



## Summary of (Consolidated) Financial Status and Results for the Third Quarter of FYE June 2008



May 30, 2008

Company: The Goodwill Group, Inc. (Code No. 4723, TSE 1<sup>st</sup> Section)  
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### 1. Summary of consolidated results for the third quarter FYE June 2008 (from July 1, 2007 to March 31, 2008)

(1) Consolidated management results

(Percentages represent rate of change from the same quarter the previous year.)

	Revenues		Operating profits		Recurring profits		Quarterly net income or loss (-)	
	¥1 million	%	¥1 million	%	¥1 million	%	¥1 million	%
3 <sup>rd</sup> quarter FYE June 2008	465,405	43.6	-2,674	-	-7,883	-	-1,112	-
3 <sup>rd</sup> quarter FYE June 2007	324,140	139.9	9,228	67.9	6,863	51.5	-28,472	-
(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
3rd quarter FYE June 2008	-454	91	-	-
3rd quarter FYE June 2007	-13,658	52	-	-
(Reference) FYE June 2007	-19,510	20	-	-

(2) Changes in consolidated financial status

	Total assets	Net assets	Shareholders' ratio	Net assets per share	
	¥1 million	¥1 million	%	yen	sen
3 <sup>rd</sup> quarter FYE June 2008	251,966	46,969	8.4	8,401	80
3 <sup>rd</sup> quarter FYE June 2007	420,801	46,994	5.2	10,483	17
(Reference) FYE June 2007	366,638	35,957	2.6	4,569	51

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

(Percentages represent rate of change from the same quarter the previous year.)

	Forecast revenues		Forecast operating profits		Forecast recurring profit		Forecast net income	
	¥1 million	%	¥1 million	%	¥1 million	%	¥1 million	%
Full year	580,000	13.9%	-9,000	-	-15,000	-	-9,000	-

## 3. Others

- (1) Change in major subsidiaries during the term: No  
(change in designated subsidiaries resulting in change in 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 "Qualitative Information and Financial Statements etc. 4. Others" on p. 5.

### \* Explanation on the appropriate use of forecasts, and other matters of special note

There has been no change from the full-year consolidated results forecast furnished in "Notice of Revisions to Consolidated Results Forecast for FYE June 2008 (14th term)" published on May 30, 2008. The forecast above is based on the best possible information available at the time of publication, but there is the potential for actual results to vary from forecasts for a variety of reasons.

1. Qualitative information on consolidated business results

Analysis of business results

(1) Overview of the 3rd quarter

There was growing concern over the outlook for the Japanese economy during the 3rd quarter due to skyrocketing oil prices and distress in financial markets triggered by the subprime lending problems in the United States. In the jobs market, the supply and demand balance for labor continues to be tight due to high staffing requirements at corporate employers, making it difficult to recruit and retain staff.

In the context of this environment, the group's ability to supply staff is a factor increasing its competitive advantage. As Japan's largest referral service for full-time employees, we target further growth with improvements to employee satisfaction, greater stability in staff employment, and promotion of ordinary employment. The company has achieved a steady expansion in the scale of its operations thanks to integration of its human resources services with the domestic and international services deployed by operating subsidiaries of Goodwill Premier, Inc. ("Premier Group" hereinafter), which it acquired.

However, the "human resources referrals and subcontracting" segment experienced substantial declines in revenues due to violations of the "Law to Ensure Appropriate Administration of Worker Referral Services and Enhance etc. the Terms of Labor for Referred Workers" on the part of Goodwill, Inc. Identified by the Tokyo Labor Bureau on January 11, 2008. This led to a worker referral services suspension order for a period of two months for all locations and for a period of four months for 67 locations beginning January 18, 2008.

In addition, the group completed the assignment of operations from its subsidiary in the nursing care business, COMSN, Inc. We are now endeavoring to ensure the continuity of services to customers and employment for staff. The sale of the Barrington House fixed assets has been delayed until May or thereafter due to procedural problems.

Forthrightly recognizing the problems at COMSN, Inc. and the administrative action against Goodwill, Inc., the company announced a change in the representative director of March 11, 2008 and a new management team on March 13. The appointment of a new representative director and the reorganization of the management team are an expression of the company's resolve to enforce strict compliance to all applicable laws and ordinances and to improve the transparency and earnestness of management.

