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August 3, 2022

NEWS RELEASE

Company name: TSUMURA & CO.
Listing: TSE Prime Market
Securities code: 4540
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Tsumura Announces Signing of Letter of Intent Concerning Establishment of Joint Venture with Jianmin Pharmaceutical Group Co., Ltd.

Tsumura & Co. (Headquarters: Tokyo, Japan; President Representative Director and CEO: Terukazu Kato; hereafter, “Tsumura”) announces that, at a meeting of its Board of Directors held on August 3, 2022, Tsumura passed a resolution on the signing of a letter of intent concerning the establishment of a joint venture between Ping An Tsumura Inc. (hereinafter “Ping An Tsumura”), which is a Tsumura Group company in China, and Jianmin Pharmaceutical Group Co. Ltd. (hereinafter “Jianmin Group”).

Ping An Tsumura and Jianmin Group had been holding negotiations about the establishment of a joint venture (investment ratios: Ping An Tsumura 51% and Jianmin Group 49%) for the purpose of manufacturing and selling traditional Chinese medicinal products in China and have now decided to sign a letter of intent.

This letter of intent indicates a shared commitment on the part of Ping An Tsumura and Jianmin Group to hold discussions with each other on a more concrete partnership.

Tsumura will disclose information once again when the parties decide to conclude an agreement.

1. Letter of intent signatories

- Ping An Tsumura Inc.
- Jianmin Pharmaceutical Group Co., Ltd.

(Jianmin Group Yekaitai Traditional Chinese Medicine (Suizhou) Co., Ltd. (wholly owned subsidiary of Jianmin Group))

2. Date of signing of letter of intent

August 3, 2022

3. Outline of signatories to the letter of intent

[Ping An Tsumura Inc.]

(1) Name of company	Ping An Tsumura Inc.
(2) Location	Shanghai, 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	2,000 million RMB
(6) Date of foundation	June 8, 2018
(7) Major shareholder and stockholding	Tsumura China Inc.: 56% China Ping An Life Insurance Co., Ltd.: 44%

[Jianmin Pharmaceutical Group Co., Ltd.]

(1) Name of company	Jianmin Pharmaceutical Group Co., Ltd.
(2) Location	Wuhan, Hubei
(3) Representative	He Qin
(4) Business description	<p>Licensed activities: Production of pharmaceuticals, import and export of pharmaceuticals, production of beverages, production of food products, sale of food products, production of health food, import and export of cargo, import and export of technology, traditional Chinese medicine decoction service, production of food for special medicinal purposes, import and export agency service, production of infant formula.</p> <p>General activities: Pharmaceutical contract manufacturing services, sale of health food (pre-packaged), sale of food for special medicinal purposes, development of medical research and experiments, technology services, technology development, technology consulting, technology exchange, technology transfer, promotion of technology, sale of daily necessities, wholesale of cosmetics, retail of cosmetics, sale of plastic products, sale of construction materials, development of process and technology research and experiments.</p>
(5) Capital	153,398,600 RMB
(6) Date of foundation	May 28, 1993
(7) Major shareholder and stockholding	<p>Huali Medical Collection Co., Ltd.: 24.13% China Construction Bank Co., Ltd. - ICBC Credit Suisse Frontier Medical Equity Securities Investment Fund: 3.72% Wah Lee Industrial Corp.: 3.32% Sun Huiming: 3.02% China Taiping Insurance Group Ltd.: 1.65% Yang Yanyi: 1.35% Bank of China Limited- ICBC Credit Suisse Healthcare Industry Equity Securities Investment Fund: 1.16% Taikang Life Insurance Co., Ltd. - investment - industry configuration: 1.16% National social security fund 115 combination: 0.98% Basic endowment insurance fund 1240 combination: 0.96%</p>

4. Future outlook

Tsumura plans to disclose information on the impact on its consolidated results in the fiscal year ending March 31, 2023 once a decision on the conclusion of an agreement is reached.