



September 13, 2007

To whom it may concern,

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Assignment of “Home Nursing Care Services” of COMSN, Inc. by Means of Corporate Split up

This is to inform you that the Board of Directors of subsidiary COMSN, Inc. (“COMSN” hereinafter), meeting on September 13, 2007, resolved to assign the home-care nursing services of COMSN in Tottori Prefecture to Hapine Life Care Co., Ltd. (“Hapine” hereinafter). The details will be found below.

Details

1. Purpose of split up

As previously disclosed, COMSN is in the process of assigning its nursing care services under a business transition plan published on July 31, 2007. Based on the opinion of the Third-Party Committee, it has selected candidate purchasers in all 47 prefectures for the home nursing care services and has entered into negotiations with candidates. The opinion of the Third-Party Committee is that Hapine is an appropriate purchaser for Tottori Prefecture and, respectful of this opinion, the company entered into consultations with Hapine which resulted in a decision to split up the home-care nursing services in Tottori prefecture into a prefectural unit to be assigned to a corresponding receiver company that will become a subsidiary of Hapine. This will result in the succession of home-care nursing services in Tottori Prefecture in a manner that respects the wishes of COMSN users, provides for certain continuation of services and also respects the wishes of COMSN employees in these operations and provides for the smooth continuity of their employment.

2. Outline of corporate split up

(1) Operations (including preventative nursing care)

- Home nursing care assistance services, visiting nursing care services (including transportation services), outpatient nursing services, small-scale/multi-function home nursing care, assistance for the independent living of the disabled and community assistance services

(2) Transition scheme

- 1) COMSN will assign all home-care nursing services in Tottori Prefecture to a receiver company established for the purpose of succession and will assign all shares in the receiver company to Hapine at a price of 1 yen.
- 2) Next, COMSN will enter into a split agreement in which this receiver company will be assigned by means of absorption-type split (“the Split” hereinafter).
- 3) On the date on which the Split enters into effect, the receiver company will be assigned and COMSN will receive the countervalue from the receiver company.

* List of receiver company (successor company)

Successor Company
Hapine Life Care Tottori Co., Ltd.

* The receiver company changed its name and representative after the assignment of shares.

Below are the primary reasons for the employment of this scheme in this assignment.

- 1) Corporate split up involves a comprehensive succession to rights and obligations with respect to home-care services and will provide for a smoother succession of home-care services in comparison with other means of assignment that require the assignment of individual rights and obligations.
 - 2) The purchaser will be required to apply for new permits, file notifications and take other procedures for the operation of home-care services, and the use of an ordinary corporate split up to establish new companies means that the purchaser is only able to take those procedures beginning the date on which the split off takes effect. By contrast, an absorptive-type split in which receiver companies are established in advance and succeed to operations allows procedures to be taken prior to the date on which the split off takes effect as long as it is after the establishment of the receiver company, and therefore provides for a speedier succession to operations.
3. Schedule for split (absorptive-type split)
- | | |
|--|--------------------------------|
| Board of Directors approval of split agreement etc.
(COMSN) | September 13, 2007 |
| Stock assignment agreement entered into for the receiver company | September 13, 2007 |
| Stock in the receiver company assigned | September 13, 2007 |
| Split agreement entered into | September 13, 2007 |
| General Meeting of Shareholders to approve split agreement (COMSN) | October 22, 2007 (tentative) |
| Split enters into effect | November 1, 2007 (tentative) |
| Split registered | November 1, 2007 (tentative) |
4. Method of split
- Absorptive-type split in which COMSN is the splitting company and the receiver company is the successor company.
5. Allocation of shares

The receiver company will not allocate shares in conjunction with the Split.

6. Cash transfers in conjunction with split

The receiver company will pay to COMSN a total of 100 million yen in cash at the time of the Split. (*Details will be found in the table below.)

In the determination of the amount to be paid in cash in conjunction with the assignment, Hapine calculated prices based on the net assets of home-care services in Tottori Prefecture and an analysis of similar companies.

Upon receiving Hapine's offer, COMSN reviewed the rationality of the price based upon the results of the home-care services for the fiscal year ending June 2007.

The determination of the cash transfer in conjunction with the Split was finalized after repeated negotiations and consultations between the two companies.

