

Fiscal Year
Ending March 2011

The 2nd Quarter

Results Briefing

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Overview of Results (Consolidated)

Results were in line with plans.
Kampo products for prescription attained strong sales.

(Million yen)

	Plan	2Q/ Mar2011	Difference from plan		Year on year	
			Amount	Change (%)	Amount	Growth (%)
Net sales	45,300	45,375	75	0.2%	853	1.9%
Operating profit	9,000	9,811	811	9.0%	850	9.5%
Recurring income	9,100	9,818	718	7.9%	966	10.9%
Net income	5,300	5,913	613	11.6%	802	15.7%

	Plan	2Q/ Mar2011	2Q/ Mar2010
Operating profit margin	19.9%	21.6%	20.1%
End of 2Q Dividend	26 yen	28 yen	23 yen

Forecast raised by 2 yen

Overview of Results (Difference from plan)

	Difference from plan		Factor
	(Million yen)	(Achievement rate)	
Net sales	75	0.2%	Kampo products for prescription achieved sales as planned. Growth in quantity: Approx. 9% (actual)
SG&A	-754	-3.4%	- 350 million yen <Cost cutting and others> - 400 million yen <Adjustment of period> Advertising cost of 150 million yen Repair cost of 100 million yen, and others
Operating profit	811	9.0%	-
Recurring income	718	7.9%	-
Net income	613	11.6%	-

Overview of Results (Year on Year)

	Year on year		Factor
	(Million yen)	(Change %)	
Net sales	853	1.9%	<ul style="list-style-type: none"> - Kampo products for prescription attained 4.4% sales growth. - Impacts of the transfer of Astat, discontinuation of sales of the Synphase and a slide in sales of products commissioned by other companies totaled 750 million yen, responsible for a nearly 1.7% point portion of the sales decline.
Operating profit	850	9.5%	The operating margin stood at 21.6%, up 1.5% points.
Recurring income	966	10.9%	-
Net income	802	15.7%	-

Growth in actual quantity of Tsumura's 129 Kampo products for prescription

“Actual Value”

Shows actual sales- and quantity-based growth with consideration given to changing factors.

From production planning, capital investment and other perspectives, we must identify the trends in sales- and quantity-based growth that reflect the actual value. For this purpose, we take changing factors into account in constantly monitoring the actual value.

Actual value (on actual sales- and quantity-bases) of Tsumura's Kampo products for prescription

Growth in actual figures concerning Kampo products for prescription in the first half of FY 2010

Actual figures	Sales	Shipments
Quantity	9.7%	8.8%
Amount	4.4%	4.4%

<Growth in actual sales and quantity>

	First Half (actual)	Second Half (plan)	Full Year (plan)
Actual Figures	9.7%	10.2%	10.0%
Changing factors	Rebound: -1.2 ppts. Seasonal influence: +0.7 ppts.	Reluctance in buying -1.3 p Seasonal influence: +0.2 p	Rebound & reluctance in buying: -1.3 p Seasonal influence: +0.4 p
Actual Value	9.2%	9.1%	9.1%

With the changing factors taken into account, the actual value stood around 9%, as planned.

