

Summary of (Consolidated) Financial Status and Results for the Second Quarter of FYE June 2006



February 16, 2006

Company: The Goodwill Group, Inc.

(Code No. 4723, TSE 1st Section)

(URL <http://www.goodwill.com>)

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1. Matters related to the presentation of the outline of quarterly results

- (1) Use of simplified methods of accounting treatment: No
- (2) Change of accounting methods from the most recent consolidated financial year: Yes
See the entries under "Changes to Important Matters Forming the Basis for Preparation of Interim Consolidated Financial Statements" to the (consolidated) interim financial statements for the fiscal year ending June 2006.
- (3) Changes in the scope of consolidation and equity-method application: Yes
Consolidation (new): 9 companies
(excluded): — companies
Equity-method (new): — companies
(excluded): — companies

2. Outline of results for the second quarter FYE June 2006 (July 1, 2005-December 31, 2005) Progress in (consolidated) management results

(Unit: Rounded down to the nearest 1 million yen)

	Revenues		Gross profits	
	¥1 million	%	¥1 million	%
2 nd quarter FYE June 2006	87,543	(28.8)	28,937	(28.8)
2 nd quarter FYE June 2005	67,959	(60.0)	22,472	(56.0)
(Reference) FYE June 2005	142,157	(52.8)	45,966	(49.5)

	Operating profits		Recurring profits	
	¥1 million	%	¥1 million	%
2 nd quarter FYE June 2006	3,952	(10.3)	3,302	(11.8)
2 nd quarter FYE June 2005	3,583	(10.4)	2,955	(-4.9)
(Reference) FYE June 2005	5,621	(-5.9)	4,320	(-22.0)

Notes: Percentages under "revenues," "gross profits" and "recurring profits" represent rate of change from the same quarter the previous year.

3. FYE June 2006 (July 1, 2005-June 30, 2006) consolidated results forecast

See the entries under "2. Consolidated Results Forecast for the Fiscal Year Ending June 2006 (July 1, 2005 to June 30, 2006)" to the (consolidated) interim financial statements for the fiscal year ending June 2006.

(Reference Materials)

Second-Quarter Consolidated Results Highlights

Current second quarter: October 1, 2005-December 31, 2005/Previous second quarter: October 1, 2004-December 31, 2004

(Unit: Rounded down to the nearest 1 million yen)

	Current 2 nd quarter	Previous 2 nd quarter	Rate of change
Revenues	46,739	36,356	28.6%
Cost of sales	30,909	24,331	27.0%
Gross profits	15,830	12,025	31.6%
Amortization of consolidated adjustment account	439	429	2.3%
Operating profits	2,644	2,062	28.2%
Interest expenses	296	290	1.9%
Recurring profits	2,298	1,746	31.6%

A general outline of results for the current 2nd quarter will be found in “Business Results” of “1. Business Results and Financial Status” to the (consolidated) interim financial statements for the fiscal year ending June 2006.

(Reference)

Breakdown of quarterly consolidated revenues by segment

(Unit: Rounded down to the nearest 1 million yen)

Segment	Term	2 nd quarter FYE June 2006 From October 1, 2005 to December 31, 2005	2 nd quarter FYE June 2005 From October 1, 2004 to December 31, 2004	Rate of change
Human resources services		29,820	22,625	31.8%
Human resources business		578	962	-40.0%
Nursing and health care support business		16,060	12,547	28.0%
Senior residence and restaurant business		—	—	—
Other businesses		280	220	27.2%
Total		46,739	36,356	28.6%

Notes:

1. The amounts above do not include consumption tax etc.
2. Not presented because the staffing numbers and periods etc. for the operations of the group fluctuate widely and do not lend themselves to numerical presentation.
3. Business categories are the categories employed for internal management purposes. The amounts above have been adjusted for internal sales and transfers between segments.
From this consolidated interim accounting term forward, a subsidiary managing senior residences has been included in consolidation and a new segment called “senior residence and restaurant business” has been added in order to include a subsidiary managing restaurants within the scope of consolidation.

A general outline of results for the current 2nd quarter broken down by segment will be found in “Business Results” of “1. Business Results and Financial Status” to the (consolidated) interim financial statements for the fiscal year ending June 2006.

2. (Summary) Consolidated Profit and Loss Statement for the Second Quarter

(Unit: Rounded down to the nearest 1 thousand yen)

Account	2 nd quarter FYE June 2006 From October 1, 2005 to December 31, 2005 (A)		2 nd quarter FYE June 2005 From October 1, 2004 to December 31, 2004 (B)		Year-on-year change	
	Amount	Percentage	Amount	Percentage	Amount (A)-(B)	Rate of change
Revenues	46,739,834	100.0%	36,356,730	100.0%	10,383,104	28.6%
Cost of sales	30,909,317	66.1%	24,331,483	66.9%	6,577,834	27.0%
(Gross profits)	15,830,517	33.9%	12,025,247	33.1%	3,805,270	31.6%
Selling, general and administrative expenses	13,185,969	28.2%	9,962,903	27.4%	3,223,066	32.4%
(Of which, amortization of consolidated adjustment account)	(439,535)	(0.9%)	(429,446)	(1.2%)	(10,089)	(2.3%)
[Operating profits]	2,644,547	5.7%	2,062,343	5.7%	582,204	28.2%
Non-operating profits						
Interest and dividend income	26,114	0.0%	15,072	0.0%	11,042	73.3%
Others	83,092	0.1%	75,295	0.2%	7,797	10.4%
Non-operating expenses						
Interest payable discount fees	296,070	0.6%	290,474	0.8%	5,596	1.9%
Others	159,478	0.3%	115,654	0.3%	43,824	37.9%
[Recurring profits]	2,298,206	4.9%	1,746,582	4.8%	551,624	31.6%

Notes:

1. The profit and loss statements above omit entries for items below "extraordinary profit or loss."
2. Year-on-year changes calculated with the following formula.

$$\text{Rate of change} = \frac{(\text{A}) \text{ This 2}^{\text{nd}} \text{ quarter} - (\text{B}) \text{ Previous 2}^{\text{nd}} \text{ quarter}}{(\text{B}) \text{ Previous 2}^{\text{nd}} \text{ quarter}} \times 100$$