



August 28, 2007

To whom it may concern,

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Notice on business transfer of Institutional nursing care business “ Residential  
Service ” of COMSN Inc. through corporate divestiture

We would like to notify that Goodwill’s subsidiary COMSN Inc. (hereinafter referred to as COMSN) has resolved to transfer COMSN’s institutional nursing care business “ Residential service” to the 3 takeover companies indicated in 2.(2) below, which will become a subsidiary of Nichii Gakkan Company (hereinafter referred to as Nichii) through corporate divestiture in the board meeting held today, and concluded the divestiture contract and other related contracts effective today.

1 . Purpose of corporate divestiture

In transferring the three businesses managed by COMSN, namely, Group Home “COMSN no Hohoemi” business, assisted pay retirement housing “COMSN no Kirameki” business and assisted pay retirement housing “COMSN Home” business (hereinafter collectively referred to as “Residential service”), COMSN Third-party panel (hereinafter referred to as Third-party panel) submitted a report on its judgment in accordance with the successor selection criteria guideline on August 27, 2007, that Nichii is the appropriate successor, since the company is expected to stably retain the service offering capability to the users going forward in order to protect the users’ rights, and has the financial creditworthiness required.

COMSN respected the opinion by the Third-party panel to the maximum extent, and as a result of the discussion with Nichii, it decided to transfer the Residential service to Nichii through corporate divestiture. Reliable and smooth succession of the service and employment are expected, since the intention of COMSN users of Residential service business and COMSN employees engaged in the business are respected.

## 2 . Outline of the transfer of Residential service business

### (1) Subject business

- Group Home “COMSN no Hohoemi” business (Number of facilities: 183)
- Assisted pay retirement home “COMSN no Kirameki” business (No. of facilities: 18)
- Assisted pay retirement home “COMSN Home” business (Number of facilities: 8)

### (2) Business transfer scheme

First of all, COMSN will transfer all shares of the 3 takeover companies established to succeed the 3 respective businesses comprising Residential service business ((i) “COMSN no Hohoemi Business Succession” to succeed Group Home “COMSN no Hohoemi” business, (ii) “COMSN no Kirameki Business Succession” to succeed Assisted pay retirement home “COMSN no Kirameki” business, and (iii) “COMSN Home Business Succession” to succeed assisted pay retirement home “COMSN Home” business, hereinafter collectively referred to as “3 takeover companies”) to Nichii for 1 yen each.

Next, COMSN concludes a contract to the effect that transfers these 3 businesses to the 3 takeover companies respectively through corporate divestiture method (hereinafter referred to as “the subject corporate divestiture” ).

The 3 businesses above will be succeeded to the 3 takeover companies respectively, effective on the date subject corporate divestiture comes into force, and COMSN receives cash in return from each takeover company.

We have adopted the abovementioned scheme in the business transfer this time due to the following reasons:

Corporate divestiture is a comprehensive succession of rights and obligations related to the Residential service business, and enables a smoother transfer of the business, compared with business assignment which requires individual transfer for each right and obligation.

When the successor enters a new license application and notification procedure, in order to operate Residential service business, the procedure can take place after the effective date of the divestiture, in the case of new company divestiture scheme where a new company is established through corporate divestiture; whereas, the procedure can take place before the effective date of divestiture following the establishment of the takeover company, in the case of divestiture scheme, which transfers the business to the takeover company established in advance; therefore, the latter can achieve quicker business transfer.

(3) Timeline for corporate divestiture

Board of Directors Meeting to approve divestiture contract ( COMSN )	Aug. 28, 2007
Stock transfer contract closing date of the 3 takeover companies	Aug. 28, 2007
Stock transfer execution date of the 3 takeover companies	Aug. 28, 2007
Divestiture contract closing date	Aug. 28, 2007
Shareholders' meeting for the approval of divestiture contract ( COMSN )	Oct. 22, 2007 ( plan )
Effective date of corporate divestiture	Nov. 1, 2007 ( plan )
Divestiture registration	Nov. 1, 2007 ( plan )

(4) Separation method

COMSN becomes the spun-off company, and the 3 takeover companies become the successor companies.

(5) Share allotment

The 3 takeover companies do not conduct share allotment at the subject corporate divestiture.

(6) Divestiture grant

The 3 takeover companies pay cash totaling 21,000 million yen to COMSN, at the time of the subject corporate divestiture.

In determining the amount of the divestiture grant, Nichii calculated the value based on the advice by the subject independent body and the analysis result of other matters (including the synergy effect of business succession), referring to Discount Cash Flow method (DCF method) by independent body experts and the calculation result of the value of Residential service business using similar company comparison method.

In response to Nichii's proposal, COMSN examined the adequacy of the proposed amount, based on the result of Residential service business in June 2006 term.

The two parties negotiated, discussed and agreed on the divestiture grant, in accordance with the abovementioned process.

(7) Rights and duties succeeded by the 3 takeover companies

The 3 takeover companies succeed the assets and liabilities which belong to Residential service business stipulated separately in the divestiture contract, contractual status, and rights and duties based on these contracts, as well as the employees mainly engaged in Residential service on the effective date.

(8) Outlook of the performance of obligation

We judge that the obligation which successor company and divested company shoulder after the divestiture have no problem of default outlook.

