

August 11, 2004

Summary Financial Statements (Standalone) for the Fiscal Term Ending June 2004

Company Name: Goodwill Group, Inc.

Listing Exchange: Tokyo

Code Number: 4723

Domicile Prefecture of Head Office:

Tokyo

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

Representative Title: Representative Director and Chairman and Chief Executive Officer

Name: Masahiro Origuchi

Point of Contact: Responsible Officer: Managing Director and General Manger of Administration and Head of the Chairman's Office

Name: Akira Kanazaki TEL: 03-3405-9228

Date of Meeting of the Board of Directors for Financial Settlement: August 11, 2004

Adoption of United States Accounting Standards: N

Date of Regular General Meeting of the Shareholders: August 11, 2004

1. Business Performance for the Year Ended June 2004 (July 1, 2003 – June 30, 2004)

(1) Management Results

	Revenues		Operating Income		Ordinary Income	
	¥ Million	%	¥ Million	%	¥ Million	%
Year Ending June 2004	52,356	(44.1)	4,499	(18.7)	4,323	(14.6)
Year Ending June 2003	36,310	(41.4)	4,971	(35.1)	3,771	(35.9)

	Net Income		Net Earnings per Primary Share		Fully Diluted Net Earnings per Share		Return on Equity		Ordinary Income Return on Assets		Ordinary Income Return on Revenues	
	¥ Million	%	Yen	Sen	Yen	Sen	%	%	%	%		
Year Ending June 2004	2,476	(22.5)	4,095.44		-		6.5		5.7		8.2	
Year Ending June 2003	2,020	(43.9)	10,609.41		-		5.6		8.0		10.3	

(Note) 1. Average Number of Shares during the Year: Year ended June 2004: 582,636 Year ended June 2003: 184,761

2. Changes in the Accounting Treatment: None

3. Figures in the parentheses in the Revenues, Operating Income, Ordinary Income, and Net Income columns indicate percentage change over the prior year.

(2) Dividends

	Annual	Dividends per Share		Gross Dividends Paid (Annual)	Dividend Payout Ratio	Dividend Rate on Equity
		Interim Dividend	End of Year			
Year Ending June 2004	Yen Sen 2,500.00	Yen Sen 1,500.00	Yen Sen 1,000.00	¥ Million 913	% 36.8	% 2.4
Year Ending June 2003	2,000.00	1,000.00	1,000.00	369	18.2	1.0

(Notes) With respect to annual per share dividends for Year Ended June 2004, as a 1:3 stock split was implemented during the year, the interim dividends are based on pre-split and end of year dividends are on post-split amounts. Had 1 share of stock been held from the beginning of the period (before the split), the annual dividend would have been ¥4,500.

(3) Financial Conditions

	Total Assets		Shareholders Equity		Equity Ratio		Equity per Share	
	¥ Million		¥ Million		%		Yen	Sen
Year Ending June 2004	74,608		38,041		51.0		59,671.53	
Year Ending June 2003	46,799		35,456		75.8		191,584.93	

(Note) Number of shares outstanding as of fiscal yearend: Year Ended June 2004: 636,004, Year Ended June 2003: 184,758

2. Projected Business Performance for Year Ending June 2005 (Commencing July 1, 2004 and ending June 30, 2005)

	Revenues	Ordinary Income	Net Income	Annual Dividends per Share		
				Interim	Yearend	
	¥ Million	¥ Million	¥ Million	Yen	Sen	Yen
Interim	6,000	0	0	750.00	-	-
Full Year	7,000	0	0	-	750.00	1,500.00

(Reference) Projected Primary Earnings per Share (Full Year): ¥ 0

*With respect to the performance projections, it has been prepared based on information available at the time of the announcement and there uncertainties inherent within the projections and the actual performance may vary from the projected figures.

