



September 4, 2007

To whom it may concern,

Company: The Goodwill Group, Inc.  
Representative: Masahiro Origuchi  
Representative Director, Chairman and CEO  
(Code No. 4723 TSE 1st Section)  
Contact: Kazuo Osako  
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#### **4th 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 home-care services of subsidiary COMSN, Inc. ("COMSN" hereinafter).

#### **Details**

1. The Third-Party Committee performed the final screening of purchasers of the home-care services today and submitted the following report to COMSN. Below is an outline.
  - (1) Successor companies  
As per Annex 1 "List of Successor Companies [Home-Care Services]"
  - (2) Reasons for selecting successor companies  
As per Annex 2 "Reasons for Selection [Home-Care Services]"
  - (3) Conditions on successor companies  
As per Annex 3 "Conditions on Successor Companies [Home-Care Services]"
  - (4) Process of selection  
As per Annex 4 "Process of Selection of Successor Companies for Home-Care Services"

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- \* For further information contact:  
COMSN Third-Party Committee Secretariat TEL: 03-5772-7627

**Annex 1****List of Successor Companies [Home-Care Services]**

Prefecture	Successor Company	Location of Head Office
Hokkaido	Japan Care Service Co., Ltd.	Toshima-ku, Tokyo
Aomori	Aomori Nursing Care Service Co., Ltd.	Aomori City, Aomori
Iwate	Japan Care Service Co., Ltd.	Toshima-ku, Tokyo
Miyagi	Saint-Care Holding Corp.	Chuo-ku, Tokyo
Akita	Japan Care Service Co., Ltd.	Toshima-ku, Tokyo
Yamagata	Japan Care Service Co., Ltd.	Toshima-ku, Tokyo
Fukushima	Japan Care Service Co., Ltd.	Toshima-ku, Tokyo
Ibaraki	Saint-Care Holding Corp.	Chuo-ku, Tokyo
Tochigi	Japan Care Service Co., Ltd.	Toshima-ku, Tokyo
Gunma	Care Supply Systems Co., Ltd.	Takasaki City, Gunma
Saitama	Japan Care Service Co., Ltd.	Toshima-ku, Tokyo
Chiba	Japan Care Service Co., Ltd.	Toshima-ku, Tokyo
Tokyo	Japan Care Service Co., Ltd.	Toshima-ku, Tokyo
Kanagawa	Japan Care Service Co., Ltd.	Toshima-ku, Tokyo
Niigata	Japan Care Service Co., Ltd.	Toshima-ku, Tokyo
Toyama	Manyoukai, Inc.	Imizu City, Toyama
Ishikawa	Japan Care Service Co., Ltd.	Toshima-ku, Tokyo
Fukui	Japan Care Service Co., Ltd.	Toshima-ku, Tokyo
Yamanashi	Saint-Care Holding Corp.	Chuo-ku, Tokyo
Nagano	Nichii Gakkan Co.	Chiyoda-ku, Tokyo
Gifu	Nichii Gakkan Co.	Chiyoda-ku, Tokyo
Shizuoka	Saint-Care Holding Corp.	Chuo-ku, Tokyo
Aichi	Nichii Gakkan Co.	Chiyoda-ku, Tokyo
Mie	Kyoei, Ltd.	Yokkaichi City, Mie
Shiga	Shimin Fukushi Shiga, NPO	Yasu City, Shiga
Kyoto	Nichii Gakkan Co.	Chiyoda-ku, Tokyo
Osaka	Japan Longlife Co., Ltd.	Osaka City, Osaka
Hyogo	Nichii Gakkan Co.	Chiyoda-ku, Tokyo
Nara	Shigisan Hospital, Inc.	Ikoma-gun, Nara
Wakayama	Saint-Care Holding Corp.	Chuo-ku, Tokyo

