SILCHESTER INTERNATIONAL INVESTORS LLP

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2 September 2026

Silchester International Investors LLP ("**Silchester**"), acting on behalf of its clients, is the owner of 25,827,300 shares in Medipal Holdings Corporation (the "**Company**"). This represents 11.96% of the Company's issued share capital. It represents 12.62% of the Company's issued share capital, less treasury shares. Silchester's clients are the Company's largest shareholders. Silchester's clients have been 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. During its regular meetings with the Company, Silchester has offered suggestions aimed at improving the Company's shareholder value and has presented its views on capital allocation.

To date, however, the Company has taken no fundamental action to improve its business performance or capital allocation. The Company's return on equity ("**ROE**") over the past ten years has been weak, standing at less than 7%, and the Company's latest forecasts imply no material improvement in ROE.

On 24 April 2026, Silchester submitted a formal shareholder proposal requiring the Company to add three resolutions — including a special dividend resolution and a share buyback resolution — to the Company's AGM in June 2026. The Company refused to table any of the proposals, on the ground that they did not fall within the matters on which the Company's general meeting of shareholders may resolve. Silchester strongly disagreed with the Company's position. Even where a shareholder proposal concerns a matter outside the authority of the general meeting, a company may voluntarily table the proposal. Silchester believes that the Company's refusal to table its proposals undermined shareholder rights.

Since April 2026, Silchester has had a number of discussions with the Company. Silchester has come to hold serious concerns about the Company's fundamental attitude toward its shareholders. Accordingly, on 2 September 2026, Silchester formally demanded, pursuant to Article 297, Paragraph 1 of the Companies Act, that the Company convene an extraordinary general meeting of shareholders (the "**EGM**") to consider the four proposals summarised below. Silchester has asked that the EGM be held no later than 30 October 2026.

Proposal No. 1: Dismissal of Director Shuichi Watanabe

- Mr. Shuichi Watanabe has for many years held ultimate responsibility for the management of the Company, and bears final responsibility for the failures of capital allocation (weak ROE, a low dividend pay-out ratio and the accumulation of excess capital). These problems are not temporary but persistent and structural.

- The approval rate for his re-election at the most recent AGM was only 61.5%, conspicuously lower than the other members of the Board (73%–92%). This demonstrates that Mr. Shuichi Watanabe has already lost the confidence of shareholders. Furthermore, as chairman of the Board of Directors, he led the Company's decision to reject Silchester's request to table its shareholder proposals at the most recent AGM.

- Silchester does not propose the election of a successor; the selection of a successor is left to the judgment of the Company's Board of Directors.

Proposal No. 2: Partial Amendment to the Articles of Incorporation

- This proposal amends the Articles of Incorporation so that dividends and related matters may be resolved by the general meeting of shareholders, while preserving the Board of Directors' authority to make flexible determinations on such matters.

- The opportunity to express shareholders' will on dividends at a general meeting is a fundamental shareholder right, and proxy advisory firms as a matter of policy recommend voting against provisions of the Articles of Incorporation that exclude the general meeting's authority over dividends of surplus. Article 39, Paragraph 2 of the Company's Articles of Incorporation was the very provision invoked by the Company as the basis for rejecting Silchester's proposals. Changing the Articles of Incorporation is necessary to restore a channel for ascertaining the will of shareholders.

Proposal No. 3: Dividend of Surplus (Special Dividend)

Silchester requests the Company distribute 100% of its net income to shareholders. On 14 July 2026, the Company revised upward its forecast consolidated net earnings for the financial year ending 31 March 2027 to **JP¥210** per share, and its forecast annual dividend to **JP¥88** per share. Based on these forecasts, Silchester is proposing a special dividend of **JP¥122** per share, with a record date of 30 September 2026.

- The Company's ROE over the past ten years has been weak, standing at less than 7%, with no material improvement expected. The Company's historic dividend pay-out ratio has been less than 40%. Even after the dividend increase announced on 14 July 2026, the forecast pay-out ratio remains at only 42%.

- Silchester believes the Company should distribute 100% of its net income to shareholders until such time as the Company regularly achieves an ROE of 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 or require the Company to take on new debt.