Fiscal Year March 2011 Plan

No revision to sales and profit plans for FY 3/2011 and FY 3/2012

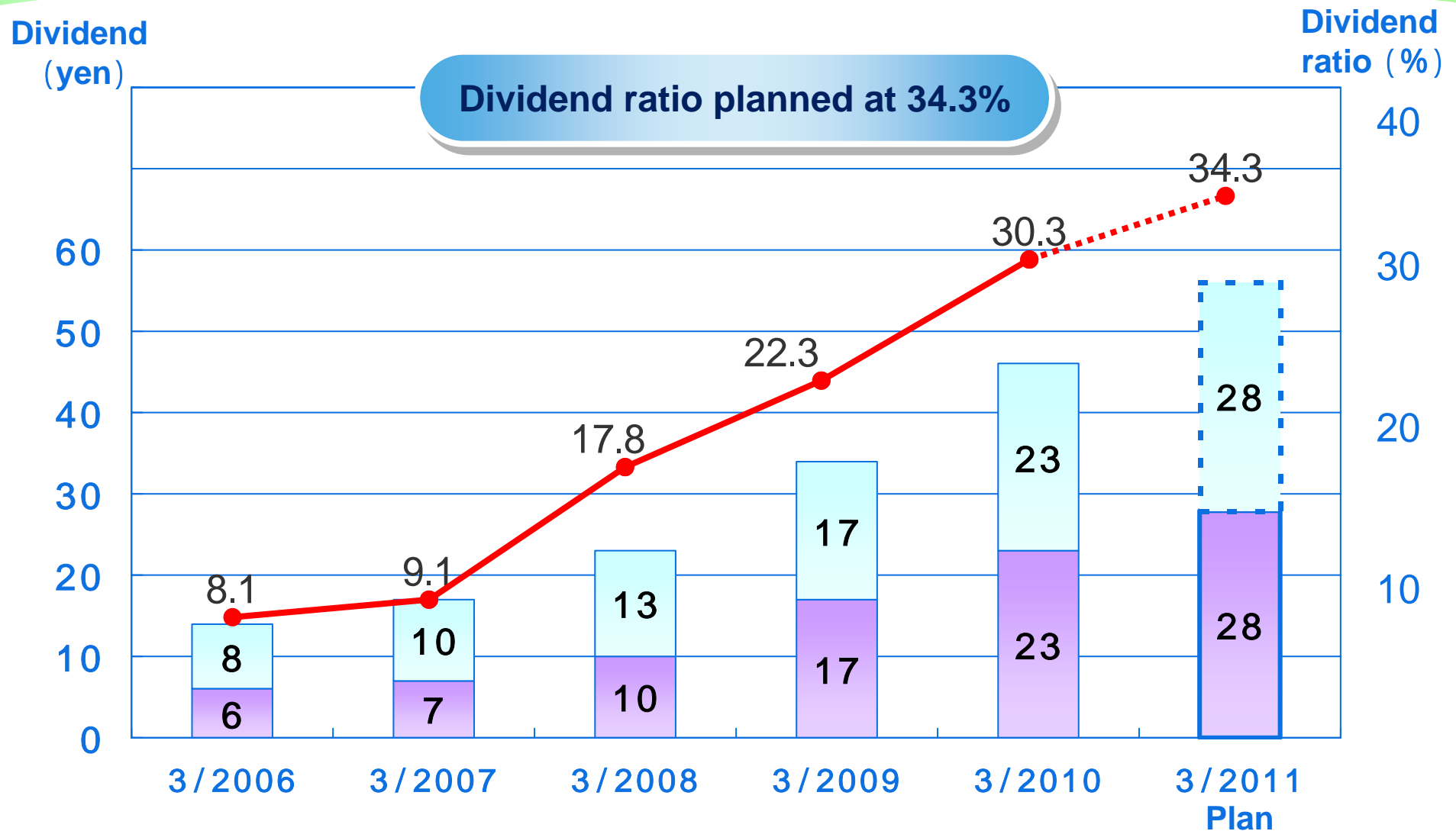
The year-end dividend for FY 3/2011 increased 2 yen to plan the annual dividend of 56 yen

	3/2011 Plan	Year on Year		3/2012 Plan
		Amount	Change (%)	
Net sales	93,100	2,166	2.4%	100,000
Operating profit	19,600	661	3.5%	23,400
Recurring income	19,800	728	3.8%	23,600
Net income	11,500	795	7.4%	13,800

Operating profit margin	21.1%			23.4%
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3/2011	Initial plan	Revised plan	3/2010
Dividend	52 yen	56 yen	46 yen

Dividend



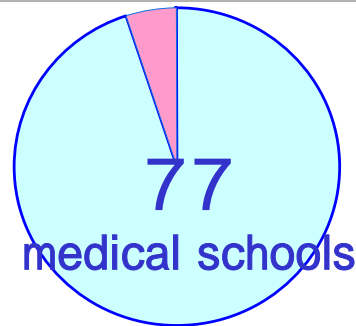
Establishing Kampo Medicine (Kampo Education in the Medical Schools)



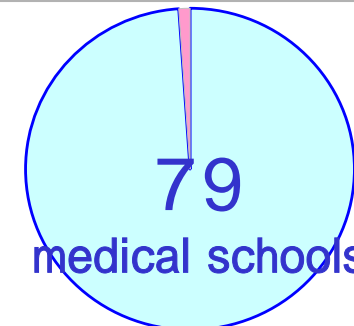
Kampo Education in the 80 Japanese Medical Schools

