



September 10, 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
Executive Officer and General Manager,
Public Relations & Investor Relations
Department
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Revocation of Visiting Nursing Care Certification for Crystal Care Center, Inc. and COMSN Inc. locations

This is to inform you that the Tokyo Metropolitan Government revoked visiting nursing care certification for some locations of subsidiary Crystal Care Center, Inc. (“Crystal Care” hereinafter; Head office: Nakano-ku, Tokyo; Representative: Kaoru Mori) and subsidiary COMSN, Inc. (“COMSN” hereafter; Head office: Minato-ku, Tokyo; Representative Koichi Higuchi).

Crystal Care and COMSN were required to submit documents and undergo on-site inspections in compliance with “Implementation of Audit of Certified Visiting Nursing Care Locations” issued by the Tokyo Metropolitan Government Health and Welfare Bureau on May 11, 2007. The audits and inspections found that locations had submitted false applications at the time of their establishment and had violated staffing standards due to lack or absence of visiting nursing care staff. As a result, certification has been canceled for some certified visiting nursing care locations or other similar punitive measures have been ordered.

The details are as shown below.

We apologize for any concern or anxiety to the users of these services.

We take these penalties seriously and are deeply regretful for the circumstances.

We have already begun to reassign these operations pursuant to a plan for assignment of all nursing care and related services in the group published on July 31, 2007. We will disclose the impact of the revocation of certification for Crystal Care and COMSN visiting nursing care locations as soon as it is determined.

Details

1. Description of penalties

- (1) Revocation of certification of Crystal Care

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|---|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Date of notification | September 10, 2007 |
| 2 | Date of revocation | October 31, 2007 |
| 3 | Locations involved | The following 4 locations of Crystal Care Center, Inc.
Okinaki Shirogane (Minato-ku)
Okinaki Bunkyo (Bunkyo-ku)
Okinaki Higashi Yamato (Higashi Yamato)
Okinaki Higashi Murayama (Higashi Murayama) |
| 4 | Description | (I) Certification as visiting nursing care location revoked pursuant to Article 77:1:2 and 8 of the Nursing Care Insurance Law.

(II) Certification as nursing care institution revoked pursuant to Article 51:2 and Article 54-2:4 out of Living Standards Protection Law. |

In conjunction with the penalties outlined above, the locations are required to refund 489,978,000 yen (this figure includes the portion borne by users, which will be refunded voluntarily as instructed by the Tokyo Metropolitan Government) in nursing care remuneration for the period from the commencement of service until the month prior to the audit (May 2007).

(2) Revocation and quasi-revocation of certification for COMSN

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|---|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Date of notification | September 10, 2007 |
| 2 | Date of revocation | October 31, 2007 |
| 3 | Locations involved | The following 5 COMSN, Inc. locations
• Revocation
Edogawa Central Care Center (Edogawa-ku)
Heiwadai Care Center (Nerima-ku)
• Quasi-revocation
Itabashi Honcho Care Center (Itabashi-ku)
Otorii Care Center (Ota-ku)
Meidaimae Care Center (Setagaya-ku) |
| 4 | Description | (I) Certification as visiting nursing care location revoked pursuant to Article 77:1:2 and 8 of the Nursing Care Insurance Law.

(II) Certification as nursing care institution revoked pursuant to Article 51:2 and Article 54-2:4 out of Living Standards Protection Law. |

In conjunction with the punishments outlined above, the locations are required to refund 236,100,000 yen (this figure includes the portion borne by users, which will be refunded voluntarily as instructed by the Tokyo Metropolitan Government) in nursing care remuneration for the period from the commencement of service until the month prior to the audit (May 2007).

2. Profile of Crystal Care Center, Inc.

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|------------------------------------------------|-------------------------------------|
| (1) Name | Crystal Care Center, Inc. |
| (2) Representative | Kaoru Mori |
| (3) Address | 5-20-7 Yayoi-cho, Nakano-ku, Tokyo |
| (4) Established | June 15, 1998 |
| (5) Primary businesses | Home nursing care services |
| (6) Financial year | March |
| (7) Employees | 3860 (as at the end of August 2007) |
| (8) Major offices | Tokyo, Kanagawa, Osaka, Aichi etc. |
| (9) Capital | 10 million yen |
| (10) Issued and outstanding shares | 200 share(s) |
| (11) Major shareholders and ownership ratios | Goodwill Premier, Inc. (100%) |
| (12) Results for the most recent business year | |

	FYE March 2006	FYE March 2007
Revenues	7,877 million yen	7,641 million yen
Gross profits	1,988 million yen	1,315 million yen
Operating profits	-191 million yen	150 million yen
Recurring profits	-243 million yen	31 million yen
Net income	-174 million yen	-244 million yen
Total assets	2,219 million yen	1,834 million yen
Net assets	-1,090 million yen	-1,335 million yen

3. Profile of COMSN, Inc.

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|------------------------------------------------|------------------------------------------------------------------------------------|
| (1) Name | COMSN, Inc. |
| (2) Representative | Koichi Higuchi |
| (3) Address | 6-10-1 Roppongi, Minato-ku, Tokyo |
| (4) Established | 1988 |
| (5) Primary businesses | Home nursing care services, institutional nursing care services, senior residences |
| (6) Financial year | June |
| (7) Employees | 23,765 (including temporary staff) |
| (8) Major offices | Nationwide |
| (9) Capital | 14,148 million yen |
| (10) Issued and outstanding shares | 3,773,500 share(s) |
| (11) Major shareholders and ownership ratios | The Goodwill Group, Inc. (100%) |
| (12) Results for the most recent business year | |

	FYE June 2006	FYE June 2007
Revenues	63,858 million yen	68,156 million yen
Gross profits	19,205 million yen	16,762 million yen
Operating profits	2,718 million yen	-4,109 million yen
Recurring profits	2,634 million yen	-4,079 million yen
Net income	1,625 million yen	-11,282 million yen
Total assets	47,203 million yen	61,563 million yen
Net assets	6,278 million yen	-5,159 million yen

4. Impact on results

We will announce the impact on results as soon as it is determined.

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