

August 11, 2003

Summary Financial Statements (Standalone) for the Fiscal Term Ending June 2003

Name of listed company: The Goodwill Group, Inc.

JASDAQ registered securities

Ticker No.: 4723

Headquarter location: Tokyo

(URL <http://www.gwg.co.jp>)

Representative: Masahiro Origuchi Representative Director and Chairman/CEO

Contact person: Akira Kanazaki Managing Director, General Manager of Administration,
Head of Chairman's Office (03-3405-9228)

Date of board of directors meeting on financial results: August 11, 2003

Date of ordinary general shareholders meeting: September 10, 2003

Adoption of Interim dividend payment system: Yes

Adoption of unit share system: No

1. Consolidated Financial Results for the Full Year ending June 2003 (July 1, 2002 ~ June 30, 2003)

(1) Consolidated Business Results (Rounded down to the nearest million)

	Revenues		Operating Income		Ordinary Income	
	MM Yen	%	MM Yen	%	MM Yen	%
FY ending June 2003	36,310	(41.4)	3,790	(35.1)	3,771	(35.9)
FY ending June 2002	25,664	(22.1)	2,805	(13.1)	2,773	(2.6)

	Net Income		EPS	Fully Diluted EPS	Return on Equity	Ordinary Income to Total Assets	Ordinary Income to Net Sales
	MM Yen	%	Yen	Yen	%	%	%
FY ending June 2003	2,020	(43.9)	10,609.41	---	5.6	8.0	10.3
FY ending June 2002	1,403	(-10.5)	7,655.70	---	4.1	6.4	10.8

(Note)

Average number of shares during the term

FY ending 06/2003 184,761 shares FY ending 06/2002 183,300 shares

Changes in accounting principles applied: None

Percentages in parentheses in the revenues, operating income, ordinary income, and net income sections indicate rate of year-on-year increase/decrease.

(2) Dividend Overview

	Full Year Dividend per Share			Total Dividends (Full Year)	Dividend Payout Ratio	Dividends to Equity
	Yen	Yen	Yen			
FY ending June 2003	2,000.00	1,000.00	1,000.00	369	18.2	1.0
FY ending June 2002	1,000.00	250.00	750.00	184	13.1	0.5

(3) Financial Overview

	Total Assets	Shareholders' Equity	Equity Ratio	Shareholders' Equity per Share
	MM Yen	MM Yen	%	Yen
FY ending June 2003	46,799	35,456	75.8	191,584.93
FY ending June 2002	42,716	33,760	79.0	182,720.89

(Note) Number of shares outstanding at end of the term

FY ending 06/2003 184,758 shares FY ending 06/2002 184,766 shares

2. Forecast on Financial Results for the Full Year ending June 2004

(July 1, 2003 ~ June 30, 2004)

	Revenues	Ordinary Income	Net Income	Full Year Dividend per Share		
				Interim	Yearend	
	MM Yen	MM Yen	MM Yen	Yen	Yen	Yen
Interim	20,500	2,000	1,100	1,500.00	-	-
Full year	43,000	4,000	2,150	-	1,500.00	3,000.00

(Reference) Forecasted EPS (Full year) 11,653.21 yen

The forecast above is based on the information available as of the date of release of the subject material and leaves room for various uncertainties. As such, the actual business results could vary significantly, depending on various factors that may emerge going forward.

1. Financial Statements

(1) Balance Sheet

(Unit: '000 yen; rounded down to nearest '000 yen)

