



May 28, 2007

Summary of (Consolidated) Financial Status and Results for the Third Quarter of FYE June 2007

Company: The Goodwill Group, Inc.

(Code No. 4723, TSE 1st Section)(URL: <http://www.goodwill.com>)

Representative Title Representative Director, Chairman and CEO

Name Masahiro Origuchi

Contact Title Managing Director and CFO

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1. Matters concerning the creation of quarterly financial information

- 1) Use of simplified methods of accounting treatment: No
- 2) Change of accounting methods from the most recent consolidated financial year: Yes
The company and its consolidated subsidiaries have traditionally used the simplified method to calculate retirement benefit liabilities, but during the consolidated third quarter accounting term, the calculation method for some consolidated subsidiaries was changed to the standard method. This change was made in order to more accurately present term profit/loss figures because structures have been put in place at some consolidated subsidiaries that enable use of the standard method in calculating retirement benefit liabilities. The impact of this change will be negligible.
- 3) Changes in the scope of consolidation and equity-method application: Yes Consolidation (new) 70 companies:
(excluded) -- companies

2. Summary of financial status and results for the third quarter FYE June 2007 (from July 1, 2006 to March 31, 2007)

(1) Progress in (consolidated) management results

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

	Revenues		Operating profits		Recurring profits		Quarterly net income or loss (-)	
	¥1 million	%	¥1 million	%	¥1 million	%	¥1 million	%
3 rd quarter FYE June 2007	324,140	(139.9)	9,228	(67.9)	6,863	(51.5)	-28,472	-
3 rd quarter FYE June 2006	135,135	(29.9)	5,496	(20.5)	4,531	(24.0)	1,491	-
(Reference) FYE June 2006	185,948	(30.8)	7,895	(40.5)	6,704	(55.2)	3,429	(134.4)

	Quarterly net income or loss (-) per share		Quarterly net income per share adjusted for latent shares	
	yen	sen	yen	sen
3rd quarter FYE June 2007	-13,658	52	-	-
3rd quarter FYE June 2006	-	-	-	-
(Reference) FYE June 2006	1,743	22	-	-

(2) Changes in (consolidated) financial status

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

	Total assets	Net assets	Shareholders' ratio	Net assets per share	
	¥1 million	¥1 million	%	yen	sen
3 rd quarter FYE June 2007	420,801	46,994	5.2	10,483	17
3 rd quarter FYE June 2006	165,356	56,378	34.1	57,523	55
(Reference) FYE June 2006	139,541	50,733	35.4	23,783	09

[Reference] FYE June 2007 (July 1, 2006-June 30, 2007) consolidated results forecast

	Forecast revenues	Forecast recurring profits	Forecast net income	Forecast net income per share	
	¥1 million	¥1 million	¥1 million	yen	sen
Full year	500,000	10,000	-30,000	-14,337	91

- Notes: 1. Percentages under "revenues," "operating profits," "recurring profits" and "quarterly net income" represent rate of change from the same quarter the previous year.
2. The company did not announce quarterly net income for the third quarter of FYE June 2006, but we have posted an estimate in this presentation. Year-on-year change is not presented because the company did not calculate quarterly net income for the third quarter of FYE June 2005.
3. Net assets per share in the same quarter last year adjusted for the share split etc. on March 1, 2006 were 19,174.51 yen.
4. Results forecasts have not changed from the forecast published on March 30, 2007 in the "Interim (Consolidated) Financial Statements for FYE June 2007." Note that the forecasts presented above are based on the information available on the date of publication. Actual results may differ significantly from forecasts due to a variety of factors, including changes in the economic and employment environments, interest-rate etc. fluctuations, enactment and amendment of laws and ordinances governing the group and damage etc. to corporate infrastructure due to natural disasters, political upheavals and other unforeseen events.

Business results and financial status

For the third quarter of FYE June 2007 (from July 2006 to March 2007), consolidated revenues increased 139.9% and recurring profits 51.5%.
 Goodwill Premier, Inc.* (formerly, Crystal Co., Ltd.) was acquired during the year, and its results from October to December 2006 are included.

* Name changed on May 1, 2007.