Providing at least 8 compulsory Kampo courses

Systems for training lecturers organized by medical schools

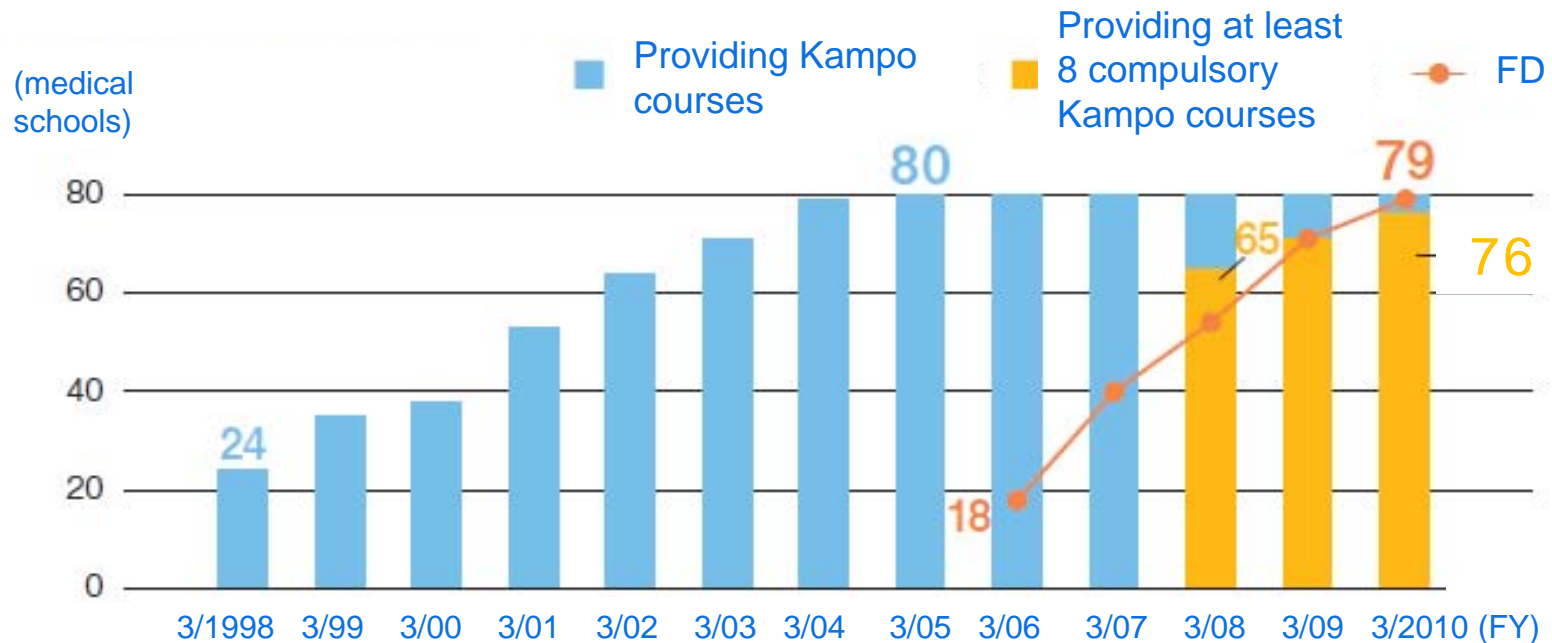


< as of Oct. 2010 >



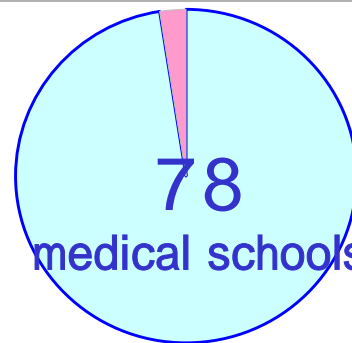
<Kampo Education in the 80 Japanese Medical schools>

