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Securities Code: 4540

June 8, 2021

To Our Shareholders:

Terukazu Kato
President, Representative Director and CEO
TSUMURA & CO.
17-11 Akasaka 2-chome, Minato-ku, Tokyo

Notice of the 85th Ordinary General Meeting of Shareholders

We are pleased to announce the 85th Ordinary General Meeting of Shareholders of TSUMURA & CO. (the “Company”), which will be held as indicated below.

In order to prevent the risk of infection with the new coronavirus (COVID-19), we would kindly ask you to refrain from attending the meeting in person as much as possible, and encourage you to exercise your voting rights in writing (and send by post mail) or the Internet.

You may exercise your voting rights either of the following ways. Please review the attached Reference Documents for General Meeting of Shareholders, and exercise your voting rights by 5:45 p.m. on Monday, June 28, 2021 (JST).

Exercise of voting rights in writing

Please indicate your approval or disapproval to each proposal on the enclosed voting card, and return it so that it will be received by us no later than the above date and time.

Exercise of voting rights via the Internet

Please access the website for exercising voting rights (<https://evote.tr.mufg.jp/>), follow the directions on the screen, and indicate your approval or disapproval to each proposal no later than the above date and time.

Notice Regarding COVID-19

In order to prevent the risk of infection with COVID-19, we would kindly ask you to refrain from attending the meeting in person as much as possible, and encourage you to exercise your voting rights in writing (and send by post mail) or the Internet.

Shareholders attending the General Meeting of Shareholders in person are requested to take measures to prevent infection. Moreover, Directors and staff running the meeting at the venue for the General Meeting of Shareholders will be taking measures, such as wearing masks, and we ask for your cooperation with infection prevention measures for the safety of shareholders, such as measuring body temperature and wearing masks. In addition, as a measure to prevent further spread of infection, our operating staff may ask those shareholders who appear ill to kindly refrain from entering the venue.

1. **Date and Time:** Tuesday, June 29, 2021, at 10:00 a.m.
2. **Venue:** “Ho’oh,” 1st floor, THE CAPITOL HOTEL TOKYU
10-3 Nagatacho 2-chome, Chiyoda-ku, Tokyo

3. **Purpose of the Meeting**

Matters to be reported

1. Business Report and Consolidated Financial Statements for the 85th fiscal year (from April 1, 2020 to March 31, 2021), and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-consolidated Financial Statements for the 85th fiscal year (from April 1, 2020 to March 31, 2021)

Matters to be resolved

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal No. 3:** Election of Three (3) Directors who are Audit and Supervisory Committee Members
- Proposal No. 4:** Election of One (1) Substitute Director who is Audit and Supervisory Committee Member

Other Matters Regarding the Exercise of Voting Rights

- If a voting card is received without giving any indication of approval or disapproval of any or all of the proposals, it will be counted as a vote for the proposal concerned.
- If you vote multiple times via the Internet indicating different positions on the same proposal in each voting exercise, only your most recent vote will count as valid.
- If you exercise your voting rights both in writing and via the Internet, only the vote placed via the Internet will be treated as valid.
- If you are unable to attend the general meeting of shareholders in person, you may appoint another shareholder with voting rights in the Company to attend as your proxy. Please note, however, that it is necessary to submit a document evidencing the authority of proxy.

Internet Disclosure

Pursuant to the relevant laws and regulations and the Company’s Articles of Incorporation, the following items of information are posted on the Company’s website instead of being included in the Reference Documents for General Meeting of Shareholders.

- i) “Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” sections of Consolidated Financial Statements
- ii) “Non-consolidated Statement of Changes in Equity” and “Notes to Non-consolidated Financial Statements” sections of Non-consolidated Financial Statements

<https://www.tsumura.co.jp/ir/shareholders/convocation/>
(in Japanese only)

The Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Audit and Supervisory Committee and the Accounting Auditor include the documents attached to this notice and the Consolidated Statement of Changes in Equity, the Notes to Consolidated Financial Statements, the Non-consolidated Statement of Changes in Equity and the Notes to Non-consolidated Financial Statements posted on the Company’s website.

If any changes are made to the Reference Documents for General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements or the Non-consolidated Financial Statements, such changes will be posted on the Company’s website.

<https://www.tsumura.co.jp/>

Reference Documents for General Meeting of Shareholders

■ Proposal No. 1

Proposal No. 1: Appropriation of Surplus

The Company regards the return of profit to shareholders as its important policy. We will aim to achieve sustained growth going forward while maintaining a policy to pay stable dividends, taking into consideration such matters as medium- and long-term levels of earnings and cash flows.

The Company will allocate funds from internal reserves for investment in the areas such as capital expenditure and research and development that are deemed to boost the future corporate value of the Company.

In line with the aforementioned policy, the Company proposes to pay year-end dividends for the current fiscal year as follows:

■ Year-end dividends

1) Type of dividend property

Cash

2) Allotment of dividend property and their aggregate amount

The Company proposes to pay a dividend of ¥32 per common share of the Company.

The total dividends will be ¥2,448,254,720.

3) Effective date of payment of dividends of surplus

June 30, 2021

Proposal No. 2

Proposal No. 2: Election of Six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this general meeting. Accordingly, the Company proposes to elect six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members).

Following discussions by the Audit and Supervisory Committee based on deliberations of the Nomination/Remuneration Advisory Committee attended by all of two (2) Outside Directors who are Audit and Supervisory Committee Members, the Audit and Supervisory Committee believes that the nominating procedure was properly followed and all candidates are adequate to serve as Directors of the Company.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

Candidate No.	Name	Current Position in the Company			
1	Terukazu Kato	President, Representative Director and CEO	Reelection		
2	Susumu Adachi	Director, Co-COO	Reelection		
3	Muneki Handa	Director, CFO	Reelection		
4	Kenichi Matsui	Outside Director	Reelection	Outside	Independent
5	Hiroshi Miyake	Outside Director	Reelection	Outside	Independent
6	Tadashi Okada	Outside Director	Reelection	Outside	Independent

1	Terukazu Kato	(Age 57)	Current Position in the Company
	Date of Birth August 26, 1963		President, Representative Director and CEO

Reelection

To our shareholders

I would like to express my sincere gratitude for the fact that, amid the ongoing COVID-19 pandemic, we have been able to fulfill our responsibility for a stable supply of Kampo formulations, which are pharmaceuticals, with the support of our shareholders and business partners and the sense of mission of all our Group company employees.