1. Business results**3rd-Quarter Consolidated Results Highlights**

Current 3rd quarter: July 1, 2006-March 31, 2007/Previous 3rd quarter: July 1, 2005-March 31, 2006

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

	Current 3 rd quarter	Previous 3 rd quarter	Rate of change
Revenues	324,140	135,135	139.9%
Cost of sales	241,954	90,164	168.3%
Gross profits	82,185	44,970	82.8%
Note Depreciation of goodwill	2,283	1,358	68.1%
Operating profits	9,228	5,496	67.9%
Interest expenses	1,933	862	124.3%
Recurring profits	6,863	4,531	51.5%
Quarterly net income or loss (-)	-28,472	1,491	-

Note: Increase in depreciation of goodwill

There was an increase of 925 million yen compared to the same quarter last year, bringing the figure to 2,283 million yen.

<Breakdown>	Depreciation of goodwill	COMSN, Inc.	714 million yen
		Goodwill Premier, Inc.	854 million yen
		Others	715 million yen

<Outline of current quarter>

During the third quarter, the economy continued to recover, backed by strong corporate results, particularly among larger enterprises. A weakening trend for the yen on foreign exchange markets enabled generally solid performance, led by export-related companies. Nonetheless, there were some factors for uncertainty, including rising oil prices.

It was in this context that The Goodwill Group acquired Goodwill Premier, Inc., a provider of human resources referral and subcontracting services, in October 2006. Goodwill Premier's results for the 3 months from October 2006 to December have been included in the 3rd quarter consolidated results, which has contributed significantly to this quarter's consolidated performance. "Human resources services" continue to enjoy steady growth thanks to the continued strong demand in the entire human resources business market as improving economic conditions produce staffing shortages at many companies. In the nursing care business market, amendments to the Nursing Care Insurance Law that took effect in April 2006 have resulted in changes to systems and unit prices that have made it particularly difficult to secure profits in the home nursing care sector. We are now in the process of restructuring our nursing care business model, focusing on home nursing care services, from the perspectives of improving compliance and governance, as well as profitability. As a result, losses were posted for the "nursing and health care support business."

In "human resources services," the acquisition of Goodwill Premier, Inc. in October 2006 contributed substantially to results. Goodwill Premier, Inc. has developed a wide range of domestic and international services for the temporary placement of manufacturing personnel, engineers and office staff. The acquisition has expanded the group's scale of operations in these segments and begun to produce significant group synergies. Growth for the engineer referrals business is one specific example of the new synergies. Supplies of engineers are extremely tight, but the group has been able to respond to the demand. Goodwill Engineering, Inc. had already been undergoing rapid growth, and the addition of the engineer referrals unit from Goodwill Premier, Inc. has enabled it to emerge as the predominant player in this market in terms of the number of engineers it is able to recruit and place. The strong economy has produced large increases in the demand for staff referrals throughout the human resources services business, both to address corporate needs for more people and also to enable cost reductions and management efficiency gains. Goodwill, Inc. has continued to grow steadily, recruiting greater numbers of registered staff so as to expand its supply capacity and expanding its branch offices so as to enhance its networking. The company has launched a new label for office staff referrals called "Goodwill.BIZ," that is also achieving rapid growth. As a result, Goodwill is able to offer a full lineup of human resources services and has emerged as the largest player in the domestic market.

The "nursing and health care support business" has experienced substantial changes due to the amendment of the Nursing Care Insurance Law, and this has made it particularly difficult to secure profits in the home nursing care sector. We are now in the process of restructuring our nursing care business model, taking pains not to inconvenience the customers who currently use our services and also not to impede the continued employment of our staff, while at the same time engaging in fundamental reforms that will result in more appropriate staff allocations, integration of some locations and a strengthening of the general management system.

In the "senior residence and restaurant business," the "Barrington House Bajikoen" facility opened in May 2006 and enjoys a strong reputation as a residence that matches the needs of senior citizens. The facility has enjoyed a consistent stream of applications since its opening.

The restaurant business is producing synergies with the institutional nursing care services of COMSN, Inc. by operating institutions' food-service departments, and the improvement in service has led to higher occupancy rates. We are also seeing growth in core restaurant operations.

In "other businesses," we are laying the foundations in areas like children's day care services and pet services where we anticipate higher needs and further growth in the future. These areas are seen as value-added services that can enhance the range of our lineup as a comprehensive human resources services provider.

Revenues for the 3rd quarter increased by 189,005 million yen to reach 324,140 million yen. Key factors include the acquisition of Goodwill Premier, Inc. and its inclusion in 3rd quarter results, the continued strength of the human resources services market, and the cumulative effect of aggressive M&A to this point.