1. Financial Statements

(1) Balance Sheet

(Unit: ¥ 000 rounded down to nearest unit)

Item	Term	Current Fiscal Year (as of June 30, 2004)		Prior Fiscal Year (as of June 30, 2003)	
		Amount	Composition	Amount	Composition
(Assets)			%		%
I. Current Assets					
1. Cash and Deposits		9,593,520		7,784,826	
2. Trade Notes		330,043		324,041	
3. Account Receivable		6,640,549		4,316,960	
4. Prepaid Expenses		284,261		219,087	
5. Deferred Tax Assets		274,736		217,032	
6. Other		230,393		118,636	
7. Allowance for Doubtful Accounts		(-) 55,482		(-) 29,044	
Total Current Assets		17,298,023	23.2	12,951,541	27.7
II. Fixed Assets					
1. Tangible Fixed Assets					
(1) Buildings	1,240,939			496,989	
Accumulated Depreciation	337,717	903,152		163,678	333,311
(2) Aircraft	3,604,655			-	
Accumulated Depreciation	54,069	3,550,585		-	
(3) Vehicles and Transportatio Equipment	139,898			142,946	
Accumulated Depreciation	110,900	28,998		103,796	39,419
(4) Furniture and Fixtures	2,382,830			1,334,281	
Accumulated Depreciation	1,104,237	1,278,593		693,007	641,273
(5) Land		331,200			331,200
(6) Construction in Progress*2		16,406,519		-	
Total Tangible Fixed Assets		22,499,049	30.2	1,344,934	2.9
2. Intangible Fixed Assets					
(1) Trademark Rights		6,706		7,702	
(2) Software		115,666		197,627	
(3) Telephone Subscription Rights		50,565		47,265	
Total Intangible Fixed Assets		172,938	0.2	252,595	0.5
3. Investments and Other Assets					
(1) Investment Securities		1,550,269		1,553,423	
(2) Stocks Held in Affiliated Companies		30,517,396		29,045,256	
(2) Investments in Affiliated Companies		531,812		-	
(3) Long Term Loans		115,122		76,563	
(4) Bankruptcy Claims, etc		207,611		183,213	
(5) Long Term Prepaid Expenses		67,430		45,708	
(7) Deferred Tax Assets		187,559		161,280	
(8) Rent Deposits		1,522,019		1,210,028	
(9) Other		129,902		141,843	
(10) Allowance for Doubtful Accounts		(-) 190,677		(-) 166,805	
Total Investment and Other Assets		34,638,447	46.4	32,250,511	68.9
Total Fixed Assets		57,310,434	76.8	33,848,041	72.3
Total Assets		74,608,457	100.0	46,799,583	100.0

(Unit: ¥ 000 rounded down to nearest unit)

Term Item	Current Fiscal Year (as of June 30, 2004)		Prior Fiscal Year (as of June 30, 2003)	
	Amount	Composition	Amount	Composition
(Liabilities)		%		%
I. Current Liabilities				
1. Short Term Borrowings	2,790,000		6,640,000	
2. Long Term Loans Coming Due within 1 Year	2,192,082		201,270	
3. Accrued Items*1	16,601,331		336,881	
4. Accrued Expenses	2,150,925		1,706,816	
5. Accrued Income Taxes	1,051,774		1,335,086	
6. Accrued Consumption Tax	903,604		560,931	
7. Deposit Received	192,039		117,377	
8. Other	23,732		54,083	
Total Current Liabilities	25,905,489	34.7	10,952,446	23.4
II. Fixed Liabilities				
1. Long Term Borrowings	10,637,918		344,200	
2. Reserve for Retirement Benefits	21,728		20,607	
3. Reserve for Directors' Retirement Benefits	-		23,499	
4. Other	1,980		1,980	
Total Fixed Liabilities	10,661,626	14.3	390,286	0.8
Total Liabilities	36,567,116	49.0	11,342,733	24.2
(Capital)				
I. Paid-in-Capital*3	14,118,990	18.9	13,674,660	29.2
II. Capital Surplus				
1. Capital Reserves	3,577,179		3,418,665	
2. Other capital Surplus				
(1) Capital and Capital Reserve Reduction Difference	12,926,604		12,926,604	
	16,503,783	22.1	16,345,269	34.9
Total Capital Surplus				
III. Retained Earnings				
1. Voluntary Reserves				
(1) Special Depreciation Reserve	-		964	
2. Unappropriated Income for the Year	7,374,373		5,419,148	
Total Retained Earnings	7,374,373	9.9	5,420,113	11.6
IV. Net Unrealized Gains and Losses on Securities	51,897	0.1	20,245	0.1
V. Treasury Stocks*4	(-) 7,703	(-) 0.0	(-) 3,439	(-) 0.0
Total Capital	38,041,341	51.0	35,456,849	75.8
Total Liabilities and Capital	74,608,457	100.0	46,799,583	100.0