Tottori	Hapine Life Care Co., Ltd.	Yonago City, Tottori
Shimane	Sankiwellbe Corp.	Hiroshima City, Hiroshima
Okayama	Sankiwellbe Corp.	Hiroshima City, Hiroshima
Hiroshima	Sankiwellbe Corp.	Hiroshima City, Hiroshima
Yamaguchi	Sankiwellbe Corp.	Hiroshima City, Hiroshima
Tokushima	Saint-Care Holding Corp.	Chuo-ku, Tokyo
Kagawa	Saint-Care Holding Corp.	Chuo-ku, Tokyo
Ehime	Saint-Care Holding Corp.	Chuo-ku, Tokyo
Kochi	Hito Furusato Shizenmura, Inc.	Nankoku City, Kochi
Fukuoka	Aso Medical Service Co., Ltd.	Iizuka City, Fukuoka
Saga	Saint-Care Holding Corp.	Chuo-ku, Tokyo
Nagasaki	Saint-Care Holding Corp.	Chuo-ku, Tokyo
Kumamoto	Yushin Kikaku, Ltd.	Kumamoto City, Kumamoto
Oita	Saint-Care Holding Corp.	Chuo-ku, Tokyo
Miyazaki	Saint-Care Holding Corp.	Chuo-ku, Tokyo
Kagoshima	Tokushukai, Inc.	Chiyoda-ku, Tokyo
Okinawa	Tokushukai, Inc.	Chiyoda-ku, Tokyo

## **Annex 2**

### **Reasons for Selection [Home-Care Services]**

In the selection of successor companies, the COMSN Third-Party Committee made a comprehensive evaluation of the screening criteria and selected successor companies based upon the following reasons.

1. As mandated in the screening criteria, successor companies are cognizant of the public nature of nursing care services and their social responsibilities as service providers, and have the ability to provide ongoing, stable services that place maximum emphasis on respect for and independence of users.
2. Successor companies have the intent and ability to continue after succession to provide all services currently provided to COMSN users in their areas, and in particular have the intent and ability to continue to provide 24-hour home nursing services, services in rural areas, remote areas and remote islands and services under the Law to Support Independent Living by the Disabled.
3. Successor companies have sufficient experience in the provision of nursing care services and are deemed to be knowledgeable with respect to the nursing care insurance system.
4. Successor companies have the ability to supply the necessary staff to continue the nursing care services provided by COMSN in the areas to which they succeed.
5. Successor companies have the minimum financial base required to continue to operate nursing care services after succession.
6. Successor companies have appropriate compliance programs so as to ensure that nursing care insurance services are provided in accordance with the Nursing Care Insurance Law and Law to Support Independent Living by the Disabled, and at the time of their selection have not been subject to cancellation of licenses under the provisions of the Nursing Care Insurance Law or Law to Support Independent Living by the Disabled.
7. Successor companies intend to maintain and enhance their compliance systems after succession and to provide appropriate nursing care insurance services in accordance with the Nursing Care Insurance Law.
8. Successor companies intend to maintain at the same terms and conditions the employment of all employees in the operations to which they succeed.

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**Annex 3-1**

**Conditions on Successor Companies [Home-Care Services]**

**(Common for all successor companies)**

1. Protection of the rights of users
  - (1) The successor company shall continue to manage all services to which it succeeds with maximum respect for users and users' independence and full cognizance of the public nature of nursing care services and its own responsibilities to society as a nursing care services provider.
  - (2) The successor company shall respect the desires and individuality of users and endeavor to provide user-oriented services at all times
  - (3) The successor company shall continue to provide all services to which it succeeds in a certain and smooth manner with absolutely no disadvantageous contractual conditions imposed upon users; in particular, it shall continue to provide 24-hour visiting nursing care services, services to rural areas, remote areas and remote islands, and services under the Law to Support Independent Living of the Disabled.
  - (4) The successor company shall not convey or commission etc. these services to which it succeeds without reasonable grounds. this shall not apply when prior written approval is obtained from the third-party body set forth in Item 3:(7) below.
2. Measures to preserve the employment of employees
  - (1) The successor company shall continue the employment of all employees in the services to which it succeeds in a certain and smooth manner that in no way disadvantages employees.
  - (2) The successor company shall not impede the activities of the Nippon Careservice Craft Union, to which belong employees in the services to which it succeeds.
  - (3) The successor company shall furnish safe, work-conducive environments to employees by, among other measures, introducing a variety of employment and working forms, creating fair personnel and wage systems and maintaining appropriate workplace environments.
3. Legal compliance
  - (1) The successor company shall establish a legal compliance system.
  - (2) The successor company shall implement specific policies and programs for the establishment of said legal compliance system by, among other measures, formulating and preparing a corporate code of conduct and compliance manual, and holding regular briefings and educational and training sessions etc. for employees.
  - (3) The successor company shall perform regular interview surveys and on-site inspections of employee ethics, legal compliance and adherence to the code of conduct.
  - (4) The successor company shall introduce an internal whistleblowing systems or other similar system that is independent from the ordinary chain of command and shall take all measures to protect the confidentiality of and manage the information provided by whistleblowers.
  - (5) The successor company shall not allow members of the boards of directors of companies operating the services to which it succeeds to concurrently serve on the boards of directors of other companies (including group companies).

