

February 14, 2005

**Interim Financial Report (Consolidated)  
for the First Half of the Fiscal Term Ending June 2005**

Name of listed company: The Goodwill Group, Inc.

TSE listed securities

Ticker No.: 4723

Headquarter location: Tokyo

(URL <http://www.goodwill.com>)

Representative: Masahiro Origuchi Representative Director and Chairman

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

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

Date of board of directors meeting on interim financial results: February 14, 2005

Application of US GAAP: None

**1. Consolidated Interim Financial Results for the Half Year ending Dec. 2004 (July 1 ~ Dec. 31, 2004)**

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

	Revenues		Operating Income		Ordinary Income	
	MM Yen	%	MM Yen	%	MM Yen	%
HY ending Dec. 2004	67,959	60.0	3,583	10.4	2,955	(4.9)
HY ending Dec. 2003	42,464	46.4	3,246	30.4	3,107	26.4
FY ending June 2004	93,042		5,974		5,539	

	Interim Net Income		Interim EPS	Fully Diluted EPS for the Interim Fiscal Period
	MM Yen	%	Yen	Yen
HY ending Dec. 2004	1,507	9.8	2,378.10	2,377.84
HY ending Dec. 2003	1,372	6.9	7,431.00	-
FY ending June 2004	2,704		4,490.63	-

(Note) Investment gains (losses) accounted for by the equity method.  
HY ending 12/2004: None HY ending 12/2003: None FY ending 06/2004: None  
Average number of shares during the term (consolidated)

HY ending 12/2004 633,813 shares  
HY ending 12/2003 184,758 shares  
FY ending 06/2004 582,315 shares

Changes in accounting principles applied: None

Percentages 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. 2004	109,758	38,540	35.1	60,806.80
HY ending Dec. 2003	47,209	18,704	39.6	101,235.91
FY ending June 2004	88,666	39,896	45.0	62,587.77

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

HY ending 12/2004 627,383 shares  
HY ending 12/2003 184,758 shares  
FY ending 06/2004 636,004 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. 2004	(1,321)	(8,123)	11,397	16,134
HY ending Dec. 2003	(902)	(1,861)	5,612	14,901
FY ending June 2004	792	(23,847)	24,945	13,942

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

Number of consolidated subsidiaries: 10

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): 5 (Exclusion): 3  
 Equity method (New): 0 (Exclusion): 0

**2. Forecast on Consolidated Financial Results for the Full Year ended June 2005  
 (July 1, 2004 ~ June 30, 2005)**

	Revenues	Ordinary Income	Net Income
	MM Yen	MM Yen	MM Yen
Full year	140,000	6,200	2,900

(Reference) Forecasted EPS (Full year) 4,456.46 yen

1 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 ten subsidiaries (as of current term-end: 13 subsidiaries during the term). The Group offers "Total Human Resources Services" to respond to various human resource related needs; its operations including dispatching/subcontracting business which focuses on light labor, human resource related business centering on the Employee Counseling Program (EAP), nursing care/medical support business with a focus on home nursing care service, along with other businesses such as child-care and re-employment support. The business descriptions, positioning of affiliated companies in relation to the subject businesses and the business segments are shown herebelow.

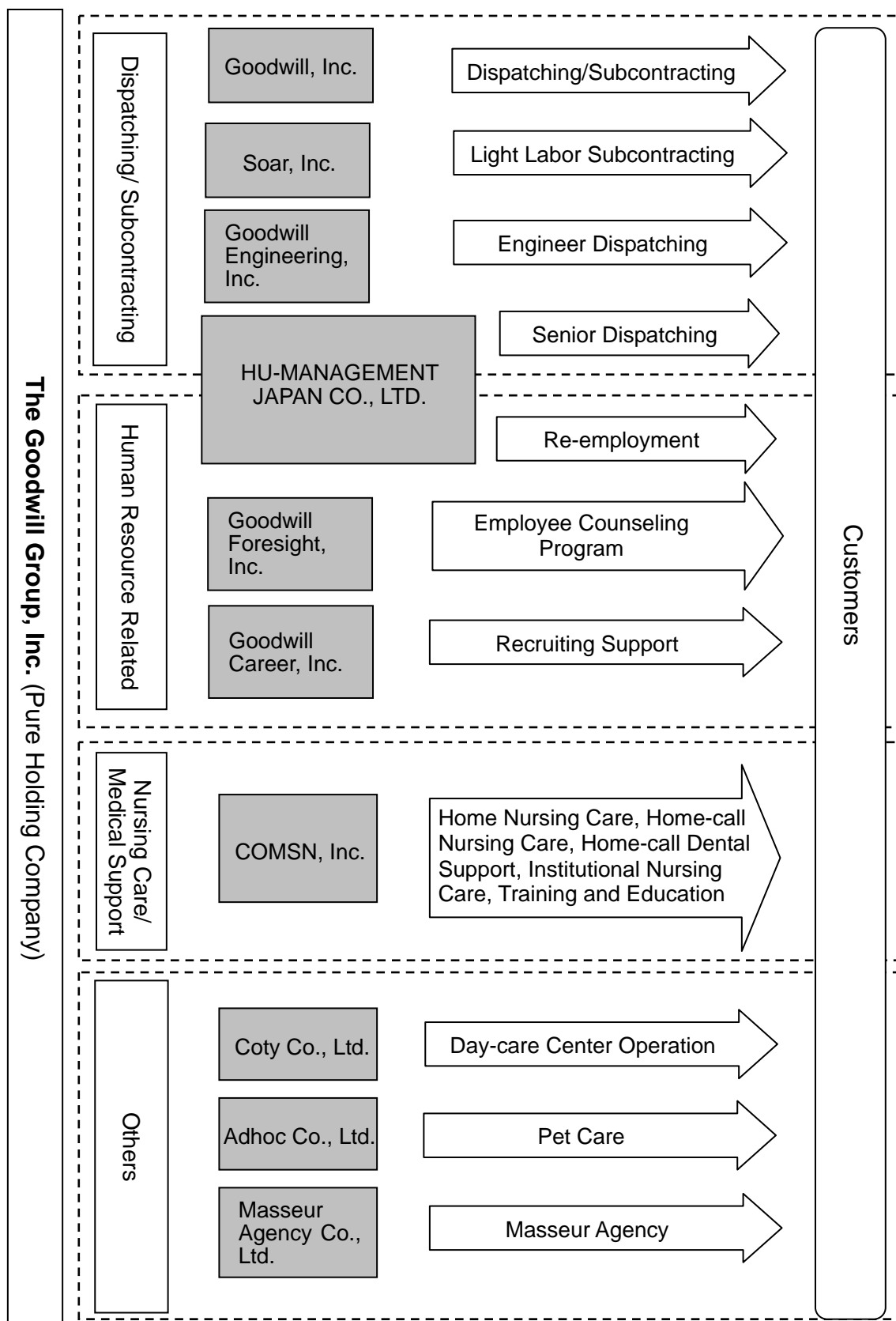
(As of December 31, 2004)

Business Segments	Name	Address	Paid-in Capital ('000 Yen)	Major Businesses	Voting Rights Ownership (%)	Affiliation Details	Remarks
Dispatching /Sub-contracting	Goodwill, Inc.	Meguro-ku, Tokyo	10,000,000	Dispatching/subcontracting	100	No. of officers serving concurrently: 3	
	Soar, Inc.	Minato-ku, Tokyo	400,000	Light labor subcontracting	100 (100)	No. of officers serving concurrently: 2	
	Goodwill Engineering, Inc.	Minato-ku, Tokyo	420,000	Engineer dispatching	95.2	No. of officers serving concurrently: 2	
	HU-MANAGEMENT JAPAN CO., LTD.	Minato-ku, Tokyo	640,000	Senior dispatching Re-employment support	50.9	No. of officers serving concurrently: 1	
Human Resource Related	Goodwill Foresight, Inc.	Minato-ku, Tokyo	200,000	Employee counseling program (EAP)	83.0	No. of officers serving concurrently: 2	
	Goodwill Career, Inc.	Minato-ku, Tokyo	300,000	Recruiting support business	95.2	Receiving resourcing support. No. of officers serving concurrently: 3	
Nursing Care/ Medical Support	COMSN, Inc.	Minato-ku, Tokyo	14,148,350	Home nursing care service, home-call nursing care, home-call dental care support, institutional nursing care, training business	100	No. of officers serving concurrently: 3	
Others	The Goodwill Group, Inc. (The Company)	Minato-ku, Tokyo	14,118,990	Pure holding company			
	Coty Co., Ltd.	Sapporo, Hokkaido	217,500	Day-care center operation	78.1	No. of officers serving concurrently: 1	
	Adhoc Co., Ltd.	Minato-ku, Tokyo	150,000	Pet care	100	No. of officers serving concurrently: 1	
	Masseur Agency Co., Ltd.	Minato-ku, Tokyo	300,000	Masseur agency	100	No. of officers serving concurrently: 1	

(Note)

- Figure in parenthesis in the "Voting Rights Ownership" section indicates indirect ownership.
- The Company transferred its subcontracting division to Goodwill, Inc. through business division effective August 1, 2004, and adopted a pure holding company configuration.
- The driver dispatching business of Soar, Inc. was transferred to Goodwill, Inc. effective August 1, 2004.
- The resource dispatching business of Goodwill Career, Inc. was transferred to Goodwill, Inc. effective August 1, 2004.
- Kyodo Engineering Inc., N&S Planning Inc. and Touhouadrise Inc. were absorbed by Goodwill, Inc. on September 1, 2004.
- Goodwill Career Inc. underwent business division effective September 1, 2004 whereby the employee counseling program (EAP) business was transferred to the newly established Goodwill Foresight, Inc.
- Goodwill Engineering, Inc., Adhoc Co., Ltd., and Masseur Agency Co., Ltd. were included in the Company's scope of consolidation as of the current term as these entities have become significant.
- The Company completed a tender offer for the shares of HU-MANAGEMENT JAPAN CO., LTD. on July 13, 2004, and made the entity its subsidiary.

