

February 12, 2003

**Interim Financial Report (Consolidated)
for the First Half of 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

Contact person: Akira Kanazaki Managing Director, General Manager of Administration (03-3405-9228)

Name of parent company: --- (Ticker No.: ---) Parent's interest: --- %

Date of board of directors meeting on interim financial results: February 12, 2003

Application of US GAAP: None

1. Consolidated Interim Financial Results for the Half Year ending Dec. 2002 (July 1 ~ Dec. 31, 2002)

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

	Revenues		Operating Income		Ordinary Income	
	MM Yen	%	MM Yen	%	MM Yen	%
HY ending Dec. 2002	29,002	(24.2)	2,491	(57.1)	2,458	(59.5)
HY ending Dec. 2001	23,337	(-7.6)	1,585	(-)	1,536	(-)
FY ending June 2002	47,295		3,756		3,657	

	Interim Net Income		Interim EPS	Fully Diluted EPS for the Interim Fiscal Period
	MM Yen	%	Yen	Yen
HY ending Dec. 2002	1,283	(52.2)	6,945.52	-
HY ending Dec. 2001	842	(-)	4,631.57	-
FY ending June 2002	2,401		13,100.01	-

(Note) *Investment gains (losses) accounted for by the equity method.*
HY ending 12/2002: None HY ending 12/2001: None FY ending 06/2002: None
Average number of shares during the term (consolidated)
HY ending 12/2002 184,763 shares
HY ending 12/2001 181,903 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) Consolidated Financial Overview

	Total Assets	Shareholders' Equity	Equity Ratio	Shareholders' Equity per Share
	MM Yen	MM Yen	%	Yen
HY ending Dec. 2002	34,542	16,425	47.5	88,899.85
HY ending Dec. 2001	27,477	13,824	50.3	75,986.02
FY ending June 2002	28,314	15,309	54.1	82,860.82

(Note) *Number of shares outstanding at end of the term (consolidated)*
HY ending 12/2002 184,761 shares
HY ending 12/2001 184,767 shares
FY ending 06/2002 184,766 shares

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents ending balance
	MM Yen	MM Yen	MM Yen	MM Yen
HY ending Dec. 2002	955	(1,406)	3,358	9,940
HY ending Dec. 2001	(1,152)	(5,272)	(478)	5,867
FY ending June 2002	821	(5,222)	(1,337)	7,033

(4) Items pertaining to the scope of consolidation and the application of equity method

Number of consolidated subsidiaries: 3

Non-consolidated subsidiaries accounted for by the equity method: 0

Affiliated companies accounted for by the equity method: 0

(5) Changes in the scope of consolidation and the application of equity method

Consolidation (New): - (Exclusion): -

**2. Forecast on Consolidated Financial Results for the Full Year ended June 2003
(July 1, 2002 ~ June 30, 2003)**

	Revenues	Ordinary Income	Net Income
	MM Yen	MM Yen	MM Yen
Full year	55,000	4,500	2,500

(Reference) Forecasted EPS (Full year) 13,530.88 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. Overview of the Company Group

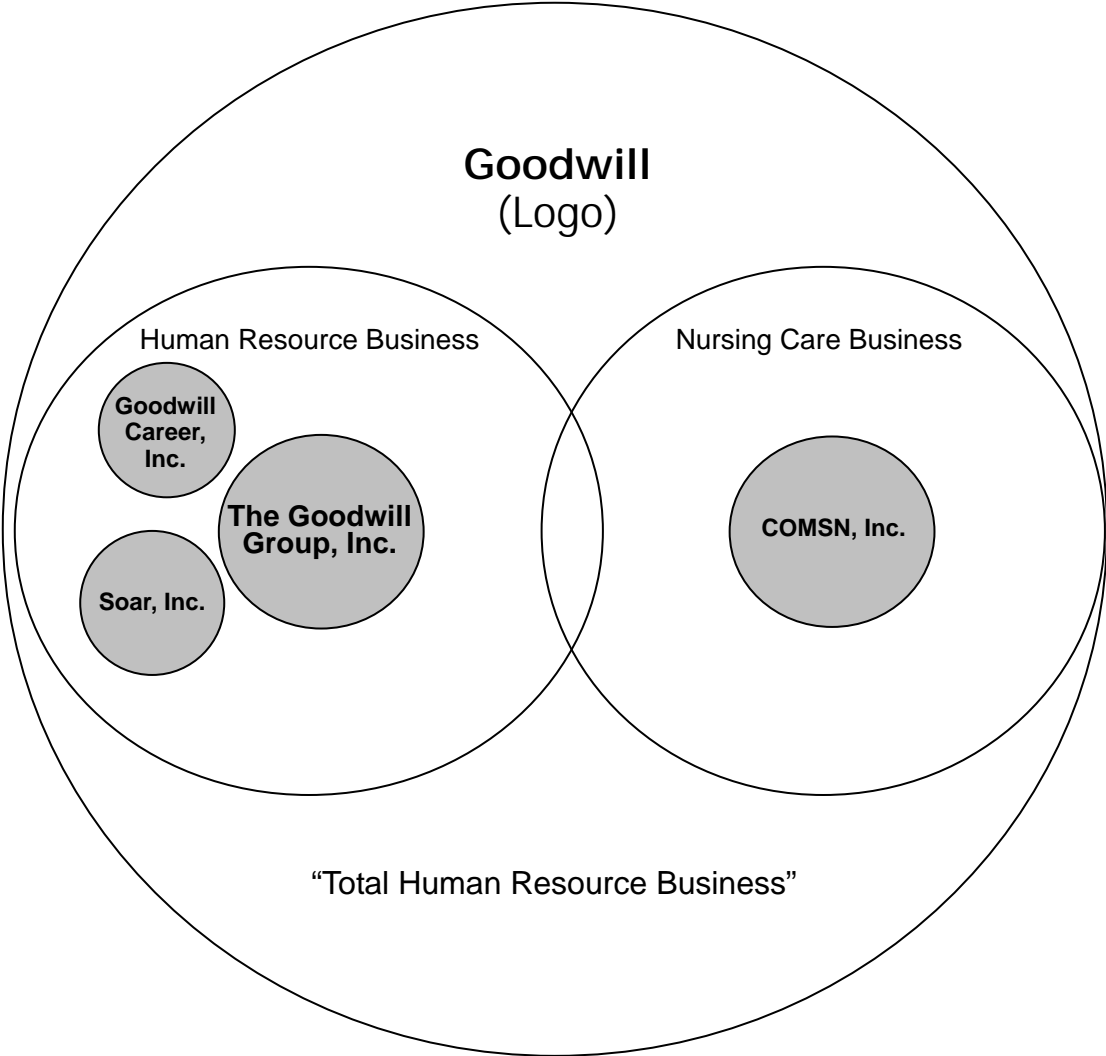
Goodwill's company group comprises of The Goodwill Group, Inc. (The Company) and its three subsidiaries. The Group offers "Total Human Resources Services" to accommodate various human resource related needs; its primary operations including subcontracting business which focuses on light labor, human resource related business centering on the Employee Counseling Program (EAP), and nursing care/medical support business with a focus on home nursing care service. The business descriptions, positioning of affiliated companies in relation to the subject businesses and the business segments are shown herebelow.

(As of December 31, 2002)

Business Segments	Name	Address	Paid-in Capital ('000 Yen)	Major Businesses	Voting Rights Ownership (%)	Affiliation Details	Remarks
Sub-contracting	The Goodwill Group, Inc. (The Company)	Minato-ku, Tokyo	13,632,160	Light labor subcontracting	---	---	
	Soar, Inc.	Minato-ku, Tokyo	100,000	Light labor subcontracting Driver dispatch business	100	Subcontracting operations in part/Outsourcing operations in part. No. of officers serving concurrently: 4	(2)
Human Resource Related	Goodwill Career, Inc.	Shinjuku-ku, Tokyo	422,000	Employee counseling program (EAP) business, recruiting support business	90.0	Receiving resourcing support/Placing advertisement orders. No. of officers serving concurrently: 2	
Nursing Care/ Medical Support	COMSN, Inc.	Minato-ku, Tokyo	14,097,350	Home nursing care service	78.6	No. of officers serving concurrently: 2	(1)

- 1 The segment formerly referred to as "medical/nursing care business" until the term ending June 2002 has been renamed "nursing care/medical support business" as of the current interim period in light of the actual state of affairs.
- 2 The driver dispatch business of the Company's subsidiary, Goodwill Career, Inc., was transferred to another subsidiary, Soar, Inc., on July 7, 2002. As such, while Soar, Inc. was classified as subcontracting business until the previous consolidated fiscal period, the entity now falls under both the subcontracting and the human resources related business segments as of the current interim period.

The business organization chart of the company group is as follows.



2. Business Policies

1. Business Policy of the Company

The Group consistently upholds as its corporate principles the notions of “unyielding startup spirit”, “expansion and development”, “social contribution” and “self realization”. In today’s society which constantly undergoes rapid and dramatic changes, the Group understands that change itself is what generates opportunities and is well aware that the continuous challenge for something new, the persistent pursuit for knowledge and technology, and their swift application are the keys to the development of the overall Goodwill Group. Furthermore, the Group thoroughly recognizes its role as a member of the society and believes that its mission is to contribute to society to the best of its ability particularly through providing job opportunities, as the public expects companies of the human resources industry, such as the Goodwill Group, to function as a receptacle for the workforces, especially today when the general employment environment is deteriorating. The Group also firmly believes that, in addition to “expansion and development” as well as “social contribution” at the corporate level, having the employees realize that they are individually supporting the Group’s expansion, development and social contribution efforts, and providing them with a place to seriously contemplate their futures and pursue self realization toward individual ends will in turn lead to the growth of the overall Goodwill Group and ultimately to the development of the society as a whole.

2. Basic Policy pertaining to Retained Earnings Appropriation

The Company and its group companies position the return of profits to the shareholders as one of its most important business missions, and will aim to realize stable dividend payment matching the profit levels while also securing sufficient reserve for the establishment of a stable business platform. Specifically, during the previous fiscal year, the Group realized interim dividend payment of 250 yen per share, and an additional 750 yen at yearend, thereby accomplishing a combined dividend payment of 1,000 yen per share for the full year. In the current full year period, the Group plans to pay a total of 2,000 yen in dividends per share with 1,000 yen paid as interim dividend, and an additional 1,000 yen as yearend dividend.