3 . Outline of the operating divisions to be divested

(1) Operating results

Group Home (COMSN no Hohoemi)

	June, 2006
Revenue	10,069 million yen
Operating profit	1,708 million yen

Assisted pay retirement housing (COMSN no Kirameki)

	June, 2006
Revenue	22 million yen
Operating profit	29 million yen

Assisted pay retirement housing ( COMSN Home )

	June, 2006
Revenue	1,863 million yen
Operating profit	260 million yen

(2) Asset and liability situation

The amount of asset and liability of the business divisions divested are being aggregated now, and will be announced as soon as they are finalized.

4. Situation of successor companies

( 1 ) COMSN no Hohoemi Business Succession

Corporate name	COMSN no Hohoemi Business Succession
Description of business	Group Home business
Date of foundation	August 6, 2007
Location of head office	6 - 10 - 1 Roppongi, Minato - ku, Tokyo
Title and name of representative	President & CEO Hiroki Katayama
Capital	1yen
Accounting term	March 31
Number of shares outstanding	1

Major shareholder and shareholding ratio	COMSN 100%
Total asset	1yen

( 2 ) COMSN no Kirameki Business Succession

Corporate name	COMSN no Kirameki Business Succession
Description of business	Pay nursing home business
Date of foundation	August 6, 2007
Location of head office	6 - 10 - 1 Roppongi, Minato - ku, Tokyo
Title and name of representative	President & CEO Hiroki Katayama
Capital	1yen
Accounting term	March 31
Number of shares outstanding	1
Major shareholder and shareholding ratio	COMSN 100%
Total asset	1yen

( 3 ) COMSN Home Business Succession

Corporate name	COMSN Home Business Succession
Description of business	Pay nursing home business
Date of foundation	August 6, 2007
Location of head office	6 - 10 - 1 Roppongi, Minato - ku, Tokyo
Title and name of representative	President & CEO Hiroki Katayama
Capital	1 yen
Accounting term	March 31
Number of shares outstanding	1
Major shareholder and shareholding ratio	COMSN 100%
Total asset	1yen

5. Situation of COMSN after corporate divestiture

Corporate name	COMSN Inc.
Description of business	Home nursing care, Institutional nursing care, Senior residence
Location of head office	6 - 10 - 1 Roppongi, Minato - ku, Tokyo
Title and name of representative	President & CEO Koichi Higuchi
Capital	14,148 million yen
Accounting term	June 30
Outline of accounting procedure	Difference between the transferred assets and liabilities and their book value, and the difference between the amounts received from the successor company will be posted as extraordinary profit/loss.
Outlook of impact of divestiture on the results	Currently being aggregated, and will be announced as soon as they are finalized.

#### 6. Impact on the results

The impact on the results is currently being aggregated, and will be announced as soon as they are finalized.

#### 7. Outline of the company

Corporate name	COMSN Inc.	Nichii Gakkan Company (Parent company that wholly owns the succeeded company)
Description of business	Home nursing care Institutional nursing care Senior residence	Healthcare business entrustment Nursing care business Education business, etc.
Date of foundation	1988	August, 1973
Location of head office	6 - 10 - 1 Roppongi, Minato - ku, Tokyo	2 - 9 Kanda Surugadai, Chiyoda - ku, Tokyo
Name of representative	Koichi Higuchi	Takashi Mori
Capital	14,148 million yen	11,933 million yen
Number of outstanding shares	3,773,500	36,508,976
Net assets	4,653 million yen	48,369 million yen
Total assets	23,384 million yen	86,811 million yen
Accounting term	June 30	March 31
Number of employees	23,765 (incl. temporary employees)	5,194

Main customers	Local government, etc	National hospitals, prefectural hospitals, municipal hospitals, public hospitals, clinics, dispensing pharmacies: approximately 13,000 medical institutions	
Major shareholders and shareholding ratio	The Goodwill Group Inc.	100.00%	
		Meiwa	17.79%
		Akihiko Terada	13.08%
		Japan Trustee Services Bank Ltd.	9.07%
		The Chase Manhattan Bank NA London (Standing proxy: Mizuho Bank Kabuto - cho Securities Settlement Business Office)	5.49%
		Northern Trust Company AVFC Sub - account ( Standing proxy: Hong Kong Shanghai Bank Tokyo branch )	4.85%
		Nichii Gakkan Company	3.52%
		The Master Trust Bank of Japan Ltd.	2.21%
		The Bank of Tokyo -Mitsubishi UFJ	2.20%
		Trust & Custody Services Bank Ltd.	2.10%
		Northern Trust Company AVFC Re U.S. Tax Exempted Pension Funds ( Standing proxy: Hong Kong Shanghai Bank Tokyo branch )	1.83%
Main banks	Shoko Chukin Bank	The Bank of Tokyo -Mitsubishi UFJ Mizuho Bank Tokyo Tomin Bank	
Relationship with the company	Capital relationship	N/A	
	Personnel relationship	N/A	
	Business relationship	N/A	
	Applicability on related companies	N/A	

8. Results of the recent 3 years

Term	COMSN Inc.			Nichii Gakkan Company		
	June 2004	June 2005	June 2006	March 2005	March 2006	March 2007
Revenue	36,503	50,911	63,855	190,638	197,635	198,099
Operating profit	1,959	1,716	2,670	6,188	4,956	2,506
Recurring profit	1,781	1,560	2,586	6,438	5,257	2,682
Net profit	1,411	1,158	1,469	3,407	978	856
Total assets	30,901	23,384	47,407	80,204	92,666	86,811
Net assets	3,495	4,653	6,123	50,385	48,350	48,369
Dividend per share (yen)	-	-	-	22.00	22.00	22.00