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 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 employment environment is becoming increasingly mobile. The Group also firmly believes that, in addition to “expansion and development” as well as “social contribution” at the corporate level, making 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 their most important business missions, and as such, will aim to realize stable dividend payment that match the profit levels while also securing a stable business foundation. During the previous fiscal year, the Group realized an interim dividend payment of 1,500 yen per share (before stock split), and a year-end dividend payment of 1,000 yen per share (after 3-for-1 stock split) which amounted to a full-year dividend payment of 2,500 yen per share. For the current fiscal period, the plan is to pay a total of 1,500 yen in dividends per share with 750 yen paid per share as interim dividend, and another 750 yen per share paid as year-end dividend.

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

The Company has fixed its minimum investment unit at one share per unit in order to enhance share liquidity and to make the Company shares accessible to as many shareholders as possible. The Company also implemented a 3-for-1 stock split on January 20, 2004 of the previous consolidated fiscal year.

### **(4) Target Business Indices**

From the perspective of maximizing corporate value, the Group places particular importance on improvements in asset and capital efficiencies; that is to say, improvements in ROE and ROA. The Group, which offers total human resources services, also understands that human resources are its most important assets, and as such, seeks to establish a business structure capable of achieving high profitability through, on the one hand, valuing human resources which are assets that can not be quantified, while also holding other assets in an efficient and well-balanced manner.

### **(5) Mid- to Long-term Business Strategies and Missions**

From the perspective of business management, the Group places particular importance on the maximization of corporate value; that is to say the maximization of market capitalization. The Group believes that expanding its profits through stable growth that lives up to the name of a “leading company in total human resources services” is the key component for the enhancement of investors’ asset values. Additionally, the Group is thoroughly aware of the fact that the “cost of capital” can be defined as the shareholders’ expected rate of return and understands that the realization of a return on equity significantly surpassing such expectations will lead to the maximization of shareholder value and in turn the maximization of corporate value. As such, the Group will make every effort to enhance its growth cycles while constantly pursuing the best possible capital structure, and will aspire to realize improvements for the mid-term relative to various financial indices.

Furthermore, the Group intends to reinforce its overall growth strategy through the ideal distribution of internal business resources. As a specific measure, the Group adopted a pure holding company configuration effective August 1, 2004. With regard to the principal businesses, the Group will seek to generate a sense of financial independence through conducting spin-offs into independent business entities, and to thereby realize profit maximization at an early stage. Meanwhile, in cases where the concentration of business resources becomes imperative due to changes in business environment or for the pursuit of the economies of scale, the Group will implement selection and concentration to achieve ideal distribution of business resources at all times.

## **(6) Basic Approach toward Corporate Governance and Implementation Status of Pertinent Measures**

The Group is fully aware of the importance of corporate governance and the necessity of stringent compliance in the process of maximizing corporate and shareholder values.

On August 1, 2004, The Goodwill Group, Inc. became a pure holding company with management and control functions over the entire Group. While respecting the expertise and independence of the individual entities, the Company will aim to accelerate business growth of the overall Group, particularly focusing on the reinforcement of Group governance led by the Company's Board of Directors.

In terms of the Board of Directors, the Company selected one outside director in June 2004 of the previous fiscal year. The subject director provides the Company valuable management advice based on professional expertise and from an objective standpoint.

In terms of the Board of Auditors, all four of the Company's current auditors are outside auditors, and among them, two are full-time auditors. The full-time auditors are primarily responsible for auditing the operations of the branches and other locations, for making statements at the Board of Directors Meetings and for supervising the proper execution of responsibilities by the directors.

With regard to compliance, the Company is making efforts to reinforce legal check. A compliance committee meeting is also held on a monthly basis to evaluate compliance related matters and to promote strict adherence to pertinent laws and regulations. Furthermore, as a means to prevent law breach, the Company has streamlined the "internal reporting lines" so as to put in place specific case-by-case communication routes to responsible and pertinent departments; thereby establishing a structure where officers in charge take the leadership to achieve timely problem resolution.

In terms of corporate communications and IR, the Company is fully aware of the responsibility as a public company to actively disclose information to investors and other concerned parties, in a timely and fair manner. As such, the Company established a Corporate Communications and IR Department responsible for the dissemination of company information. In addition to the routine disclosure of quarterly information, the subject department, via its IR website, conducts timely disclosure of such items as reference materials used at presentations of term-end results and business performances. Through such efforts, information is equally made available to investors without time lag, and concurrently, the Company is able to promote its business operations to a wider universe. The website accessible around the clock not only provides financial information, explanatory materials and press releases, but also releases messages from the chairman and IR schedules. The Company also proactively discloses its business strategies and management information to financial analysts and institutional investors including domestic and overseas fund managers through scheduled meetings. Additionally, going forward, the Company will be implementing measures to promote understanding of the Group's businesses among individual investors.

## **(7) Missions to be Pursues**

The domestic economy continues to show mild recovery, and job environment is also transitioning toward an upturn with the current unemployment rate being in the low 4% range. Meanwhile, given 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. Companies are shifting labor costs from fixed costs to liquid expenses in pursuit of management efficiency, and employment mobility is projected to further accelerate going forward.

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 Company will continue to pursue the important missions outlined herebelow.

The mission to ultimately maximize the shareholders' asset 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 Company firmly believes that in a capitalistic society,

enlarged reproduction is the source of corporate growth. As such, the Company 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 in achieving "self realization".

In terms of the human resource related business, the Company is making an effort to carry a full line of services in response to the diverse customer needs. It intends to firmly establish businesses such as recruitment support, re-employment support, and employee counseling service by restructuring the existing business models among other means.

With regard to the nursing care/medical support business, assisted by the penetration of nursing care insurance system and improved public awareness thereof, the market for such business is expanding in tandem with the increase in elderly population. Under such an environment, the Company is adopting a strategy to aggressively launch new branches as in the previous fiscal term, accelerating advance investments in both institutional nursing care and home nursing care with a focus on home-call services. The goal is to win a dominant market share by fully capitalizing on the brand power of COMSN and the Group's enhanced marketing capabilities.

#### **(8) Other Significant Matters Concerning the Company's Operations**

Upon conducting business division and adopting a pure holding company structure in August 2004, The Goodwill Group, Inc. streamlined and restructured its subsidiaries, implementing business transfers and mergers among the entities. The subcontracting business which was in principle operated through a separate company due to statutory restrictions that previously existed in human resource dispatching has since merited from deregulation, and in light of the expansion in the scope of operations that can be covered under the framework of dispatching, the Group has decided to offer those services formerly offered through subcontracting agreements now in principle through dispatch agreements. Accordingly, the Group consolidated the operations so that the human resource dispatching services are now basically offered by Goodwill, Inc. exclusively. Given such circumstances, for internal management purposes, the need to separate the subcontracting and dispatching businesses into separate segments became slim.

As a result of reevaluating the business segmentation of the entire Group, the human resource dispatching business previously included in the "human resource related" segment was consolidated with the "subcontracting segment" to be presented as the "dispatching/subcontracting" segment. Additionally, the "others" segment was established to accommodate those newly consolidated subsidiaries with operations that do not fall under the previous business categories.

Due to the subject change, the figures for "human resource related" business under the new segmentation declined by 4,255 million yen in revenues and 463 million yen in operating income relative to those figures derived based on the segmentation of the previous fiscal year.

### **3. Business Results and Financial Standings**

#### **Business Results**

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

During the Company's consolidated interim fiscal year, the Japanese economy, driven by the growth in exports to China, continued to show trends of recovery with improvements seen in corporate earnings as evidenced by increase in capital investments. The employment environment also headed for recovery with the unemployment rate dropping to the low 4% range. Meanwhile, uncertainties such as unstable oil prices and exchange fluctuations remain and obstruct the vision for an optimistic future outlook.

Within such an environment, in the area of human resource services which is the Group's core business, resource mobility from the perspectives of both workers and employers is expected to progress further with employment becoming more flexible as companies adjust to the shortened product supply life cycles and work forces becoming more mobile as outstanding talents make job shifts. The market in general is projected to expand going forward and the public demand for the Group's services is also expected to increase.

Under such conditions, the Group displayed steady growth for the interim period in review as companies promptly implemented measures to alter fixed costs into variable costs so as to manage their businesses with higher efficiency and as strong expectations for outsourcing emerged in the general society.

Meanwhile, in preparation for the enforcement of Personal Information Protection Law beginning this April, Goodwill, Inc. acquired a privacy mark certification on December 24, 2004. In line with the continued efforts to expand ISO9001:2000 certified service locations, the Company intends to promote further improvements in both service quality and information security, and in turn satisfy both the customers and registered staff.