Items	Fiscal Year Ending June 2003 (As of June 30, 2003)		Fiscal Year Ending June 2002 (As of June 30, 2002)	
	Amount ('000 Yen)	% Total	Amount ('000 Yen)	% Total
(Assets)				
I. Current Assets				
1. Cash and deposits	2	7,784,826	6,118,226	
2. Notes receivable	4	324,041	274,157	
3. Accounts receivable	1	4,316,960	3,676,267	
4. Prepaid expenses	1	219,087	158,074	
5. Deferred tax assets		217,032	150,022	
6. Accrued revenues		27,978	748,905	
7. Others	1	90,657	396,358	
8. Allowance for doubtful accounts		(29,044)	(31,325)	
Total current assets		12,951,541	11,490,686	26.8
II. Fixed Assets				
1. Tangible assets				
(1) Buildings		496,989	423,333	
Accumulated depreciation		163,678	120,642	302,690
(2) Cars and transport vehicles		142,946	115,675	
Accumulated depreciation		103,796	87,202	28,473
(3) Furniture and fixtures		1,334,281	961,793	
Accumulated depreciation		693,007	541,957	419,836
(4) Land	2	331,200	331,200	
Total tangible assets		1,344,934	1,082,200	2.5
2. Intangible assets				
(1) Trademark rights		7,702	8,251	
(2) Software		197,627	47,165	
(3) Telephone subscription rights		47,265	261,141	
Total intangible assets		252,595	316,559	0.7
3. Investments and other assets				
(1) Investment securities		1,553,423	1,535,930	
(2) Shares of affiliates		29,045,256	25,631,727	
(3) Long-term loans		76,563	776,954	
(4) Long-term loans to affiliates		-	1,275,100	
(5) Bankruptcy claims		183,213	180,791	
(6) Long-term prepaid expenses		45,708	34,460	
(7) Deferred tax assets		161,280	81,813	
(8) Rent deposit		1,210,028	283,690	
(9) Others		141,843	174,949	
(10) Allowance for doubtful accounts		(166,805)	(148,273)	
Total investments and other assets		32,250,511	29,827,143	69.8
Total fixed assets		33,848,041	31,225,093	73.1
Total assets		46,799,583	42,716,590	100.0

(Unit: '000 yen; rounded down to the nearest '000 yen)

Items	Fiscal Year Ending June 2003 (As of June 30, 2003)		Fiscal Year Ending June 2002 (As of June 30, 2002)	
	Amount ('000 Yen)	% Total	Amount ('000 Yen)	% Total
(Liabilities)				
I. Current Liabilities				
1. Short-term borrowings	6,640,000		6,409,400	
2. Current portion of long-term borrowings	201,270		244,000	
3. Accounts payable	336,881		23,865	
4. Accrued income taxes	1,335,086		640,946	
5. Accrued consumption taxes	560,931		355,266	
6. Accrued expenses	1,706,816		948,174	
7. Deposits received	117,377		116,096	
8. Others	54,083		41,864	
Total current liabilities	10,952,446	23.4	8,779,614	20.5
II. Fixed Liabilities				
1. Long-term borrowings	344,200		125,570	
2. Employees retirement benefits	20,607		25,003	
3. Directors' retirement benefits	23,499		21,083	
4. Others	1,980		4,630	
Total fixed liabilities	390,286	0.8	176,286	0.4
Total liabilities	11,342,733	24.2	8,955,901	20.9
(Shareholders' Equity)				
I. Paid-in capital	-	-	13,674,660	32.0
II. Capital reserve	-	-	16,345,269	38.2
III. Retained earnings	-	-	47,826	0.1
IV. Other surplus				
1. Unappropriated retained earnings for the term	-	-	3,705,415	
Total other surplus	-	-	3,705,415	8.6
V. Net unrealized holding gain on securities	-	-	(11,953)	0.0
VI. Treasury stock	-	-	(529)	0.0
Total shareholders' equity	-	-	33,760,689	79.0
Total liabilities and shareholders' equity	-	-	42,716,590	100.0
I. Paid-in capital	13,674,660	29.2	-	-
II. Capital surplus				
1. Capital reserve	3,418,665		-	-
2. Other capital surplus	12,926,604		-	-
Total capital surplus	16,345,269	34.9	-	-
III. Retained earnings				
1. Voluntary reserves				
(1) Special depreciation reserve	964		-	-
2. Unappropriated retained earnings for the term	5,419,148		-	-
Total retained earnings	5,420,113	11.6	-	-
IV. Net unrealized holding gain on securities	20,245	0.1	-	-
V. Treasury stock	(3,439)	(0.0)	-	-
Total shareholders' equity	35,456,849	75.8	-	-
Total liabilities and shareholders' equity	46,799,583	100.0	-	-

(2) Consolidated Statement of Income

(Unit: '000 yen; rounded down to nearest '000 yen)

