

August 11, 2003

## Summary of Operating Results for Fiscal Year Ending June 2003 (Consolidated)

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)  
 Name of parent company: --- (Ticker No.: ---) Parent's interest: --- %  
 Date of board of directors meeting on financial results: August 11, 2003  
 Application of US GAAP: None

### 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	62,272	(31.6)	4,971	(32.3)	4,814	(31.6)
FY ending June 2002	47,295	(-7.6)	3,756	(-)	3,657	(-)

	Net Income		EPS	Fully Diluted EPS	Return on Equity	Return on Total Assets	Ordinary Income to Net Sales
	MM Yen	%	Yen	Yen	%	%	%
FY ending June 2003	2,548	(6.1)	13,466.65	---	14.5	12.5	7.7
FY ending June 2002	2,401	(-)	13,100.01	---	15.6	12.9	7.7

(Note) Investment gains (losses) accounted for by the equity method.

FY ending 06/2003: None FY ending 06/2002: None

Average number of shares during the term (consolidated)

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) Consolidated Financial Overview

	Total Assets	Shareholders' Equity	Equity Ratio	Shareholders' Equity per Share
	MM Yen	MM Yen	%	Yen
FY ending June 2003	38,485	17,538	45.6	94,604.10
FY ending June 2002	28,314	15,309	54.0	82,860.82

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

FY ending 06/2003 184,758 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
FY ending June 2003	3,089	(2,925)	4,855	12,052
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: -

Affiliated companies accounted for by the equity method: -

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

Consolidation (New): - (Exclusion): -

Equity method (New): - (Exclusion): -

**2. Forecast on Consolidated Financial Results for the Full Year ended June 2004  
(July 1, 2003 ~ June 30, 2004)**

	Revenues	Ordinary Income	Net Income
	MM Yen	MM Yen	MM Yen
Interim	37,500	2,900	1,350
Full year	80,000	5,900	3,000

(Reference) Forecasted EPS (Full year) 16,237.45 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

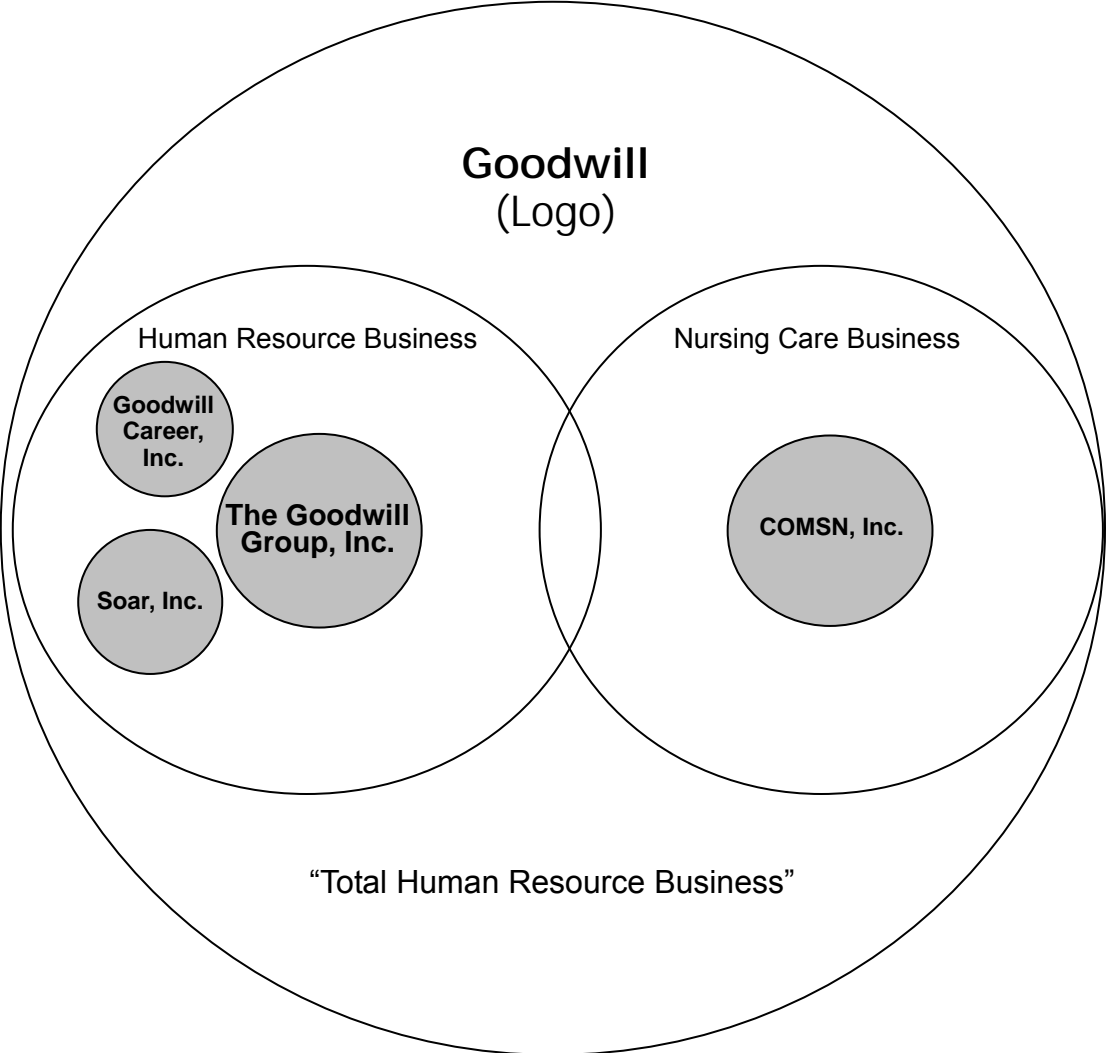
Goodwill's company group comprises of The Goodwill Group, Inc. (The Company) and its three subsidiaries. The Group offers "Total Human Resources Services" to accommodate diverse human resource related needs; its primary operations including subcontracting business which focuses on light labor, human 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 June 30, 2003)

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	(□1)
Human Resource Related	Goodwill Career, Inc.	Shinjuku-ku, Tokyo	422,000	Employee counseling program (EAP) business, recruiting support business	92.4	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	80.2	No. of officers serving concurrently: 2	(□2)

- 1 *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.*
- 2 *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.*

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 to be undaunted by changes, to continuously challenge the new, and to persistently seek knowledge and technology 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, making its 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.

### **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 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 yearend dividend of 750 yen per share, bringing the total dividend payment to 1,000 yen for the full year. In the current interim period, the Company plans to pay a total of 2,000 yen in dividends with 1,000 yen per share paid as interim dividend, and an additional 1,000 yen per share to be paid at yearend.

### **3. Approach and Policies pertaining to the Devaluation of Investment Units**

The investment unit for the Company’s stocks is set at the minimum unit which is one share per transaction so as to expand investor universe to the extent possible and also to improve liquidity of the shares.

### **4. 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 for improving 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.

### **5. 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 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 will 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 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.

## **6. 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 was consolidated to newly establish the 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 regularly updating the investors of the Group's state of affairs.

## **7. Missions to be Pursues**

As the domestic economy remains sluggish and the job environment continues to be difficult, employment styles are projected to undergo various changes at a more accelerated pace going forward.

Furthermore, with the significant change in the notion of labor among the Japanese people, the so-called fulltime employee system or the life-time employment system has in reality collapsed. For the companies, the shifting of labor costs from fixed costs to liquid expenses for the purpose of achieving efficient management has already become a widely accepted concept. Accordingly, The Goodwill Group is evolving from an "outsourcing business" to a "replacement company" (where fulltime employees and part-time staff of companies are replaced by Goodwill registered staff) of greater significance.

