



August 7, 2007

To whom it may concern,

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Representative Director, Chairman and CEO
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1st Meeting of the Third-Party Committee to Determine the Purchaser of the Operations of COMSN, Inc.

This is to inform you of the matters reported to and deliberated by the Third-Party Committee in its meeting today regarding the conveyance of the operations of subsidiary COMSN, Inc. ("COMSN" hereinafter).

Details

1. Report on status of public tender (as at noon, August 7)

Applications for purchase have been received for home-care services in all prefectures.

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|---|---------------------------|--------------------|
| 1 | Residential-Care Services | 73 offers |
| 2 | Home-Care Services | 664 offers (total) |

* The figures above represent indications of intent to participate in web-based public tender. Note that the figures for home-care services represent an interim report.

2. Discussion of screening criteria

The Committee discussed and passed resolutions on guidelines for criteria to be used in screening potential purchasers of residential-care services. See the attachment for details.

3. Confirmation of future screening schedule

Screening criteria will be finalized based on opinions solicited from government regulators and users.

Examinations will continue based on the finalized screening criteria to determine the final purchaser(s).

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* For further information contact:

COMSN Third-Party Committee Secretariat TEL: 03-5772-7627

Attachment

**Guidelines on Screening Criteria to Be Used in the Selection of Purchaser(s)
(Residential-Care Services)**

- 1. To protect the rights of users, candidates must have the capacity to provide services to users in a stable manner long into the future, including requisite financial capacity and creditworthiness**
 - (1) Candidates must place maximum emphasis on respect for and independence of users and must be sufficiently cognizant of the public nature of nursing-care services and the social responsibilities incurred
 - (2) Candidates must be recognized to respect the desires and individuality of users and to endeavor to provide user-oriented services at all times
 - (3) Candidates must take all measures to ensure the quality and safety of services and increase the satisfaction of users, including but not limited to appropriate educational and training programs and the formulation of service manuals and procedures

- 2. Candidates must operate services in accordance with the basic guidelines in the business conveyance plan**
 - (1) Candidates must be recognized to have the desire and capacity to operate and provide for the continuity of services conveyed
 - (2) Candidates must be recognized to have the desire and capacity to maintain contractual terms and conditions for all users of services conveyed in a manner that in no way disadvantages users and to continue to provide smooth and certain services
 - (3) Candidates must maintain the employment of all employees in the services conveyed without disadvantageous modification

- 3. Candidates must have compliance programs and a proactive attitude towards legal compliance, and must be fully aware of their social responsibilities as providers of nursing care services**

- 4. Candidates must endeavor to maintain the employment conditions of employees**

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