Kampo promotes the improvement of symptoms by enhancing the natural healing power that people originally possess and taking the mind and body as one (mind-body unity) to create balance between them. We will constantly dedicate ourselves to contributing to better treatments through the scientific verification of Kampo.

We will aim to realize the Long-Term Business Vision for 2021 and achieve the third medium-term management plan and devote our utmost energies to meeting the expectations of all.

<ul style="list-style-type: none"> ■ Career summary, position and responsibility in the Company, and major positions held outside the Company 	<ul style="list-style-type: none"> ■ Number of the Company's Shares Owned 30,000 Shares
<ul style="list-style-type: none"> Apr. 1986 Joined the Company Aug. 2001 President and Representative Director, TSUMURA USA, INC. Jan. 2006 Head of Public Relations Department, TSUMURA & CO. Apr. 2007 General Manager, Head of Corporate Communications Department, TSUMURA & CO. Jun. 2011 Director and Executive Officer, Head of Corporate Communications Department, TSUMURA & CO. Jun. 2012 President and Representative Director, TSUMURA & CO. Jun. 2015 President and Representative Director and President and Executive Officer, TSUMURA & CO. Jun. 2019 President, Representative Director and CEO, TSUMURA & CO. (incumbent) 	<ul style="list-style-type: none"> ■ Status of attendance to Board of Directors meeting: 18/18 (100%)
	<ul style="list-style-type: none"> ■ Material relationship with the Company
	None

● Reasons for the nomination as a candidate for Director

As a chairman of the Board of Directors, Mr. Terukazu Kato has operated the Company's corporate governance system and strengthened it in several phases, and worked to structure the Board of Directors to have majority Outside Directors, establish the Nomination/Remuneration Advisory Committee with an Outside Director as its committee chairman, and improve the effectiveness of the Board of Directors, while successfully carrying out his responsibilities in making important management decisions and supervising the execution of business.

In addition, he delegated business execution authority to COO (Co-COO from April 2021) and finalized the group-wide management policy as well as corporate strategy as CEO, established management system, carried on external negotiations and made efforts in developing management-level human resources. In order for the Company to further pursue the aim of achieving sustainable growth and enhancing its corporate value while maintaining the philosophy-based management approach, the Board of Directors believes that he is one of the most well-qualified candidates.

If his election as a Director is approved, Mr. Kato will assume the position of President, Representative Director and CEO of the Company.

2	Susumu Adachi	(Age 58)	Current Position in the Company
	Date of Birth February 3, 1963		Director, Co-COO

Reelection

To our shareholders

During the COVID-19 pandemic, Tsumura has proposed to the medical field that Kampo medicines can make a contribution. In particular, they are playing a certain role in improving symptoms, for example, the sense of fatigue and anxiety, brought about by changes in lifestyle. At present, a variety of research institutions are also conducting COVID-19-related research on Kampo medicines, and the Company is providing its support for this research.

Fiscal 2022 will be the final year of our third medium-term management plan. While further expanding the opportunities of Kampo medicines to contribute in important domains including the cancer domain, the elderly field, and the diseases specific to women as well as COVID-19, we will press ahead with developing the Chinese market, with a focus on the crude drug business, including Chinese crude drug pieces to achieve the plan. We will devote our utmost energies to meeting the expectations of our shareholders.

<ul style="list-style-type: none"> ■ Career summary, position and responsibility in the Company, and major positions held outside the Company 	<ul style="list-style-type: none"> ■ Number of the Company's Shares Owned 13,900 Shares ■ Status of attendance to Board of Directors meeting: 18/18 (100%) ■ Material relationship with in the Company
<ul style="list-style-type: none"> Apr. 1987 Joined the Company Apr. 2013 Head of Corporate Planning Department, TSUMURA & CO. Apr. 2015 General Manager, Head of Corporate Planning Department, TSUMURA & CO. Apr. 2016 Executive Officer, Head of Corporate Planning Department, TSUMURA & CO. Apr. 2018 Managing Executive Officer, Head of Corporate Planning Department, TSUMURA & CO. Jun. 2018 Director and Managing Executive Officer, Head of Corporate Planning Department, TSUMURA & CO. Jun. 2019 Director, Managing Executive Officer and COO, TSUMURA & CO. Apr. 2021 Director, Co-COO, TSUMURA & CO (incumbent) 	<p style="text-align: center;">None</p>

- Reasons for the nomination as a candidate for Director

Mr. Susumu Adachi has experience as a member of senior management in our group company in China and extensive experience and insight as an executive officer in charge of corporate planning, finance/accounting, public relation/IR, information technology and product strategy at the Company. In addition, as COO (Co-COO from April 2021), he has been engaged in group-wide business operation based on management policy and corporate strategy and has been controlling the overall business execution to achieve the plan. Based on the above reasons, the Board of Directors has full confidence in his ability to carry out his responsibilities including making important management decisions at the Board of Directors meetings and supervising the execution of business. Therefore, the Board of Directors nominates him as a candidate for Director.

If his election as a Director is approved, Mr. Adachi will assume the position of Director, Co-COO of the Company.

3	Muneki Handa	(Age 58)	Current Position in the Company
	Date of Birth July 7, 1962		Director, CFO

Reelection

To our shareholders

Currently, the Tsumura Group is promoting its business based on the third medium-term management plan. Despite the COVID-19 pandemic, which is having an overwhelming global impact, based on the plan, we are working for sustainable expansion of the Kampo market in Japan. As for the Chinese business, we are pressing ahead with building the foundation for the Chinese business. Through these efforts, we hope to aim to be a value-creation company that contributes to people's health through its Kampo business.

Particularly because of these circumstances, I will devote my utmost energies to achieving the goals of "establishing a Kampo medicine business" as well as "contributing to the health of China's citizens," so that we will be widely acknowledged from society, and be able to meet expectations of our various stakeholders including shareholders.

