



Summary of Financial Status and Results for the First Quarter of FYE June 2008



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1. Consolidated Results for the 1st Quarter of FYE June 2008 (July 1, 2007 to September 30, 2007)

(1) Consolidated management results

(Percentages show the rate of change compared to the same quarter last year)

	Revenues		Operating profits		Recurring profits		Quarterly net income or loss (-)	
	¥1 million	%	¥1 million	%	¥1 million	%	¥1 million	%
1st quarter FYE June 2008	172,268	185.4	348	-80.5	-2,233	-	-3,191	
1st quarter FYE June 2007	60,359	47.9	1,787	36.7	1,515	50.8	312	353.9
(Reference) FYE June 2007	509,001	173.7	9,945	26.0	6,794	1.3	40,708	-

	Quarterly net income or loss (-) per share		Quarterly net income per share adjusted for latent shares	
	yen	sen	yen	sen
1st quarter FYE June 2008	-1,343	3	-	-
1st quarter FYE June 2007	150	23	-	-
(Reference) FYE June 2007	-19,510	20	-	-

(2) Consolidated financial status

	Total assets	Net assets	Shareholders' ratio	Net assets per share	
	¥1 million	¥1 million	%	yen	sen
1st quarter FYE June 2008	382,704	48,249	5.3	8,139	75
1st quarter FYE June 2007	183,672	49,737	26.4	23,356	17
(Reference) FYE June 2007	366,638	35,957	2.6	4,569	51

2. [Reference] FYE June 2008 (July 1, 2007-June 30, 2008) consolidated results forecast

(Percentages show the year-on-year rate of change)

	Forecast revenues		Forecast operating profits		Forecast recurring profits		Forecast net income	
	¥1 million	%	¥1 million	%		%	¥1 million	%
Full year	650,000	27.7	14,000	40.8	8,000	17.8	12,000	-

3. Others

- 1) Changes in important subsidiaries during the term: No
(Changes in designated subsidiaries resulting in changes in the scope of consolidation)
- 2) Use of simplified methods of accounting treatment: Yes
- 3) Change of accounting methods from the most recent consolidated financial year: No

Note: For details see “4. Others” under “Qualitative Information: Financial Statements etc.” on p. 5.

* Explanation of appropriate use of results forecast, other matters of note

There has been no change in the full-year consolidated results forecast from the announcement published on September 25, 2007 under the title “Notice on the Estimated Consolidated Results and Dividend.” 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.

Qualitative Information: Financial Statements etc.

1. Qualitative information concerning consolidated management results

Analysis of business results

(1) Overview of the 1st quarter

The outlook for Japanese economy became increasingly opaque during the first quarter due to skyrocketing oil prices and the problems in the US mortgage market. The Japanese jobs market continued to see labor in tight supply and companies recruited aggressively in the face of ongoing staffing shortages.

Within the context of this environment, the number of temporary employees is on the increase in order to respond to corporate staffing demand. In the group, steady progress was made on the integration of Goodwill Premier, Inc., which was recently acquired. As a result, the consolidated group has approximately 100,000 staff members and approximately 75,000 employees, which gives it an advantage in staffing supply capacity as a human resources services company.

We also have firm prospects for the assignment of all nursing and health care support businesses within the group and are fully confident that the receiving companies will maintain customer services and staff employment.

Nonetheless, the transfer of the nursing and health care support business and the sale of nursing care assets and other fixed assets etc. have not been reflected in 1st quarter results.

(2) 1st quarter consolidated results highlights (3-month results)

Current 1st quarter: July 1, 2007 – September 30, 2007 / Previous 1st quarter: July 1, 2006 – September 30, 2006

(Unit: 1 million yen)

	Current 1st quarter	Previous 1st quarter	Rate of change
Revenues	172,268	60,359	185.4%
Cost of sales	136,420	41,021	232.6%
Gross profits	35,847	19,337	85.4%
Note 1 Depreciation of goodwill	1,107	579	91.2%
Operating profits	348	1,787	-80.5%
Note 2 Interest expenses	1,554	354	338.0%
Note 3 Recurring profits	-2,233	1,515	-
Quarterly net income or loss (-)	-3,191	312	

The human resources business performed solidly, including the newly acquired Goodwill Premier, Inc. Revenues for the first quarter were up 111,909 million yen year-on-year to 172,268 million yen, a substantial gain.

