

[Submitting date] November 14, 2008
 [Financial period of the quarter period]
 1st quarter of the 15th period (From July 1 to September 30, 2008)
 [Company name] RADIA HOLDINGS, INC.
 Note: As of October 1, 2008, the trade name of the company was changed from the following.
 Former name: The Goodwill Group, Inc.
 [Name and title of representative] Representative Director and President, Shinichi Horii
 [Address of the head office] 6-10-1, Roppongi, Minato-ku, Tokyo-to
 [Telephone No.] (03) 3405-9262
 [Name of contact person for business] Hideshi Tachiyama Senior Executive Officer
 General Manager, Public Relations and Investor Relations Division

Summary of Financial Status and Results for the First Quarter of FYE June 2009

Part 1 [Corporate information]

No. 1 Situation of the company

1. [Transition of major management indexes, etc.]

Period	15th period, consolidated total for the 1st quarter (Accounting) period	14th period
Accounting period	From July 1, to September 30, 2008	From July 1, 2007, to June 30, 2008
Revenues (million yen)	96,954	584,322
Ordinary loss () (million yen)	2,705	12,702
Net loss for the quarter (Current period) (million yen)	6,523	27,416
Net assets (million yen)	12,575	18,152
Total assets (million yen)	187,650	202,040
Book value per share (yen)	3,626.15	1,830.17
Loss per share () (yen)	2,180.06	10,758.66
Diluted earnings per share (yen)	-	-
Equity ratio (%)	5.8	2.7
Cash flow from operating activities (million yen)	3,210	18,533
Cash flow from investment activity (million yen)	6,340	43,461
Cash flow from financial activity (million yen)	4,728	72,699
Balance of cash and cash equivalent at quarter end (million yen)	16,768	9,689
Number of employee (persons)	29,203	31,765

Note: 1. Since the company prepares quarterly consolidated financial statements, transitions of major management indexes of the registrant are not stated.

2. Revenues does not include consumption tax or local consumption tax (hereinafter called consumption taxes, etc.).
3. Quarterly diluted earnings per share are not stated because there are no potential stocks.

2. [Contents of business]

There were no major changes in the contents of business of the company group (our company and affiliated companies) in the current quarter. Moreover there were no major transfers in the affiliated companies.

3. [Situation of affiliated companies]

There were no major changes in the affiliated companies during the 1st quarter.

4. [Situation of employees]

(1) Situation of consolidated companies

As of September 30, 2008

Number of employees (persons)	29,203 (4,285)
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Note: 1. The number of employees is the number of persons working.

2. For consolidated subsidiaries whose closing date is March 31, the number of employees as of June 30, 2008 has been counted.

3. The number of employees in brackets () is the average number of total temporary employees in the 1st quarter of the current consolidated accounting period and are mentioned as exclusive numbers.

4. The number of employees is 2,562 less than at the end of the previous year end but this is mainly due to retirement of employees with the abolishment of business of the Goodwill company.

(2) Situation of the registrant

As of September 30, 2008

Number of employees (persons)	176 (7)
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Note: 1. The number of employees means the number of persons working.

2. The number of employees in brackets () is the average number of total temporary employees in the 1st quarter of the current accounting period and are mentioned as exclusive numbers.

No. 2 [Business situation]

1. [Situation on production, receipt of orders, and Revenues]

(1) Production records

Because of the characteristics of the offered service, stating of production records is not appropriate and therefore are not stated.

(2) Situation on receipt of orders

The following shows the situation on receipt of orders by division during the 1st quarter of the current term.

Name of business division	Amount of received orders (million yen)	Balance of orders (million yen)
Dispatch of personnel, sub-contracting business	74,071	39,923

Note: 1. Transactions between divisions have been offset.

2. The above figures do not include consumption tax etc.

3. Business which are subject to acceptance of orders are stated.

(3) Revenues record

The following shows the situation on Revenues record by division during the 1st quarter of the current term.

Name of business division	1st. quarter consolidated accounting period of the current term (From July 1 to September 30, 2008)
Dispatching of personnel, sub-contracting business (million yen)	94,988
Other businesses (million yen)	1,965
Total (million yen)	96,954

Note: 1. Transactions between divisions are offset.

2. The above figures do not include consumption tax., etc.

2. [Major contracts, etc. on the management]

During the current 1st quarter period, there was no deciding or concluding of important contracts on the management.

3. [Financial situation and analysis of business performance]

(1) Situation of business records

The economy of the nation was affected by the occurrence of the sub-prime problem in the United States and with financial crises provoked by shrinkage of credibility and increased concern for slowdown of the economy, corporations are facing increasingly harsher conditions. The situation of the employment market is becoming more severe with the dropping of the active opening ratio.

