

Logistics Network Inc.



In January 2005, Logistics Network Inc. built the Sugito Distribution Center (Sugito, Saitama), the largest of its kind in Japan. It handles three temperature zone systems to accommodate future growth for logistics services as the demand for eating out and item variety in supermarkets increases. A large-capacity freezer AS/RS, high performance sorters and picking devices have been introduced at the distribution center by Daifuku to provide fast and accurate response to customer needs.

Responding to customer needs by coordinating nation-wide transportation and regional delivery

Logistics Network opened for business in April 2004, after acquiring 20 distribution centers belonging to Nichirei Holding Groups. Today, the operation includes 10 DC's and 15 TC's (Transfer Centers) throughout Japan and offers main route transportation and regional delivery.

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Sugito Distribution Center

- Distribution Center Area: 49,587m² (533,750 sq. feet)
- Total Floor Area: 23,294 m² (250,735 sq. feet)
- Unit Load AS/RS
- Mobile Rack In the -25°C freezer warehouse stores 1,425 pallets
- Gravity Cart stores 837 pallets with room-temperature items such as drinks
- Digital Pick System for refrigerator and freezer items; 80 pick opening/line
- Surfing Sorter Mini sorts room-temperature items and materials including lunchbox containers by store. The sorting section has 100 chutes on both sides of the conveyor



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Offering a controlled environment with three temperature zones (refrigerator, freezer, and room), Logistics Network handles a variety of food, ingredients and drink products as well as containers and packing materials required at restaurants, catering establishments, grocery supermarkets, etc.

High capacity system supports small-lot delivery

The center has two floors with a TC (cross-docking type) function on the first story and a centralized and enhanced DC (inventory type) function on the second. To ensure product quality and to deliver items of three different temperatures together, refrigerator and freezer sections were added to delivery trucks and an operation control system using GPS was introduced.

Logistics Network guarantees a high-level of service to customers by providing real-time assessment of delivery progress status, truck locations, and temperature controlled trucks.

Fixed-time delivery reduces work at store level

The Sugito Center handles the logistics for Plenus Co., Ltd. (Hakata-ku, Fukuoka), a leading company in the mid-size food industry that delivers to a hot

boxed-meal takeout chain and a rice bowl and set-menu restaurant chain.

Sugito is part of the expansion effort that Plenus is undergoing in Eastern Japan. With the new center, the collective delivery for food, ingredients and other items enables Plenus to improve delivery quality and cut material handling costs. At installation, Plenus had 1,200 stores in Eastern Japan and was planning to expand to 2,000 stores by 2008.

To support expansion, Plenus was challenged to improve and enhance their logistics abilities. By outsourcing all logistics needs to the Sugito Center, Plenus achieved a daily, fixed-time delivery schedule for each store. In-store material handling work has been greatly reduced with the DC's ability to replenish specified food items in a specified quantity.

Environmental contribution with solar power

Since the Logistics Network operates with numerous trucks, environmental provisions have been part of a critical business challenge, which resulted in various countermeasure activities. Solar power is effectively utilized at the Sugito Center producing about 200,000 kWh annually that is equivalent of the power used by 50 average households. The Sugito Center also adopted the newest freezer cycle system, which achieves zero ozone depletion and a global warming coefficient of less than one.