- (6) In the event that matters for improvement are identified in audits by government authorities or are identified in voluntary inspections, the successor company shall investigate the causes thereof, shall voluntarily reinspect all workplaces and shall take measures to prevent recurrence based on its findings.
- (7) To fulfill good-faith obligations to COMSN users, COMSN shall, after conveyance of the services, establish a third-party body to replace the Third-Party Committee, which shall be charged with providing ongoing confirmation of the successor company's adherence to the terms of succession; the successor company shall furnish reports concerning the matters above (6) to the third-party body and, when requested by the third-party body, shall provide cooperation for investigations, and shall follow all warnings and advice issued by the third-party body.
- (8) In the event of violations of Item 1:(3), (4) or (6), the successor company shall immediately assign to a purchaser selected by the third-party body all services to which the successor company has succeeded from COMSN, Inc. under the same terms and conditions imposed upon the successor company at the time of succession.

4. Responsible successor

- (1) The successor company shall be fully cognizant of the public nature of nursing care services and its responsibilities to society as a provider of nursing care services, and shall build systems that maintain the faith of users and society at large.
- (2) The successor company shall implement programs to educate and train employees on user response, shall formulate a response manual and service manual, shall prepare and enhance its user support systems, shall establish systems for sincere, earnest response to user inquiries, and shall take other specific measures required to create the systems described above.

5. Scope of succession

- (1) The successor company shall succeed to the contractual position and all rights and obligations under building leasing agreements for the services to which it succeeds.
- (2) The successor company shall succeed to the contractual position and all rights and obligations under leasing agreements and operations outsourcing agreements etc. for the services to which it succeeds.

End of document

**Conditions on Successor Companies [Home-Care Services]**

**(For Toyama, Shiga, Nara, Kochi and Okinawa)**

1. Protection of the rights of users
  - (1) The successor company shall continue to manage all services to which it succeeds with maximum respect for users and users' independence and full cognizance of the public nature of nursing care services and its own responsibilities to society as a nursing care services provider.
  - (2) The successor company shall respect the desires and individuality of users and endeavor to provide user-oriented services at all times
  - (3) The successor company shall continue to provide all services to which it succeeds in a certain and smooth manner with absolutely no disadvantageous contractual conditions imposed upon users; in particular, it shall continue to provide 24-hour visiting nursing care services, services to rural and remote areas and islands, and services under the Law to Support the Independent Living of the Disabled.
  - (4) The successor company shall not convey or commission etc. these services to which it succeeds without reasonable grounds. Notwithstanding, this shall not apply when prior written approval is obtained from the third-party body set forth in Item 3:(6) below.
2. Measures to preserve the employment of employees
  - (1) The successor company shall continue the employment of all employees in the services to which it succeeds in a certain and smooth manner that in no way disadvantages employees.
  - (2) The successor company shall not impede the activities of the Nippon Careservice Craft Union, to which belong employees in the services to which it succeeds.
  - (3) The successor company shall furnish safe, work-conducive environments to employees by, among other measures, introducing a variety of employment and working forms, creating fair personnel and wage systems and maintaining appropriate workplace environments.
3. Legal compliance
  - (1) The successor company shall establish a legal compliance system.
  - (2) The successor company shall implement specific policies and programs for the establishment of said legal compliance system by, among other measures, formulating and preparing a corporate code of conduct and compliance manual, and holding regular briefings and educational and training sessions etc. for employees.
  - (3) The successor company shall perform regular interview surveys and on-site inspections of employee ethics, legal compliance and adherence to the code of conduct.
  - (4) The successor company shall introduce an internal whistleblowing systems or other similar system that is independent from the ordinary chain of command and shall take all measures to protect the confidentiality of and manage the information provided by whistleblowers.
  - (5) In the event that matters for improvement are identified in audits by government authorities or are identified in voluntary inspections, the successor company shall