Proposal No. 4: Share Buyback

Silchester is asking the Company to repurchase, within one year from the conclusion of the EGM, up to 33,800,000 shares, or 16.5% 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 share cancellations is significantly lagging its domestic peer group.

- Excess capital accumulated from historical earnings retention should be returned to shareholders through share buybacks with the objective of regularly achieving an ROE of 10%.

- The proposed share buyback will not adversely impact the Company and/or its future business prospects, the Company's day-to-day business operations or require the Company to take on new debt.

Proposals No. 3 and No. 4 are not conditional upon the approval of Proposal No. 2 (the amendment to the Articles of Incorporation). If Proposal No. 2 is approved, these proposals will constitute legally binding resolutions. Even if Proposal No. 2 is not approved, Silchester asks that these proposals be tabled at the EGM as non-binding advisory resolutions to ascertain the will of the shareholders, and that the results of the vote be disclosed.

Silchester asks all shareholders to carefully consider the proposals. Silchester asks 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 will 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 2 September 2026, Silchester has more than JP¥1.4 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 3% of the total voting rights of all shareholders of the Company 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 make this demand. The Northern Trust Company is not otherwise involved with this demand.

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.

(English translation for reference purposes only. The Japanese original shall prevail.)

2 September 2026

Demand for Convocation of a General Meeting of Shareholders

The Northern Trust Company AVFC Re: Silchester International Investors International Value Equity Trust (the "Requesting Shareholder"), as a shareholder that has held not less than three-hundredths (3/100) of the voting rights of all shareholders of Medipal Holdings Corporation (the "Company") continuously for the preceding six months, hereby demands, pursuant to Article 297, Paragraph 1 of the Companies Act, that the Company convene an extraordinary general meeting of shareholders (the "EGM") as set out below.

1. Matters Concerning the Purpose of the Meeting

Proposal No. 1: Dismissal of Director Shuichi Watanabe

Proposal No. 2: Partial Amendment to the Articles of Incorporation

Proposal No. 3: Dividend of Surplus (Special Dividend)

Proposal No. 4: Buyback of Own Shares

2. Reasons for the Demand

According to its most recent annual securities report, the Company retains excess capital of more than JPY 500 billion in the form of net cash and long-term investments, equivalent to more than 80% of shareholder funds, as of 31 March 2026. The Company's return on equity ("ROE") over the past ten years has remained weak at below approximately 7%, and no material improvement is expected under the Company's latest forecasts. The Company's payout ratio has historically been below 40%.

The Company's tender offer for the shares of PALTAC Corporation closed on 7 July 2026, and the Company expects to complete the conversion of PALTAC into a wholly-owned subsidiary through squeeze-out procedures around August 2026. As the Company itself has announced, the full consolidation is expected to raise the Company's earnings (announcement of 14 July 2026 revising the full-year consolidated earnings forecast: net income attributable to owners of the parent of JPY 43.0 billion; earnings per share of JPY 210.06), and on the same date the Company revised its annual dividend forecast for the fiscal year ending 31 March 2027 upward to JPY 88 per share. Even so, the revised forecast payout ratio remains at only approximately 42%, and in light of the level of excess capital described above, the Company's shareholder returns remain far from sufficient.

The very responsibility of the board of directors of a listed company is to allocate the capital contributed by shareholders to investment opportunities that can reasonably be expected to generate returns in excess of the cost of capital, and thereby to maximise corporate value. Where no such investment opportunities can be identified, capital should be returned to shareholders through dividends or share buybacks. Passively accumulating funds in the form of net cash and long-term investments that generate returns far below the cost of capital itself impairs capital efficiency and destroys corporate value, and is contrary to the responsibilities of a board of directors entrusted with management by shareholders. As reflected in the Tokyo Stock Exchange's request that all listed companies implement "management that is conscious of the cost of capital and stock prices", this is a shared understanding in today's capital markets.

By a shareholder proposal dated 24 April 2026, the Requesting Shareholder requested that three proposals concerning shareholder returns be included as matters for the purpose of the 117th Annual General Meeting of Shareholders. The Company refused to do so, even though it could voluntarily have tabled them. At that meeting, the approval rate for the re-election of President Shuichi Watanabe was only 61.49% (extraordinary report dated 25 June 2026), conspicuously lower than that of the other directors (73%–92%), demonstrating a clear decline in shareholder confidence. The Company's management posture of disregarding shareholder interests and shareholder requests is evident and must be corrected without delay.

