

May 13, 2003
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Construction of the Health Care HIGASHINIPPON DISTRIBUTION CENTER

May 13, 2003 - Kuraya Sanseido Inc. (“Kuraya Sanseido”) has begun construction of the Health Care HIGASHINIPPON DISTRIBUTION CENTER (Kazo, Saitama) as a new distribution base handling over-the-counter drugs, quasi-drugs, health foods, sundries and other health care products, primarily in the Tokyo area. Details are as follows.

1. Reason for construction

Against the backdrop of increasing use of non-prescription medicines in recent years, Kuraya Sanseido has begun construction of the Health Care HIGASHINIPPON DISTRIBUTION CENTER in order to further expand its health care business, enhance the mix of products handled and provide high-level logistics functions.

As a new distribution center for health care products centered on the Tokyo metropolitan area, the Health Care HIGASHINIPPON DISTRIBUTION CENTER will handle a full lineup of not only pharmaceuticals but also health foods and other products that contribute to the improvement of lifestyle-related diseases. The center will provide a stable supply of products to its customers, starting with large-scale retailers. By introducing the latest equipment for sorting and shipping by category (over-the-counter drugs, quasi-drugs, health foods, sundries, etc.) for more efficient operations, Kuraya Sanseido will meet the needs of its customers, which are expected to further expand in scale and diversity.

Upon completion, the Health Care HIGASHINIPPON DISTRIBUTION CENTER will take over the functions of the current Health Care Nerima Distribution Center (Nerima-ku, Tokyo).

2. Overview

- 1) Name: Health Care HIGASHINIPPON DISTRIBUTION CENTER
- 2) Address: 5-1, Okuwa 1-chome, Kazo-shi, Saitama, Japan
- 3) Lot area: 39,653 square meters
- 4) Building area: 9,121 square meters
- 5) Total floor space: 17,912 square meters
- 6) Structure type: Two-story, steel-frame
- 7) Construction costs: ¥2.5 billion planned, including costs for building and systems
(The lot was purchased in September 1996 for ¥3.1 billion.)
- 8) Start of construction: April 4, 2003
- 9) Scheduled completion
of construction: April 2004

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