3. Target Business Indices

From the perspective of maximizing corporate value, the Group is particularly conscious of the improvements in assets and capital efficiency; that is to say, improvements in ROE and ROA. Furthermore, for the Group which offers total human resources services, human resources are the most important assets. The Group believes that treasuring these assets that can not be quantified while lessening those assets that can be quantified – in other words, not holding surplus or low capacity assets – is vital to the improvement in assets and capital efficiency. The Group pursues a business structure whereby individual resources exert their best performances to achieve high profitability with the use of minimum assets.

4. Mid- to Long-term Business Strategies and Missions

From the perspective of business management, the Group places particular importance in the maximization of corporate value; that is to say the maximization of market capitalization. The Group believes that firmly establishing itself in the “human resources”, “outsourcing” and “nursing care/medical support” markets which present endless potentials and expanding its profits through stable growth that is worthy of a “leading company in total human resources services” are the components leading to the enhancement of investors’ asset values.

The Group will aim to achieve maximization of corporate value which is a mission for all corporations. It is thoroughly aware of the fact that the shareholders’ expected rate of return is the “cost of capital” and understands that the realization of a return on equity significantly surpassing such expectations can lead to the maximization of shareholder value and in turn the maximization of corporate value. Meanwhile, just blindly pursuing high growth through high leverage will adversely affect the stability of corporate value and even damage the corporate value against the Group’s intentions.

The Group will make every effort to enhance the growth cycles while constantly pursuing the best possible capital structure, and as a mid-term goal, aspire to realize improvement relative to various financial indices. Furthermore, the Group will reinforce its overall growth strategy through the ideal distribution of its internal business resources. Specifically, with regard to the principal businesses, the Group shall aim to promote a sense of financial independence through conducting spin-offs into independent business entities, thereby realizing profit maximization at an early stage, while in cases where the concentration of business resources become imperative due to changes in business environment or for the pursuit of the economies of scale, the Group will implement selection and concentration so as to consistently seek the means for ideal distribution of business resources.

5. Basic Approach toward Corporate Governance and Implementation Status of Pertinent Measures

With regard to corporate governance, the Company has implemented an operating officer system as of August 2000 in an effort to separate decision-making from the actual operation. Additionally, it increased one outside auditor upon resolution at the general shareholders meeting of September 2001, bringing the

total to four, so as to reinforce the audit structure for monitoring proper execution of duties by the directors. In addition, the Company is fully aware of the responsibility as a public company to fulfill accountability through active information disclosure, and is also exerting efforts in the area of IR (corporate communication for investors) activities. While the Company established an IR Office in February 2001 as a department dedicated to IR, in an attempt to strengthen overall corporate communication activities including those targeting investors, the Corporate Communications Department and the IR Office were integrated into the newly established Corporate Communications and IR Department. Going forward, the Company will attempt to continuously realize maximum corporate value from stage to stage by reinforcing IR, and by eliminating unnecessary credit risks on lack of information through making the Group's state of business affairs transparent to the investors.

The Company has also positioned maximization of "CS" (customer satisfaction) as an increasingly significant corporate mission, and accordingly newly established an Education and Training Department as of January 1, 2003 with the intent to offer employees quality environment for education and training, and to thereby create an infrastructure which allows the Company to foster employees who can meet diverse customer needs with flexibility.

6. Missions to be Pursues

In the midst of uncertainties concerning the global economic outlook, overall domestic economy is showing signs of difficulty as consumer spendings weaken and capital investments fall while exports which served as the driving force behind economic recovery remains flat.

Under these circumstances, in the area of light labor subcontracting business, the Line-Up, Inc. was merged into the Company in the previous fiscal term to achieve cost reduction from slimming down the administrative division while pursuing added synergy effects in the operational front, and with the objective to ultimately expand and develop into the absolute number one company in the market. When considering the social conditions, needs for outsourcing including needs for light labor are projected to multiply going forward. The Company is aware and mindful of the great expectations of the public toward the subject business as well as the heightening social responsibility it bears.

In the area of nursing care services, the reevaluation of nursing care compensations is due to take place in April 2003. The measure which would raise home nursing care compensation by 0.1% on the average while cutting back institutional nursing care compensation by 4.0% on the average is a clear reflection of the government's focus on home nursing care. In particular, the compensation for home-call nursing care will be increased by 2.3% on the average, serving as a tail wind for the Group which positions home-call nursing care service as one of its primary services. At the same time, the social significance of private nursing care operators such as the Goodwill Group is perceived to grow at an accelerated pace in consideration of the arrival of an aged society.

In terms of the employee counseling program (EAP) business designed to enhance employee productivity, while its recognition among the public still remains low, larger corporations are gradually becoming aware of its importance, and needs for such programs are expected to increase hereafter.

The Group's three pillar businesses of light labor subcontracting, nursing care, and employee counseling program (EAP) are all projecting future growth and are businesses capable of making social contributions. As such, the mission for the Group is to continue to uphold its corporate principles of "expansion and development", "social contribution" and "self realization", and to make full-hearted efforts to grow in the existing business areas. The Group intends to push forward its operations to such ends.

3. Business Results

(1) Overview for the Half Year in Review

In terms of the condition of the Japanese economy during the Company's consolidated interim fiscal year, while mild recovery was seen in the beginning driven by a favorable turn in the export environment, given the gradual build-up of uncertainties concerning global economy, exports stayed flat toward the term's end. Additionally, capital investments, although showing signs of having bottomed out, have yet to present clear recovery, and coupled by the fall in public and consumer spendings, the overall economy remained sluggish.

Within such an environment, the subcontracting market in general presented steady growth as the needs on the part of client companies that continue to cut labor costs multiplied and the public increasingly acknowledged the outsourcing business. In terms of the nursing care/medical support business, with the nursing care insurance program in place for over two and a half years since its inauguration, and given the heated discussions concerning the reevaluation of nursing care compensation due in April 2003, the subject insurance program has gained significant public recognition. Owing to such developments, and as a result of aggressive service location launches and marketing activities on the part of the Group, the number of customers increased favorably, and the overall industry showed steady growth in contrast to the general economic trends.

Within such economic conditions, for the half year in review, the consolidated interim revenues of the Group increased by 5,664 million yen on a year on year basis to 29,002 million yen. The significant increase is attributable to the fact that the selection and concentration processes of the Group businesses completed their full cycles and that the primary operations of light labor subcontracting along with the nursing care/medical support business showed strong growth. In terms of incomes, as a result of the Group's continued efforts to enhance business efficiency by means of continuously promoting cost awareness, the Group recorded 2,458 million yen in ordinary income and 1,283 million yen in net income for the current consolidated interim period.

Subcontracting Business

In spite of the difficult economic conditions, the eagerness on the part of companies to reduce labor related costs remained strong and served as a tail wind for the general outsourcing industry. Under such conditions, the Company merited on a firm-wide level from the positive effects of its merger with Line-Up, Inc. conducted in the previous fiscal year in terms of reducing administrative costs and enhancing business efficiency. In addition, as a result of the business reinforcement measures such as the aggressive launch of new branches and the introduction of satellite-method branch management taken in the current interim consolidated period, the Company posted revenues of 17,804 million yen and operating income of 1,962 million yen.

Human Resources Related Business

With regard to the human resource related business for the consolidated interim period in review, the human resource dispatch business which suffered sagging profits on heightened competition was significantly down-scaled, and the business segment was restructured to focus on the high margin employee counseling program (EAP) that is by nature relatively unaffected by economic conditions. Revenues dropped significantly due to the sharp downturn in the employment market particularly for dispatched employees with companies showing little enthusiasm to hire. Revenues also fell as a result of the business restructuring measures taken by the Group. Meanwhile, given the eagerness on the part of companies to implement further restructuring measures, the Group showed strong performances in the areas of employee counseling program (EAP) to treat stress and enhance productivity of employees staying with restructured companies as well as the psychological assessment programs, also helped by the rising public awareness of such programs. As a result, the Group posted 905 million yen in revenues, and 87 million yen in operating income for the consolidated interim period in review.

Nursing Care/Medical Support Business

With regard to the overview of nursing care and medical support business for the consolidated interim period in review, the Group focused on the expansion of business locations and active recruitment and training of care managers and home helpers in response to the rapidly expanding demand for home-call nursing care. By securing employees with servicing capabilities and improving/maintaining service quality, the Group was able to increase the number of customers from 21,015 at the beginning of the period to 27,537 by the end of the current interim term, and posted revenues amounting to 10,291 million yen and operating income of 439 million yen.

4. Financial Standings

(1) Overview

As of the end of the consolidated interim period, cash and cash equivalents (together referred to as "cash" hereinafter) stood at 9,904 million yen, 4,072 million yen higher on a year on year basis. The overview of individual cash flows and corresponding reasons are as follows.

(Cash flow from operating activities)

Cash provided by operating activities came to 955 million yen (the same term of the previous fiscal year marked a cash outflow of 1,152 million yen). This was due primarily to the posting of 2,435 million yen in pre-tax net income from strong performance in the subcontracting and nursing care/medical support businesses.

(Cash flow from investing activities)

Cash used in investing activities came to 1,406 million yen (the same term of the previous fiscal year marked a cash outflow of 5,272 million yen). This was due primarily to the acquisition of investment securities and subsidiary company shares.

(Cash flow from financing activities)

Cash provided by financing activities came to 3,358 million yen (the same term of the previous fiscal year marked a cash outflow of 478 million yen). This was due primarily to the increase in short-term borrowings resulting from increase in financings provided directly by banks.

(2) Full year outlook

The Japanese economy is heavily overcast with uncertainties and future prospects are thought to remain grim. However, the subcontracting and nursing care industries which the Group belongs to are expected to show relatively strong growth backed by heightening customer needs. Of the human resource related business, while the resource dispatch and introduction operations continue to suffer downturns, the Employee Counseling Program (EAP) business is perceived to show strong growth, irrespective of the economic trends, supported by the rising public awareness of such program. Within such an environment, for the latter half of the fiscal year, the Group intends to nurture new businesses eyeing its long-term expansion and development, while also making investments to realize aggressive launches of new service locations.

For the full fiscal year, the Group forecasts consolidated revenues of 55 billion yen, ordinary income of 4.5 billion yen, and net income of 2.5 billion yen.