Items	Fiscal Year ending June 2003 (From July 1, 2002 To June 30, 2003)		Fiscal Year ending June 2002 (From July 1, 2001 To June 30, 2002)			
	Amount ('000 Yen)	% Total	Amount ('000 Yen)	% Total		
I. Revenues		36,310,431	100.0	25,664,531	100.0	
II. Cost of goods sold		24,139,083	66.5	16,745,351	65.2	
Gross profit		12,171,348	33.5	8,919,180	34.7	
III. Selling, general and administrative expenses						
1. Executive compensation	103,364			97,571		
2. Salary and other allowances	3,858,099			2,947,914		
3. Provision for accrued employee retirement benefits	2,225			3,168		
4. Provision for accrued directors' retirement benefits	6,166			6,083		
5. Legal welfare expenses	274,297			321,328		
6. Rent	737,121			626,369		
7. Communication expenses	333,831			438,488		
8. Systems related expenses	743,165			-		
9. Supplies expenses	90,920			95,443		
10. Depreciation and amortization	352,573			293,559		
11. Advertising expenses	477,175			92,861		
12. Advertising expenses for recruiting	407,678			199,049		
13. Allowance for doubtful accounts	16,251			49,604		
14. Others	978,259	8,381,129	23.1	941,942	6,113,385	23.8
Operating Income		3,790,219	10.4	2,805,794	10.9	
IV. Non-operating income						
1. Interest income	1 39,445			17,061		
2. Dividend income	1 71,930			68,316		
3. Others		155,028	0.4	35,122	120,499	0.4
V. Non-operating income						
1. Interest expenses		116,498		92,811		
2. Losses on capital investment		20,223		49,056		
3. Others		37,382	0.4	10,544	152,412	0.5
Ordinary income		3,771,141	10.4	2,773,881	10.8	
VI. Special income						
1. Gains on contributions		1,175,000	3.2	-		
VII. Special losses						
1. Valuation loss on investment securities		14,582		85,871		
2. Loss on sale of investment securities		1,174,840		17,799		
3. Loss on disposal of fixed assets	2 36,354			65,089		
4. Loss on sale of fixed assets	3 -			2,425		
5. Loss on debt waiver		-	3.4	8,497	179,683	0.7
Income before income taxes		3,720,365	10.2	2,594,198	10.1	
Income, residence and enterprise taxes		1,870,000		1,230,000		
Adjustments on income taxes		(169,841)	4.6	(39,092)	1,190,907	4.6
Net income		2,020,206	5.6	1,403,290	5.4	
Retained earnings brought forward		3,535,875		2,347,351		
Reversal of earned reserve		47,826		-		
Interim dividends		184,761		46,191		
Unappropriated retained earnings for the terms		5,419,148		3,704,450		

Cost of Sales Statement

(Unit: '000 yen; rounded down to nearest '000 yen)

Items	Fiscal Year ending June 2003 (From July 1, 2002 To June 30, 2003)		Fiscal Year ending June 2002 (From July 1, 2001 To June 30, 2002)			
	Amount ('000 Yen)	% Total	Amount ('000 Yen)	% Total		
I. Labor cost		20,098,345	83.3		14,011,513	83.6
II. Expenses						
1. Travel and transportation expenses	3,353,745				2,397,044	
2. Supplies expenses	60,845				81,286	
3. Outsourcing expenses	305,586				194,340	
4. Others	320,559	4,040,737	16.7	61,210	2,733,882	16.3
Cost of sales		24,139,083	100.0		16,745,351	100.0

(3) Statement of Appropriation of Retained Earnings

(Unit: '000 yen; rounded down to nearest '000 yen)

Items	Fiscal Year ending June 2003 (September 10, 2003)		Fiscal Year ending June 2002 (September 26, 2002)	
	Amount ('000 Yen)	Amount ('000 Yen)	Amount ('000 Yen)	Amount ('000 Yen)
I. Unappropriated retained earnings for the term		5,419,148		3,704,450
II. Reversal of voluntary reserve				
1. Reversal of reserve for special depreciation		964		-
Total		5,420,113		3,704,450
III. Appropriation of retained earnings				
1. Dividend	184,758		138,574	
2. Bonuses for directors and auditors	60,000		30,000	
(Of which, bonuses for auditors)	(3,000)	244,758	(1,000)	168,574
IV. Earnings carried forward		5,175,354		3,535,875

(Note) Dates in parentheses are the dates of approval (scheduled) at the general shareholders meeting.