As a result of the progress made in the assignment of the nursing and health care support business, the company posted an operating loss during the 1st quarter consolidated accounting term in conjunction with the assignment of nursing care and health support subsidiaries. It was also unable to fully absorb the increase in interest payments and depreciation of goodwill due to the active M&A program it has pursued. As a result, on the recurring level, profits declined by 3,748 million yen year-on-year for a recurring loss of 2,233 million yen.

Likewise, net income declined by 3,503 million yen year-on-year for a net loss of 3,191 million yen.

Note 1: Increase in depreciation of goodwill

There was an increase of 528 million yen compared to the same quarter last year, bringing the figure to 1,107 million yen.

< Breakdown >

Depreciation of goodwill	Goodwill Premier, Inc.	685 million yen
	Depreciation of Goodwill Premier overseas business rights	279 million yen
	Others	143 million yen

Note 2: Factors increasing interest expenses

There was an increase of 1,199 million yen compared to the same quarter last year, bringing the figure to 1,554 million yen. The primary factor behind this increase was an additional 100,138 million yen in borrowings compared to the same quarter last year.

Note 3: Factors increasing financing expenses

The company posted 940 million yen in non-operating expenses for expenses from the issue of warrants and the issue of new shares.

(3) Breakdown results by major business segments

(Human resources services)

(Unit: 1 million yen)

	1st quarter FYE June 2008 From July 1, 2007 to September 30, 2007	1st quarter FYE June 2007 From July 1, 2006 to September 30, 2006	Rate of change
Revenues from outside customers	153,379	36,522	319.9%
Inter-segment revenues	375	100	273.6%
Total revenues	153,754	36,623	319.8%
Operating profits (or loss)	2,049	2,321	-11.7%

In the human resources services business, the company has established a solid position and base of operations as comprehensive human resources services firm able to provide staffing in Japan and abroad for engineering, light manufacturing, clerical, manufacturing and execution management etc. positions.

The demand for staffing referrals continues to be high as companies make further efforts to reduce costs and improve management efficiency. We therefore anticipate continued growth in engineering, light manufacturing, clerical, manufacturing and execution management etc. referral services.

One of the group's core businesses is referrals of technical and engineering staff, and within this, the supply of engineers is particularly tight, leading to strong expectations of future growth.

In light manufacturing referral services, we are endeavoring to quickly enhance our compliance system because of the responsibilities we face and the requirement for more rigorous management we incur as a staff referral company subject to bans on referrals in designated geographical regions and also bans on double referrals.

Enhancing our companywide compliance systems and governance are among our highest priority issues as a human resources service company.

Note that operating profits for the 1st quarter are the results after posting depreciation of goodwill for the Goodwill Premier companies and operations outsourcing fees to The Goodwill Group, Inc..

(Nursing and health care support business)

(Unit: 1 million yen)

	1st quarter FYE June 2008 From July 1, 2007 to September 30, 2007	1st quarter FYE June 2007 From July 1, 2006 to September 30, 2006	Rate of change
Revenues from outside customers	16,206	20,282	-20.0%
Inter-segment revenues	0	0	-51.5%
Total revenues	16,206	20,283	-20.0%
Operating profits	-1,792	-517	246.4%

In the nursing and health care support business, the company has announced its intention to withdraw from all nursing and health care support services within the group and made progress on the assignment of these businesses during the 1st quarter.

Of particular note is the assignment of the operations of COMSN, Inc. The home-care services in 14 prefectures in Shikoku and Kyushu etc. were assigned to Saint-Care Holding Corp.; in 13 prefectures in eastern Japan, to Japan Care Service Co., Ltd.; in 5 prefectures including Nagano and Hyogo to Nichii Gakkan Co.; and in the remaining 15 prefectures to 11 other operators.

In the institutional nursing care services, resident-paid nursing homes and group homes were assigned to Nichii Gakkan Co.; luxury resident-paid nursing homes, to ZECS Co., Ltd..

The resident-paid nursing homes of NSS Corporation and the day service operations of COMSN Kanto, Inc. were both assigned to Nichii Gakkan Co.. The assignment of the operations of both companies was completed during the 1st quarter and their results have been excluded from this segment.

Crystal Care Center, Inc. and Crystal Care Institution Center, Inc. were assigned to the representative on October 19, 2007 and their results have therefore been included from this segment.

The group's nursing and health care support business generated an operating loss in conjunction with the continuity of operations during the 1st quarter.

