

NEWS RELEASEJuly 16<sup>th</sup>, 2009

Sagawa Global Logistics Co., Ltd.

**Commencement of Full Operations of  
“Poly Sagawa Logistics Shekou Logistics Center”, Shenzhen, China****~ Offering Comprehensive Logistics Functions for Imports, Exports and Domestic Distribution ~**

Shekou Logistics Center

Sagawa Global Logistics Co., Ltd. (H.O. Shinagawa-Ku, Tokyo. President: Hideo Araki), a member of the SG Holdings Group, in cooperation with their Chinese subsidiary company Poly Sagawa Logistics, Co., Ltd. (H.O. Shenzhen City, China. General Manager: Hirofumi Ishihara) have recently established and commenced operations of their Shekou Logistics Center, in Shenzhen City, China. This new venture is the first company owned logistics center to be established in mainland China.

Situated in an ideal location at Shekou Port, Shenzhen, Guangdong Province, the Shekou Logistics Center offers not just storage and inventory management, but draws on the knowhow of Sagawa Global Logistics' Japanese SRC's (Sagawa Distribution Centers) in order to offer value added process such as needle and foreign body inspection and IT support, as well as logistics operations with the same level of quality found in Japan.

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For small lot export operations to Japan, the location of this center in Shekou Port means distribution costs between warehouse and port are greatly reduced, and times involved shortened. But in addition to these factors, thanks to access to the Japanese network of Sagawa Express, it is possible to offer the shortest lead times.

In addition to export operations, systems can be put in place to support Chinese domestic sales. More specifically, high quality services can be offered, from importing and local procurement to storage, inventory management, pick and pack functions, through to local delivery.

Furthermore, the facility does not only provide logistics operations functions, but also has office space available for clients to utilize, providing an environment equivalent to the company's facilities in Japan, meaning full logistics administration operations can be realized in China.

### Profile

**Name:** Poly Sagawa Logistics Shekou Logistics Center

**Location:** 1077 Yueliangwan Rd., Nanshan District, Shenzhen, Guandong, China

(5km from Shekou Port, Shenzhen; 2km from Hong Kong-Shenzhen Western Corridor Bridge; 5km from Shenzhen Airport; 4km from Hong Kong Airport; 180km from Guangzhou Airport)

**Telephone Number:** +86-755-2519-4700

**Facility:** Total plot size of 45,200.97m<sup>2</sup>; Total floor area of 18,191m<sup>2</sup>; Logistics Space of 15,431m<sup>2</sup>.

1 storey, steel reinforced concrete (warehouse) and a 5 storey, steel reinforced concrete (office wing)

**Completion of construction:** March 2009; **Full operations:** July 2009

#### 1<sup>st</sup> floor logistics center

**Loading bay:** 76m x 150m

**Area:** 11,400m<sup>2</sup>

**Usage:** Inbound & outbound inventory control, warehousing and processing operations for domestic general cargo.

**No. of vehicle berths:** 42

#### 1<sup>st</sup> floor logistics processing center

**Area:** 1,436m<sup>2</sup>

**Usage:** Tag attachment, pick & pack, label affixation and other such services for export products. Small lot parcels are handed over to Sagawa Express for delivery in Japan.

Operations for the Chinese domestic market include inventory control, tag attachment, pick & pack, IT support along with nationwide delivery options.

#### 1<sup>st</sup> floor office

**Area:** 940m<sup>2</sup>

**Usage:** Administration of inbound and outbound goods and vehicles.

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### 2<sup>nd</sup> floor inspection area

Area: 2,595m<sup>2</sup>

Usage: Carry out needle and foreign body detections as a Japanese affiliated inspection company, formally certified by the Chinese Department of Supervision on Inspection. It is possible to carry out third party inspections in China, at the same quality level as Japan.

### 3<sup>rd</sup> floor office

Area: 910m<sup>2</sup>

Usage: Offices for Sagawa's use.

### 4<sup>th</sup> floor office

Area: 910m<sup>2</sup>

Usage: Rental office space for client's use (for short term lease and from 100m<sup>2</sup>).

### The SG Holdings Group

Constitutes SG Holdings Co., Ltd. (H.O. Kyoto, Chairman and President: Eiichi Kuriwada), a pure holding company and its affiliated companies and organizations, including Sagawa Express, Co., Ltd.

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