<ul style="list-style-type: none"> ■ Career summary, position and responsibility in the Company, and major positions held outside the Company 	<ul style="list-style-type: none"> ■ Number of the Company's Shares Owned 3,000 Shares ■ Status of attendance to Board of Directors meeting: 18/18 (100%) ■ Material relationship with in the Company
<p>Apr. 1985 Joined The Mitsubishi Bank, Limited (currently MUFG Bank, Ltd.)</p> <p>Jun. 2014 Executive Officer and Managing Director, Head, Retail Credit Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)</p> <p>Jun. 2015 Deputy President, Mitsubishi UFJ Capital Co., Ltd.</p> <p>Jun. 2016 President, Mitsubishi UFJ Capital Co., Ltd.</p> <p>May 2019 Advisor, TSUMURA & CO.</p> <p>Jun. 2019 Director, Managing Executive Officer and CFO, TSUMURA & CO.</p> <p>Apr. 2021 Director, CFO, TSUMURA & CO. (incumbent)</p>	<p>None</p>

● Reasons for the nomination as a candidate for Director

Mr. Muneki Handa has extensive experience and insight through his many years of working at financial institutions, and served as a representative director and president at a venture capital firm. He also has extensive insight as an Executive Officer in charge of corporate planning, accounting/finance, public relation/IR and information technology at the Company. In addition, as CFO, he has executed business relating to group-wide financial strategies and IR and has formulated management plan based on management policy and corporate strategy. Based on the above reasons, the Board of Directors has full confidence in his ability to carry out his responsibilities including making important management decisions at the Board of Directors meetings and supervising the execution of business. Therefore, the Board of Directors nominates him as a candidate for Director.

If his election as a Director is approved, Mr. Handa will assume the position of Director, CFO of the Company.

4	Kenichi Matsui	(Age 71)	Current Position in the Company
	Date of Birth July 5, 1949		Outside Director

Reelection Outside Independent

To our shareholders

With its mission of contributing to people's health through its Kampo business, Tsumura is fighting against COVID-19, and Outside Directors are also providing their active support. In this environment, we have reached the final year of the medium-term management plan. We are preparing for the next era of Tsumura by strengthening management capabilities and gaining the trust of many stakeholders through the implementation of the philosophy-based management and the reinforcement of corporate governance.

A paradigm shift is currently taking place in a variety of areas. In order to respond flexibly and promptly to change, I believe that diverse perspectives, objectivity and rationality, and the ability to make judgements that support risk-taking are essential as an Outside Director. Once again, I will devote my utmost energies to dramatic new growth for Tsumura.

<p>■ Career summary, position and responsibility in the Company, and major positions held outside the Company</p> <p>Apr. 1972 Joined Idemitsu Kosan Co., Ltd.</p> <p>Jun. 2001 General Manager of Accounting Department, Idemitsu Kosan Co., Ltd.</p> <p>Apr. 2003 Executive Officer, General Manager of Accounting Department, Idemitsu Kosan Co., Ltd.</p> <p>Jun. 2004 Managing Executive Officer, General Manager of Accounting Department, Idemitsu Kosan Co., Ltd.</p> <p>Jun. 2005 Managing Director, Idemitsu Kosan Co., Ltd.</p> <p>Jun. 2010 Executive Vice President, Representative Director, Idemitsu Kosan Co., Ltd.</p> <p>Jun. 2014 Outside Director, The Mie Bank, Ltd. (currently San ju San Bank, Ltd.)</p> <p>Jun. 2015 Outside Director, TSUMURA & CO. (incumbent)</p> <p>Apr. 2018 Outside Director (Audit and Supervisory Committee Member), The Mie Bank, Ltd. (currently San ju San Bank, Ltd.)</p> <p>May 2021 Outside Director (Audit and Supervisory Committee Member), San ju San Bank, Ltd. (incumbent)</p>	<p>■ Number of the Company's Shares Owned 4,100 Shares</p> <p>■ Status of attendance to Board of Directors meeting: 18/18 (100%)</p> <p>■ Material relationship with in the Company</p>
<p>■ Tenure as an Outside Director</p> <p>At the conclusion of this general meeting, Mr. Matsui will have served in the position for six (6) years.</p>	<p>None</p>

● Reasons for the nomination as a candidate for Outside Director and overview of expected role

Mr. Kenichi Matsui has extensive experience and insight as a corporate manager developed over many years. He served as an executive vice president and representative director at a petroleum-related company. In addition, at the Company, he has fully performed his role, including making important management decisions and supervising the execution of business. As committee chairman of the Nomination/Remuneration Advisory Committee, he has led active discussions on nomination and remuneration from an objective and neutral standpoint. Moreover, he leads the management of the Outside Directors' Meeting as its chairman. Based on the above reasons, the Board of Directors has nominated him as a candidate for Outside Director and expects that he will continue to fulfill the above role after being elected. It is also planned to appoint him as committee chairman of the Nomination/Remuneration Advisory Committee again after his election.

5	Hiroshi Miyake	(Age 71)	Current Position in the Company
	Date of Birth August 4, 1949		Outside Director

Reelection Outside Independent

To our shareholders

The conditions that surround the Company are experiencing a period of change across diverse sectors of the economy, environment, and society, and there are numerous challenges, including responding to COVID-19 and utilizing new technologies. Based on the corporate vision to aim for of being a company that contributes to people's health through its "Kampo" business, the Company is working to solve these challenges and achieve its medium-term management plan.

The reinforcement of corporate governance is essential in order to achieve the plan and enhance corporate value under changing conditions. As an Outside Director, I will devote my utmost energies to increasing the effectiveness of the Board of Directors and meeting the expectations of shareholders by actively providing supervision, checks, and suggestions for the promotion of business.

<ul style="list-style-type: none"> ■ Career summary, position and responsibility in the Company, and major positions held outside the Company Apr. 1973 Joined Mitsubishi Corporation Oct. 2000 General Manager, Paper & Packaging Raw Materials Division, Mitsubishi Corporation Apr. 2001 Deputy Division COO, General Merchandise Division, Mitsubishi Corporation Apr. 2003 Deputy General Manager, Kansai Branch, Mitsubishi Corporation Apr. 2005 Senior Vice President, Mitsubishi Corporation President, Mitsubishi International GmbH, and Deputy Regional CEO for Europe May 2009 Advisor, Tokai Pulp & Paper Co., Ltd. Jun. 2009 Managing Executive Officer, Tokushu Tokai Holdings Co., Ltd. Jun. 2010 Senior Managing Executive Officer, Tokushu Tokai Paper Co., Ltd. Jun. 2014 Director, Executive Vice President, Tokushu Tokai Paper Co., Ltd. Jun. 2015 Representative Director, Executive Vice President, Tokushu Tokai Paper Co., Ltd. Jun. 2016 Advisor, Tokushu Tokai Paper Co., Ltd. Oct. 2016 Advisor, Nippon Tokai Industrial Paper Supply Co., Ltd. Jun. 2018 Outside Director, TSUMURA & CO. (incumbent) ■ Tenure as an Outside Director At the conclusion of this general meeting, Mr. Miyake will have served in the position for three (3) years. 	<ul style="list-style-type: none"> ■ Number of the Company's Shares Owned 1,500 Shares ■ Status of attendance to Board of Directors meeting: 18/18 (100%) ■ Material relationship with in the Company <p style="text-align: center;">None</p>
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● Reasons for the nomination as a candidate for Outside Director and overview of expected role

Mr. Hiroshi Miyake has extensive experience and insight as a corporate manager developed over many years and business experience in and outside Japan. He served as a president of the local subsidiary of a general trading company in Germany. In addition, at the Company, he has fully performed his role, including making important management decisions and supervising the execution of business. At the Board of Directors and Nomination/Remuneration Advisory Committee, he proactively makes statements and deepens discussions contributing to sound corporate management. Based on the above reasons, the Board of Directors has nominated him as a candidate for Outside Director and expects that he will continue to fulfill the above role after being elected. It is also planned to appoint him as a member of the Nomination/Remuneration Advisory Committee again after his election.