(2) Consolidated Statement of Income

(Unit: ¥ 000 Figures rounded down to nearest unit)

Item	Term	Current Fiscal Year (Commencing July 1, 2003 Ending June 30, 2004)		Prior Fiscal Year (Commencing July 1, 2002 Ending June 30, 2003)	
		Amount	%	Amount	%
I. Revenues		52,356,717	100.0	36,310,431	100
II. Cost of Goods Sold		34,484,969	65.9	24,139,083	66.5
Gross Profit		17,871,748	34.1	12,171,348	33.5
III. Sales and General Administration Expenses					
1. Directors' Remuneration	124,428			103,364	
2. Salaries and Allowances	5,968,601			3,858,099	
3. Provisions for Reserve for Retirement Benefits	3,805			2,225	
4. Provisions for Reserve for Directors' Retirement Benefits	6,416			6,166	
5. Statutory Welfare Expense	483,707			274,297	
6. Rent	1,287,496			737,121	
7. Communication Expenses	495,630			333,831	
8. Systems Expense	630,475			743,165	
9. Consumables	212,114			90,920	
10. Depreciation	782,482			352,573	
11. Advertising Expense	979,244			477,175	
12. Recruitment Advertising Expense	707,371			407,678	
13. Provisions for Allowance for Doubtful Accounts	50,309			16,251	
14. Other	1,639,993	13,372,078	25.5	978,259	8,381,129
Operating Income		4,499,669	8.6	3,790,219	23.1
IV. Non-Operating Income					10.4
1. Interest Income*1	37,873			39,455	
2. Dividend Income*1	98,545			71,930	
3. Commission Income	11,625			6,315	
4. Rental Income*1	64,685			19,611	
5. Other	22,372	235,102	0.4	17,726	155,028
V. Non-Operating Expenses					0.4
1. Interest Expenses	257,264			116,498	
2. Losses on Capital Investments	17,305			20,223	
3. Expenses Related to Leased Assets	54,049			-	
4. Commissions	51,000			-	
5. Other	31,976	411,595	0.8	37,382	174,105
Ordinary Income		4,323,176	8.3	3,771,141	10.4
VI. Extraordinary Income					
1. Gains Contributions*2	-			1,175,000	
2. Gains on Disposal of Fixed Assets*3	1,162			-	
3. Gains on Disposal of Investment Securities	83,624	84,787	0.2	-	1,175,000
VII. Extraordinary Losses					3.2
1. Valuation Losses on Investment Securities	1,546			14,582	
2. Losses on Disposal of Investment Securities	2,705			1,174,840	
3. Losses from Removal of Fixed Assets*4	14,331			36,354	
4. Losses Related to Head Office Relocation*5	43,121	61,704	0.1	-	1,225,776
Income before Adjustments for Taxes		4,346,259	8.3	3,720,365	10.2

	Current Fiscal Year (Commencing July 1, 2003 Ending June 30, 2004)			Prior Fiscal Year (Commencing July 1, 2002 Ending June 30, 2003)		
	Income Tax, Inhabitant Tax and Enterprise Tax	1,975,000			1,870,000	
Tax Adjustments	(-) 104,896	1,870,103	3.6	(-) 169,841	1,700,158	4.6
Net Income for the Year		2,476,156	4.7		2,020,206	5.6
Income Carried Over from Prior Year		5,175,354			3,535,875	
Reversal in Profit Reserve		-			47,826	
Interim Dividends Paid		277,137			184,761	
Unappropriated Income for the Year		7,374,373			5,419,148	

Cost of Goods Sold Breakdown

(Unit: ¥ 000 Figures rounded down to nearest unit)

