



May 15, 2009

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

Representative: Sadatake Kumakura, Representative Director, President and CEO  
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## **Notice of Merger of Wholly Owned Consolidated Subsidiaries and Change of Corporate Name**

At a meeting held on May 15, 2009, the Board of Directors of Mediceo Paltac Holdings Co., Ltd. (“Mediceo Paltac”) resolved that the following six prescription pharmaceutical wholesale companies, which are wholly owned consolidated subsidiaries of Mediceo Paltac, will merge on October 1, 2009, and that KURAYA SANSEIDO Inc. (“Kuraya Sanseido”), the surviving company after the merger, will change its corporate name to MEDICEO CORPORATION on the same date. Details are as follows.

Six companies involved in the merger:

KURAYA SANSEIDO Inc. (“Kuraya Sanseido”)	Surviving company
SENSHU YAKUHIN CO., LTD. (“Senshu Yakuhin”)	Dissolving company
USHIODA KURAYA SANSEIDO Inc. (“Ushioda Kuraya Sanseido”)	Dissolving company
YAMAHIRO KURAYA SANSEIDO Inc. (“Yamahiro Kuraya Sanseido”)	Dissolving company
HEISEI YAKUHIN CO., LTD. (“Heisei Yakuhin”)	Dissolving company
IZUTSU KURAYA SANSEIDO Inc. (“Izutsu Kuraya Sanseido”)	Dissolving company

### **1. Purpose of the Merger**

Mediceo Paltac recognizes that restructuring its business operations is an urgent task in order to succeed against intensifying competition by responding quickly to changes in the operating environment of the prescription pharmaceutical market. Therefore, Mediceo Paltac has decided to merge its six wholly owned consolidated subsidiaries that operate the prescription pharmaceutical wholesale business.

With the faster decision making, stronger competitiveness, concentration of management resources and optimal allocation of human resources that result, Mediceo Paltac aims to promote greater efficiency, strengthen its business structure, and build an organization that can respond quickly to customer needs.

## 2. Merger Overview

### (1) Merger Schedule

May 15, 2009	Mediceo Paltac: Board of Directors meeting to approve wholly owned subsidiaries' merger agreement Each merging company: Board of Directors meeting to approve the merger agreement and signing of the merger agreement
June 2009 (planned)	Each merging company: Ordinary general meeting of shareholders to approve the merger agreement
October 1, 2009 (planned)	Effective date of merger

### (2) Merger Method

The merger will be an absorption merger with Kuraya Sanseido as the surviving company. Senshu Yakuhin, Ushioda Kuraya Sanseido, Yamahiro Kuraya Sanseido, Heisei Yakuhin and Izutsu Kuraya Sanseido will be dissolved.

### (3) Allocations Related to the Merger

This will be a merger of wholly owned subsidiaries of Mediceo Paltac. Therefore, no grants of stock or other cash consideration will be made. There will be no increases in capital and reserves as a result of the merger.

### (4) Treatment of Stock Subscription Rights and Convertible Bonds of the Dissolving Companies

The five dissolving companies above have not issued any stock subscription rights or convertible bonds.

### 3. Overview of Companies Party to the Merger

(As of March 31, 2009)

(1) Corporate name	KURAYA SANSEIDO Inc. (Surviving company)	SENSHU YAKUHIN CO., LTD. (Dissolving company)	USHIODA KURAYA SANSEIDO Inc. (Dissolving company)
(2) Principal business	Wholesale distribution of prescription pharmaceuticals	Wholesale distribution of prescription pharmaceuticals	Wholesale distribution of prescription pharmaceuticals
(3) Date established	April 1, 2004	November 8, 2000	May 16, 1949
(4) Head office	7-15, Yaesu 2-chome, Chuo-ku, Tokyo	9-5, Oroshi-machi 4-chome, Akita-shi, Akita	1700, Motoyoshida-cho, Mito-shi, Ibaraki
(5) Representative	Shuichi Watanabe, President	Yuzuru Sato, President	Takashi Yamamoto, President
(6) Paid-in capital	¥100 million	¥100 million	¥98 million
(7) Number of outstanding shares	1 share	8,040 shares	196,560 shares
(8) Total net assets	¥28,086 million	¥559 million	¥5,595 million
(9) Total assets	¥374,873 million	¥15,474 million	¥44,301 million
(10) Fiscal year end	March 31	March 31	March 31
(11) No. of employees	3,820	251	496
(12) Major shareholders and percentage of total shares held	1. Mediceo Paltac Holdings Co., Ltd. 100.00%	1. Mediceo Paltac Holdings Co., Ltd. 100.00%	1. Mediceo Paltac Holdings Co., Ltd. 100.00%

