

Fiscal Year
Ending March 2010

Results Briefing

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President & Representative Director

May 14, 2010

Overview of Results (Consolidated)

(Million yen)

	Plan	FY 3/2010	Difference from plan	3/2009	Year on year
Net sales	91,300	90,933	-366	90,016	916
Operating profit	19,300	18,938	-361	16,483	2,455
Recurring income	19,300	19,071	-228	16,622	2,449
Net income	11,300	10,704	-595	10,777	-72
Operating profit margin	21.1%	20.8%	-	18.3%	-
ROA (Return on assets)	15.3%	14.5%	-	12.6%	-

* The plan for 3/2010 is the revised plan announced on February 9, 2010.

Overview of Results (Difference from plan)

(Million yen)

	Plan	FY 3/2010	Difference from plan (Achievement rate)	
Net sales	91,300	90,933	-366	99.6%
Operating profit	19,300	18,938	-361	98.1%
Recurring income	19,300	19,071	-228	98.8%
Net income	11,300	10,704	-595	94.7%
Operating profit margin	21.1%	20.8%	-	-

* The plan for 3/2010 is the revised plan announced on February 9, 2010.

**Difference from plan due to increase in taxes
(Difference due to unrecorded taxable depreciation)**

Overview of Results (Year on Year)

(Million yen)

	FY 3/2010	3/2009	Year on year (Change %)	
Net sales	90,933	90,016	916	1.0%
Operating profit	18,938	16,483	2,455	14.9%
Recurring income	19,071	16,622	2,449	14.7%
Net income	10,704	10,777	-72	-0.7%
Operating profit margin	20.8%	18.3%	-	-

Overview of Results (Year on Year)

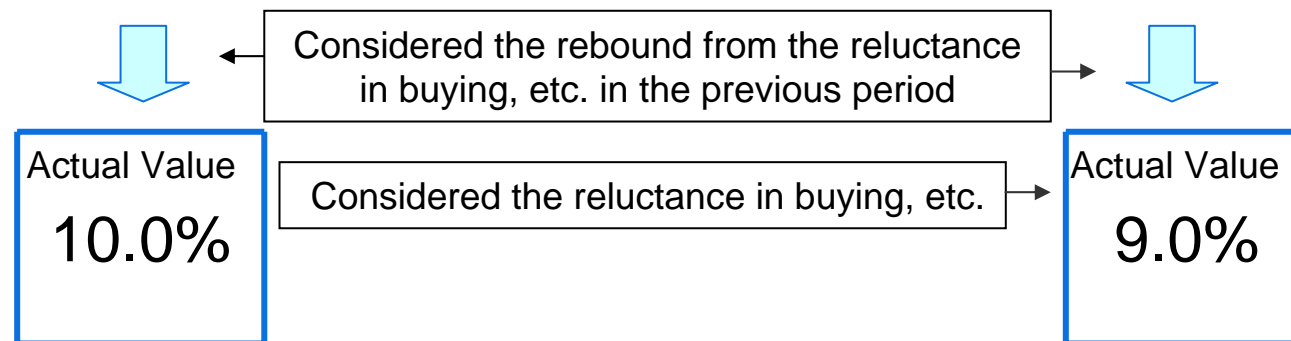
(Million Yen)	Year on year (Change %)		Factor
Net sales	916	1.0%	<ul style="list-style-type: none"> · Increased by ¥4.7 billion (up 6.0%) for 129 prescription Kampo preparations · Decreased by ¥2.53 billion at TLS, decreased by ¥1.37 billion at Astat → (The impact on sales is estimated to be about 4.3%)
Operating profit	2,455	14.9%	Due to sales growth and improvements in cost of sales margin and in selling, general and administrative expenses.
Recurring income	2,449	14.7%	-
Extraordinary gain	-2,968	-	There were profits on the sale of TLS (¥1.35 billion) and Astat (¥1.74 billion) in the previous fiscal year.
Extraordinary loss	-1,289	-	There were costs for the renewal of Shizuoka plant (¥770 million) and <u>loss on impairment</u> of production facilities, etc. (¥650 million) in the previous fiscal year.
Income taxes	886	-	-
Net income	-72	-0.7%	-

Production facilities,
research facilities, land
of subsidiaries, etc.