< as of Mar. 2010 >



Kampo Clinics for Outpatients at Medical School Hospital

Establishment of Kampo clinics
for outpatients

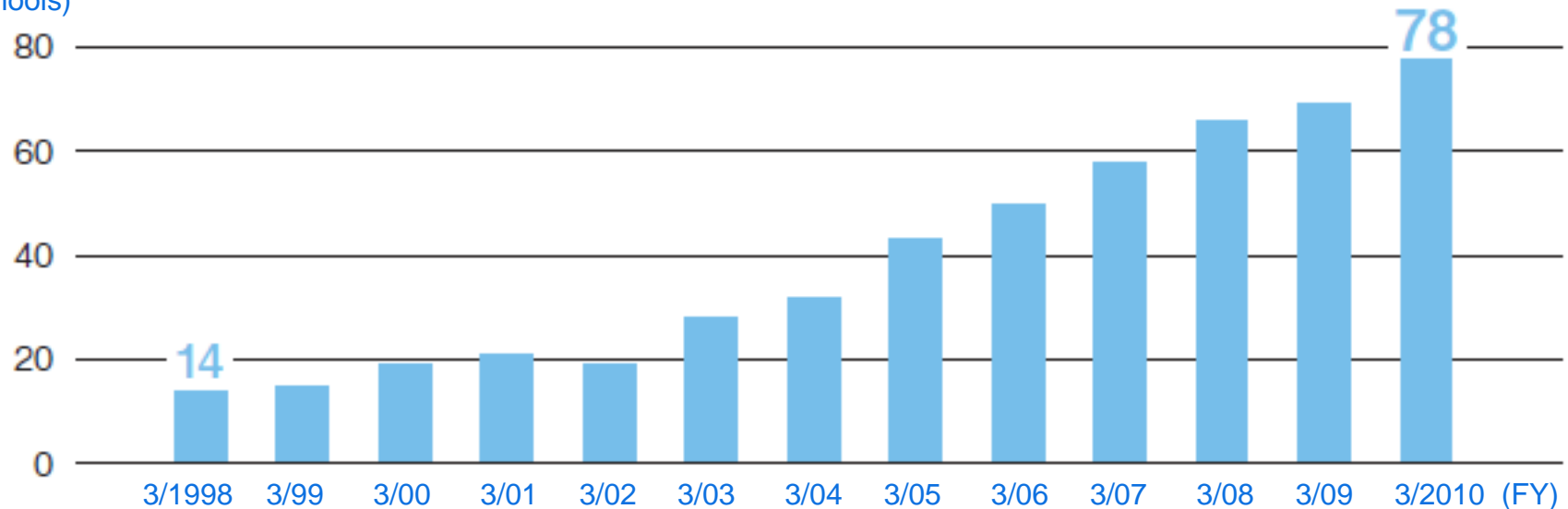


78 medical schools < as of Oct. 2010 >

< Kampo Clinics for Outpatients at Medical School Hospital >

(medical schools)

< as of Mar. 2010 >



5 Products in the Drug Fostering and Evolution of Kampo Program and TU-100



Progress of Daikenchuto in Japan and USA

Progress is in line with plans

TJ-100

Japan: Drug Fostering

DKT Forum (set up in 2007)

- Clinical testing by the Intestine Team commenced in Jan. 2009
- Clinical testing by the Clinical Pharmacology Team commenced in Mar. 2009
- Clinical testing by the Hepatic Surgery Team commenced in Feb. 2010
- Clinical testing by the Stomach & Esophagus Team to be commenced in Jan. 2011

Reporting of basic research data

- International academic meetings
- Publication in international journals

Daikenchuto

TU-100

USA: Development

The tolerability study ended in 2008

Clinical pharmacology testing with healthy individuals ended in 2010

Clinical pharmacology testing with patients commenced in Aug. 2010

Information Exchange between Doctors

Collaboration

Procurement of Botanical Raw Materials



China: Still the main source

Japan: Bolstering domestic cultivation

Laos: Cultivation at own farms started

Procurement of Botanical raw materials from China

Botanical raw materials procured as planned

<Continued Partnerships>

Tsumura China Cooperation Association to be held on Dec. 1

Joint cultivation research conducted with research institutions, and others

Tsumura China Cooperation Association

A meeting has been held annually in Shenzhen, China since FY3/2009.

It attracts a total of 100 participants, including executives and employees of companies based at botanicals production sites in China.

Information sharing on Tsumura's policies and activities on botanical raw materials.



Held on Dec. 2, 2009

Hokkaido (YUBARI TSUMURA CO., LTD.)