6	Tadashi Okada	(Age 65)	Current Position in the Company
	Date of Birth	May 1, 1956	Outside Director

Reelection Outside Independent

To our shareholders

COVID-19 is having a severe impact on the global economy and is also requiring a variety of changes in the way we work, accelerating the speed of the shift to business activities that take full advantage of IT.

The Company has responded promptly to these changes as well as addressing the medium- to long-term issues; namely, the further expansion of the Kampo market in Japan and the strengthening of the Chinese business.

I will contribute to sustainable growth by utilizing my experience and insight gained in past years to help with the initiatives on these issues. I will also continue working to strengthen the supervisory functions of the Board of Directors.

<p>■ Career summary, position and responsibility in the Company, and major positions held outside the Company</p> <p>Apr. 1979 Joined Komatsu Ltd.</p> <p>Apr. 2000 General Manager of Business Development Department, Komatsu Ltd.</p> <p>Apr. 2003 Vice President of Komatsu (China) Ltd.</p> <p>Apr. 2006 General Manager of Corporate Communications Department, Komatsu Ltd.</p> <p>Apr. 2007 Executive Officer, General Manager of Corporate Communications Department, Komatsu Ltd.</p> <p>Apr. 2008 Executive Officer, General Manager of Corporate Planning Division, Komatsu Ltd.</p> <p>Feb. 2009 Executive Officer, Vice President of Industrial Machinery General Headquarters, Komatsu Ltd.</p> <p>Apr. 2011 Senior Executive Officer, President of Industrial Machinery Division, Komatsu Ltd.</p> <p>Apr. 2014 Senior Executive Officer, Supervising Corporate Communications, CSR, General Affairs, and Compliance, Komatsu Ltd.</p> <p>Jun. 2017 Representative Director and Chairman of QUALICA Inc. (scheduled to retire in June 2021)</p> <p>Jun. 2020 Outside Director, TSUMURA & CO. (incumbent)</p> <p>■ Tenure as an Outside Director</p> <p>At the conclusion of this general meeting, Mr. Okada will have served in the position for one (1) year.</p>	<p>■ Number of the Company's Shares Owned 100 Shares</p> <p>■ Status of attendance to Board of Directors meeting: 14/14 (100%)</p> <p>■ Material relationship with in the Company</p> <p>None</p>
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● Reasons for the nomination as a candidate for Outside Director and overview of expected role

Mr. Tadashi Okada has extensive experience and insight as a corporate manager developed over many years and business experience in and outside Japan. In China, he served as a vice president of the China business headquarters of a construction machinery company. In addition, at the Company, he has fully performed his role, including making important management decisions and supervising the execution of business. At the Board of Directors and Nomination/Remuneration Advisory Committee, he proactively makes statements and deepens discussions contributing to the sustainable enhancement of corporate value. Based on the above reasons, the Board of Directors has nominated him as a candidate for Outside Director and expects that he will continue to fulfill the above role after being elected. It is also planned to appoint him as a member of the Nomination/Remuneration Advisory Committee again after his election.

(Note 1) The respective ages stated for each candidate are current as of June 29, 2021.

(Note 2) The status of attendance to the Board of Directors meeting stated for each candidate is based on data for fiscal 2021 (from April 1, 2020 to March 31, 2021).

(Note 3) For other notes regarding candidates, please refer to page 16.

Proposal No. 3

Proposal No. 3: Election of Three (3) Directors who are Audit and Supervisory Committee Members

The terms of office of all three (3) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this general meeting. Accordingly, the Company proposes to elect three (3) Directors who are Audit and Supervisory Committee Members.

Prior to this proposal, the Company has already obtained the consent of the Audit and Supervisory Committee.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name	Current Position in the Company
1	Kimikazu Okochi	Director (Full-time Audit and Supervisory Committee Member) Reelection
2	Mitsutoshi Matsushita	Outside Director (Audit and Supervisory Committee Member) Reelection Outside Independent
3	Akemi Mochizuki	Outside Director (Audit and Supervisory Committee Member) Reelection Outside Independent

1	Kimikazu Okochi	(Age 62)	Current Position in the Company
	Date of Birth	October 8, 1958	Director (Full-time Audit and Supervisory Committee Member)

Reelection

To our shareholders

Corporate activities are facing a time of major changes triggered by the COVID-19 pandemic. In audit activities too, we must conduct effective audits in what is called the new normal era when the conventional common sense does not always apply. Moreover, responsibilities such as role and expectations of Audit and Supervisory Committee Members in corporate governance are becoming greater while the functions required for Audit and Supervisory Committee Members are growing in quality and volume.

In these circumstances, as an Audit and Supervisory Committee Member, I will strive to contribute to Tsumura's sound and sustainable growth and creation of corporate value over the medium to long term.

<ul style="list-style-type: none"> ■ Career summary, position and responsibility in the Company, and major positions held outside the Company Apr. 1981 Joined the Company Apr. 2010 Head of Accounting Department, TSUMURA & CO. Apr. 2014 General Manager, Head of Accounting Department, TSUMURA & CO. Apr. 2017 General Manager, Audit & Supervisory Board Office, TSUMURA & CO. Jun. 2017 Director (Full-time Audit and Supervisory Committee Member), TSUMURA & CO. (incumbent) 	<ul style="list-style-type: none"> ■ Number of the Company's Shares Owned 6,100 Shares ■ Status of attendance to Board of Directors meeting: 18/18 (100%) ■ Status of attendance to the Audit and Supervisory Committee: 18/18 (100%) ■ Material relationship with the Company
None	

- Reasons for the nomination as a candidate for Director who is Audit and Supervisory Committee Member and overview of expected role

Mr. Kimikazu Okochi has extensive business experience primarily in the fields of finance and accounting, including his work experience in China as a member of the Company. Since he assumed the position of Director who is Audit and Supervisory Committee Member in 2017, he has appropriately supervised the execution of business of the Company as a Full-time Audit and Supervisory Committee Member. The Board of Directors has judged that he appropriately executes his duties in order to ensure the soundness and appropriateness of decision making associated with the Company's management as well as enhancing its transparency and has nominated him again as a candidate for Director who is Audit and Supervisory Committee Member. The Board of Directors expects that he will continue to fulfill the above role after being elected.