Under these environments, the Group will continue to pursue the important missions outlined herebelow.

- The mission to ultimately maximize shareholder value by raising corporate value. This task will be accomplished by means of enrooting high profitability structure at all Group companies including the subsidiaries through having each employee embrace the company credo of "Unyielding Startup Spirit" as a fundamental belief, of establishing a well balanced business foundation, and of expanding profitability through stable business growth.
- The company philosophy comprises of the concepts of "expansion and development", "social contribution", and "self realization", and the Group firmly believes that in a capitalistic society, enlarged reproduction is the source of corporate growth. As such, the Group will fully capitalize on economies of scale under the concept of "expansion and development", exert greater influence, bear "social contribution" as an important responsibility, and push forward its business operations for the purpose of assisting the employees, the business counterparts, and the shareholders to ultimately achieve "self realization".

With regard to the nursing care business, the Company understands that its mission is to further improve/guarantee the service quality by securing enough servicing capabilities to respond to the demand for home-call nursing care which is projected to expand continuously going forward. To achieve the task, the Company will actively increase the number of service locations, while concurrently hiring/training care managers and home helpers. Additionally, the Company will strengthen synergies/support structures among the business operations by introducing highly demanded services such as home-call bathing, welfare equipment sale/rental, and home-call dental support to the existing home-call nursing care service locations.

In addition to the aforementioned existing businesses, the Company will also pursue the missions to vigorously push forward the site development project for its group home business and to establish a sound servicing structure for the pay nursing home, nursing care taxi and home helper training businesses that were newly launched during the term.

### **3. Business Results**

#### **(1) Overview for the Fiscal Year in Review**

The Japanese economy remained sluggish throughout the Company's consolidated fiscal year given the status quo in terms of its deflationary trends and dependence on the recovery of U.S. economy.

Sentiments were low from deteriorating corporate results, suppressed capital investments and worsening job environment triggered by the accelerated restructuring activities, and in general, economic conditions were extremely difficult.

With regard to the performance of the Group ("the Company and its consolidated subsidiaries", hereinafter referred to as the "Group") for the consolidated fiscal year in review, in the subcontracting business, the Group enhanced its servicing capabilities in terms of speed and convenience and improved subcontracting capacity both quantitatively and qualitatively, responding to the rapidly rising public awareness along with the widening applicability of "outsourcing", and as a result, showed strong performance. The nursing care/medical support business realized profits for two consecutive years and saw greater revenues from the increase in the number of individuals certified as requiring nursing care and the heightening needs for home nursing care services. The Group also vigorously implemented business development in the area of institutional nursing care, the core operation among the new businesses, so as to offer higher quality services at a wider scale. In terms of the human resources related business, while the employment counseling program (EAP) business showed strong performance, the resource dispatching and introduction businesses faced difficulties due to the decline in hiring momentum on the part of companies among other factors.

As a result, the Group recorded consolidated revenues of 62,272 million yen (YoY increase by 31.6%), operating income of 4,814 million yen (YoY increase by 31.6%) and ordinary income of 2,548 million yen (YoY increase by 6.1%) for the consolidated fiscal year in review.

The financial results for the current consolidated term per business segment are indicated herebelow.

#### **Subcontracting Business**

With regard to the subcontracting business for the current consolidated term, as a result of capturing the additional needs of clients and expanding services from the traditional light labor subcontracting into other service areas, the Group saw demands increasing in such new services as general office work including data input (office support), sales (sales support), market researching (marketing), dispatch of semi-skilled technical staff (technical support), and call center operation (telemarketing).

The Group has successfully expanded its capacities in terms of improving absolute revenues per product type as well as enhancing the service menu for its corporate clients.

As a result, the Group posted 37,383 million yen in revenues (YoY increase by 25.5%), and 3,817 million yen in operating income (YoY increase by 32.2%).

#### **Human Resources Related Business**

As companies' enthusiasm to hire showed receding trends, the Group restructured its human resource related operations during the current fiscal year to position the employee counseling program (EAP) business as the core operation. In addition, the Group transferred the driver dispatch business from Goodwill Career, Inc. to Soar, Inc. in July 2002. As a result, the Group posted 1,787 million yen in revenues (YoY decrease by 10.7%) and 162 million yen in operating income (YoY increase by 59.7%).

#### **Nursing Care/Medical Support Business**

The Group further enhanced the profit model it established in the previous fiscal year, and in an attempt to achieve additional progress, actively expanded service locations, hired/trained care managers and home helpers, and pushed forward the expansion of servicing areas during the consolidated fiscal year in review. Additionally, the Group newly founded a CRM Office (customer relations), listened more attentively to customers' voices, made every effort to improve service qualities focusing on the means to further elevate customer satisfaction, aspired to achieve both expansion in size and improvement in service quality, and attempted to differentiate its operations from those of the competitors. As a result, the Group posted 23,101 million yen in revenues (YoY increase by 51.9%) and 985 million in operating income (YoY increase by 25.3%).

The nursing care/medical support business was listed as medical/nursing care business up to the term ending June 2002.

## **4. Financial Standings**

### **(1) Overview of cash flows**

As of the end of the consolidated fiscal period, cash and cash equivalents (together referred to as "cash" hereinafter) stood at 12,050 million yen, 5,019 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 3,089 million yen (the previous fiscal year marked a cash increase by 821 million yen). This was due primarily to the posting of 4,792 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 2,925 million yen (the previous fiscal year marked a cash outflow of 5,222 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 4,855 million yen (the previous fiscal year marked a cash outflow of 1,337 million yen). This was due primarily to the increase in short-term borrowings as consolidated subsidiaries increased direct borrowings from banks.

### **(2) Outlook for the next fiscal year**

In terms of the overall Japanese economy, despite the government claiming that the economy has finally bottomed out, a speedy economic recovery is difficult to expect. Under such conditions, the subcontracting business, although one can not be too optimistic, is projected to show relatively strong performance owing to the Group's sales efforts for the previous fiscal period along with the trends supporting liquid labor costs. In the nursing care/medical support business, the number of individuals certified as requiring nursing care is forecasted to rise progressively for some time, and demand for nursing care services is expected to show steady growth going forward. Meanwhile, in the human resource related business, although the Group is currently undergoing business restructuring to position Employee Counseling Program (EAP) business as the core operation, business environment is thought to remain difficult for some time.

For the next fiscal year, the Group forecasts consolidated revenues of 80 billion yen, ordinary income of 5.9 billion yen, and net income of 3.0 billion yen.

