

Statutory Report by the Board of Directors to the General Meeting of Shareholders

Unless otherwise noted herein, RHJ International SA, a Belgian *société anonyme*, is referred to as "RHJI".

RHJI non-consolidated Financial Statements have been prepared in accordance with legal and regulatory requirements applicable to financial statements in Belgium. The reporting currency is the Japanese Yen.

1. Business and Financial Review of the non-consolidated financial statements for the year ended March 31, 2005

The Contribution

RHJI, a diversified holding company, has ownership interests in seven businesses, six of which are headquartered in Japan. These ownership interests were contributed to RHJI at fair value from the private equity funds affiliated with Ripplewood Holdings LLC on March 31, 2005 in exchange for an aggregate of 39.9 million newly issued ordinary shares. The fair value of the contributed businesses as recorded under Financial Assets as at March 31, 2005, amounted to JPY 90,754,806 thousand. On the same day, RHJI completed a private placement and global offering for an aggregate of 37.9 million newly issued ordinary shares.

Results of Operations

The net loss for the year ended March 31, 2005 amounted to JPY 11,967,837 thousand and primarily represents the expenses associated with the contribution, the private placement and the global offering.

Liquidity and Capital Resources

As at March 31, 2005, cash and cash equivalents amounted to JPY 104,195,830 thousand. Gross proceeds from the private placement and global offering amounted to JPY 110,980,075 thousand. Total transaction costs associated with the transaction amounted to JPY 10,949,602 thousand of which JPY 6,141,602 thousand were paid as at March 31, 2005.

RHJI's share capital amount to JPY 107,700,871 thousand (€ 778,455,470¹) and is represented by 77,845,547 outstanding shares. Total Shareholders' equity amounts to JPY 190,085,252 thousand.

2. Appropriation of the loss

The Board of Directors proposes to carry forward the loss of the year. Given that the stockholders' equity amounted to JPY 190,085,252 thousand, the financial statements as at

¹The official share capital amount of the Company, as set forth in its Articles of Association, is expressed in euros.

March 31, 2005 have been prepared under the assumption of RHJI being a going concern.

3. Material events subsequent to March 31, 2005

RHJI announced on May 19, 2005, that it was part of an investor group led by Ripplewood Holdings LLC (the "investor group") that had entered into an agreement to acquire Maytag Corporation for USD 14 per share in cash. Subsequent to the adoption of this Directors' Report, on August 22, 2005, RHJI announced that such acquisition agreement had been terminated and that Maytag had on such date paid to the investor group's acquisition vehicle a break-up fee of USD 40 million (€ 33 million). The break-up fee, net of expenses, will be paid to the investors pro-rata based on the amount of their commitments.

4. Research & Development

As a diversified holding company, RHJI does not engage in Research and Development activities.

5. Risk Management and Use of Derivative Financial Instruments

RHJI's functional currency is the Japanese Yen. Proceeds from the private placement and global offering are maintained in Euro, US Dollar and Japanese Yen, and invested primarily in money market mutual funds and fixed income mutual funds for which the Company has defined minimum ratings and concentration limits in order to preserve capital and maintain liquidity. As at March 31, 2005, RHJI had not entered into derivative financial instruments.

6. Directors interest – Article 523 of the Belgian Companies Code

Pursuant to the Belgian Companies Code (Article 523), any director with a conflicting financial interest must bring this to the notice of both the statutory auditors and his fellow directors and, in case and from the moment the company is a public company, may take no part in related deliberations and voting.

This procedure was followed one time during the financial year closed on March 31, 2005, with respect to three items on the agenda of the Board meeting of March 23, 2005.

Excerpt from the minutes of the Board meeting held on March 23, 2005:

Appointment of Mr. Collins as Chief Executive Officer

The Board of Directors acknowledges that, in accordance with Article 523, paragraph 1 of the Companies Code, Mr. Timothy C. Collins has informed the Board and RHJI's statutory auditors, prior to the deliberation of the Board, of the existence of conflicts of interest, within the meaning of Article 523, because Mr. Collins will be affected by the following resolutions, if such resolutions are approved, regarding among other items the agreement to be entered between RHJI and Mr. Collins in relation to his appointment as RHJI's Chief Executive Officer.

The Board of Directors resolves that the following resolutions are in the best interests of RHJI and serve to further the purposes of RHJI because (i) Mr. Collins has played and continues to play an essential role in the formation and management of RHJI and (ii) Mr. Collins is uniquely qualified as the Chief Executive Officer of RHJI due to his detailed understanding of and experience with RHJI's businesses and his expertise and experience in identifying and completing acquisitions, particularly in Japan.