For the half year in review, the consolidated interim revenues of the Group increased by 25,495 million yen on a year on year basis at 67,959 million yen. The significant increase was due to the continuing steady growth in the primary operations of light labor subcontracting and the nursing care/medical support business. Meanwhile, the Group was burdened by the cost of advance investments as it invested aggressively in new store launches to meet increasing demands, and as a result, the consolidated operating income for the current interim period fell year on year by 151 million yen to 2,955 million yen. However, consolidated interim net income rose by 134 million yen year on year to 1,507 million yen.

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

##### **Dispatching/Subcontracting Business**

During the consolidated interim term in review, the dispatching/subcontracting business underwent restructuring as the Group implemented business division in August 2004 and subsequently conducted merger in September 2004. While centralizing the business resources that were historically dispersed across several companies and streamlining the operations to establish an efficient business structure, the Group reinforcing its supply capacity through aggressive store launches on a nation-wide level so as to capture the ever-increasing demand. As a result, as of the end of December 2004, the number of branches increased by 210 locations from the end of the previous fiscal year to 710 locations. The Group also actively promoted its TV commercial publicity campaign to secure registered staff and further improve brand image, and also enhanced credibility through acquisition of a privacy mark certification. Accordingly, the number of registered staff increased to 1,600,000, marking a rise by 220,000 persons compared to the previous consolidated fiscal year.

With regard to the financial results, revenues in dispatching/subcontracting amounted to 41,244 million yen, and operating income stood at 3,079 million yen.

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

With regard to the Human Resources Related Business for the current consolidated interim period, particularly in the area of Employment Counseling Program (EAP), the treatment of stress and the improvement of employee productivity have become urgent missions for companies, against the backdrop of higher per employee workload on accelerated restructuring activities of recent years and the problem of depression that is being underscored as a social issue. The EAP program is becoming widely perceived as an effective measure against such problems in recent years.

As a result, the Group posted 2,076 million yen in revenues, and 43 million yen in operating income for the consolidated interim period in review.

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

With regard to the nursing care and medical support business, as a continued effort from the previous fiscal year, the Group further expanded the number of business locations based on a projection that the market will reach an even higher level of growth with the revision of the existing Nursing Care Insurance Law scheduled this April. In terms of home-call nursing care, the number of service locations increased by 109 venues since the end of the previous fiscal year at a total of 913 locations. The Group also actively recruited care managers and home helpers.

In the area of group homes, the lack of such facilities continues on a nation-wide scale as the society ages progressively on falling birthrate. The Group expanded service locations in this area in response to the ever-rising demand, and as a result the number of group homes operated by the Group increased by 22 locations since the end of the previous fiscal year to a total of 102 locations.

With regard to pay nursing homes of which there were three at the previous fiscal year-end, the Group opened a new facility by the name of "COMSN Home Ebina" in October 2004 based on forecasts projecting demand growth in this area. Given the fact that the original three nursing homes, which are being operated at near full capacity, are generating stable profits, the Group also anticipates stable profit increase in this business area.

As a result of the above, consolidated interim revenues for the nursing care/medical support business marked 24,229 million yen and operating income stood at 591 million yen.

### **Others**

With regard to other businesses, the Group envisions further business expansion in the child-care related market as needs for child-care facilities continue to multiply in light of women's advancement in society and diversification of life-styles, and as the government takes initiatives to develop an infrastructure conducive to child-rearing so as to put a stop to the dropping birth rate. Additionally, child-care related needs on the part of employers are also growing rapidly as companies prepare for the drafting of the "general proprietor's action plan" in April 2005 in connection with the "Law Promoting Measures to Support Fostering the Next Generation".

In the pet related market, the number of pet dogs being owned is steadily increasing partly due to the fact that the positive effects of raising pets have been scientifically verified in recent years. For the first time, the number of pets being raised in-house surpassed the number of those raised outside, and significant increase was observed in the percentages of pets being raised by single-person households and the elderly generation.

The Group posted 409 million yen and revenues and an operating loss of 141 million yen in other businesses for the consolidated interim period in review.

## **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 16,134 million yen, 1,232 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 used in operating activities came to 1,321 million yen (the same term of the previous fiscal year marked a cash outflow by 902 million yen). This was due primarily to the increase in accounts receivable from expanded revenues in the dispatching/subcontracting and nursing care/medical support businesses, along with higher corporate taxes stemming from increased earnings.

#### **(Cash flow from investing activities)**

Cash used in investing activities came to 8,123 million yen (the same term of the previous fiscal year marked a cash outflow of 1,861 million yen). This was due primarily to the acquisition of tangible fixed assets resulting from the increase in service locations and the acquisition of the shares of HU-MANAGEMENT JAPAN CO., LTD.

#### **(Cash flow from financing activities)**

Cash provided by financing activities came to 11,397 million yen (the same term of the previous fiscal year marked a cash increase by 5,612 million yen). This was due primarily to the increase in long-term borrowings resulting from the consolidation of the Group's financing functions and the increase in direct financing from banks.

### **(2) Full year outlook**

As the Japanese economy continues its recovery path, the Group forecasts that the dispatching/subcontracting business will display relatively strong growth, meriting from the Group's enhanced supply power backed by the aggressive store launches being conducted since the previous term as well as the general trend on the part of companies to shift personnel costs to variable expenses. In the area of nursing care/medical support, the Group projects steady growth in the demand for nursing care services going forward in light of the increase in the number of individuals certified as requiring nursing care, along with the commencement of new services in connection with the revision of nursing care insurance scheduled this April. Meanwhile, in terms of institutional nursing care, more time will be required for the subject operation to contribute to the Group's overall profitability, as the business, by nature, calls for significant sums of advance investment. Expenses were also incurred during the current fiscal year in association with the adoption of a pure holding company structure and the restructuring of Group businesses. Finally, the human resource related business is perceived to show relatively strong growth, particularly in the area of Employee Counseling Program (EAP) business.

For the full fiscal year, the Group forecasts consolidated revenues of 140 billion yen, ordinary income of 6.2 billion yen, and net income of 2.9 billion yen.

## Consolidated Interim Financial Statements

### (1) Consolidated Interim Balance Sheet

Items	Previous Half Year (As of December 31, 2003)		Current Half Year (As of December 31, 2004)		Previous Fiscal Year (As of June 30, 2004)	
	Amount ('000 Yen)	% Total	Amount ('000 Yen)	% Total	Amount ('000 Yen)	% Total
<b>(Assets)</b>						
<b>I. Current Assets</b>						
1. Cash and deposits	14,941,803		16,143,145		13,946,527	
2. Trade notes and accounts receivable	8,401,179		22,139,793		7,909,300	
3. Accrued revenues	6,612,795		0		8,263,469	
4. Deferred tax assets	213,342		348,179		306,494	
5. Prepaid expenses	610,855		912,402		728,162	
6. Others	264,964		3,285,443		260,966	
7. Allowance for doubtful accounts	(74,611)		(92,809)		(79,506)	
Total current assets	30,970,328	65.6	42,736,154	38.9	31,335,414	35.3
<b>II. Fixed Assets</b>						
<b>1. Tangible assets</b>						
(1) Buildings and structures	1,299,754		1,841,206		1,623,619	
Accumulated depreciation	270,369	1,029,384	583,298	1,257,908	406,884	1,216,734
(2) Aircraft			3,604,655		3,604,655	
Accumulated depreciation			160,587	3,444,068	54,069	3,550,585
(3) Furniture and fixtures	2,906,013		4,068,055		3,208,145	
Accumulated depreciation	1,225,284	1,680,729	2,137,286	1,930,768	1,625,025	1,583,120
(4) Land		331,200		19,808,801		498,316
(5) Construction in progress				507,568		16,406,519
(6) Others	146,545		193,861		156,211	
Accumulated depreciation	103,070	43,474	139,530	54,331	122,562	33,648
Total tangible assets		3,084,788		27,003,447		23,288,925
<b>2. Intangible assets</b>						
(1) Consolidation adjustment account		8,186,890		32,297,633		28,148,546
(2) Software		248,776		279,588		232,569
(3) Others		210,252		288,904		214,960
Total intangible assets		8,645,919		32,866,126		28,596,077
<b>3. Investments and other assets</b>						
(1) Investment securities		1,696,550		1,899,848		2,013,333
(2) Long-term loans		69,017		532,602		115,222
(3) Deferred tax assets		183,140		240,953		187,311
(4) Bankruptcy claims		201,237		222,044		214,812
(5) Rent deposit		2,030,310		3,443,735		2,598,893
(6) Long-term prepaid expenses		369,887		739,920		374,224
(7) Others		140,638		279,421		138,498
(8) Allowance for doubtful accounts		(182,650)		(206,087)		(196,147)
Total investments and other assets		4,508,130		7,152,439		5,446,150
Total fixed assets		16,238,838		67,022,013		57,331,152
<b>III. Deferred Assets</b>						
		-		-		-
Total assets		47,209,166		109,758,167		88,666,567