#### 4. Consolidated Financial Statements

##### (1) Consolidated Balance Sheet

(Unit: '000 yen; smaller digits are rounded down)

Items	Current Fiscal Year (As of June 30, 2003)		Previous Fiscal Year (As of June 30, 2002)	
	Amount	% Total	Amount	% Total
<b>(Assets)</b>				
<b>I. Current Assets</b>				
1. Cash and deposits	12,053,670		7,071,706	
2. Trade notes and accounts receivable	4,999,280		4,151,351	
3. Accrued revenues	5,571,231		3,666,614	
4. Deferred tax assets	246,556		196,541	
5. Prepaid expenses	404,403		254,564	
6. Others	160,826		1,389,350	
7. Allowance for doubtful accounts	(58,613)		(47,251)	
Total current assets	23,377,355	60.7	16,682,877	58.9
<b>II. Fixed Assets</b>				
<b>1. Tangible assets</b>				
(1) Buildings and structures	680,221		594,027	
Accumulated depreciation	(231,781)	448,439	(170,828)	423,199
(2) Furniture and fixtures	2,106,008		1,736,724	
Accumulated depreciation	(1,153,577)	952,430	(879,953)	856,770
(3) Land	331,200		331,200	
(4) Others	147,008		119,737	
Accumulated depreciation	(107,195)	39,812	(90,274)	29,462
Total tangible assets	1,771,883	4.6	1,640,633	5.8
<b>2. Intangible assets</b>				
(1) Consolidation adjustment account	8,648,282		5,957,071	
(2) Software	289,198		379,706	
(3) Others	207,750		208,199	
Total intangible assets	9,145,231	23.7	6,544,977	23.1
<b>3. Investments and other assets</b>				
(1) Investment securities	1,632,052		1,569,001	
(2) Long-term loans	77,985		778,590	
(3) Deferred tax assets	162,031		75,653	
(4) Bankruptcy claims	187,691		183,771	
(5) Rent deposit	1,830,394		613,733	
(6) Long-term prepaid expenses	329,506		185,937	
(7) Others	142,561		175,624	
(8) Allowance for doubtful accounts	(170,971)		(136,603)	
Total investments and other assets	4,191,253	10.8	3,445,708	12.2
Total fixed assets	15,108,368	39.2	11,631,319	41.1
<b>III. Deferred Assets</b>				
1. Others	21		81	
Total deferred assets	21	0.0	81	0.0
Total assets	38,485,745	100.0	28,314,278	100.0

(Unit: '000 yen; smaller digits are rounded down)

Items	Current Fiscal Year (As of June 30, 2003)		Previous Fiscal Year (As of June 30, 2002)	
	Amount	% Total	Amount	% Total
(Liabilities)				
I. Current Liabilities				
1. Short-term borrowings	12,826,010		7,816,715	
2. Current portion of bonds	51,000		10,000	
3. Accrued expenses	4,005,852		2,441,625	
4. Accrued income taxes	1,569,508		826,561	
5. Accrued consumption taxes	610,994		395,986	
6. Advance received	0		-	
7. Others	826,070		727,806	
Total current liabilities	19,889,436	51.7	12,218,695	43.2
II. Fixed Liabilities				
1. Corporate bonds	0		51,000	
2. Long-term borrowings	358,600		217,192	
3. Employees retirement benefits	23,417		27,017	
4. Directors' retirement benefits	23,499		21,083	
5. Others	208,283		262,424	
Total fixed liabilities	613,530	1.6	578,717	2.0
Total liabilities	20,502,966	53.3	12,797,412	45.2
(Minority Interests)				
Minority Interests	443,913	1.2	206,966	0.7
(Shareholders' Equity)				
I. Paid-in capital	-	-	13,674,660	
II. Capital reserve	-	-	16,345,269	
	-	-	30,019,929	106.0
III. Deficits	-	-	14,692,647	51.9
IV. Net unrealized holding loss on securities	-	-	(16,853)	(0.0)
V. Treasury stock	-	-	(529)	(0.0)
Total shareholders' equity	-	-	15,309,899	54.1
I. Paid-in capital	13,674,660	35.5	-	-
II. Capital reserve	16,345,269	42.5	-	-
III. Retained earnings	(12,497,870)	(32.5)	-	-
IV. Net unrealized holding gain on securities	20,245		-	-
V. Treasury stock	(3,439)	(0.0)	-	-
Total shareholders' equity	17,538,865	45.6	-	-
Total liabilities, minority interests, and shareholders' equity	38,485,745	100.0	28,314,278	100.0

**(2) Consolidated Statement of Income**

(Unit: '000 yen; smaller digits are rounded down)

Items	Note	Current Fiscal Year (From July 1, 2002 To June 30, 2003)		Previous Fiscal Year (From July 1, 2001 To June 30, 2002)	
		Amount	% Total	Amount	% Total
I. Revenues		62,272,920	100.0	47,295,638	100.0
II. Cost of goods sold		41,909,483	67.2	31,306,034	66.2
Gross profit		20,363,437	32.8	15,989,603	33.8
III. Selling, general and administrative expenses					
1. Salary and other allowances		6,955,627		5,702,387	
2. Provision for accrued employee retirement benefits		2,750		10,230	
3. Provision for accrued directors' retirement benefits		6,166		6,083	
4. Rent		1,254,550		1,184,460	
5. Communication expenses		831,227		844,105	
6. Amortization of consolidated adjustment account		384,969		139,362	
7. Depreciation		457,464		477,769	
8. Provision for allowance for doubtful accounts		39,531		65,464	
9. Advertising expenses		1,331,586		465,889	
10. Others		4,127,728		3,337,506	
Operating Income		15,391,604	24.7	12,233,259	25.9
		4,971,833	8.0	3,756,344	7.9
IV. Non-operating income					
1. Interest income		30,899		10,732	
2. Dividend income		9,362		47,432	
3. Commission income		36,198		-	
4. Rent income		13,258		-	
5. Others		20,424		62,864	
		110,144	0.2	121,029	0.2
V. Non-operating expenses					
1. Interest expenses		179,592		140,400	
2. Losses on capital investment		20,223		49,056	
3. Commission fees		36,432		-	
4. Others		31,431		29,991	
		267,681	0.5	219,448	0.4
Ordinary income		4,814,296	7.7	3,657,925	7.7
VI. Special income					
1. Gains from the sale of fixed assets	1	-		614	
2. Gains from the sale of consolidated subsidiary shares		-		202,332	
3. Gains from the sale of affiliated company shares		-		12	
4. Gains on prior year adjustments		9,263		29,495	
5. Gains on contributions	2	1,356,731	1,365,995	446,876	679,331
			2.2		1.4
VII. Special losses					
1. Loss on disposal of fixed assets	3	43,868		219,212	
2. Loss on sale of fixed assets	4	-		6,742	
3. Losses on sale of consolidated subsidiary shares		-		138,411	
4. Loss on valuation of investment securities		21,242		89,800	
5. Loss on sale of investment securities		1,174,840		-	
6. Loss on cancellation of lease agreements		-		27,107	
7. Loss on change of holding ratio		148,294		-	
8. Loss on elimination of affiliated companies		-	1,388,244	1,035	482,308
			2.2		1.0
Income before income taxes		4,792,047	7.7	3,854,948	8.1
Income, residence and enterprise taxes		2,129,920		1,393,000	
Adjustments on income taxes		(157,017)	1,972,902	(95,889)	1,297,110
			3.2		2.8
Minority interests			271,032		156,600
			0.4		0.3
Net income		2,548,112	4.1	2,401,236	5.0

**(3) Consolidated Statement of Retained Earnings**

(Unit: '000 yen; smaller digits are rounded down)

Items	Current Fiscal Year (From July 1, 2002 To June 30, 2003)		Previous Fiscal Year (From July 1, 2001 To June 30, 2002)	
	Amount		Amount	
I. Loss beginning balance		-		(16,980,318)
II. Decrease in losses				
Loss decrease from reduction of consolidated subsidiaries	-	-	116,651	116,651
III. Increase in losses				
Dividends	-	-	178,392	
Directors' and auditors' bonuses	-	-	33,700	
Loss increase from merger	-	-	18,123	230,216
IV. Net income		-		2,401,236
V. Loss ending balance		-		(14,692,647)
(Capital Surplus)				
I. Capital surplus beginning balance		16,345,269		-
II. Capital surplus ending balance		16,345,269		-
(Retained Earnings)				
I. Retained earnings beginning balance		(14,692,647)		-
II. Increase in retained earnings				
1. Net income	2,548,112	2,548,112	-	-
III. Decrease in retained earnings				
1. Dividend	323,335		-	-
2. Bonuses for directors and auditors	30,000	353,335	-	-
IV. Retained earnings ending balance		(12,497,870)		-

