

April 28, 2005

MEDICEO Holdings Co., Ltd.

President: Sadatake Kumakura

Code number: 7459 (First Section, Tokyo Stock Exchange)

Contact: Kikuo Miki, Executive Managing Director
and Corporate Communication Section Head

Phone: +81-3-3517-5171

Start of Operations at SAITAMA DISTRIBUTION CENTER

April 28, 2005 – MEDICEO Holdings Co., Ltd. (“MEDICEO Holdings”) is set to begin operations at its new SAITAMA DISTRIBUTION CENTER, which handles prescription pharmaceuticals in parts of the Tohoku, Koshinetsu and Tokyo metropolitan areas among the business areas of consolidated subsidiaries engaged in pharmaceutical wholesale. Details are as follows.

1. Reason for Construction and Operations

MEDICEO Holdings constructed the SAITAMA DISTRIBUTION CENTER in Kazo, Saitama as part of its efforts to further improve its stable supply of products and distribution functions in the area of prescription pharmaceuticals.

In addition to enhancing the core functions of pharmaceutical distribution - a full product lineup, quality control and system for stable product supply - the SAITAMA DISTRIBUTION CENTER functions to further promote low cost operations through automation and simplification of distribution procedures. MEDICEO Holdings will capitalize on these functions to respond flexibly to changes in the operating environment and diverse customer needs.

2. Overview of SAITAMA DISTRIBUTION CENTER

- (1) Name: SAITAMA DISTRIBUTION CENTER of MEDICEO Holdings Co., Ltd.
- (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: 26,891 square meters
- (7) Parking capacity: 21 trucks, 57 passenger vehicles

3. Features of the SAITAMA DISTRIBUTION CENTER

- (1) Use of volume delivery and piece sorters increase delivery accuracy and enable flexible response to fluctuations in volume
- (2) Automated warehousing tailored to features such as product shape and delivery frequency enhance storage efficiency and save labor
- (3) Serial numbers and shelf-life management of products handled improve safety after good vigilance practice
- (4) Backup power supplies, duplication of key equipment and measures to prevent collapse of shelves attenuate risk associated with disasters and other events

4. Construction Costs

¥4.2 billion including construction, logistics equipment and systems and related items
The lot, including land for the Health Care HIGASHINIPPON DISTRIBUTION CENTER (23,695 square meters), was purchased in September 1996 for ¥3.1 billion.

5. Coverage Area

Tokyo metropolitan area and 11 prefectures
(Aomori, Iwate, Miyagi, Akita, Yamagata, Fukushima, Saitama, part of Chiba, part of Tokyo metropolitan area, Niigata, Yamanashi, Nagano)

6. Processing Capacity

Maximum annual business of approximately ¥300 billion

7. Start of Operations

May 2005

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