Items	Previous Half Year (As of December 31, 2003)		Current Half Year (As of December 31, 2004)		Previous Fiscal Year (As of June 30, 2004)		
	Amount ('000 Yen)	% Total	Amount ('000 Yen)	% Total	Amount ('000 Yen)	% Total	
<b>(Liabilities)</b>							
<b>I. Current Liabilities</b>							
1. Short-term borrowings	1	11,333,520		21,211,057		17,410,116	
2. Current portion of bonds		-		-		-	
3. Accrued expenses		5,499,384		8,774,738		5,626,137	
4. Accrued income taxes		1,305,642		1,883,543		1,460,713	
5. Accrued consumption taxes		590,183		1,358,950		1,052,399	
6. Others		799,950		3,439,051		914,977	
Total current liabilities		19,528,680	41.4	36,667,341	33.4	26,464,344	29.9
<b>II. Fixed Liabilities</b>							
1. Long-term borrowings	1	7,652,000		31,900,400		21,400,039	
2. Employees retirement benefits		22,738		29,019		28,100	
3. Directors' retirement benefits		26,666		-		-	
4. Others		664,444		772,194		835,184	
Total fixed liabilities		8,365,849	17.7	32,701,613	29.8	22,263,325	25.1
Total liabilities		27,894,530	59.1	69,368,955	63.2	48,727,670	55.0
<b>(Minority Interests)</b>							
Minority Interests		610,470	1.3	1,849,042	1.7	42,818	0.0
<b>(Shareholders' Equity)</b>							
I. Paid-in capital		13,674,660	29.0	14,118,990	12.9	14,118,990	15.9
II. Capital reserve		16,345,269	34.6	36,047,102	32.8	36,047,102	40.7
III. Retained earnings		(11,369,687)	(24.1)	(9,643,633)	(8.8)	(10,314,800)	(11.6)
IV. Net unrealized holding gain (loss) on securities		57,928	0.1	6,756	0.0	52,489	0.0
V. Treasury stock	3	(4,004)	(0.0)	(1,989,047)	(1.8)	(7,703)	(0.0)
Total shareholders' equity		18,704,166	39.6	38,540,168	35.1	39,896,078	45.0
Total liabilities, minority interests, and shareholders' equity		47,209,166	100.0	109,758,167	100.0	88,666,567	100.0

**(2) Consolidated Interim Statement of Income**

Items	Note	Previous Half Year (From July 1, 2003 To December 31, 2003)		Current Half Year (From July 1, 2004 To December 31, 2004)		Previous Fiscal Year (From July 1, 2003 To June 30, 2004)	
		Amount ('000 Yen)	% Total	Amount ('000 Yen)	% Total	Amount ('000 Yen)	% Total
I. Revenues		42,464,524	100.0	67,959,879	100.0	93,042,107	100.0
II. Cost of goods sold		28,061,505	66.1	45,487,497	66.9	62,301,828	67.0
Gross profit		14,403,018	33.9	22,472,381	33.1	30,740,278	33.0
III. Selling, general and administrative expenses							
1. Salary and other allowances		4,795,777		3,097,266		10,795,613	
2. Provision for accrued employee retirement benefits		418		3,629		4,130	
3. Provision for accrued directors' retirement benefits		3,166		-		6,416	
4. Rent		757,630		1,625,532		1,921,338	
5. Communication expenses		574,846		861,489		1,273,563	
6. Amortization of consolidated adjustment account		232,579		860,799		788,780	
7. Depreciation		361,628		584,159		919,573	
8. Provision for allowance for doubtful accounts		27,678		22,957		40,091	
9. Advertising expenses		1,475,150		2,328,234		1,970,319	
10. Others		2,927,600	26.3	9,505,063	27.8	7,046,384	26.6
Operating Income		3,246,541	7.6	3,583,249	5.3	5,974,068	6.4
IV. Non-operating income							
1. Interest income		13,530		17,612		27,303	
2. Dividend income		50		81		12,622	
3. Commission income		14,094		18,170		30,198	
4. Rent income		9,165		87,183		24,068	
5. Others		19,565	0.1	29,953	0.2	42,030	0.2
V. Non-operating expenses							
1. Interest expenses		141,011		551,065		417,218	
2. Losses on capital investment		6,819		1,749		17,305	
3. Issuance fees		-		66,805		-	
4. Commission fees		39,216		68,858		60,551	
5. Others		8,419	0.4	92,183	1.2	75,987	0.6
Ordinary income		3,107,481	7.3	2,955,586	4.3	5,539,229	6.0
VI. Special income							
1. Gains from the sale of fixed assets	1	1,161		243,584		1,162	
2. Gains from the sale of investment securities		83,447		120,371		83,624	
3. Gains on change of holding ratio		-		10,688		-	
4. Gains from debt waiver		-		10,846		-	
5. Gains from termination		-	0.2	167,912	0.8	-	0.1
VII. Special losses							
1. Loss on sale of fixed assets		-		166,288		-	
2. Loss on disposal of fixed assets	3	7,809		73,038		27,759	
3. Valuation loss on investment securities		1,546		-		1,546	
4. Loss on sale of investment securities		414		185		2,705	
5. Loss on change of holding ratio		243,921		-		243,921	
6. Loss associated with restructuring		-		110,127		-	
7. Loss associated with headquarter move	5	175,716	1.0	-	0.5	182,094	0.5
Income before income taxes		2,762,682	6.5	3,159,350	4.6	5,165,989	5.6
Income, residence and enterprise taxes		1,300,437		1,579,218		2,429,367	
Adjustments on income taxes		(12,173)	3.1	59,838	2.4	(106,132)	2.5
Minority interests		101,477	0.2	13,020	0.0	137,788	0.2
Net income		1,372,941	3.2	1,507,273	2.2	2,704,966	2.9

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

Items	Previous Half Year (From July 1, 2003 To December 31, 2003)		Current Half Year (From July 1, 2004 To December 31, 2004)		Previous Fiscal Year (From July 1, 2003 To June 30, 2004)	
	Amount ('000 Yen)		Amount ('000 Yen)		Amount ('000 Yen)	
(Capital Surplus)						
I. Capital surplus beginning balance		16,345,269		36,047,102		16,345,269
II. Increase in capital surplus balance						
1. Subsidiary's gains from the sale of parent company shares	-		-		74,742	
2. Increase in capital surplus from stock swap	-		-		19,627,090	19,701,833
III. Capital surplus ending balance		16,345,269		36,047,102		36,047,102
(Retained Earnings)						
I. Retained earnings beginning balance		(12,497,870)		(10,314,800)		(12,497,870)
II. Increase in retained earnings						
1. Interim net income	1,372,941	1,372,941	1,507,273	1,507,273	2,704,966	2,704,966
III. Decrease in retained earnings						
1. Dividend	184,758		636,452		461,896	
2. Bonuses for directors and auditors	60,000		90,603		60,000	
3. Decrease due to increase in subsidiaries	-		107,452		-	
4. Others	-	244,758	1,597	836,106	-	521,896
IV. Retained earnings ending balance		(11,369,687)		(9,643,633)		(10,314,800)

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

Items	Previous Half Year (From July 1, 2003 To December 31, 2003)	Current Half Year (From July 1, 2004 To December 31, 2004)	Previous Fiscal Year (From July 1, 2003 To June 30, 2004)
	Amount ('000 Yen)	Amount ('000 Yen)	Amount ('000 Yen)
I. Cash flows from operating activities			
1. Income before income taxes	2,762,682	3,159,350	5,165,989
2. Depreciation and amortization expenses	447,991	749,765	1,099,081
3. Gains from sale of fixed assets	(1,161)	(243,584)	(1,162)
4. Losses from removal/sale of fixed assets	7,809	239,326	27,759
5. Amortization of consolidation adjustment accounts	232,579	860,799	788,780
6. Amortization of long-term prepaid expenses	35,587	110,508	90,297
7. Increase in allowance for doubtful accounts	27,678	22,957	39,556
8. Increase/(decrease) in reserve for retirement benefits	(408)	918	4,953
9. Increase/(decrease) in reserve for retirement benefits for directors and auditors	3,166	-	(127,106)
10. Interest and dividend income	(13,580)	(17,693)	(39,926)
11. Interest expenses	141,011	551,065	417,218
12. Losses from capital investment	6,819	3,249	17,305
13. Gains from sale of investment securities	(83,447)	(120,371)	(83,624)
14. Gains from changes in holding ratio	-	(10,688)	-
15. Gains from debt waiver	-	(10,846)	-
16. Gains from termination	-	(167,912)	-
17. Losses from changes in holding ratio	243,921	-	243,921
18. Losses from sale of investment securities	414	185	2,705
19. Valuation losses on investment securities	1,546	-	1,546
20. Losses associated with headquarter move	92,159	-	92,159
21. Expenses associated restructuring	-	110,127	-
22. Increase in trade notes and accounts receivable	(3,415,444)	(4,594,738)	(2,639,941)
23. Increase in accrued revenues	(1,041,564)	(1,367,105)	(2,692,238)
24. Increase in rent deposit	(199,915)	(444,517)	(440,416)
25. Increase in long-term prepaid expenses	-	(471,906)	-
26. Increase in accrued expenses	1,490,790	3,036,154	1,374,403
27. Directors and auditors' bonus payment	(60,000)	(90,603)	-
28. Others	100,492	(768,005)	326,936
Subtotal	779,127	536,435	3,668,197