2	Mitsutoshi Matsushita	(Age 50)	Current Position in the Company
	Date of Birth October 3, 1970		Outside Director (Audit and Supervisory Committee Member)

Reelection Outside Independent

To our shareholders

The environment surrounding the pharmaceutical industry has changed rapidly with the COVID-19 pandemic, and the construction of a new business model that is not restricted by conventional sales activities is required.

On the other hand, there are rising expectations of Kampo therapies, and the role the Company must play as the leading company in Kampo formulations has increased. Moreover, in the Chinese business, activities aimed at building the business foundation are proceeding, including investment in the traditional Chinese medical products business and the establishment of the Traditional Chinese Medicine Research Center.

With a requirement for speedy management decisions in both the Japanese and Chinese businesses, I will devote my utmost efforts to the creation of new value, utilizing my experience in engaging in corporate legal affairs as an attorney at law.

<ul style="list-style-type: none"> ■ Career summary, position and responsibility in the Company, and major positions held outside the Company <ul style="list-style-type: none"> Apr. 1997 Registered as an attorney at law Joined Kajitani Law Offices (incumbent) Jun. 2016 Outside Audit & Supervisory Board Member, PACIFIC SYSTEMS CORPORATION (incumbent) Jun. 2017 Outside Director (Audit and Supervisory Committee Member), TSUMURA & CO. (incumbent) ■ Tenure as an Outside Director <ul style="list-style-type: none"> At the conclusion of this general meeting, Mr. Matsushita will have served in the position for four (4) years. 	<ul style="list-style-type: none"> ■ Number of the Company's Shares Owned 1,300 Shares ■ Status of attendance to Board of Directors meeting: 18/18 (100%) ■ Status of attendance to the Audit and Supervisory Committee: 18/18 (100%) ■ Material relationship with the Company
	None

- Reasons for the nomination as a candidate for Outside Director who is Audit and Supervisory Committee Member and overview of expected role

Mr. Mitsutoshi Matsushita has extensive experience and excellent insights as an attorney at law that is well versed in corporate legal affairs, is involved in the company management and has sufficient knowledge to oversee management. Other than serving as an outside director, he has never been involved with corporate management. However, at the Board of Directors and Nomination/Remuneration Advisory Committee, he proactively makes statements and deepens discussions contributing to the enhancement of corporate value from both the aspects of taking on challenges and risk management. Based on the above reasons, the Board of Directors has judged that he appropriately executes his duties in order to ensure the soundness and appropriateness of decision making associated with the Company's management as well as enhancing its transparency and has nominated him as a candidate for Outside Director who is Audit and Supervisory Committee Member. The Board of Directors expects that he will continue to fulfill the above role after being elected. It is also planned to appoint him as a member of the Nomination/Remuneration Advisory Committee again after his election.

3	Akemi Mochizuki	(Age 67)	Current Position in the Company
	Date of Birth June 10, 1954		Outside Director (Audit and Supervisory Committee Member)

Reelection Outside Independent

To our shareholders

Due to the global COVID-19 pandemic, we are currently being challenged to base our lives on new values. Putting the dignity of people's lives first under a corporate philosophy that states "The Best of Nature and Science," it is precisely in times such as these that Tsumura must address people's health and medical care even more profoundly to contribute to realizing a sustainable society. We recognize that further challenges and progress are essential in addition to expanding the business in China.

In such an environment, I will devote my utmost efforts as an Outside Director so that Tsumura can improve its governance more soundly, promote its business based on correct decision making, and contribute to society in a consistent and sustainable way.

<ul style="list-style-type: none"> ■ Career summary, position and responsibility in the Company, and major positions held outside the Company <ul style="list-style-type: none"> Oct. 1984 Joined Aoyama Audit Corporation Mar. 1988 Registered as a certified public accountant Aug. 1996 Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Jun. 2001 Partner, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Jul. 2018 Independent Director, Audit Committee Member, NSK Ltd. (incumbent) Jul. 2018 Partner, AKAHOSHI AUDIT CORPORATION (incumbent) Jun. 2019 Outside Director (Audit and Supervisory Committee Member), TSUMURA & CO. (incumbent) Aug. 2020 Audit & Supervisory Board Member (Part-time), SBI Nihon SSI Co., Ltd. (incumbent) Jun. 2021 Outside Corporate Auditor, Asahi Kasei Corp. (scheduled to assume the position) ■ Tenure as an Outside Director <ul style="list-style-type: none"> At the conclusion of this general meeting, Ms. Mochizuki will have served in the position for two (2) years. 	<ul style="list-style-type: none"> ■ Number of the Company's Shares Owned 600 Shares ■ Status of attendance to Board of Directors meeting: 18/18 (100%) ■ Status of attendance to the Audit and Supervisory Committee: 18/18 (100%) ■ Material relationship with the Company
	None

- Reasons for the nomination as a candidate for Outside Director who is Audit and Supervisory Committee Member and overview of expected role

Ms. Akemi Mochizuki has extensive experience and excellent insights as a certified public accountant that is well versed in finance and accounting, is involved in the company management and has sufficient knowledge to oversee management. Other than serving as an outside director, she has never been involved with corporate management. However, at the Board of Directors and Nomination/Remuneration Advisory Committee, she proactively makes statements and deepens discussions from the perspective of group governance. Based on the above reasons, the Board of Directors has judged that she appropriately executes her duties in order to ensure the soundness and appropriateness of decision making associated with the Company's management as well as enhancing its transparency and has nominated her as a candidate for Outside Director who is Audit and Supervisory Committee Member. The Board of Directors expects that she will continue to fulfill the above role after being elected. It is also planned to appoint her as a member of the Nomination/Remuneration Advisory Committee again after her election.

(Note 1) The respective ages stated for each candidate are current as of June 29, 2021.

(Note 2) The status of attendance to the Board of Directors meeting and that to Audit and Supervisory Committee meeting stated for each candidate are based on data for fiscal 2021 (from April 1, 2020 to March 31, 2021).

(Note 3) For other notes regarding candidates, please refer to page 16.

