

April 8, 2004

Company name: The Goodwill Group, Inc.
(Ticker: 4723/TSE Section I)
Representative: Masahiro Origuchi
Representative Director & Chairman
Contact person: Akira Kanezaki
Managing Director, General Manager
of Administration, Head of
Chairman's Office
Telephone: 03-3405-9228

**The Goodwill Group, Inc. to Transfer Its Subcontracting Operation
through Business Division and to Adopt a Holding Company Configuration**

On April 8, 2004, the Board of Directors of The Goodwill Group, Inc. resolved to transfer its subcontracting business to its 100% subsidiary, The Goodwill Inc., effective August 1, 2004 based on the terms outlined herebelow, and to thereby adopt a holding company configuration.

1. Purpose of the Business Division and the Shift to a Holding Company Configuration

To date, the Goodwill company group has continued to grow and expand centering on the two core businesses of "subcontracting (outsourcing)" and "nursing care". As greater competition is anticipated in the human resource service industry where the Group belongs, the Goodwill Company Group seeks to maximize its corporate value through optimization of the Group's management decision-making processes, which is to be achieved by clearly separating the decision-making functions for the group as a whole from the actual business execution at the individual operation level. The Group also aims to firmly establish for all its businesses such infrastructures that would allow speedy adaptation to changing business environments while also clarifying the scopes of responsibilities and authorities. As such, the Company has reached a decision to transfer its subcontracting operation to its 100% subsidiary, The Goodwill Inc., and to modify the group organization into a pure holding company configuration.

The above measure enables the Group to readily seize opportunities in expanding business areas as the new structure would allow the Company to exercise speedy decision-making per business unit, apply M&A with flexibility, and expand individual business entities or conduct intra-group mergers smoothly.

2. Summary of the Business Division

(1) Timeline

Board of directors meeting to approve business division agreement	April 8, 2004
Signing of the spin-off agreement	April 8, 2004
Shareholders meeting to approve of spin-off agreement	June 11, 2004
Date of business division	August 1, 2004
Commercial registration	August 2, 2004

(2) Business Division Method

1. Method

An acquisition method whereby the Company divides a certain unit of its business and The Goodwill Inc. succeeds the divided unit.

2. Reason for adopting this method

As it is required that a company exists in advance in order to succeed/acquire pertinent authorizations and licenses, a wholly-owned subsidiary, The Goodwill Inc. was established as a preparatory step, and an acquisition method was adopted rather than establishing a new entity after business division.

(3) Allotment of Shares

7,200 shares of The Goodwill Inc. are to be allotted to the Company.

(4) Cash Distribution upon Business Division

There will be no cash distribution in relation to the business division and transfer.

(5) Rights and Obligations to be Succeeded

Rights and obligations to be transferred from the Company to The Goodwill Inc. shall comprise of all assets and liabilities belonging to the Company's subcontracting business unit as defined based on the balance sheet effective December 31, 2003 and other calculations as of the same cut off date with adjustments applied for any increase/decrease up to the date of business division, and shall also include rights and obligations contingent to such assets and liabilities, as well as the authority assumed in contracts, unless otherwise agreed upon in the business division agreement.

(6) Prospects on Fulfillment of Debt Obligations

In consideration of the financial conditions of the Company and The Goodwill Inc., no particular problem is anticipated with regard to the ability of the two entities to fulfill corresponding debt obligations.

(7) New Directors and Auditors of the Succeeding Company

None.

3. Summary of the Subject Companies

(1) Trade name	The Goodwill Group, Inc. (company to divide a unit)	The Goodwill Inc. (succeeding company)
(2) Line of business	Subcontracting business with a focus on light labor	Subcontracting business with a focus on light labor
(3) Date of incorporation	February 1, 1995	April 7, 2004
(4) Headquarter address	Minato-ku, Tokyo	Meguro-ku, Tokyo
(5) Representative	Masahiro Origuchi Representative Director & Chairman	Shinichiro Kawakami Representative Director & President
(6) Paid-in capital ('000 Yen)	14,118,990 (as of March 31, 2004)	120,000
(7) Number of shares outstanding	636,043 shares	24,000 shares
(8) Shareholders' equity ('000 Yen)	35,456,849 (as of June 30, 2003)	120,000 (as of April 7, 2004)
(9) Total assets ('000 Yen)	46,799,583 (as of June 30, 2003)	120,000 (as of April 7, 2004)
(10) Fiscal closing date	June 30	June 30
(11) Number of employees	922 (as of April 1, 2004)	5 (as of April 7, 2004)
(12) Principal clients	Nippon Express Co., Ltd.	No record of operation to date.
(13) Major shareholders and holding ratios (as of Dec. 31, 2003)	Origuchi Soken, Ltd. 15.1% Esfront, Ltd. 11.5% Masahiro Origuchi 5.8% Japan Trustee Services Bank Ltd. 3.9% Koshiro Onishi 3.3%	The Goodwill Group, Inc. 100%
(14) Major banks	Mizuho Bank, Ltd.	Mizuho Bank, Ltd.
(15) Relations between the entities	Capital	The Goodwill Group, Inc. has 100% interest in the succeeding company
	Human resources	The Goodwill Group, Inc. sends seven directors and 5 employees to the succeeding company
	Business transactions	None

