

Synopsis Sheet related to the Alteration of Subsidiary (Transfer)

June 27, 2001

To the Chairman,
Japan Securities Dealers' Association

Name of company: The Goodwill Group, Inc.
Name and position of representative: Masahiro Origuchi,
Representative Chairman
Code number/Settling term: 4723;
June settlement
Name and position of contact person: Akira Kanezaki,
Director and General Manager
Telephone number: 03-3405-9228

1. Outline of company no longer a subsidiary

- (1) Name of company: Goodwill Communication, Inc.
(2) Date of founding: September 1, 1992
(3) Location of head office: Kyocera Harajuku Bldg., 6-27-8 Jingumae, Shibuya-ku, Tokyo
(4) Name and position of representative: Osamu Sato, Representative Director (2-1-38 Shirokane, Minato-ku, Tokyo)
(5) Capital: 500 million yen
(6) Major stockholder: The Goodwill Group, Inc. (60%)
(7) Company objective and field of business: Telephone answering service for business communications, other

(8) Outline of shareholding, management and business relationship

Shares held: 60% of total shares issued
Management relationship: Masahiro Origuchi, Director (The Goodwill Group Representative Chairman)
Osamu Sato, Representative President (The Goodwill Group Representative Vice Chairman)
Mitsuhiro Hanada, Auditor (The Goodwill Group Finance & Accounting Director

Business relationship: Outstanding loans by The Goodwill Group to Goodwill Communication is 500 million yen (as of June 2, 2001), which is to be repaid after the transfer of stocks. 300 million yen, which is the amount of stock transfer, will be added to this, making the total outstanding loans 800 million yen. However, the loan shall be continued for the foreseeable future after securing The Goodwill Group shares as collateral. Also, in

order for Goodwill Communication to secure operating funds, the plan is to sell The Goodwill Group shares (with 10,000 shares as the goal) owned by Osamu Sato to institutional investors and Masahiro Origuchi through so-called block trading. There are absolutely no other liabilities for guarantee.

The main business transaction between The Goodwill Group and Goodwill Communication is the contracting of non-labor intensive work related to warehouse management and the contracting of The Goodwill Group's Customer Center operations.

(9) Board members and employees: 11 board members and 147 employees

(10) Business performance and financial conditions of past two years

	Term ending June 30, 1999 (Compared to The Goodwill Group, Inc.)	Term ending June 30, 2000 (Compared to The Goodwill Group, Inc.)
Sales Volume	¥3,176,000,000 (41.5%)	¥10,544,000,000 (84.9%)
Operating Profit	¥305,000,000 (36.4%)	¥831,000,000 (54.7%)
Ordinary Profit	¥ 300,000,000 (37.7%)	¥800,000,000 (57.7%)
Profit for the Term	¥127,000,000 (35.9%)	¥438,000,000 (63.1%)
Total Assets	¥1,957,000,000 (42.9%)	¥6,137,000,000 (16.2%)
Current Assets	¥1,783,541,000	¥4,685,595,000
Liabilities	¥1,329,000,000 (36.3%)	¥5,056,000,000 (65.7%)
Shareholders equity	¥628,000,000 (69.9%)	¥1,081,000,000 (3.5%)

2. Number of holding shares prior to transfer (percentage of total); percentage of holding shares after transfer; amount transferred

(1) Number of holding shares prior to transfer (percentage of total): 6,000 shares (60%)

(2) Number of shares transferred: 6,000 shares

(3) Percentage of holdings after transfer: 0%

(4) Amount of transfer: 300,000,000 yen (at book value)

3. Party to whom shares are transferred

(1) Name of company: S-front Ltd.

(2) Date of founding: July 21, 1995

(3) Location of head office: 2-1-38 Shirokane, Minato-ku, Tokyo

(4) Name and position of representative: Osamu Sato, Representative Director (2-1-38 Shirokane, Minato-ku, Tokyo)

(5) Capital: 3 million yen

(6) Major stockholder: Osamu Sato (100.0 %)

(7) Company objective and field of business: [1] Management consulting
[2] Accountancy consulting

(8) Outline of shareholding, management and business relationships, etc.

Shares held: None
Management relationship: Osamu Sato, Representative President (The Goodwill Group Representative Vice Chairman)
Business relationship: None

4. Amount transferred and method

The amount to be transferred is 300,000,000 yen.

5. Reason for transfer

Osamu Sato, the representative director of the Goodwill Group Inc. and the representative director of the subsidiary concerned, requested to obtain by transfer all of The Goodwill Group's holdings in this company. After considering future businesses and development of group companies from an overall perspective, it was determined that at this point in time as well as for the future, the distribution of management resources to other business divisions would result in promoting the growth of The Goodwill Group companies. Therefore, it was decided to sell (transfer) the stocks concerned. Further, there are absolutely no liabilities for guarantee, etc. held by The Goodwill Group.

Effective today, Masahiro Origuchi will resign as Director of Goodwill Communication and Mitsuhiro Hanada as Auditor.

6. Schedule for transfer

Date of transfer of shares: July 2, 2001 (Monday)

7. Revision to the consolidated performance forecast

The consolidated forecast for The Goodwill Group for fiscal year 2000 remains as announced on May 30, and is not affected by the transfer of Goodwill Communication.

(Reference) Expected settlement amount for FY2000 and forecast for FY2001

(Unit: millions of yen; below 1 million dropped)

	Sales Volume	Ordinary Profit	Profit for the Term
Year ending June 30, 2001	2,450	90	-101
Year ending June 30, 2002	2,000	-200	-202