



May 20, 2008

To whom it may concern:

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Receipt of Interim Report from Special Committee

As disclosed in a press release dated May 9, 2008, entitled "Establishment of a Special Committee of Outside Experts to Verify the Appropriateness of the Decision to Curtail Alliance Negotiations with United Technology Holdings Co., Ltd.," the Board of Directors has requested a Special Committee (Chairman: Takeo Inaba [attorney at law, former Chief Judge, Hiroshima High Court]) comprised of outside experts to provide an opinion on the appropriateness of the decision to curtail negotiations with United Technology Holdings Co., Ltd. over a possible capital and operational alliance. This is to inform you that we received today an interim report from the Special Committee and to provide a summary for use as a reference for shareholders in the exercise of their voting rights at the Extraordinary General Meeting of Shareholders scheduled to be held on the 23rd of this month.

Below is a summary of the interim report that was received today.

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Attachment

Summary of the Interim Report of the Special Committee

1. Matters of inquiry

The committee received an inquiry regarding the following matters from the Board of Directors of The Goodwill Group, Inc. ("GWG" hereinafter) on May 9, 2008.

- (1) Can the proposal on operational alliances furnished to the GWG by United Technology Holdings Co., Ltd. ("UT" hereinafter) on April 11, 2008 ("UT Proposal 1" hereinafter) and the proposal on an operational alliance furnished to GWG on April 29 ("UT Proposal 2" hereinafter) be characterized as unreasonable from the perspective of maintaining and improving the corporate value and shareholders' value of GWG and potentially injuring the corporate value and shareholders' value of GWG?
- (2) UT holds 766,594 shares in GWG (30.4% of total issued and outstanding shares prior to the issue of common stock on April 25, 2008; 25.4% after). Can its actions with respect to UT Proposal 1 and UT Proposal 2 and its demands in the process of consultation with GWG, backed by its shareholdings, be characterized as illegal and abusive actions?

2. Response

- (1) **The financial restructuring is a rational option for GWG to achieve sustainable development as a company through a process of selection and concentration of its business activities.**

GWG is pursuing financial restructuring in partnership with Promontoria Investments I B.V. ("Promontoria" hereinafter), a company organized for the purpose of investment by the Cerberus Group, a major US investment fund, and a consortium originated by major US securities company Morgan Stanley. This financial restructuring is comprised of the following three components ("the financial restructuring" hereinafter).

- 1 With respect to 79.5 billion yen in short-term borrowings (the portion of the 75.3 billion yen due at the end of March 2008), restructuring of the terms of borrowing to defer the repayment deadline until 2013 and reduce the monthly repayment amount to 500 million yen-1 billion yen
- 2 4.5 billion yen capital increase in the form of an allocation to Promontoria of common stock to be paid in on April 25, 2008
- 3 Capitalization of 15.5 billion yen in borrowings through an allocation to Promontoria of Class A preferred shares scheduled to be paid for on December 25, 2008 (equitization of debt, debt-equity swap)

To achieve Part 3 of the financial restructuring, GWG has included as a company proposal an agenda item for the Extraordinary General Meeting of Shareholders scheduled for May 23, 2008 ("the Extraordinary General Meeting of Shareholders" hereinafter) a proposal for "Partial Amendment of the Articles of Incorporation" (Agenda Item 1) required for the allocation to Promontoria of Class A preferred shares and a company proposal for "Issuing of Equity to be Placed as a Third-Party Allotment" (Agenda Item 2).

The committee has conducted a detailed review of the materials and documentation furnished by GWG and in light of the financial status of GWG and the business environment in which it

finds itself, considers implementation of the financial restructuring to be a rational (unavoidable) choice for the pursuit of a corporate strategy of restructuring through a process of concentration and selection, and therefore seeks approval of the proposals for the Extraordinary General Meeting of Shareholders found in Agenda Item 1 and Agenda Item 2. In addition, UT Proposals 1 and 2 are contrary to the framework of GWG's corporate strategy, but do not present a reasonable framework to take its place. Therefore, at this point in our investigations, we find that GWG's rejection of UT Proposals 1 and 2 to be rational.

(2) The content of UT's proposals has the potential to significantly injure GWG's corporate value and shareholders' value, and there are strong suspicions that its actions were either legal or an abuse of shareholder rights.

UT Proposals 1 and 2 are contrary in their content to the framework for the financial restructuring, by UT does not include a specific proposal to GWG in lieu of the financial restructuring; its proposal has the potential to injure GWG's corporate value; and its demand to be granted warrants is considered to seek only the interests of UT and to significantly injure the interests of other shareholders.

In particular, UT demands the assignment of group companies engaged in engineer referrals, which is a core business of GWG, and its content is generally unacceptable from the perspective of the GWG business strategy, which is considered basically rational. Therefore, there is the potential for significant injury to GWG's corporate value and shareholders' value.

As a result, the actions taken by UT in proposing UT Proposals 1 and 2 and its demands in the course of consultations are backed by the fact of its ownership of 30.4% of GWG's shares (potential for special resolution at general meeting not to pass if company proposal opposed), and there are strong suspicions that they constitute abusive actions in contravention of Article 120 of the Japanese Corporation Law (prohibition of granting of interests with respect to the exercise of shareholders' rights).

(3) The Final Report will need to verify that UT is a competitor, the financial status and other aspects of the business environment for GWG and UT, and the nature of the exercise of voting rights by UT at the Extraordinary General Meeting of Shareholders.

In light of the course of events, in which during the course of negotiations the current management team of UT used its exercise of voting rights at the Extraordinary General Meeting of Shareholders as a "trump card" to cause GWG to accept its proposals, the Committee wishes to make a detailed study regarding the matters of inquiry based on the nature of the exercise of voting rights by UT in the Extraordinary General Meeting of Shareholders.

3. Future schedule

The Committee will furnish a Final Report on the matters of inquiry with a target deadline of the end of June 2008.

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