

Process for Value Creation

Fiscal 2022 results

1. Organization capital

- Organization mechanism analogous to Kampo medicines
- 130th anniversary of founding
- Corporate philosophy survey: **4.06** pt

2. Human capital

- Number of employees (consolidated): **4,032**
- Education expense per person (parent): ¥ **126** thousand
- Percentage of employees with disabilities: **2.58** %

3. Intellectual capital

- R&D expenses: ¥ **7,594** million
- Raw Materials for Crude Drug Traceability System based on Tsumura GACP
- Tsumura Quality Management System to ensure the uniform quality of Kampo formulations
- Tsumura's proprietary research package (KAMPOmics®)

4. Natural capital

- Energy used: **2,063** TJ
- Water used: **2,064,946** t
Water recycling rate (Ibaraki, Shizuoka and Shanghai): **56.0** % on average
- Percentage of industrial waste recycled: **99.9** % (Parent)
- Countries supplying raw material crude drugs: China approx. **90** % ; Japan, Laos and others approx. **10** %
- Percentage of cultivated land under the Group's own management: **78** %

5. Manufacturing capital

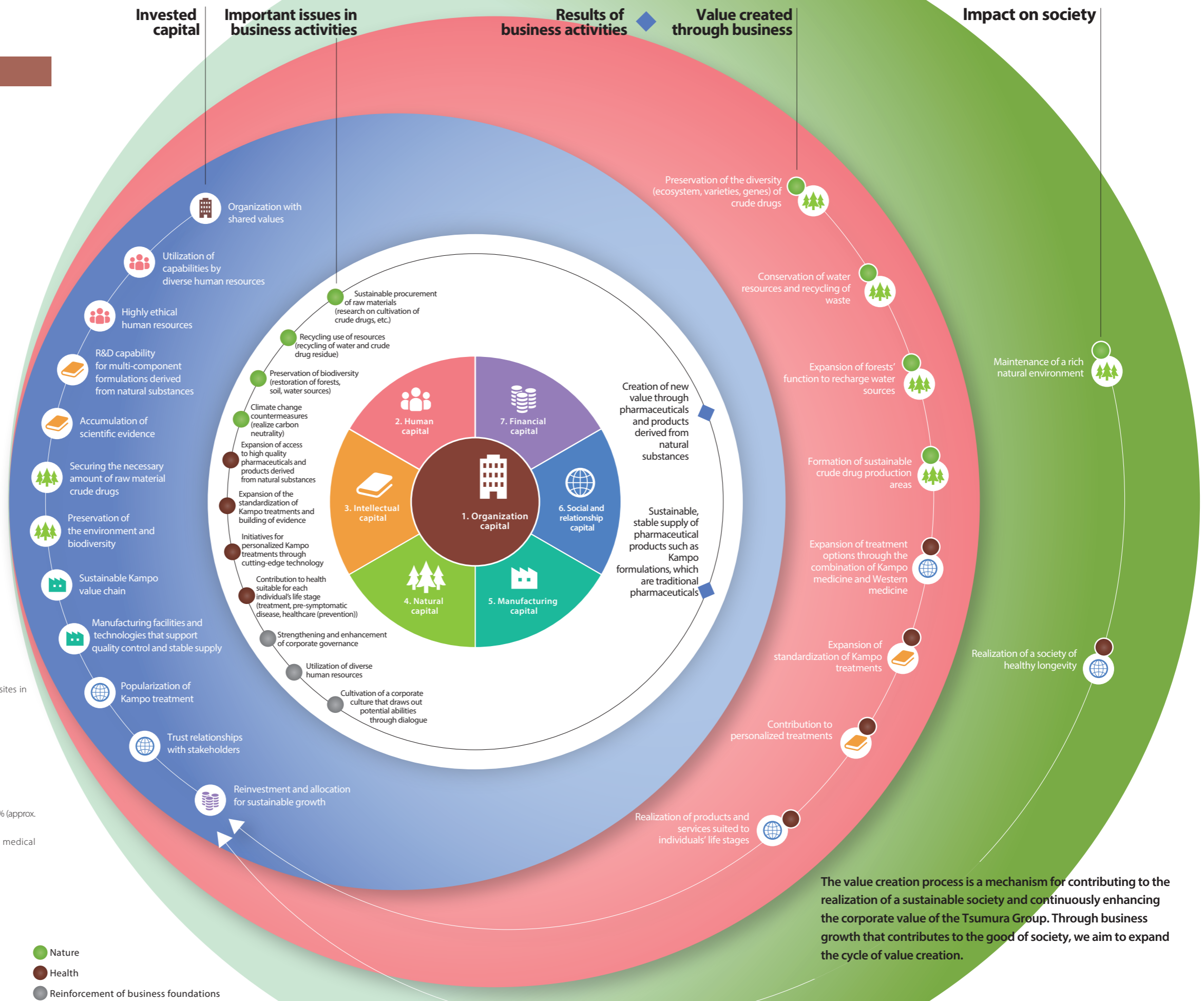
- Selection and processing, quality management: **2** sites in Japan, **2** sites in China
- Manufacturing plants: **2** sites in Japan, **2** sites in China
- Research centers: **1** site in Japan, **1** site in China
- Capital expenditure: ¥ **11,172** million

6. Social and relationship capital

- Percentage of physicians prescribing 10 or more Kampo prescriptions: **32** % (approx. 100,000 physicians)
- Kampo medicine education being implemented at all university medical departments and medical colleges
- Number of consultations at customer consultation desk: **41,534**

7. Financial capital

- Net sales: ¥ **140,043** million
- Operating profit: ¥ **20,916** million
- Free cash flow: ¥ **959** million
- Total assets: ¥ **396,813** million
- Shareholders' equity: ¥ **252,046** million



The value creation process is a mechanism for contributing to the realization of a sustainable society and continuously enhancing the corporate value of the Tsumura Group. Through business growth that contributes to the good of society, we aim to expand the cycle of value creation.