At the same time, active M&A has increased profits so as to enable the group to absorb the increase in interest payments and depreciation of goodwill. Recurring profits for the quarter increased by 2,331 million yen year-on-year to 6,863 million yen.

Nonetheless, the final profit/loss declined by 29,963 million yen year-on-year to a quarterly net loss of 28,472 million yen, primarily due to the application of impairment accounting standards to the nursing and health care support business.

Below are segment results for the 3rd quarter.

(Human resources services)

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

	3 rd quarter FYE June 2007 From July 1, 2006 to March 31, 2007	3 rd quarter FYE June 2006 From July 1, 2005 to March 31, 2006	Rate of change
Revenues from outside customers	248,022	83,663	196.4%
Inter-segment revenues	669	250	167.3%
Total revenues	248,692	83,913	196.3%
Operating profits (or loss)	11,622	6,214	87.0%
Operating profits (or loss) prior to depreciation of goodwill	12,636	6,236	102.6%

The Goodwill Group acquired Goodwill Premier, Inc. in October 2006. Goodwill Premier's results for the 3 months from October 2006 to December have been included in the 3rd quarter consolidated results, which has contributed significantly to this segment's consolidated performance this quarter. The strong economy has produced large increases in the demand for staff referrals, both to address corporate needs for more people and also to enable cost reductions and management efficiency gains.

Goodwill Premier, Inc. has developed a wide range of domestic and international services for the placement of manufacturing personnel, engineers and office staff. The acquisition has expanded the group's scale of operations in these segments and begun to produce significant group synergies. By having in the group both of Goodwill Premier, Inc., which is primarily involved in longer-term referrals of manufacturing workers and engineers, and Goodwill Inc., which uses IT systems to concentrate primarily on shorter-term referrals, the group enjoys a healthy competition between companies in the same sector while also creating scale merits. As a result, our business lines are able to accommodate a wide range of corporate human resources needs, and this has enabled us to emerge as Japan's largest comprehensive human resources services company.

Engineer referrals have been a sector of particularly sharp growth for the group, and we are experiencing concrete synergies from the combination of Goodwill Premier, Inc.'s engineer referrals unit and the pre-existing Goodwill Engineering, Inc. unit. We are now the largest player in the sector thanks to our predominant ability to recruit engineers in a wide range of advanced specialties, including mechanical, electrical, electronic, information processing and control engineering. Goodwill anticipates substantial growth for this area in the future due to the tight market environment for engineers.

We continue to engage in aggressive publicity activities to provide backup for both sides of the business, our recruiting activities as well as our client recognition and marketing activities. Active use of television commercials and multimedia has boosted our name recognition and brand power, and continues to produce beneficial results.

For the 3rd quarter, the human resources services business posted a 164,359 million yen year-on-year increase in revenues to 248,022 million yen, for a 5,407 million yen increase in operating profits to 11,622 million yen.

(Nursing and health care support business)

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

	3 rd quarter FYE June 2007 From July 1, 2006 to March 31, 2007	3 rd quarter FYE June 2006 From July 1, 2005 to March 31, 2006	Rate of change
Revenues from outside customers	62,716	46,890	33.7%
Inter-segment revenues	0	2	—
Total revenues	62,716	46,893	33.7%
Operating profits	-1,787	608	—
Operating profits (or loss) prior to depreciation of goodwill	-947	1,680	—

In the "nursing and health care support business," amendments to the Nursing Care Insurance Law that took effect in April 2006 have made it difficult to secure profits, particularly in the home nursing care business. There is a strong need to adapt our business model to the changes that have taken place to systems and unit prices, and also to enhance its compliance and governance mechanisms. We are now in the process of restructuring our nursing care business model, taking pains not to inconvenience the customers who currently use our services and also not to impede the continued employment of our staff, while at the same time engaging in fundamental reforms that will result in more appropriate staff allocations, integration of some locations and a strengthening of the general management system.

For the 3rd quarter, the nursing and health care support business posted a 15,826 million yen year-on-year increase in revenues to 62,716 million yen, for a 1,787 million yen operating loss (compared to a 608 million yen operating profit in the same quarter the previous year).