Items	Previous Half Year (From July 1, 2003 To December 31, 2003)	Current Half Year (From July 1, 2004 To December 31, 2004)	Previous Fiscal Year (From July 1, 2003 To June 30, 2004)
	Amount ('000 Yen)	Amount ('000 Yen)	Amount ('000 Yen)
29. Receipt of interest and dividend	21,096	12,517	42,763
30. Interest payments	(138,402)	(595,821)	(378,440)
31. Income from termination penalty	-	167,912	-
32. Income tax payments	(1,564,303)	(1,442,575)	(2,540,299)
Net cash used in/provided by operating activities	(902,482)	(1,321,531)	792,220
II. Cash flows from investing activities			
1. Net change in time deposits	(39,000)	(5,018)	51,000
2. Proceeds from sale of investment securities	157,716	176,082	161,511
3. Expenditure on acquisition of investment securities	(77,360)	-	(22,590)
4. Expenditure on additional acquisition of consolidated subsidiary shares	-	-	(798)
5. Net expenditure on additional acquisition of consolidated subsidiary shares involving changes in scope of consolidation	-	(2,171,875)	(962,163)
6. Expenditure on acquisition of tangible fixed assets	(1,892,919)	(4,574,077)	(22,651,515)
7. Expenditure on acquisition of non-consolidated subsidiary shares	-	(400,000)	(370,001)
8. Proceeds from sale of tangible fixed assets	3,953	411,589	4,121
9. Expenditure on acquisition of intangible fixed assets	(21,334)	(96,987)	(74,413)
10. Expenditure due to lending	(5,000)	(1,370,850)	(151,920)
11. Proceeds from recovery of loans	7,005	8,304	163,501
12. Expenditure due to corporate restructuring	-	(110,127)	-
13. Others	5,749	9,774	5,759
Net cash used in investment activities	(1,861,189)	(8,123,185)	(23,847,508)
III. Cash flows from financing activities			
1. Net increase in short-term borrowings	(2,533,500)	1,366,500	1,276,500
2. Proceeds from receiving long-term borrowings	8,600,000	17,392,057	25,150,000
3. Expenditure on repayment of long-term borrowings	(265,590)	(4,634,181)	(1,091,710)
4. Proceeds from minority shareholder's financing	30,000	-	30,000
5. Expenditure on redemption of bonds	(30,000)	(65,000)	(30,000)
6. Expenditure on share buyback	-	(1,981,343)	-
7. Others	(188,105)	(680,557)	(389,655)
Net cash provided by financing activities	5,612,804	11,397,474	24,945,134
IV. Effect of exchange rate changes on cash and cash equivalents	-	-	-
V. Increase in cash and cash equivalents	2,849,133	1,952,757	1,889,846
VI. Cash and cash equivalents beginning balance	12,052,670	13,942,516	12,052,670
VII. Increase in cash due to increase in consolidated subsidiary	-	238,842	-
VIII. Cash and cash equivalents ending balance	14,901,803	16,134,116	13,942,516

### Important basis of presenting consolidated interim financial statements

Items	Previous Half Year (From July 1, 2003 To December 31, 2003)	Current Half Year (From July 1, 2004 To December 31, 2004)	Previous Fiscal Year (From July 1, 2003 To June 30, 2004)
1. Scope of consolidation	<p>Number of consolidated subsidiaries: 3 (Consolidated subsidiaries)</p> <p>Goodwill Career, Inc. COMSN, Inc. Soar, Inc.</p>	<p>Number of consolidated subsidiaries: 10 (Consolidated subsidiaries)</p> <p>Goodwill, Inc. COMSN, Inc. Soar, Inc. Goodwill Career, Inc. Goodwill Engineering, Inc. Goodwill Foresight, Inc. HU-MANAGEMENT JAPAN CO., LTD. Coty Co., Ltd. Adhoc Co., Ltd. Masseur Agency Co., Ltd.</p> <p>Goodwill Engineering, Inc. is included in the scope of consolidation as of this term as the significance of the entity became substantial.</p> <p>Adhoc Co., Ltd. is included in the scope of consolidation as of this term as the significance of the entity became substantial.</p> <p>Masseur Agency Co., Ltd. is included in the scope of consolidation as of this term as the significance of the entity became substantial.</p> <p>As Goodwill Foresight, Inc. was established during the current interim period on business division from Goodwill Career, Inc., the entity became included in the scope of consolidation.</p> <p>The Company acquired the shares of HU-MANAGEMENT JAPAN CO., LTD. on July 13, 2004 and the entity became included in the scope of consolidation as of the current consolidated fiscal year.</p> <p>N&amp;S Planning Inc. was absorbed by Goodwill, Inc. effective September 1, 2004 and was thereby excluded from the scope of consolidation.</p> <p>Touhouadrise Inc. was absorbed by Goodwill, Inc. effective September 1, 2004 and was thereby excluded from the scope of consolidation.</p>	<p>Number of consolidated subsidiaries: 8 (Consolidated subsidiaries)</p> <p>Goodwill Career, Inc. COMSN, Inc. Soar, Inc. Goodwill, Inc. Kyodo Engineering Inc. N&amp;S Planning Inc. Touhouadrise Inc. Coty Co., Ltd.</p> <p>The Company established Goodwill, Inc. on April 7, 2004 and made the entity a consolidated subsidiary.</p> <p>The Company acquired the shares of Kyodo Engineering Inc. on April 1, 2004 and made the entity a consolidated subsidiary as of the current consolidated fiscal year.</p> <p>The company acquired interest in N&amp;S Planning Inc. on April 1, 2004 and made the entity a consolidated subsidiary as of the current consolidated fiscal year.</p> <p>The Company acquired the shares of Touhouadrise Inc. on June 8, 2004 and made the entity a consolidated subsidiary as of the current consolidated fiscal year.</p> <p>The Company's subsidiary, COMSN, Inc., acquired the shares of Coty Co., Ltd. on June 4, 2004 and made the entity a consolidated subsidiary as of the current consolidated fiscal year.</p>

Items	Previous Half Year (From July 1, 2003 To December 31, 2003)	Current Half Year (From July 1, 2004 To December 31, 2004)	Previous Fiscal Year (From July 1, 2003 To June 30, 2004)
<p>2. Scope of Application of Equity Method</p> <p>3. Interim (fiscal) periods for the consolidated subsidiaries</p>	<p>With regard to Ru yu bang ren li gufen Co., Ltd. and Gui dou wei li jituan Co., Ltd., the Company's overseas subsidiaries, and Goodwill Engineering, Inc., the Company's domestic subsidiary, the subject entities are all small in scale and their combined total assets, revenues, net interim income, and retained earnings do not have material impact on the consolidated financial statements. As such, these entities are excluded from the scope of consolidation.</p> <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. Goodwill Engineering, Inc. (Note) Goodwill Engineering, Inc. has been renamed from Advanced K.K. as of October 29, 2003. (Basis for not applying the equity method) The above three entities have marginal impact on consolidated interim net income or retained earnings individually, and are not material even collectively, and as such, are excluded from the application of equity method.</p> <p>The interim periods of the Company's consolidated subsidiaries are the same as the consolidated interim period.</p>	<p>Kyodo Engineering Inc. was absorbed by Goodwill, Inc. effective September 1, 2004 and was thereby excluded from the scope of consolidation.</p> <p>With regard to Ru yu bang ren li gufen Co., Ltd. and Gui dou wei li jituan Co., Ltd., the Company's overseas subsidiaries, and Goodwill Insurance Service, Inc. and Eibunsha, Inc., the Company's domestic subsidiaries, the subject entities are all small in scale and their combined total assets, revenues, net income and retained earnings do not have material impact on the consolidated financial statements. As such, these entities are excluded from the scope of consolidation.</p> <p>Non-consolidated subsidiaries not accounted for by the equity method: 4 Ru yi bang ren li gufen Co., Ltd. Gui dou wei li jituan Co., Ltd. Goodwill Insurance Service, Inc. Eibunsha, Inc.</p> <p>(Basis for not applying the equity method) The above four entities have marginal impact on consolidated interim net income or retained earnings individually, and are not material even collectively, and as such, are excluded from the application of equity method.</p> <p>Of the consolidated subsidiaries, the half year closing of HU- MANAGEMENT JAPAN CO., LTD. falls on September 30, 2004.</p> <p>The financial statements as of the subject half year closing are used when preparing the interim consolidated financial statements. However, necessary adjustments are being applied to reflect significant subsequent transactions that emerged up to the consolidated interim closing date.</p>	<p>With regard to Ru yu bang ren li gufen Co., Ltd. and Gui dou wei li jituan Co., Ltd., the Company's overseas subsidiaries, Goodwill Engineering, Inc., the Company's domestic subsidiary, along with Adhoc Co., Ltd. and Masseur Agency Co., Ltd., subsidiaries of the Company's subsidiary, COMSN, Inc., the subject entities are all small in scale and their combined total assets, revenues, net income and retained earnings do not have material impact on the consolidated financial statements. As such, these entities are excluded from the scope of consolidation.</p> <p>Non-consolidated subsidiaries not accounted for by the equity method: 5 Ru yi bang ren li gufen Co., Ltd. Gui dou wei li jituan Co., Ltd. Goodwill Engineering, Inc. Adhoc Co., Ltd. Masseur Agency Co., Ltd.</p> <p>(Basis for not applying the equity method) The above five entities have marginal impact on consolidated net income or retained earnings individually, and are not material even collectively, and as such, are excluded from the application of equity method.</p> <p>The fiscal periods of the Company's consolidated subsidiaries are the same as the consolidated fiscal period.</p>

Items	Previous Half Year (From July 1, 2003 To December 31, 2003)	Current Half Year (From July 1, 2004 To December 31, 2004)	Previous Fiscal Year (From July 1, 2003 To June 30, 2004)
4. 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>b) Derivatives Market value method.</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>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>(1) Valuation standard and method for significant assets</p> <p>a) Marketable securities  Same as left</p> <p>b) Derivatives Same as left.</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, aircrafts are depreciated over their expected available periods. For all other items, 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  Same as left.</p>	<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 consolidated 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>b) Derivatives Same as left.</p> <p>(2) Depreciation method of significant depreciable assets</p> <p>a) Tangible fixed assets  Same as left.</p> <p>b) Intangible fixed assets  Same as left.</p>