Item	Term	Current Fiscal Year (Commencing July 1, 2003 Ending June 30, 2004)		Prior Fiscal Year (Commencing July 1, 2002 Ending June 30, 2003)	
		Amount	%	Amount	%
		I. Labor Cost		28,993,683	84.1
II. Expenses					
0. Travel & Transportation	4,838,305			3,353,745	
1. Consumables	197,339			203,508	
2. Contracting Expense	184,858			305,586	
3. Other	270,781	5,491,285	15.0	177,896	16.7
Cost of Goods Sold		34,484,969	100.00	24,139,083	100.0

(3) Plan for Appropriation of Income

(Unit: ¥ 000 Figures rounded down to nearest unit)

Item	Term	Current Fiscal Year (as of June 30, 2004)		Prior Fiscal Year (as of June 30, 2003)	
		I. Unappropriated Income for the Year			7,374,373
II. Reversals of Voluntary Reserves					
1. Reversal of Special Depreciation Reserve			-		
Total			-		964
III. Appropriation of Income					5,420,113
1. Dividends		636,004		184,758	
2. Bonuses Paid to Directors (Of which bonuses paid to auditors)		90,000 (4,000)	726,004	(3,000)	
IV. Income Carried Forward			6,648,369		244,758
					5,175,354

(Note) The dates indicated within the parentheses in the Term Column are (planned) date of approval at the general meeting of the shareholders.

Major Accounting Policies

	Current Fiscal Year (Commencing July 1, 2003 Ending June 30, 2004)	Prior Fiscal Year (Commencing July 1, 2002 Ending June 30, 2003)
1. Valuation Standards and Method for Securities	<p>(1) Shares of Subsidiaries and Affiliated Companies Cost method using moving average method</p> <p>(2) Other Securities</p> <ul style="list-style-type: none"> • Securities with market prices Market Value Method based on the market price on the last day of the fiscal settlement period and the like (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 method) • Securities without market prices Cost Method using moving averages 	<p>(1) Shares of Subsidiaries and Affiliated Companies Same as left</p> <p>(2) Other Securities Same as left</p>
(2) Method of Depreciation for Fixed Assets	<p>(1) Tangible Fixed Assets Declining Balance Method With respect to the useful lives and residual values, for aircraft expected usable life and expected residual value are used while for other assets the same standards as those stipulated under the Corporate Tax Law are applied.</p> <p>However, for assets whose acquisition cost is ¥100,000 or more but less than ¥200,000 equal depreciation over 3 years is applied.</p> <p>(2) Intangible Fixed Assets Straight Line Method With respect to the useful lives and residual values, the same standards as those stipulated under the Corporate Tax Law are applied.</p> <p>However, with respect to software (for internal use) a straight-line method based on expected usable life is applied.</p>	<p>(1) Tangible Fixed Assets Declining Balance Method With respect to the useful lives and residual values, the same standards as those stipulated under the Corporate Tax Law are applied. However, for assets whose acquisition cost is ¥100,000 or more but less than ¥200,000 equal depreciation over 3 years is applied.</p> <p>(2) Intangible Fixed Assets Same as left</p>

	Current Fiscal Year (Commencing July 1, 2003 Ending June 30, 2004)	Prior Fiscal Year (Commencing July 1, 2002 Ending June 30, 2003)
(3) Standards for the recording material reserves	(3) Long Term Prepaid Expenses Straight Line Method With respect to the useful lives and residual values, the same standards as those stipulated under the Corporate Tax Law are applied.	(3)) Long Term Prepaid Expenses Same as left
	(1) Allowance for Doubtful Accounts As a precautionary measure against projected losses arising from bad loans, amount of unrecoverable loans is recorded by applying the actual historical default rate in the case of general claims and estimate of unrecoverable amounts are recorded based on examination of the likelihood of recovery of each claim in cases of doubtful claims and claims in bankruptcy or revitalization.	(1) Allowance for Doubtful Accounts Same as left
(4) Accounting treatment for material lease transactions	(2) Reserve for Retirement Benefits In order to prepare for the payment of employee retirement benefits, based on the projected retirement benefit obligation as of the end of the current consolidated fiscal year, an amount recognized as being accrued during the current consolidated fiscal period is recorded.	(2) Reserve for Retirement Benefits Same as left
	Finance leases other than those in which the ownership of the leased asset is deemed to transfer to the lessee are accounted for using the accounting treatment applied to ordinary lease transactions.	(3) Reserve for Directors and Auditors Retirement Benefits At the Company, in order to prepare for payment of retirement benefits to the full-time directors amount of retirement benefits required to be paid to the directors and auditors at the end of the year is reserved based on internal regulations. Same as left