With consideration for the effect by such changes in the economic environment, our Group, under a thorough legal compliance system, aims to establish a sound position as a global player in the international human resource market, emanating from Japan, and to realize a high revenue securing structure of the top level in the human resource market with a long-term vision. For this purpose, the “RADIA HOLDINGS, INC. Reconstruction Measures” (mid term management plans) were prepared on October 14, 2008. Also as a “Reformation of the Business Structure” for realizing the “Business Reconstruction Plan,” we announced the reorganization of the operation companies, the reduction of personnel expenses by voluntary resignations, and the moving of the head office. In order to realize the “Business Reconstruction Plan,” changes of the business structure and restructuring will be rapidly implemented and a stable income structure will be established.

Under the severe environment explained above, our Revenues for the 1st quarter consolidated accounting period became ¥96,954,000,000. Relatively sound progress was seen in the overseas personnel dispatching business and sub-contracting business, but by mainly foreign exchange fluctuations, Revenues were ¥41,998,000,000. (Note 1)

In the aspects of profits and loss, due to the reduction in Revenues, an operating loss of ¥1,196,000,000 and an ordinary loss of ¥2,705,000,000 were seen.

In regard to net profits and loss for the 1st quarter, with accounting of special loss for business structure improvement expenses, etc. in accordance with the “Business Reconstruction Plan”, a net loss of ¥6,523,000,000 was seen for the quarter.

Since in the nursing business, medical assistance business, and the other business, the importance became insignificant due to transfers and Revenues of their business, these

are not mentioned by segment.

Note 1: Overseas business account closing period

Since the closing of accounts of overseas business is at the end of March, performance for the three month period from April 1 to June 30, 2008 is reflected.

(2) Analysis of cash flow

Cash and cash equivalents (hereinafter called funds) at the end of the 1st quarter consolidated accounting period became ¥16,768,000,000. The situation and factors on the respective cash flows are as follows.

i) Cash flow from operating activities

Funds that decreased as the result of Revenues activities were ¥3,210,000,000.

This is mainly because, net loss for the quarter before adjustments for taxes, etc. was ¥5,797,000,000, while depreciation expenses of ¥954,000,000, goodwill depreciation amount of ¥762,000,000, business structure improvement reserves of ¥2,735,000,000 were accounted and payment of interest was ¥1,291,000,000.

ii) Cash flow from investment activities

Funds that increased as the result of investment activities were ¥6,340,000,000.

This was mainly due to occurrence of revenue of ¥4,693,000,000 by Revenues of tangible fixed assets of idle real estate.

iii) Cash flow from financial activities

Decrease of funds as the result of financial activities was ¥4,728,000,000.

This was mainly due to repayment of long term borrowings of ¥5,242,000,000 and payments of ¥1,335,000,000 for redemption of company bonds.

(3) Issues on operation and finance to be addressed.

There were no major changes in issues to be addressed by the Group during the 1st quarter consolidated accounting period.

(4) Research and development activities

There were no items requiring special mention.

[Events or conditions causing important doubt to the premise of going concerns]

Following the withdrawal of business of COMSN, Inc. and the closing of business of Goodwill Co., Ltd., the group of the Company posted a large amount of losses continuously in 2 fiscal terms; current net loss of ¥40,708 million in June 2007, operating loss of ¥6,683 million and current net loss of ¥27,416 million in June 2008. As a result, the capital stock of our group in June 2008 turned out as the capital deficit of ¥2,691 million. Affected by these results, there was ¥75,754 million debt which conflicts with the financial covenant of the loan agreement between part of correspondent financial institutions including Promontoria Investments I B.V., the largest lending outlet to our group, and we lost the merit of term. Our group also conflicted with the preconditions of stock subscription contract of ¥15,500 million for allocation of new stocks to a third party (class A preferred stock) by exchanging the debt into stocks to Promontoria Investments I B.V. planned on December 25, 2008.

In addition, on July 28, 2008, we requested 24 correspondent financial institutions/companies, where we borrow money, the extension for one year of the payment for the principal of the borrowed money. As a result, the payment of the

principal of the borrowed money becoming due after the end of the same month was temporarily delayed until the negotiations for postponement of payment are agreed.

In the consolidated accounting term of the current first quarter, operating loss of ¥1,196 million and quarterly net loss of ¥6,523 million were posted and the capital stock at the end of the consolidated accounting term of the current first quarter resulted in the capital deficit of ¥9,539 million.

Under the above circumstances, there is an important doubt in our group concerning the premise of going concerns. In order to solve such conditions, our group will tackle for realizing the medium term management plan outlining the business restructuring plan announced in October 2008 and promote business innovation to improve the corporate value in cooperation with Promontoria Investments I B.V.

