

Fitch Downgrades Nissin's Special Servicer Ratings; Places On Rating Watch

Fitch Ratings-Tokyo/New York/Singapore-12 December 2008: Fitch Ratings has today downgraded Nissin Servicer Co., Ltd.'s (Nissin) asset-backed special servicer rating to 'ABSS3(JPN)' from 'ABSS3+(JPN)' and its commercial mortgage special servicer rating to 'CSS3-(JPN)' from 'CSS3+(JPN)'. The ratings have been placed on Rating Watch Negative.

The rating actions are based on the continued financial difficulties faced by Nissin and its parent, NIS Group Co., Ltd. (NISG), in part due to the current operating environment. Fitch does not publicly rate the credit and financial strength of NISG. However, a company's financial condition is an important component of Fitch's servicer rating analysis.

Fitch recently performed an annual review of Nissin, and confirms that the servicer maintains its servicing capability at the level equivalent to the assigned ratings. The agency also notes that the servicer retains the strength of its experienced and stable management and continues its efforts to improve its servicing efficiency, including the enhancement of its internal control.

Nissin is a consolidated subsidiary of NISG, and is listed on the Mothers section of the Tokyo Stock Exchange (NISG recently announced its intention to sell a portion of its stock holdings in Nissin). Established in July 2001, Nissin has been handling both unsecured and secured loan receivables with a license, obtained in October 2001, from the Minister of Justice. As at end-March 2008, Nissin serviced over 44,000 secured and unsecured loans with the unpaid principal balance of JPY1,057bn.

Fitch rates primary, special and master servicers in Japan on a scale of one through five, with one being the highest rating. In addition, Fitch may attach a plus (+) or minus (-) sign to the rating, indicating a relative position within each rating category. "JPN" appears in the Japanese ratings to reflect their relevance in Japan's legal, economic and social context. For further details, please refer to the report titled 'Rating Japanese Servicers', dated 11 July 2007 available on Fitch's websites at 'www.fitchratings.com' in English and 'www.fitchratings.co.jp' in Japanese.

The updated report on Nissin, in both English and Japanese, will be available shortly on Fitch's websites, or through Fitch Market Services at +1 800 853 4824 in New York, or Fitch's Tokyo office at +81 3 3288 2628.

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