	Current Fiscal Year (Commencing July 1, 2003 Ending June 30, 2004)	Prior Fiscal Year (Commencing July 1, 2002 Ending June 30, 2003)
(5) Other material items in the preparation of the consolidated financial statements	<p>(I) Accounting Treatment for Consumption Tax and the Like Taxes are excluded in the accounting treatment of Consumption and Local Consumption Taxes.</p>	<p>(I) Accounting Treatment for Consumption Tax and the Like Same as left</p> <p>(2) Accounting Standards Relating to Treasury Stocks and Reversals of Statutory Reserves As of the current consolidated fiscal year, the Company has adopted the “Accounting Standards for Treasury Stocks and Reversal of Statutory Reserves” (Corporate Accounting Standards No. 1). The impact of such application on the results for the current fiscal year is not material. With the amendments to the Rules for Financial Statements the Capital and Statement of Appropriation of Income sections of the balance sheet have been prepared using the amended Rules for Financial Statements.</p> <p>(3) Per Share Information The Company has adopted from the current consolidated fiscal year the “Accounting Standards relating to Earnings per Share” (Corporate Accounting Standards No. 2) and the “Application Guidance for Accounting Standards Relating to Earnings per Share” (Corporate Accounting Standards Application Guidance No. 4). Impact from such adoption is detailed in the “Notes Relating to Per Share Information” section.</p>

Changes in the Method of Presentation

Current Fiscal Year (Commencing July 1, 2003 Ending June 30, 2004)	Prior Fiscal Year (Commencing July 1, 2002 Ending June 30, 2003)
<p style="text-align: center;">—————</p>	<p>(Balance Sheet Related) The balance of “Accrued Amounts” which had been presented as an independent classification in the Current Assets section until the prior year has become less than one - one hundredth of the Total Assets, therefore, commencing the current year it has been included in “Other” in Current Assets (Current Period End Balance was ¥27,928 thousand).</p> <p>(Statement of Income Related) “System Related Expenses” which up to the prior year was presented in “Other” in the Sales and General Administration Expenses but the aggregate amount of the expense has exceeded five one-hundredth of the total Sales and General Administration Expenses thus commencing this fiscal year, it is presented an independent expense item. In the prior year, the Systems Related Expenses included n “Other” totaled ¥141,815 thousand.</p> <p>“Rental Income” which up to the prior year was presented in “Other” in Non-Operating Income but as the amount has exceeded ten one-hundredth of the total Non-Operating Income, from the current year it has been presented as an independent item. “Rental Income” included in prior year’s “Other” in Non-Operating Income was ¥8,142 thousand.</p>

(6)Notes to the Financial Statement
(Balance Sheet)