(As of March 31, 2009)

(1) Corporate name	YAMAHIRO KURAYA SANSEIDO Inc. (Dissolving company)	HEISEI YAKUHIN CO., LTD. (Dissolving company)	IZUTSU KURAYA SANSEIDO Inc. (Dissolving company)
(2) Principal business	Wholesale distribution of prescription pharmaceuticals	Wholesale distribution of prescription pharmaceuticals	Wholesale distribution of prescription pharmaceuticals
(3) Date established	January 31, 1950	January 20, 1929	October 3, 1950
(4) Head office	2, Ryutsudanchi Kita, Yamanokami, Chuo-shi, Yamanashi	1, Motomachi 1-chome, Gifu-shi, Gifu	5, Nioumon-cho, Karasuma Higashi Iru, Nijyodori, Nakagyo-ku, Kyoto-shi, Kyoto
(5) Representative	Kazumasa Ueno, President	Yuhachiro Shinoda, President	Hiroaki Shimaji, President
(6) Paid-in capital	¥57 million	¥100 million	¥100 million
(7) Number of outstanding shares	42,578 shares	3,860,800 shares	2,220,000 shares
(8) Total net assets	¥1,840 million	¥6,470 million	¥4,357 million
(9) Total assets	¥14,276 million	¥22,775 million	¥36,109 million
(10) Fiscal year end	March 31	March 31	March 31
(11) No. of employees	219	257	528
(12) Major shareholders and percentage of total shares held	1. Mediceo Paltac Holdings Co., Ltd. 100.00%	1. Mediceo Paltac Holdings Co., Ltd. 100.00%	1. Mediceo Paltac Holdings Co., Ltd. 100.00%

#### 4. Kuraya Sanseido after the Merger

(1) New corporate name MEDICEO CORPORATION

Symbol mark



Reason for name change: The company will change to a new corporate name in connection with this merger for the purpose of reinforcing its identity as a member of the Mediceo Paltac Group and realizing business synergy to the fullest extent.

Effective date of new name: October 1, 2009 (planned)

(2) Principal business Wholesale of prescription pharmaceuticals

(3) Head office 7-15, Yaesu 2-chome, Chuo-ku, Tokyo

(4) Representative Shuichi Watanabe, President and CEO

(5) Directors (Planned as of October 1, 2009)

Director	Representative Director, Chairman Vice Chairman Representative Director, President and CEO Representative Director, Executive Vice President Managing Director Managing Director Managing Director Director Director Director Director Director Director Director Director Director	Osamu Takumiya Takashi Yamamoto  Shuichi Watanabe  Juro Yamagishi Shinichi Matsuo Kazumi Takahashi Hiroaki Shimaji Akira Moriwaki Akio Nishimura Tsuyoshi Uehara Yasuhiro Choufuku Yasumasa Hirose Yuhachirou Shinoda Hideo Irino Bunichi Murayama
Corporate Auditors	Outside Full-time Corporate Auditor Full-time Corporate Auditor Full-time Corporate Auditor Outside Corporate Auditor	Takashi Nagamine Yoshihiro Takatori Yuzuru Sato Akira Kise

(6) Paid-in capital ¥100 million (planned)

(7) Fiscal year end March 31

(8) Outlook

This will be a merger of wholly owned consolidated subsidiaries of Mediceo Paltac, and will have no material impact on consolidated results for the fiscal year ending March 31, 2010.

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(Reference)