The Board of Directors resolves that Mr. Timothy C. Collins, director, is granted day-to-day management powers, as well as the authority to represent RHJI in dealings with third parties and in legal proceedings within the scope of day-to-day management, within the meaning of Article 525 of the Companies Code.

Mr. Collins is authorized to bear the title of Chief Executive Officer (or CEO).

Mr. Collins is authorized to sub-delegate, under his own responsibility, one or more specific powers falling within the scope of day-to-day management to employees of RHJI or any other person of his choice. However, he may not sub-delegate day-to-day management as a whole to anybody.

The Board of Directors further resolves that Mr. Collins will have authority, as part of his day-to-day management powers, to cause RHJI to make any acquisition, within the scope of the corporate purpose, in which the purchase price payable by RHJI, together with any other commitment made by it, does not exceed € 100 million and any disposal, within the scope of the corporate purpose, in which the sale price, together with any other form of payment, does not exceed € 100 million.

Mr. Collins does not have authority over any matters that are reserved for the Board of Directors or the shareholders' meeting pursuant to law or the articles of association or that are within the duties of any committee of the Board of Directors.

The Board of Directors resolves that Mr. Collins will carry out his tasks within the framework of an agreement entered into between RHJI and Mr. Collins, which the Board hereby approves and which will remain attached as Appendix 11 to these minutes

The Board of Directors resolves that, under that agreement, Mr. Collins will be paid fees amounting to an aggregate annual amount of € 100,000 (excluding VAT if any).

Without prejudice to the day-to-day management powers of Mr. Collins, the Board of Directors resolves to grant to Mr. Collins the specific representation powers to:

- (a) hire, dismiss and determine the terms of employment of any employee, including any member of RHJI's senior management; and
- (b) use the services of any head hunter or any other recruitment, outsourcing or temporary employment agency in relation thereto.

The Board of Directors resolves that [the] resolutions [starting from the third paragraph above] are decided subject to the condition precedent of the Closing [of the contribution in kind to the Company of, essentially, seven businesses in Japan and in Germany] taking place.

Outside activities of Mr. Collins

The Board of Directors acknowledges that, in accordance with Article 523, paragraph 1 of the Companies Code, Mr. Timothy C. Collins has informed the Board and RHJI's statutory auditors, prior to the deliberation of the Board, of the existence of conflicts of interest, within the meaning of Article 523, because Mr. Collins will be affected by the following resolutions, if such resolutions are approved, regarding certain activities of Mr. Collins and his affiliates that may compete with the interests of RHJI, including with the acquisition objectives of RHJI, as described generally in Appendix 12 to these minutes (the "Outside Activities").

The Board has determined that the acquisition objectives of RHJI should not be substantially similar to the business objectives of Ripplewood Fund II in order to minimize any future potential conflicts of interest.

The business objectives of Ripplewood Fund II are to seek long-term capital appreciation by acquiring, holding and disposing of securities of a portfolio of companies which are located primarily in the United States and Canada and Ripplewood Fund II is prohibited from investing more than 35% of its total capital commitments in companies organized and headquartered outside of the United States and Canada.

As of February 15, 2005, Ripplewood Fund II had invested approximately 21% out of an aggregate of approximately USD 1.1 billion of capital commitments and intends to invest the remaining capital over the next two to three years.

The Board of Directors resolves that the following resolutions are in the best interests of RHJI and serve to further the purposes of RHJI because, as mentioned above, (i) Mr. Collins has played and continues to play an essential role in the formation and management of RHJI and (ii) Mr. Collins is uniquely qualified as a director and as the Chief Executive Officer of RHJI due to his detailed understanding of and experience with RHJI's businesses and his expertise and experience in identifying and completing acquisitions, particularly in Japan.

The Board of Directors resolves that, until December 31, 2007, (i) the primary acquisition objective of RHJI in executing the acquisition component of the growth strategy of RHJI will be to acquire a portfolio of companies which are not located primarily in the United States or Canada and (ii) RHJI will not acquire assets if, after giving effect to such acquisition, more than 35% of the total assets of the portfolio of companies of RHJI would be comprised of companies which are organized and headquartered inside the United States and Canada; provided that the foregoing will not prohibit any acquisition of assets by any subsidiary of RHJI in furtherance of such subsidiary's business.

The Board of Directors resolves that, in accordance with Section 15 of the Ethics Code, the provisions of Section 3 (Outside Directorships and other Outside Activities) of the Ethics Code are hereby waived as they apply to the Outside Activities of Mr. Collins, as a member of the Board of Directors and the Chief Executive Officer of RHJI, to the extent such activities are initiated during the period from the date hereof and ending on the first anniversary of the Board meeting referred to [hereunder].