(2) 3rd-Quarter Consolidated Results Highlights (9-months)

Current 3<sup>rd</sup> quarter: July 1, 2007-March 31, 2008/Previous 3<sup>rd</sup> quarter: July 1, 2006-March 31, 2007

(Unit: 1 million yen)

	Previous 3 <sup>rd</sup> quarter	Current 3 <sup>rd</sup> quarter	Rate of change
Revenues	324,140	465,405	43.6%
Cost of sales	241,954	368,893	52.5%
Gross profits	82,185	96,511	17.4%
Note Depreciation of goodwill	2,283	2,527	10.7%
Operating profits	9,228	-2,674	-
Interest expenses	1,933	4,788	147.7%
Recurring profits	6,863	-7,883	-
Quarterly net income or loss (-)	-28,472	-1,112	-

The human resources business, including the operations acquired from the Premier Group, continues to perform solidly. Premier Group contributed nine months worth of results (for the same period the previous year, the Premier Group contributed three months worth of results), leading to a large 141,264 million yen year-on-year increase in revenues for the 3rd quarter, which came in at 465,405 million yen.

However, subsidiary Goodwill, Inc. was subject to a suspension of operations and a business improvement order that resulted in operating losses. Recurring profits declined by 14,746 million yen year-on-year to a recurring loss of 7,883 million yen.

Note: Increase in depreciation of goodwill

There was an increase of 244 million yen compared to the same quarter last year, bringing the figure to 2,527 million yen.

<Breakdown>	Depreciation of goodwill	Goodwill Premier, Inc.	2,025 million yen
		Others	502 million yen

The Goodwill Group, Inc. (4723) Summary of (Consolidated) Financial Status and Results for the Third Quarter of FYE June 2008  
 (3) Breakdown of results for major segments

(Human resources and outsourcing services)

(Unit: 1 million yen)

	3 <sup>rd</sup> quarter FYE June 2007 From July 1, 2006 to March 31, 2007	3 <sup>rd</sup> quarter FYE June 2008 From July 1, 2007 to March 31, 2008	Rate of change
Revenues from outside customers	248,022	433,538	74.7%
Inter-segment revenues	669	762	13.7%
Total revenues	248,692	434,300	74.6%
Operating profits (or loss)	11,622	981	-91.5%

In human resources and outsourcing services, the company provides staffing services for engineering, manufacturing and other sectors and is enhancing its foundations as a comprehensive human resources services provider in domestic and foreign markets.

Core engineering referral services account for approximately 35% of the group's revenues, and are expected to experience significant growth as the supply of engineers becomes increasingly tight in the future. However, the suspension order against subsidiary Goodwill, Inc. resulted in a decline in revenues and increases in sales and administrative expenses primarily to reinforce compliance programs. Operating profits consequently experienced a significant decline.

The group is the largest referrer of full-time employees in Japan and is putting in place mechanisms that will facilitate the transition from short-term to long-term temporary staff and from temporary staff to full-time employee status. In addition to the provisions in the Law to Ensure Appropriate Administration of Worker Referral Services and Enhance etc. the Terms of Labor for Referred Workers, we are also expanding and enhancing our organizations to ensure compliance to all other applicable laws and ordinances. These efforts are overseen by the Group Compliance Promotion Meeting, which continues to plan and implement compliance training and to bring greater rigor to our management and verification of appropriate referrals and subcontracting.

During the 3rd quarter, the human resources and outsourcing services produced revenues of 433,538 million yen, an increase of 185,516 million yen over the same quarter the previous year, for operating profits of 981 million yen, down 10,641 million yen year-on-year.

(Nursing and health care support business)

(Unit: 1 million yen)

	3 <sup>rd</sup> quarter FYE June 2007 From July 1, 2006 to March 31, 2007	3 <sup>rd</sup> quarter FYE June 2008 From July 1, 2007 to March 31, 2008	Rate of change
Revenues from outside customers	62,716	23,434	-62.6%
Inter-segment revenues	0	0	-71.0%
Total revenues	62,716	23,434	-62.6%
Operating profits (or loss)	-1,787	-4,766	-

In the nursing and health care support business, the group completed assignment of the nursing care business of subsidiary COMSN, Inc. We are now endeavoring to ensure the continuity of services to customers and employment for staff.

During the 3rd quarter consolidated accounting period, the company posted an operating loss for the residual obligations incurred in conjunction with the assignment of the operations of COMSN, Inc.