Important basis of presenting consolidated financial statements

Items	Fiscal Year ending June 2003 (From July 1, 2002 To June 30, 2003)	Fiscal Year ending June 2002 (From July 1, 2001 To June 30, 2002)
1 Valuation standard and method for significant assets	<p>(1) Shares of subsidiaries and affiliated companies Stated as cost using moving average.</p> <p>(2) Other marketable securities Those that have fair market values: Marked-to-market at the end of fiscal period (Unrealized gains and losses from the reevaluation are directly charged or credited to the shareholders' equity, and the book value of securities sold is calculated by using moving average.) Those that have no fair market values: Stated as cost using moving average.</p>	<p>(1) Shares of subsidiaries and affiliated companies Same as left.</p> <p>(2) Other marketable securities Same as left.</p>
2 Depreciation method of significant depreciable assets	<p>(1) Tangible fixed assets Declining balance method. With regard to useful life and residual value, the same basis as that of the method set forth by the Corporation Tax Law is applied. However, assets with acquisition costs over 100,000 yen and below 200,000 yen are depreciated uniformly over a three year period.</p> <p>(2) Intangible fixed assets Straight line method. With regard to useful life, the same basis as that of the method set forth by the Corporation Tax Law is applied. However, software (for internal use) is amortized by straight line method over the expected available periods (5 years).</p> <p>(3) Long-term prepaid expenses Straight line method. The same basis as that of the method set forth by the Corporation Tax Law is applied.</p>	<p>(1) Tangible fixed assets Same as left.</p> <p>(2) Intangible fixed assets Same as left.</p> <p>(3) Long-term prepaid expenses Same as left.</p>

Items	Fiscal Year ending June 2003 (From July 1, 2002 To June 30, 2003)	Fiscal Year ending June 2002 (From July 1, 2001 To June 30, 2002)
3. Treatment of deferred assets		(1) Costs associated with new stock issuances are all recorded at the time of actual expenditure.
4. Accounting for significant allowances	<p>(1) Allowance for doubtful accounts To reserve for potential credit losses on receivables, allowances are provided for potential losses on general credits by estimating uncollectible amounts using historical rates. For potential losses on specific problematic credits such as doubtful accounts and bad loans, allowances are provided for by estimating uncollectible amounts through the assessment of individual collectibility.</p> <p>(2) Allowance for retirement benefits To provide for the employees' retirement benefits, reserve for retirement benefits is recorded based on the projected retirement benefit obligations up to the end of current fiscal year.</p> <p>(3) Allowance for retirement benefits for directors and auditors. To provide for the payment of retirement benefits for fulltime directors and auditors, reserve for such benefits are recorded on the basis of actual amount needed up to the end of current fiscal year as per the Company's internal regulations on the subject allowance.</p>	<p>(1) Allowance for doubtful accounts Same as left.</p> <p>(2) Allowance for retirement benefits Same as left.</p> <p>(3) Allowance for retirement benefits for directors and auditors. Same as left.</p>
5. Treatment of significant lease transactions	With respect to the financial lease transactions that do not involve the transfer of ownership of the leased assets to lessee, such transactions are treated in accordance with the accounting method applied to ordinary lease transactions.	Same as left.

Items	Fiscal Year ending June 2003 (From July 1, 2002 To June 30, 2003)	Fiscal Year ending June 2002 (From July 1, 2001 To June 30, 2002)
6. Other significant basis for presenting the financial statements	<p>(1) Accounting treatment of consumption taxes, etc. Taxes are excluded in the accounting treatment of consumption and local consumption taxes.</p> <p>(2) Accounting standards pertaining to treasury stocks and reversal of legal reserves “Accounting Standards pertaining to Treasury Stocks and Reversal of Legal Reserves” (Enterprises Accounting Standard No. 1) is being applied as of the current fiscal year. This does not have any material impact on losses and gains for the current fiscal year. Given the revision of financials regulations, the shareholders’ equity section of the current term’s financial statements and the statement of retained earnings have been prepared in accordance with the revised regulations.</p> <p>(3) Per share data “Accounting Standards for Earnings per Share” (Enterprises Accounting Standard No. 2) and “Guidance for Application of Accounting Standards for Earnings per Share” (Enterprises Accounting Standard Application Guidance No. 4) are being applied as of the current fiscal year. Pertinent impact is indicated in the “notes on per share data” section.</p>	<p>(1) Accounting treatment of consumption taxes, etc. Same as left.</p>