Items	Previous Half Year (From July 1, 2003 To December 31, 2003)	Current Half Year (From July 1, 2004 To December 31, 2004)	Previous Fiscal Year (From July 1, 2003 To June 30, 2004)
	<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 claims in bankruptcy, 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>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>_____</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>_____</p>

Items	Previous Half Year (From July 1, 2003 To December 31, 2003)	Current Half Year (From July 1, 2004 To December 31, 2004)	Previous Fiscal Year (From July 1, 2003 To June 30, 2004)
	<p>(4) Treatment of significant lease transactions</p> <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>(5) Important hedge accounting method</p> <p>a) Important hedge accounting method</p> <p>The Company conducts interest rate swaps according to the stipulations of its internal regulations concerning risk management. As interest rate swap qualifies for special accounting treatment, such accounting treatment is applied.</p> <p>b) Means and object of hedging</p> <p>Means of hedging: interest rate swap Object of hedging: interest on borrowings</p> <p>c) Hedging policy</p> <p>Interest rate swap is used for the purpose of hedging fluctuation risks associated with interests on borrowings.</p> <p>d) Method to judge the validity of hedging</p> <p>As the interest rate swap qualifies for special accounting treatment, its validity is clear.</p> <p>(6) Other significant basis for presenting the consolidated interim financial statements</p> <p>Accounting treatment of consumption tax</p> <p>Taxes are excluded in the accounting treatment of consumption and local consumption taxes.</p>	<p>(4) Treatment of significant lease transactions</p> <p>Same as left.</p> <p>(5) Important hedge accounting method</p> <p>a) Important hedge accounting method</p> <p>Same as left.</p> <p>b) Means and object of hedging</p> <p>Same as left.</p> <p>c) Hedging policy</p> <p>Same as left.</p> <p>d) Method to judge the validity of hedging</p> <p>Same as left.</p> <p>(6) Other significant basis for presenting the consolidated interim financial statements</p> <p>Accounting treatment of consumption tax</p> <p>Same as left.</p>	<p>(4) Treatment of significant lease transactions</p> <p>Same as left.</p> <p>(5) Important hedge accounting method</p> <p>a) Important hedge accounting method</p> <p>Same as left.</p> <p>b) Means and object of hedging</p> <p>Same as left.</p> <p>c) Hedging policy</p> <p>Same as left.</p> <p>d) Method to judge the validity of hedging</p> <p>Same as left.</p> <p>(6) Other significant basis for presenting the consolidated financial statements</p> <p>Accounting treatment of consumption tax</p> <p>Same as left.</p>

Items	Previous Half Year (From July 1, 2003 To December 31, 2003)	Current Half Year (From July 1, 2004 To December 31, 2004)	Previous Fiscal Year (From July 1, 2003 To June 30, 2004)
5. Scope of the definition of "fund" in the consolidated interim statement of cash flows (consolidated statement of cash flows)	"Fund" (cash and cash equivalents) as defined in the consolidated interim 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.	"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.

### Changes in the presentation of the financial statements

Previous Half Year (From July 1, 2003 To December 31, 2003)	Current Half Year (From July 1, 2004 To December 31, 2004)
(Consolidated interim statement of income) The "dividend income", historically listed independently in the non-operating income section, is included in "others" of the subject section as of the consolidated half year in review as its amount has diminished to less than 10/100 (ten-one hundredth) of the total non-operating income. The amount of dividend income included in "others" for the consolidated half year in review is 50,000 yen.	(Consolidated interim statement of income)  _____

### Additional Information

Previous Half Year (From July 1, 2003 To December 31, 2003)	Current Half Year (From July 1, 2004 To December 31, 2004)	Previous Fiscal Year (From July 1, 2003 To June 30, 2004)
_____	_____	_____

**Notes to the financial statements  
(Consolidated interim balance sheet)**

As of the End of the Previous Half Year (As of December 31, 2003)	As of the End of the Current Half Year (As of December 31, 2004)	As of the End of the Previous Fiscal Year (As of June 30, 2004)
<p>1. 3 Treasury stocks held Shares of the filing company held by the consolidated entities are as follows.</p>	<p>1. 1 Collateralized assets The collateralized assets and their corresponding liabilities are as follows. (1) Collateralized assets ('000 Yen) Land 19,442,460 (2) Corresponding liabilities ('000 Yen) Short-term borrowings 6,600,000 <u>Long-term borrowings 12,550,000</u> Total 19,150,000 2. 2 Investment and other assets pertaining to non-consolidated subsidiaries are as follows. ('000 Yen) Investment securities 471,520 Capital investment in affiliated companies 3,000 3. 3 Treasury stocks held Shares of the filing company held by the consolidated entities are as follows. Common stocks 8,659 shares 4. Contingent liabilities (a) The Company provides loan guarantee for the borrowings from financial institutions made by the following non-consolidated subsidiary. (Company) (Guarantee balance) ('000 Yen) Foodscope, Inc. 1,220,000 (b) The Company is committed to guarantee for liabilities associated with the lease contracts entered into by the following entity. (Company) (Guarantee balance) ('000 Yen) Foodscope, Inc. 901,444</p>	<p>1. 1 Collateralized assets The collateralized assets and their corresponding liabilities are as follows. (1) Collateralized assets ('000 Yen) Construction in progress 16,406,519 (2) Corresponding liabilities ('000 Yen) Short-term borrowings 6,600,000 <u>Long-term borrowings 9,050,000</u> Total 15,650,000 3. 2 Investment and other assets pertaining to non-consolidated subsidiaries are as follows. ('000 Yen) Investment securities 441,619 3. 3 Treasury stocks held Shares of the filing company held by the consolidated entities are as follows. Common stocks 38 shares 4. Contingent liabilities The Company provides loan guarantee for the borrowings from financial institutions made by the following non-consolidated subsidiary. (Company) (Guarantee balance) ('000 Yen) Goodwill Engineering, Inc. 50,000 Foodscope, Inc. 1,305,000</p>

As of the End of the Previous Half Year (As of December 31, 2003)	As of the End of the Current Half Year (As of December 31, 2004)	As of the End of the Previous Fiscal Year (As of June 30, 2004)
<p>2. 4 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 date.</p> <p>As the ending date of the current consolidated interim period fell on a bank holiday, the following matured notes are included in the current interim term ending balance.</p> <p>Notes receivable ('000 yen) 19,178</p>	<p>5. 4 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 date.</p> <p>As the ending date of the current consolidated interim period fell on a bank holiday, the following matured notes are included in the current interim term ending balance.</p> <p>Notes receivable ('000 yen) 20,326</p>	

**(Consolidated interim statement of income)**

Previous Half Year (From July 1, 2003 To December 31, 2003)	Current Half Year (From July 1, 2004 To December 31, 2004)	Previous Fiscal Year (From July 1, 2003 To June 30, 2004)
<p>1. 1 The breakdown of "gains from the sale of fixed assets" is as follows.</p> <p>Tangible fixed assets ('000 Yen) "Others" 1,161</p>	<p>1. 1 The breakdown of "gains from the sale of fixed assets" is as follows.</p> <p style="text-align: right;">('000 Yen)</p> <p>Land 243,560 <u>Cars &amp; transport vehicles 24</u> Total 243,584</p>	<p>1. 1 The breakdown of "gains from the sale of fixed assets" is as follows.</p> <p style="text-align: right;">('000 Yen)</p> <p>Cars &amp; transport vehicles 1,162</p>
<p>2. 3 The breakdown of "loss on disposal of fixed assets" is as follows.</p> <p style="text-align: right;">('000 Yen)</p> <p>Buildings 2,363 Furniture and fixtures 4,834 Software 55 <u>Tangible assets "Others" 556</u> Total: 7,809</p>	<p>2. 2 The breakdown of "loss on sale of fixed assets" is as follows.</p> <p style="text-align: right;">('000 Yen)</p> <p>Buildings 166,251 <u>Furniture &amp; fixtures 36</u> Total 166,288</p> <p>3. 3 The breakdown of "loss on disposal of fixed assets" is as follows.</p> <p style="text-align: right;">('000 Yen)</p> <p>Buildings 7,205 Furniture and fixtures 14,538 Tangible assets "Others" 899 Software 7,121 Restoration expenses 9,983 Expenses on Move of Yokohama Server Room <u>33,288</u> Total: 73,038</p>	<p>2. 3 The breakdown of "loss on disposal of fixed assets" is as follows.</p> <p style="text-align: right;">('000 Yen)</p> <p>Buildings 4,398 Furniture and fixtures 8,682 Software 14,063 <u>Cars &amp; transport vehicles 614</u> Total: 27,759</p>
<p>3. 5 The breakdown of "loss associated with headquarter move" is as follows.</p> <p>Losses on retirement of building ('000 Yen) 54,716 Losses on removal of furniture and fixtures 37,442 Move/installation expenses 25,616 Restoration expenses 24,103 <u>Others 33,838</u> Total: 175,716</p>	<p>4. 4 The breakdown of "loss associated with restructuring" is as follows.</p> <p style="text-align: right;">('000 Yen)</p> <p>Registration license tax 83,923 Business division <u>expenses 26,204</u> Total: 110,127</p>	<p>3. 5 The breakdown of "loss associated with headquarter move" is as follows.</p> <p>Losses on retirement of building ('000 Yen) 54,716 Losses on removal of furniture and fixtures 37,442 Move/installation expenses 25,616 Restoration expenses 30,480 <u>Others 182,094</u> Total: 175,716</p>

