

March 9, 2010

MEDIPAL HOLDINGS CORPORATION
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**Notice of Extraordinary Loss and Revision to the
Consolidated Results Forecast for the Fiscal Year Ending March 31, 2010
following Events Including the Sale of a Portion of Stock of a Subsidiary**

MEDIPAL HOLDINGS CORPORATION (“MEDIPAL”) has decided to record a loss on the sale of stock of affiliates in the fiscal year ending March 31, 2010, as a result of its determination of the issuing price and offering price of the shares of its wholly owned consolidated subsidiary Paltac Corporation (“Paltac”), upon Paltac’s listing on the Tokyo Stock Exchange and the Osaka Securities Exchange.

Concurrently with this sale of shares, MEDIPAL has revised its consolidated results forecast for the fiscal year ending March 31, 2010, which it announced on July 31, 2009. Details are as follows.

1. Revision to the Consolidated Results Forecast for the Fiscal Year Ending March 31, 2010
(April 1, 2009–March 31, 2010)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Income per share (Yen)
Previous forecast (A)	2,551,000	20,000	27,700	9,900	42.00
Revised forecast (B)	2,551,000	20,000	27,700	2,050	8.69
Amount of change (B-A)				(7,850)	
Percentage change (%)				(79.2)	
Results for fiscal year ended March 31, 2009	2,463,569	13,455	29,005	12,510	52.30

2. Reasons for the Revision (Consolidated)

MEDIPAL will record a loss on the sale of stock of affiliates as a result of its determination of the issuing price and offering price of the shares of Paltac upon its listing on the Tokyo Stock Exchange and the Osaka Securities Exchange.

Accordingly, MEDIPAL has revised its consolidated results forecast for the fiscal year ending March 31, 2010.

Main Factors behind the Revision:

Paltac will issue 7,000,000 shares for offering and MEDIPAL will conduct a secondary offering of 9,000,000 shares of the Paltac stock it holds. As a result, MEDIPAL will record an extraordinary loss of ¥8,830 million on a consolidated basis.

Non-consolidated Results:

As a result of the offering price determined for Paltac’s shares upon its listing on the Tokyo Stock Exchange and the Osaka Securities Exchange, the sale price will be lower than the acquisition price.

Consequently, MEDIPAL will record a loss of ¥2,410 million on the sale of stock of affiliates as an extraordinary loss on a non-consolidated basis for the fiscal year ending March 31, 2010.

The above figures do not include the effect of the secondary offering by overallotment noted in (2) below.

An overview of the issuance, offering and secondary offering is as follows.

(1) Number of shares issued by Paltac for the offering: 7,000,000 shares

(2) Number of shares for secondary offering by MEDIPAL: 9,000,000 shares

Separately from this secondary offering, the underwriter Nomura Securities Co., Ltd., having considered domestic demand, will conduct a secondary offering by overallotment of 2,400,000 shares of Paltac common stock it will borrow from MEDIPAL. In this regard, MEDIPAL has issued an overallotment option (Greenshoe Option) to the underwriter for a maximum additional 2,400,000 shares of Paltac common stock expiring on March 26, 2010.

(3) Number of shares held by MEDIPAL after issuance of shares, offering and secondary offering: 21,235,657 shares

(Approximately 57.03% of the total number of shares of Paltac issued and outstanding after the issuance of new shares)

In the event the Greenshoe Option is exercised in full, the total number of Paltac's shares held by MEDIPAL will be 18,835,657 shares, or approximately 50.58% of the total number of shares of Paltac issued and outstanding after the issuance of new shares.

Note: The above forecasts are based on information available as of the date of this announcement. Future events may cause actual results to differ from forecasts.

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