4. Consolidated Interim Financial Statements

(1) Consolidated Interim Balance Sheet

Items	Previous Half Year (As of December 31, 2001)		Current Half Year (As of December 31, 2002)		Previous Fiscal Year (As of June 30, 2002)		
	Amount ('000 Yen)	% Total	Amount ('000 Yen)	% Total	Amount ('000 Yen)	% Total	
(Assets)							
I. Current Assets							
1. Cash and deposits	1	5,877,074		11,042,362		7,071,706	
2. Trade notes and accounts receivable	3	4,946,092		5,750,356		4,151,351	
3. Accrued revenues		3,144,144		4,418,700		3,666,614	
4. Loan receivable		3,101,975		-		-	
5. Investment securities		665,727		-		-	
6. Deferred tax assets		152,631		173,049		196,541	
7. Prepaid expenses		359,480		492,926		254,564	
8. Others		2,451,793		246,303		1,389,350	
9. Allowance for doubtful accounts		(76,180)		(51,543)		(47,251)	
Total current assets		20,622,741	75.1	22,072,156	63.8	16,682,877	58.9
II. Fixed Assets							
1. Tangible assets							
(1) Buildings and structures		578,301		608,606		594,027	
Accumulated depreciation		143,981	434,320	199,498	409,108	170,828	423,199
(2) Furniture and fixtures		1,747,778		1,833,291		1,736,724	
Accumulated depreciation		664,704	1,083,074	943,370	889,920	879,953	856,770
(3) Land			331,200		331,200		331,200
(4) Others		134,916		137,492		119,737	
Accumulated depreciation		88,588	46,327	97,323	40,168	90,274	29,462
Total tangible assets		1,894,923	6.9	1,670,398	4.8	1,640,633	5.8
2. Intangible assets							
(1) Consolidation adjustment account		1,426,505		7,554,609		5,957,071	
(2) Software		420,970		332,341		379,706	
(3) Others		209,709		209,669		208,199	
Total intangible assets		2,057,185	7.4	8,096,621	23.4	6,544,977	23.1
3. Investments and other assets							
(1) Investment securities	2	1,352,227		1,044,639		1,569,001	
(2) Long-term loans		188,558		416,520		778,590	
(3) Deferred tax assets		70,786		152,464		75,653	
(4) Bankruptcy claims		268,966		190,079		183,771	
(5) Rent deposit		652,994		697,288		613,733	
(6) Long-term prepaid expenses		337,283		200,696		185,937	
(7) Others		229,754		154,406		175,624	
(8) Allowance for doubtful accounts		(198,467)		(152,865)		(136,603)	
Total investments and other assets		2,902,103	10.5	2,703,230	7.8	3,445,708	12.2
Total fixed assets		6,854,212	24.9	12,470,249	36.1	11,631,319	41.1
III. Deferred Assets		112	0.0	41	0.0	81	0.0
Total assets		27,477,065	100.0	34,542,447	100.0	28,314,278	100.0

Items	Previous Half Year (As of December 31, 2001)		Current Half Year (As of December 31, 2002)		Previous Fiscal Year (As of June 30, 2002)	
	Amount ('000 Yen)	% Total	Amount ('000 Yen)	% Total	Amount ('000 Yen)	% Total
(Liabilities)						
I. Current Liabilities						
1. Short-term borrowings	8,563,698		11,400,374		7,816,715	
2. Current portion of bonds	10,000		51,000		10,000	
3. Accrued expenses	2,527,930		3,505,548		2,441,625	
4. Accrued income taxes	731,470		1,171,540		826,561	
5. Accrued consumption taxes	337,765		428,876		395,986	
6. Others	594,364		606,812		727,806	
Total current liabilities	12,765,230	46.4	17,164,151	49.6	12,218,695	43.2
II. Fixed Liabilities						
1. Corporate bonds	51,000		-		51,000	
2. Long-term borrowings	281,358		143,020		217,192	
3. Employees retirement benefits	26,235		26,429		27,017	
4. Directors' retirement benefits	18,083		20,499		21,083	
5. Others	441,213		435,609		262,424	
Total fixed liabilities	817,889	3.0	625,558	1.8	578,717	2.0
Total liabilities	13,583,120	49.4	17,789,709	51.5	12,797,412	45.2
(Minority Interests)						
Minority Interests	69,486	0.3	327,476	0.9	206,966	0.7
(Shareholders' Equity)						
I. Paid-in capital	13,674,660		-		13,674,660	
II. Capital reserve	16,328,119		-		16,345,269	
III. Deficits	16,187,899	(58.9)	-		14,692,647	(51.9)
IV. Net unrealized holding gain (loss) on securities	9,718	0.0	-		(16,853)	0.0
V. Treasury stock	(138)	0.0	-		(529)	0.0
Total shareholders' equity	13,824,459	50.3	-		15,309,899	54.1
Total liabilities, minority interests, and shareholders' equity	27,477,065	100.0	-		28,314,278	100.0
I. Paid-in capital			13,674,660	39.5		
II. Capital reserve			16,345,269	47.3		
III. Retained earnings			(13,577,939)	(39.3)		
IV. Net unrealized holding loss on securities			(14,133)	(0.0)		
V. Treasury stock			(2,594)	(0.0)		
Total shareholders' equity			16,425,261	47.5		
Total liabilities, minority interests, and shareholders' equity			34,542,447	100.0		

(2) Consolidated Interim Statement of Income

Items	Note	Previous Half Year (From July 1, 2001 To December 31, 2001)		Current Half Year (From July 1, 2002 To December 31, 2002)		Previous Fiscal Year (From July 1, 2001 To June 30, 2002)		
		Amount ('000 Yen)	% Total	Amount ('000 Yen)	% Total	Amount ('000 Yen)	% Total	
I. Revenues		23,337,960	100.0	29,002,333	100.0	47,295,638	100.0	
II. Cost of goods sold		15,425,029	66.1	19,497,091	67.2	31,306,034	66.2	
Gross profit		7,912,930	33.9	9,505,241	32.7	15,989,603	33.8	
III. Selling, general and administrative expenses								
1. Salary and other allowances		2,851,218		3,156,085		5,702,387		
2. Provision for accrued employee retirement benefits		8,253		1,413		10,230		
3. Provision for accrued directors' retirement benefits		3,083		3,166		6,083		
4. Rent		634,288		612,444		1,184,460		
5. Communication expenses		431,311		376,266		844,105		
6. Amortization of consolidated adjustment account		40,920		188,793		139,362		
7. Depreciation		236,939		193,113		477,769		
8. Provision for allowance for doubtful accounts		58,375		20,707		65,464		
9. Advertising expenses		207,766		625,050		465,889		
10. Others		1,854,918		1,836,298		3,337,506		
Operating Income		6,327,074	27.2	7,013,340	24.1	12,233,259	25.9	
IV. Non-operating income		1,585,855	6.7	2,491,900	8.5	3,756,344	7.9	
1. Interest income		6,274		24,274		10,732		
2. Dividend income		47,432		599		47,432		
3. Others		23,119	0.3	45,724	0.2	62,864	0.2	
V. Non-operating expenses								
1. Interest expenses		68,050		83,034		140,400		
2. Losses on capital investment		37,332		7,956		49,056		
3. Others		20,789	0.5	13,289	0.3	29,991	0.4	
Ordinary income		1,536,510	6.5	2,458,219	8.4	3,657,925	7.7	
VI. Special income								
1. Gains from the sale of fixed assets	1	177		-		614		
2. Gains from the sale of consolidated subsidiary shares		121,723		-		202,332		
3. Gains from the sale of affiliated company shares		12		-		12		
4. Gains on prior year adjustments		29,165		-		29,495		
5. Gains on contributions		-	0.6	1,175,000	4.0	446,876	1.4	
VII. Special losses								
1. Loss on disposal of fixed assets	2	59,104		16,544		219,212		
2. Loss on sale of fixed assets	3	2,814		-		6,742		
3. Losses on sale of consolidated subsidiary shares		138,411		-		138,411		
4. Loss on cancellation of lease agreements		27,107		-		27,107		
5. Loss on valuation of investment securities		-		8,200		89,800		
6. Loss on elimination of affiliated companies		1,035		-		1,035		
7. Loss on sale of investment securities		-	0.9	1,174,840	4.1	-	482,308	1.0
Income before income taxes		1,459,116	6.2	2,435,775	8.3	3,854,948	8.1	
Income, residence and enterprise taxes		625,000		1,100,000		1,393,000		
Adjustments on income taxes		(14,442)	2.6	(51,736)	3.6	(95,889)	2.8	
Minority interests		5,916	0.0	104,230	0.3	156,600	0.3	
Net income		842,642	3.6	1,283,282	4.4	2,401,236	5.0	

(3) Consolidated Interim Statement of Retained Earnings

Items	Previous Half Year (From July 1, 2001 To December 31, 2001)		Current Half Year (From July 1, 2002 To December 31, 2002)		Previous Fiscal Year (From July 1, 2001 To June 30, 2002)	
	Amount ('000 Yen)		Amount ('000 Yen)		Amount ('000 Yen)	
I. Loss beginning balance		16,980,318		-		16,980,318
II. Increase in losses						
Dividends	132,201		-		178,392	
Directors' and auditors' bonuses	33,700		-		33,700	
Loss increase from merger	973	166,874	-	-	18,123	230,216
III. Decrease in losses						
Loss decrease from reduction of consolidated subsidiaries	116,651	116,651	-		116,651	116,651
IV. Net interim losses		842,642		-		2,401,236
V. Loss ending balance		16,187,899		-		14,692,647
(Capital Surplus)						
I. Capital surplus beginning balance				16,345,269		
1. Capital reserve beginning balance				16,345,269		
II. Increase in capital surplus				-		
III. Decrease in capital surplus				-		
IV. Capital surplus ending balance				16,345,269		
(Retained Earnings)						
I. Retained earnings beginning balance				(14,692,647)		
1. Loss beginning balance				(14,692,647)		
II. Increase in retained earnings						
1. Interim net income				1,283,813		
III. Decrease in retained earnings						
1. Dividend			138,574			
2. Bonuses for directors and auditors			30,000	168,574		
IV. Retained earnings ending balance				(13,577,939)		