**(Consolidated interim statement of cash flows)**

Previous Half Year (From July 1, 2003 To December 31, 2003)	Current Half Year (From July 1, 2004 To December 31, 2004)	Previous Fiscal Year (From July 1, 2003 To June 30, 2004)																		
<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> <p style="text-align: right;">('000 Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Cash and cash equivalents</td> <td style="text-align: right; width: 20%;">14,941,803</td> </tr> <tr> <td>Time deposits with maturity in excess of 3 months</td> <td style="text-align: right;">(40,000)</td> </tr> <tr> <td><b>Total cash and cash equivalents</b></td> <td style="text-align: right;"><b><u>14,901,803</u></b></td> </tr> </table>	Cash and cash equivalents	14,941,803	Time deposits with maturity in excess of 3 months	(40,000)	<b>Total cash and cash equivalents</b>	<b><u>14,901,803</u></b>	<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> <p style="text-align: right;">('000 Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Cash and cash equivalents</td> <td style="text-align: right; width: 20%;">16,143,145</td> </tr> <tr> <td>Time deposits with maturity in excess of 3 months</td> <td style="text-align: right;">(9,029)</td> </tr> <tr> <td><b>Total cash and cash equivalents</b></td> <td style="text-align: right;"><b><u>16,134,116</u></b></td> </tr> </table>	Cash and cash equivalents	16,143,145	Time deposits with maturity in excess of 3 months	(9,029)	<b>Total cash and cash equivalents</b>	<b><u>16,134,116</u></b>	<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> <p style="text-align: right;">('000 Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Cash and cash equivalents</td> <td style="text-align: right; width: 20%;">13,946,527</td> </tr> <tr> <td>Time deposits with maturity in excess of 3 months</td> <td style="text-align: right;">(4,010)</td> </tr> <tr> <td><b>Total cash and cash equivalents</b></td> <td style="text-align: right;"><b><u>13,942,516</u></b></td> </tr> </table>	Cash and cash equivalents	13,946,527	Time deposits with maturity in excess of 3 months	(4,010)	<b>Total cash and cash equivalents</b>	<b><u>13,942,516</u></b>
Cash and cash equivalents	14,941,803																			
Time deposits with maturity in excess of 3 months	(40,000)																			
<b>Total cash and cash equivalents</b>	<b><u>14,901,803</u></b>																			
Cash and cash equivalents	16,143,145																			
Time deposits with maturity in excess of 3 months	(9,029)																			
<b>Total cash and cash equivalents</b>	<b><u>16,134,116</u></b>																			
Cash and cash equivalents	13,946,527																			
Time deposits with maturity in excess of 3 months	(4,010)																			
<b>Total cash and cash equivalents</b>	<b><u>13,942,516</u></b>																			
		<p>2. Important Nonfund Transaction</p> <p>Capital surplus increased by 19,627.09 million yen in connection with the share exchange.</p>																		

Lease transactions

Previous Half Year (From July 1, 2003 To December 31, 2003)				Current Half Year (From July 1, 2004 To December 31, 2004)				Previous Fiscal Year (From July 1, 2003 To June 30, 2004)			
<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 interim ending balance of the leased assets (000 Yen)			
Furniture and Fixtures	1,691,955	804,839	887,115	Furniture and Fixtures	2,474,871	966,651	1,508,220	Furniture and Fixtures	2,348,836	951,722	1,397,114
Software	458,527	109,101	349,426	Cars and Transport Vehicles	1,576,708	477,099	1,099,609	Cars and Transport Vehicles	2,101,274	1,180,885	920,389
Others	1,709,943	991,899	718,044	Software	594,676	208,712	385,964	Software	458,527	154,953	303,573
Total	3,860,426	1,905,840	1,954,586	Others	16,631	7,101	9,529	Others	2,175	2,175	
				Total	4,662,888	1,659,563	3,003,324	Total	4,910,813	2,289,736	2,621,077
2. Effective interim ending balance of remaining lease payments ('000 Yen) Within one year 689,444 Over one year 1,310,653 Total 2,000,097				2. Effective interim ending balance of remaining lease payments ('000 Yen) Within one year 958,121 Over one year 2,110,461 Total 3,068,582				2. Effective fiscal ending balance of remaining lease payments ('000 Yen) Within one year 814,139 Over one year 1,858,106 Total 2,672,246			
3. Lease expenses payable, depreciation expenses, and interests payable ('000 Yen) Lease payments 459,143 Depreciation 430,283 Interest payments 35,820				3. Lease expenses payable, depreciation expenses, and interests payable ('000 Yen) Lease payments 542,033 Depreciation 500,434 Interest payments 53,267				3. Lease expenses payable, depreciation expenses, and interests payable ('000 Yen) Lease payments 1,005,353 Depreciation 933,634 Interest payments 82,872			
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.			

**Marketable Securities****As of the End of the Previous Consolidated Interim Period (As of December 31, 2003)**

## 1. Securities with market value (Unit: '000 Yen)

Class	Original Purchase Price	Amount included in the consolidated interim balance sheet	Unrealized profit/(loss)
Other securities (1) Stock	50,784	147,560	96,775
Total	50,784	147,560	96,775

(Note) "Original purchase price" in the list is the impairment adjusted book value.

## 2. Breakdown of other prominent securities without market value (Unit: '000 Yen)

Class	Amount included in the consolidated interim balance sheet
(1) Unlisted stock (excluding OTC stock)	504,371
(2) Unlisted bonds	900,000
(3) Others	3,000
Total	1,407,371

**As of the End of the Current Consolidated Interim Period (As of December 31, 2004)**

## Marketable Securities

## 1. Securities with market value (Unit: '000 Yen)

Class	Original Purchase Price	Amount included in the consolidated interim balance sheet	Unrealized profit/(loss)
Other securities (1) Stock	13,842	14,256	414
Total	13,842	14,256	414

(Note) "Original purchase price" in the list is the impairment adjusted book value.

## 2. Breakdown of other prominent securities without market value (Unit: '000 Yen)

Class	Amount included in the consolidated interim balance sheet
(1) Unlisted stock (excluding OTC stock)	510,001
(2) Unlisted bonds	900,000
(3) Others	3,000
Total	1,413,001

**As of the End of the Previous Consolidated Fiscal Period (As of June 30, 2004)**

## Marketable Securities

## 1. Securities with market value

(Unit: '000 Yen)

Class	Original Purchase Price	Amount included in the consolidated interim balance sheet	Unrealized profit/(loss)
Other securities (1) Stock	66,146	157,642	91,495
Total	66,146	157,642	91,495

*(Note) "Original purchase price" in the list is the impairment adjusted book value.*

## 2. Breakdown of other prominent securities without market value

(Unit: '000 Yen)

Class	Amount included in the consolidated interim balance sheet
(1) Unlisted stock (excluding OTC stock)	510,071
(2) Unlisted bonds	900,000
(3) Others	3,000
Total	1,413,071

**Derivative Transactions****Previous consolidated interim period (As of December 31, 2003)**

Indication omitted as hedge accounting is applied.

**Current consolidated interim period (As of December 31, 2004)**

Indication omitted as hedge accounting is applied.

**Previous consolidated fiscal period (As of June 30, 2004)**

No items to note.

## Segment Information

### a. Breakdown by Operating Segments

For the previous consolidated interim period (From July 1, 2003 to December 31, 2003)

	Sub-contracting ('000 Yen)	Human resource related ('000)	Nursing care/Medical support ('000)	Total ('000)	Intra-company eliminations and corporate overhead ('000)	Consolidated ('000)
Revenues						
(1) Revenues from external clients	24,887,183	1,194,174	16,383,165	42,464,524	-	42,464,524
(2) Intra-segment revenues and cross-charges	39,831	28,718	1,033	69,583	(69,583)	-
Total	24,927,015	1,222,893	16,384,198	42,534,107	(69,583)	42,464,524
Operating expenses	22,364,637	1,114,372	15,813,992	32,292,982	(74,999)	32,217,982
Operating income	2,562,377	108,541	570,206	3,241,125	5,415	3,246,541

(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  
 (2) Human resource related: employee counseling program (EAP), resource dispatching, resource introduction, advertisement agency  
 (3) Nursing care/medical support: home nursing care services, institutional nursing care services, training and education

For the current consolidated interim period (From July 1, 2004 to December 31, 2004)

	Dispatching /Sub-contracting ('000 Yen)	Human resource related ('000)	Nursing care/Medical support ('000)	Others ('000)	Total ('000)	Intra-company eliminations and corporate overhead ('000)	Consolidated ('000)
Revenues							
(1) Revenues from external clients	41,244,743	2,076,163	24,229,753	409,219	67,959,879	-	67,959,879
(2) Intra-segment revenues and cross-charges	81,562	15,338	-	91	96,992	(96,992)	-
Total	41,326,305	2,091,501	24,229,753	409,311	68,056,872	(96,992)	67,959,879
Operating expenses	38,247,251	2,047,653	23,638,103	550,509	64,483,517	(106,886)	64,376,630
Operating income	3,079,054	43,848	591,650	(141,197)	3,573,355	9,893	3,583,249

(Note) 1. Businesses are segmented based on those classifications used for internal management purposes.