Current Fiscal Year (as of June 30, 2004)	Prior Fiscal Year (as of June 30, 2003)																												
<p>1. *1 Assets and Liabilities against Affiliated Companies Other than the items that have been classified and presented, claims and obligations related to affiliated companies included in items are as follows: Accrued Amounts ¥16,374,248 thousand</p> <p>2. *2 Pledged Assets Assets that have been pledged as security for borrowings from banks are as follows: Construction in Progress ¥ 16,406,519 thousand</p> <p>3. (1) Contingent Liabilities The Company provides guarantees to the banks for the borrowings of the following companies.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;"><u>Borrower</u></th> <th style="text-align: right; border-bottom: 1px solid black;"><u>Guarantee Outstanding</u></th> </tr> </thead> <tbody> <tr> <td>COMSN Inc.</td> <td style="text-align: right;">¥ 22,585,000 thousand</td> </tr> <tr> <td>Soar, Inc.</td> <td style="text-align: right;">¥ 114,400 thousand</td> </tr> <tr> <td>Goodwill Engineering Inc.</td> <td style="text-align: right;">¥ 50,000 thousand</td> </tr> <tr> <td>Food Scope Inc.</td> <td style="text-align: right;">¥ 1,305,000 thousand</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">¥ 24,054,400 thousand</td> </tr> </tbody> </table> <p>(2) The Company has committed to guarantee the obligations incurred by the following in connection with a lease agreement</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;"><u>Lessee</u></th> <th style="text-align: right; border-bottom: 1px solid black;"><u>Guarantee Committed</u></th> </tr> </thead> <tbody> <tr> <td>COMSN Inc.</td> <td style="text-align: right;">¥ 2,438,060 thousand</td> </tr> </tbody> </table> <p>4. *3 Authorized Number of Shares and Outstanding Number of Shares</p> <p>5. Authorized Number of Shares 2,100,000 shares Outstanding Number of Shares 636,043 shares</p> <p>6.*4 Number of Treasury Shares Held Common Stock 38 shares</p> <p>7.Dividend Restrictions As a result of market valuation of securities, the Net Assets have increased by ¥51,897 thousand. The said amount as provided for by Article 290 Clause 1 Item 4 of the Commercial Code and Revised Commercial Code Implementation Rules Article 124 Item 3 are restricted against being allocated to dividend payments.</p>	<u>Borrower</u>	<u>Guarantee Outstanding</u>	COMSN Inc.	¥ 22,585,000 thousand	Soar, Inc.	¥ 114,400 thousand	Goodwill Engineering Inc.	¥ 50,000 thousand	Food Scope Inc.	¥ 1,305,000 thousand	Total	¥ 24,054,400 thousand	<u>Lessee</u>	<u>Guarantee Committed</u>	COMSN Inc.	¥ 2,438,060 thousand	<p>1. *1 Assets and Liabilities against Affiliated Companies Other than the items that have been classified and presented, claims and obligations related to affiliated companies included in items are as follows: Accounts Receivable ¥ 19,471 thousand Current Assets (Other) 1,048 thousand Accrued Expenses 9,633 thousand</p> <p>2. (1) Contingent Liabilities The Company provides guarantees to the banks for the borrowings of the following companies.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;"><u>Borrower</u></th> <th style="text-align: right; border-bottom: 1px solid black;"><u>Guarantee Outstanding</u></th> </tr> </thead> <tbody> <tr> <td>COMSN Inc.</td> <td style="text-align: right;">¥ 5,000,000 thousand</td> </tr> <tr> <td>Soar, Inc.</td> <td style="text-align: right;">¥ 300,640 thousand</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">¥ 5,300,640 thousand</td> </tr> </tbody> </table> <p>(2) The Company has committed to guarantee the obligations incurred by the following in connection with a lease agreement</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;"><u>Lessee</u></th> <th style="text-align: right; border-bottom: 1px solid black;"><u>Guarantee Committed</u></th> </tr> </thead> <tbody> <tr> <td>COMSN Inc.</td> <td style="text-align: right;">¥ 1,455,608 thousand</td> </tr> </tbody> </table> <p>3. *3 Authorized Number of Shares and Outstanding Number of Shares Authorized Number of Shares 700,000 shares Outstanding Number of Shares 184,768 shares</p> <p>4. *4 Number of Treasury Shares Held Common Stock 9 shares</p> <p>5. Dividend Restrictions As a result of market valuation of securities, the Net Assets have increased by ¥20,245 thousand. The said amount as provided for by Article 290 Clause 1 Item 4 of the Commercial Code and Revised Commercial Code Implementation Rules Article 124 Item 3 are restricted against being allocated to dividend payments.</p>	<u>Borrower</u>	<u>Guarantee Outstanding</u>	COMSN Inc.	¥ 5,000,000 thousand	Soar, Inc.	¥ 300,640 thousand	Total	¥ 5,300,640 thousand	<u>Lessee</u>	<u>Guarantee Committed</u>	COMSN Inc.	¥ 1,455,608 thousand
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(Relating to Statement of Income)