During the 3rd quarter, the nursing and health care support business produced revenues of 23,434 million yen, down 39,282 million yen compared to the same quarter the previous year, for a decline of 2,979 million yen in operating profits compared to the previous year, resulting in an operating loss of 4,766 million yen.

(Other businesses)

(Unit: 1 million yen)

	3 <sup>rd</sup> quarter FYE June 2007 From July 1, 2006 to March 31, 2007	3 <sup>rd</sup> quarter FYE June 2008 From July 1, 2007 to March 31, 2008	Rate of change
Revenues from outside customers	13,401	8,431	-37.0%
Inter-segment revenues	3,060	344	-88.7%
Total revenues	16,462	8,776	-46.6%
Operating profit (or loss)	-1,028	-1,758	-

During the 3rd quarter, other businesses produced revenues of 8,431 million yen, a decline of 4,970 million yen over the same quarter the previous year, for an operating loss of 1,758 million yen, representing a year-on-year decline of 730 million yen in operating profits.

In the future, the group will be selecting and concentrating its operations in the restaurant business in order to ensure appropriate profit levels within a strategy of focusing management resources on the engineering and manufacturing referrals business.

## 2. Qualitative information regarding the consolidated financial position

### Analysis of financial position

Gross assets for the 3rd quarter were 251,966 million yen, a decline of 114,671 million yen compared to the end of the previous consolidated accounting period.

Shareholders equity increased by 11,721 million yen compared to the end of the previous consolidated accounting period to reach 21,237 million yen.

Below is a description of the primary factors behind these changes.

In the assets section, current assets declined by 80,935 million compared to the end of the previous consolidated accounting period to 120,375 million yen. This is primarily due to the withdrawal from the nursing care business and reductions in interest-bearing debt, causing cash and deposits declined by 37,304 million yen compared to the end of the previous consolidated accounting period to 22,296 million yen; accounts receivable declined by 29,962 million yen compared to the end of the previous consolidated accounting period to 69,648 million yen.

Fixed assets declined by 33,736 million yen compared to the end of the previous consolidated accounting period to 131,590 million yen. This is primarily the result of the sale of the operations of COMSN, Inc. and NSS Corporation, as well as to the sale of four COMSN Garden properties, which led to a reduction of 22,867 million yen in buildings, ancillary fixtures and facilities, structures and land compared to the end of the previous consolidated accounting period, coming in at 35,099 million yen. Likewise, long-term prepaid expenses (consisting primarily of security deposits, key money and building construction contributions) declined by 1,402 million yen compared to the end of the previous consolidated accounting period, coming in at 114 million yen.

In addition, there was a decline of 5,109 million yen compared to the end of the previous consolidated accounting period due to the sale of aircraft and investment securities.

On the liability side, current liabilities declined by 192,978 million yen compared to the end of the previous consolidated accounting period to 92,546 million yen. The primary factors in this were a reduction in interest-bearing debt through the use of the proceeds of the sale of COMSN, Inc. and other components in the nursing care business, a decline in purchasing obligations of 18,247 million yen compared to the end of the previous consolidated accounting period to 36,630 million yen in conjunction with the sale etc. of the nursing care business, and a decline of 8,964 million yen in deposits received from residents etc. to 3.6 million yen.

In addition, short-term borrowings declined by 147,647 million yen compared to the end of the previous consolidated accounting period to 20,357 million yen.

This decline consisted primarily of the repayment of 68,137 million yen in short-term borrowings and the conversion of 75,285 million yen in short-term borrowings from Mizuho Bank to long-term borrowings from Promontoria Investments I B.V. as a result of the assignment of credits.

Accrued corporate taxes etc. and accrued consumption tax etc. were 10,321 million yen, a decline of 5,887 million yen compared to the end of the previous consolidated accounting period resulting from declines in revenues from Goodwill, Inc. and Premier Group.

Fixed liabilities increased by 67,294 million yen compared to the end of the previous consolidated accounting period to 112,450 million yen. This was due to an increase of 76,959 million yen compared to the end of the previous consolidated accounting period, coming in at 101,418 million yen (including 75,285 million yen converted from short-term borrowings to long-term borrowings through the assignment of credits from Mizuho Bank to Promontoria Investments I B.V.). In addition, the sale of the nursing care business resulted in a decline of 4,582 million yen in long-term security deposits taken in from residents etc. compared to the end of the previous consolidated accounting period, which were 200 million at the end of this period. Furthermore, sale of operations from the Premier Group reduced leased asset impairment account to 17 million yen, a decline of 2,976 million yen compared to the end of the previous consolidated accounting period.