Results of Tsumura Prescription Kampo Formulations (Actual Sales/Quantity-Based)

Growth in actual sales/ quantity

FY 3/2010					3/2011
Apr - Dec	Jan	Feb	Mar	Apr - Mar	Apr
9.3%	2.2%	2.3%	2.6%	7.6%	15.7%



Analysis of the Growth in Actual Sales of Tsumura Prescription Kampo Formulations

	FY 3/2009	FY 3/2010
Result	11.6%	7.6%
	Impact < % >	Impact < % >
3 fostered drugs	3.6 %	3.4 %
2 new fostered drugs	0.5 %	0.3 %
12 drugs for colds	1.1 %	0.6 %
112 drugs for others	6.4 %	3.3 %
Volatile factors (e.g., rebound, reluctance in buying)	- 1.4 %	1.4 %
Actual Value	10.2%	9.0%

FY2010-2011 Plan (Revised)

(Million yen)

	FY 3/2011		FY 3/2012	
	Original plan	Revised plan	Original plan	Revised plan
Net sales	96,900	93,100	104,300	100,000
Operating profit	20,700	19,600	25,400	23,400
Recurring income	20,900	19,800	25,700	23,600
Net income	12,100	11,500	15,000	13,800
Operating profit margin	21.4%	21.1%	24.4%	23.4%
ROA	14.7%	13.9%	16.7%	15.7%