In light of the foregoing, the Requesting Shareholder hereby demands the convocation of the EGM with the proposals set out in Section 3 below as the matters for the purpose of the meeting. The Requesting Shareholder asks that the EGM be held no later than 30 October 2026.

3. Summary of the Proposals and Reasons for the Proposals

(1) Proposal No. 1: Dismissal of Director Shuichi Watanabe

[Summary of the Proposal]

Director Shuichi Watanabe shall be dismissed from office as a director of the Company.

[Reasons for the Proposal]

Mr. Shuichi Watanabe has for many years held ultimate responsibility for the management of the Company, and bears final responsibility for the failures of capital allocation described in Section 2 above (weak ROE, a low shareholder return ratio and the accumulation of excess capital). These problems are not temporary but persistent and structural. The approval rate for his re-election at the 117th Annual General Meeting was only 61.49%, conspicuously lower than that of the other directors (73%–92%), demonstrating that he has already lost the confidence of shareholders to a substantial degree. Furthermore, as chairman of the board of directors, he led the Company's decision to reject the Requesting Shareholder's bona fide shareholder proposals without tabling them.

For these reasons, the Requesting Shareholder proposes that Mr. Shuichi Watanabe be dismissed as a director. The Requesting Shareholder does not propose the election of a successor; the selection of a successor is left to the judgment of the Company's board of directors.

(2) Proposal No. 2: Partial Amendment to the Articles of Incorporation

[Summary of the Proposal]

Article 39 of the Company's Articles of Incorporation shall be amended as set out below (underlined text indicates the amendment).

Current Articles	Proposed Amendment
(Body Determining Dividends of Surplus, etc.) Article 39. Matters set forth in each item of Article 459, Paragraph 1 of the Companies Act, including the amount of disposition of surplus and dividends of surplus, shall be determined by resolution of the Board of Directors, unless otherwise provided for by laws or regulations.	(Body Determining Dividends of Surplus, etc.) Article 39. Matters set forth in each item of Article 459, Paragraph 1 of the Companies Act, including the amount of disposition of surplus and dividends of surplus, <u>may be</u> determined by resolution of the Board of Directors, unless otherwise provided for by laws or regulations.

2. The matters set forth in the preceding paragraph shall not be determined by resolution of a General Meeting of Shareholders, unless otherwise provided for by laws or regulations.	2. (Deleted)

[Reasons for the Proposal]

This proposal amends the Articles of Incorporation so that dividends of surplus and related matters may be resolved by the general meeting of shareholders as well, while preserving the board of directors' authority to make flexible determinations on such matters. The opportunity to express shareholders' will on dividends of surplus at a general meeting is a fundamental shareholder right, and proxy advisory firms as a matter of policy recommend voting against provisions of the articles of incorporation that exclude the general meeting's authority over dividends of surplus. Article 39, Paragraph 2 of the current Articles of Incorporation was the very provision invoked by the Company as the basis for rejecting the Requesting Shareholder's proposals at the 117th Annual General Meeting without even tabling them, and this amendment is necessary to restore a channel for ascertaining the will of shareholders.

(3) Proposal No. 3: Dividend of Surplus (Special Dividend)

[Summary of the Proposal]

A special dividend shall be paid as follows:

A. Type of dividend property: Cash

B. Allocation of dividend property and the total amount thereof: JPY 122 per share of common stock of the Company, allocated to the shareholders recorded in the final shareholder register as of 30 September 2026 (the record date for interim dividends prescribed in Article 40, Paragraph 2 of the Company's Articles of Incorporation) (excluding the Company). The total amount of the special dividend to be paid pursuant to this proposal shall be JPY 122 multiplied by the number of shares entitled to receive dividends as of that date.

