



Chugai Pharmaceutical Co., Ltd. Mitsubishi Logistics Corporation

Chugai and Mitsubishi Logistics Enter into Service Agreement for Logistics Operations

TOKYO, June 14, 2019 -- <u>Chugai Pharmaceutical Co., Ltd.</u> (TOKYO: 4519) and <u>Mitsubishi Logistics Corporation</u> (TOKYO: 9301) announced today that the two companies have signed a service agreement to outsource Chugai's logistics operations for its pharmaceutical products to Mitsubishi Logistics. The operation of the distribution center managed by Mitsubishi Logistics is scheduled to start in January 2021.

Guidelines on Good Distribution Practice (GDP) of Medicinal Products for distribution management of pharmaceutical products were issued in 2018 to provide methods to ensure quality of pharmaceutical products in the process of transportation and storage. In addition, companies must address changes in external environment surrounding distribution management of their products; for example, they have to strengthen Business Continuity Planning (BCP) to cope with large-scale disasters and take actions to reduce risks in delivery.

As one of the five strategies in "IBI 21," the company's mid-term business plan starting from 2019, Chugai has set a goal of "Strengthen Human Capital and Conduct Fundamental Structural Reform" to review its business process and cost structure. The company aims to sophisticate and streamline logistics functions with high expertise through outsourcing to Mitsubishi Logistics, as an effort to invest in sustainable growth and create a high profit structure by focusing resources in innovation.

With this agreement, Chugai Distribution Co., Ltd., a wholly owned subsidiary of Chugai which currently provides logistics operations, will close down its business following the startup of the distribution center managed by Mitsubishi Logistics.

Mitsubishi Logistics will focus on providing high-quality and efficient pharmaceutical logistics service by further improving the service level as a company to support stable supply of pharmaceutical products.

About Chugai

Chugai Pharmaceutical is one of Japan's leading research-based pharmaceutical companies with strengths in biotechnology products. Chugai, based in Tokyo, specializes in prescription pharmaceuticals and is listed on the 1st section of the Tokyo Stock Exchange. As an important member of the Roche Group, Chugai is actively involved in R&D activities in Japan and abroad. Specifically, Chugai is working to develop innovative products which may satisfy the unmet medical needs, mainly focusing on the oncology area.

Additional information is available on the internet at https://www.chugai-pharm.co.jp/english/.

About Mitsubishi Logistics

Mitsubishi Logistics is a logistics company supporting supply chains of a wide range of industries, including pharmaceuticals, food and beverage, and electric appliances, through seamless logistics service such as warehousing, land transportation, and international transportation. Mitsubishi Logistics has provided high-quality service in pharmaceutical distribution utilizing expertise accumulated for over 30 years through management of distribution centers of a great deal of pharmaceutical companies. For further information on Mitsubishi Logistics, please visit at https://www.mitsubishi-logistics.co.jp/english/.

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