Shareholders equity increased by 11,721 million yen compared to the end of the previous consolidated accounting period to reach 21,237 million yen.

Primary factors in this are a third-party allotment (Deutsche Bank) of 400,000 warrants and their exercise, which increased capital and capital surpluses by 11,297 million yen. The strengthening of net worth from the capital increase resulted in a significant improvement in the company's net worth ratio, which increased from 2.6% at the end of the previous consolidated accounting period to 8.4%.

### 3. Qualitative information regarding consolidated results forecasts

There has been no change from the full-year consolidated results forecast furnished in "Notice of Revisions to Consolidated Results Forecast for FYE June 2008 (14th term)" published on May 30, 2008. The forecast above is based on the best possible information available at the time of publication, but there is the potential for actual results to vary from forecast for a variety of reasons.

### 4. Others

(1) Change in major subsidiaries during the term (change in designated subsidiaries resulting in change in scope of consolidation):

Not applicable.

(2) Use of simplified methods of accounting treatment:

The company utilizes simplified methods of the treatment of some accounting items, primarily the posting of retirement benefit expenses and corporate tax etc.

(3) Change of accounting methods from the most recent consolidated financial year:

Not applicable.

**5. Consolidated financial statements for the 3rd quarter**(1) (Summary) Consolidated Balance Sheet for the 3<sup>rd</sup> Quarter

(Unit: 1 million yen)

Term Account	3 <sup>rd</sup> quarter FYE June 2007 As at March 31, 2007 (A)		3 <sup>rd</sup> quarter FYE June 2008 As at March 31, 2008 (B)		Year-on-year change		(Reference) FYE June 2007
	Amount	Percentage	Amount	Percentage	Amount (B)-(A)	Rate of change	Amount
<b>(Assets)</b>							
<b>I. Current assets</b>							
1. Cash and deposits	85,523		22,296		-63,226	-73.9%	59,601
2. Trade notes and accounts receivable	107,843		68,292		-39,550	-36.7%	86,458
3. Inventories	1,705		1,079		-626	-36.7%	1,520
4. Other current assets	50,801		28,707		-22,094	-43.5%	53,730
Total current assets	245,873	37.7%	120,375	47.8%	-125,497	-51.0%	201,311
<b>II. Fixed assets</b>							
1. Tangible fixed assets	64,910		40,513		-24,396	-37.6%	67,382
2. Intangible fixed assets	76,366		72,771		-3,594	-4.7%	75,992
3. Investments and other assets	33,650		18,306		-15,344	-45.6%	21,952
Total fixed assets	174,927	62.3%	131,590	52.2%	-43,336	-24.8%	165,327
Total assets	420,801	100.0%	251,966	100.0%	-168,834	-40.1%	366,638
<b>(Liabilities)</b>							
<b>I. Current liabilities</b>							
1. Bills payable and accounts payable	9,392		4,059		-5,333	-56.8%	3,420
2. Short-term borrowings	173,286		20,357		-152,929	-88.3%	168,004
3. Other current liabilities	126,161		68,129		-58,032	-46.0%	114,099
Total current liabilities	308,840	38.8%	92,546	36.7%	-216,294	-70.0%	285,524
<b>II. Non-current liabilities</b>							
1. Bonds	7,481		4,065		-3,416	-45.7%	6,255
2. Long-term borrowings	39,611		101,418		61,807	156.0%	24,459
3. Other non-current liabilities	17,873		6,967		-10,906	-61.0%	14,441
Total non-current liabilities	64,966	34.1%	112,450	44.6%	47,484	73.1%	45,156
Total liabilities	373,806	72.9%	204,997	81.4%	-168,809	-45.2%	330,680
<b>(Net assets)</b>							
<b>I. Shareholders' equity</b>							
1. Capital	26,618	14.5%	32,267	12.8%	5,648	21.2%	26,618
2. Capital surplus	35,980	19.4%	41,628	16.5%	5,648	15.7%	35,980
3. Retained earnings	-38,340	-5.2%	-50,152	-19.9%	-11,811	-	-50,576
4. Treasury shares	-2,506	-2.2%	-2,506	-1.0%	0	0.0%	-2,506
Total shareholders equity	21,752	26.5%	21,237	8.4%	-514	-2.4%	9,516
<b>II. Valuation/translation discrepancy etc.</b>							
1. Net unrealized gain on other securities	-34	-0.0%	-153	-0.1%	-118	-	-73
2. Deferred profit/loss on hedges	0	-0.1%	-	0.0%	-	-	-47
3. Foreign currency translation adjustment account	217	-0.1%	-144	-0.1%	-361	-	165
Total valuation/translation discrepancy	182	-0.1%	-297	-0.1%	-480	-	44
<b>III. Minority shareholder equity</b>							
Total minority shareholder equity	25,059	0.7%	26,029	10.3%	970	-	26,396
Total net assets	46,994	27.1%	46,969	18.6%	-24	-0.1%	35,957
Total net assets and liabilities	420,801	100.0%	251,966	100.0%	-168,834	-40.1%	366,638

