

November 14, 2005

Mediceo Paltac Holdings Co., Ltd.

Representative Director, President and CEO: Sadatake Kumakura

Code number: 7459 (First Section, Tokyo Stock Exchange)

Contact: Kikuo Miki, Managing Executive Officer
and Manager of Corporate Communication Office

Tel.: +81-3- 3517-5171

Transfer of Shares Related to Change in Consolidated Subsidiary

November 14, 2005 – Mediceo Paltac Holdings Co., Ltd. (“Mediceo Paltac”) resolved at a Board of Directors meeting on November 11 to transfer 67.0 percent of the total outstanding shares of Oriental Pharmaceutical Co., Ltd. (“Oriental Pharmaceutical”), a consolidated subsidiary of Mediceo Paltac, to Nichi-iko Pharmaceutical Co., Ltd. (“Nichi-iko”) on December 26, 2005. Mediceo Paltac signed the share transfer agreement today. Details are as follows.

1. Share Transfer Reason and Method

Since its founding in 1946, Oriental Pharmaceutical, a consolidated subsidiary of Mediceo Paltac, has endeavored to provide a stable supply of superior pharmaceutical products, mainly through manufacturing and sales of pharmaceuticals listed in the Japanese Pharmacopoeia, which was established to provide drug formulation and dosage standards.

Nichi-iko was founded in 1965, and has since worked to provide economical, high-quality pharmaceuticals, based on the theme “Focus on Life and Health,” to meet the expectations of people who want healthy lifestyles. In addition to launching generic drugs, Nichi-iko develops its own products, and also markets new drugs introduced from overseas.

As a result of careful consideration of Oriental Pharmaceutical’s future potential, growth prospects and other factors, Mediceo Paltac decided that rather than keeping Oriental Pharmaceutical as a manufacturing and sales company in the Mediceo Paltac Group, the best course would be to make it a subsidiary of Nichi-iko, which is aiming to expand its manufacturing facilities and sales resources in view of the expected growth of the generic drug market. Therefore, on December 26, 2005, Mediceo Paltac will transfer from among its shareholdings 67.0 percent of the total outstanding shares of Oriental Pharmaceutical to Nichi-iko.

After the share transfer, Mediceo Paltac will continue to maintain a 31.2 percent equity stake. However, due to the share transfer, Oriental Pharmaceutical will no longer be a consolidated subsidiary of Mediceo Paltac as of the third quarter (which began October 1, 2005) of the fiscal year ending March 2006.

2. Overview of Oriental Pharmaceutical (As of September 30, 2005)

- (1) Corporate name: Oriental Pharmaceutical Co., Ltd.
- (2) Main business: Manufacture and sale of pharmaceuticals and food additives, etc.
- (3) Date of establishment: August 30, 1946
- (4) Head office address: 1452-3, Aza Yakushihara Minami, Ohaza Takatama, Tendo-shi, Yamagata
- (5) Representative: Juichiro Ichiyama, Representative Director and President

- (6) Paid-in capital: 90 million yen
 (7) Sales: 1,605 million yen (Fiscal year ended March 31, 2005)
 (8) Number of employees: 55
 (9) Principal shareholders and percentage of total shares owned (as of November 14, 2005):

Shareholder	Number of shares	Percentage of total shares
Mediceo Paltac Holdings Co., Ltd.	1,768,390	98.2%

3. Overview of Nichi-iko (As of June 1, 2005)

- (1) Corporate name: Nichi-iko Pharmaceutical Co., Ltd.
 (2) Main business: Manufacture, sale, distribution, import and export of pharmaceutical and quasi-drug products
 (3) Date of establishment: July 15, 1965
 (4) Head office address: 1-6-21, Sogawa, Toyama-shi Toyama
 (5) Representative: Yuichi Tamura, Representative Director and President
 (6) Paid-in capital: 1,464 million yen
 (7) Sales: 18,295 million yen (Consolidated Fiscal year ended November 30, 2004)
 (8) Number of employees: 629 (As of May 31, 2005; Consolidated)

4. Number of Shares to be Transferred and Mediceo Paltac's Shareholdings before and after Transfer

- (1) Number of shares owned before transfer: 1,768,390 (98.2% of total shares)
 (2) Number of shares to be transferred: 1,206,000 (67.0% of total shares)
 (3) Number of shares owned after transfer: 562,390 (31.2% of total shares)

5. Share Transfer Schedule

- November 11, 2005: Mediceo Paltac Board of Directors meeting
 November 14, 2005: Nichi-iko Board of Directors meeting
 November 14, 2005: Share transfer agreement signing by both companies
 December 26, 2005: Effective date of share transfer (planned)

6. Effect of Share Transfer on Mediceo Paltac's Consolidated and Non-Consolidated Results

Oriental Pharmaceutical will no longer be a consolidated subsidiary of Mediceo Paltac as of the third quarter (beginning October 1, 2005) of the fiscal year ending March 2006. However, the effect on Mediceo Paltac's consolidated and non-consolidated results will be minor.

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