

September 13, 2007

Suzuken Co., Ltd

Hiroshi Ota, President and CEO

Stock Code: 9987

Securities Traded: First sections of Tokyo and Nagoya Stock Exchanges, Sapporo Stock Exchange

Contact: Takato Ito, Senior Executive Officer and Senior General Manager,
Corporate Planning Headquarters

Telephone: +81-52-961-2331

Suzuken Announces the Conclusion of the Contract Related to the Business Transfer to its Company Subsidiary of COMSN Inc.'s Home Nursing Care Business

Sankiwellbe Corporation (hereafter, "Sankiwellbe"), a Suzuken subsidiary expanding its nursing care services in the Chugoku area, passed a resolution today at its Board of Directors' Meeting to take over the home care businesses of COMSN Inc. (hereafter, "COMSN") in Shimane, Okayama, Hiroshima and Yamaguchi prefectures. Because the final agreement related to the transfer of the businesses has been concluded, we inform you of these details below.

1. Objective of the Business Transfer

The public nursing care insurance system of Japan has operated on a social welfare system that aimed to make it possible for individuals that required nursing care to lead an independent lifestyle, but following the withdrawal of the point system accompanying the revision of the nursing care insurance system in April 2006, the situation continues as before to be serious for operating our business.

Our subsidiary Sankiwellbe is expanding its operations in the Chugoku area and shifting its focus from providing "care" to providing a "comfortable lifestyle," which entails enhancing quality of life, and facilitating individual freedoms in lifestyle. It is also utilizing its network of medical professionals, such as doctors and pharmacists.

With regards to the recent transfer of COMSN's home nursing care business, we have decided to proceed with the transfer of the home nursing care business in the four prefectures of Shimane, Okayama, Hiroshima and Yamaguchi with two goals: the improvement of more localized care services and the contribution towards local society.

2. Summary of the Transfer

(1) Summary of the Targeted Operations (as of August 1, 2007)

Shimane Prefecture

Number of facilities	1
Contents of business	Home-visit nursing care business (1), Business providing self-sufficiency support for the disabled (1)
Number of employees	Regular: 2 persons Part-time: 8 persons

Okayama Prefecture

Number of facilities	15
Contents of business	Home care support business (6), Home visit care business (11), Home visit bathing business (1), Assistive devices leasing and sales business (1), Small-scale, multi-function home nursing care business (1), Business providing self-sufficiency support for the disabled (11)
Number of employees	Regular: 59 persons Part-time: 221 persons

Hiroshima Prefecture

Number of facilities	26
Contents of business	Home care support business (7), Home visit care business (18), Home visit nursing business (1), Home visit bathing business (1), Assistive devices leasing and sales business (1), Outpatient care business (3), Small-scale, multi-function home nursing care business (2), Business providing self-sufficiency support for the disabled (18), Home-call dental-support business (2)
Number of employees	Regular: 103 persons Part-time: 410 persons

Yamaguchi Prefecture

Number of facilities	10
Contents of business	Home care support business (6), Home visit care business (7), Home visit bathing business (1), Assistive devices leasing and sales business (1), Outpatient care business (2), Business providing self-sufficiency support for the disabled (7)
Number of employees	Regular: 35 persons Part-time: 146 persons

(2)Business Transfer Scheme

- 1) COMSN established three “business transferee” companies in order to transfer the COMSN home nursing care businesses in each prefecture: (i) “COMSN Hiroshima Business Transferee” for the transfer of the Shimane and Hiroshima businesses; (ii) “COMSN Okayama Business Transferee” for the transfer of the Okayama business, and (iii) “COMSN Yamaguchi Business Transferee” for the transfer of the Yamaguchi business.
- 2) Sankiwillbe and COMSN have concluded a share transfer agreement, and Sankiwell will obtain, by transfer, all of the stock from each transferee company for the price of ¥1 per company.
- 3) COMSN and the three transferee companies concluded a “Split Agreement.” Using a split and absorption method, COMSN will split out its home nursing care businesses and then transfer these businesses to the transferee companies (hereafter referred to as “COMSN Split”).
- 4) After quickly executing the above agreement, the transferee companies will once again do the application and reporting procedures for obtaining the necessary approvals to conduct the business of in-home services in accordance with the relevant laws such as the Nursing Care Insurance Law and the Social Welfare Law.
- 5) The business transfer of home nursing care services will take place at each transferee company on the effective date of the conclusion of the COMSN Split-out. The

transferee companies will give a cash grant as consideration for the value of the transferred businesses.

