



February 28, 2020

NEWS RELEASE

Name of Listed Company: **TSUMURA & CO.** Exchange: Tokyo Stock Exchange
Code: 4540 URL: <https://www.tsumura.co.jp>
Representative: President, Representative Director and CEO Name: Terukazu Kato
Contact: Head of Corporate Communications Dept. Name: Yosuke Tsuchiya
Telephone: 81-3-6361-7100

Tsumura Announces Conclusion of Agreement Regarding Acquisition of Equity Interest in Tianjin China Medico Technology Co., Ltd. by Ping An Tsumura Inc.

As communicated in the press release titled “Tsumura Announces Establishment of Conclusion of Letter of Intent for Capital Alliance with Tianjin China Medico Technology Co., Ltd. by Ping An Tsumura Inc.,” on November 6, 2019, Tsumura & Co. (Headquarters: Tokyo, Japan; President Representative Director and CEO: Terukazu Kato; hereafter, “Tsumura”) has been holding discussions about a capital alliance based on the letter of intent concluded between Tsumura and Tianjin China Medico Technology Co., Ltd. (hereafter, “China Medico”) with an eye to acquiring an 80% equity interest in China Medico by Ping An Tsumura Inc. (hereafter, “Ping An Tsumura”), a group company in China.

Tsumura today announces that at a meeting held on February 28, 2020, the Board of Directors passed a resolution to conclude an equity interest transfer agreement with shareholders who own relevant equity interest.

1. Outline of Tianjin China Medico Technology Co., Ltd.

(1) Name of company	Tianjin China Medico Technology Co., Ltd.
(2) Location	Room 206, 2nd Floor, No. 18, Gaofu Rd, Binhai Science Park, Binhai New Coastal Area, Tianjin, China
(3) Representative	Li Gang, Chairman
(4) Business description	Production, manufacturing, sales of traditional Chinese medicine and crude drug pieces for decoction
(5) Capital	174 million RMB (approximately 2.71 billion yen) 1 RMB = 15.62 yen

(6)	Date of foundation	July 13, 2011
(7)	Major shareholder and stockholding	Li Gang, Chairman of China Medico: 65.82%
(8)	Relationship between Tsumura and China Medico	
	Capital relationship	Capital relationship
	Personal relationship	Personal relationship
	Transactional relationship	Transactional relationship
	Status as related party	Status as related party

2. Parties from whom equity interest will be acquired

(1) Mr. Gang Li	Part of equity interest owned by Mr. Li Gang (Chairman of China Medico)
(2) Other shareholders	Equity interest owned by other shareholders (15 individuals and one company)

*The company presented in (2) above is Tianjin Shengshi Houde Technology Partnership (L.P.).

The names of parties other than Mr. Li Gang and Tianjin Shengshi Houde Technology Partnership (L.P.) are undisclosed due to a request made by the parties who are individual shareholders. There is no particular capital, personal or transactional relationship with any of the parties presented above.

3. Equity interest acquired by Ping An Tsumura, acquisition price, and status of equity interest owned by the company before and after the acquisition

(1) Equity interest percentage before change	0.0%
(2) Percentage of equity interest to be acquired	80.0%
(3) Acquisition price	1,200 million RMB (approximately. 18.74 billion yen) 1 RMB = 15.62 yen
(4) Equity interest percentage after change	80.0%

4. Future schedule

(1) Resolution by Board of Directors	February 28, 2020
(2) Conclusion of equity interest transfer agreement	March 2020 (schedule)
(3) Implementation of equity interest transfer	March 2020 (schedule)

5. Impact on business performance

This matter does not change the forecast on Tsumura's consolidated business results for the fiscal year ending March 2020. If any revisions need to be made, Tsumura will make the announcement promptly.