(4) Consolidated Interim Statement of Cash Flows

Items	Previous Half Year (From July 1, 2001 To December 31, 2001)	Current Half Year (From July 1, 2002 To December 31, 2002)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)
	Amount ('000 Yen)	Amount ('000 Yen)	Amount ('000 Yen)
I. Cash flows from operating activities			
Income before income taxes	1,459,116	2,435,775	3,854,948
Depreciation and amortization expenses	318,983	280,836	649,559
Gains from sale of fixed assets	(177)	-	(614)
Losses from disposal/sale of fixed assets	61,918	16,544	225,954
Amortization of consolidation adjustment accounts	40,920	188,793	139,362
Amortization of long-term prepaid expenses	59,002	20,247	57,050
Increase in allowance for doubtful accounts	10,509	20,554	46,634
Increase/(decrease) in reserve for retirement benefits	8,003	(588)	8,785
Increase/(decrease) in reserve for retirement benefits for directors and auditors	(1,583)	(583)	1,416
Interest and dividend income	(53,707)	(24,874)	(58,165)
Interest expenses	68,050	83,034	140,400
Losses from capital investment	-	7,956	49,056
Gains from sale of affiliate company shares	(117,763)	-	(202,344)
Losses from sale of affiliate company shares	139,446	-	138,411
Gains from contributions	-	(1,175,000)	-
Losses from sale of investment securities	-	1,174,840	-
Valuation losses on investment securities	37,332	8,200	89,800
Increase/(decrease) in trade notes and accounts receivable	(558,564)	(1,599,005)	236,176
Increase in accrued revenues	(411,496)	(752,086)	(933,965)
Increase/(decrease) in loans receivable	(457,995)	-	367,700
Increase in investment securities	(319,200)	-	(1,235,559)
Increase/(decrease) in inventory	-	-	1,171
Increase/(decrease) in rent deposit	85,591	(83,555)	124,713
Increase in accrued expenses	700,307	1,064,051	618,643
Directors and auditors' bonus payment	(33,700)	(30,000)	-
Others	(722,679)	138,279	(1,359,570)
Subtotal	312,312	1,773,421	2,959,569
Receipt of interest and dividend	54,950	20,024	58,165
Interest payments	(63,935)	(83,163)	(141,013)
Income tax payments	(1,455,838)	(755,021)	(2,055,628)
Net cash provided by operating activities	(1,152,510)	955,260	821,092
II. Cash flows from investing activities			
Expenditure on remittance to time deposits	(1,500)	(1,063,500)	(31,203)
Proceeds from sale of investment securities	12,964	683,718	12,964
Expenditure on acquisition of investment securities	(29,951)	(655,480)	(35,884)
Expenditure on acquisition of subsidiary shares due to changes in scope of consolidation	1,619,484	-	1,619,484
Proceeds from sale of subsidiary shares due to changes in scope of consolidation	(6,569,616)	-	(6,627,354)
Expenditure on additional acquisition of consolidated subsidiary shares	-	(456,084)	-
Expenditure on acquisition of tangible fixed assets	(238,793)	(273,847)	(450,768)
Proceeds from sale of tangible fixed assets	1,290	7,683	5,643
Expenditure on acquisition of intangible fixed assets	(107,540)	(10,672)	(153,003)
Expenditure due to lending	(101,262)	(545,072)	(160,262)
Proceeds from recovery of loans	110,596	906,305	634,536
Others	32,113	-	(36,308)
Net cash used in investment activities	(5,272,213)	(1,406,951)	(5,222,157)

Items	Previous Half Year (From July 1, 2001 To December 31, 2001)	Current Half Year (From July 1, 2002 To December 31, 2002)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)
	Amount ('000 Yen)	Amount ('000 Yen)	Amount ('000 Yen)
III. Cash flows from financing activities			
Net increase in short-term borrowings	(350,565)	3,695,800	(1,059,437)
Proceeds from receiving long-term borrowings	(405,997)	(241,913)	(620,995)
Expenditure on repayment of long-term borrowings	420,000	55,600	532,720
Expenditure on redemption of bonds	(10,000)	(10,000)	(10,000)
Others	(132,339)	(140,640)	(179,622)
Net cash provided by financing activities	(478,903)	3,358,846	(1,337,335)
IV. Increase in cash and cash equivalents	-	2,907,155	(5,738,399)
V. Cash and cash equivalents beginning balance	12,771,552	7,033,152	12,771,552
VI. Cash and cash equivalents ending balance	5,867,924	9,940,308	7,033,152

(5) Important basis of presenting consolidated financial statements

Items	Previous Half Year (From July 1, 2001 To December 31, 2001)	Current Half Year (From July 1, 2002 To December 31, 2002)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)
1. Scope of consolidation	<p>Number of consolidated subsidiaries: 11 (Consolidated subsidiaries)</p> <p>Goodwill Career, Inc. (Note) GW Capital, Inc. Goodwill Express, Inc. GW Credit, Inc. COMSN, Inc. COMSN Press, Inc. Medica, Inc. Dental COMSN, Inc. Sidework, Inc. Line-Up, Inc. Soar Promotion, Inc.</p> <p>(Note) Goodwill Career, Inc. and Goodwill Foresight, Inc. merged effective July 1, 2001 (Goodwill Career being the surviving company).</p> <p>Line-Up, Inc. became a wholly-owned subsidiary of the Company through share exchange effective September 1, 2003, and has been included in the scope of consolidation as of the current interim period. Additionally, its subsidiary, Soar Promotion, Inc., has also been included in the scope of consolidation from the current interim period.</p> <p>The Company sold all shares of former subsidiary, Goodwill Communications, Inc., on July 2, 2001. As such, Goodwill Communications, Inc., and its subsidiaries of GCM International Ltd., Web-Logistic.com Korea Inc., Web-Logistic.com (Asia Pacific) Ltd., Global Net Relations Pte. Ltd., Web-Fulfilmentcenter (Singapore) Pte. Ltd., and Multi-technology, Inc. have been eliminated from consolidation.</p> <p>On July 2, 2001, the Company sold a part of the Clique, Inc. shares it held. As such, Clique, Inc. and its subsidiaries of Apollo International, Inc., Clique International Ltd., Clique Beauty Training Center, and Platinum Santa, Inc. were eliminated from consolidation.</p>	<p>Number of consolidated subsidiaries: 3 (Consolidated subsidiaries)</p> <p>Goodwill Career, Inc. COMSN, Inc. Soar, Inc.</p> <p>With regard to Ru yu bang ren li gufen Co., Ltd., the Company's overseas subsidiary, as its total assets, revenues, net interim income, and retained earnings do not have material impact on the Group's consolidated financial statements, the subject entity is excluded from the scope of consolidation.</p>	<p>Number of consolidated subsidiaries: 11 (Consolidated subsidiaries)</p> <p>Goodwill Career, Inc. GW Capital, Inc. Goodwill Express, Inc. GW Credit, Inc. COMSN, Inc. COMSN Press, Inc. Medica, Inc. Dental COMSN, Inc. Soar, Inc. Line-Up, Inc. Sidework, Inc.</p> <p>Goodwill Career, Inc. merged with Goodwill Foresight, Inc. on July 1, 2003, and with Goodwill Express, Inc. on January 1, 2002.</p> <p>COMSN, Inc. merged with Dental COMSN, Inc. on January 1, 2002.</p> <p>Line-Up, Inc. became a wholly-owned subsidiary of the Company through share exchange effective September 1, 2003, and has been included in the scope of consolidation as of the current fiscal period. Additionally, its subsidiary, Soar Promotion, Inc., has also been included in the scope of consolidation from the current fiscal period. On January 1, 2002, Line-Up, Inc. was merged with the Company (the Company being the surviving entity) and Soar Promotion, Inc. was renamed Soar, Inc.</p> <p>The Company sold all shares of former subsidiary, Goodwill Communications, Inc., on July 2, 2001. As such, Goodwill Communications, Inc., and its subsidiaries of GCM International Ltd., Web-Logistic.com Korea Inc., Web-Logistic.com (Asia Pacific) Ltd., Global Net Relations Pte. Ltd., Web-Fulfilmentcenter (Singapore) Pte. Ltd., and Multi-technology, Inc. have been eliminated from consolidation.</p>

Items	Previous Half Year (From July 1, 2001 To December 31, 2001)	Current Half Year (From July 1, 2002 To December 31, 2002)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)
<p>2. Scope of Application of Equity Method</p>	<p>With regard to Ru yu bang ren li gufen Co., Ltd., the Company's overseas subsidiary, as it has only been recently established and its total assets, revenues, net interim income, and retained earnings do not have material impact on the Group's consolidated financial statements, the subject entity is excluded from the scope of consolidation.</p> <p>Big West, Inc., a subsidiary of Line-Up Inc., has been eliminated from the scope of consolidation as the entity was dissolved as of December 28, 2001.</p> <p>Non-consolidated subsidiaries not accounted for by the equity method: 1 Ru yi bang ren li gufen Co., Ltd.</p> <p>(Basis for not applying the equity method) The equity method is not applied as the subject entity has only been recently established and has no material impact on consolidated interim net income or retained earnings.</p> <p>Data Communications, Inc. accounted for by the equity method at previous consolidated fiscal yearend is no longer accounted for as the Company sold all interests in the entity.</p>	<p>Non-consolidated subsidiaries not accounted for by the equity method: 1 Ru yi bang ren li gufen Co., Ltd.</p> <p>(Basis for not applying the equity method) The equity method is not applied as the subject entity has no material impact on consolidated interim net income or retained earnings.</p>	<p>On July 2, 2001, the Company sold a part of the Clique, Inc. shares it held. As such, Clique, Inc. and its subsidiaries of Apollo International, Inc., Clique International Ltd., Clique Beauty Training Center, and Platinum Santa, Inc. were eliminated from consolidation.</p> <p>GW Credit, Inc. merged with GW Capital, Inc. on January 1, 2002. The Company subsequently sold all shares of GW Capital on April 1, 2002. The profit/losses of GW Capital between July 2001 and March 2002 are reflected in the consolidated financial statements.</p> <p>On June 20, 2002, the Company sold all shares of former consolidated subsidiaries, Sidework, Inc. and COMSN Press, Inc. The profit/losses of the two entities up to June 2002 are reflected in the consolidated financial statements.</p> <p>With regard to Ru yu bang ren li gufen Co., Ltd., the Company's overseas subsidiary, as it has only been recently established and its total assets, revenues, net income, and retained earnings do not have material impact on the Group's consolidated financial statements, the subject entity is excluded from the scope of consolidation.</p> <p>Non-consolidated subsidiaries not accounted for by the equity method: 1 Ru yi bang ren li gufen Co., Ltd.</p> <p>(Basis for not applying the equity method) The equity method is not applied as the subject entity has only been recently established and no material impact on consolidated net income or retained earnings.</p> <p>Data Communications, Inc. accounted for by the equity method at previous consolidated fiscal yearend is no longer accounted for as the Company sold all interests in the entity.</p>

