



August 27, 2007

To whom it may concern,

Name of Company	The Goodwill Group Inc.	
Representative	Chairman & CEO (Code No. 4723 1 <sup>st</sup> sec. of TSE)	Origuchi
Contact	Exec. Officer, GM of Public Relations & Investor Relations Dept. (TEL . 03-3405-9262)	Osako

Contents of the deliberation at the 3<sup>rd</sup> Third-party panel (Independent Committee)  
regarding the business transfer of COMSN Inc.

Regarding the business transfer of our subsidiary, COMSN Inc. (hereinafter referred to as COMSN), COMSN's residential service was deliberated and reported in the third-party panel held today as follows:

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1. The third-panel committee submitted a report to COMSN, following the final review on the residential service today. The essence is as follows:
  - (1) Successor company  
Nichii Gakkan Company
  - (2) Reason for selecting the successor above  
As shown in Attachment 1
  - (3) Conditions imposed on the successor  
As shown in Attachment 2
  - (4) Selection process  
As shown in Attachment 3
  
2. We will continue the final examination on home care service from now on.

Contact regarding this matter

COMSN Third-party panel Secretariat TEL : 03-5772-7627

## Reason for Selection

COMSN Third-party panel selected Nichii Gakkan Company as the successor from the following reasons, as a result of a comprehensive consideration and examination of the criteria in selecting the successor company.

1. Nichii Gakkan Company conducts nursing care business in most prefectures, and is recognized to have higher management capability needed to stably operate the business offices distributed nationwide to be succeeded than other competitors.
2. Judging from the number of employees and other situations of Nichii Gakkan Company, it is recognized to have higher capability to quickly recruit the required personnel and continue its service than other competitors, even when there are vacancies during business succession.
3. Nichii Gakkan Company made the following original proposal, in order to ensure continuous and stable service without undermining the quality of the current service to the users.

It has secured sufficient number of manager training course attendees needed for the designated personnel standard of dementia-care cohabitation nursing care (Group Home) business, and will make efforts to continue the service, utilizing the human resources if needed, both before and after the business succession.

Even when the new designation of business offices delays for any reason, after the business succession, it can finance itself for about 6 months, to continue offering the service under its own responsibility until it is designated.

4. Nichii Gakkan Company is recognized to have better financial ground needed to continuously operate the business succeeded than other competitors.
5. Nichii Gakkan Company admits to ensure job security of the employees and maintain the employment conditions in succeeding the business.

Regarding compliance, the finalist companies did not have much difference. Also, none of them have received material administrative disposition that is equivalent to revocation of designation in the past, from the viewpoint of ensuring the quality of nursing care business and its continuation.

## Conditions imposed on the successor

### 1. Retention of the right of the users

- (1) The users' dignity and independence shall be respected to the maximum extent, and the public nature of nursing business and the social responsibility as the bearer shall be recognized, in continuing the operation of all businesses succeeded.
- (2) The intention and the personality of the users shall be respected, and the provision of service from the users' standpoint shall always be pursued.
- (3) Contractual terms and conditions with all the users related to all businesses succeeded shall be continued without any disadvantage to the subject users, and the service shall continue in a secure and smooth manner.
- (4) It should operate with the sense of responsibility as the operating body of the business succeeded, and not rashly transfer or consign it to others.

### 2. Employee's job security measures

- (1) Employment shall continue in a secure and smooth manner, without any disadvantage to all the employees engaged in the business succeeded.
- (2) The activities by UI Zensen Union Japan Nursing Care Craft Union, where employees engaged in the business succeeded are members, shall not be obstructed.
- (3) Safe and ideal working environment for the employees, such as the introduction of diverse working styles, establishment of fair HR system, and the maintenance of appropriate work environment, shall be secured.

### 3. Compliance

- (1) Compliance structure shall be established.
- (2) Specific measures shall be implemented in order to establish the system above -enterprise code of conduct and compliance-related manual shall be formulated and established, and regular briefing sessions, as well as education and training shall be offered to the employees.
- (3) Hearing surveys on the employees' ethical values, the degree of compliance with laws, regulations, and code of conduct, as well as on-site inspections shall be conducted on a regular basis.
- (4) Whistleblowing system or a similar system that is independent of the regular chain of command is introduced, in order to ensure the protection of secrets of the informers

and information management.

- (5) Directors shall not hold concurrent positions between the company that operates the business succeeded and other companies (including group companies).
- (6) Outside directors shall be hired.
- (7) The causes for the matters pointed out in the administrative audit and the items requiring improvements as a result of the voluntary inspection shall be investigated, all business offices shall conduct voluntary reexamination, and take preventative measures based on the results.
- (8) Following the business succession, COMSN shall establish an independent body that replaces the third-party panel in order to ensure good faith to the users, and shall continuously confirm the compliance of the successor company; thereby, report on item (7) above on the subject independent body, and cooperate with the investigation and follow the recommendations and advices upon the request by the subject independent body.

#### 4. Be a responsible business successor

- (1) The subject company shall recognize the public nature of nursing business and the social responsibility as the bearer, and establish a structure that can maintain the trust of the users and the entire society.
- (2) The subject company shall implement concrete measures in order to establish the system above, such as, conducting education and training regarding user response, preparing response manuals, service manuals, establishing and improving user support system, and establishing a system to respond sincerely to users' inquiries.

#### 5. Subject matters to be succeeded

- (1) Contractual status and the subject contractual rights and duties on the building lease contract to be succeeded shall be entirely succeeded.
- (2) Lease contract to be succeeded and contractual status and the subject contractual rights and duties in business consignment agreement etc. shall be entirely succeeded.
- (3) Tenant fee refund obligation on the existing tenants shall be entirely exempted and borne.

Attachment 3

Selection process of the transferee of Residential service

The selection process regarding the subject examination is as follows:

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| July 31   | Announcement of business transfer plan  |
| August 1  | Announcement of open application requirements and start of the acceptance of open application participation statement   |
| August 7  | 1 <sup>st</sup> Third-party panel <ul style="list-style-type: none"><li>• Decision on examination standard guideline on Residential services and decision on the companies passing the qualification examination</li></ul> Deadline for the submission of open application participation statement for Residential services: 87 WEB entries, 52 official applications |
| August 14 | Deadline for the submission of business succession application  |
| August 17 | 2 <sup>nd</sup> Third-party panel <ul style="list-style-type: none"><li>• Review</li></ul>  |
| August 27 | 3 <sup>rd</sup> Third-party panel <ul style="list-style-type: none"><li>• Review, and selection of the successor</li></ul>  |

Reference
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“ COMSN Third-party panel report ”

We examined and report that it is appropriate to transfer the residential service to the following company.

1. Business to be transferred  
Nursing care-type retirement housing (COMSN Home, COMSN no Kirameki) and Group Home
2. Successor  
Nichii Gakkan Company
3. Reason for selecting the company above  
As shown in Attachment 1 “ Reason for Selection ”
4. Conditions imposed on the successor  
The compliance with the items described in Attachment 2 “ Conditions imposed on the successor ” shall be the condition, in order for the successor to operate the business at a higher level.

COMSN Inc. Third-party panel member list

Chairperson		Attorney at law
	Tsutomu Hotta	Director, Sawayaka Law Firm
Vice chairperson		Attorney at law
	Nobuo Gohara	Professor, Toin Yokohama Univ. Law School
Member		Professor, Keio University Graduate School
	Shigeru Tanaka	
Member		CPA
	Chikara Kanzawa	Director, Kanzawa CPA Firm
Member		Professor, Shuto Univ. Tokyo Graduate School
	Satoru Ohsugi	