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

(Unit: 1 million yen)

Term Account	3 <sup>rd</sup> quarter FYE June 2007 From July 1, 2006 to March 31, 2007 (A)		3 <sup>rd</sup> quarter FYE June 2008 From July 1, 2007 to March 31, 2008 (B)		Year-on-year change		(Reference) FYE June 2007
	Amount	Percentage	Amount	Percentage	Amount (B)-(A)	Rate of change	Amount
I. Revenues	324,140	100.0%	465,405	100.0%	141,264	43.6%	509,001
II. Cost of sales	241,954	74.6%	368,893	79.3%	126,939	52.5%	386,397
Gross profits	82,185	25.4%	96,511	20.7%	14,325	17.4%	122,603
III. Selling, general and administrative expenses	72,957	22.5%	99,185	21.3%	26,228	36.0%	112,657
(Of which, depreciation of goodwill)	(2,283)	(0.7%)	(2,527)	(0.5%)	(243)	(10.7%)	(2,954)
Operating profits	9,228	2.9%	-2,674	-0.6%	-11,903	-	9,945
IV. Non-operating income	1,063	0.3%	1,866	0.4%	803	75.6%	2,199
V. Non-operating expenses	3,428	1.1%	7,075	1.5%	3,646	106.4%	5,351
Recurring profits	6,863	2.1%	-7,883	-1.7%	-14,746	-	6,794
VI. Extraordinary profits	778	0.2%	24,443	5.3%	23,664	-	1,133
VII. Extraordinary losses	30,242	9.3%	13,441	2.9%	-16,801	-	41,183
Previous quarterly net earnings or loss (-) before adjustment for taxes etc.	-22,601	-7.0%	3,118	0.7%	25,719	-	-33,256
Corporate tax etc.	5,372	1.7%	3,952	0.8%	-1,419	-26.4%	6,675
Minority shareholder profit or loss	498	0.2%	278	0.1%	-220	-44.3%	776
Quarterly (current) net income or loss (-)	-28,472	-8.9%	-1,112	-0.2%	27,359	-	-40,708

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

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

2. The figures above are unaudited.

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

(Unit: 1 million yen)

Term Account	3 <sup>rd</sup> quarter FYE June 2007 From January 1, 2007 to March 31, 2007 (A)		3 <sup>rd</sup> quarter FYE June 2008 From January 1, 2008 to March 31, 2008 (B)		Year-on-year change	
	Amount	Percentage	Amount	Percentage	Amount (B)-(A)	Rate of change
I. Revenues	195,093	100.0%	132,065	100.0%	-63,027	-32.3%
II. Cost of sales	154,186	79.0%	104,897	79.4%	-49,289	-32.0%
Gross profits	40,907	21.0%	27,168	20.6%	-13,738	-33.6%
III. Selling, general and administrative expenses	35,625	18.3%	28,471	21.6%	-7,154	-20.1%
(Of which, depreciation of goodwill)	(1,063)	(0.5%)	(826)	(0.6%)	(-237)	-22.3%
Operating profits	5,281	2.7%	-1,302	-1.0%	-6,583	-
IV. Non-operating income	469	0.2%	447	0.3%	-21	-4.6%
V. Non-operating expenses	1,213	0.6%	1,743	1.3%	529	43.6%
Recurring profits	4,536	2.3%	-2,598	-2.0%	-7,134	-
VI. Extraordinary profits	114	0.1%	4,062	3.1%	3,947	-
VII. Extraordinary losses	1,286	0.7%	355	0.3%	-931	-
Quarterly net income before adjustment for taxes etc.	3,364	1.7%	1,108	0.8%	-2,255	-67.0%
Corporate tax etc.	2,468	1.3%	233	0.2%	-2,234	-90.5%
Minority shareholder profit or loss	577	0.3%	1,227	0.9%	649	112.5%
Quarterly net income	318	0.1%	-352	-0.3%	-670	-