Items	Previous Half Year (From July 1, 2001 To December 31, 2001)	Current Half Year (From July 1, 2002 To December 31, 2002)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)
2. Interim (fiscal) periods for the consolidated subsidiaries	Of the consolidated subsidiaries, the interim closing dates for COMSN Press, Inc. and Medica, Inc. are September 30. As such, for the preparation of interim consolidated financial statements, financial statements based on the provisional settlement conducted as of the consolidated closing date are employed.	The interim periods of the Company's consolidated subsidiaries are the same as the consolidated interim period.	The fiscal periods of the Company's consolidated subsidiaries are the same as the consolidated fiscal period.
3. Accounting Principles	<p>(1) Valuation standard and method for significant assets</p> <p>a) Marketable securities Other marketable securities Those that have fair market values: Marked-to-market at the end of interim 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>(2) Depreciation method of significant depreciable assets</p> <p>a) Tangible fixed assets Declining balance method. (Straight line method applied to buildings acquired after April 1, 1998 (excluding building attachment)) 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>(1) Valuation standard and method for significant assets</p> <p>a) Marketable securities</p> <p>Same as left</p> <p>(2) Depreciation method of significant depreciable assets</p> <p>Same as left.</p>	<p>(1) Valuation standard and method for significant assets</p> <p>a) Marketable securities</p> <p>Same as left</p> <p>(2) Depreciation method of significant depreciable assets</p> <p>Same as left.</p>

Items	Previous Half Year (From July 1, 2001 To December 31, 2001)	Current Half Year (From July 1, 2002 To December 31, 2002)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)
	<p>b) 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>c) 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>(3) Accounting for significant allowances</p> <p>a) 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>b) 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 consolidated interim period.</p> <p>c) 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 consolidated interim period as per the Company's internal regulations on the subject allowance.</p>	<p>b) Intangible fixed assets Same as left.</p> <p>c) Long-term prepaid expenses Same as left.</p> <p>(3) Accounting for significant allowances</p> <p>a) Allowance for doubtful accounts Same as left.</p> <p>b) Allowance for retirement benefits Same as left.</p> <p>c) Allowance for retirement benefits for directors and auditors. Same as left.</p>	<p>b) Intangible fixed assets Same as left.</p> <p>c) Long-term prepaid expenses Same as left.</p> <p>(3) Accounting for significant allowances</p> <p>a) Allowance for doubtful accounts Same as left.</p> <p>b) 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 consolidated fiscal year.</p> <p>c) 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 consolidated fiscal year as per the Company's internal regulations on the subject allowance.</p>

Items	Previous Half Year (From July 1, 2001 To December 31, 2001)	Current Half Year (From July 1, 2002 To December 31, 2002)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)
4. Scope of the definition of "fund" in the interim consolidated statement of cash flows	<p>(4) Other significant basis for presenting the consolidated financial statements</p> <p>Taxes are excluded in the accounting treatment of consumption and local consumption taxes.</p> <p>"Fund" (cash and cash equivalents) as defined in the interim consolidated statement of cash flows includes cash in hand, deposits that are readily available for withdrawal, and short-term investment securities with maturity of less than three months from the date of purchase that are easily exchangeable into cash and have marginal volatility risks.</p>	<p>(4) Other significant basis for presenting the consolidated financial statements</p> <p>Same as left.</p> <p>Same as left.</p>	<p>(4) Other significant basis for presenting the consolidated financial statements</p> <p>Same as left.</p> <p>"Fund" (cash and cash equivalents) as defined in the consolidated statement of cash flows includes cash in hand, deposits that are readily available for withdrawal, and short-term investment securities with maturity of less than three months from the date of purchase that are easily exchangeable into cash and have marginal volatility risks.</p>

Additional Information

Previous Half Year (From July 1, 2001 To December 31, 2001)	Current Half Year (From July 1, 2002 To December 31, 2002)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)
_____	<p>(Accounting Treatment pertaining to Treasury stocks and Reversal of Legal Reserves)</p> <p>"Accounting Standards pertaining to Treasury Stocks and Reversal of Legal Reserves" (Enterprise Accounting Standards No. 1) is being applied as of the current consolidated interim period. This does not materially impact the gains and losses for the current consolidated interim period.</p> <p>Given the revisions of consolidated interim financials regulations, the shareholders' equity section of the current interim period's consolidated balance sheet has been prepared in accordance with the revised regulations.</p>	_____

Changes in the presentation of the financial statements

Previous Half Year (As of December 31, 2001)	Current Half Year (As of December 31, 2002)	Previous Fiscal Year (As of June 30, 2002)
<p>(Consolidated Interim Balance Sheet) “Advance received”, as listed independently in the previous interim period, is included in “others” under the current liabilities section of the consolidated balance sheet from the current consolidated interim period, as its amount is less than 5/100 (five-one hundredth) of the sum of liabilities, minority interests and shareholders’ equity. The amount of the said item included in “others” is 90.801 million yen.</p> <p>(Consolidated Interim Statement of Income) “Losses on capital investment” formerly included in “others” under the non-operating expenses section is listed independently for the current consolidated interim period, as the amount has come to exceed 1/10 (one-tenth) of the non-operating expense. For the previous interim period, the amount of the said item included in “others” of the non-operating expenses section was 6.775 million yen.</p>	<p>_____</p>	<p>(Consolidated Balance Sheet) “Advance received”, as listed independently in the previous fiscal year, is included in “others” under the current liabilities section of the consolidated balance sheet from the current consolidated fiscal year, as its amount is less than 5/100 (five-one hundredth) of the sum of liabilities, minority interests and shareholders’ equity. The amount of the said item included in “others” is 43.186 million yen.</p> <p>(Consolidated Statement of Income) “Losses on capital investment” formerly included in “others” under the non-operating expenses section is listed independently for the current fiscal year, as the amount has come to exceed 1/10 (one-tenth) of the non-operating expense. For the previous fiscal year, the amount of the said item included in “others” of the non-operating expenses section was 3.387 million yen.</p>

Notes to the financial statements

(Consolidated interim balance sheet)

As of the End of the Previous Half Year (As of December 31, 2001)	As of the End of the Current Half Year (As of December 31, 2002)	As of the End of the Previous Fiscal Year (As of June 30, 2002)																																		
<p>1. 1 Collateralized assets</p> <p>The collateralized assets and their corresponding liabilities are as follows.</p> <p>(1) Collateralized assets ('000 Yen)</p> <table> <tr> <td>Cash and deposits</td> <td>918,800</td> </tr> <tr> <td><u>Land</u></td> <td><u>101,549</u></td> </tr> <tr> <td>Total</td> <td>1,020,349</td> </tr> </table> <p>(2) Corresponding liabilities ('000 Yen)</p> <table> <tr> <td>Short-term borrowings</td> <td>799,200</td> </tr> <tr> <td><u>Long-term borrowings</u></td> <td><u>599,238</u></td> </tr> <tr> <td>Total</td> <td>1,398,438</td> </tr> </table>	Cash and deposits	918,800	<u>Land</u>	<u>101,549</u>	Total	1,020,349	Short-term borrowings	799,200	<u>Long-term borrowings</u>	<u>599,238</u>	Total	1,398,438	<p>1. 1 Collateralized assets</p> <p>The collateralized assets and their corresponding liabilities are as follows.</p> <p>(1) Collateralized assets ('000 Yen)</p> <table> <tr> <td>Cash and deposits</td> <td>532,121</td> </tr> </table> <p>(2) Corresponding liabilities ('000 Yen)</p> <table> <tr> <td>Short-term borrowings</td> <td>1,010,000</td> </tr> </table>	Cash and deposits	532,121	Short-term borrowings	1,010,000	<p>1. 1 Collateralized assets</p> <p>The collateralized assets and their corresponding liabilities are as follows.</p> <p>(1) Collateralized assets ('000 Yen)</p> <table> <tr> <td>Cash and deposits</td> <td>1,304,800</td> </tr> <tr> <td>Land</td> <td>91,299</td> </tr> <tr> <td>Investments and other assets "Others"</td> <td><u>13,577</u></td> </tr> <tr> <td>Total</td> <td>1,409,676</td> </tr> </table> <p>(2) Corresponding liabilities ('000 Yen)</p> <table> <tr> <td>Short-term borrowings</td> <td>1,185,650</td> </tr> <tr> <td><u>Long-term borrowings</u></td> <td><u>163,998</u></td> </tr> <tr> <td>Total</td> <td>1,349,648</td> </tr> </table> <p>2. 2 Investment securities associates with affiliated companies are as follows.</p> <table> <tr> <td>Investment securities (Stocks) ('000 Yen)</td> <td>24,000</td> </tr> </table> <p>3. 3 Notes maturing at the end of the current fiscal year are settled on the note clearance dates.</p> <p>As the ending date of the current consolidated fiscal period fell on a bank holiday, the following matured notes were included in the current term ending balance.</p> <table> <tr> <td>Notes receivable ('000 yen)</td> <td>22,101</td> </tr> </table>	Cash and deposits	1,304,800	Land	91,299	Investments and other assets "Others"	<u>13,577</u>	Total	1,409,676	Short-term borrowings	1,185,650	<u>Long-term borrowings</u>	<u>163,998</u>	Total	1,349,648	Investment securities (Stocks) ('000 Yen)	24,000	Notes receivable ('000 yen)	22,101
Cash and deposits	918,800																																			
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<p>2. 3 Treatment of notes maturing at the end of the current consolidated interim period</p> <p>Notes maturing at the end of the current consolidated interim period are settled on the note clearance dates.</p> <p>As the ending date of the current consolidated interim period fell on a bank holiday, the following matured notes were included in the current interim term ending balance.</p> <table> <tr> <td>Notes receivable ('000 yen)</td> <td>15,376</td> </tr> </table>	Notes receivable ('000 yen)	15,376	<p>2. 2 Treatment of notes maturing at the end of the current consolidated interim period</p> <p>Notes maturing at the end of the current consolidated interim period are settled on the note clearance dates.</p> <p>As the ending date of the current consolidated interim period fell on a bank holiday, the following matured notes were included in the current interim term ending balance.</p> <table> <tr> <td>Notes receivable ('000 yen)</td> <td>8,485</td> </tr> </table>	Notes receivable ('000 yen)	8,485																															
Notes receivable ('000 yen)	15,376																																			
Notes receivable ('000 yen)	8,485																																			