**(4) Consolidated Statement of Cash Flows**

(Unit: '000 yen; smaller digits are rounded down)

Items	Current Fiscal Year (From July 1, 2002 To June 30, 2003)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)
	Amount	Amount
<b>I. Cash flows from operating activities</b>		
Income before income taxes	4,792,047	3,854,948
Depreciation and amortization expenses	637,788	649,559
Gains from sale of fixed assets	-	(614)
Loss from removal/sale of fixed assets	43,868	225,954
Amortization of consolidation adjustment accounts	384,969	139,362
Amortization of long-term prepaid expenses	48,624	57,050
Increase in allowance for doubtful accounts	45,729	46,634
Increase/(decrease) in reserve for retirement benefits	(3,870)	8,785
Increase/(decrease) in reserve for retirement benefits for directors and auditors	2,416	1,416
Interest and dividend income	(40,262)	(58,165)
Interest expenses	179,592	140,400
Loss from capital investment	20,223	49,056
Gains from sale of affiliate company shares	-	(202,344)
Loss from sale of affiliate company shares	-	138,411
Loss from changes in holding ratio	148,294	-
Gains from contributions	(1,356,731)	-
Loss from sale of investment securities	1,174,840	-
Valuation losses on investment securities	21,242	89,800
Increase/(decrease) in trade notes and accounts receivable	(851,848)	236,176
Increase in accrued revenues	(1,904,616)	(933,965)
Increase in loans receivable	-	367,700
Increase in investment securities	-	(1,235,559)
Increase in inventory	-	1,171
Increase in rent deposit	(433,751)	124,713
Increase in accrued expenses	1,556,701	618,643
Others	163,245	(1,359,570)
Subtotal	4,628,503	2,959,569
Receipt of interest and dividend	33,417	58,165
Interest payments	(185,841)	(141,013)
Income tax payments	(1,386,972)	(2,055,628)
Net cash provided by operating activities	3,089,106	821,092
<b>II. Cash flows from investing activities</b>		
Expenditure on remittance to time deposits	(4,843,792)	(31,203)
Proceeds from withdrawal from time deposits	4,881,345	-
Proceeds from sale of investment securities	693,718	12,964
Expenditure on acquisition of investment securities	(1,206,700)	(35,884)
Expenditure on additional acquisition of consolidated subsidiary shares	(1,976,384)	-
Expenditure on acquisition of subsidiary shares due to changes in scope of consolidation	-	1,619,484
Proceeds from sale of subsidiary shares due to changes in scope of consolidation	-	(6,627,354)
Expenditure on acquisition of tangible fixed assets	(390,264)	(450,768)
Proceeds from sale of tangible fixed assets	-	56,473
Expenditure on acquisition of intangible fixed assets	(29,351)	(153,003)
Expenditure due to lending	(447,030)	(160,262)
Proceeds from recovery of loans	1,172,936	634,536
Expenditure on acquiring guaranty deposits	(782,909)	-
Others	2,989	(36,308)
Net cash used in investment activities	(2,925,442)	(5,222,157)
<b>III. Cash flows from financing activities</b>		
Net increase/(decrease) in short-term borrowings	5,054,100	(1,059,437)
Proceeds from receiving long-term borrowings	500,000	532,720
Expenditure on repayment of long-term borrowings	(403,397)	(620,995)
Proceeds from minority shareholder's financing	40,000	-
Expenditure on redemption of bonds	(10,000)	(10,000)
Dividend payment	(318,988)	-
Dividend payment to minority shareholders	(2,952)	-
Others	(2,910)	(179,622)
Net cash provided by financing activities	4,855,852	(1,337,335)
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>		
	-	-
<b>V. Increase in cash and cash equivalents</b>	5,019,516	(5,738,399)
<b>VI. Cash and cash equivalents beginning balance</b>	7,033,153	12,771,552
<b>VII. Cash and cash equivalents ending balance</b>	12,052,670	7,033,152

### Important basis of presenting consolidated financial statements

Items	Current Fiscal Year (From July 1, 2002 To June 30, 2003)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)
1. Scope of consolidation	<p>Consolidated subsidiaries are the following three entities.</p> <p>Goodwill Career, Inc. COMSN, Inc. Soar, Inc.</p> <p>Ru yu bang ren li gufen Co., Ltd., the Company's overseas subsidiary, is excluded from the scope of consolidation as its total assets, revenues, net income and retained earnings do not have material impact on the consolidated financial statements.</p> <p>Gui dou wei li jituan Co., Ltd., the Company's overseas subsidiary, is excluded from the scope of consolidation as it has only recently been established and its total assets, revenues, net income and retained earnings do not have material impact on the consolidated financial statements.</p> <p>Advanced K.K., the Company's domestic subsidiary, is excluded from the scope of consolidation as it has only recently become a subsidiary and its total assets, revenues, net income and retained earnings do not have material impact on the consolidated financial statements.</p>	<p>Consolidated subsidiaries are the following three entities.</p> <p>Goodwill Career, Inc. (Note 1) COMSN, Inc. (Note 2) Soar, Inc. (Note 3)</p> <p>(Note 1) Goodwill Career, Inc. merged with Goodwill Foresight, Inc. on July 1, 2003, and with Goodwill Express, Inc. on January 1, 2002.</p> <p>(Note 2) COMSN, Inc. merged with Dental COMSN, Inc. on January 1, 2002 (the surviving entity being COMSN).</p> <p>(Note 3) Line-Up, Inc. became a wholly-owned subsidiary of the Company through share exchange effective September 1, 2001, 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 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> <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 surviving entity being GW Capital). 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>

Items	Current Fiscal Year (From July 1, 2002 To June 30, 2003)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)
2. Scope of Application of Equity Method	<p>Non-consolidated subsidiaries not accounted for by the equity method: 3  Ru yi bang ren li gufen Co., Ltd.  Gui dou wei li jituan Co., Ltd.  Advanced K.K.</p> <p>(Basis for not applying the equity method)  The equity method is not applied as the subject entities are either established or made subsidiaries recently and have no material impact on consolidated net income or retained earnings</p>	<p>On June 20, 2002, the Company sold all shares of its 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>Ru yi bang ren li gufen Co., Ltd., the Company's overseas subsidiary, is excluded from the scope of consolidation 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.</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 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>
3. Fiscal periods for the consolidated subsidiaries	<p>The fiscal periods of the Company's consolidated subsidiaries are the same as the consolidated fiscal period.</p>	<p>The fiscal periods of the Company's consolidated subsidiaries are the same as the consolidated fiscal period.</p>

Items	Current Fiscal Year (From July 1, 2002 To June 30, 2003)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)
<p>4. Accounting principles</p> <p>(1) Valuation standard and method for significant assets</p> <p>(2) Depreciation method of significant depreciable assets</p> <p>(3) Treatment of significant deferred assets</p>	<p>a) Marketable securities 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>a) 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>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>_____</p>	<p>a) Marketable securities Other marketable securities</p> <p>Same as left.</p> <p>a) Tangible fixed assets</p> <p>Same as left.</p> <p>b) Intangible fixed assets</p> <p>Same as left.</p> <p>c) Long-term prepaid expenses</p> <p>Same as left.</p> <p>a) Costs associated with new stock issuances are all recorded at the time of actual expenditure.</p>