(Senior residence and restaurant business)

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

	3 rd quarter FYE June 2007 From July 1, 2006 to March 31, 2007	3 rd quarter FYE June 2006 From July 1, 2005 to March 31, 2006	Rate of change
Revenues from outside customers	8,908	1,728	415.5%
Inter-segment revenues	624	60	934.5%
Total revenues	9,532	1,788	433.0%
Operating profit (or loss)	-989	-964	2.5%
Operating profits (or loss) prior to depreciation of goodwill	-884	-935	—

In the “senior residence and restaurant business,” the “Barrington House Bajikoen” facility opened in May 2006 and enjoys a strong reputation as a residence that matches the needs of senior citizens. The facility has enjoyed a consistent stream of applications since its opening.

The restaurant business is in producing synergies with the institutional nursing care services of COMSN, Inc. by operating institutions’ food-service departments, and the improvement in service has led to higher occupancy rates. We are also seeing growth in core restaurant operations.

For the 3rd quarter, the senior residence and restaurant business posted a 7,180 million yen year-on-year increase in revenues to 8,908 million yen, for a 989 million yen operating loss (compared to a 964 million yen operating loss in the same quarter the previous year).

(Other businesses)

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

	3 rd quarter FYE June 2007 From July 1, 2006 to March 31, 2007	3 rd quarter FYE June 2006 From July 1, 2005 to March 31, 2006	Rate of change
Revenues from outside customers	4,492	814	451.3%
Inter-segment revenues	2,436	2	—
Total revenues	6,929	817	747.6%
Operating profit (or loss)	-39	-109	—
Operating profits (or loss) prior to depreciation of goodwill	284	-91	—

In “other businesses,” we are laying the foundations in areas like children’s day care services and pet services where we anticipate higher needs and further growth in the future. The group offers a full lineup of human resources services, including referrals, EAP and re-employment support programs, and considers these new areas to be the value-added services that can enhance this range. Investments in these segments are still at the initial stages.

For the 3rd quarter, other businesses posted a 3,677 million yen year-on-year increase in revenues to 4,492 million yen, for a 70 million yen decline in operating losses to 39 million yen.

2. Financial status

Total assets at the end of the 3rd quarter were 420,801 million yen, an increase of 281,259 million yen compared to the end of the previous consolidated financial year. Total liabilities were 373,806 million yen, an increase of 284,998 million yen compared to the end of the previous consolidated financial year. Shareholders equity was 21,752 million yen, a decrease of 27,678 million yen compared to the end of the previous consolidated financial year.

Below are the major factors involved in these changes.

In assets, liquid assets were 245,873 million yen, an increase of 196,098 million yen compared to the end of the previous consolidated financial year. This breaks down to cash and deposits of 85,523 million yen, an increase of 69,207 million yen from the end of the previous consolidated financial year, and bills and accounts receivable of 107,843 million yen, an increase of 79,415 million yen from the end of the previous consolidated financial year. These large increases were caused primarily by the acquisition of Goodwill Premier, Inc. (formerly, Crystal Co., Ltd.) in October 2006. Intangible fixed assets were 76,366 million yen, an increase of 42,825 million yen compared to the end of the previous consolidated financial year. This breaks down to foreign intangible fixed assets from the acquisition of Goodwill Premier, Inc. etc. of 7,881 million yen, an increase of 7,876 million yen compared to the end of the previous consolidated financial year, and goodwill of 65,316 million yen, an increase of 32,337 million yen compared to the end of the previous consolidated financial year.

In liabilities, liquid liabilities were 308,840 million yen, an increase of 266,062 million yen compared to the end of the previous consolidated financial year. Of this figure, 173,286 million yen consisted of short-term borrowings to finance M&A etc., an increase of 153,754 million yen compared to the end of the previous consolidated financial year. Fixed liabilities were 64,966 million yen, an increase of 18,936 million yen compared to the end of the previous consolidated financial year. This represents 7,481 million yen in bonds issued to finance the acquisition of Goodwill Premier, Inc. etc., reserves for retirement benefits of 6,392 million yen (an increase of 6,350 million yen compared to the end of the previous consolidated financial year), and long-term deposits received of 7,432 million yen (an increase of 2,672 million yen compared to the end of the previous consolidated financial year, primarily from an increase in residents at COMSN, Inc. nursing care facilities).

