

Message from the President

First, I would like to express my sincere thanks to you for your support.

Before reporting the Group's interim results for the 14th term, I would like to extend our sincere apologies for the trouble caused to our shareholders, customers, and staff by the administrative action taken against The Goodwill, Inc., a subsidiary, by the Tokyo Labour Bureau.

I also would like to report that the transfer of the nursing-care business of COMSN, Inc., a subsidiary, has been completed, except for certain outsourcing operations. We are committed to continuing to provide our services to the customers and to employ our staff members.

Based on our reflection on the series of problems relating to COMSN and the administrative action taken against The Goodwill, the Group decided new management was required, including a change in representative director, to ensure comprehensive compliance and to practice sincere and transparent management. The Group announced the change of representative director on March 11, 2008 and the new management team on March 13, 2008.

President Shinichiro Kawakami and Chairman Masahiro Origuchi have resigned, and I, Shinichi Horii, a former outside director, have taken office as president and representative director. Takeo Isaji and Gaku Shimaoka have assumed the offices of executive officer & CEO and executive officer & COO, respectively. In addition, one senior executive officer and five executive officers have resigned, while two new senior executive officers and three new executive officers have taken office.

The Board of Directors meeting held on March 13 adopted a resolution to the effect that Takeo Isaji would be appointed representative director & CEO, Gaku Shimaoka will become director & COO, and Ryutarou Katayama and Yukio Akamatsu will remain outside directors. The resolution will be formally determined after it is approved at an extraordinary shareholders' meeting to be held in late May 2008.

Promontoria Investments I B.V., a consortium set up by an affiliate of the Cerberus Group and Morgan Stanley, will become a major creditor of the Group. In association with this, the Group will carry out a capital increase through a private placement to Promontoria, to bolster its financial strength and equity capital.

With the new management structure, the Group will bolster its compliance system and will strive to achieve growth through the concerted efforts of management and employees.

Since the new management structure was determined after the business report was issued, the report reflects the old management structure instead of the new one. We apologize for any inconvenience this causes.

The Goodwill Group, Inc. is entering a new era. Based on our review of the faults of the past, we will strive to restore trust and achieve a steady recovery in results so that we can contribute to our shareholders, customers, and employees.

Your continued support will be greatly appreciated.

March 2008

The Goodwill Group, Inc.

President and Representative Director Shinichi Horii