Items	Current Fiscal Year (From July 1, 2002 To June 30, 2003)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)
(4) Accounting for significant allowances	<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 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, as per the Company's internal regulations, on the basis of actual amount needed up to the end of current fiscal yearend.</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>
(5) Treatment of significant lease transactions	<p>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.</p>	<p>Same as left.</p>

Items	Current Fiscal Year (From July 1, 2002 To June 30, 2003)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)
(6) Other significant basis for presenting the consolidated financial statements	<p>a) Accounting treatment of consumption tax Taxes are excluded in the accounting treatment of consumption and local consumption taxes.</p> <p>b) Accounting treatment 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/gains for the current fiscal year. Given the revisions of consolidated financials regulations, the shareholders’ equity section of the current term’s consolidated financial statements and the consolidated statement of retained earnings have been prepared in accordance with the revised regulations.</p> <p>b) Per share data “Accounting Standards for Earnings per Share” (Enterprises Accounting Standard No. 1) 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>a) Accounting treatment of consumption tax Same as left.</p>
5. Valuation of assets and liabilities of consolidated subsidiaries	With respect to the valuation of assets and liabilities of the consolidated subsidiaries, the all fair value method is applied.	Same as left.
6. Amortization of consolidation adjustment accounts	Consolidation adjustment accounts are amortized by straight line method over a period of 20 years.	Same as left.
7. Treatment of earnings appropriation items	The consolidated statement of retained earnings is prepared based on the earnings appropriation/loss write-off plans of the consolidated companies determined during the current consolidated fiscal year.	Same as left.
8. Scope of the definition of “fund” in the consolidated statement of cash flows	“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.	Same as left.

## Changes in the presentation of the financial statements

Current Fiscal Year (From July 1, 2002 To June 30, 2003)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)
<p style="text-align: center;">_____</p> <p>(Consolidated statement of income)</p> <p>The “commission income” and “rent income”, historically included in the “others” section of the non-operating income, are henceforth listed independently, as each of their amounts have exceeded 1/10 (one-tenth) of the total non-operating income. For the previous fiscal year, the amounts of the said items included in “others” of the non-operating expenses section were 7.976 million yen in commission income and 11.337 million yen in rent income.</p>	<p>(Consolidated Balance Sheet)</p> <p>“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)</p> <p>“Dividend income” 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 1.558 million yen.</p>

## Notes to the financial statements

### (Consolidated balance sheet)

As of the End of the Current Fiscal Year (As of June 30, 2003)	As of the End of Previous Fiscal Year (As of June 30, 2002)																														
<p>1. <input type="checkbox"/>2 Investment and other assets pertaining to non-consolidated subsidiaries are as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Investment securities</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">(Stocks) ('000 Yen)</td> <td style="text-align: right;">71,618</td> </tr> </table> <p>2. Total outstanding shares</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Common stocks</td> <td style="text-align: right;">184,768 shares</td> </tr> <tr> <td style="padding-left: 20px;">Treasury stocks held by the Company</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Common stocks</td> <td style="text-align: right;">9 shares</td> </tr> </table>	Investment securities		(Stocks) ('000 Yen)	71,618	Common stocks	184,768 shares	Treasury stocks held by the Company		Common stocks	9 shares	<p>1. <input type="checkbox"/>1 Collateralized assets</p> <p>The collateralized assets and their corresponding liabilities are as follows.</p> <p>(1) Collateralized assets ('000 Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Cash and deposits</td> <td style="text-align: right;">1,304,800</td> </tr> <tr> <td style="padding-left: 20px;">Land</td> <td style="text-align: right;">91,299</td> </tr> <tr> <td style="padding-left: 20px;">Investments and other assets “Others”</td> <td style="text-align: right; border-bottom: 1px solid black;">13,577</td> </tr> <tr> <td style="padding-left: 40px;">Total</td> <td style="text-align: right;">1,409,676</td> </tr> </table> <p>(2) Corresponding liabilities ('000 Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Short-term borrowings</td> <td style="text-align: right;">1,185,650</td> </tr> <tr> <td style="padding-left: 20px;">Long-term borrowings</td> <td style="text-align: right; border-bottom: 1px solid black;">163,998</td> </tr> <tr> <td style="padding-left: 40px;">Total</td> <td style="text-align: right;">1,349,648</td> </tr> </table> <p>2. <input type="checkbox"/>2 Investment securities associates with affiliated companies are as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Investment securities</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">(Stocks)('000Yen)</td> <td style="text-align: right;">24,000</td> </tr> </table> <p>3. <input type="checkbox"/>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 style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Notes receivable ('000 yen)</td> <td style="text-align: right;">22,101</td> </tr> </table>	Cash and deposits	1,304,800	Land	91,299	Investments and other assets “Others”	13,577	Total	1,409,676	Short-term borrowings	1,185,650	Long-term borrowings	163,998	Total	1,349,648	Investment securities		(Stocks)('000Yen)	24,000	Notes receivable ('000 yen)	22,101
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**(Consolidated statement of income)**

Current Fiscal Year (From July 1, 2002 To June 30, 2003)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)																																						
<p>1. □2 “Gains on contributions” include 1,175 million yen in “gains from shares received” used to cover the 1,174.84 million yen “loss on sale of investment securities” recorded under “special losses” and 181.731 million yen in “gains from waiver on lease agreement balance”.</p> <p>2. □3 The breakdown of “loss on disposal of fixed assets” are as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">('000 Yen)</td> </tr> <tr> <td>Buildings</td> <td style="text-align: right;">17,120</td> </tr> <tr> <td>Furniture and fixtures</td> <td style="text-align: right;">20,454</td> </tr> <tr> <td>Software</td> <td style="text-align: right;">6,063</td> </tr> <tr> <td><u>Cars and transport vehicles</u></td> <td style="text-align: right;"><u>229</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">43,868</td> </tr> </table>		('000 Yen)	Buildings	17,120	Furniture and fixtures	20,454	Software	6,063	<u>Cars and transport vehicles</u>	<u>229</u>	Total:	43,868	<p>1. □1 The breakdown of “gains from the sale of fixed assets” is as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Furniture and fixtures</td> <td style="text-align: right;">614</td> </tr> <tr> <td>(‘000 Yen)</td> <td></td> </tr> </table> <p>2. □3 The breakdown of “loss on disposal of fixed assets” is as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">('000 Yen)</td> </tr> <tr> <td>Buildings</td> <td style="text-align: right;">12,959</td> </tr> <tr> <td>Furniture and fixtures</td> <td style="text-align: right;">3,299</td> </tr> <tr> <td>Software</td> <td style="text-align: right;">75,000</td> </tr> <tr> <td>Long-term prepaid expenses</td> <td style="text-align: right;">126,469</td> </tr> <tr> <td><u>Cars &amp; transport vehicles</u></td> <td style="text-align: right;"><u>1,484</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">219,212</td> </tr> </table> <p>3. □4 The breakdown of “loss on sale of fixed assets” is as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">('000 Yen)</td> </tr> <tr> <td>Furniture and fixtures</td> <td style="text-align: right;">3,874</td> </tr> <tr> <td><u>Others</u></td> <td style="text-align: right;"><u>2,867</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">6,742</td> </tr> </table>	Furniture and fixtures	614	(‘000 Yen)			('000 Yen)	Buildings	12,959	Furniture and fixtures	3,299	Software	75,000	Long-term prepaid expenses	126,469	<u>Cars &amp; transport vehicles</u>	<u>1,484</u>	Total:	219,212		('000 Yen)	Furniture and fixtures	3,874	<u>Others</u>	<u>2,867</u>	Total:	6,742
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**(Consolidated statement of cash flows)**

