



November 30, 2017

NEWS RELEASE

Name of Listed Company	TSUMURA & CO.
Representative	Terukazu Kato President & Representative Director (Code: 4540 First Section of the Tokyo Stock Exchange)
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**Tsumura Announces Execution of Joint Venture Agreement  
with Ping An Insurance (Group) Company of China, Ltd.**

TSUMURA & CO. (hereinafter, “Tsumura”) announces that at a meeting held on November 30, 2017, its Board of Directors passed a resolution to conclude an agreement for the establishment of a joint venture (hereinafter, the “Joint Venture Agreement”), in which two companies, namely Tsumura China Inc. (hereinafter, “Tsumura China”), its wholly-owned subsidiary, and Shanghai Pingpu Investment Co., Ltd. (Headquarters: Shanghai, China; hereinafter, “Shanghai Pingpu”), which is a subsidiary of Ping An Insurance (Group) Company of China, Ltd. (headquarters: Guangdong Province, China; hereinafter, “Ping An Insurance”), will make investments.

1. Purpose of Execution of Joint Venture Agreement

As announced in the news release on September 22, 2017 titled “Tsumura Announces Capital and Business Alliance with Ping An Insurance (Group) Company of China, Ltd. Issuance of New Shares and Disposal of Treasury Shares by Way of Third-Party Allotment, and Planned Change in Largest Shareholder Among Major Shareholders,” Tsumura and Ping An Life have executed a capital and business alliance agreement for the purposes of (1) contributing to the further development of the traditional Chinese medicine industry in China and to the health care and health of the Chinese

people, (2) building a business model that will cover everything from quality standards for traditional Chinese medicines (\*) and the cultivation of crude drugs to final products, and (3) ensuring Tsumura's stable procurement of crude drugs and raw materials. On that occasion, the two companies agreed to establish a joint venture engaging in 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. In accordance with this agreement, a holding company was established under the name of Ping An Tsumura Inc., in which Tsumura China will have a stake of 56% whereas Shanghai Pingpu, a subsidiary of Ping An Insurance, will have a stake of 44%.

The Joint Venture Agreement will be concluded on December 7, 2017.

(\*)Traditional Chinese medicines: Medicines used in traditional Chinese medicine (or TCM)

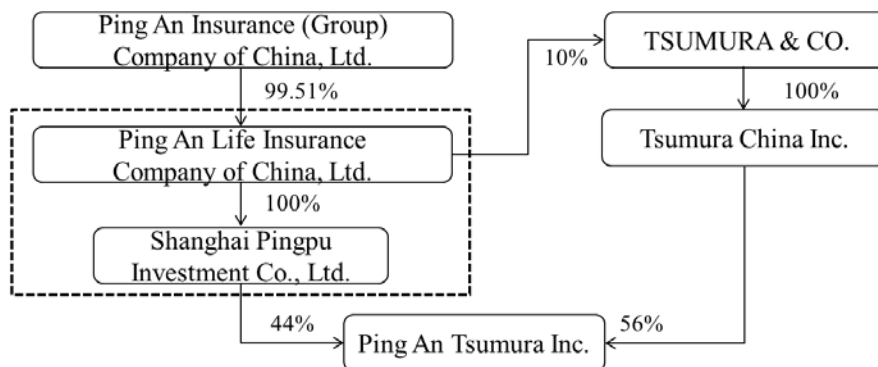
## 2. Outline of the Joint Venture (planned)

### (1) Outline

(1)	Name of Company	Ping An Tsumura Inc.
(2)	Location	Shenzhen, Guangdong Province, 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	1,000 million RMB (Approximately 16.91 billion yen) 1RMB=16.91 JPY
(6)	Date of Foundation	February, 2018 (Plan)
(7)	Fiscal-year End	December 31 every year
(8)	Investment Ratios	Tsumura China: 56%, Shanghai Pingpu: 44%

\*With a holding company not allowed to engage in production for itself, a subsidiary will be established under the umbrella of Ping An Tsumura Inc.

(2) Capital relationship chart pertaining to the establishment of the Joint Venture



3. Outline of Tsumura China

(1)	Name of Company	Tsumura China Inc.
(2)	Location	Area A, 2nd Floor, Building 5, 276 Guo Shou Jing Road, China (Shanghai) Pilot Free Trade Zone
(3)	Representative	Koin Toda, Chairman
(4)	Business Description	Business management of Tsumura Group companies in China and operations incidental to it
(5)	Capital	300 million RMB (Approximately 5.07 billion yen) 1RMB=16.91 JPY

4. Outline of Joint Venture Partner

(1)	Name of Company	Shanghai Pingpu Investment Co., Ltd.
(2)	Location	Room 909, 9th Floor, 133 Tiantong Road, Hongkou District, Shanghai, China
(3)	Representative	Fei Xiao Feng, Executive director
(4)	Business Description	Investment Business
(5)	Capital	4,330 million RMB (Approximately 73.22 billion yen) 1RMB=16.91 JPY
(6)	Date of Foundation	June 7, 2011
(7)	Major Shareholder and Shareholding Ratio	Ping An Life Insurance Company of China, Ltd. 100%

(8)	Relationship Between the Parties	
	Capital Relationship	There is no relationship to be disclosed between the parties.
	Personal Relationship	There is no relationship to be disclosed between the parties.
	Transactional Relationship	There is no relationship to be disclosed between the parties.
	Status as Related Party	There is no relationship to be disclosed between the parties.

#### Outline of Parent Company

(1)	Name of Company	Ping An Insurance (Group) Company of China, Ltd.
(2)	Location	Ping An Finance Centre, NO.5033 Yi Tian Road, Futian District, Shenzhen, Guangdong Province, China
(3)	Representative	Ma Mingzhe, Chairman & CEO
(4)	Business Description	Insurance business, banking business and investment business
(5)	Capital	18,280 million RMB
(6)	Date of Foundation	May 27, 1988
(7)	Financial Results:	Net sales of 712,453 million RMB and net income of 62,394 million RMB in 2016
(8)	Listing Markets	Hong Kong Stock Exchange, and Shanghai Stock Exchange
(12)	Major Shareholders and Shareholding Ratios	Hong Kong Securities Clearing Company Nominees Limited Shenzhen Investment Holdings Co.,Ltd. All Gain Trading Limited Huaxia Life Insurance Co., Ltd. China Securities Finance Corporation Limited

#### 5. Date

(1)Resolution of the Board of Directors	November 30, 2017
(2)Date of the conclusion of the Joint Venture Agreement	December 7, 2017 (Plan)
(3) Establishment date of the joint venture	February, 2018 (Plan)

#### 6. Impact on Financial Results

The establishment of the joint venture company has only a minor impact on Tsumura's consolidated financial results for the fiscal year ending March 31, 2018.