Proposal No. 4

Proposal No. 4: Election of One (1) Substitute Director who is Audit and Supervisory Committee Member

The effective term of substitute Director who is Audit and Supervisory Committee Member Ms. Seiko Noda, who was elected at the 83rd Ordinary General Meeting of Shareholders held on June 27, 2019, will expire at the beginning of this General Meeting of Shareholders. In preparation for lacking the number of Directors who are Audit and Supervisory Committee Members stipulated by laws and regulations, the Company proposes to elect one (1) substitute Director who is Audit and Supervisory Committee Member.

Note that the effectiveness of election of the substitute Director who is Audit and Supervisory Committee Member may be rescinded by a resolution of the Board of Directors if the consent of the Audit and Supervisory Committee has been obtained, only before the assumption of office.

Prior to this proposal, the Company has already obtained the consent of the Audit and Supervisory Committee.

The candidate for substitute Director who is Audit and Supervisory Committee Member is as follows:

Seiko Noda	(Age 57)	Outside
Date of Birth	February 17, 1964	Independent
<ul style="list-style-type: none"> ■ Career summary, position and responsibility in the Company, and major positions held outside the Company 		<ul style="list-style-type: none"> ■ Number of the Company's Shares Owned 2,700 Shares
Apr. 1986	Joined The Awa Bank, Ltd.	<ul style="list-style-type: none"> ■ Material relationship with the Company
Apr. 1999	Registered as an attorney at law Joined NAGASAWA LAW OFFICES (incumbent)	
Jun. 2007	Outside Audit & Supervisory Board Member, TSUMURA & CO.	None
Jun. 2018	Outside Director (Audit & Supervisory Committee Member), The Awa Bank, Ltd. (incumbent)	
<ul style="list-style-type: none"> ● Reasons for the nomination as a candidate for substitute Outside Director who is Audit and Supervisory Committee Member and overview of expected role 		
<p>Ms. Seiko Noda is well versed in corporate legal affairs as an attorney at law and has sufficient knowledge to oversee corporate management. As Ms. Seiko Noda has served as Outside Audit & Supervisory Board Member of the Company in the past, the Board of Directors has judged that she will appropriately execute her duties as an Outside Director who is Audit and Supervisory Committee Member of the Company and nominated her as a candidate for substitute Outside Director who is Audit and Supervisory Committee Member.</p>		

(Note 1) The age stated for the candidate is current as of June 29, 2021.

(Note 2) For other notes regarding candidates, please refer to page 16.

■ The candidate for Director

1. Independent officer

The Company has deemed that the candidate for Outside Director has a high degree of independence because he/she satisfies the Company's Standards for Determination of Independence of Outside Directors.

The Company has submitted notification to Tokyo Stock Exchange, Inc. that the candidate has been appointed as an independent officer as provided for in Article 436-2 of the Securities Listing Regulations of the aforementioned exchange.

2. Entering into a limited liability agreement

Pursuant to Article 427, paragraph 1 of the Companies Act and the Company's Articles of Incorporation, the Company has entered into an agreement with the candidate for Outside Director to limit his/her liability for damages arising from neglecting his/her duties under Article 423, paragraph 1 of the Companies Act. The limit under the agreement is the amount provided for by the applicable laws and regulations. If the candidate for Outside Director is reelected, the Company plans to renew the aforementioned limited liability agreement.

3. Entering into a directors and officers liability insurance policy

Pursuant to Article 430-3, paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance policy with an insurance company. The policy covers losses, such as amount of indemnification and court costs, incurred in cases where an insured receives claims for damages from shareholders, the Company, employees or third parties during the insurance period arising from the performance of the Company's duties of the insured. The insureds in the policy are Directors, Executive Officers, and Officers, etc. of Group companies who has been seconded or dispatched from the Company. The Company plans to renew the policy with each candidate on July 1, 2021, which is during their terms of office.

■ The candidate for Director who is Audit and Supervisory Committee Member

1. Independent officer

The Company has deemed that the candidate for Outside Director who is Audit and Supervisory Committee Member has a high degree of independence because he/she satisfies the Company's Standards for Determination of Independence of Outside Directors.

The Company has submitted notification to Tokyo Stock Exchange, Inc. that the candidate has been appointed as an independent officer as provided for in Article 436-2 of the Securities Listing Regulations of the aforementioned exchange.

2. Entering into a limited liability agreement

Pursuant to Article 427, paragraph 1 of the Companies Act and the Company's Articles of Incorporation, the Company has entered into an agreement with the candidate for Director who is Audit and Supervisory Committee Member to limit his/her liability for damages arising from neglecting his/her duties under Article 423, paragraph 1 of the Companies Act. The limit under the agreement is the amount provided for by the applicable laws and regulations. If the candidate for Director who is Audit and Supervisory Committee Member is reelected, the Company plans to renew the aforementioned limited liability agreement.

3. Entering into a directors and officers liability insurance policy

Pursuant to Article 430-3, paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance policy with an insurance company. The policy covers losses, such as amount of indemnification and court costs, incurred in cases where an insured receives claims for damages from shareholders, the Company, employees or third parties during the insurance period arising from the performance of the Company's duties of the insured. The insureds in the policy are Directors, Executive Officers, and Officers, etc. of Group companies who has been seconded or dispatched from the Company. The Company plans to renew the policy with each candidate on July 1, 2021, which is during their terms of office.

■ The candidate for substitute Director who is Audit and Supervisory Committee Member

1. Independent officer

The Company has deemed that the candidate for substitute Director who is Audit and Supervisory Committee Member has a high degree of independence because he/she satisfies the Company's Standards for Determination of Independence of Outside Directors. If the candidate assumes the position of Director who is Audit and Supervisory Committee Member, the Company plans to submit notification to Tokyo Stock Exchange, Inc. that the candidate has been appointed as an independent officer.

2. Entering into a limited liability agreement

If the candidate for substitute Director who is Audit and Supervisory Committee Member assumes the position of Director who is Audit and Supervisory Committee Member, the Company plans to enter into an agreement with the candidate pursuant to Article 427, paragraph 1 of the Companies Act and the Company's Articles of Incorporation to limit his/her liability for damages arising from neglecting his/her duties under Article 423, paragraph 1 of the Companies Act. The limit under the agreement is the amount provided for by the applicable laws and regulations.

3. Entering into a directors and officers liability insurance policy

Pursuant to Article 430-3, paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance policy with an insurance company. The policy covers losses, such as amount of indemnification and court costs, incurred in cases where an insured receives claims for damages from shareholders, the Company, employees or third parties during the insurance period arising from the performance of the Company's duties of the insured. The insureds in the policy are Directors, Executive Officers, and Officers, etc. of Group companies who has been seconded or dispatched from the Company. If the candidate assumes the position of Director who is Audit and Supervisory Committee Member, the Company plans to include the candidate as an insured under the policy.