Promontoria Investments I B.V. subscribed for 500,000 common stocks (16.73%) on April 25, 2008 and obtained a new loan from them in July this year.

(Content of medium term management plan)

i) Restructuring of business

Focus of the business of our group will be concentrated on 5 particular fields of high added values (dispatching of engineers, solution business for manufacturers, customer personnel affairs support service, highly skilled human resources service, and commercial based human resources service) and the business foundation will be structured to achieve stable growth in the long and medium terms through profit growth and appropriate distribution of resources. Business companies of the same segment will be integrated to realign the functions of head office and Revenues branches for improvement of service levels and reduction of costs.

ii) Expansion of overseas business

In the human resources dispatching market in the world which continues its expansion in the long and medium terms, scale of Revenues will be increased by expanding the growth of existing business and the number of countries for overseas market development while targeting at continued and stable expansion of Revenues. At the same time, functions of the head office for overseas business will be centralized for further cost reduction and securing profits.

iii) Reduction of expenses for domestic business

Subsequent to the reduction of the scale of business, voluntary retirement system of controlled employees will be introduced and a plan is under way to reduce about 1,600 employees by recruiting 1,120 employees for voluntary retirement. Locations of 406 Revenues offices will be reduced to 204, and the head office of business companies will be relocated from the midtown in Tokyo to an office suitable for the scale of business.

iv) Restructuring of brand image by new company name

In order to recover the trust prejudiced by a series of misconducts and structure a new brand image, the Company promotes restructuring of its business of the group in an integrated manner under the new company name [RADIA HOLDINGS, INC.].

On the other hand, agreement has already been obtained from financial institutions (including Promontoria Investments I B.V.) regarding the borrowed money of the Company as of July 2008 which accounts for more than 96% of the borrowed money for which postponement of payment of the principal has been requested, and the benefit of term has thus been recovered. It is the policy of the Company to request and obtain

an agreement for renewal of the term of postponement of payment during the current consolidated accounting term.

The Company plans to allocate new stocks of ¥15,500 million (class A preferred stock) to a third party by exchanging the debt to Promontoria Investments I B.V. into stocks on December 25, 2008 and considers that this capital increase should help resolve the capital deficit and reduce the debt with interest at the same time although it conflicts with the preconditions of subscription to stock as mentioned in the above.

On September 30, 2008, Mr. CHARLES J. ABADIE experienced in rebuilding of manpower supply companies in U.S.A has joined the Company as Representative director and chairperson to improve the profitability and cash flow and promote the sale of real estate possessed by our group for procurement of funds. As the result of these efforts, it is expected that the operation and cash management of the Company will be stabilized.

From the reasons of above, consolidated quarterly financial statements of the consolidated accounting term of the current first quarter have been prepared based on the premise of going concerns and the important effect of such doubt has not been reflected on the consolidated quarterly financial statements.

1. 【Consolidated Quarterly Financial Statements】

(1) 【Consolidated Quarterly Balance Sheets】

(Unit: 1 million yen)

	First quarter of fiscal year end (September 30, 2008)	Condensed consolidated balance sheet at the end of previous fiscal year (June 30, 2008)
ASSETS		
Current assets		
Cash equivalents	16,906	11,137
Bill receivable and accounts receivable	49,688	57,014
Inventories	*1 557	753
Others	17,965	23,887
Allowance for bad debts	1,698	1,204
Total current assets	83,419	91,589
Fixed assets		
Tangible fixed assets	*2.3 27,323	*2.3 33,210
Intangible fixed assets		
Goodwill	53,945	52,731
Others	11,934	11,716
Total intangible fixed assets	65,879	64,448
Investment and other assets		
Others	16,036	17,211
Allowance for bad debts	3,359	2,770
Allowance for investment loss	1,648	1,648
Total investment and other assets	11,028	12,792
Total fixed assets	104,231	110,451
Total assets	187,650	202,040
LIABILITIES		
Current liabilities		
Bill payable and accounts payable	3,607	3,252
Short-term loans payable	*3.4 37,004	*3.4 33,830
Accrued expenses payable	28,140	30,977
Corporate taxes payable	2,048	1,699
Allowance for bonus payable	7,271	6,775
Allowance for order loss	298	59
Allowance for loss of data equipment expenses	552	806
Allowance for return of nursing-care benefits	64	105
Allowance for loss of business withdrawal	2,417	6,669
Allowance for business restructuring	2,735	-