(3) Method of split-out and absorption

It is absorption type company split with COMSN as the split company and the transferee companies as the absorption companies.

(4) Allocation of shares

Upon the COMSN split, there will be no allocation of shares.

(5) Installment Cash Grants and the Basis for Calculation, etc.

- The transferee companies, upon the COMSN split, will make a cash grant of ¥236 million.
- Concerning the decision on the amount of the installment cash grants, Sankiwellbe has calculated the amount based on a business valuation by a third-party organization.
- The decision of the installment cash grants is the result of lengthy negotiations and discussions between Sankiwellbe and COMSN.

(Millions of yen)

Prefecture	Transferee Company (post-transfer)	Transfer Value
Shimane Hiroshima	Wellbe Corp.	111
Okayama	Wellbe Okayama Corp.	60
Yamaguchi	Wellbe Yamaguchi Corp.	65
Total Transfer Value		236

(6) Rights and Obligations that are transferred to Transferee Companies

On the effective date, all assets and liabilities belonging to the home nursing care business stipulated in the “Split Agreement,” their status, rights and obligations in accordance with these contracts, and all employees mainly engaged in the in-home nursing care businesses will be transferred to the transferee company.

(7) Forecast of the fulfillment of debt

We have judged that no problem exists in the forecasts of debt fulfillment for any of the three transferee companies after the split.

3. Schedule of the basic scheme

- Board of Directors’ Meeting at Sankiwellbe to approve final business transfer agreements and share transfer agreements. September 13, 2007
- Conclusion of final agreement on the business transfer. September 13, 2007
- Conclusion of share transfer agreement and execution of share transfer. September 13, 2007
- Board of Directors’ Meeting to approve Split Agreements (3 business transferees). September 13, 2007

- Conclusion of Split Agreement. September 13, 2007
- Completion of specific application procedures concerning nursing care insurance etc. September 28, 2007 (scheduled)
- Approval of Split Agreement at shareholders' meeting (3 business transferees) Late October, 2007 (scheduled)
- Effective date of company split and absorption (closing date) November 1, 2007 (scheduled)

4. Details of business transferee companies

(1) Wellbe Co., Ltd. (Shimane & Hiroshima Prefectures)

Name	Wellbe Co., Ltd. (Former name: COMSN Hiroshima Business Transferee Co., Ltd.)
Content of business	Home care support business
Date established	August 31, 2007
Headquarters	10-1, 6-Chome, Roppongi Minato-ku Tokyo (temporary)
Role and name of representative	Naohisa Iwata, Representative Director,
Capital	¥1 (temporary)
End of fiscal year	March 31
Shares issued	1 share (temporary)
Major shareholder and percent holding	Sankiwellbe Co., Ltd. 100%
Total assets	¥1 (temporary)

(2) Wellbe Okayama Co., Ltd. (Okayama Prefecture)

Name	Wellbe Okayama Co., Ltd. (Former name: COMSN Okayama Business Transferee Co., Ltd.)
Content of business	Home care support business
Date established	August 31, 2007
Headquarters	10-1, 6-Chome, Roppongi Minato-ku Tokyo (temporary)
Role and name of representative	Kimishige Kittaka, Representative Director
Capital	¥1 (temporary)
End of fiscal year	March 31
Shares issued	1 share (temporary)
Major shareholder and percent holding	Sankiwellbe Co., Ltd. 100%
Total assets	¥1 (temporary)

(3) Wellbe Yamaguchi Co., Ltd. (Yamaguchi Prefecture)

Name	Wellbe Yamaguchi Co., Ltd. (Former name: COMSN Yamaguchi Business Transferee Co., Ltd.)
Content of business	Home care support
Date established	August 31, 2007
Headquarters	10-1, 6-Chome, Roppongi Minato-ku Tokyo (temporary)
Role and name of representative	Hitoshi Kondo, Representative Director
Capital	¥1 (temporary)
End of fiscal year	March 31
Number of shares issued	1 share (temporary)
Major shareholder and percent holding	Sankiwellbe Co., Ltd. 100%
Total assets	¥1 (temporary)

(Note 1) The transferees will change their name and representative after executing the share transfer.