(Reference)

Standards for Determination of Independence of Outside Directors

Of the Company's Outside Directors, outside officers who do not fall under any of the following items shall be determined to have independence.

-
1. Person who is or was in the past ten (10) years an Executive Director, Executive Officer (*Shikkoyaku*), Executive Officer (*Shikkoyakuin*), Manager, General Manager, employee, etc. (hereinafter referred to as "executives") of the Company or its consolidated subsidiaries

 2. Person or executives of a legal entity holding, whether directly or indirectly, 10% or more of the total number of voting rights of the Company

 3. Party for whom the Company or its consolidated subsidiaries ^(*1) is a major business partner or executives of such party
 - *1. Party is defined as a "party for whom the Company or its consolidated subsidiaries is a major business partner" if payment from the Company or its consolidated subsidiaries which such party receives is 2% or more of its annual transaction value (non-consolidated) in the most recent fiscal year, or if monetary finance from the Company or its consolidated subsidiaries which such party is receiving is 2% or more of its consolidated total assets in the most recent fiscal year.

 4. Major business partner of the Company or its consolidated subsidiaries ^(*2) or the executives of such business partner
 - *2. Business partner is defined as a "major business partner of the Company or its consolidated subsidiaries" if payment from such business partner which the Company or its consolidated subsidiaries receives is 2% or more of its annual consolidated transaction value in the most recent fiscal year, or if monetary finance from such business partner which the Company or its consolidated subsidiaries is receiving is 2% or more of the Company's consolidated total assets in the most recent fiscal year.

 5. Audit corporation that serves as Accounting Auditor of the Company or its consolidated subsidiaries, or partners and others of the audit corporation

 6. Consultant, attorney, certified public accountant and others who provide professional services and obtain monetary and other financial benefits exceeding a cumulative amount of ¥10 million in the most recent fiscal year from the Company, excluding officer compensation (if such financial benefits are obtained by an organization including a legal entity and a partnership, etc. this shall apply to the person belonging to such organization.)

 7. Person or executives of a legal entity receiving donations, grants and others in the amount exceeding ¥10 million from the Company or its consolidated subsidiaries in the most recent fiscal year

 8. Person to whom items 2 through 7 apply during the past three (3) years

 9. Person who is or was recently a spouse or within a second degree of consanguinity of executives in an important position of the Company or its consolidated subsidiaries (hereinafter referred to as "close relative")

 10. Close relative of a person to whom any of the items 2 through 7 apply (excluding people who are not in an important position)

Adoption of New Corporate Governance System

The Tsumura Group formulates its long-term management visions and medium-term management plans in response to social demand and changes in the operating environment, and initiates various measures to achieve them. Along with our value creation cycle, we have, in particular, pursued and evolved a system for making appropriate and prompt decisions regarding corporate governance, the foundation of management.

We have established diversified and highly effective corporate governance systems in which decisions on important matters are not based solely on the understanding of inside directors. Rather, these decisions reflect various viewpoints, including those of Outside Directors, who currently account for more than half of the Company's Directors.

We will continue to strengthen corporate governance in order to achieve sustainable growth.

Fiscal year	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21
President and Representative Director	Hachizaemon Kazama		Junichi Yoshii						Terukazu Kato										
Organizational Structure	Company with Company Auditor(s)															Company with Audit and Supervisory Committee			
CEO, COO, CFO																			
Number of Directors (of whom, Audit and Supervisory Committee members)	10		11		9		8		9		10		8		6	9 (3)			
Of whom, Outside Directors	0		1				0				1				3	5			
Number of female Directors	0														1	2	1		
Number of Company Auditors (of whom, Outside Auditors)	4 (2)															0			
Term of office of Directors	2 years		1 year (director retirement age: President and Representative Director, 65; Directors (excluding Outside Directors), 63) Directors serving as Audit and Supervisory Committee members: 2 years																
Advisory bodies to the Board of Directors																Nomination/ Remuneration Advisory Committee			
Executive officer system		Executive officer system												Executive officer system (Reviewed)					

(Note) The above shows the system in place as of the end of fiscal 2021.

Diversity of Outside Directors

Name	Management experience	Finance, accounting	Legal	Overseas management experience	Gender
Kenichi Matsui	Executive Vice President, Representative Director, Idemitsu Kosan Co., Ltd.				
Hiroshi Miyake	Representative Director, Executive Vice President, Tokushu Tokai Paper Co., Ltd.			President, Mitsubishi International GmbH (Germany)	
Tadashi Okada	Representative Director and Chairman of QUALICA Inc.			Vice President of Komatsu (China) Ltd.	
Mitsutoshi Matsushita (Audit and Supervisory Committee Member)			Attorney at law		
Akemi Mochizuki (Audit and Supervisory Committee Member)		Certified public accountant			Female

* This table presents the diversity of Outside Directors assuming the approval of Proposal No. 2 “Election of Six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)” at this General Meeting of Shareholders.

* This table presents the diversity of Outside Directors assuming the approval of Proposal No. 3 “Election of Three (3) Directors who are Audit and Supervisory Committee Members” at this General Meeting of Shareholders.

(Reference)