The assignment of nursing and health care support business and the sale etc. of nursing care-related assets have not been reflected in the results for the 1st quarter, but are expected to be reflected in the 2nd quarter accounting term (October 2007 to December 2007).

(Other businesses)

(Unit: 1 million yen)

	1st quarter FYE June 2008 From July 1, 2007 to September 30, 2007	1st quarter FYE June 2007 From July 1, 2006 to September 30, 2006	Rate of change
Revenues from outside customers	2,682	3,553	-24.5%
Inter-segment revenues	346	206	67.5%
Total revenues	3,028	3,760	-19.4%
Operating profit (or loss)	-742	-377	96.4%

The restaurant business currently operates 42 restaurants in Japan and 2 restaurants overseas.

In light of this business' growth, shareholders are offered meal tickets as part of our shareholder perks. The business also is used to improve employee welfare.

Child care services were expected to have synergy with the group's nursing care services, but in light of policies to withdraw from this business, Coty, Co., Ltd. and Grace, Inc. were both assigned to Art Corporation during the 1st quarter, and their results have therefore been excluded from this segment.

Note that the results from COMSN's Barrington House business have been included in this segment and generated an operating loss.

2. Qualitative information concerning consolidated financial status

Analysis of financial position

Gross assets at the end of the 1st quarter were 382,704 million yen, an increase of 16,066 million yen compared to the end of the previous consolidated financial year. Shareholders equity was 20,463 million yen, an increase of 10,947 million yen compared to the end of the previous consolidated financial year. The main factors contributing to the change were the issue and exercise of 400,000 warrants to a third party (Deutsche Bank AG), which resulted in an increase of 11,297 million yen in shareholders equity and an increase of 11,297 million yen in cash and deposits.

The enhancement of capital made possible by this capital increase resulted in a substantial boost in the company's net worth ratio from 2.6% at the end of the previous consolidated accounting year to 5.3%.

3. Qualitative information concerning consolidated results forecasts

Results for the 1st quarter were generally as planned and at the current time there are no changes to the full-year consolidated results forecast for FYE June 2008 that was announced on September 25, 2007.

The company has not calculated an interim consolidated results forecasts and these figures have therefore been omitted from this presentation.

4. Others

- (1) Changes in major subsidiaries during the term (changes in designated subsidiaries resulting in changes in scope of consolidation)
Not applicable.
- (2) Use of simplified methods of accounting treatment
Simplified methods have been used for the posting of retirement benefit expenses and corporate income tax etc.
- (3) Change in accounting methods from the most recent consolidated accounting year
Not applicable.

5. Consolidated financial statements for the 1st quarter

1) (Summary) Consolidated Balance Sheet for the 1st Quarter

(Unit: 1 million yen)

Account	1 st quarter FYE June 2007 As at September 30, 2006 (A)		1 st quarter FYE June 2008 As at September 30, 2007 (B)		Year-on-year change		(Reference) FYE June 2007
	Amount	Percentage	Amount	Percentage	Amount (B)-(A)	Rate of change	Amount
(Assets)							
I. Current assets							
1. Cash and deposits	26,329		72,633		46,303	175.9%	59,601
2. Trade notes and accounts receivable	36,399		102,479		66,079	181.5%	86,458
3. Inventories	1,219		1,594		375	62.7%	1,520
4. Other current assets	5,353		44,324		38,971	176.0%	53,730
Total current assets	69,302	37.7%	221,030	57.8%	151,728	218.9%	201,311
II. Fixed assets							
1. Tangible fixed assets	55,210		61,328		6,117	11.1%	67,382
2. Intangible fixed assets	42,536		77,282		34,746	81.7%	75,992
3. Investments and other assets	16,622		23,062		6,439	38.7%	21,952
Total fixed assets	114,370	62.3%	161,673	42.2%	47,303	41.4%	165,327
Total assets	183,672		382,704		199,031	108.4%	366,638
(Liabilities)							
I. Current liabilities							
1. Bills payable and accounts payable	1,398		4,785		3,387	765.8%	3,420
2. Short-term borrowings	46,994		173,420		126,426	269.0%	168,004
3. Other current liabilities	22,858		123,724		100,866	421.9%	114,099
Total current liabilities	71,251	38.8%	301,930	78.9%	230,679	323.8%	285,524
II. Non-current liabilities							
1. Bonds	21,104		3,549		1,445	68.7%	6,255
2. Long-term borrowings	47,108		20,820		-26,287	-55.8%	24,459
3. Other non-current liabilities	13,471		8,154		-5,316	-39.5%	14,441
Total non-current liabilities	62,683	34.1%	32,524	8.5%	-30,159	-48.1%	45,156
Total liabilities	133,935	72.9%	334,455	87.4%	200,520	149.7%	330,680
(Net assets)							
I. Shareholders' equity							
1. Capital	26,618	14.5%	32,267	8.4%	5,648	21.2%	26,618
2. Capital surplus	35,620	19.4%	41,453	10.8%	5,833	16.4%	35,980
3. Retained earnings	-9,556	-5.2%	-50,751	-13.3%	-41,194	-37.0%	-50,576
4. Treasury shares s	-3,978	-2.2%	-2,506	-0.7%	1,471	-37.0%	-2,506
Total shareholders equity	48,704	26.5%	20,463	5.3%	-28,240	-58.0%	9,516
II. Valuation/translation discrepancy etc.							
1. Net unrealized gain on other securities	6	0.0%	-68	-0.0%	-74	-	-73
2. Deferred profit/loss on hedges	-54	-0.1%	-	0.0%	54	-	-47
3. Foreign currency translation adjustment account	-151	-0.1%	133	0.0%	284	-	165
Total valuation/translation discrepancy	-199	-0.1%	65	0.0%	264	-	44
III. Minority shareholder equity	1,232	0.7%	27,719	7.2%	26,487	-	26,396
Total net assets	49,737	27.1%	48,249	12.6%	-1,488	-3.0%	35,957
Total net assets and liabilities	183,672	100.0%	382,704	100.0%	199,031	108.4%	366,638