3. Forecast for the term

The Japanese economy continues to be strong, with the boom for the Greater Tokyo area and large enterprises beginning to spread to outlying areas and smaller companies. We anticipate that companies will continue to seek efficiency gains in their management, which will result in more effective use of outsourcing, accelerating the shift of payroll from a fixed to a floating expense. The Goodwill Group is responding to these circumstances by, in the human resources services business, acquiring Goodwill Premier, Inc. to expand its base of operations and enable it to offer a full lineup of services covering both long-term and short-term needs. We will continue to enhance our base of operations, capturing the increases in demand and achieving stable profitability and growth. We forecast revenues of approximately 400,000 million yen from this segment.

In nursing and health care support business, we are now in the process of restructuring our nursing care business model so that its impact on overall profitability is slight, taking pains not to inconvenience the customers who currently use our services and also not to impede the continued employment of our staff, while at the same time engaging in fundamental reforms that will result in more appropriate staff allocations, integration of some locations and a strengthening of the general management system. We forecast revenues of approximately 80,000 million yen from this segment.

For the senior residence and restaurant and other businesses, we forecast revenues of approx. 20,000 million yen.

As a result, The Goodwill Group, Inc. forecasts full-year consolidated revenues of 500,000 million yen, recurring profits of 10,000 million yen and net loss of 30,000 million yen.

4. Consolidated financial statements for the 3rd quarter

1) (Summary) Consolidated Balance Sheet for the 3rd Quarter

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

Account	3 rd quarter FYE June 2007 As at March 31, 2007 (A)		3 rd quarter FYE June 2006 As at March 31, 2006 (B)		Year-on-year change		(Reference) FYE June 2006
	Amount	Percentage	Amount	Percentage	Amount (A)-(B)	Rate of change	Amount
(Assets)							
I. Current assets							
1. Cash and deposits	85,523		42,268		43,255	102.3%	16,315
2. Trade notes and accounts receivable	107,843		31,688		76,155	240.3%	28,428
3. Inventories	1,705		643		1,062	165.2%	599
4. Other current assets	50,801		3,139		47,661	1518.1%	4,431
Total current assets	245,873	58.4%	77,739	47.0%	168,134	216.3%	49,775
II. Fixed assets							
1. Tangible fixed assets	64,910		42,068		22,842	54.3%	45,479
2. Intangible fixed assets	76,366		33,851		42,514	125.6%	33,540
3. Investments and other assets	33,650		11,696		21,954	187.7%	10,746
Total fixed assets	174,927	41.6%	87,617	53.0%	87,310	99.7%	89,766
Total assets	420,801	100.0%	165,356	100.0%	255,445	154.5%	139,541
(Liabilities)							
I. Current liabilities							
1. Bills payable and accounts payable	9,392		1,073		8,318	775.1%	483
2. Short-term borrowings	173,286		24,844		148,442	597.5%	19,532
3. Other current liabilities	126,161		22,287		103,874	466.1%	22,762
Total current liabilities	308,840	73.4%	48,204	29.2%	260,635	540.7%	42,778
II. Non-current liabilities							
1. Bonds	7,481		0		7,481	0.0%	-
2. Long-term borrowings	39,611		55,076		-15,464	-28.1%	40,274
3. Other non-current liabilities	17,873		4,317		13,556	314.0%	5,755
Total non-current liabilities	64,966	15.4%	59,393	35.9%	5,573	9.4%	46,029
Total liabilities	373,806	88.8%	107,598	65.1%	266,208	247.4%	88,808
(Minority interest)							
Minority interest	-	-	1,379	0.8%	-	-	-
(Capital)							
I. Capital	-	-	26,618	16.1%	-	-	-
II. Capital surplus	-	-	39,702	24.0%	-	-	-
III. Retained earnings	-	-	-9,912	-6.0%	-	-	-
IV. Net unrealized gain on other securities	-	-	5	0.0%	-	-	-
V. Foreign currency translation adjustment account	-	-	-27	-0.0%	-	-	-
VI. Treasury shares	-	-	-8	-0.0%	-	-	-
Total capital	-	-	56,378	34.1%	-	-	-
Total liabilities, minority interest and capital	-	-	165,356	100.0%	-	-	-