(Note 2) The location of headquarters, amount of capital, number of shares issued will be changed at an extraordinary meeting of shareholders to be held by each company.

5. Business results of COMSN in each prefecture that were transferred by split

(Millions of yen)

Prefecture	Home nursing care business as of June 2007	
	Net sales	Operating income
Shimane Prefecture	1,333	115
Hiroshima Prefecture		
Okayama Prefecture	698	80
Yamaguchi Prefecture	537	74

6. Outline of Suzuken Co., Ltd. and the companies involved in the business transfer

	Companies involved in the business transfer		Suzuken Co., Ltd.
	as of June 30, 2007	as of March 31, 2007	as of March 31, 2007
(1) Name	COMSN Inc.	Sankiwellbe Co., Ltd.	Suzuken Co., Ltd.
(2) Content of business	Home nursing care Institutional nursing care Residences for the elderly	Home nursing care Home care support services Home helper training business	Wholesale of pharmaceutical medicine
(3) Date established	1988	March 9, 2000	August 10, 1946
(4) Headquarters	10-1, 6-Chome, Roppongi Minato-ku, Tokyo	1-11, 6-Chome Nishi-ku Shoko Center, Hiroshima City	8 Higashi-Katahamachi Higashi-ku, Nagoya City
(5) Representative	Koichi Higuchi, President & Representative Director	Kazuo Harada, President & Representative Director	Hiroshi Ota President & CEO (Note 1)
(6) Capital	¥14,148 million	¥50 million	¥13,546 million
(7) Number of shares issued	3,773,500 shares	1,000 shares	93,949,167 shares
(8) Net assets	(¥5,159 million)	(¥90 million)	¥236,643 million
(9) Total assets	¥61,563 million	¥464 million	¥767,803 million
(10) End of fiscal year	June 30	March 31	March 31
(11) Employees	23,765 (including temp staff)	307	4,516
(12) Major shareholder and percent holding	The Goodwill Group, Inc. 100.0 %	Sanki Corporation 100.0 % (Note 2)	Japan Trustee Services Bank, Ltd. (Retirement benefit trust account re-trusted by The Sumitomo Trust & Banking Co., Ltd. As trustee for Shionogi & Co., Ltd.) 5.7 % Citibank Singapore-Barclays Bank (Suisse) S.A. 4.7 % Japan Trustee Services Bank, Ltd. (Trust account) 4.3 % Shionogi & Co., Ltd. 3.5 % Hiroko Bessho 3.2 %
(13) Major banks	The Shokochukin Bank	Hiroshima Bank	Bank of Tokyo-Mitsubishi UFJ Mizuho Corporate Bank, Ltd.

(Note 1): As of April 1, 2007

(Note 2): Sanki Corporation is a wholly owned subsidiary of Suzuken Co., Ltd.

7. Business Results for Recent Three Years

(Millions of yen)

Fiscal Year	COMSN			Sankiwellbe		
	June 2005	June 2006	June 2007	March 2005	March 2006	March 2007
Net Sales	50,911	63,858	68,156	1,270	1,288	1,295
Operating Profit	1,716	2,718	(4,109)	114	84	37
Recurring Profit	1,560	2,634	(4,079)	107	81	33
Net Profit	1,158	1,625	(11,282)	105	78	60
Total Assets	23,384	47,203	61,563	354	406	464
Net Assets	4,653	6,278	(5,159)	(229)	(150)	(90)

8. Summary of Consolidated Accounting Procedures

According to corporate accounting methods, we predict it will be treated as an acquisition.

Also, there will be minimal impact on consolidated earnings from the amortization of the goodwill.

9. Future Forecast

There will be minimal impact on the consolidated results of fiscal year ending March 31, 2008.