Expect to achieve
a record net profit

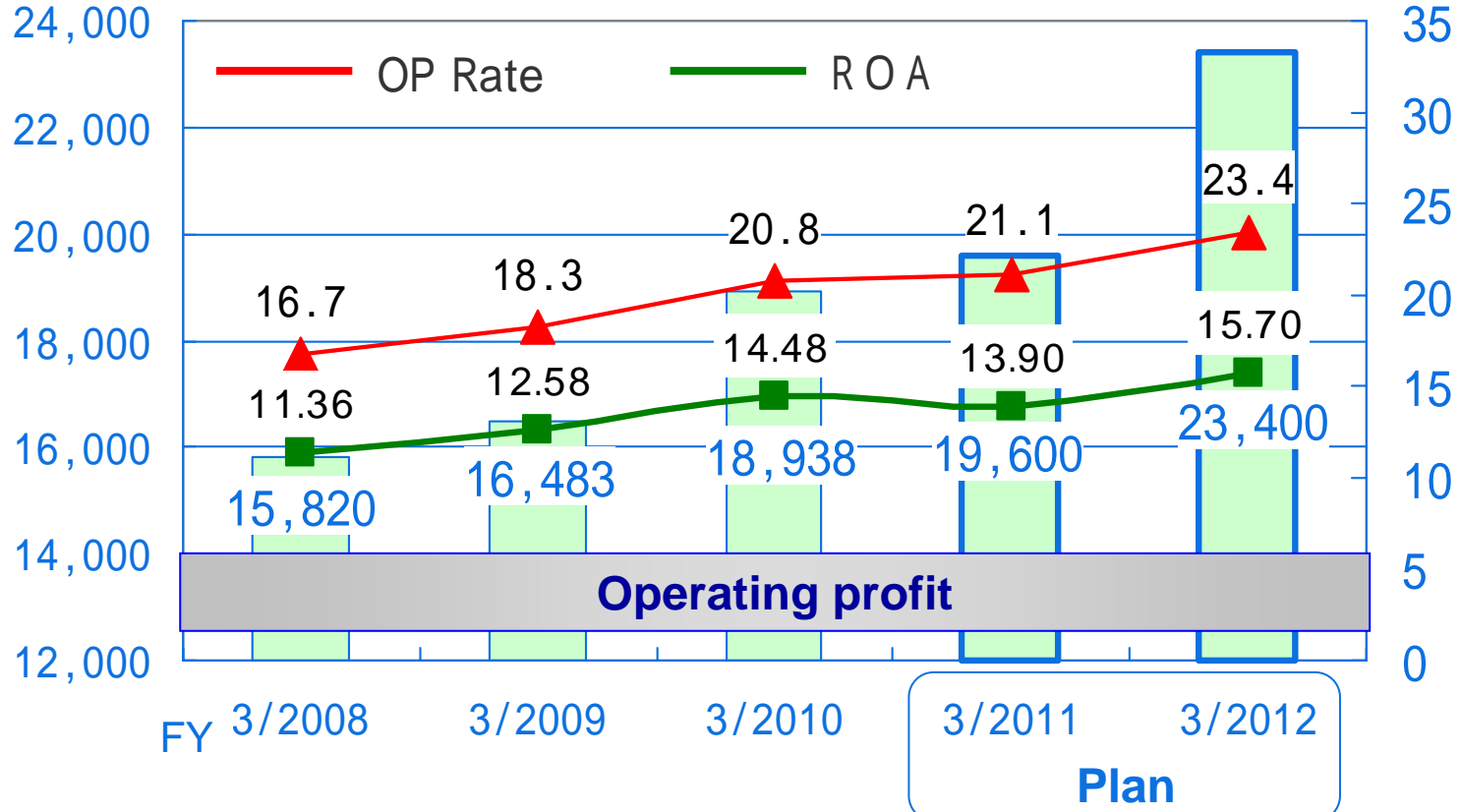
Management Index

Sales amount

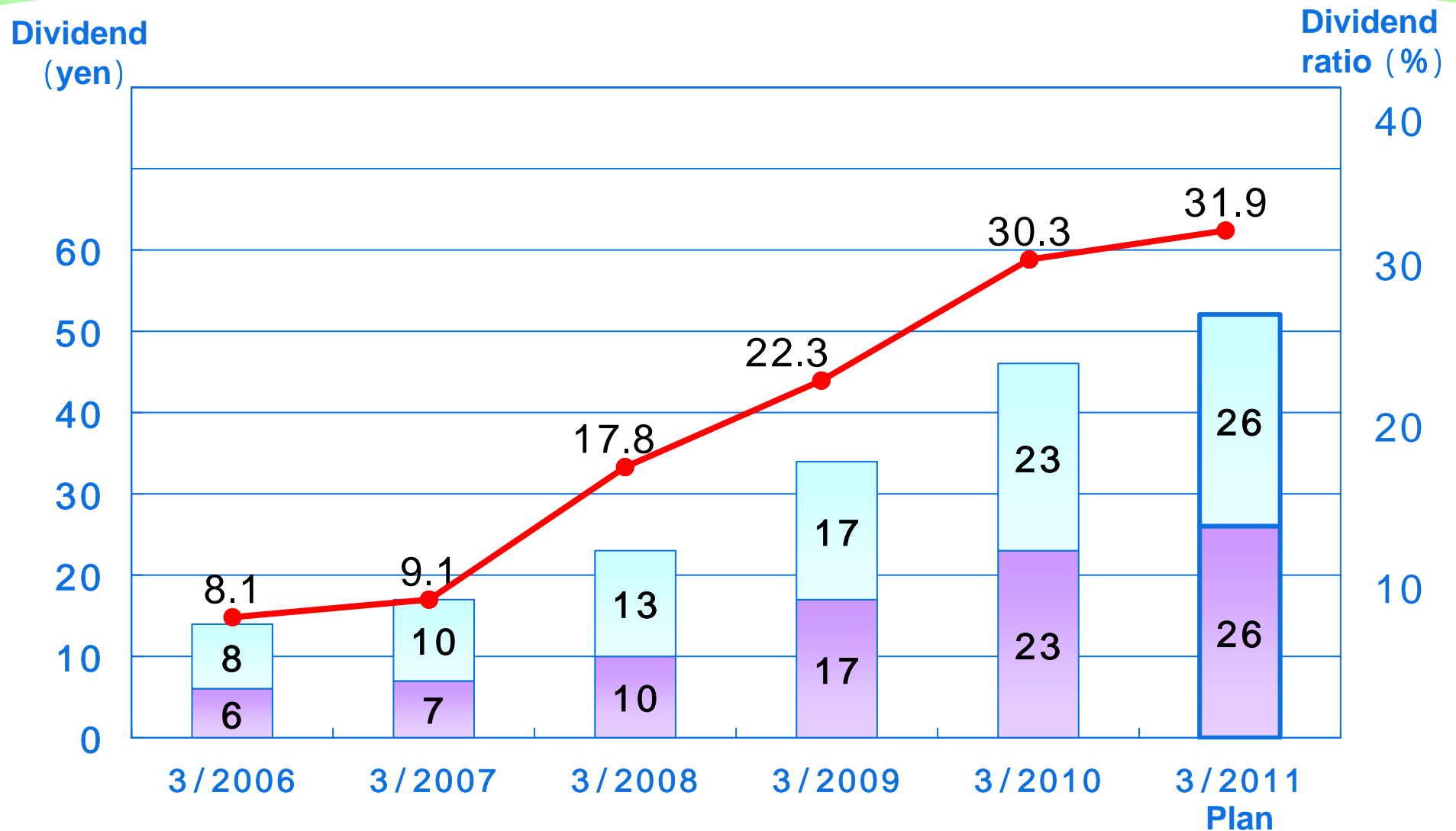
(Million yen)