Account	Term	3 rd quarter FYE June 2007 As at March 31, 2007 (A)		3 rd quarter FYE June 2006 As at March 31, 2006 (B)		Year-on-year change		(Reference) FYE June 2006
		Amount	Percentage	Amount	Percentage	Amount (A)-(B)	Rate of change	Amount
(Net assets)								
I. Shareholders' equity								
1. Capital		26,618	6.3%	-	-	-	-	26,618
2. Capital surplus		35,980	8.6%	-	-	-	-	35,620
3. Retained earnings		-38,340	-9.1%	-	-	-	-	-8,830
4. Treasury shares		-2,506	-0.6%	-	-	-	-	-3,978
Total shareholders equity		21,752	5.2%	-	-	-	-	49,431
II. Valuation/translation discrepancy etc.								
1. Net unrealized gain on other securities		-34	0.0%	-	-	-	-	6
2. Deferred profit/loss on hedges		0	0.0%	-	-	-	-	-59
3. Foreign currency translation adjustment account		217	0.0%	-	-	-	-	14
Total valuation/translation discrepancy		182	0.0%	-	-	-	-	-39
III. Minority shareholder equity		25,059	6.0%	-	-	-	-	1,341
Total net assets		46,994	11.2%	-	-	-	-	50,733
Total net assets and liabilities		420,801	100.0%	-	-	-	-	139,541

2) (Summary) Consolidated Profit and Loss Statement for the 3rd Quarter (Cumulative)

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

Account	Term	3 rd quarter FYE June 2007 From July 1, 2006 to March 31, 2007 (A)		3 rd quarter FYE June 2006 From July 1, 2005 to March 31, 2006 (B)		Year-on-year change		(Reference) FYE June 2006
		Amount	Percentage	Amount	Percentage	Amount (A)-(B)	Rate of change	Amount
I. Revenues		324,140	100.0%	135,135	100.0%	189,005	139.9%	185,948
II. Cost of sales		241,954	74.6%	90,164	66.8%	151,790	168.3%	123,779
Gross profits		82,185	25.4%	44,970	33.2%	37,214	82.8%	62,168
III. Selling, general and administrative expenses (Of which, depreciation of goodwill)		72,957 (2,283)	22.5% (0.7%)	39,474 (1,358)	29.2% (1.0%)	33,482 (925)	84.8% (68.1%)	54,273 (1,838)
Operating profits		9,228	2.9%	5,496	4.0%	3,732	67.9%	7,895
IV. Non-operating income		1,063	0.3%	350	0.2%	712	203.2%	480
V. Non-operating expenses		3,428	1.1%	1,315	0.9%	2,112	160.6%	1,671
Recurring profits		6,863	2.1%	4,531	3.3%	2,331	51.5%	6,704
VI. Extraordinary profits		778	0.2%	8	0.0%	769	-	256
VII. Extraordinary losses		30,242	9.3%	24	0.0%	30,218	-	330
Previous quarterly net earnings or loss (-) before adjustment for taxes etc.		-22,601	-7.0%	4,515	3.3%	-27,116	-	6,630
Corporate tax etc.		5,372	1.7%	3,109	2.3%	2,262	72.8%	3,325
Minority shareholder profit or loss		498	0.2%	-85	-0.1%	584	-	-124
Quarterly (current) net income or loss (-)		-28,472	-8.9%	1,491	1.1%	-29,963	-	3,429

Notes: 1. Year-on-year rates of change are calculated with the following formula.

$$\text{Rate of change} = \frac{(\text{A}) \text{ Current 3}^{\text{rd}} \text{ quarter} - (\text{B}) \text{ Previous 3}^{\text{rd}} \text{ quarter}}{(\text{B}) \text{ Previous 3}^{\text{rd}} \text{ quarter}} \times 100$$

2. The figures above are unaudited.

3) (Summary) Consolidated Profit and Loss Statement for the 3rd Quarter

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

Account	Term	3 rd quarter FYE June 2007 From January 1, 2007 to March 31, 2007 (A)		3 rd quarter FYE June 2006 From January 1, 2006 to March 31, 2006 (B)		Year-on-year change	
		Amount	Percentage	Amount	Percentage	Amount (A)-(B)	Rate of change
I. Revenues		195,093	100.0%	47,591	100.0%	147,502	309.9%
II. Cost of sales		154,186	79.0%	31,558	66.3%	122,628	388.6%
Gross profits		40,907	21.0%	16,033	33.7%	24,873	155.1%
III. Selling, general and administrative expenses		35,625	18.3%	14,489	30.4%	21,136	145.9%
(Of which, depreciation of goodwill)		(1,063)	(0.5%)	(472)	(1.0%)	(590)	(125.0%)
Operating profits		5,281	2.7%	1,544	3.2%	3,736	242.0%
IV. Non-operating income		469	0.2%	134	0.3%	334	249.4%
V. Non-operating expenses		1,213	0.6%	450	0.9%	763	169.6%
Recurring profits		4,536	2.3%	1,228	2.6%	3,308	269.3%
VI. Extraordinary profits		114	0.1%	6	0.0%	107	-
VII. Extraordinary losses		1,286	0.7%	11	0.0%	1,274	-
Previous quarterly net income before adjustment for taxes etc.		3,364	1.7%	1,223	2.6%	2,141	175.0%
Corporate tax etc.		2,468	1.3%	1,085	2.3%	1,383	127.5%
Minority shareholder profit or loss		577	0.3%	-48	-0.1%	626	-
Quarterly net income		318	0.1%	187	0.4%	131	70.2%

