February 10, 2025

MEDIPAL HOLDINGS CORPORATION
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(Update on Disclosed Matter)
Notice of Conclusion of Absorption-Type Merger Agreement Regarding Integration Between Consolidated Subsidiaries

On November 19, 2024, MEDIPAL HOLDINGS CORPORATION (“MEDIPAL”) announced the signing of a basic agreement in the "Notice of Basic Agreement regarding Integration between Consolidated Subsidiaries." Today, based on the memorandum of understanding, we have concluded an absorption-type merger agreement between ATOL CO.,LTD (“ATOL”) and MVC CO., LTD (“MVC”). our wholly owned consolidated subsidiaries, as detailed below.

Because the integration is between wholly owned subsidiaries subject to consolidated accounting, some disclosure items and details are omitted.

1. Purpose of the integration

The MEDIPAL Group is engaged in the business field of “Pharmaceuticals, Health, and Beauty” based on our management philosophy of “Contributing to people’s health and the advancement of society through creation of value in distribution.”

Of these, ATOL, as a wholly owned subsidiary of MEDIPAL, operates a wholesale business of prescription pharmaceuticals and other products in the Kyushu and Okinawa areas, and has business relationships with a wide range of medical institutions and dispensing pharmacies.

On the other hand, MVC, a wholly owned subsidiary of ATOL, is engaged in the sales of medical equipment, etc., mainly in the northern Kyushu area, and has developed highly specialized sales activities with a focus on endoscopes.

Through this merger, ATOL and MVC have determined that it is best to leverage the strengths of both companies to expand the sales channel base and further develop the medical equipment sales business in the Kyushu and Okinawa areas by further leveraging highly specialized human resources.

2. Overview of the integration

(1) Schedule of the integration

Signing of basic agreement regarding the integration	November 19, 2024
Execution of the absorption-type merger agreement regarding the integration	February 10, 2025
Effective date	April 1, 2025 (planned)

(note) The merger will be conducted as a simplified absorption-type merger in accordance with Article 796, Paragraph 2 of the Companies Act for ATOL, and as a short-form merger in accordance with Article 784, Paragraph 1 of the Companies Act for MVC.

(2) Method of the integration

An absorption-type merger, with ATOL as the surviving company and MVC as the absorbed company. There will be no change to the surviving company's trade name as a result of the integration.

(3) Allocation related to the integration

There will be no issuance of new shares, increase in share capital, delivered money due to merger, or any other consideration as a result of the integration since this is an integration between wholly owned subsidiaries subject to consolidated accounting.

(4) Share acquisition rights and bonds with share acquisition rights associated with the integration

None applicable

3. Overview of the companies party to the integration (as of March 31, 2024)

	Surviving company	Absorbed company
(1) Name	ATOL CO., LTD	MVC CO., LTD
(2) Address	2-5-1 Kashiihama Wharf, Higashi-ku, Fukuoka City	2-5-1 Kashiihama Wharf, Higashi-ku, Fukuoka City
(3) Name and title of representative	Shinjiro Watanabe, President and Chief Executive Officer	Tadashi Hagiwara, Representative Director, President
(4) Business	Wholesale distribution of prescription pharmaceutical products	Sales of medical equipment, medical consumables, medical information systems, physical and chemical equipment, etc.
(5) Share capital	¥500 million	¥100 million
(6) Date of establishment	January 29, 1947	November 1, 2007
(7) Total number of shares issued	21,300,600	2,000
(8) Fiscal year end	March 31	March 31
(9) Number of employees	929	34
(10) Major shareholders and shareholding ratio	MEDIPAL (100.0%)	ATOL (100.0%)

4. Future outlook

There will be no impact on consolidated financial results for the current fiscal year since the merger is an integration between wholly owned subsidiaries.

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