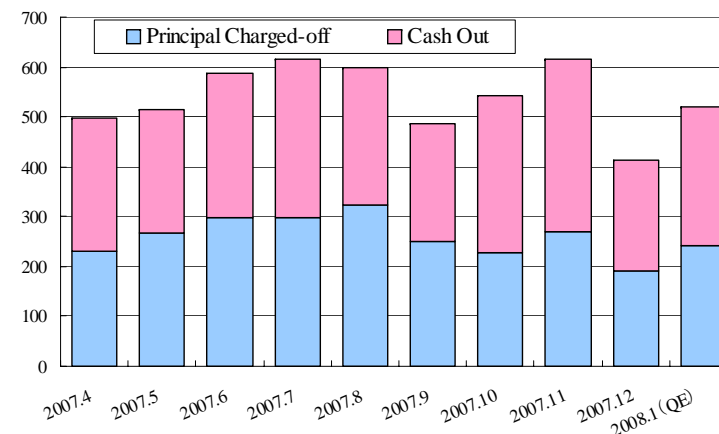
【Ratio of charge-offs of loans receivable】 (Per annum)

	2006	2007.9	2007.12
Secured loans	0.01%	0.14%	0.17%
SME loans	8.89%	14.40%	15.38%
Consumer loans	7.68%	9.33%	9.78%
Total	3.85%	5.74%	6.63%

Notes 1 : The figures include off-balance-sheet securitized loans receivable.

2: The figures for 2007.9 and 2007.12 are calculated on an annualized basis.

(Millions of yen) 【Trend of Excess Interest Repayments】



【Loan charge-offs】(Quarterly)

(Millions of yen)

	2007.3 (2006.4-2007.3)	2007.6 (2007.4-2007.6)	2007.9 (2007.4-2007.9)	2007.10	2007.11	2007.12	2007.12 (2007.10-2007.12)	2007.4-12
Charge-offs of loans receivable	9,868	2,837	3,394	951	800	841	2,593	8,825
Of which charge-offs related to excess interest repayments	3,076	794	871	226	270	276	773	2,440

【Trend of losses on excess interest repayments】(Quarterly)

(Millions of yen)

	2007.3 (2006.4-2007.3)	2007.6 (2007.4-2007.6)	2007.9 (2007.4-2007.9)	2007.10	2007.11	2007.12	2007.12 (2007.10-2007.12)	2007.4-12
Secured loans	20	10	8	1	7	2	10	29
SME loans	698	300	327	124	153	104	382	1,010
Consumer loans	998	494	494	191	185	114	491	1,480
Total	1,717	804	830	317	345	221	884	2,519

Breakdown of Investments in Securities

As of December 30, 2007

(Millions of yen except unit price and stock price)

Listed Companies:brand	Stock code	Number of share	Unit price (¥)	Book value	Stock price (¥)	Market value	Difference
Raccoon Co., Ltd.	3031	500	17,204	8	188,000	94	85
Info Mart Corporation	2492	330	120,000	39	287,000	94	55
The Tokushima Bank Ltd.	8561	122,971	592	72	647	79	6
Gamepot Inc.	3792	30	24,335	0	89,000	2	1
Riskmonster.com	3768	2,500	117,847	142	56,900	142	0
SOFTBANK CORP.	9984	400	2,445	0	2,310	0	0
Xinhua Finance Ltd.	9399	114,717	63,281	2,776	24,200	2,776	0
Tenpos Busters Co., Ltd.	2751	496	136,742	33	68,200	33	0
Fujitsu Business Systems Ltd.	8092	17,300	1,401	24	1,309	22	(1)
The Bank of Kochi,Ltd	8416	60,000	227	13	149	8	(4)
Aeria Inc.	3758	90	244,000	21	160,000	14	(7)
Tosei Corporation	8923	1,500	82,176	123	69,400	104	(19)
Shinsei Bank Ltd.	8303	100,000	362	73	408	40	(33)
Venture Link Co., Ltd.	9609	12,285,400	200	2,493	172	2,272	(221)
IDU Co.	8922	5,200	198,758	1,033	125,000	650	(383)
Others (8 brands)				12		17	5
Total				6,871		6,354	(516)

Non-listed Companies and Other	Book value
Non-listed Companies (160 brands)	4,649
Bonds (9 brands)	110
Tokumei-Kumiai (27 brands)	9,753
Others (6 brands)	83
202 brands	14,597

*Deemed securities are included

*Purchased loans are included in Tokumei-Kumiai.

Affiliated Companies (Equity method)	Book value
Araigumi Co., Ltd.	2,039
Nippon Real Estate Rating Services Co., Ltd	23
Others (9 brands)	1,681
Total	3,744

Total	Book value
236 brands	24,696

Financial Targets (Consolidated)

We aim to return to stable earnings and realize positive net income next year through strengthening our balance sheet and cost-cutting.

(Millions of yen except percentages)

	FY2005 Result	FY2006 Result	FY2007 Forecast	FY2008 Target	FY2009 Target	FY2010 Target
Total Assets	350,861	403,880	296,000	266,000	313,000	348,000
Total Operating Revenues	60,991	88,152	87,500	61,200	65,800	82,700
Ordinary Income (Losses)	12,785	9,323	(7,500)	5,000	7,800	10,700
Net Income (Losses)	9,033	8	(30,000)	4,600	7,200	8,200
Net Worth Ratio (%)	22.8%	20.5%	23.3%	27.8%	26.1%	26.6%
ROA (%)	3.1%	0.0%	—	1.6%	2.5%	2.5%
ROE (%)	12.4%	-	—	6.4%	9.2%	9.4%

⁽¹⁾ 13,375

⁽¹⁾ 12,747

⁽¹⁾ 4,500

No additional burden afterward

*Note 1: Figures are ordinary income excluding excess interest repayment related costs.

*Note 2: Nissin Leasing (China) will become an equity method affiliate after FYE 2008/3.