2. Main operations of each segment

- (1) Dispatching/Subcontracting: light physical labor subcontracting, office work subcontracting, resource dispatching, senior dispatching  
 (2) Human resource related: employee counseling program (EAP), resource introduction  
 (3) Nursing care/medical support: home nursing care services, institutional nursing care services, training and education  
 (4) Others: day-care center operation, pet care services, masseur agency

**For the previous consolidated fiscal period (From July 1, 2003 to June 30, 2004)**

	Sub-contracting ('000 Yen)	Human resource related ('000)	Nursing care/Medical support ('000)	Total ('000)	Intra-company eliminations and corporate overhead ('000)	Consolidated ('000)
Revenues						
(1) Revenues from external clients	53,721,679	2,817,700	36,502,728	93,042,107	-	93,042,107
(2) Intra-segment revenues and cross-charges	78,115	51,052	1,085	130,253	(130,253)	-
Total	53,799,794	2,868,752	36,503,813	93,172,360	(130,253)	93,042,107
Operating expenses	49,290,683	2,600,708	35,318,637	87,210,029	(141,990)	87,068,038
Operating income	4,509,111	268,044	1,185,175	5,962,331	11,737	5,974,068

(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  
(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 services

**(Supplement) The results for the current consolidated interim period, when adjusted based on the previous segmentation, will be as follows.**

	Sub-contracting ('000 Yen)	Human resource related ('000)	Nursing care/Medical support ('000)	Total ('000)	Intra-company eliminations and corporate overhead ('000)	Consolidated ('000)
Revenues						
(1) Revenues from external clients	36,988,967	6,331,939	24,638,973	67,959,879	-	67,959,879
(2) Intra-segment revenues and cross-charges	224,075	14,338	11	238,425	(238,425)	-
Total	37,213,042	6,346,277	24,638,985	69,364,828	(238,425)	67,959,879
Operating expenses	34,597,602	5,838,815	24,186,044	64,616,631	(245,831)	64,376,630
Operating income	2,615,440	507,462	452,941	3,575,843	7,405	3,583,249

**b. Geographical segmentation**

**Previous consolidated interim period (From July 1, 2003 to December 31, 2003)**

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

**Current consolidated interim period (From July 1, 2004 to December 31, 2004)**

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

**Previous consolidated fiscal period (From July 1, 2003 to June 30, 2004)**

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

**c. Overseas revenues**

**Previous consolidated interim period (From July 1, 2003 to December 31, 2003)**

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

**Current consolidated interim period (From July 1, 2004 to December 31, 2004)**

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

**Previous consolidated fiscal period (From July 1, 2003 to June 30, 2004)**

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

**(Per share information)**

Previous Half Year (From July 1, 2003 To December 31, 2003)	Current Half Year (From July 1, 2004 To December 31, 2004)	Previous Fiscal Year (From July 1, 2003 To June 30, 2004)
Net asset per share ¥101,235.91	Net asset per share ¥60.806.80	Net asset per share ¥62,587.77
Interim EPS ¥7,431.00	Interim EPS ¥2.378.10	EPS ¥4,490.63
The fully diluted interim EPS is not indicated for the term as there were no dilutive latent shares.	The fully diluted interim EPS is not indicated for the term as there were no dilutive latent shares.	The fully diluted EPS is not indicated for the term as there were no latent shares holding dilutive effect.

(Note) The basis for the calculation of interim (full-year) EPS is as follows.

	Previous Half Year (From July 1, 2003 to December 31, 2003)	Current Half Year (From July 1, 2004 to December 31, 2004)	Previous Fiscal Year (From July 1, 2003 to June 30, 2004)
Net income ('000 Yen)	1,372,941	1,507,273	2,704,966
Income that does not belong to common shareholders ('000 Yen)			90,000
(Of which, amount appropriated for bonus payment to directors and auditors)			(90,000)
Net income pertaining to common shares ('000 Yen)	1,372,941	1,507,273	2,614,966
Average number of common stocks outstanding for the period	184,758	633,813	582,315
Summary of latent shares not included in the calculation of fully-diluted EPS due to their lack of dilutive effect	_____	_____	_____

**(Important Subsequent Events)**

Previous Half Year (From July 1, 2003 To December 31, 2003)	Current Half Year (From July 1, 2004 To December 31, 2004)	Previous Fiscal Year (From July 1, 2003 To June 30, 2004)																			
<p>(Stock Split)</p> <p>Based on the resolution at the Company's board of directors' meeting held on October 27, 2003, new shares were issued through a stock split described herebelow.</p> <p>1. 3-for-1 split of common shares effective January 20, 2004.</p> <p>(1) Number of shares increasing from the split Common shares            369,536 shares</p> <p>(2) Method of stock split To split all shares that are held by shareholders listed/recorded in the final shareholders register and the effective shareholders register as of November 30, 2003 based on a 3 for 1 share ratio.</p> <p>2. Initial date for calculating dividends January 1, 2004</p> <p>The per share information calculated assuming the subject stock split took place at the beginning of previous term is as follows.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Previous Interim Consolidated Period</th> <th style="text-align: center;">Current Interim Consolidated Period</th> <th style="text-align: center;">Previous Consolidated Fiscal Period</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Net asset per share ¥29,634.30</td> <td style="text-align: center;">Net asset per share ¥33,745.30</td> <td style="text-align: center;">Net asset per share ¥31,534.55</td> </tr> <tr> <td style="text-align: center;">Interim EPS ¥2,316.13</td> <td style="text-align: center;">Interim EPS ¥2,477.0</td> <td style="text-align: center;">EPS ¥4,488.86</td> </tr> </tbody> </table> <p>For the previous interim and full year consolidated terms, while a subscription rights-method Stock Option Program was in place, the fully diluted interim and full year EPS are not indicated for these terms, as premiums associated with subject rights did not emerge.</p>	Previous Interim Consolidated Period	Current Interim Consolidated Period	Previous Consolidated Fiscal Period	Net asset per share ¥29,634.30	Net asset per share ¥33,745.30	Net asset per share ¥31,534.55	Interim EPS ¥2,316.13	Interim EPS ¥2,477.0	EPS ¥4,488.86	<hr style="width: 50%; margin: auto;"/>	<p>(Acquisition of a company through share acquisition)</p> <p>The Company completed a tender offer for the shares of HU-MANAGEMENT JAPAN CO., LTD. on July 13, 2004, and as a result, made the subject entity a subsidiary. The summary of HU-MANAGEMENT JAPAN CO., LTD. is as follows.</p> <p>(1) Entity of which shares were acquired</p> <p>Name:                    HU-MANAGEMENT JAPAN CO., LTD.</p> <p>Address:                Minato-ku, Tokyo</p> <p>Representative: Yoshiaki Saito Representative Director and President</p> <p>Paid-in Capital: 640 million yen (as of July 6, 2004)</p> <p>Business:                Re-employment support services, etc.</p> <p>(2) Financial condition and operating results</p> <p>The financial condition and the operating results of HU-MANAGEMENT JAPAN CO., LTD. for the fiscal period ending March 2004 were as follows.</p> <p style="text-align: right;">('000 Yen)</p> <table style="width: 100%;"> <tr> <td style="width: 60%;">Revenues</td> <td style="text-align: right;">6,134,971</td> </tr> <tr> <td>Ordinary income</td> <td style="text-align: right;">1,611,220</td> </tr> <tr> <td>Net income</td> <td style="text-align: right;">779,349</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">6,972,018</td> </tr> <tr> <td>Net assets</td> <td style="text-align: right;">3,654,590</td> </tr> </table>	Revenues	6,134,971	Ordinary income	1,611,220	Net income	779,349	Total assets	6,972,018	Net assets	3,654,590
Previous Interim Consolidated Period	Current Interim Consolidated Period	Previous Consolidated Fiscal Period																			
Net asset per share ¥29,634.30	Net asset per share ¥33,745.30	Net asset per share ¥31,534.55																			
Interim EPS ¥2,316.13	Interim EPS ¥2,477.0	EPS ¥4,488.86																			
Revenues	6,134,971																				
Ordinary income	1,611,220																				
Net income	779,349																				
Total assets	6,972,018																				
Net assets	3,654,590																				

Previous Half Year (From July 1, 2003 To December 31, 2003)	Current Half Year (From July 1, 2004 To December 31, 2004)	Previous Fiscal Year (From July 1, 2003 To June 30, 2004)
<p>(Share Exchange with COMSN, Inc.)</p> <p>The Company and its subsidiary, COMSN, Inc., resolved in their respective board meetings held on November 11, 2003 to conduct a share exchange for the purpose of realizing efficient mutual growth and maximizing corporate value for the Group as a whole, and signed the share exchange agreement on the same date.</p> <p>Subsequently, an exchange ratio amendment was resolved at the board meetings of the two companies on November 26, 2003, and a share exchange agreement reflecting the amendment was signed on the same date.</p> <p>The subject agreement was approved at the extraordinary general shareholders meeting held on January 20, 2004.</p> <p>Object of the share exchange To make the Company a 100% parent company and COMSN, Inc. a wholly-owned subsidiary.</p> <p>Date of share exchange February 24, 2004</p> <p>Share exchange ratio The Company: 1 COMSN, Inc.: 0.09903</p> <p>Number of shares newly issued as a result of the share exchange The Goodwill Group, Inc. Common stock 81,739 shares</p> <p>Shares are not allocated for the 2,948,100 common shares of COMSN, Inc. already owned by the Company.</p> <p>With regard to capital and capital reserve, the amount derived by multiplying the amount of net assets owned by COMSN on the share exchange date by the percentage of COMSN's issued and outstanding shares that have been transferred to the Company due to the share exchange shall be reflected as an increase.</p>		