3/2008	3/2009	3/2010	3/2011 (Plan)	3/2012 (Plan)
94,799	90,016	90,933	93,100	100,000

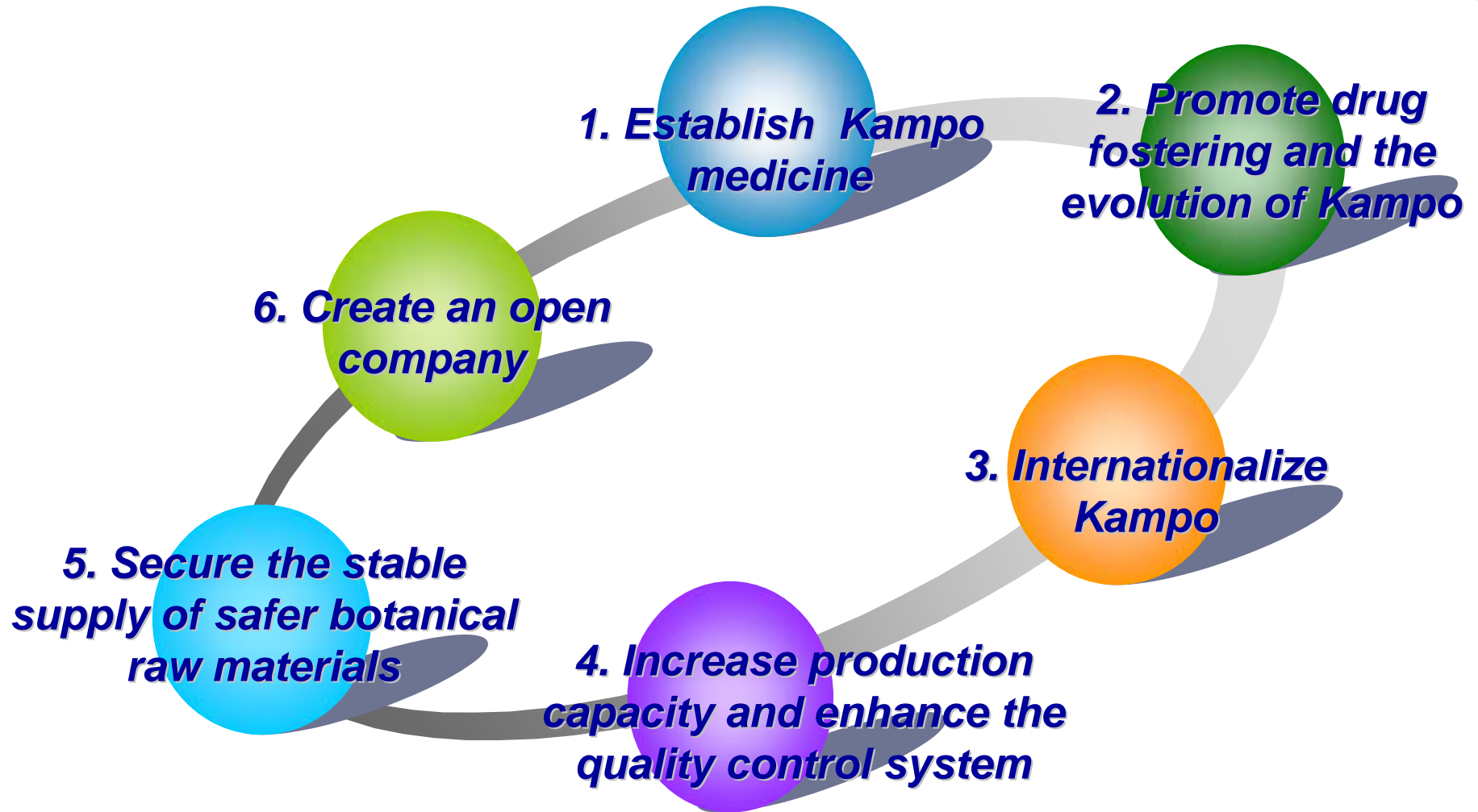
Million yen



Dividend



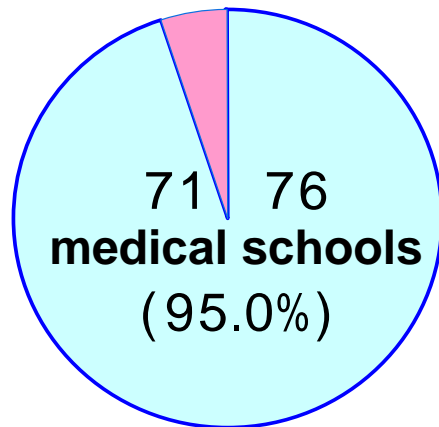
Goals and Action Plan



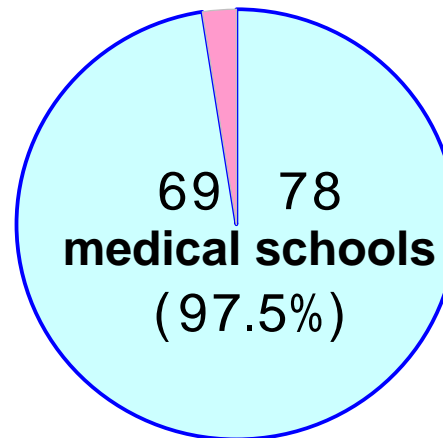
Establishment of Kampo Medicine

Change from the end of FY3/2009 to the end of FY3/2010

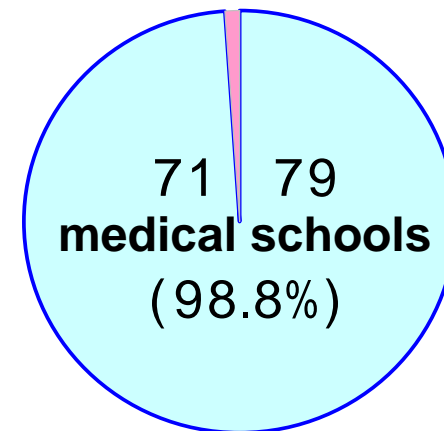
Support



Providing at least eight compulsory Kampo courses



Establishment of Kampo clinics for outpatients



Systems for training lecturers organized by medical schools

Drug Fostering and Evolution of Kampo

DDW : Digestive Disease Week

Year	Total	TJ-43 (Rikkunshito)		TJ-100 (Daikenchuto)		Place	Period
		Basic	Clinical	Basic	Clinical		
2010	18	8	4	3	3	New Orleans	5/1 ~ 5/5
2009	13	7	3	3		Chicago	5/30 ~ 6/4
2008	8	5	3			San Diego	5/17 ~ 22
2007	3	2		1		Washington D.C.	5/19 ~ 24

DDW : Digestive Disease Week

AASLD	The American Association for the Study of Liver Diseases
AGA	American Gastroenterological Association
ASGE	American Society for Gastrointestinal Endoscopy
SSAT	the Society for Surgery of the Alimentary Tract

Sales of Prescription Kampo Formulations (Shipment)

(Million yen)

	3 / 2008	Year-on-year Change %	3 / 2009	Year-on-year Change %	3 / 2010	Year-on-year Change %
TJ-100 (Daikenchuto)	6,219	9.1 %	6,717	8.0%	7,428	10.6%
TJ-43 (Rikkunshito)	3,155	16.1 %	3,675	16.5%	4,393	19.5%
TJ-54 (Yokukansan)	1,118	75.5 %	2,021	80.8%	3,053	51.0%
Total for 3 fostered drugs	10,493	15.9%	12,414	18.3%	14,875	19.8%
TJ-107 (Goshajinkigan)	3,101	3.6%	3,243	4.6%	3,437	6.0%
TJ-14 (Hangeshashinto)	718	5.9%	758	5.6%	799	5.4%
Total of 129 prescriptions	73,910	6.8%	79,013	6.9%	83,782	6.0%