Current Fiscal Year (Commencing July 1, 2003 Ending June 30, 2004)	Prior Fiscal Year (Commencing July 1, 2002 Ending June 30, 2003)																																												
<p>1. *1 Transactions with Related Companies</p> <table style="width: 100%;"> <tr> <td style="width: 80%;">Interest Income</td> <td style="text-align: right;">¥10,877 thousand</td> </tr> <tr> <td>Dividend Income</td> <td style="text-align: right;">¥ 86,004 thousand</td> </tr> <tr> <td>Rental Income</td> <td style="text-align: right;">¥45,679 thousand</td> </tr> </table> <p>2. *3 Details of Gains from Disposal of Fixed Assets are as follows:</p> <p>Vehicles and Transportation Equipment ¥1,162,000</p> <p>3. *4 Details of the Losses from Removal of Fixed Assets are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">(¥ 000)</th> </tr> </thead> <tbody> <tr> <td>Buildings</td> <td style="text-align: right;">4,194</td> </tr> <tr> <td>Vehicles and Transportation Equipment</td> <td style="text-align: right;">433</td> </tr> <tr> <td>Furniture & Fixtures</td> <td style="text-align: right;">7,011</td> </tr> <tr> <td><u>Software</u></td> <td style="text-align: right;"><u>2,692</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">14,331</td> </tr> </tbody> </table> <p>4. *5 Details of Loss Relating to Head Office Relocation are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">(¥ 000)</th> </tr> </thead> <tbody> <tr> <td>Losses from Removal of Building</td> <td style="text-align: right;">8,842</td> </tr> <tr> <td>Losses on Removal of Furniture & Fixtures</td> <td style="text-align: right;">12,657</td> </tr> <tr> <td>Relocation and Conveyance Expense</td> <td style="text-align: right;">8,602</td> </tr> <tr> <td><u>Other</u></td> <td style="text-align: right;"><u>13,018</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">43,121</td> </tr> </tbody> </table>	Interest Income	¥10,877 thousand	Dividend Income	¥ 86,004 thousand	Rental Income	¥45,679 thousand		(¥ 000)	Buildings	4,194	Vehicles and Transportation Equipment	433	Furniture & Fixtures	7,011	<u>Software</u>	<u>2,692</u>	Total	14,331		(¥ 000)	Losses from Removal of Building	8,842	Losses on Removal of Furniture & Fixtures	12,657	Relocation and Conveyance Expense	8,602	<u>Other</u>	<u>13,018</u>	Total	43,121	<p>1. *1 Transactions with Related Companies</p> <table style="width: 100%;"> <tr> <td style="width: 80%;">Interest Income</td> <td style="text-align: right;">¥ 8,680 thousand</td> </tr> <tr> <td>Dividend Income</td> <td style="text-align: right;">¥ 62,568 thousand</td> </tr> </table> <p>2. *2 This is Gains on Receipt of Shares totaling ¥1,175,000 thousand as compensation for “Loss on Disposal of Investment Securities” of ¥ 1,174,840 recorded as Extraordinary Losses.</p> <p>3. *4 Details of the Losses from Removal of Fixed Assets are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">(¥ 000)</th> </tr> </thead> <tbody> <tr> <td>Buildings</td> <td style="text-align: right;">17,120</td> </tr> <tr> <td>Vehicles and Transportation Equipment</td> <td style="text-align: right;">229</td> </tr> <tr> <td><u>Furniture & Fixtures</u></td> <td style="text-align: right;"><u>19,004</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">36,354</td> </tr> </tbody> </table>	Interest Income	¥ 8,680 thousand	Dividend Income	¥ 62,568 thousand		(¥ 000)	Buildings	17,120	Vehicles and Transportation Equipment	229	<u>Furniture & Fixtures</u>	<u>19,004</u>	Total	36,354
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(Lease Transactions)

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(Relating to Securities)

There were no subsidiary and affiliated company stocks with market values, at the end of both Prior Fiscal Year (as of June 30, 2003) and Current Fiscal Year (as of June 30, 2004).

