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August 3, 2022

NEWS RELEASE

Company name: TSUMURA & CO.
Listing: TSE Prime Market
Securities code: 4540
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Tsumura Announces Establishment of PINGAN TSUMURA TRADITIONAL CHINESE MEDICINE TECHNOLOGY CO., LTD.

Tsumura & Co. (Headquarters: Tokyo, Japan; President Representative Director and CEO: Terukazu Kato; hereafter, “Tsumura”) announces that, at a meeting of its Board of Directors held on August 3, 2022, Tsumura received a report on the completion of the establishment of a new company by Ping An Tsumura Inc. (Headquarters: Shanghai, China), which is a joint venture between Tsumura China Inc. (Headquarters: Shanghai, China), a wholly owned subsidiary, of Tsumura, and China Ping An Life Insurance Co., Ltd. (Headquarters: Guangdong, China). Details are as follows.

1. Aim of establishment of the new company

As a research platform in the Group’s China business, the new company will have the function of formulating quality standards covering the entire supply chain from the seeding of crude drugs to final products, researching the production and quality of crude drugs, and researching the quality of traditional Chinese medicinal products, and the aim of its establishment is to support the development of a crude drug platform/crude drug product platform. The new company will promote the development of quality standards for crude drugs and crude drug products and seek their widespread use in China, thereby earning trust in China and endeavoring to enhance corporate value by improving brand recognition.

The new company will lease the facilities of SHENZHEN TSUMURA MEDICINE CO.,LTD., a wholly owned subsidiary of Tsumura, and launch some research services from October this year. A building specifically for the new company is due to be completed in 2024.

2. Outline of the company to be established

(1) Name of company	PINGAN TSUMURA TRADITIONAL CHINESE MEDICINE TECHNOLOGY CO., LTD.
(2) Location	Shenzhen, Guangdong, China
(3) Representative	Liu Yude, Chairman
(4) Business description	Analysis and research business focusing on traditional Chinese medicine
(5) Capital	150 million RMB
(6) Date of foundation	June 29, 2022
(7) Investment ratio	Ping An Tsumura Inc.: 100%

3. Outline of Ping An Tsumura Inc.

(1) Name of company	Ping An Tsumura Inc.
(2) Location	Shanghai, China
(3) Representative	Tung Hoi, Chairman
(4) Business description	Business related to strengthening the crude drug procurement structure, business related to analysis and research focusing on traditional Chinese medicines, and business related to traditional Chinese medicines, health food and healthcare-related daily necessities and other operations and markets, etc.
(5) Capital	2,000 million RMB
(6) Date of foundation	June 8, 2018
(7) Investment ratio	Tsumura China Inc.: 56% China Ping An Life Insurance Co., Ltd.: 44%

4. Future outlook

The effect of the establishment of the new company on the consolidated results of Tsumura in the fiscal year ending March 31, 2023 will be minor and insignificant.