

SILCHESTER INTERNATIONAL INVESTORS LLP

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Silchester International Investors LLP (“**Silchester**”), acting on behalf of its clients, is the owner of 24,426,500 shares in Medipal Holdings Corporation (the “**Company**”). This represents 11.3% of the Company’s issued share capital. It represents 11.9% of the Company’s issued share capital, less treasury shares. Silchester’s clients are the Company’s largest shareholders. Silchester’s clients have been regularly invested in the Company since 2011.

Silchester has engaged with the Company’s management and Board of Directors on a regular basis over many years. This includes recent in-person meetings in Tokyo (October 2025) and London (March 2026). During its meetings with the Company, Silchester offered suggestions which were aimed at improving the Company’s shareholder value. Silchester also presented its views on capital allocation. Silchester is disappointed to note that the Board has announced no specific actions to improve the Company’s business performance and/or shareholder returns.

On 24 April 2026, Silchester sent the Company a formal demand letter. The demand letter requires the Company to add three resolutions to Company’s AGM agenda in June 2026.

Agenda Item One: Special Dividend Resolution

Silchester is asking the Company to distribute 100% of its net income as a dividend. The Company is forecasting an ordinary dividend of **JP¥64** per share for the financial year ended 31st March 2026. The Company is forecasting net earnings at the group level of **JP¥168** per share. Silchester is recommending that shareholders approve a special dividend of **JP¥104** per share.

- The Company has excess capital sitting in net cash and long-term investments, representing more than 50% of shareholder funds. The last reported value of these assets exceeds JP¥400bn, JP¥100bn of which relates to the full consolidation of the Company’s ownership of Paltac Corporation.
- The Company’s return on equity (“ROE”) over the past ten years has been weak, standing at less than 7%. The Company’s medium-term plan calls for a 9% ROE to be achieved. The Company’s latest forecast implies a ROE of less than 6% for the year ended 31st March 2026.
- The Company’s historic dividend pay-out ratio has been less than 40%.
- Silchester believes the Company should not retain any income until such time as the Company regularly achieves a ROE of at least 10%.
- The payment of a special dividend does not adversely impact the Company and/or its future business prospects. The payment of a special dividend will not impact the Company’s day-to-day business operations and will not require the Company to take on debt.

Agenda Item Two: Share Buyback Resolution

Silchester is asking the Company to **repurchase 33,800,000 shares**, or 16.6% of the Company’s shares in issue, less treasury shares, at a total acquisition price not exceeding **JP¥ 95 billion**. Silchester is asking the Company to cancel all treasury shares, including any acquired pursuant to the resolution.

- The Company's cumulative ratio of share repurchases and subsequent treasury shares cancellation (e.g., 8% of net shares in issue) is significantly lagging its domestic peer group (e.g., Alfresa Holdings Corporation – greater than 18% of net shares in issue and Suzuken Co. Ltd – greater than 27% of net shares in issue).
- Silchester believes that the Company should not retain excess capital until such time that the Company regularly achieves an ROE of at least 10%.
- The share buyback does not adversely impact the Company and/or its future business prospects. The share buyback will not impact the Company's day-to-day business operations and will not require the Company to take on debt.

Agenda Item Three: Resolution for the Company to call an Extraordinary General Meeting at Paltac Corporation and Propose a Special Dividend Resolution

The Company owns 51.4% of Paltac Corporation. Paltac Corporation is forecasting an ordinary dividend of **JP¥120** per share for the financial year ended 31st March 2026. Paltac Corporation is forecasting net earnings at the group level of **JP¥357** per share. Silchester is asking the Company to call an Extraordinary General Meeting at Paltac Corporation recommending that Paltac Corporation shareholders approve a special dividend of **JP¥237** per share. The Paltac Corporation Extraordinary General Meeting will take place before 30th September 2026.

- Paltac Corporation is an independent business that is 51.4% owned by the Company and fully consolidated into the Company's financial accounts. Paltac Corporation is an attractive but over-capitalised business with weak governance and poor capital allocation discipline. Paltac Corporation holds P¥66bn of net cash and JP¥31bn of long-term financial assets.
- Paltac Corporation's ROE over the past ten years has been weak, standing at less than 9%. Paltac Corporation is unlikely to meet its medium-term plan objectives of a 10% ROE in its core business in the current financial year. The latest management guidance implies an ROE of less than 8%.
- Paltac Corporation's historical pay-out ratio has been less than 30%.
- Silchester does not support any initiative by the Company to acquire additional shares in and/or otherwise increase the Company's ownership of Paltac Corporation.
- The special dividend resolution will not adversely impact Paltac Corporation and/or its future business prospects. The special dividend resolution will not impact Paltac Corporation's day-to-day business operations and will not require Paltac Corporation to take on debt.

Silchester encourages all shareholders to carefully consider the proposals. Silchester encourages all shareholders to vote in favour of the proposals. The proposals give all shareholders the right to express their views on the performance of the Company and its management. A vote in favour of the proposals provide the Board of Directors with guidance on the Company's future capital allocation and dividend distribution policies.

Please contact Tim Linehan (tlinehan@silchester.com) with questions on this press release.

About Silchester

Silchester is a UK based asset management firm. Silchester invests client moneys in publicly traded non-US equity securities using a bottom up, value based, investment approach. Silchester is a ‘long-only’ manager. Silchester does not short securities, utilise derivatives or invest in convertible instruments. Silchester seeks to invest in companies trading cheaply relative to their earnings, assets or dividends. Silchester has invested in Japanese equity securities since 1995. As of 24th April 2026, Silchester has more than JP¥1.3 trillion invested in Japanese equity securities.

Silchester is the appointed investment manager for several large commingled funds. One of these commingled funds is The Silchester International Investors International Value Equity Trust. The Silchester International Investors International Value Equity Trust holds more than 5.0% of the Company’s issued share capital and has done so continuously for over six (6) calendar months.

The Northern Trust Company acts as the custodian for this commingled fund. The Northern Trust Company holds the shares for this commingled fund in a nominee account called the Northern Trust Company AVFC Re: Silchester International Investors International Value Equity Trust. The Northern Trust Company has provided Silchester with a power of attorney granting Silchester the authority, as investment manager, to introduce the proposals. The Northern Trust Company is not otherwise involved with this proposal.

Silchester is not an ‘activist’ investor. Silchester is a fiduciary for its client assets and takes its corporate governance obligations seriously. Silchester will engage with portfolio companies where appropriate.