└ Drug price change rate -3.3%

(4 / 2008)

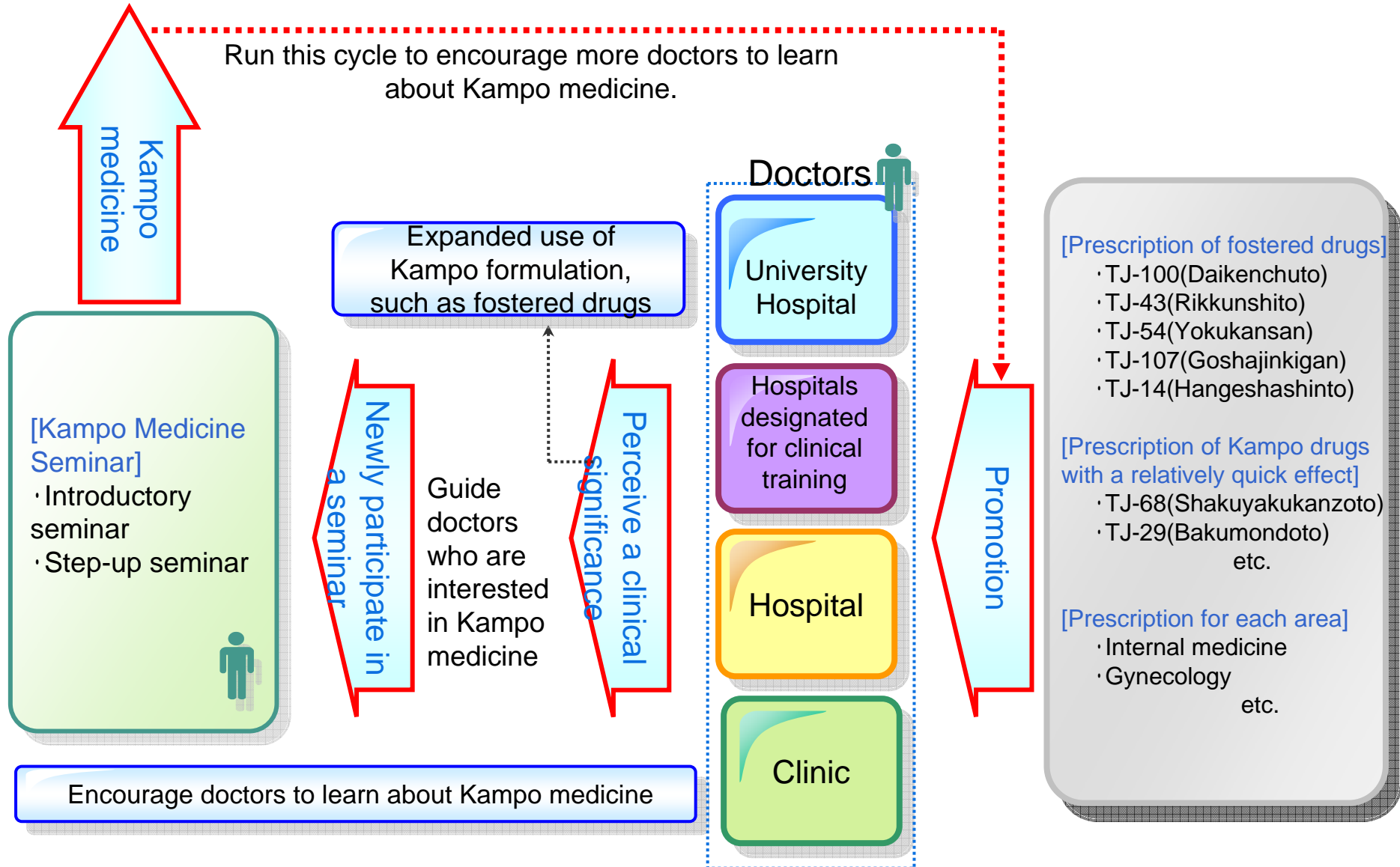
Growth in Actual Sales of Tsumura Prescription Kampo Formulations