investigate the causes thereof, shall voluntarily reinspect all workplaces and shall take measures to prevent recurrence based on its findings.

- (6) To fulfill good-faith obligations to COMSN users, COMSN shall, after conveyance of the services, establish a third-party body to replace the Third-Party Committee, which shall be charged with providing ongoing confirmation of the successor company's adherence to the terms of succession; the successor company shall furnish reports concerning the matters above (5) to the third-party body and, when requested by the third-party body, shall provide cooperation for investigations, and shall follow all warnings and advice issued by the third-party body.
- (7) In the event of violations of Item 1:(3), (4) or (6), the successor company shall immediately assign to a purchaser selected by the third-party body all services to which the successor company has succeeded from COMSN, Inc. under the same terms and conditions imposed upon the successor company at the time of succession.

#### 4. Responsible successor

- (1) The successor company shall be fully cognizant of the public nature of nursing care services and its responsibilities to society as a provider of nursing care services, and shall build systems that maintain the faith of users and society at large.
- (2) The successor company shall implement programs to educate and train employees on user response, shall formulate a response manual and service manual, shall prepare and enhance its user support systems, shall establish systems for sincere, earnest response to user inquiries, and shall take other specific measures required to create the systems described above.

#### 5. Scope of succession

- (1) The successor company shall succeed to the contractual position and all rights and obligations under building leasing agreements for the services to which it succeeds.
- (2) The successor company shall succeed to the contractual position and all rights and obligations under leasing agreements and operations outsourcing agreements etc. for the services to which it succeeds.

#### 6. Method of assignment

COMSN, Inc. and the successor company shall work in close coordination and cooperation on the method of transfer so as to smoothly transfer services, thereby ensuring the continuity of services to users.

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**Annex 3-3**

**Conditions on Successor Companies [Home-Care Services]**

**(For Saitama)**

1. Protection of the rights of users
  - (1) The successor company shall continue to manage all services to which it succeeds with maximum respect for users and users' independence and full cognizance of the public nature of nursing care services and its own responsibilities to society as a nursing care services provider.
  - (2) The successor company shall respect the desires and individuality of users and endeavor to provide user-oriented services at all times
  - (3) The successor company shall continue to provide all services to which it succeeds in a certain and smooth manner with absolutely no disadvantageous contractual conditions imposed upon users; in particular, it shall continue to provide 24-hour visiting nursing care services, services to rural and remote areas and islands, and services under the Law to Support the Independent Living of the Disabled.
  - (4) The successor company shall not convey or commission etc. these services to which it succeeds without reasonable grounds. Notwithstanding, this shall not apply when prior written approval is obtained from the third-party body set forth in Item 3:(7) below.
2. Measures to preserve the employment of employees
  - (1) The successor company shall continue the employment of all employees in the services to which it succeeds in a certain and smooth manner that in no way disadvantages employees.
  - (2) The successor company shall not impede the activities of the Nippon Careservice Craft Union, to which belong employees in the services to which it succeeds.
  - (3) The successor company shall furnish safe, work-conducive environments to employees by, among other measures, introducing a variety of employment and working forms, creating fair personnel and wage systems and maintaining appropriate workplace environments.
3. Legal compliance
  - (1) The successor company shall establish a legal compliance system.
  - (2) The successor company shall implement specific policies and programs for the establishment of said legal compliance system by, among other measures, formulating and preparing a corporate code of conduct and compliance manual, and holding regular briefings and educational and training sessions etc. for employees.
  - (3) The successor company shall perform regular interview surveys and on-site inspections of employee ethics, legal compliance and adherence to the code of conduct.
  - (4) The successor company shall introduce an internal whistleblowing systems or other similar system that is independent from the ordinary chain of command and shall take all measures to protect the confidentiality of and manage the information provided by whistleblowers.

