

May 14, 2010

MEDIPAL HOLDINGS CORPORATION
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Notice of Offer of Voluntary Early Retirement

MEDIPAL HOLDINGS CORPORATION (“MEDIPAL”) resolved at a meeting of its Board of Directors held on May 14, 2010 to offer voluntary early retirement to employees of three prescription pharmaceutical wholesale companies that are its wholly owned consolidated subsidiaries. Details are as follows.

1. Reason for the Offer

In order to respond to the substantial decline in earning capacity accompanying the changing environment of the prescription pharmaceutical wholesale business, MEDIPAL and the MEDIPAL Group companies will promote reform of their cost structures and will offer early retirement to employees who wish to transfer to jobs in new fields, with a view to widening their independence and options for the future.

2. Summary of the Offer

- a. Maximum number of applicants: 750
- b. Eligibility: Employees (including employees on loan) age 50-59 with at least 10 years of continuous service as of March 31, 2011 (approximately 2,000 employees are eligible)
- c. Application period: June 1 – June 30, 2010
- d. Retirement date: September 30, 2010
- e. Other: MEDIPAL will pay employees retiring under this program additional retirement benefits and offer reemployment support, including outplacement and a career counseling service.

3. Prescription Pharmaceutical Wholesale Companies Subject to the Offer (Three Companies)

MEDICEO CORPORATION	(Head Office: Chuo-ku, Tokyo)
EVERLTH Co., Ltd.	(Head Office: Naka-ku, Hiroshima)
ATOL CO., LTD.	(Head Office: Hakata-ku, Fukuoka)

The employees of MEDIPAL consist entirely of employees seconded from wholly owned consolidated subsidiaries. Therefore, the employees eligible for this offer of early retirement include employees seconded to MEDIPAL from the three companies above.

4. Effect on Business Results

MEDIPAL estimates that the offer of voluntary early retirement will reduce selling, general and administrative expenses by approximately ¥2.1 billion, and that payment of additional retirement benefits for employees associated with the implementation of the early retirement program will increase extraordinary loss by approximately ¥9.7 billion. Both of these amounts are already factored into the forecast of consolidated results for the year ending March 31, 2011, announced today.

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