2) (Summary) Consolidated Profit and Loss Statement for the 1st Quarter (Cumulative)

(Unit: 1 million yen)

Term Account	1 st quarter FYE June 2007 From July 1, 2006 to September 30, 2006 (A)		1 st quarter FYE June 2008 From July 1, 2007 to September 30, 2007 (B)		Year-on-year change		(Reference) FYE June 2007
	Amount	Percentage	Amount	Percentage	Amount (B)-(A)	Rate of change	Amount
I. Revenues	60,359	100.0%	172,268		111,908	185.4%	509,001
II. Cost of sales	41,021	68.0%	136,420	79.2%	95,399	232.6%	386,397
Gross profits	19,337	32.0%	35,847	20.8%	16,509	85.4%	122,603
III. Selling, general and administrative expenses	17,550	29.1%	35,499	20.6%	17,948	102.8%	112,657
(Of which, depreciation of goodwill)	(579)	(1.0%)	(1,107)	(0.6%)	(528)	(91.2%)	(2,954)
Operating profits	1,787		348	0.2%	-1,438	-80.5%	9,945
IV. Non-operating income	158	0.3%	279	0.2%	121	76.7%	2,199
V. Non-operating expenses	430	0.7%	2,861	1.7%	2,431	565.4%	5,351
Recurring profits	1,515	2.5%	-2,233	-1.3%	-3,749	-	6,794
VI. Extraordinary profits	0	0.0%	1,073	0.6%	1,072	-	1,133
VII. Extraordinary losses	12	0.0%	471	0.3%	459	-	41,183
Previous quarterly net income or loss (-) before adjustment for taxes etc.	1,502	2.5%	-1,632	-1.0%	-3,135	-	-33,256
Corporate tax etc.	1,210	2.0%	1,266	0.7%	56	4.6%	6,675
Minority shareholder profit or loss	19	0.0%	292	0.2%	273	-	776
Quarterly net income or loss (-)	312	0.5%	-3,191	-1.9%	-3,503	-	-40,708

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

$$\text{Rate of change} = \frac{(\text{B}) \text{ Current 1}^{\text{st}} \text{ quarter} - (\text{A}) \text{ Previous 1}^{\text{st}} \text{ quarter}}{(\text{A}) \text{ Previous 1}^{\text{st}} \text{ quarter}} \times 100$$

2. The figures above are unaudited.

4) Segment information

[Segment information broken down by business category]

Previous 1st quarter (1st quarter FYE June 2007)

(Unit: 1 million 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	36,522	546	20,282	2,662	344	60,359	-	60,359
Internal sales and transfers between segments	100	2	0	202	1	307	-307	-
Total	36,623	549	20,283	2,864	346	60,666	-307	60,359
Operating expenses	34,301	639	20,800	3,145	353	59,240	-668	58,572
Operating profit (or loss)	2,321	-90	-517	-280	-6	1,426	360	1,787