	First quarter of fiscal year end (September 30, 2008)	Condensed consolidated balance sheet at the end of previous fiscal year (June 30, 2008)
Others	*3 14,305	*3 13,904
Total current liabilities	98,447	98,080
Fixed liabilities		
Bonds payable	*3 1,295	*3 2,890
Long-term loans payable	*3,4 67,724	*3,4 74,649
Allowance for employee's retirement benefits	4,059	4,490
Others	3,548	3,777
Total fixed liabilities	76,627	85,808
Total liabilities	175,074	183,888
NET ASSETS		
Shareholder's equity		
Stock capitalization	34,517	34,517
Capital surplus	43,878	43,878
Earned surplus	85,429	78,582
Treasury stock	2,506	*3 2,506
Total shareholder's equity	9,539	2,691
Valuation and exchange differences		
Other marketable securities valuation difference	2	212
Foreign exchange adjustment account	1,313	2,572
Total valuation and exchange differences	1,311	2,784
Minority interests	23,426	23,628
Total net assets	12,575	18,152
Total liabilities and net assets	187,650	202,040

2. 【Consolidated Quarterly Profit and Loss Statement】

【Accounting period of consolidation in the first quarter】

(Unit: 1 million yen)

	Accounting period of consolidation in the first quarter (From July 1, 2008 to September 30, 2008)
Revenues	96,954
Cost of goods sold	78,581
Gross profit	18,372
Selling, general and administrative expenses	
Salaries and allowances	8,630
Transfer to allowance for bad debt	109
Others	10,829
Total selling, general and administrative expenses	19,568
Operating loss ()	1,196
Non-operating income	
Interest income	32
Rent receivable	70
Others	138
Total non-operating income	241
Non-operating expense	
Interest expense	1,342
Others	407
Total non-operating expense	1,750
Ordinary loss ()	2,705
Extraordinary gain	
Gain on revenues of fixed assets	200
Gain on liquidation of subsidiaries	1,095
Others	53
Total extraordinary gains	1,349
Extraordinary loss	
Business restructuring expense	4,056
Others	385
Total extraordinary losses	4,441
Quarterly net loss before tax adjustment ()	5,797
Corporate taxes, resident taxes and enterprise taxes	132
Corporate taxes adjustment	1,499
Total corporate taxes	1,631
Loss of minority shareholders ()	905
Quarterly net loss ()	6,523

(3) 【Consolidated Quarterly Cash Flow Statement】

(Unit: 1 million yen)

	Accounting period of consolidation in the first quarter (From July 1, 2008 to September 30, 2008)
Cash flows from operating activities	
Quarterly net loss before tax adjustment ()	5,797
Depreciation and amortization	954
Loss/gain on Revenues of fixed assets (gain)	200
Loss/gain on liquidation of subsidiaries (gain)	1,095
Loss on write-down of goodwill	762
Increase/decrease in allowance for bad debts (decrease)	126
Increase/decrease in allowance for employee's retirement benefits (decrease)	150
Increase/decrease in allowance for bonuses (decrease)	2,692
Increase/decrease in allowance for loss of business withdrawal (decrease)	4,251
Increase/decrease in allowance for business restructuring (decrease)	2,735
Increase/decrease in allowance for loss of return of nursing-care benefits	41
Increase/decrease in allowance for loss of data equipment expenses	22
Interest income and dividends received	32
Interest expense	1,342
Increase/decrease in trade receivables (increase)	4,727
Increase/decrease in inventory assets (increase)	117
Increase/decrease in accounts payable (decrease)	213
Increase/decrease in accrued expenses (decrease)	1,719
Others	2,168
Subtotal	2,554
Interest and dividends received	34
Interest paid	1,291
Corporate tax paid	836
Corporate tax refunded	1,437
Cash flow from operating activities	3,210
Cash flows from investing activities	
Increase/decrease in fixed deposits (increase)	1,497
Proceeds from Revenues of investment in securities	398
Proceeds from liquidation of subsidiaries	25
Payment for acquisition of tangible fixed assets	241

	Accounting period of consolidation in the first quarter (From July 1, 2008 to September 30, 2008)
Proceeds from Revenues of tangible fixed assets	4,693
Payment for acquisition of intangible fixed assets	192
Payments for loans	353
Proceeds from loans receivable	763
Payments for business transfer	133
Others	118
Cash flows from investing activities	6,340
Cash flows from financing activities	
Proceeds from short-term loans payable	5,348
Payments for repayment of short-term loans	3,477
Payments for repayment of long-term loans	5,242
Payments for redemption of bonds	1,335
Cash dividends paid	1
Others	19
Cash flows from financing activities	4,728
Effect of exchange rate changes on cash and cash equivalents	58
Increase/decrease in cash and cash equivalents (decrease)	1,540
Cash and cash equivalents at beginning of year	9,689
Increase in cash and cash equivalents resulting from change of accounting term of consolidated subsidiary	9,015
Decrease in cash and cash equivalents resulting from exclusion from consolidation	396
Cash and cash equivalents at end of year	*1 16,768