(16) Operating results for the recent three fiscal years

(Unit: '000 Yen)

	The Goodwill Group, Inc. (company to divide a unit)			The Goodwill Inc. (succeeding company)
Fiscal Year Ended	June 2001	June 2002	June 2003	
Revenues	21,004,224	25,664,531	36,310,431	Entry omitted as the entity is in its first year of operation and is yet to reach its fiscal closing date.
Operating income	2,480,223	2,805,794	3,790,219	
Ordinary income	2,701,308	2,773,881	3,771,141	
Net income	1,568,904	1,403,290	2,020,206	
Net income per share (in yen)	8,900.67	7,655.70	10,609.41	
Dividend per share (in yen)	1,000	1,000	2,000	
Shareholders' equity per share (in yen)	178,971.44	182,720.89	191,584.93	

4. Description of the Business to be Divided

(1) Description of the Subcontracting Business

The subject unit operates a subcontracting business focusing on light labor including general office work, and sales promotion support, among other areas.

(2) Operating Results of the Subcontracting Business Unit during the Fiscal Year ended June 2003 (Stand-alone basis)

	Subcontracting Business Unit (a) (MM Yen)	The Company's Results for FYE June 2003 (b) (MM Yen)	Ratio (a/b)
Revenues	36,310	36,310	100.0%
Gross profit	12,171	12,171	100.0%
Operating income	4,613	3,790	121.7%
Ordinary income	4,560	3,771	120.9%

(3) Assets and Liabilities to be Transferred

Assets and liabilities pertaining to all operations associated with the subcontracting business unit as of the business division date including all contingent rights and obligations, with the exception of the items listed below, are to be transferred.

Cash and deposits managed by the Company's headquarters with the exception of the remittance account for account receivables.

Investment securities, subsidiary shares excluding those of Soar, Inc., short-term loans, long-term loans, and investments.

Lands and buildings owned by the Company.

Facilities attached to the headquarter building (6-10-1, Roppongi, Minato-ku, Tokyo) leased by the Company along with furniture and fixtures owned by the Company.

Trade mark right.

Bank borrowings.

Retirement benefit obligations for those employees of the Company whose employment contracts will not be transferred to the succeeding company as per the stipulations of the subject article's clause 1-3.

On the date of business division, the Company will transfer to the succeeding company all pertinent assets and liabilities along with contingent rights and obligations as defined based on the balance sheet as of December 31, 2003 and other calculations as of the same cut off date with adjustments applied for any increase/decrease up to the date of business division.

5. Overview of the Company after the Business Division

- (1) Trade name: The Goodwill Group, Inc.
- (2) Line of business: pure holding company to manage businesses in the service sector
- (3) Headquarter address: Minato-ku, Tokyo
- (4) Representative: Masahiro Origuchi, Representative Director & Chairman
- (5) Paid-in capital: 14,118 million yen
- (6) Fiscal closing date: June 30
- (7) Effects of business division on the Company

As the Company will be transitioning to a pure holding company, in principal, it will no longer be engaging in profit-generating businesses. However, as the succeeding company, The Goodwill Inc., is a wholly-owned subsidiary included in the scope of consolidation, the change will not have any impact on the consolidated operating results. Forecasts on operating results beyond fiscal year ending June 2005 are currently being developed.

Forecast on Operating Results for the Current Fiscal Year (Stand-alone Basis)

	FYE June 2004 (MM Yen)
Revenues	48,000
Operating income	4,300
Ordinary income	4,200
Net income	2,200

Forecast on Operating Results for the Current Fiscal Year (Consolidated Basis)

	FYE June 2004 (MM Yen)
Revenues	85,000
Operating income	6,100
Ordinary income	5,900
Net income	3,000

The following resource assignments and changes are planned for the Company and the succeeding company in connection with the business division and transfer.