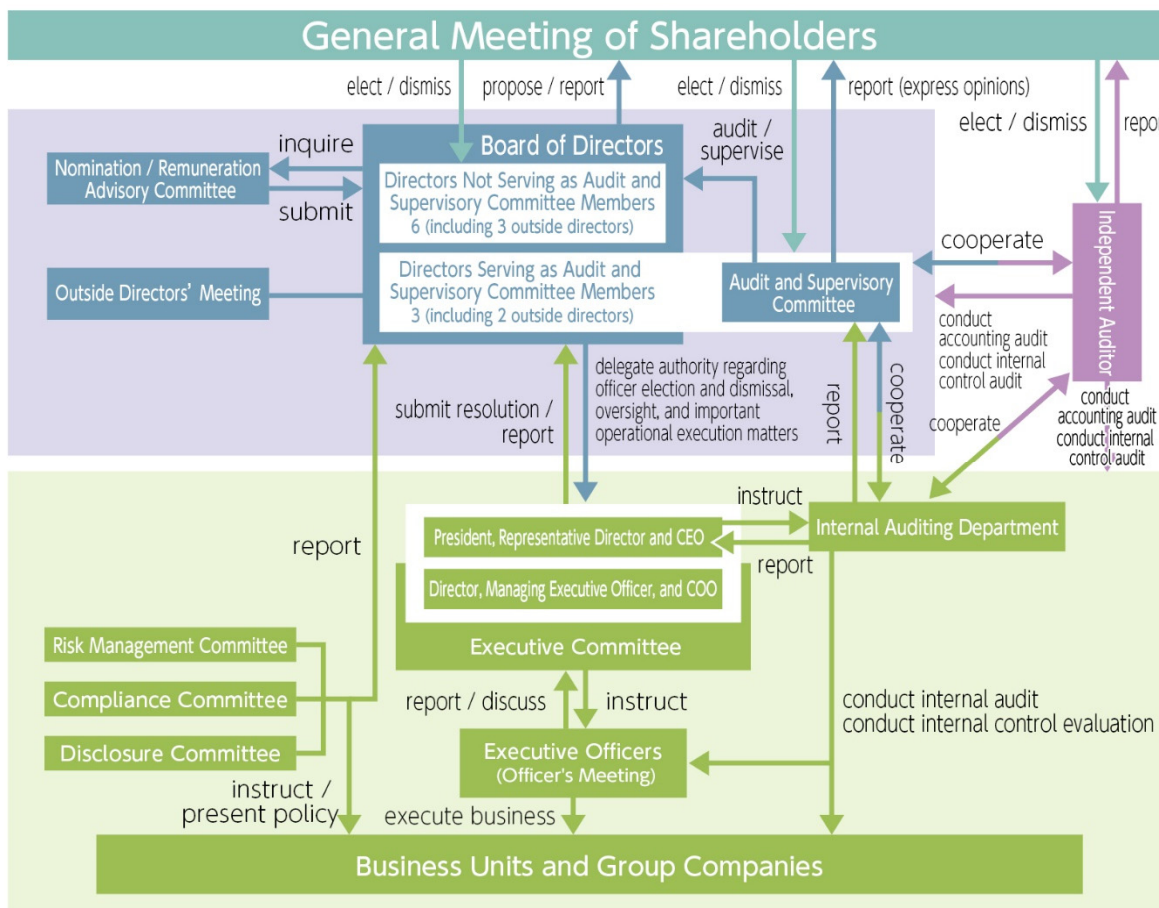
Corporate Governance of Tsumura

Basic Policy

The basic principles of Tsumura are encapsulated in its corporate philosophy of “The Best of Nature and Science” and in its corporate mission of “To contribute to the unparalleled medical therapeutic power of the combination of Kampo medicine and Western medicine.” Guided by these principles, we adhere to a policy of implementing continuous improvements to corporate governance in order to realize ongoing growth and medium-to-long-term increases in corporate value.

In June 2017, Tsumura transitioned from the Company with Company Auditor(s) system described in the Companies Act of Japan to the Company with Audit and Supervisory Committee system. This move was aimed at reinforcing the oversight and monitoring functions of the Board of Directors. Under this system, Tsumura is working to enhance its management supervisory function and innovate its management structure by separating the supervisory function from the executive function and by appointing a majority of Outside Directors to the Board of Directors. These measures are being implemented to continuously establish the systems that will enable the Company to ensure the transparency, improve the efficiency, and maintain the soundness of management.

Overview of Corporate Governance Systems



(Note) The above shows the system in place as of the end of fiscal 2021.

The new system was established starting in fiscal 2022 and can be seen on the Company's website. Please see our Integrated Report for details of corporate governance.

Board of Directors

The Board of Directors makes important decisions to ensure sustainable growth and enhance corporate value over the medium-to-long term. The Company aims to accelerate decision-making by separating business execution functions from the Board of Directors. At the same time, we are strengthening the supervisory function of general management by appointing Outside Directors to comprise the majority of the Board of Directors and appropriately reflecting their objective views from an independent perspective as experts with extensive experience.

<Main matters during the 85th fiscal year>

- Checking the progress of the third medium-term management plan;
- Monitoring and following-up the progress of the Chinese business;
- Checking the progress of large-scale investment deals;
- Formulating plan and reporting on the progress of developing human resources (candidate of next-generation management);
- Determining the direction of the new medium-term management plan; and
- Evaluating the effectiveness of the Board of Directors and establishing priority themes.

Nomination / Remuneration Advisory Committee

The Nomination/Remuneration Advisory Committee is a voluntarily established advisory body to the Board of Directors. The committee is composed of a majority of Outside Directors who have also been designated as independent directors as stipulated by the Tokyo Stock Exchange (including one Outside Director who is a member of the Audit and Supervisory Committee). These Outside Directors provide advice on matters related to the nomination and remuneration of Directors and Executive Officers based on inquiries by the Board of Directors and also submit reports to the Board of Directors on these subjects. The committee is composed of six (6) members, five (5) of whom, including the committee chairman, are Outside Directors who have also been designated as the independent directors.

<Main matters during the 85th fiscal year>

- Proposal of election and dismissal of Directors to be submitted to the General Meeting of Shareholders;
- Draft proposals of election and dismissal of the Representative Director to be submitted to the Board of Directors;
- Draft proposals of candidates for Executive Officers to be submitted to the Board of Directors;
- Policies for electing Directors and Executive Officers, election process;
- Draft proposals for individual remuneration to be paid to Directors and Executive Officers; and
- Policy including the composition of Directors' remuneration, procedure for determining remuneration of Directors, etc.

Audit and Supervisory Committee

The Audit and Supervisory Committee audits legality and adequacy of the execution of duties by Directors by conducting systematic audits in cooperation with Internal Auditing Department, and the Audit and Supervisory Committee itself holds hearings on the status of business execution with Executive Officers, attends meetings of the Executive Committee and other important meetings, exchanges information with Directors and Auditors of the Company's subsidiaries and monitors and verifies the establishment and implementation of internal control systems, including those related to financial reporting.

<Main matters during the 85th fiscal year>

- Audit policy and plan;
- Reelection and remuneration of audit corporation;
- Details of matters to be submitted to the General Meeting of Shareholders;
- Preparation of audit report; and
- Status of the use of hotline, etc.

Outside Directors' Meeting

The Outside Directors' Meeting collects and shares the information necessary for management decision-making. At the same time, it acts as a venue for the exchange of opinions regarding the necessity of discussions and other matters with the Board of Directors.

<Main matters during the 85th fiscal year>

- Advance explanation about matters to be discussed at the Board of Directors;
- Follow-up on the Board effectiveness evaluation;
- Briefing on Executive Committee matters; and
- Progress report of Chinese business.

(Note) The above shows the system in place as of the end of fiscal 2021.