



Outline of Non-Consolidated Financial Statements for the FYE June 2006 Interim Term

February 16, 2006

Name of listed company: The Goodwill Group, Inc. Listed exchange: TokyoTSE - 1
 Code No. 4723 Prefecture in which head office located: TokyoTSE - 1
 (URL: <http://www.goodwill.com>)
 Representative Title: Representative Director, Chairman and CEO Name: Masahiro Origuchi
 Contact Title: Managing Director and CFO Name: Akira Kanezaki Tel: 03-3405-9228
 Date of Board of Directors meeting to approve final accounts: February 16, 2006 Interim dividend: Yes
 Date interim dividend payment begins: March 16, 2006 Minimum trading unit: No

1. Results for the interim term to December 2005 (July 1, 2005 to December 31, 2005)

(1) Business results

Note: Amounts are rounded down to the nearest ¥1 million.

	Revenues		Operating profits		Recurring profits	
	¥1 million	%	¥1 million	%	¥1 million	%
Fiscal half-year ending December 2005	2,722	-59.2	1,089	75.6	580	457.7
Fiscal half-year ending December 2004	6,668	-72.6	620	-75.5	104	-95.9
Fiscal year ending June 2005	8,490	-83.7	1,084	-75.9	16	-99.6
	Interim (full-year) net income		Interim (full-year) earnings per share		Interim (full-year) earnings per share adjusted for latent shares	
	¥1 million	%	Yen	Sen	Yen	Sen
Fiscal half-year ending December 2005	531	247.1	858	68	769	59
Fiscal half-year ending December 2004	153	-89.6	241	40	—	—
Fiscal year ending June 2005	105	-95.8	72	21	—	—

Notes:

- 1) Average number of issued and outstanding shares during the term: 619,383 shares for the fiscal half-year ending December 2005; 633,813 shares for the fiscal half-year ending December 2004; 628,348 shares for the fiscal year ending June 2005.
- 2) Change in accounting methods: Yes.
- 3) Percentages shown for revenues, operating profits, recurring profits and interim (full-year) net profits represent year-on-year rates of change.

(2) Dividend status

	Per-share interim dividend		Annual dividend per share	
	Yen	Sen	Yen	Sen
Fiscal half-year ending December 2005	1,125	00	—	—
Fiscal half-year ending December 2004	750	00	—	—
Fiscal year ending June 2005	—	—	1,500	00

(3) Financial position

Note: Amounts are rounded down to the nearest ¥1 million.

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share	
	¥1 million	¥1 million	%	Yen	Sen
Fiscal half-year ending December 2005	125,644	33,027	26.3	53,323	62
Fiscal half-year ending December 2004	81,862	35,441	43.3	55,918	05
Fiscal year ending June 2005	105,143	33,020	31.4	53,215	52

Notes:

- 1) Term-end issued and outstanding shares: 619,383 shares for the fiscal half-year ending December 2005; 627,383 shares for the fiscal half-year ending December 2004; 619,383 shares for the fiscal year ending June 2005.
- 2) Number of treasury shares at end of term: 41 shares for the fiscal half-year ending December 2005; 8,659 shares for the fiscal half-year ending December 2004; 16,659 shares for the fiscal year ending June 2005.

2. Results forecast for the fiscal year ending June 2006 (July 1, 2005 to June 30, 2006)

	Revenues	Recurring profits	Net income	Annual dividend per share (see note)			
				Interim			
Full year	¥1 million	¥1 million	¥1 million	Yen	Sen	Yen	Sen
	6,000	1,600	1,500	1,125	00	1,500	00

Notes: A share split will be made on March 1, 2006 (ratio of 1:3). The interim dividend of ¥1,125 is prior to the share split; the year-end dividend estimate of ¥375 is after the share split. Therefore, a shareholder holding 1 share prior to the share split will receive the equivalent of an estimated ¥2,250 per share in annual dividends.

(Reference) Forecast (full-year) earnings per share: ¥2,324.89 (forecast earnings per share after adjusting for conversion of the convertible bond with warrants issued on February 16, 2006 and the share split on March 1, 2006: ¥722.41).

Non-Consolidated Interim Financial Statements Etc.

(1) Interim Balance Sheet

Classification	Note number	End of previous interim accounting term (December 31, 2004)		End of this interim accounting term (December 31, 2005)		Summary balance sheet at end of previous business year (June 30, 2005)	
		Amount (× 1,000 yen)	Percentage (%)	Amount (× 1,000 yen)	Percentage (%)	Amount (× 1,000 yen)	Percentage (%)
(Assets)							
I Current assets							
1. Cash and deposits		3,353,837		8,225,880		1,879,966	
2. Deferred tax assets		32,268		17,584		52,943	
3. Others		2,072,538		6,495,072		3,859,497	
4. Reserve against defaults		-4,533		-84		-113	
Total current assets			6.7	14,738,453	11.7	5,792,294	5.5
II Fixed assets							
1. Tangible fixed assets	*1,2						
(1) Land		19,770,109		24,899,640		24,886,960	
(2) Others		4,756,668		9,388,143		6,602,375	
Total tangible fixed assets				34,287,783		31,489,336	
2. Intangible fixed assets			6.717	13,281		14,652	
3. Investments and other assets							
(1) Investment securities		50,405,488		54,865,459		52,811,191	
(2) Long-term loans		276,763		10,940,826		9,846,636	
(3) Deferred tax assets		22,115		25,901		37,298	
(4) Long-term accounts receivable		—		9,409,640		—	
(5) Others		1,172,080		1,364,501		5,154,375	
(6) Reserve against defaults		-1,721		-1,046		-1,790	
Total investments and other assets				76,605,282		67,847,711	
Total fixed assets			93.3	110,906,347	88.3	99,351,700	94.5
Total assets			100.0	125,644,800	100.0	105,143,994	100.0

The Goodwill Group, Inc.

