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To whom it may concern:

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Notice on Construction of a New Distribution Center in Hiroshima

TOHO HOLDINGS CO., LTD. (Headquarters: Tokyo, President and Representative Director: Norio Hamada, “TOHO HOLDINGS” hereinafter) hereby announces that it has decided to construct a new distribution center in Hiroshima prefecture.

1. Purpose of the construction

TOHO HOLDINGS has decided to construct a new distribution center “TBC Hiroshima (provisional name)” that can cope with an expected increase in handling volume as well as an expansion of direct delivery system for the customers while taking into account further enhancement of traceability as well as countermeasures against disasters based on the lessons learned from the Great East Japan Earthquake.

In opening distribution centers across Japan, TOHO HOLDINGS has continued to constantly pursue Accuracy, Traceability, and Business Continuity Planning as its social mission in supplying pharmaceuticals which are products that peoples’ lives may depend on. In constructing the distribution center called “TBC Saitama”, which is located in Kuki-shi Saitama prefecture, we especially challenged to automate distribution by introducing robots and we received an Award of Excellence in the Robot Business and Social Implementation category in the Robot Award organized by the Ministry of Economy, Trade and Industry. With regard to new distribution center in Hiroshima we intend to improve productivity by pursuing more efficiency and rationalization in addition to utilizing the know-how of automation that we have cultivated in “TBC Saitama”

The TOHO HOLDINGS Group makes efforts to realize the ever-more accurate, speedy and stable supply of pharmaceuticals through the construction of the new distribution center under the Group corporate slogan of “Total commitment to good health.”

2. Outline of the new distribution center

Name : TBC Hiroshima (provisional name)
Location : Asaminami-ku, Hiroshima-shi, Hiroshima prefecture
Space : about 31,015 m²

3. Characteristics of the new center

① Challenge to unmanned processing

“TBC Hiroshima (provisional name)” will realize 75% automation of piece picking using multi-axis robots. It will also achieve 100% automation of packing using depalletizing robots.

② Further improvement of highly accurate shipping

It aims to improve a shipping accuracy, which has been achieved so far at the existing distribution centers.

③ Complete traceability

With the introduction of the Warehouse Management System* that incorporates the know-how developed at the distribution centers of TOHO HOLDINGS, traceability to customers will be secured through the management of the lot numbers of pharmaceuticals and their expiry dates, which aims to provide customers with product safety and assurance of supply.

* Warehouse Management System

This refers to a management system that centrally controls a series of distribution tasks within the warehouse to improve efficiency in the management operations.

④ Comprehensive measures against natural disasters and to ensure security

With the duplexing of the host computer, the installation of a private electric generator and uninterruptible power supply equipment and periodical practice of disaster exercises, etc., it will establish a system that will ensure a stable supply of pharmaceuticals if a natural disaster occurs.

⑤ Enhancement of service for customers

It will develop its service such as no inspection system (there is no requirement to inspect products at a customer's office at the time of delivery) and direct delivery from the center, which can contribute to customers' efficiency.

4. Capital investment amount

The total amount: about 11 billion yen

5. Schedule

Expected date of the start of construction: in the early 2016

Expected date of the completion: in 2017