

May 13, 2011

MEDIPAL HOLDINGS CORPORATION

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Notice of Reduction of Additional Paid-in Capital

MEDIPAL HOLDINGS CORPORATION (“MEDIPAL”) resolved at a meeting of its Board of Directors held today to place reduction of additional paid-in capital on the agenda the 102nd Ordinary General Meeting of Shareholders scheduled for June 24, 2011. Details are as follows.

1. Objectives of Reduction of Additional Paid-in Capital

The objectives of the reduction of additional paid-in capital include ensuring flexibility and responsiveness in future financial strategy and enhancing financial resources available for dividends.

2. Outline of Reduction of Additional Paid-in Capital

(1) Amount of reduction of additional paid-in capital

The amount of 30,000,000,000 yen will be transferred from additional paid-in capital (totaling 163,372,314,656 yen as of March 31, 2011) to other capital surplus.

(2) Method of reduction of additional paid-in capital

In accordance with Article 448-1 of the Corporation Law, a portion of additional paid-in capital will be reversed and transferred to other capital surplus.

Additional paid in capital (as of March 31, 2011):	¥163,372,314,656
Reduction of additional paid-in capital:	¥30,000,000,000
Additional paid-in capital after reduction:	¥133,372,314,656

3. Schedule for Reduction of Additional Paid-in Capital (Planned)

(1) Date of resolution of the Board of Directors	May 13, 2011
(2) Date creditors can begin filing objections	May 20, 2011 (Planned)
(3) Deadline for creditors to file objections	June 20, 2011 (Planned)
(4) Date of resolution of the Ordinary General Meeting of Shareholders	June 24, 2011 (Planned)
(5) Effective date	June 24, 2011 (Planned)

4. Outlook

The reduction of additional paid-in capital will have no effect on the Company’s consolidated results, and is subject to the approval of the 102nd Ordinary General Meeting of Shareholders to be held on June 24, 2011.

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