(Consolidated interim statement of income)

Previous Half Year (From July 1, 2001 To December 31, 2001)	Current Half Year (From July 1, 2002 To December 31, 2002)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)
<p>1. 1 The breakdown of "gains from the sale of fixed assets" is as follows.</p> <p>Furniture and fixtures (‘000 Yen) 177</p>		<p>1. 1 The breakdown of "gains from the sale of fixed assets" is as follows.</p> <p>Furniture and fixtures (‘000 Yen) 614</p>
<p>2. 2 The breakdown of "loss on disposal of fixed assets" is as follows.</p> <p style="text-align: right;">(‘000 Yen)</p> <p>Buildings 9,639 Furniture and fixtures 1,094 Software 46,175 <u>Tangible assets "Others" 2,195</u> Total: 59,104</p>	<p>2. 2 The breakdown of "loss on disposal of fixed assets" is as follows.</p> <p style="text-align: right;">(‘000 Yen)</p> <p>Buildings 7,349 Furniture and fixtures 9,076 <u>Cars & transport vehicles 118</u> Total: 16,544</p>	<p>2. 2 The breakdown of "loss on disposal of fixed assets" is as follows.</p> <p style="text-align: right;">(‘000 Yen)</p> <p>Buildings 21,959 Furniture and fixtures 4,504 Software 73,795 Long-term prepaid expenses 126,469 <u>Cars & transport vehicles 1,484</u> Total: 219,212</p>
<p>3. 3 The breakdown of "loss on sale of fixed assets" is as follows.</p> <p style="text-align: right;">(‘000 Yen)</p> <p>Furniture and fixtures 2,814</p>		<p>3. 3 The breakdown of "loss on sale of fixed assets" is as follows.</p> <p style="text-align: right;">(‘000 Yen)</p> <p>Furniture and fixtures 3,874 <u>Others 2,867</u> Total: 6,742</p>

(Consolidated interim statement of cash flows)

Previous Half Year (From July 1, 2001 To December 31, 2001)	Current Half Year (From July 1, 2002 To December 31, 2002)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)																																										
<p>1. The reconciliation between the balance of cash and cash equivalents at the end of the interim period and the amount listed in the consolidated interim balance sheet is as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">('000 Yen)</td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;">5,877,074</td> </tr> <tr> <td>Time deposits with maturity in excess of 3 months</td> <td style="text-align: right;">(9,150)</td> </tr> <tr> <td>Total cash and cash equivalents</td> <td style="text-align: right;"><u>5,867,924</u></td> </tr> </table>		('000 Yen)	Cash and cash equivalents	5,877,074	Time deposits with maturity in excess of 3 months	(9,150)	Total cash and cash equivalents	<u>5,867,924</u>	<p>1. The reconciliation between the balance of cash and cash equivalents at the end of the interim period and the amount listed in the consolidated interim balance sheet is as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">('000 Yen)</td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;">11,042,362</td> </tr> <tr> <td>Time deposits with maturity in excess of 3 months</td> <td style="text-align: right;">(1,102,054)</td> </tr> <tr> <td>Total cash and cash equivalents</td> <td style="text-align: right;"><u>9,940,308</u></td> </tr> </table>		('000 Yen)	Cash and cash equivalents	11,042,362	Time deposits with maturity in excess of 3 months	(1,102,054)	Total cash and cash equivalents	<u>9,940,308</u>	<p>1. The reconciliation between the balance of cash and cash equivalents at the end of the fiscal year and the amount listed in the consolidated balance sheet is as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">('000 Yen)</td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;">7,071,706</td> </tr> <tr> <td>Time deposits with maturity in excess of 3 months</td> <td style="text-align: right;">(38,553)</td> </tr> <tr> <td>Total cash and cash equivalents</td> <td style="text-align: right;"><u>7,033,152</u></td> </tr> </table>		('000 Yen)	Cash and cash equivalents	7,071,706	Time deposits with maturity in excess of 3 months	(38,553)	Total cash and cash equivalents	<u>7,033,152</u>																		
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<p>2. Breakdown of principal assets and liabilities of companies consolidated through share acquisition</p> <p>Reconciliation between the assets/liabilities breakdown at the time of entity's inclusion to consolidation via share acquisition by the Company and the share acquisition price along with corresponding expenditure (net amount) is as follows.</p> <p>Line-Up, Inc. and its subsidiary (As of June 30, 2001)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">('000 Yen)</td> </tr> <tr> <td>Current assets</td> <td style="text-align: right;">2,819,022</td> </tr> <tr> <td>Fixed assets</td> <td style="text-align: right;">543,052</td> </tr> <tr> <td>Current liabilities</td> <td style="text-align: right;">2,003,521</td> </tr> <tr> <td>Fixed liabilities</td> <td style="text-align: right;">290,752</td> </tr> <tr> <td>Cash and cash equivalents of Line-Up and its subsidiary</td> <td style="text-align: right;"><u>1,619,484</u></td> </tr> <tr> <td>Funds received</td> <td style="text-align: right;"><u>1,619,484</u></td> </tr> </table>		('000 Yen)	Current assets	2,819,022	Fixed assets	543,052	Current liabilities	2,003,521	Fixed liabilities	290,752	Cash and cash equivalents of Line-Up and its subsidiary	<u>1,619,484</u>	Funds received	<u>1,619,484</u>	<p>2. Breakdown of principal assets and liabilities of companies consolidated through share acquisition</p> <p>Reconciliation between the assets/liabilities breakdown at the time of entity's inclusion to consolidation via share acquisition by the Company and the share acquisition price along with corresponding expenditure (net amount) is as follows.</p> <p>Line-Up, Inc. and its subsidiary (As of June 30, 2001)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">('000 Yen)</td> </tr> <tr> <td>Current assets</td> <td style="text-align: right;">2,819,022</td> </tr> <tr> <td>Fixed assets</td> <td style="text-align: right;">543,052</td> </tr> <tr> <td>Current liabilities</td> <td style="text-align: right;">2,003,521</td> </tr> <tr> <td>Fixed liabilities</td> <td style="text-align: right;">290,752</td> </tr> <tr> <td>Cash and cash equivalents of Line-Up and its subsidiary</td> <td style="text-align: right;"><u>1,619,484</u></td> </tr> <tr> <td>Funds received</td> <td style="text-align: right;"><u>1,619,484</u></td> </tr> </table>		('000 Yen)	Current assets	2,819,022	Fixed assets	543,052	Current liabilities	2,003,521	Fixed liabilities	290,752	Cash and cash equivalents of Line-Up and its subsidiary	<u>1,619,484</u>	Funds received	<u>1,619,484</u>	<p>2. Breakdown of principal assets and liabilities of companies consolidated through share acquisition</p> <p>Reconciliation between the assets/liabilities breakdown at the time of entity's inclusion to consolidation via share acquisition by the Company and the share acquisition price along with corresponding expenditure (net amount) is as follows.</p> <p>Line-Up, Inc. and its subsidiary (As of June 30, 2001)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">('000 Yen)</td> </tr> <tr> <td>Current assets</td> <td style="text-align: right;">2,819,022</td> </tr> <tr> <td>Fixed assets</td> <td style="text-align: right;">543,052</td> </tr> <tr> <td>Current liabilities</td> <td style="text-align: right;">2,003,521</td> </tr> <tr> <td>Fixed liabilities</td> <td style="text-align: right;">290,752</td> </tr> <tr> <td>Cash and cash equivalents of Line-Up and its subsidiary</td> <td style="text-align: right;"><u>1,619,484</u></td> </tr> <tr> <td>Funds received</td> <td style="text-align: right;"><u>1,619,484</u></td> </tr> </table>		('000 Yen)	Current assets	2,819,022	Fixed assets	543,052	Current liabilities	2,003,521	Fixed liabilities	290,752	Cash and cash equivalents of Line-Up and its subsidiary	<u>1,619,484</u>	Funds received	<u>1,619,484</u>
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(Significant subsequent events)