FY	3/2003-3/2007 Five-year average	3/2008	3/2009	3/2010
Quantity-based growth rate	7.3%	8.8%	11.6%	7.6%
Volatile factor	-	-Rebounced in April 2006 -Reluctance in buying in March	-Rebounced in April -Epidemic of cold and pollen allergy	-Rebounced in April 2008 -Epidemic of cold and pollen allergy in the previous year -Reluctance in buying in 4Q
Actual Value (Quantity-based growth rate)	7.1%	9.7%	10.2%	9.0%

Encourage More Doctors to Learn About Kampo Medicine

Many doctors in Japan apply both Western medicine and Kampo medicine in the treatment of patients.

Run this cycle to encourage more doctors to learn about Kampo medicine.



Finding of the TU-100 Daikenchuto's Clinical Pharmacological Study (U.S.)

Item	Description
Study outline	Study of the efficacy of TU-100 Daikenchuto in the food transit time in the stomach, small intestine and large intestine of healthy subjects, as well as the dose-dependent response.
Medical institution Principal Investigator	Mayo Clinic Dr. M. Camilleri
Study design	Randomized double-blind comparative pharmacological study
Registered subjects	60 subjects
Administration Group	Group given placebo, group given 7.5g of TU-100 Daikenchuto and group given 15.0g of TU-100 Daikenchuto
Study finding	A study indicates that the healthy subjects in the group treated with TU-100 Daikenchuto enjoyed significantly increased bowel motility compared to those in the placebo group.

Posted on the web version of AJP
(April 8)

Announced in DDW 2010
(May 5/ poster)

The American Journal of Physiology (AJP)
Gastrointestinal and Liver Physiology

Future Plan of TU-100 Daikenchuto (U.S.)

A clinical study for patients will be conducted

Overview of Clinical Study

Item	Description
Study title	Daikenchuto's gastrointestinal neuromodulatory effect on the propulsion of small and large intestines, compliance and perception of large intestines, and the bowel functions of patients with functional constipation
Subject patients	Functional constipation
Target number of cases	About 60 (TU-100 group and placebo control group)
Measuring method	Scintigraphy

Scintigraphy: A diagnostic test that obtains that uses radioisotopes taken internally to capture the radiation and form images

Capital Investment Plan

	FY 3/2010		3/2011	3/2012	(Million Yen)
	Revised plan	Result	Plan	Plan	
New production facilities (Ibaraki, Shizuoka, Shanghai)	1,200	1,300	3,500	6,600	
New crude drug storage warehouse, etc. (Shenzhen, Ishioka, etc.)	600	0	1,000	1,300	
Plants/ warehouse maintenance costs and other research instruments, etc.	3,600	3,930	4,000	2,700	
<New> Crude drug warehouse (Shizuoka plant)	Switch warehouses leased by third parties to in-house warehouses →			800	Three-year total
Capital investment total	5,400	5,237	8,500	11,400	About ¥25 billion
Crude drug storage warehouse, etc. (Yubari, Laos)	500	470	1,300	200	
Grand Total	5,900	5,710	9,800	11,600	About ¥27 billion
Depreciation	3,300	3,225	3,600	4,000	

No change in the three-year capital investment plan.

Securing the Stable Supply of Safe Botanical Raw Materials



China: Still the main source

Japan: Developing domestic cultivation

Laos: Establish a local affiliate

LAO TSUMURA CO., LTD.

Company name	LAO TSUMURA CO., LTD.
Founded	February 19, 2010
Main businesses	Cultivation and processing of crude drugs
Investment ratio	100% (TSUMURA & CO.)

