

# News Release

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February 23, 2010

## **Tsumura Establishes a Local Corporation in Laos**

Tsumura & Co. (Headquarters: Tokyo, President: Junichi Yoshii) announces that it established a local corporation in Lao People's Democratic Republic ("Laos") on February 19. The local corporation will cultivate crude drugs for Kampo preparation and build a crude drug processing (drying and sorting) plant.

### 1. Background to the establishment of the local corporation

Tsumura began joint research into the cultivation of crude drugs for Kampo preparation in Laos in 2005 to enhance its traceability system for crude drugs sourced in Southeast Asia.

Having produced good results in the joint research, Tsumura concluded a project development agreement with the Lao government on February 12 and obtained an investment permit. The Company subsequently submitted an application to establish a local corporation, obtaining approval on February 19.

The area of the farm of the local corporation was planned to be about 200 ha when the corporation was established. The corporation plans to expand this to about 1,000 ha.

The businesses planned are in the primary industry and are in accordance with the 2+3 policy\* promoted by the Lao government. Since the local corporation will contribute to job creation and the development of economic and social infrastructure, the Lao government has high hopes for it.

At the request of the Laongam district of Saravanh Province, where crude drugs will be cultivated, the local corporation has decided to cooperate in building a junior high school as part of its regional contribution through its businesses.

\*2+3 policy: Laos provides land and manpower, and foreign companies provide capital, technologies, and markets.

### 2. Profile of local corporation

- (1) Company name: LAO TSUMURA CO., LTD.
- (2) Representative: Tsuyoshi Iwasawa
- (3) Head office address: Champassak province, Lao People's Democratic Republic
- (4) Founded: February 19, 2010
- (5) Main businesses: Cultivation and processing of crude drugs in Laongam, Saravan province
- (6) Paid-in capital: 1.8 million US dollars
- (7) Total investment: 6 million US dollars
- (8) Investment ratio: 100% (TSUMURA & CO.)

### 3. Future schedule (plan)

March 2010: Operating permit to be obtained

March 2011: Crude drug processing plant to be completed

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**TSUMURA & CO.**