- (5) The successor company shall not allow members of the boards of directors of companies operating the services to which it succeeds to concurrently serve on the boards of directors of other companies (including group companies).
- (6) In the event that matters for improvement are identified in audits by government authorities or are identified in voluntary inspections, the successor company shall investigate the causes thereof, shall voluntarily reinspect all workplaces and shall take measures to prevent recurrence based on its findings.
- (7) To fulfill good-faith obligations to COMSN users, COMSN shall, after conveyance of the services, establish a third-party body to replace the Third-Party Committee, which shall be charged with providing ongoing confirmation of the successor company's adherence to the terms of succession; the successor company shall furnish reports concerning the matters above (6) to the third-party body and, when requested by the third-party body, shall provide cooperation for investigations, and shall follow all warnings and advice issued by the third-party body.
- (8) In the event of violations of Item 1:(3), (4) or (7), the successor company shall immediately assign to a purchaser selected by the third-party body all services to which the successor company has succeeded from COMSN, Inc. under the same terms and conditions imposed upon the successor company at the time of succession.

#### 4. Responsible successor

- (1) The successor company shall be fully cognizant of the public nature of nursing care services and its responsibilities to society as a provider of nursing care services, and shall build systems that maintain the faith of users and society at large.
- (2) The successor company shall implement programs to educate and train employees on user response, shall formulate a response manual and service manual, shall prepare and enhance its user support systems, shall establish systems for sincere, earnest response to user inquiries, and shall take other specific measures required to create the systems described above.

#### 5. Scope of succession

- (1) The successor company shall succeed to the contractual position and all rights and obligations under building leasing agreements for the services to which it succeeds.
- (2) The successor company shall succeed to the contractual position and all rights and obligations under leasing agreements and operations outsourcing agreements etc. for the services to which it succeeds.

#### 6. Local matters

After succession, the successor company shall continue to make and maintain improvements on matters noted in the "Improvement Report in Response to the Improvement Advisory" submitted by COMSN, Inc. to the prefectural government.

End of document

**Annex 3-4**

**Conditions on Successor Companies [Home-Care Services]**

**(For Kyoto)**

1. Protection of the rights of users
  - (1) The successor company shall continue to manage all services to which it succeeds with maximum respect for users and users' independence and full cognizance of the public nature of nursing care services and its own responsibilities to society as a nursing care services provider.
  - (2) The successor company shall respect the desires and individuality of users and endeavor to provide user-oriented services at all times
  - (3) The successor company shall continue to provide all services to which it succeeds in a certain and smooth manner with absolutely no disadvantageous contractual conditions imposed upon users; in particular, it shall continue to provide 24-hour visiting nursing care services, services to rural and remote areas and islands, and services under the Law to Support the Independent Living of the Disabled.
  - (4) The successor company shall not convey or commission etc. these services to which it succeeds without reasonable grounds. Notwithstanding, this shall not apply when prior written approval is obtained from the third-party body set forth in Item 3:(7) below.
2. Measures to preserve the employment of employees
  - (1) The successor company shall continue the employment of all employees in the services to which it succeeds in a certain and smooth manner that in no way disadvantages employees.
  - (2) The successor company shall not impede the activities of the Nippon Careservice Craft Union, to which belong employees in the services to which it succeeds.
  - (3) The successor company shall furnish safe, work-conducive environments to employees by, among other measures, introducing a variety of employment and working forms, creating fair personnel and wage systems and maintaining appropriate workplace environments.
3. Legal compliance
  - (1) The successor company shall establish a legal compliance system.
  - (2) The successor company shall implement specific policies and programs for the establishment of said legal compliance system by, among other measures, formulating and preparing a corporate code of conduct and compliance manual, and holding regular briefings and educational and training sessions etc. for employees.
  - (3) The successor company shall perform regular interview surveys and on-site inspections of employee ethics, legal compliance and adherence to the code of conduct.
  - (4) The successor company shall introduce an internal whistleblowing systems or other similar system that is independent from the ordinary chain of command and shall take all measures to protect the confidentiality of and manage the information provided by whistleblowers.