Current Fiscal Year (From July 1, 2002 To June 30, 2003)	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 fiscal year and the amount listed in the consolidated balance sheet is as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">('000 Yen)</td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;">12,053,670</td> </tr> <tr> <td>Time deposits with maturity in excess of 3 months</td> <td style="text-align: right;">(1,000)</td> </tr> <tr> <td><u>Total cash and cash equivalents</u></td> <td style="text-align: right;"><u>12,052,670</u></td> </tr> </table>		('000 Yen)	Cash and cash equivalents	12,053,670	Time deposits with maturity in excess of 3 months	(1,000)	<u>Total cash and cash equivalents</u>	<u>12,052,670</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></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><u>Total cash and cash equivalents</u></td> <td style="text-align: right;"><u>7,033,152</u></td> </tr> </table> <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></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)	Cash and cash equivalents	7,071,706	Time deposits with maturity in excess of 3 months	(38,553)	<u>Total cash and cash equivalents</u>	<u>7,033,152</u>		('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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Current Fiscal Year (From July 1, 2002 To June 30, 2003)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)																																				
	<p>3. Breakdown of principal assets and liabilities of companies excluded from consolidation through sale of shares</p> <p>Goodwill Communication, Inc. and its subsidiaries (As of June 30, 2001) (‘000 Yen)</p> <table> <tr><td>Current assets</td><td>2,349,067</td></tr> <tr><td>Fixed assets</td><td><u>1,681,922</u></td></tr> <tr><td>Total assets</td><td><u>4,030,990</u></td></tr> <tr><td>Current liabilities</td><td>2,870,153</td></tr> <tr><td>Fixed liabilities</td><td><u>192,995</u></td></tr> <tr><td>Total liabilities</td><td><u>3,063,149</u></td></tr> </table> <p>Clique, Inc. and its subsidiaries (As of June 30, 2001) (‘000 Yen)</p> <table> <tr><td>Current assets</td><td>6,809,109</td></tr> <tr><td>Fixed assets</td><td><u>4,694,819</u></td></tr> <tr><td>Total assets</td><td><u>11,503,928</u></td></tr> <tr><td>Current liabilities</td><td>7,476,321</td></tr> <tr><td>Fixed liabilities</td><td><u>1,443,887</u></td></tr> <tr><td>Total liabilities</td><td><u>8,920,209</u></td></tr> </table> <p>GW Capital, Inc. (As of June 30, 2001) (‘000 Yen)</p> <table> <tr><td>Current assets</td><td>5,747,591</td></tr> <tr><td>Fixed assets</td><td><u>225,196</u></td></tr> <tr><td>Total assets</td><td><u>5,972,787</u></td></tr> <tr><td>Current liabilities</td><td>2,206,122</td></tr> <tr><td>Fixed liabilities</td><td><u>750,000</u></td></tr> <tr><td>Total liabilities</td><td><u>2,956,122</u></td></tr> </table>	Current assets	2,349,067	Fixed assets	<u>1,681,922</u>	Total assets	<u>4,030,990</u>	Current liabilities	2,870,153	Fixed liabilities	<u>192,995</u>	Total liabilities	<u>3,063,149</u>	Current assets	6,809,109	Fixed assets	<u>4,694,819</u>	Total assets	<u>11,503,928</u>	Current liabilities	7,476,321	Fixed liabilities	<u>1,443,887</u>	Total liabilities	<u>8,920,209</u>	Current assets	5,747,591	Fixed assets	<u>225,196</u>	Total assets	<u>5,972,787</u>	Current liabilities	2,206,122	Fixed liabilities	<u>750,000</u>	Total liabilities	<u>2,956,122</u>
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**(Per share information)**

Current Fiscal Year (From July 1, 2002 To June 30, 2003)		Previous Fiscal Year (From July 1, 2001 To June 30, 2002)	
Net asset per share	¥94,604.10	Net asset per share	¥82,860.82
Earnings per share (EPS)	13,466.65	Earning per share (EPS)	¥13,100.01
Fully diluted EPS is not indicated as there were no latent shares with dilutive effect during the period.		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.*

	Current Fiscal Year (From July 1, 2002 To June 30, 2003)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)
Net income ('000 Yen)	2,548,112	-
Income that does not belong to common shareholders ('000 Yen)	60,000	-
Net income pertaining to common shares ('000 Yen)	2,488,112	-
Weighed 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)	-

*(1) 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 is calculated based on the weighed average number of shares during the previous term.*

## (Lease transactions)

Current Fiscal Year (From July 1, 2002 To June 30, 2003)	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 ending balance of the leased assets																																									
(000 Yen)																																									
<table border="1"> <thead> <tr> <th></th> <th>Furniture and Fixtures</th> <th>Software</th> <th>Others</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Effective purchase price</td> <td style="text-align: right;">1,788,884</td> <td style="text-align: right;">15,159</td> <td style="text-align: right;">1,352,972</td> <td style="text-align: right;">3,157,016</td> </tr> <tr> <td>Accumulated depreciation</td> <td style="text-align: right;">794,821</td> <td style="text-align: right;">12,228</td> <td style="text-align: right;">907,167</td> <td style="text-align: right;">1,714,218</td> </tr> <tr> <td>Net ending balance</td> <td style="text-align: right;">994,063</td> <td style="text-align: right;">2,930</td> <td style="text-align: right;">445,804</td> <td style="text-align: right;">1,442,798</td> </tr> </tbody> </table>		Furniture and Fixtures	Software	Others	Total	Effective purchase price	1,788,884	15,159	1,352,972	3,157,016	Accumulated depreciation	794,821	12,228	907,167	1,714,218	Net ending balance	994,063	2,930	445,804	1,442,798	<table border="1"> <thead> <tr> <th></th> <th>Furniture and Fixtures</th> <th>Software</th> <th>Others</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Effective purchase price</td> <td style="text-align: right;">1,032,791</td> <td style="text-align: right;">24,630</td> <td style="text-align: right;">721,836</td> <td style="text-align: right;">1,779,257</td> </tr> <tr> <td>Accumulated depreciation</td> <td style="text-align: right;">560,156</td> <td style="text-align: right;">18,973</td> <td style="text-align: right;">419,663</td> <td style="text-align: right;">998,793</td> </tr> <tr> <td>Net ending balance</td> <td style="text-align: right;">472,635</td> <td style="text-align: right;">5,656</td> <td style="text-align: right;">302,172</td> <td style="text-align: right;">780,464</td> </tr> </tbody> </table>		Furniture and Fixtures	Software	Others	Total	Effective purchase price	1,032,791	24,630	721,836	1,779,257	Accumulated depreciation	560,156	18,973	419,663	998,793	Net ending balance	472,635	5,656	302,172	780,464
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2. Effective ending balance of remaining lease payments																																									
('000 Yen)																																									
Within one year	659,486																																								
Over one year	820,365																																								
Total	1,479,852																																								
3. Lease expenses payable, depreciation expenses, and interests																																									
('000 Yen)																																									
Lease payments	832,075																																								
Depreciation expenses	773,899																																								
Interest payments	53,349																																								
4. Calculation methods of depreciation expenses and interests payable																																									
<p>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.</p> <p>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.</p>																																									
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**(Tax effect accounting)**

