

November 15, 2007

Notice Regarding Transfer of Shares in Overseas Subsidiary

Tsumura & Co. (Headquarters: Tokyo, President: Junichi Yoshii) today announced that the company has reached an agreement to transfer shares in one of its overseas subsidiaries to JFC International Inc.

1. Overview of the Subsidiary Whose Shares Are to be Transferred

Name: Pacific Marketing Alliance, Inc. (PMAI)
Location: Gardena, CA
Founded: December, 2001
Representative: Takeshi Ohara
Capital: US\$2,057,500
Tsumura & Co. ("Tsumura") owns 64.3% of PMAI's shares through Tsumura USA, Inc., a wholly owned subsidiary of Tsumura.

Business Description: Importation and sales in North America of toiletries, healthcare products, nutritional supplements, and other everyday household items, and the provision of marketing information to corporate partners in the joint venture.

2. Reason for the Transfer of Shares

Tsumura has formulated a new medium-term corporate plan and has positioned fiscal 2007 as the inaugural year of its plan to pursue growth with a focus on Kampo and medicinal herbs. The decision to transfer its shares in PMAI was reached after considering the focus of PMAI's business and business functions within the Tsumura Group.

3. Overview of Transferee

Name: JFC International, Inc.
Location: South San Francisco, CA
Founded: 1958
Representative: Hiroyuki Enomoto
Capital: US\$1,760,000
Business Description: Import/export and sales of food products, including Japanese food products and Asian food products, and other goods.

4. Share Transfer Schedule

Date of Share Transfer Agreement: November 12, 2007
Effective Date of Share Transfer: November 30, 2007 (anticipated)

5. Business Impact

In its financial results for the first half of fiscal 2007, Tsumura posted an extraordinary loss relating to this transfer of shares. The impact on future financial results is expected to be immaterial.