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

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

2. The figures above are unaudited.

**4. Segment information**

[Segment information by business category]

Previous 3<sup>rd</sup> quarter (3rd quarter FYE June 2007)

(Unit: 1 million yen)

	Human resources and outsourcing services	Nursing and health care support	senior residence and restaurant	Others	Total	Written-off or a company-wide	Consolidated
Revenues from outside customers	248,022	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	62,716	9,532	6,929	327,871	-3,730	324,140
Operating expenses	237,069	64,504	10,522	6,969	319,065	-4,153	314,911
Operating profit (or loss)	11,622	-1,787	-989	-39	8,805	422	9,228

- Note(s):
- 1 Business categories are the categories employed for internal management purposes.
  - 2 Description of businesses
    - (1) Human resources and outsourcing services: human resources referrals and subcontracting, subcontracting of security and construction services, engineer referrals, senior referrals
    - (2) Nursing and health care support: home-care services, institutional nursing services, masseuse referrals
    - (3) Senior residence and restaurant: operation of senior residences, restaurant management, food sales
    - (4) Others: pet care, day care center management

Current 3<sup>rd</sup> quarter (3rd quarter FYE June 2008)

(Unit: 1 million yen)

	Human resources and outsourcing services	Nursing and health care support	Others	Total	Written-off or a company-wide	Consolidated
Revenues from outside customers	433,538	23,434	8,431	465,405	—	465,405
Internal sales and transfers between segments	762	0	344	1,106	-1,106	—
Total	434,300	23,434	8,776	466,511	-1,106	465,405
Operating expenses	433,318	28,201	10,534	472,055	-3,975	468,079
Operating profit (or loss)	981	-4,766	-1,758	-5,543	2,868	-2,674

- Note(s):
- 1 Business categories are the categories employed for internal management purposes.
  - 2 Description of businesses
    - (1) Human resources and outsourcing services: human resources referrals and subcontracting, subcontracting of security and construction services, engineer referrals, senior referrals
    - (2) Nursing and health care support: home-care services and institutional nursing services
    - (3) Others: operation of senior residences, restaurant management, food sales
  - 3 Among operating expenses are 4,016 million yen in non-allocatable operating expenses that include write-offs and companywide expenses, primarily expenses associated with the company's administrative units.
  - 4 Changes in method of business classification  
The company has traditionally classified its businesses in the four categories of "human resources and outsourcing services," "nursing and health care support business," "senior residence and restaurant business," and "other businesses." However, from the previous consolidated accounting period it changed to three categories: "human resources and outsourcing services," "nursing and health care support business" and "other businesses."  
Operations that in the past were indicated as "human resources related business" and "senior residence and restaurant business" have decreased as a percentage of overall operations due to an increase in the number of consolidated subsidiaries. Being less important to the overall scope, they have been included for presentation purposes under "other businesses."

(Reference) Previous consolidated financial year (FYE June 2007)

(Unit: 1 million yen)

	Human resources and outsourcing 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	-	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

The Goodwill Group, Inc. (4723) Summary of (Consolidated) Financial Status and Results for the Third Quarter of FYE June 2008  
 [Segment information by location]

Corresponding quarter the previous year (3rd 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.

Current 3<sup>rd</sup> quarter (3rd quarter FYE June 2008)

(Unit: 1 million yen)

	Japan	North America	Europe	Total	Written-off or a company-wide	Consolidated
Revenues from outside customers	322,583	109,094	33,726	465,405	-	465,405
Internal sales and transfers between segments	138	-	-	138	-138	-
Total	322,722	109,094	33,726	465,543	-138	465,405
Operating expenses	329,622	108,084	33,363	471,070	-2,991	468,079
Operating profit (or loss)	-6,900	1,010	362	-5,526	2,852	-2,674

- 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 4,016 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.

Previous 3<sup>rd</sup> quarter (3rd quarter FYE June 2007)

(Unit: 1 million yen)

	Japan	North America	Europe	Total	Written-off or a 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