

January 29, 2004
Kuraya Sanseido Inc.
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Construction of the SAITAMA DISTRIBUTION CENTER

January 29, 2004 -- Kuraya Sanseido Inc. ("Kuraya Sanseido") will begin construction of the SAITAMA DISTRIBUTION CENTER (Kazo, Saitama Prefecture), as a new distribution base handling prescription pharmaceuticals in eastern Japan. Details are as follows.

1. Reason for Construction

Kuraya Sanseido and its group of companies are taking steps to reinforce and strengthen the group's distribution infrastructure, which is currently centered on the two mega distribution centers in the Kansai and Kanto regions, to support the stable supply of pharmaceuticals to customers and more efficient distribution costs. Kuraya Sanseido will begin construction of the SAITAMA DISTRIBUTION CENTER for prescription pharmaceuticals, which will serve as a new distribution base in eastern Japan, in order to establish a logistics infrastructure focused on the optimal shipping area. The new facility will be built next to the Health Care HIGASHINIPPON DISTRIBUTION CENTER that is currently under construction in Kazo, Saitama Prefecture.

The distribution center will have functions that enable it to respond flexibly to diverse customer needs and changes in the operating environment. With a full range of products and strong quality management, it will improve Kuraya Sanseido's stable supply network, while automated distribution functions and simplified work procedures will enable low-cost operation.

After construction is completed, the functions of the present OMIYA DISTRIBUTION CENTER (Saitama, Saitama Prefecture) and KANAGAWA DISTRIBUTION CENTER (Yokohama, Kanagawa Prefecture) will be transferred to the SAITAMA DISTRIBUTION

CENTER and the TOKYO DISTRIBUTION CENTER (Urayasu, Chiba Prefecture), and they will be converted for other purposes within the company.

2. Overview

- (1) Name: SAITAMA DISTRIBUTION CENTER
- (2) Address: 1-9 Okuwa, Kazo, Saitama, Japan
- (3) Structure type: Steel-frame building with four above-ground floors
- (4) Lot area: 15,967 square meters
- (5) Building area: 9,460 square meters
- (6) Total floor space: 26,979 square meters
- (7) Parking capacity: 21 trucks, 43 passenger vehicles
- (8) Construction costs: ¥4.2 billion planned, including construction, logistics equipment and systems and related items (the lot, including land for the Health Care HIGASHINIPPON DISTRIBUTION CENTER, was purchased in September 1996 for ¥3.1 billion).
- (9) Start of construction: March 1, 2004
- (10) Scheduled completion of construction: January 2005

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