- (5) The successor company shall not allow members of the boards of directors of companies operating the services to which it succeeds to concurrently serve on the boards of directors of other companies (including group companies).
- (6) In the event that matters for improvement are identified in audits by government authorities or are identified in voluntary inspections, the successor company shall investigate the causes thereof, shall voluntarily reinspect all workplaces and shall take measures to prevent recurrence based on its findings.
- (7) To fulfill good-faith obligations to COMSN users, COMSN shall, after conveyance of the services, establish a third-party body to replace the Third-Party Committee, which shall be charged with providing ongoing confirmation of the successor company's adherence to the terms of succession; the successor company shall furnish reports concerning the matters above (6) to the third-party body and, when requested by the third-party body, shall provide cooperation for investigations, and shall follow all warnings and advice issued by the third-party body.
- (8) In the event of violations of Item 1:(3), (4) or (7), the successor company shall immediately assign to a purchaser selected by the third-party body all services to which the successor company has succeeded from COMSN, Inc. under the same terms and conditions imposed upon the successor company at the time of succession.

#### 4. Responsible successor

- (1) The successor company shall be fully cognizant of the public nature of nursing care services and its responsibilities to society as a provider of nursing care services, and shall build systems that maintain the faith of users and society at large.
- (2) New successor company shall implement programs to educate and train employees on user response, shall formulate a response manual and service manual, shall prepare and enhance its user support systems, shall establish systems for sincere, earnest response to user inquiries, and shall take other specific measures required to create the systems described above.

#### 5. Scope of succession

- (1) The successor company shall succeed to the contractual position and all rights and obligations under building leasing agreements for the services to which it succeeds.
- (2) The successor company shall succeed to the contractual position and all rights and obligations under leasing agreements and operations outsourcing agreements etc. for the services to which it succeeds.

#### 6. Local matters

The successor company shall submit to a "Third-Party Assessment" as recommended by the Kyoto prefectural government for the purpose of facilitating users' selection of service providers and improving the transparency of workplace operations.

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## **Annex 4**

### **Process of Selection of Successor Companies for the Home-Care Services**

The process of selection under the screening is as outlined below.

- |             |   |   |
|-------------|---|---|
| July 31     | ■ | Publication of Business Transition Plan   |
| August 1    | ■ | Publication of public tender requirements, commencement of reception of letters of intent to participate in public tender   |
| August 10   | ■ | Deadline for submission of letters of intent to participate in public tender for home-care services <ul style="list-style-type: none"><li>• Web entries: 1012 (cumulative total); Formal tenders: 675 from 252 entities</li></ul> |
| August 17   | ○ | 2 <sup>nd</sup> meeting of the Third-Party Committee <ul style="list-style-type: none"><li>• A finalization of home-care service screening criteria and determination of entities qualified for screening</li></ul>               |
| August 20   | ■ | Deadline for submission of purchase application   |
| August 27   | ○ | 3 <sup>rd</sup> meeting of the Third-Party Committee <ul style="list-style-type: none"><li>• Screening</li></ul>  |
| September 4 | ○ | 4 <sup>th</sup> meeting of the Third-Party Committee <ul style="list-style-type: none"><li>• Screening, determination of purchasers</li></ul>   |

## **Reference**

### **Report**

This is to report that we have determined the following parties to be appropriate successors to your home-care services.

### **Details**

1. Areas and successor companies

As per Annex 1 “List of Successor Companies [Home-Care Services]”

2. Reasons for selecting successor companies

As per Annex 2 “Reasons for Selection [Home-Care Services]”

3. Conditions on successor companies

Successor company shall comply with the terms and conditions found in Annex 3 “Conditions on Successor Companies” so as to continue to provide high levels of service.

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