Directors Scheduled to Retire from the Company

- Akifumi Jinno, Managing Director (Currently, a Senior Managing Director of the succeeding company, The Goodwill, Inc. Scheduled to become an executive officer of the Company effective August 1, 2004)
- Koshiro Onishi, Director & Advisor (Scheduled to retire following the extraordinary shareholders meeting to be held on June 11, 2004)

Officer Assignments for the Company (Scheduled)

Title	Name	Delegated role	Current position
Representative Director Chairman & CEO	Masahiro Origuchi	Representative Director Chairman & CEO (Chief executive officer of the Group)	Representative Director, Chairman & CEO, etc. of The Goodwill Group, Inc.
Representative Director President & COO	Shinichiro Kawakami	Representative Director President & COO (Chief operating officer of the Group)	Representative Director, President & COO, etc. of The Goodwill Group, Inc.
Managing Director & CFO	Akira Kanazaki	Representative Director President & CFO (Chief financial officer of the Group)	Managing Director, etc. of The Goodwill Group, Inc.
Auditor	Toru Fujino	Statutory auditor	Same as left
Auditor	Tadashi Minobe	Statutory auditor	Same as left
Auditor	Takao Sugino	Auditor	Same as left
Auditor	Nariaki Ishii	Auditor	Same as left
Auditor	Yasuhiko Tanaka	Auditor	Same as left
Executive Officer	Akifumi Jinno	Sr. MD & GM of Operations of The Goodwill Inc.	MD & GM of Operations, etc. of The Goodwill Group, Inc.
Executive Officer	Koichi Higuchi	Representative Director, President & COO of COMSN, Inc.	Same as left
Executive Officer	Tatsuya Nishihara	MD & GM of Operations of COMSN, Inc.	Same as left
Executive Officer	Satoshi Aoyama	MD & GM of Administration of COMSN, Inc.; in charge of Group's HR and GA	Managing Director & GM of Administration of COMSN, Inc.
Executive Officer	Yasufumi Irie	MD & GM of Institutional Nursing Care of COMSN, Inc.	Same as left
Executive Officer	Mitsuhiro Hanata	Executive Officer (in charge of Group's finance and accounting)	Executive Officer & GM of Finance & Accounting of The Goodwill Group, Inc.
Executive Officer	Kazuo Osako	Executive Officer (in charge of Group's corp. communications and IR)	Executive Officer & GM of Corporate Comm. & IR of The Goodwill Group, Inc.
Executive Officer	Takeo Isaji	Executive Officer (in charge of the Chairman's Office)	Executive Officer in charge of Chairman's Office of The Goodwill Group, Inc.

Officer Assignments for the Succeeding Company (The Goodwill Inc.) (Scheduled)

Title	Name	Delegated role	Current position
Director & Chairman	Masahiro Origuchi		Representative Director, Chairman & CEO, etc. of The Goodwill Group, Inc.
Representative Director & President	Shinichiro Kawakami		Representative Director, President & COO, etc. of The Goodwill Group, Inc.
Senior Managing Director	Akifumi Jinno	General Manager of Operations	MD & GM of Operations, etc. of The Goodwill Group, Inc.
Director	Hideaki Kawakami	Deputy GM of Operations; GM of Sales	Executive Officer, Deputy GM of Operations, GM of Sales of The Goodwill Group, Inc.
Director	Kazuaki Nakamoto	GM of Service Promotion; in charge of PE Operation Department	The Goodwill Group, Inc.'s Executive Officer, GM of Service Promotion; in charge of PE Operation Department
Director	Koshiro Onishi	Advisor	Director & Advisor of The Goodwill Group, Inc.
Auditor	Akira Kanazaki	Auditor	Managing Director, etc. of The Goodwill Group, Inc.
Executive Officer	Shigeru Wakio	GM of President's Office	GM of President's Office of The Goodwill Group, Inc.
Executive Officer	Tsuyoshi Hirai	GM in charge of West Japan, Operations	The Goodwill Group, Inc.'s GM in charge of West Japan, Operations
Executive Officer	Michikazu Kurokawa	GM of Information Systems	GM of Information Systems of The Goodwill Group, Inc.
Executive Officer	Tadanobu Shimada	GM of Express Operation Department	Executive Officer & GM of Express Operation Department of Soar, Inc.
Executive Officer	Takashi Kobayashi	Deputy GM of Operations	Deputy GM of Operations of The Goodwill Group, Inc.

End of Document