Previous Half Year (From July 1, 2001 To December 31, 2001)	Current Half Year (From July 1, 2002 To December 31, 2002)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)								
<p>1. Subsidiary movements resulting from merger</p> <p>(1) Merger between the Company and its subsidiary, Line-Up, Inc.</p> <p>(i) Objective</p> <p>The Company merged with its wholly owned subsidiary, Line-Up, Inc., for the purpose of strengthening business structure through concentration of business resources and improved cost efficiency so as to establish itself as a leading player in the light labor subcontracting market.</p> <p>(ii) Merger Method</p> <p>A merger whereby the Company remains as the surviving company while Line-Up, Inc. is dissolved.</p> <p>In terms of the merger procedures, simplified merger system method as prescribed in the Commercial Code Article 413.3 was applied. As the target, Line-Up, Inc., was a 100% subsidiary of the Company, new shares were not issued at the time of the merger.</p> <p>(iii) Merger date: January 1, 2002</p> <p>(iv) Transfer of assets</p> <p>All assets and liabilities, rights and obligations of Line-Up, Inc. were transferred to the Company as of the merger date.</p> <p>Transferred assets, liabilities, etc. formerly held by the target entity were as follows.</p> <table data-bbox="240 1541 544 1682"><tr><td></td><td style="text-align: right;">('000 Yen)</td></tr><tr><td>Total assets</td><td style="text-align: right;">2,870,833</td></tr><tr><td>Total liabilities</td><td style="text-align: right;">1,839,374</td></tr><tr><td>Total shareholders' equity</td><td style="text-align: right;">1,031,458</td></tr></table>		('000 Yen)	Total assets	2,870,833	Total liabilities	1,839,374	Total shareholders' equity	1,031,458	<hr/>	<hr/>
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Previous Half Year (From July 1, 2001 To December 31, 2001)	Current Half Year (From July 1, 2002 To December 31, 2002)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)																		
<p>(2) Merger among COMSN, Inc., Dental COMSN, Inc., and Medica Inc.</p> <p>(i) Objective The Company's subsidiary, COMSN, Inc., was merged with its subsidiaries, Dental COMSN, Inc. and Medica, Inc. for the purpose of reinforcing business foundation and further enhancing efficiency so as to operate a total nursing care service business that can meet the diverse customer needs in a precise and careful manner.</p> <p>(ii) Merger Method A merger whereby the COMSN, Inc. remains as the surviving company while Dental COMSN and Medica are dissolved. In terms of the merger procedures, simplified merger method as prescribed in the Commercial Code Article 413.3 was applied. As the target entities were 100% subsidiaries of COMSN, Inc., new shares were not issued at the time of the merger.</p> <p>(iii) Merger date: January 1, 2002</p> <p>(iv) Transfer of assets All assets and liabilities, rights and obligations of Dental COMSN and Medica were transferred to the COMSN, Inc. as of the merger date. Transferred assets, liabilities, etc. formerly held by the merged entities were as follows.</p> <p>(COMSN, Inc.) (Interim period ending Dec. 2001) (‘000 Yen)</p> <table data-bbox="220 1458 587 1570"> <tr><td>Total assets</td><td>5,305,510</td></tr> <tr><td>Total liabilities</td><td>4,887,475</td></tr> <tr><td>Total shareholders' equity</td><td>418,035</td></tr> </table> <p>(Dental COMSN, Inc.) (Interim period ending Dec. 2001) (‘000 Yen)</p> <table data-bbox="220 1659 587 1771"> <tr><td>Total assets</td><td>79,740</td></tr> <tr><td>Total liabilities</td><td>63,864</td></tr> <tr><td>Total shareholders' equity</td><td>15,876</td></tr> </table> <p>(Medica, Inc.) (Provisional settlement at Dec. 2001) (‘000 Yen)</p> <table data-bbox="220 1854 587 1966"> <tr><td>Total assets</td><td>27,941</td></tr> <tr><td>Total liabilities</td><td>20,694</td></tr> <tr><td>Total shareholders' equity</td><td>7,247</td></tr> </table>	Total assets	5,305,510	Total liabilities	4,887,475	Total shareholders' equity	418,035	Total assets	79,740	Total liabilities	63,864	Total shareholders' equity	15,876	Total assets	27,941	Total liabilities	20,694	Total shareholders' equity	7,247	<p>_____</p>	<p>_____</p>
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<p>(3) Merger between Goodwill Career, Inc. and Goodwill Express, Inc.</p> <p>(i) Objective The Company's subsidiary, Goodwill Career, Inc., was merged with its subsidiary, Goodwill Express, Inc., for the purpose of establishing a solid business structure through concentration of the business resources associated with the human resource dispatch business, along with the realization of improved efficiency and cost reduction.</p> <p>(ii) Merger Method A merger whereby the Goodwill Career remains as the surviving company while Goodwill Express is dissolved. In terms of the merger procedures, simplified merger method as prescribed in the Commercial Code Article 413.3 was applied. As the target entity was 100% subsidiary of Goodwill Career, new shares were not issued at the time of the merger.</p> <p>(iii) Merger date: January 1, 2002</p> <p>(iv) Transfer of assets All assets and liabilities, rights and obligations of Goodwill Express were transferred to Goodwill Career as of the merger date. Transferred assets, liabilities, etc. formerly held by the merged entities were as follows.</p> <p>(Goodwill Career, Inc.) (Interim period ending Dec. 2001) (‘000 Yen)</p> <table data-bbox="220 1462 587 1570"> <tr><td>Total assets</td><td>870,373</td></tr> <tr><td>Total liabilities</td><td>248,803</td></tr> <tr><td>Total shareholders' equity</td><td>621,570</td></tr> </table> <p>(Goodwill Express, Inc.) (Interim period ending Dec. 2001) (‘000 Yen)</p> <table data-bbox="220 1659 587 1767"> <tr><td>Total assets</td><td>201,085</td></tr> <tr><td>Total liabilities</td><td>30,449</td></tr> <tr><td>Total shareholders' equity</td><td>170,635</td></tr> </table>	Total assets	870,373	Total liabilities	248,803	Total shareholders' equity	621,570	Total assets	201,085	Total liabilities	30,449	Total shareholders' equity	170,635	<p>_____</p>	<p>_____</p>
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Previous Half Year (From July 1, 2001 To December 31, 2001)	Current Half Year (From July 1, 2002 To December 31, 2002)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)												
<p>(4) Merger between GW Capital, Inc. and GW Credit, Inc.</p> <p>(i) Objective</p> <p>While the objective of GW Credit, Inc., a subsidiary of GW Capital, Inc., was to conduct credit and installment sales business, given the difficult economic environment, the business of the subject entity was perceived to be too small to merit from the economies of scale. As such, the entity was merged with its parent, GW Capital, Inc. to achieve operational integration.</p> <p>(ii) Merger Method</p> <p>A merger whereby the GW Capital remains as the surviving company while GW Credit is dissolved.</p> <p>In terms of the merger procedures, simplified merger method as prescribed in the Commercial Code Article 413.3 was applied. As the target entity was 100% subsidiary of GW Capital, new shares were not issued at the time of the merger.</p> <p>(iii) Merger date: January 1, 2002</p> <p>(iv) Transfer of assets</p> <p>All assets and liabilities, rights and obligations of GW Credit were transferred to GW Capital as of the merger date.</p> <p>Transferred assets, liabilities, etc. formerly held by the merged entities were as follows.</p> <p>(GW Capital, Inc.) (Interim period ending Dec. 2001) ('000 Yen)</p> <table data-bbox="220 1435 587 1547"> <tr> <td>Total assets</td> <td>6,149,781</td> </tr> <tr> <td>Total liabilities</td> <td>3,092,721</td> </tr> <tr> <td>Total shareholders' equity</td> <td>3,057,060</td> </tr> </table> <p>(GW Credit, Inc.) (Interim period ending Dec. 2001) ('000 Yen)</p> <table data-bbox="220 1630 587 1742"> <tr> <td>Total assets</td> <td>88,246</td> </tr> <tr> <td>Total liabilities</td> <td>89</td> </tr> <tr> <td>Total shareholders' equity</td> <td>88,156</td> </tr> </table>	Total assets	6,149,781	Total liabilities	3,092,721	Total shareholders' equity	3,057,060	Total assets	88,246	Total liabilities	89	Total shareholders' equity	88,156	<p>_____</p>	<p>_____</p>
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(Per share information)

Previous Half Year (From July 1, 2001 To December 31, 2001)	Current Half Year (From July 1, 2002 To December 31, 2002)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)
Net asset per share ¥75,986.02	Net asset per share ¥88,899.85	Net asset per share ¥82,860.82
Net interim EPS ¥4,631.57	Net interim EPS ¥6,945.52	Net interim EPS ¥13,100.01
While a subscription rights-method Stock Option Program was already in place during the term, the fully diluted interim EPS is not indicated as premiums associated with subject rights did not emerge.	While a subscription rights-method Stock Option Program was already in place during the term, the fully diluted interim EPS is not indicated as premiums associated with subject rights did not emerge.	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)

2. The Company issued new shares during the previous consolidated interim and full year periods on share exchange (exchange date: September 1, 2001; shares increased by 8,500). The EPS for the previous consolidated interim and full year periods are calculated based on the assumption that the split was conducted at the beginning of the term.

3. "Accounting Standards for Calculating EPS" (ASB Statement No. 2; September 25, 2002) is applied as of the current consolidated interim period. The basis for the calculation of interim EPS in compliance with the aforementioned accounting standards is as follows.

(1) Net interim income

Net interim income pertaining to common shares 1,283,282,000
All income belongs to common shareholders.

(2) Breakdown by share type of weighed average number of shares outstanding for the period
Common shares 184,761 shares

(3) Summary of latent shares not included in the calculation of fully diluted interim EPS due to their lack of dilutive effect.

Subscription warrants (stock option) resolved at the general shareholders meeting of September 29, 1999.

Execution price: ¥3,669,262

Number of shares generated as a result of the execution of rights: 3,560

(Lease transactions)

Previous Half Year (From July 1, 2001 To December 31, 2001)				Current Half Year (From July 1, 2002 To December 31, 2002)				Previous Fiscal Year (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> 1. Effective purchase price, accumulated depreciation and net interim ending balance of the leased assets (000 Yen)				<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 interim ending balance of the leased assets (000 Yen)				<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 (000 Yen)			
Furniture and Fixtures	1,085,837	487,983	597,854	Furniture and Fixtures	1,172,701	710,428	462,272	Furniture and Fixtures	1,032,791	560,156	472,635
Software	18,119	11,095	7,023	Software	24,060	19,787	4,272	Software	24,630	18,973	5,656
Others	778,798	367,047	411,750	Others	750,882	486,249	264,633	Others	721,836	419,663	302,172
Total	1,882,755	866,126	1,016,692	Total	1,947,644	1,216,465	731,178	Total	1,779,257	998,793	780,464
2. Effective interim ending balance of remaining lease payments ('000 Yen) Within one year 437,475 Over one year 628,605 Total 1,066,080				2. Effective interim ending balance of remaining lease payments ('000 Yen) Within one year 461,916 Over one year 289,348 Total 751,264				2. Effective ending balance of remaining lease payments ('000 Yen) Within one year 395,977 Over one year 406,551 Total 802,529			
3. Lease expenses payable, depreciation expenses, and interests payable ('000 Yen) Lease payments 287,585 Depreciation 240,540 Interest payments 24,324				3. Lease expenses payable, depreciation expenses, and interests payable ('000 Yen) Lease payments 259,379 Depreciation 240,476 Interest payments 16,277				3. Lease expenses payable, depreciation expenses, and interests payable ('000 Yen) Lease payments 427,193 Depreciation 387,318 Interest payments 37,401			
4. Calculation methods of depreciation expenses and interests payable 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. 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.				4. Calculation methods of depreciation expenses and interests payable Method of calculating effective depreciation expenses Same as left. Method of calculating interests payable Same as left.				4. Calculation methods of depreciation expenses and interests payable Method of calculating effective depreciation expenses Same as left. Method of calculating interests payable Same as left.			