Notes: 1. Year-on-year rates of change calculated with the following formula.

$$\text{Rate of change} = \frac{(\text{A}) \text{ Current 3}^{\text{rd}} \text{ quarter} - (\text{B}) \text{ Previous 3}^{\text{rd}} \text{ quarter}}{(\text{B}) \text{ Previous 3}^{\text{rd}} \text{ quarter}} \times 100$$

2. The figures above are unaudited.

5. Segment information

Current 3rd quarter (cumulative)

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

	Human resources services	Other HR-related business	Nursing and health care support	Senior residences and restaurants	Others	Total	Written-off or a company-wide	Consolidated
Revenues from outside customers	248,022	0	62,716	8,908	4,492	324,140	—	324,140
Internal sales and transfers between segments	669	-	0	624	2,436	3,730	-3,730	—
Total	248,692	0	62,716	9,532	6,929	327,871	-3,730	324,140
Operating expenses	237,069	0	64,504	10,522	6,969	319,065	-4,153	314,911
Operating profit (or loss)	11,622	0	- 1,787	-989	-39	8,805	422	9,228
Operating profits (or loss) prior to depreciation of goodwill	12,636	0	- 947	-884	284	11,089	422	11,511

Notes: The “other human resources” segment was presented as the “human resources” segment up until the previous first quarter.

Current 3rd quarter

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

	Human resources services	Other HR-related business	Nursing and health care support	Senior residences and restaurants	Others	Total	Written-off or a company-wide	Consolidated
Revenues from outside customers	167,080	0	21,974	3,327	2,711	195,093		195,093
Internal sales and transfers between segments	366		0	219	2,426	3,012	-3,012	—
Total	167,447	0	21,975	3,546	5,137	198,106	-3,012	195,093
Operating expenses	161,339	0	22,535	3,768	4,853	192,497	-2,684	189,812
Operating profit (or loss)	6,107	0	- 560	-221	283	5,608	-327	5,281
Operating profits (or loss) prior to depreciation of goodwill	7,015	0	- 518	-221	397	6,671	-327	6,344

Notes: The “other human resources” segment was presented as the “human resources” segment up until the previous first quarter.

Previous 3rd quarter (cumulative)

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

	Human resources services	Other HR-related business	Nursing and health care support	Senior residences and restaurants	Others	Total	Written-off or a company-wide	Consolidated
Revenues from outside customers	83,663	2,038	46,890	1,728	814	135,135	—	135,135
Internal sales and transfers between segments	250	6	2	60	2	322	-322	—
Total	83,913	2,044	46,893	1,788	817	135,457	-322	135,135
Operating expenses	77,699	2,397	46,284	2,752	927	130,061	-423	129,638
Operating profit (or loss)	6,214	-352	608	-964	-109	5,396	100	5,496
Operating profits (or loss) prior to depreciation of goodwill	6,236	-135	1,680	-935	-91	6,754	100	6,854

Previous 3rd quarter

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

	Human resources services	Other HR-related business	Nursing and health care support	Senior residences and restaurants	Others	Total	Written-off or a company-wide	Consolidated
Revenues from outside customers	28,943	768	15,864	1,728	287	47,591	—	47,591
Internal sales and transfers between segments	78	0	2	60	1	144	-144	—
Total	29,021	769	15,866	1,788	289	47,735	-144	47,591
Operating expenses	27,045	853	15,815	2,223	321	46,258	-211	46,047
Operating profit (or loss)	1,976	-84	51	- 435	-31	1,476	67	1,544
Operating profits (or loss) prior to depreciation of goodwill	1,984	-11	408	- 406	-25	1,949	67	2,016