C. Effective date of the dividend of surplus: The date of the EGM.

D. Commencement date of dividend payments: A date within three weeks from the date of the EGM.

[Position of this Proposal]

The special dividend under this proposal is an additional dividend, over and above the interim dividend to be resolved by the board of directors as announced by the Company. This proposal is not conditional upon the approval of Proposal No. 2. If Proposal No. 2 is approved as proposed, this proposal will constitute a legally binding resolution on a dividend of surplus under Article 454, Paragraph 1 of the Companies Act. Even if Proposal No. 2 is not approved, the Requesting Shareholder requests that this proposal be tabled at the EGM as a non-binding advisory resolution to ascertain the will of the shareholders, and that the results of the vote be disclosed.

[Reasons for the Proposal]

The Company should distribute 100% of its net income to shareholders until such time as the Company consistently achieves an ROE of at least 10%. Otherwise, the accumulation of excess capital, which has already reached a serious level, will only continue to worsen. A special dividend of JPY 122 per share, together with the forecast annual ordinary dividend of JPY 88 per share, would distribute to shareholders substantially all of the revised forecast earnings per share of JPY 210.06 for the fiscal year ending 31 March 2027. The immediate funding needs associated with the acquisition of PALTAC Corporation have run their course with the close of the tender offer, and, as the Company itself acknowledges, the full consolidation is expected to raise the Company's earnings. Nevertheless, even after the dividend increase announced on 14 July 2026, the Company's forecast payout ratio remains at only approximately 42%.

The payment of the special dividend will not adversely affect the Company or its future business prospects, will not affect the Company's day-to-day business operations, and will not require the Company to take on new debt.

(4) Proposal No. 4: Buyback of Own Shares

[Summary of the Proposal]

Pursuant to Article 156, Paragraph 1 of the Companies Act, within one year from the conclusion of the EGM, the Company shall acquire its common stock by way of cash payment up to a total of 33,800,000 shares (equivalent to 16.51% of the most recently reported shares in issue, less treasury shares), at a total acquisition price of up to JPY 95 billion (or, if the total amount of the acquisition price permitted under the Companies Act (the "Distributable Amount" as defined in Article 461 of the Companies Act) is less than such amount, the maximum amount permitted under the Companies Act). The Company shall also cancel all treasury shares, including those acquired pursuant to this proposal.

[Position of this Proposal]

This proposal is not conditional upon the approval of Proposal No. 2. If Proposal No. 2 is approved as proposed, this proposal will constitute a legally binding resolution under Article 156, Paragraph 1 of the Companies Act. Even if Proposal No. 2 is not approved, the Requesting Shareholder requests that this proposal be tabled at the EGM as a non-binding advisory resolution to ascertain the will of the shareholders, and that the results of the vote be disclosed.

[Reasons for the Proposal]

As described in Section 2 above, the Company retains excess capital equivalent to more than 80% of shareholder funds. Excess capital accumulated from historical earnings retention should be returned to shareholders through share buybacks with the objective of consistently achieving an ROE of at least 10%. The Company's cumulative ratio of share repurchases lags significantly behind its domestic peers (e.g., Alfresa Holdings Corporation and Suzuken Co., Ltd.).

While respecting the board of directors' discretion as to the ultimate determination of the size and timing of share buybacks, there is significant value in ascertaining the will of shareholders as to their direction. The share buyback under this proposal will not adversely affect the Company or its future business prospects, will not affect the Company's day-to-day business operations, and will not require the Company to take on new debt.

4. About Silchester

Silchester International Investors LLP ("Silchester") is a UK based asset management firm. Silchester invests client money in publicly traded non-US equity securities using a bottom up, value based, investment approach. Silchester is a 'long-only' investment manager. Silchester does not short securities, utilise derivatives or invest in convertible instruments. Silchester seeks to invest in companies that are trading cheaply relative to their earnings, assets or dividends. Silchester has been invested in Japanese equity securities since 1995.

Silchester is the appointed investment manager for several large commingled funds. The funds managed by Silchester hold, in aggregate, 25,827,300 shares of the Company (approximately 11.96% of the Company's issued share capital) as of 1 September 2026.

One of these is The Silchester International Investors International Value Equity Trust. The Silchester International Investors International Value Equity Trust holds more than 3% of the Company's total voting rights and has done so on a continuous basis for more than 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 that is 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 make this demand. The Northern Trust Company is not otherwise involved with this demand.

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