

February 17, 2010

MEDIPAL HOLDINGS CORPORATION
Representative: Sadatake Kumakura, Representative Director, President and CEO
Code number: 7459 (1st Section, Tokyo Stock Exchange)
Contact: Kunie Yamazaki,
Manager of Corporate Communications Department
Tel.: +81-3-3517-5171

**Notice of Secondary Offering of Paltac Stock Held by
MEDIPAL HOLDINGS CORPORATION upon Paltac's Listing on the
Tokyo Stock Exchange and Osaka Securities Exchange**

Paltac Corporation ("Paltac"), a wholly owned consolidated subsidiary of MEDIPAL HOLDINGS CORPORATION ("MEDIPAL"), has made preparations to list its stock under the belief that it needs to be a company with the independence to procure capital autonomously and carry out speedy decision making that it will gain by listing its stock in order to conduct business aggressively as a successfully competitive enterprise among the harsh competition forecast for the cosmetics, daily necessities and OTC pharmaceutical wholesale industry, and the belief that such listing would enhance the vitality and corporate value of the MEDIPAL Group as a whole.

Both the Tokyo Stock Exchange and the Osaka Securities Exchange have approved the listing of Paltac's common stock on February 17, 2010.

Upon this listing, MEDIPAL plans to sell a portion of the shares it holds in Paltac. Details are as follows.

1. Overview of Paltac Corporation

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| (1) Corporate name: | Paltac Corporation |
| (2) Head office: | 5-9, Minami Kyuhoji-machi 1-chome, Chuo-ku,
Osaka-shi, Osaka |
| (3) Representative: | Kunio Mikita,
Representative Director/Chief Executive Officer |
| (4) Main business: | Cosmetics, daily necessities and over-the-counter
pharmaceutical wholesale business |
| (5) Paid-in capital: | ¥5,206 million |
| (6) Date of establishment: | December 22, 1928 |
| (7) Number of employees: | 2,695 |

2. Overview of Sale

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|-----------------------|------------------------------------|
| (1) Seller: | MEDIPAL HOLDINGS CORPORATION |
| (2) Stock to be sold: | Common stock of Paltac Corporation |
| (3) Number of shares: | 9,000,000 shares |
| (4) Stock price: | Undetermined |

Separately from this sale of shares, in light of domestic demand conditions, Nomura Securities Co., Ltd., the underwriter, may sell an overallotment of a maximum 2,400,000 shares of Paltac's common stock it will borrow from MEDIPAL. In this regard, MEDIPAL plans to issue an overallotment option (Greenshoe Option) to Nomura Securities Co., Ltd. for a maximum of 2,400,000 shares of Paltac's

common stock, expiring on March 26, 2010.

In addition, Paltac resolved at a meeting of its Board of Directors held on February 17, 2010 to issue 7,000,000 new shares following its exchange listing.

3. Number of Shares Held by MEDIPAL and Ratio of Share Ownership Before and After the Sale of Shares and Issuance of New Shares

- Number of shares held and ratio of share ownership (in parentheses)
before sale of shares and issuance of new shares: 30,235,657 (100.00%)
- Number of shares held and ratio of share ownership (in parentheses)
after sale of shares and issuance of new shares (planned): 18,835,657 (50.58%)

Notes: 1. The total number of shares issued by Paltac is scheduled to increase to 37,235,657 shares with the issuance of 7,000,000 new shares.

2. In the event that the Greenshoe Option is not exercised for the sale of 2,400,000 shares through overallotment, MEDIPAL may hold a maximum of 21,235,657 shares (57.03% ratio of share ownership) of Paltac's common stock. The overallotment may be cancelled or the number of shares reduced depending on supply and demand conditions.

4. Effect on Results

MEDIPAL will promptly make an announcement at the appropriate stage in the event of gain or loss on the sale of shares described herein.

Note: This document is a press release to the general public regarding the sale of Paltac shares, and is not intended to attract investment. Investors are requested to exercise individual discretion in investment after reading the "Prospectus for the Issuance of New Shares and Sale of Shares" (and any revisions thereto) prepared by Paltac.

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