- Notes:
- Business categories are the categories employed for internal management purposes.
 - Description of businesses
 - Human resources services Human resources referrals and subcontracting, subcontracting of security and construction services, engineer referrals and senior referrals
 - Human resources business..... Employee counseling and assistance programs (EAP), recruitment assistance and reemployment assistance
 - Nursing and health care support business..... Home-care services, institutional nursing services and masseuse referrals
 - Senior residence and restaurant business..... Operation of senior residences, restaurant management and food sales
 - Others Pet care, operation of child care services

Current 1st quarter

(Unit: 1 million yen)

	Human resources services	Nursing and health care support	Others	Total	Written-off or a company-wide	Consolidated
Revenues from outside customers	153,379	16,206	2,682	172,268	-	172,268
Internal sales and transfers between segments	375	0	346	721	-721	-
Total	153,754	16,206	3,028	172,990	-721	172,268
Operating expenses	151,705	17,998	3,770	173,475	-1,555	171,919
Operating profit (or loss)	2,049	-1,792	-742	-485	833	348

- Notes:
- Business categories are the categories employed for internal management purposes.
 - Description of businesses
 - Human resources services Human resources referrals and subcontracting, subcontracting of security and construction services, engineer referrals and senior referrals
 - Nursing and health care support business..... Home-care services and institutional nursing services
 - Others Operation of senior residences, restaurant management and food sales
 - Operating expenses include 1,612 million yen in write-offs and other operating expenses that cannot be allocated, including companywide items. This consists primarily of expenses for the company's administration units.
 - Change in business categories
 In the past, the company employed 5 business categories: "human resources services business," "other HR-related business," "nursing and health care support business," "senior residences and restaurants business" and "other businesses." Beginning the previous consolidated accounting year, this was changed to 3 categories: "human resources services business," "nursing and health care support business" and "other businesses."
 Note that the segments traditionally presented as "other HR-related businesses" and "senior residences and restaurants business" are presented as "other businesses" because the addition of new consolidated subsidiaries has reduced their share of the group's total business and their importance within group operations.

(Reference) Previous year (FYE June 2007)

(Unit: 1 million yen)

	Human resources services	Nursing and health care support	Others	Total	Written-off or a company-wide	Consolidated
Revenues from outside customers	410,329	84,433	14,238	509,001	-	509,001
Internal sales and transfers between segments	1,012	0	1,061	2,074	-2,074	-
Total	411,341	84,434	15,299	511,075	-2,074	509,001
Operating expenses	394,838	89,278	17,758	501,875	-2,820	499,055
Operating profit (or loss)	16,503	-4,844	-2,459	9,200	745	9,945

[Segment information broken down by location]

Corresponding quarter the previous year (1st quarter FYE June 2007)

Japan revenues account for more than 90% of total revenues in all segments, so we have omitted segment information broken down by location.

1st quarter (1st quarter, FYE June 2008)

(Unit: 1 million yen)

	Japan	North America	Europe	Total	Eliminated or company wide	Consolidated
Revenues from outside customers	124,846	36,265	11,156	172,268	-	172,268
Internal sales and transfers between segments	30	7	-	38	-38	-
Total	124,876	36,273	11,156	172,306	-38	172,268
Operating expenses	124,831	35,960	11,061	171,853	66	171,919
Operating profit (or loss)	44	313	94	452	-104	348

- Notes:
1. National and regional classifications are by geographical proximity.
 2. Major countries and regions in non-Japan categories
 - (1) North America: United States of America
 - (2) Europe: Netherlands, United Kingdom
 3. Operating expenses include 1,612 million yen in write-offs and other operating expenses that cannot be allocated, including companywide items. This consists primarily of expenses for the company's administration units.

(Reference) Previous year (FYE June 2007)

(Unit: 1 million yen)

	Japan	North America	Europe	Total	Eliminated or company wide	Consolidated
Revenues from outside customers	421,491	63,657	23,851	509,001	-	509,001
Internal sales and transfers between segments	194	-	-	194	-194	-
Total	421,685	63,657	23,851	509,195	-194	509,001
Operating expenses	412,289	63,682	23,821	499,793	-738	499,055
Operating profit (or loss)	9,396	-25	29	9,401	544	9,945