



January 9, 2009

**Mediceo Paltac Holdings Co., Ltd.**

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**Alfresa Holdings Corporation**

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**Notice on Dissolution of Basic Agreement for Merger  
between Mediceo Paltac Holdings and Alfresa Holdings**

As announced on October 10, 2008, Mediceo Paltac Holdings Co., Ltd. and Alfresa Holdings Corporation signed a basic agreement to merge on an equal footing, effective April 1, 2009 (Plan). The two companies have now agreed to dissolve this basic agreement, and passed resolutions to that effect at their respective board of directors meetings held today. The details are as follows.

**1. Background and Reasons for Dissolution of the Basic Agreement**

After concluding the basic agreement on the merger on October 10, 2008, the two companies formed a Management Strategy Committee comprising members from both companies which advanced detailed discussions on management strategy after the merger and practical integration work, and also held preliminary consultations with the Japan Fair Trade Commission. The Japan Fair Trade Commission recently indicated that this merger would require more detailed examination and would be subject to secondary review.

With such additional review, the review period would be expected to extend beyond the originally planned merger date of April 1<sup>st</sup> this year. Consequently, the two companies have now decided to dissolve the basic agreement and withdraw their preliminary

consultations with the Japan Fair Trade Commission based on their judgment that amid the economic environment that has dramatically changed since the basic agreement was concluded, a postponement of the merger date would cause the various measures conceived for the new corporate group following the management integration to become outdated, make it difficult to realize the merger effects at an early date, and pose a large profit risk.

Henceforth the two companies will each continue their respective businesses as in the past, fulfill their social mission in the stable supply of pharmaceuticals, pursue enhanced customer satisfaction and more efficient operations, and work to increase enterprise value. We ask for your continued support.

## **2. Procedures Related to Dissolution of the Basic Agreement**

With the dissolution of the basic agreement, the extraordinary shareholders' meetings to approve the merger agreement scheduled for the middle of February this year and all other procedures related to the merger are cancelled. The delisting of Alfresa Holdings Corporation scheduled for March 26, 2009, as part of the merger procedures has also been cancelled. Alfresa Holdings Corporation will remain listed on the Tokyo Stock Exchange and the Osaka Securities Exchange.

## **3. Expected Impact from Dissolving the Basic Agreement on the Business Performance or Financial Results of Both Companies**

This dissolution of the basic agreement is expected to have no material effect on the business performance or financial results of either company.