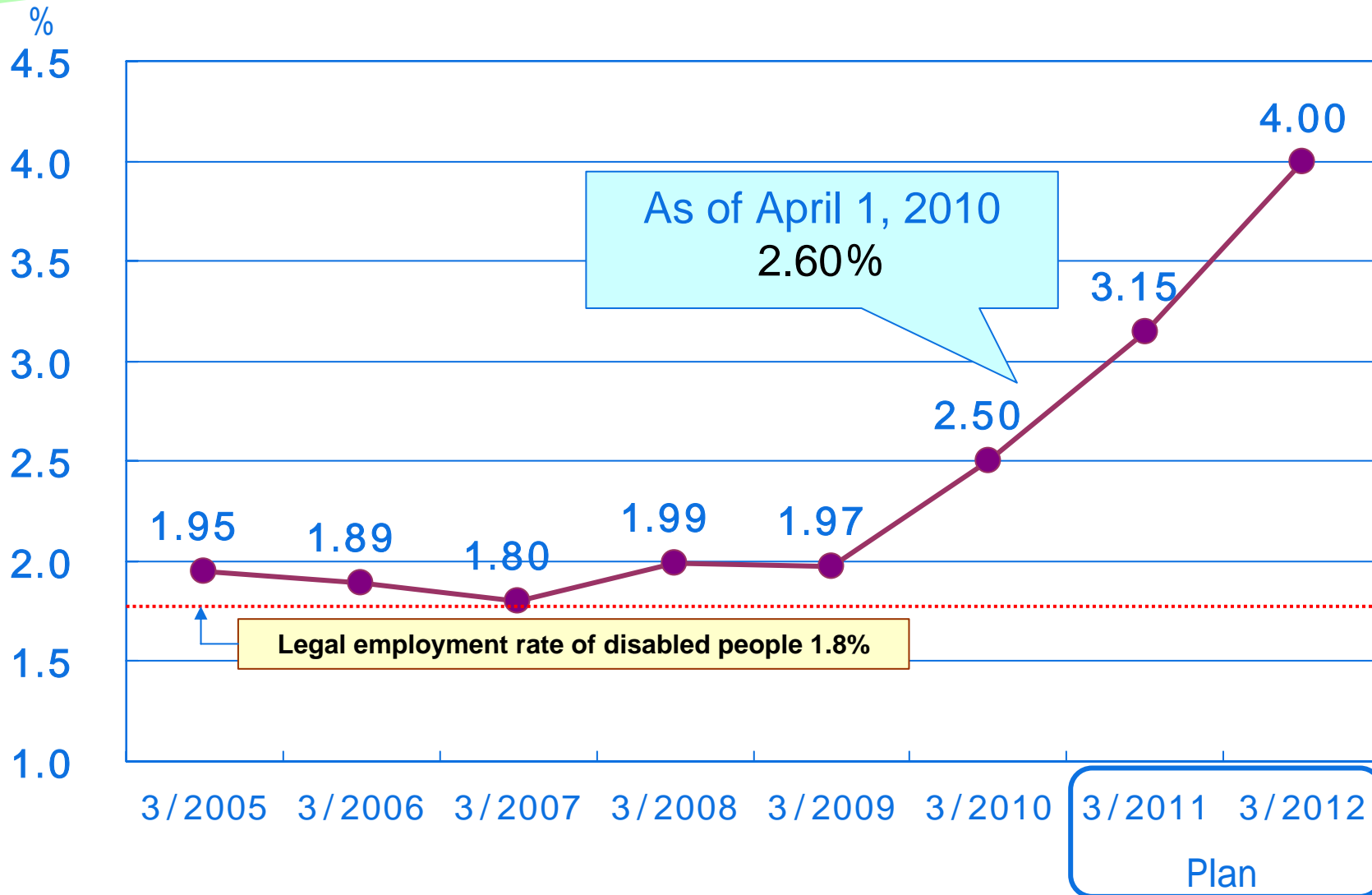
Hokkaido (Yubari City)



YUBARI TSUMURA & CO., LTD

July 2009	Opening of an office (in Yubari Citizen Hall)
October 2009	Commencement of cultivation of botanical raw materials in its own farm
April 2010	Beginning construction of a processing plant and a storage warehouse for botanical raw materials
<Plan> November 2010	Establishment of a processing plant and a storage warehouse for botanical raw materials

Tsumura's Employment of Disabled People



Trends in the Kampo Industry

Price issues

ISO development for traditional
Chinese medicine

For further information, contact

**Investor Relations Group
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Tsumura & Co.**

Notes

Data and information provided in this document include so-called forward-looking statements. Figures relating to forecasts show our judgments and assumptions based on information available and include risks and uncertainty. Actual results might therefore differ from expected figures.

The information on pharmaceuticals included is not intended as advertising or medical advice.