Changes in the presentation of the financial statements

Fiscal Year ending June 2003 (From July 1, 2002 To June 30, 2003)	Fiscal Year ending June 2002 (From July 1, 2001 To June 30, 2002)
<p>_____</p> <p>(Statement of income)</p> <p>The “systems related expense”, historically included in the “others” section of the SG&A expenses, is henceforth listed independently as its amount has exceeded 1/20 (one-twentieth) of the total SG&A expenses. The amount of the said item included in the “others” section the previous fiscal year was 145.815 million yen.</p>	<p>(Balance sheet)</p> <p>“Short-term loans” listed independently in the previous fiscal year (current year balance of said item at 183.298 million yen) is included in “others” of the current assets section from the current fiscal year as the amount is no longer material.</p> <p>_____</p>

(6) Notes the financial statements

(Balance sheet)

Fiscal Year ending June 2003 (As of June 30, 2003)	Fiscal Year ending June 2002 (As of June 30, 2002)																																				
<p>1. 1 Assets and liabilities pertaining to affiliated companies</p> <p>Assets and liabilities pertaining to affiliated companies in addition to those items listed independently are as follows.</p> <p style="text-align: right;">('000 Yen)</p> <table style="width: 100%;"> <tr> <td>Accounts receivables</td> <td style="text-align: right;">19,471</td> </tr> <tr> <td>Current assets "Others"</td> <td style="text-align: right;">641</td> </tr> <tr> <td>Accrued expenses</td> <td style="text-align: right;">9,277</td> </tr> </table>	Accounts receivables	19,471	Current assets "Others"	641	Accrued expenses	9,277	<p>1. 1 Assets and liabilities pertaining to affiliated companies</p> <p>Assets and liabilities pertaining to affiliated companies in addition to those items listed independently are as follows.</p> <p style="text-align: right;">('000 Yen)</p> <table style="width: 100%;"> <tr> <td>Accounts receivables</td> <td style="text-align: right;">22,955</td> </tr> <tr> <td>Current assets "Others"</td> <td style="text-align: right;">2,511</td> </tr> <tr> <td>Accrued expenses</td> <td style="text-align: right;">28,862</td> </tr> </table>	Accounts receivables	22,955	Current assets "Others"	2,511	Accrued expenses	28,862																								
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<p>2. Contingent liabilities</p> <p>(1) The Company provides loan guarantee for bank borrowings made by the following affiliated entities.</p> <table style="width: 100%;"> <tr> <td style="text-align: left;">(Company)</td> <td style="text-align: right;">(Guarantee balance)</td> </tr> <tr> <td></td> <td style="text-align: right;">('000 Yen)</td> </tr> <tr> <td>COMSN, Inc.</td> <td style="text-align: right;">5,000,000</td> </tr> <tr> <td>Soar, Inc.</td> <td style="text-align: right;"><u>300,640</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">5,300,640</td> </tr> </table> <p>(2) The Company is committed to guarantee for liabilities associated with the lease contracts entered into by the following affiliated entities.</p> <table style="width: 100%;"> <tr> <td style="text-align: left;">(Company)</td> <td style="text-align: right;">(Guarantee balance)</td> </tr> <tr> <td></td> <td style="text-align: right;">('000 Yen)</td> </tr> <tr> <td>COMSN, Inc.</td> <td style="text-align: right;">1,455,608</td> </tr> </table>	(Company)	(Guarantee balance)		('000 Yen)	COMSN, Inc.	5,000,000	Soar, Inc.	<u>300,640</u>	Total	5,300,640	(Company)	(Guarantee balance)		('000 Yen)	COMSN, Inc.	1,455,608	<p>2. 2 The Company's time deposits amounting to 500.0 million yen are collateralized in connection with the affiliated companies' bank borrowings of 500.0 million yen.</p> <p>The assets collateralized in connection with the short-term borrowings of 185.65 million yen and long-term borrowings of 150.0 million yen are as follows.</p> <p style="text-align: right;">('000 Yen)</p> <table style="width: 100%;"> <tr> <td>Cash and deposits</td> <td style="text-align: right;">773,000</td> </tr> <tr> <td>Land</td> <td style="text-align: right;">91,299</td> </tr> </table> <p>3. Contingent liabilities</p> <p>(1) The Company provides loan guarantee for bank borrowings made by the following affiliated entity.</p> <table style="width: 100%;"> <tr> <td style="text-align: left;">(Company)</td> <td style="text-align: right;">(Guarantee balance)</td> </tr> <tr> <td></td> <td style="text-align: right;">('000 Yen)</td> </tr> <tr> <td>COMSN, Inc.</td> <td style="text-align: right;">1,000,000</td> </tr> </table> <p>(2) The Company is committed to guarantee for liabilities associated with the lease contracts entered into by the following affiliated entities.</p> <table style="width: 100%;"> <tr> <td style="text-align: left;">(Company)</td> <td style="text-align: right;">(Guarantee balance)</td> </tr> <tr> <td></td> <td style="text-align: right;">('000 Yen)</td> </tr> <tr> <td>COMSN, Inc.</td> <td style="text-align: right;">883,253</td> </tr> <tr> <td>Goodwill Career, Inc.</td> <td style="text-align: right;"><u>2,387</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">885,640</td> </tr> </table>	Cash and deposits	773,000	Land	91,299	(Company)	(Guarantee balance)		('000 Yen)	COMSN, Inc.	1,000,000	(Company)	(Guarantee balance)		('000 Yen)	COMSN, Inc.	883,253	Goodwill Career, Inc.	<u>2,387</u>	Total	885,640
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(Statement of income)