(Tax Effect Accounting)

Current Fiscal Year (as of June 30, 2004)	Prior Fiscal Year (as of June 30, 2003)																																										
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	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 to those temporary differences existing at fiscal yearend but which are expected to be reconciled after July 1, 2004 has been amended from 42.1% to 40.7%. As a result of this change, the amount of deferred tax assets (after deduction of deferred tax liabilities) decreased by 1.194 million yen, while the amount recorded in the debit column of "adjustment to income taxes, etc." increased by 1.194 million yen																																										

(Per Share Information)

Current Fiscal Year (Commencing July 1, 2003 Ending June 30, 2004)		Prior Fiscal Year (Commencing July 1, 2002 Ending June 30, 2003)	
Net Assets Per Share	59,671yen 53 sen	Net Assets Per Share	191,584 yen 93 sen
Earnings Per Share	4,095 yen 44 sen	Earnings Per Share	10,609 yen 41 sen
With respect to fully diluted earnings per share, as there is no latent stocks, it has been omitted		With respect to fully diluted earnings per share, as there is no latent stocks, it has been omitted.	
		As of the current fiscal year the “Accounting Standard for Earnings Per Share” (Corporate Accounting Standards No. 2) and the “Application Guidance for Accounting Standards relating to Earnings per Share” (Corporate Accounting Standards Application Guidance No. 4) have been adopted.	
		Per Share Information for the current consolidated fiscal year under the historically adopted method is as follows:	
		Net Assets Per Share	191,909 yen 68 sen
		Earnings Per Share	10,934 yen 16 sen
		With respect to fully diluted earnings per share, as there is no latent stocks, it has been omitted.	

(Note) The basis for the computation of Earnings Per Share for the year is as follows:

	Current Fiscal Year (Commencing July 1, 2003 Ending June 30, 2004)	Prior Fiscal Year (Commencing July 1, 2002 Ending June 30, 2003)
Net Income for the Year (¥ 000)	2,476,156	2,020,206
Amounts Not Attributable to Common Shareholders (¥ 000)	90,000	60,000
(Of which appropriated as Directors' Bonuses)	(90,000)	(60,000)
Net Income for the Year Attributable to Common Shareholders (¥ 000)	2,386,156	1,960,206
Average Number of Shares during the Year (shares)	582,636	184,761
Summary of latent shares not included in the calculation of Fully Diluted Earnings Per Share due to the fact of not having a dilutive effect	No applicable items	Stock warrants under the former Commercial Code Article 280 – 19 (number of shares for the stock warrant: 3,560 shares)

(Material Subsequent Events)

Current Fiscal Year (Commencing July 1, 2003 Ending June 30, 2004)	Prior Fiscal Year (Commencing July 1, 2002 Ending June 30, 2003)												
<p>1. Material Corporate Split</p> <p>Based upon the resolution of the General Meeting of the Shareholders on June 11, 2004, effective August 1, 2004, the subcontracting division of the Company was spun off and succeeded by the Goodwill Inc., a wholly owned subsidiary of the Company and the Company transformed itself to a pure holding company.</p> <p>2. Corporate Acquisition By Acquisition Of Shares.</p> <p>The Company completed a public takeover of Hu Management Japan Inc. on July 13, 2004 consequently converting the company into a subsidiary of the Company. Synopsis of Hu Management Japan is as follows:</p> <p>(1) Company whose shares were acquired</p> <p>Name: Hu-Management Japan Inc. Address: Minato-ku, Tokyo Representative: Representative Director and President Yoshiaki Saito Paid-in-Capital: ¥ 640,000,000 (as of July 6 2004) Business Line: Job search support services and the like</p> <p>(2) Financial Conditions and Management Results</p> <p>The financial conditions and management results of Hu Management Japan Inc for the fiscal year ended March 2004 are as follows:</p> <table data-bbox="279 1366 686 1545"><thead><tr><th></th><th>(¥ 000)</th></tr></thead><tbody><tr><td>Sales</td><td>6,134,971</td></tr><tr><td>Ordinary Income</td><td>1,611,220</td></tr><tr><td>Profit for the Period</td><td>779,349</td></tr><tr><td>Gross Assets</td><td>6,972,018</td></tr><tr><td>Net Assets</td><td>3,654,590</td></tr></tbody></table>		(¥ 000)	Sales	6,134,971	Ordinary Income	1,611,220	Profit for the Period	779,349	Gross Assets	6,972,018	Net Assets	3,654,590	
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