

The customer-oriented business model of the MEDIPAL Group (or “MEDIPAL”) creates an environment for supporting growth and evolves logistics that start with the customer, giving rise to new value that enriches people’s lives.

**Number
one**

in sales and
earnings in our industry

Management PHILOSOPHY

- ◆ **Contributing** to people’s **health** and the advancement of **society** through **creation** of **value** in **distribution**

Management POLICY

- ◆ Create a **vitalized** corporate culture to make the MEDIPAL Group **trusted** by society.
- ◆ Raise **shareholder value** and ensure thorough **compliance**.
- ◆ Faithfully create a **free** and **open-minded** corporate culture and train **creative** personnel.

An industry-leading

23.6% share of
the prescription
pharmaceutical
distribution market

More than

¥2.5 trillion

in net sales and growing

Contents

Financial Highlights	2	Corporate Governance	16
MEDIPAL at a Glance	3	Management Team	19
Highlights of the Fiscal Year Ended March 31, 2010	4	Six-Year Summary	20
To Our Stakeholders	6	Management's Discussion and Analysis	21
An Interview with President and CEO Sadatake Kumakura	7	Consolidated Financial Statements	26
Corporate Social Responsibility	15	Subsidiaries and Affiliated Companies	42
		Investor Information	43

Forward-Looking Statements

This annual report contains forward-looking statements regarding MEDIPAL HOLDINGS CORPORATION's plans, outlook, strategies and results for the future. All forward-looking statements are based on judgments derived from information available about the Company at the time of publication.

Certain risks and uncertainties could cause the Company's actual results to differ materially from any projections presented in this report. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's business; competitive pressures; related laws and regulations; product development programs; and changes in exchange rates.