Prefecture	Successor Company	Assignment price
Tottori	Hapine Life Care Tottori Co., Ltd.	100 million yen

7. Rights and obligations succeeded to by the receiver company

On the date on which the Split enters into effect, the receiver company will succeed to all assets, liabilities, contractual positions, rights and obligations pursuant to said contracts and employees primarily assigned to relevant all-care services for the home-care service noted separately in the relevant split agreement.

8. Outlook for fulfillment of obligations

The successor company and the split company will respectively bear obligations after the Split. We have determined there to be no problems in the outlook for their fulfillment.

(1) Outline of the business unit to be split

1) Business results

Nursing care services in Tottori

Prefecture	FYE June 2007 Home nursing care services	
	Revenues	Operating profits
Tottori	226 million yen	32 million yen

* The results figures noted above are based on branch offices excluding head office and branch company expenses.

2) Status of assets and liabilities

We are currently tabulating the value of assets and liabilities in individual prefectural home nursing care service units and will announce them when they are finalized.

(2) Status of the successor company (changes in subsidiaries)

1) Hapine Life Care Tottori Co., Ltd.

Name	Hapine Life Care Tottori Co., Ltd. (Former name: COMSN Tottori Successor Co., Ltd.)
Description of business	Home nursing care services

Established	August 31, 2007
Head office	6-10-1 Roppongi, Minato-ku, Tokyo
Name and position of representative	Yoshihiro Ota, Representative Director
Capital	1 yen
Settlement	March 31
Issued and outstanding shares	1 share(s)
Major shareholders and shareholding ratios	Hapine Life Care Co., Ltd. (100%)
Total assets	1 yen

* The receiver company changed its name and representative after the assignment of shares.

9. Status of COMSN after split

Name	COMSN, Inc.
Description of business	Home nursing care services, institutional nursing care services, senior residences
Head office	6-10-1 Roppongi, Minato-ku, Tokyo
Name and position of representative	Koichi Higuchi, President
Capital	14,148 million yen
Settlement	June 30
Outline of accounting treatment	The difference between the book value of assigned assets and liabilities and the countervalue received from the successor company to be posted as extraordinary profit or loss
Forecast impact of split on results	Currently in calculation; to be announced when finalized

10. Impact on results

We are currently calculating the impact on results and will announce forecasts as they are determined.

11. Company profiles

Name	COMSN, Inc.	Hapine Life Care Co., Ltd. (Full parent company of successor company)
Description of business	Home nursing	Nursing care services
Established	1988	September 20, 1998
Head office	6-10-1 Roppongi, Minato-ku, Tokyo	200 Kume-cho, Yonago, Tottori
Name of representative	Koichi Higuchi	Asahiro Shirasaki
Capital	14,148 million yen	32 million yen

Issued and outstanding shares	3,773,500 share(s)		652 share(s)	
Net assets	-5,159 million yen		474 million yen	
Total assets	61,563 million yen		2,116 million yen	
Settlement	June 30		March 31	
Employees	23,765 (including temporary staff)		230	
Major customers	Local government agencies etc.		Local government agencies etc.	
Major shareholders and shareholding ratios	The Goodwill Group, Inc.	100%	Asahiro Shirasaki and family	100%
Main correspondent bank	The Shoko Chukin Bank		The Tottori Bank, Ltd. The Sanin Godo Bank, Ltd. The Shimane Bank, Ltd. The Bank of Tokyo Mitsubishi UFJ	
Relationship with the company	Capital relationship		Not applicable.	
	Personnel relationship		Not applicable.	
	Transactional relationship		Not applicable.	
	Relationships with affiliated companies		Not applicable.	

12. Results for most recent 3 business years (Unit: 1 million yen)

Settlement	COMSN, Inc.			Hapine Life Care Co., Ltd.		
	FYE June 2005	FYE June 2006	FYE June 2007	FYE March 2005	FYE March 2006	FYE March 2007
Revenues	50,911	63,855	68,156	1,204	1,271	1,301
Operating profits	1,716	2,670	-4,109	205	194	112
Recurring profits	1,560	2,586	-4,079	177	164	100
Net income	1,158	1,469	-11,282	101	58	24
Total assets	23,384	47,407	61,563	1,835	1,899	2,116
Net assets	4,653	6,123	-5,159	390	449	474
Dividend per share (yen)	-	-	-	-	-	-

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