Fiscal Year ending June 2003 (As of June 30, 2003)	Fiscal Year ending June 2002 (As of June 30, 2002)
<p>1. 1 Transactions with affiliated companies ('000 Yen)</p> <p>Interest income 8,680 Dividend income 62,568</p> <p>2. 2 The breakdown of "loss on disposal of fixed assets" are as follows. ('000 Yen)</p> <p>Buildings 17,120 Cars and transport vehicles 229 Furniture and fixtures 19,004</p>	<p>1. 1 Transactions with affiliated companies ('000 Yen)</p> <p>Interest income 12,689 Dividend income 21,306</p> <p>2. 2 The breakdown of "loss on disposal of fixed assets" are as follows. ('000 Yen)</p> <p>Buildings 8,808 Cars and transport vehicles 432 Furniture and fixtures 596</p> <p>3. 3 The breakdown of "loss on sale of fixed assets" are as follows. ('000 Yen)</p> <p>Cars and transport vehicles 2,129 Furniture and fixtures 296</p>

(Lease transactions)

Fiscal Year ending June 2003 (From July 1, 2002 To June 30, 2003)					Fiscal Year ending June 2002 (From July 1, 2001 To June 30, 2002)				
<Financial lease transactions that do not involve the transfer of ownership of the leased assets to lessee>					<Financial lease transactions that do not involve the transfer of ownership of the leased assets to lessee>				
1. Effective purchase price, accumulated depreciation and net ending balance of the leased assets					1. Effective purchase price, accumulated depreciation and net ending balance of the leased assets				
(000 Yen)					(000 Yen)				
	Furniture and Fixtures	Software	Others	Total		Furniture and Fixtures	Software	Others	Total
Effective purchase price	15,142	-	49,001	64,143	Effective purchase price	155,179	8,901	8,570	172,650
Accumulated depreciation	7,538	-	33,051	40,589	Accumulated depreciation	147,492	8,496	8,008	163,997
Net ending balance	7,603	-	15,950	23,553	Net ending balance	7,686	404	562	8,652
2. Effective ending balance of remaining lease payments					2. Effective ending balance of remaining lease payments				
('000 Yen)					('000 Yen)				
Within one year					Within one year				
11,821					16,550				
<u>Over one year</u>					<u>Over one year</u>				
<u>12,422</u>					<u>520</u>				
Total					Total				
24,244					17,070				
3. Lease expenses payable, depreciation expenses, and					3. Lease expenses payable, depreciation expenses, and				
('000 Yen)					('000 Yen)				
Lease payments					Lease payments				
24,747					38,836				
Depreciation expenses					Depreciation expenses				
21,672					25,822				
Interest payments					Interest payments				
690					2,175				
4. Calculation methods of depreciation expenses and interests					4. Calculation methods of depreciation expenses and interests				
Method of calculating effective depreciation expenses					Method of calculating effective depreciation expenses				
Straight line method in which the lease period is used as useful economic life and the residual value is assumed to be zero.					Same as left.				
Method of calculating interests payable					Method of calculating interests payable				
The difference between the total lease payments and the effective purchase price of the leased assets is considered the effective interest amount. Allocation to individual terms is based on the interest method.					Same as left.				

(Marketable securities)

The Company did not have in possession any subsidiary or affiliated company shares with market value during the 8th year of operation (from July 1, 2001 to June 30, 2002) as well as the 9th year of operation (from July 1, 2002 to June 30, 2003).