Botanical raw materials storage and processing plant



Cnidium Rhizome field



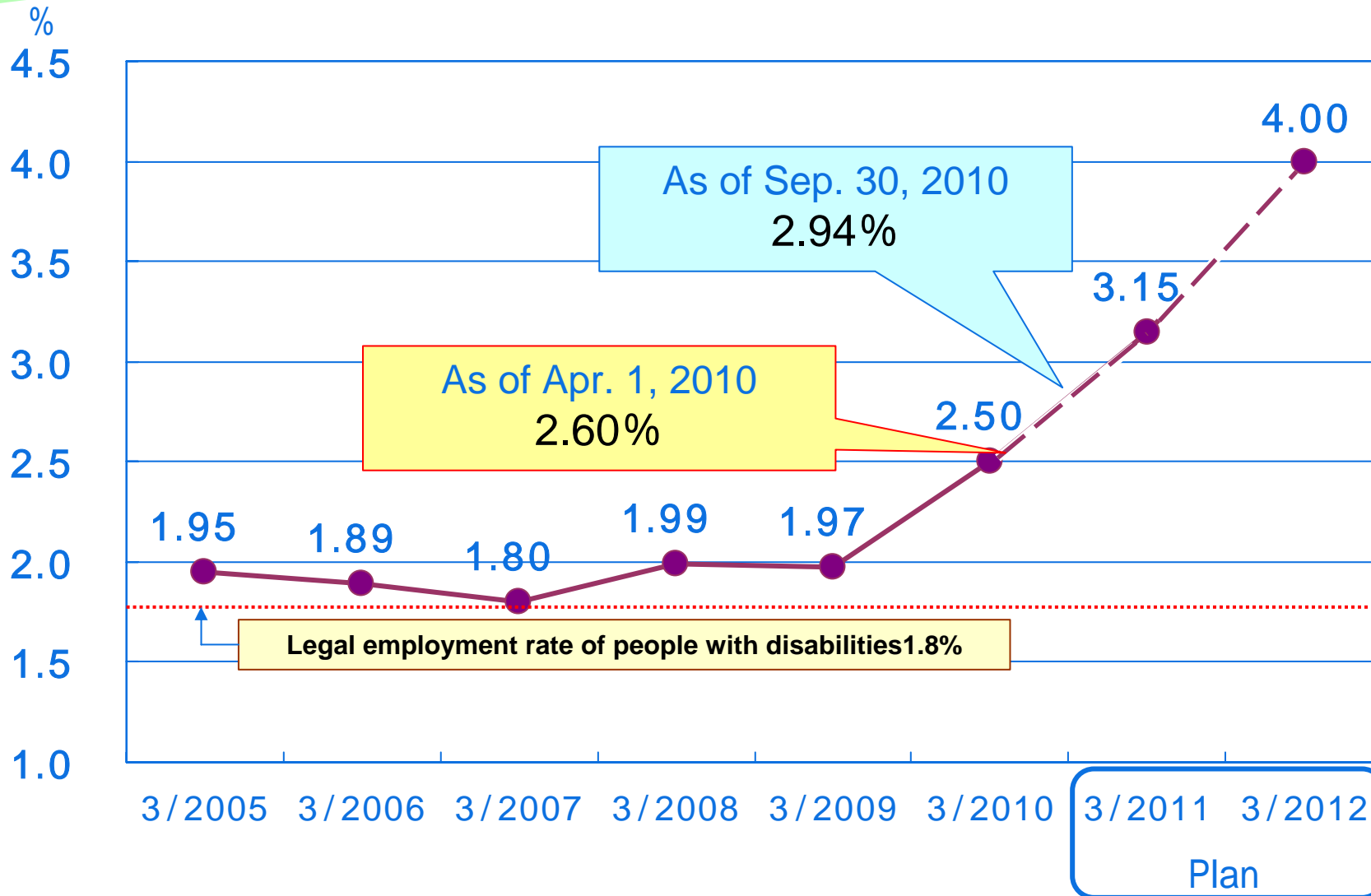
Rotary drum dryer

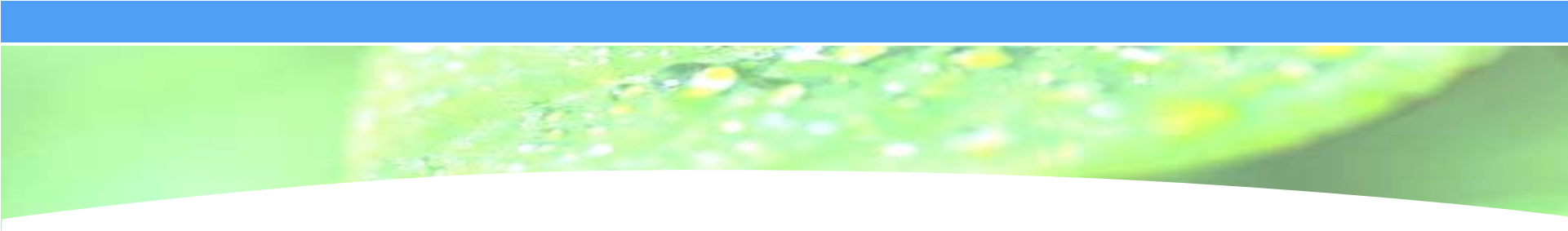
On Nov. 1, the completion ceremony of YUBARI TSUMURA CO., LTD., took place.

Yubari Tsumura will be a collection center for botanical raw materials in Hokkaido.

Cultivation of botanicals will be made large scale in Hokkaido by means of automation.

Tsumura's Employment rate of People with Disabilities





**Contribute to the availability of medicines
of unprecedented quality
by combining Kampo and Western medicine**

For further information, contact

**Investor Relations Group
Corporate Communications Department
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.