



MEDIPAL HOLDINGS CORPORATION



Mitsubishi Logistics

News Release

August 20, 2019

MEDIPAL HOLDINGS CORPORATION
Mitsubishi Logistics Corporation

Notice of Business Alliance between MEDIPAL HOLDINGS and Mitsubishi Logistics and Investment in DP Network by MEDIPAL HOLDINGS

MEDIPAL HOLDINGS CORPORATION (“MEDIPAL”) and Mitsubishi Logistics Corporation (“Mitsubishi Logistics”) entered into a business alliance agreement (the “Alliance”) on August 20, 2019. Details of the Alliance follow below.

In conjunction with this, MEDIPAL acquired an equity stake in DP Network Co., Ltd. (“DP Network”), a subsidiary of Mitsubishi Logistics that specializes in the shipping of pharmaceuticals. MEDIPAL will collaborate with DP Network to establish an advanced, optimal platform for pharmaceutical distribution.

1. Background and Purpose of the Alliance

In recent years, consistent quality control from the manufacturer to the end user has become a prerequisite in the distribution of pharmaceuticals. Furthermore, Good Distribution Practice (GDP) guidelines for pharmaceuticals came into effect in December 2018, creating strong calls for maintaining the integrity* of pharmaceutical products, from the time products are released into the market until delivery to the medical facility, based on the effective management of purchasing, storage, supply and other processes in distribution channels. For temperature control in particular, it is necessary to ensure quality through measures such as continual monitoring of temperature changes in all processes, and systems will need to be created for that purpose.

In these circumstances, Mitsubishi Logistics, which handles distribution from manufacturers to drug wholesalers, and MEDIPAL, a wholesaler responsible for distribution to medical facilities, are aiming to realize a new, seamless supply chain with better quality and efficiency by sharing their respective technologies and expertise in logistics. The two companies formed the Alliance to facilitate that common goal.

*Integrity of pharmaceutical products means that the pharmaceutical products are manufactured in accordance with the manufacturing and marketing authorization, and are maintained in the condition in which they are released into the market, with no degradation of quality, tampering or destruction.

2. Details of the Alliance

MEDIPAL and Mitsubishi Logistics will conduct studies with the aim of building a pharmaceutical distribution system that is optimized in all processes from when they are released into the market to delivery to the end user. In addition, the two companies will work to establish a more efficient distribution platform by using the DP-Cool* service of DP Network to enable strict temperature control.

*DP-Cool: A new Good Distribution Practice (GDP:)-compliant pharmaceutical refrigerated shipping service developed by Mitsubishi Logistics and DP Network. GDP is a quality standard in distribution processes for pharmaceuticals.

About MEDIPAL HOLDINGS CORPORATION:

Representative: Shuichi Watanabe, Representative Director, President and Chief Executive Officer
Head office: 7-15, Yaesu 2-chome, Chuo-ku, Tokyo
Business: As a holding company, MEDIPAL controls, administers and supports the operating activities of companies in which it holds shares in the prescription Pharmaceutical Wholesale Business; the Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business; and the Animal Health Products and Food Processing Raw Materials Wholesale Business, and conducts business development for the MEDIPAL Group.
Capital: ¥22,398 million (as of March 31, 2019)
Established: May 1923

About Mitsubishi Logistics Corporation:

Representative: Masao Fujikura, President and Representative Director
Head office: 19-1, Nihonbashi 1-chome, Chuo-ku, Tokyo
Business: Warehousing; harbor transportation; international transportation; land transportation; marine transportation; customs clearance; developing, selling and operational management of the logistics information systems; buying, selling and leasing of transportation and cargo handling equipment.
Buying, selling, leasing, intermediary business and management of real estate; contracting, design and supervision of construction work; operation of parking lots, etc.
Capital: ¥22,393 million (As of March 31, 2019)
Established: April 1887

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