

July 28, 2005

MEDICEO Holdings Co., Ltd.

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Medium-Term Consolidated Management Plan of Mediceo Paltac Holdings

July 28, 2005 – MEDICEO Holdings Co., Ltd. (“MEDICEO Holdings”) will change its name to Mediceo Paltac Holdings Co., Ltd. (“Mediceo Paltac Holdings”) upon integrating its management in line with a share exchange with PALTAC CORPORATION (“PALTAC”) on October 1, 2005.

Today at a meeting of its Board of Directors, MEDICEO Paltac Holdings set a three-year medium-term management plan effective from the year ending March 31, 2006 to the year ending March 31, 2008 in preparation for this new start. A summary of the plan appears below.

PALTAC will become a wholly owned consolidated subsidiary of Mediceo Paltac Holdings through the share exchange mentioned above.

1. Objectives of Medium-Term Consolidated Management Plan

The medium-term management plan aims to establish a corporate organization that steadily attains profits by sharing information on business strategies and targets with the entire Mediceo Paltac Group.

2. Basic Policy of the Medium-Term Consolidated Management Plan

Establish Customer-Oriented Distribution Business Model

The Mediceo Paltac Group will earn trust, further increase corporate value and expand business areas by responding to a wide range of needs from customers and business partners through enhanced and strengthened functions in areas including sales, purchasing, distribution, information and systems.

3. Focus Points

- 1. Create environment capable of supporting growth***
- 2. Evolve logistics that start with the customer***
- 3. Create new value that enriches life***

4. Consolidated Management Targets (Year ending March 31, 2008) Consolidated subsidiaries 14 companies

Figures in parentheses indicate percentage of net sales

Net Sales	¥2,175 billion	
Gross Profit	186.6 billion	(8.6%)
SG&A	¥155.9 billion	(7.2%)
Operating Income	¥30.7 billion	(1.4%)
Ordinary Income	¥41.6 billion	(1.9%)
Net Income	¥24.3 billion	(1.1%)
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Return on assets (ROA)*	3.0%	
Return on equity (ROE) **	9.2%	

* Return on assets = Operating income/Average total assets

** Return on equity = Net income/Average total shareholders' equity

5. Consolidated Subsidiaries (Expected as of October 1, 2005)

(Pharmaceutical Wholesale Companies, 10 companies)

SENSHU YAKUHIN CO., LTD.

USHIODA SANGOKUDO YAKUHIN CO., LTD.

Chiyaku Co., Ltd.

KURAYA SANSEIDO Inc.

YAMAHIRO KURAYA SANSEIDO Inc.

HEISEI YAKUHIN CO., LTD.

IZUTSU PHARMACEUTICAL CO., LTD.

EVERLTH Co., Ltd.

ATOL Co., Ltd.

MEDICEO MEDICAL CO., LTD.

(Cosmetics/Daily Necessities Wholesale Companies, 1 company)

PALTAC CORPORATION

(Medical-Related Companies, 3 companies)

ORIENTAL PHARMACEUTICAL CO., LTD.

KURAYA SHOJI, INC.

KURAYA KASEI, INC.