Current Fiscal Year (As of June 30, 2003)	Previous Fiscal Year (As of June 30, 2002)																																																				
<p>1. Breakdown of deferred tax assets/liabilities by principal engendering causes</p> <table><tr><td>(Deferred tax assets)</td><td style="text-align: right;">('000 Yen)</td></tr><tr><td>Accrued enterprise taxes</td><td style="text-align: right;">163,590</td></tr><tr><td>Provision for accrued directors' retirement benefits</td><td style="text-align: right;">9,562</td></tr><tr><td>Allowance for doubtful accounts exceeding limit</td><td style="text-align: right;">55,833</td></tr><tr><td>Loss carry forwards</td><td style="text-align: right;">24,889</td></tr><tr><td>Losses on software exceeding the deductible limit</td><td style="text-align: right;">140,093</td></tr><tr><td>Provisions for accrued retirement benefits exceeding limit</td><td style="text-align: right;">9,968</td></tr><tr><td>Depreciation/amortization of deferred assets exceeding limit</td><td style="text-align: right;">9,421</td></tr><tr><td>Others</td><td style="text-align: right;"><u>11,512</u></td></tr><tr><td>Total deferred tax assets</td><td style="text-align: right;">424,871</td></tr><tr><td>(Deferred tax liabilities)</td><td></td></tr><tr><td>Net unrealized holding gains on securities</td><td style="text-align: right;">16,197</td></tr><tr><td>Others</td><td style="text-align: right;"><u>86</u></td></tr><tr><td>Total deferred tax liabilities</td><td style="text-align: right;"><u>16,283</u></td></tr><tr><td>Net deferred tax assets</td><td style="text-align: right;"><u>408,588</u></td></tr></table>	(Deferred tax assets)	('000 Yen)	Accrued enterprise taxes	163,590	Provision for accrued directors' retirement benefits	9,562	Allowance for doubtful accounts exceeding limit	55,833	Loss carry forwards	24,889	Losses on software exceeding the deductible limit	140,093	Provisions for accrued retirement benefits exceeding limit	9,968	Depreciation/amortization of deferred assets exceeding limit	9,421	Others	<u>11,512</u>	Total deferred tax assets	424,871	(Deferred tax liabilities)		Net unrealized holding gains on securities	16,197	Others	<u>86</u>	Total deferred tax liabilities	<u>16,283</u>	Net deferred tax assets	<u>408,588</u>	<p>1. Breakdown of deferred tax assets and liabilities by principal engendering causes</p> <table><tr><td>(Deferred tax assets)</td><td style="text-align: right;">(000 Yen)</td></tr><tr><td>Accrued enterprise taxes</td><td style="text-align: right;">100,920</td></tr><tr><td>Provision for accrued directors' retirement benefits</td><td style="text-align: right;">8,865</td></tr><tr><td>Allowance for doubtful accounts exceeding limit</td><td style="text-align: right;">42,900</td></tr><tr><td>Loss carry forwards</td><td style="text-align: right;">43,744</td></tr><tr><td>Losses on software exceeding the deductible limit</td><td style="text-align: right;">39,698</td></tr><tr><td>Provisions for accrued retirement benefits exceeding limit</td><td style="text-align: right;">7,399</td></tr><tr><td>Others</td><td style="text-align: right;"><u>29,173</u></td></tr><tr><td>Total deferred tax assets</td><td style="text-align: right;">272,701</td></tr><tr><td>(Deferred tax liabilities)</td><td style="text-align: right;"><u>544</u></td></tr><tr><td>Net deferred tax assets</td><td style="text-align: right;"><u>272,156</u></td></tr></table>	(Deferred tax assets)	(000 Yen)	Accrued enterprise taxes	100,920	Provision for accrued directors' retirement benefits	8,865	Allowance for doubtful accounts exceeding limit	42,900	Loss carry forwards	43,744	Losses on software exceeding the deductible limit	39,698	Provisions for accrued retirement benefits exceeding limit	7,399	Others	<u>29,173</u>	Total deferred tax assets	272,701	(Deferred tax liabilities)	<u>544</u>	Net deferred tax assets	<u>272,156</u>
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<p>2. Breakdown of principal causes of the difference between statutory effective tax rate and the burden rate of income taxes, etc. after tax effect accounting applied.</p> <p>The breakdown is not listed as the difference between the statutory effective tax rate and the burden rate of income taxes, etc. is less than 1/20 (one twentieth) of the statutory effective tax rate.</p>	<table><tr><td>Statutory effective tax rate</td><td style="text-align: right;">42.1%</td></tr><tr><td>(Adjustment)</td><td></td></tr><tr><td>Unposted deferred tax</td><td style="text-align: right;">(-13.6) (*)</td></tr><tr><td>Parity taxation of resident tax</td><td style="text-align: right;">7.4</td></tr><tr><td>Loss carry forwards taken over</td><td></td></tr><tr><td>    due to merger</td><td style="text-align: right;">(-1.1)</td></tr><tr><td>    Others</td><td style="text-align: right;"><u>(-1.2)</u></td></tr><tr><td>Burden rate of income taxes, etc. after tax effect accounting applied</td><td style="text-align: right;"><u>33.6</u></td></tr></table> <p>(*) Due to the fact that certain subsidiaries refrained from posting deferred tax upon considering the possibility of collection.</p>	Statutory effective tax rate	42.1%	(Adjustment)		Unposted deferred tax	(-13.6) (*)	Parity taxation of resident tax	7.4	Loss carry forwards taken over		due to merger	(-1.1)	Others	<u>(-1.2)</u>	Burden rate of income taxes, etc. after tax effect accounting applied	<u>33.6</u>																																				
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<p>3. In accordance with the "Law to Partially Amend the Local Tax Law" (2003 Law No. 9) promulgated on March 31, 2003, the statutory effective 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>																																																					

**(Retirement benefits)**

Current Fiscal Year (From July 1, 2002 To June 30, 2003)	Previous Fiscal Year (From July 1, 2001 To June 30, 2002)
<p>1. Summary of the retirement benefit program being employed. The Company and the consolidated domestic subsidiaries employ the lump-sum payment plan of the defined benefit program.</p> <p>2. Items pertaining to retirement benefit obligations (‘000 Yen)</p> <p><u>Projected benefit obligations</u> 23,147</p> <p>Accrued retirement allowances 23,147</p> <p><i>(Note) A simplified method is applied when calculating the projected benefit obligations.</i></p> <p>3. Items pertaining to costs of retirement benefit payments (‘000 Yen)</p> <p><u>Service cost</u> 6,166</p> <p>Retirement benefit cost 6,166</p>	<p>1. Summary of the retirement benefit program being employed. The Company and the consolidated domestic subsidiaries employ the lump-sum payment plan of the defined benefit program.</p> <p>2. Items pertaining to retirement benefit obligations (‘000 Yen)</p> <p><u>Projected benefit obligations</u> 27,017</p> <p>Accrued retirement allowances 27,017</p> <p><i>(Note) A simplified method is applied when calculating the projected benefit obligations.</i></p> <p>3. Items pertaining to costs of retirement benefit payments (‘000 Yen)</p> <p><u>Service cost</u> 2,557</p> <p>Retirement benefit cost 2,557</p>

**(Segment Information)****a. Breakdown by Operating Segments**

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

(Unit: '000 Yen)