The Board of Directors resolves that Mr. Collins may pursue each of the Outside Activities and that RHJI hereby waives any recourse against Mr. Collins related to such activities initiated during

the period from the date hereof and ending on the first anniversary of the Board meeting referred to [hereunder].

The Board of Directors resolves that, on an annual basis, the Board of Directors will consider whether to renew such waivers and any such resolution renewing the waivers will require a positive vote of at least three-fourths of the independent directors present or represented at the relevant Board meeting, after a thorough review of the Outside Activities of Mr. Collins.

The Board of Directors resolves that the following procedures to monitor the Outside Activities of Mr. Collins are hereby adopted:

(a) Mr. Collins will report to the Audit and Compliance Committee (as defined in Article 21.3 of the Articles of Association of RHJI, as expected to be approved by the Extraordinary Shareholders' Meeting) promptly following the consummation of any acquisitions made by him directly or indirectly through entities controlled or managed by him as part of his Outside Activities relevant information about such acquisitions in a format that will be established by the Audit and Compliance Committee;

(b) the Audit and Compliance Committee will report to RHJI's independent directors at each Board meeting regarding such acquisitions. The agenda of each Board meeting will include a specific item with respect to such reporting and any resolution that may be adopted in relation thereto. This reporting to the Board of Directors will serve as a basis for the Board of Directors' determination of whether to renew the waiver described above.

The Board of Directors resolves that, on an annual basis, the Board of Directors will adopt appropriate procedures to monitor the Outside Activities of Mr. Collins. Any resolution regarding such procedures will only be validly adopted if it has been approved by at least three-fourths of the independent directors present or represented at the relevant Board meeting.

The Board of Directors resolves that the procedures referred to [above] will be fully described in RHJI's corporate governance charter, which will be updated to reflect any additional procedures that the Board may adopt as described above.

The Board of Directors further resolves that the corporate governance section of RHJI's annual report will describe any such additional procedures, as well as the annual renewal, if any, of the above waiver.

The Board of Directors resolves that, notwithstanding the foregoing, (a) Mr. Collins is not hereby authorized during his conduct of the Outside Activities to violate any of the express terms of the agreement referred to [above] entered into between Mr. Collins and RHJI, (b) Mr. Collins shall abstain in his capacity as a director from voting on any resolution of the Board that authorizes action or the omission of action by RHJI that, to Mr. Collins's knowledge, conflicts with his Outside Activities and (c) Mr. Collins shall disclose to the Board the reasons for his abstention in each such case, in the case of items (b) and (c), as provided for and in accordance with Article 523 of the Companies Code.

The Board of Directors resolves that [the] resolutions [starting from the sixth paragraph above] will cease to have any effect if they are not ratified by at least three-fourths of RHJI's independent directors present or represented at the first Board meeting that will be held following the completion of the Global Offering.

Lock-up agreements

The Board of Directors acknowledges that, in accordance with Article 523, paragraph 1 of the Companies Code, Mr. Timothy C. Collins and Mr. Jeffrey M. Hendren have informed the Board and RHJI's statutory auditors, prior to the deliberation of the Board, of the existence of conflicts of interest, within the meaning of Article 523, because they will be affected by the following resolution, if such resolution is approved, regarding among other items the agreements to be entered between RHJI, on the one hand, and Mr. Collins and Mr. Hendren, on the other hand, in relation to the lock-up of their shares in RHJI.

The Board of Directors resolves that the following resolution is in the best interests of RHJI and serves to further the purposes of RHJI because (i) the lock-up agreements and undertakings are necessary or useful in relation to the Global Offering, and (ii) they serve to align the interests of the senior management and of the shareholders of RHJI.

The Board of Directors resolves to approve the lock-up agreements to be entered into with Mr. Collins and Mr. Hendren, a copy of which will remain attached as Appendix 13 to these minutes.

The Board of Directors further resolves to approve the lock-up undertakings given by Mr. Collins contained in the agreement referred to [above in "Appointment of Mr. Collins as Chief Executive Officer"], as well as any other lock-up undertaking given by any affiliates of Mr. Collins.

7. Special Auditors' fees – Article 134 of the Belgian Companies Code

In accordance with Article 134 of the Companies Code, the Board of Directors informs the Shareholders' Meeting that during the period ended March 31, 2005, KPMG Bedrijfsrevisoren/Reviseurs d'Entreprises and BDO Bedrijfsrevisoren/Reviseurs d'Entreprises, together with any persons with whom the statutory auditors have links of professional collaboration worldwide, have received from the Company special fees in the amount of JPY 618 million and JPY 215 million associated with work performed in relation to the contribution in kind and the private placement and global offering of the Company's ordinary shares, respectively.