Classification	Note number	End of previous interim accounting term (December 31, 2004)		End of this interim accounting term (December 31, 2005)		Summary balance sheet at end of previous business year (June 30, 2005)	
		Amount (× 1,000 yen)	Percentage (%)	Amount (× 1,000 yen)	Percentage (%)	Amount (× 1,000 yen)	Percentage (%)
(Liabilities)							
I Current liabilities							
1. Short-term borrowings	*2	12,325,000		2,000,000		15,050,000	
2. Current portion of long-term borrowings		3,901,332		7,256,972		5,518,972	
3. Accrued expenses		605,887		334,026		838,639	
4. Accrued corporate taxes etc.		192,530		90,951		—	
5. Others		29,339		2,774,271		1,030,946	
Total current liabilities		17,054,090	20.8	12,456,221	9.9	22,438,557	21.3
II Non-current liabilities							
1. New share acquisition rights		—		25,000,000		—	
2. Long-term borrowings	*2	29,360,752		43,956,120		45,577,946	
3. Reserve for retirement benefits		3,537		2,375		4,337	
4. Long-term guarantees received		—		11,202,340		—	
5. Others		2,340		—		4,120,340	
Total non-current liabilities		29,366,629	35.9	80,160,835	63.8	49,684,623	47.3
Total liabilities		46,420,719	56.7	92,617,057	73.7	72,123,180	68.6
(Capital)							
I Capital		14,118,990	17.2	14,118,990	11.3	14,118,990	13.4
II Capital surplus							
1. Capital reserves		3,577,179		3,577,179		3,577,179	
2. Miscellaneous capital surplus		12,926,604		9,049,425		12,926,604	
Total capital surplus		16,503,783	20.2	12,626,604	10.0	16,503,783	15.7
III Retained earnings							
1. Net interim (full-year) unallocated profits		6,801,375		6,290,527		6,283,210	
Total retained earnings		6,801,375	8.3	6,290,527	5.0	6,283,210	6.0
IV Net unrealized gain on other securities		6,510	0.0	−30	0.0	334	0.0
V Treasury shares		−1,989,047	−2.4	−8,347	0.0	−3,885,504	−3.7
Total capital		35,441,613	43.3	33,027,743	26.3	33,020,813	31.4
Total capital and liabilities		81,862,332	100.0	125,644,800	100.0	105,143,994	100.0

(2) Interim Profit and Loss Statement

Classification	Note number	Previous interim accounting term (From July 1, 2004 to December 31, 2004)		This interim accounting term (From July 1, 2005 to December 31, 2005)		Summary profit and loss statement of previous business year (From July 1, 2004 to June 30, 2005)			
		Amount (× 1,000 yen)	Percentage (%)	Amount (× 1,000 yen)	Percentage (%)	Amount (× 1,000 yen)	Percentage (%)		
I Revenues			5,522,880		—		5,522,880		
II Operating revenues			1,146,016		2,722,297		2,967,312		
Total operating revenues (I + II)	*1		6,668,897	100.0	2,722,297	100.0	8,490,193	100.0	
III Cost of sales			3,640,129	54.6	—	0.0	3,640,129	42.9	
Gross profits (I – III)	*2		(1,882,750)	(34.1)	—	(0.0)	(1,882,750)	(34.1)	
IV Selling, general and administrative expenses			1,425,104	21.4	—	0.0	1,425,104	16.8	
V Operating expenses			982,981	14.7	1,632,857	60.0	2,340,081	27.5	
Total operating expenses (III + IV + V)	*1		6,048,214	90.7	1,632,857	60.0	7,405,315	87.2	
Operating profits			620,681	9.3	1,089,440	40.0	1,084,877	12.8	
VI Non-operating profits	*3		109,593	1.7	165,038	6.1	215,042	2.5	
VII Non-operating expenses	*4		626,181	9.4	673,717	24.8	1,283,849	15.1	
Recurring profits			104,093	1.6	580,761	21.3	16,070	0.2	
VIII Extraordinary profits	*5		344,663	5.2	—	0.0	344,663	4.1	
IX Extraordinary losses	*6		83,923	1.3	—	0.0	98,922	1.2	
Net interim (full-year) profits before tax			364,834	5.5	580,761	21.3	261,811	3.1	
Corporate tax, residential tax and business tax		100,007			1,900		21,234		
Past corporate tax etc.		—			—		55,000		
Corporate tax etc. adjustment		111,819	211,827	3.2	47,006	48,906	80,198	156,432	1.9
Net interim (full-year) profits			153,006	2.3	531,854	19.5	105,378	1.2	
Earnings carried over at beginning of term			6,648,369		5,758,672		6,648,369		
Interim dividend			—		—		470,537		
Net interim (full-year) unallocated profits			6,801,375		6,290,527		6,283,210		