	Sub-contracting	Human resource related	Investment and Loan	Medical/Nursing care	Total	Intra-company eliminations and corporate overhead	Consolidated
I. Revenues and Operating Income/ Losses							
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
II. Assets, depreciation and capital expenditure							
Assets	22,257,947	764,109	-	5,292,222	28,314,278	-	28,314,278
Depreciation	380,259	38,656	2,343	228,299	649,559	-	649,559
Capital expenditure	420,399	30,418	-	20,462	471,279	-	471,279

*(Note) 1. 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 start-up companies**(4) Medical/Nursing care:**home nursing care services, home-call dental treatment support services*

For the current consolidated fiscal period (From July 1, 2002 to June 30, 2003)

(Unit: '000 Yen)

	Sub-contracting	Human resource related	Nursing care/Medical support	Total	Intra-company eliminations and corporate overhead	Consolidated
I. Revenues and Operating Income/Losses						
Revenues						
(1) Revenues from external clients	37,383,642	1,787,753	23,101,525	62,272,920	-	62,272,920
(2) Intra-segment revenues and cross-charges	38,566	255,107	-	293,673	(293,673)	-
Total	37,422,208	2,042,860	23,101,525	62,566,594	(293,673)	62,272,920
Operating expenses	33,604,837	1,880,801	22,116,049	57,601,688	(300,601)	57,301,087
Operating income (losses)	3,817,370	162,059	985,475	4,964,905	6,927	4,971,833
II. Assets, depreciation and capital expenditure						
Assets	27,606,062	723,168	10,156,514	38,485,745	-	38,485,745
Depreciation	439,953	16,926	166,207	623,088	-	508,390
Capital expenditure	676,130	28,830	17,718	722,679	-	722,679

(Note) 1. 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) Nursing care/medical support:

home nursing care services, home-call dental treatment support service

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.

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.

#### b. Geographical segmentation

##### 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.

##### Current consolidated fiscal period (From July 1, 2002 to June 30, 2003)

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

#### c. Overseas revenues

##### 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.

##### Current consolidated fiscal period (From July 1, 2002 to June 30, 2003)

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

**(Marketable Securities)****Previous Consolidated Fiscal Year (From July 1, 2001 to June 30, 2002)****(1) "Other securities" with market value**

Class	Original purchase price ('000 Yen)	Amount recorded in the consolidated balance sheet at fiscal yearend ('000 Yen)	Difference ('000 Yen)
Items with the market value exceeding the amounts recorded in the balance sheet			
Stocks	—	—	—
Bonds	—	—	—
Others	—	—	—
Subtotal	—	—	—
Items with the market value falling short of the amounts recorded in the balance sheet			
Stocks			
Bonds	172,183	54,061	(118,122)
Others	—	—	—
Subtotal	172,183	54,061	(118,122)
Total	172,183	54,061	(118,122)

**(2) "Other securities" sold during the subject consolidated fiscal year**

Sale price ('000 Yen)	Total gains on sale ('000 Yen)	Total losses on sale ('000 Yen)
—	—	—

**(3) Securities without market value****Other securities**

Items	Amount recorded in the consolidated balance sheet ('000 Yen)
Unlisted stock	1,187,640
Unlisted bonds	300,298
Others	3,000
Total	1,490,938

**Current Consolidated Fiscal Year (From July 1, 2002 to June 30, 2003)**

**(1) "Other securities" with market value**

Class	Original purchase price ('000 Yen)	Amount recorded in the consolidated balance sheet at fiscal yearend ('000 Yen)	Difference ('000 Yen)
Items with the market value exceeding the amounts recorded in the balance sheet			
Stocks	53,083	100,990	47,906
Bonds	—	—	—
Others	21,350	22,235	885
Subtotal	74,433	123,225	48,791
Items with the market value falling short of the amounts recorded in the balance sheet			
Stocks	18,100	10,635	(7,465)
Bonds	20,400	17,656	(2,744)
Others			
Subtotal	38,500	28,291	(10,209)
Total	112,933	151,516	38,582

**(2) "Other securities" sold during the subject consolidated fiscal year**

Sale price ('000 Yen)	Total gains on sale ('000 Yen)	Total losses on sale ('000 Yen)
17,798	—	(1,174,840)

**(3) Securities without market value**

**Other securities**

Items	Amount recorded in the consolidated balance sheet ('000 Yen)
Unlisted stock	505,917
Unlisted bonds	900,000
Others	3,000
Total	1,408,917

**(Transactions with related parties)**

Previous Consolidated Fiscal Period (From July 1, 2001 to June 30, 2002)

Relation	Name of company/ individual	Address	Paid-in capital/ capital contri- bution ('000Yen)	Business profile/ profession	Voting rights in Co. (%)	Relationship		Transaction details	Transaction value ('000 Yen)	Account	Fiscal yearend balance
						Concur- rent director- ship	Business connec- tion				
Directors and Associates	Masahiro Origuchi	Setagaya- ku, Tokyo		Rep. Director & Chairman of the Company	5.80	-	-	Sale of GW Capital shares	3,000,000	-	-
								Purchase of COMSN shares	3,000,000		

Current Consolidated Fiscal Period (From July 1, 2002 to June 30, 2003)

Relation	Name of company/individual	Address	Paid-in capital/capital contribution ('000Yen)	Business profile/profession	Voting rights in Co. (%)	Relationship		Transaction details	Transaction value ('000 Yen)	Account	Fiscal yearend balance	
						Concurrent directorship	Business connection					
Directors and Associates	Masahiro Origuchi	Setagaya-ku, Tokyo		Rep. Director & Chairman of the Company	5.80	-	-	Receipt of COMSN shares w/out compensation	1,175,000	-	-	
								Purchase of COMSN and Goodwill Career shares	1,228,224	-	-	
	Shinichiro Kawakami	Setagaya-ku, Tokyo		Director & President of the Company	0.90	-	-	Purchase of COMSN shares	50,000	-	-	
	Akira Kanezaki	Nerima-ku, Tokyo		Managing Director of the Company	0.00	-	-	Purchase of COMSN and Goodwill Career shares	275,285	-	-	
	Akifumi Jinno	Minato-ku, Tokyo		Managing Director of the Company	0.90	-	-	Purchase of COMSN shares	50,000	-	-	
	Koshiro Onishi	Suginami-ku, Tokyo		Director & Advisor of the Company	3.34	-	-	Purchase of COMSN shares	50,000	-	-	
Dissolution of guarantee for bank borrowings								443,720				
Entities where majority voting rights are held by the Company's directors and associates (including subsidiaries of such entities)	Origuchi Soken, Ltd.	Minato-ku, Tokyo	3,000	Management consulting/asset management co.	15.20	1	-	Purchase of COMSN shares	37,875	-	-	
	International Marketing, Ltd.	Minato-ku, Tokyo	10,000	Asset management co.	-	1	-	Purchase of COMSN shares	125,000	-	-	
	Sidework, Ltd.	Minato-ku, Tokyo	10,000		-	-	-	Transfer of claim	194,000	-	-	
	Court Investment, Ltd.	Minato-ku, Tokyo	3,000,000			-	-	-	Lending of funds	100,000	-	-
									Fund recovery through receipt of claim	439,230	-	-
									Fund recovery	432,974	-	-
									Fund recovery through receipt of stocks	159,855	-	-
Purchase of fixed assets									420	-	-	
Interest income	4,309	-	-									

(Others)

Significant Lawsuits

No item to note.