(Tax effect accounting)

Fiscal Year ending June 2003 (As of June 30, 2003)	Fiscal Year ending June 2002 (As of June 30, 2002)
<p>1. Breakdown of deferred tax assets/liabilities by principal engendering causes</p> <p>(Deferred tax assets) ('000 Yen)</p> <p>Allowance for doubtful accounts exceeding limit 54,913</p> <p>Losses on software exceeding the deductible limit 144,646</p> <p>Accrued enterprise taxes 159,790</p> <p>Provisions for accrued directors' retirement benefits 9,562</p> <p>Others <u>25,598</u></p> <p>Total deferred tax assets 394,510</p> <p>(Deferred tax liabilities) <u>16,197</u></p> <p>Net deferred tax assets <u>378,313</u></p>	<p>2. Breakdown of deferred tax assets/liabilities by principal engendering causes</p> <p>(Deferred tax assets) ('000 Yen)</p> <p>Allowance for doubtful accounts exceeding limit 47,067</p> <p>Losses on software exceeding the deductible limit 38,953</p> <p>Accrued enterprise taxes 100,920</p> <p>Provisions for accrued directors' retirement benefits 8,865</p> <p>Others <u>36,573</u></p> <p>Total deferred tax assets 232,380</p> <p>(Deferred tax liabilities) <u>544</u></p> <p>Net deferred tax assets <u>231,836</u></p>
<p>2. Breakdown of principal causes of the difference between effective statutory tax rate and the burden rate of income taxes, etc. after tax effect accounting applied.</p> <p>Effective statutory tax rate 42.1%</p> <p>(Adjustment)</p> <p>Permanently non-deductible items such as entertainment expenses 0.5</p> <p>Parity taxation of resident tax 2.6</p> <p>Others <u>0.5</u></p> <p>Burden rate of income taxes, etc. after tax effect accounting applied <u>45.7</u></p>	<p>2. Breakdown of principal causes of the difference between effective statutory tax rate and the burden rate of income taxes, etc. after tax effect accounting applied.</p> <p>Effective statutory tax rate 42.1%</p> <p>(Adjustment)</p> <p>Permanently non-deductible items such as entertainment expenses 0.3</p> <p>Parity taxation of resident tax 4.7</p> <p>Others <u>(1.2)</u></p> <p>Burden rate of income taxes, etc. after tax effect accounting applied <u>45.9</u></p>
<p>3. In accordance with the "Law to Partially Amend the Local Tax Law" (2003 Law No. 9) promulgated on March 31, 2003, the effective statutory tax rate applied in the calculation of deferred tax assets/liabilities for the current fiscal year (only those items that are to be dissolved after July 1, 2004) has been changed from 42.1% to 40.7%. The impact of this change is not material.</p>	

(Per share information)

Fiscal Year ending June 2003 (From July 1, 2002 To June 30, 2003)		Fiscal Year ending June 2002 (From July 1, 2001 To June 30, 2002)	
Net asset per share	¥191,584.93	Net asset per share	¥182,720.89
Earnings per share (EPS)	10,609.41	Earning per share (EPS)	¥7,655.70
(Note) Fully diluted EPS is not indicated as there were no latent shares with dilutive effect during the period.		(Note) While a subscription rights-method Stock Option Program was already in place during the term, the fully diluted EPS is not indicated as premiums associated with subject rights did not emerge.	

(Note) The basis for the calculation of EPS is as follows.

	Fiscal Year ending June 2003 (From July 1, 2002 To June 30, 2003)	Fiscal Year ending June 2002 (From July 1, 2001 To June 30, 2002)
Net income ('000 Yen)	2,020,206	-
Income that does not belong to common shareholders ('000 Yen)	60,000	-
Net income pertaining to common shares ('000 Yen)	1,960,206	-
Average number of shares outstanding for the period	184,761	-
Summary of latent shares not included in the calculation of fully-diluted EPS due to their lack of dilutive effect	Subscription warrants as prescribed in the former Commercial Code Article 280.19. (No. of shares generated as a result of the execution of rights: 3,560 shares)	-

The Company issued new shares in conjunction with the share exchange conducted during the previous fiscal year (exchange date: September 1, 2001; increase by 8,500 shares). EPS for the previous fiscal year was calculated based on the weighed average number of shares during the previous term.