(Segment Information)

a. Breakdown by Operating Segments

For the previous interim consolidated period (From July 1, 2001 to December 31, 2001)

	Sub-contracting ('000 Yen)	Human resource related ('000)	Investment and Loan ('000)	Medical/ Nursing Care ('000)	Total ('000)	Intra-company eliminations and corporate overhead ('000)	Consolidated ('000)
1. Revenues							
(1) Revenues from external clients	14,956,348	1,056,386	277,030	7,048,194	23,337,960	-	23,337,960
(2) Intra-segment revenues and cross-charges	18,834	51,450	99,200	-	169,484	(169,484)	-
Total	14,975,182	1,107,836	376,230	7,048,194	23,507,444	(169,484)	23,337,960
Operating expenses	13,699,273	1,087,374	385,397	6,681,885	21,853,931	(101,827)	21,752,104
Operating income (losses)	1,275,909	20,461	(9,166)	366,308	1,653,513	(67,657)	1,585,855

(Note) 1. (Changes in Business Segmentation)

With regard to the "human resource dispatch/introduction" business, given the heightened competition in the field due to deregulation in the dispatch market among other factors, additional differentiation and value-add is being called for. As such, the Group merged Goodwill Career, Inc. and Goodwill Foresight, Inc. on July 1, 2001 in an attempt to reinforce the connection and partnership among the three businesses of EAP (employee counseling program), human resource dispatch, and human resource introduction, and the human resource-related advertisement agency business which serves as sales tool for the subject three businesses. The merger of Goodwill Foresight, Inc. formerly included in the "Other" businesses section and operating the EAP business, and Goodwill Career, Inc. which conducted the human resource dispatch/introduction businesses, integrates the operations of the two companies, allowing the advertisement business and the EAP, dispatch, and introduction businesses to establish a mutually complimenting relationship. In consideration of the above, the name of the corresponding segment was changed from "human resource dispatch/introduction" business to "human resource-related" business as of the current fiscal year to reflect the state of the Group's actual businesses.

When calculating the above breakdown based on the segmentation of the previous fiscal period, the revenues from "Other" businesses will show a decline by 305.404 million yen and operating income, a decline by 36.493 million yen.

2. Main operations of each segment

- (1) Subcontracting: light physical labor, office work
- (2) Human resource related: employee counseling program (EAP), resource dispatching, resource introduction, advertisement agency
- (3) Investment and loan: investment in/loans to startup companies
- (4) Medical/nursing care: home nursing care services, home-call nursing care, home-call dental treatment support services

The beauty and health operation reported in the term ending June 2001 is not included as the corresponding company is no longer a consolidated entity. In addition, as a result of the changes in segmentation as mentioned above, there are no longer companies that fall under the category of "Other" businesses, and accordingly, the "Other" businesses section has been eliminated.

For the current interim consolidated period (From July 1, 2002 to December 31, 2002)

	Sub-contracting ('000 Yen)	Human resource related ('000)	Nursing care/Medical support ('000)	Total ('000)	Intra-company eliminations and corporate overhead ('000)	Consolidated ('000)
2. Revenues						
(1) Revenues from external clients	17,804,937	905,594	10,291,802	29,002,333	-	29,002,333
(2) Intra-segment revenues and cross-charges	6,736	64,580	-	71,316	(71,316)	-
Total	17,811,673	970,174	10,291,802	29,073,650	(71,316)	29,002,333
Operating expenses	15,849,087	882,839	9,852,403	26,584,330	(73,898)	26,510,432
Operating income	1,962,586	87,334	439,398	2,489,319	2,581	2,491,900

- (Note) 1. Businesses are segmented based on those classifications used for internal management purposes.
2. Main operations of each segment
(1) Subcontracting: light physical labor, office work, inventory work
(2) Human resource related: employee counseling program (EAP), resource dispatching, resource introduction, advertisement agency
(3) Nursing care/medical support: home nursing care services, home-call nursing care, home-call dental treatment support service

The investment and loan operation reported in the term ending June 2002 is not included as the corresponding company is no longer a consolidated entity. The segment formerly referred to as "medical/nursing care business" until the term ending June 2002 has been renamed the "nursing care/medical support business" as of the current consolidated fiscal period in light of the actual state of affairs.

For the previous consolidated fiscal period (From July 1, 2001 to June 30, 2002)

	Sub-contracting ('000 Yen)	Human resource related ('000)	Investment and Loan ('000)	Nursing care/Medical support ('000)	Total ('000)	Intra-company eliminations and corporate overhead ('000)	Consolidated ('000)
3. Revenues							
(1) Revenues from external clients	29,785,450	2,003,346	307,136	15,199,705	47,295,638	-	47,295,638
(2) Intra-segment revenues and cross-charges	24,641	94,407	99,200	741	218,990	(218,990)	-
Total	29,810,091	2,097,754	406,336	15,200,446	47,514,629	(218,990)	47,295,638
Operating expenses	26,922,953	1,996,291	413,315	14,414,370	43,746,930	(207,636)	43,539,293
Operating income (losses)	2,887,138	101,463	(6,979)	786,076	3,767,698	(11,354)	3,756,344

(Note) 1. (Changes in Business Segmentation)

With regard to the "human resource dispatch/introduction" business, given the heightened competition in the field due to deregulation in the dispatch market among other factors, additional differentiation and value-add is being called for. As such, the Group merged Goodwill Career, Inc. and Goodwill Foresight, Inc. on July 1, 2001 in an attempt to reinforce the connection and partnership among the three businesses of EAP (employee counseling program), human resource dispatch, and human resource introduction, and the human resource-related advertisement agency business which serves as sales tool for the subject three businesses. The merger of Goodwill Foresight, Inc. formerly included in the "Other" businesses section and operating the EAP business, and Goodwill Career, Inc. which conducted the human resource dispatch/introduction businesses, integrates the operations of the two companies, allowing the advertisement business and the EAP, dispatch, and introduction businesses to establish a mutually complimenting relationship. In consideration of the above, the name of the corresponding segment was changed from "human resource dispatch/introduction" business to "human resource-related" business as of the current fiscal year to reflect the state of the Group's actual businesses.

When calculating the above breakdown based on the segmentation of the previous fiscal period, the revenues from "Other" businesses will show a decline by 255.179 million yen and operating income, a decline by 18.034 million yen.

2. Main operations of each segment

- (1) Subcontracting: light physical labor, office work*
- (2) Human resource related: employee counseling program (EAP), resource dispatching, resource introduction, advertisement agency*
- (3) Investment and loan: investment in/loans to startup companies*
- (4) Medical/nursing care: home nursing care services, home-call nursing care, home-call dental treatment support services*

The beauty and health operation reported in the term ending June 2001 is not included as the corresponding company is no longer a consolidated entity. In addition, as a result of the changes in segmentation as mentioned above, there are no longer companies that fall under the category of "Other" businesses, and accordingly, the "Other" businesses section has been eliminated.

b. Geographical segmentation

Previous consolidated interim period (From July 1, 2001 to December 31, 2001)

No items to note as there were no consolidated subsidiaries in other countries or regions other than in Japan.

Current consolidated interim period (From July 1, 2002 to December 31, 2002)

No items to note as there were no consolidated subsidiaries in other countries or regions other than in Japan.

Previous consolidated fiscal period (From July 1, 2001 to June 30, 2002)

No items to note as there were no consolidated subsidiaries in other countries or regions other than in Japan.

c. Overseas revenues

Previous consolidated interim period (From July 1, 2001 to December 31, 2001)

No items to note as there were no overseas revenues during the previous consolidated interim period.

Current consolidated interim period (From July 1, 2002 to December 31, 2002)

No items to note as there were no overseas revenues during the current consolidated interim period.

Previous consolidated fiscal period (From July 1, 2001 to June 30, 2002)

No items to note as there were no overseas revenues during the previous consolidated fiscal period.

(Marketable Securities)**As of the End of the Previous Interim Consolidated Period (As of December 31, 2001)**

Marketable Securities

1. "Other securities" with market value

(Unit: '000 Yen)

	Original Purchase Price	Amount included in the consolidated interim balance sheet	Unrealized profit/(loss)
(1) Other securities			
Stock	61,251	35,288	(25,963)
Others	50,000	25,040	(24,960)
Total	111,251	60,328	(50,923)

2. Breakdown of other prominent securities without market value

Other Securities

(Unit: '000 Yen)

	Amount included in the consolidated interim balance sheet
(1) Other securities	
Unlisted stock (excluding OTC stock)	1,733,327
Unlisted bonds	200,298
(2) Subsidiary shares	24,000
Total	1,957,627

As of the End of the Current Interim Consolidated Period (As of December 31, 2002)

Marketable Securities

1. "Other securities" with market value

(Unit: '000 Yen)

	Original Purchase Price	Amount included in the consolidated interim balance sheet	Unrealized profit/(loss)
(1) Other securities			
Stock	71,183	47,147	(24,036)
Bonds (Gov't Bonds)	10,000	10,000	-
Others	41,750	37,691	(4,059)
Total	122,933	94,838	(28,095)

2. Breakdown of other prominent securities without market value

(Unit: '000 Yen)

	Amount included in the consolidated interim balance sheet
(1) Other securities	
Unlisted stock (excluding OTC stock)	22,799
Unlisted bonds	900,000
Others	3,000
(2) Subsidiary shares	24,000
Total	949,800

As of the End of the Previous Consolidated Fiscal Period (As of June 30, 2002)

Marketable Securities

1. "Other securities" with market value

(Unit: '000 Yen)

	Original Purchase Price	Amount included in the consolidated interim balance sheet	Unrealized profit/(loss)
(1) Other securities Stock	65,683	38,861	(26,822)
Total	65,683	38,861	(26,822)

(Note) The amounts indicated in the "original purchase price" column above are impairment-tested book values. During the subject fiscal year, the Company undertook impairment tests and recorded 89.8 million yen in valuation losses on investment securities.

2. Breakdown of other prominent securities without market value

(Unit: '000 Yen)

	Amount included in the consolidated interim balance sheet
(1) Other securities Unlisted stock (excluding OTC stock)	1,202,839
Unlisted bonds	300,298
Others	3,000
Total	1,506,138

(Derivative Transactions)**Previous consolidated interim period (As of December 31, 2001)**

No items to note.

Current consolidated interim period (As of December 31, 2002)

No items to note.

Previous consolidated fiscal period (As of June 30, 2002)

No items to note.