



June 12, 2018

NEWS RELEASE

Name of Listed Company	TSUMURA & CO.
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Tsumura Announces Completion of Establishment of  
Joint Venture (Report of Progress)

TSUMURA & CO. (hereinafter, “Tsumura”) announces that it has completed procedures for the establishment of a joint venture (hereinafter the “Joint Venture”) on June 8, 2018. The establishment of the Joint Venture was behind the announced schedule, namely February 2018, as published 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” and the news release on November 30, 2017 titled “Tsumura Announces Execution of Joint Venture Agreement with Ping An Insurance (Group) Company of China, Ltd.” The delay in the establishment of the Joint Venture was caused by the time required to complete the procedures for the establishment of the Joint Venture locally. The details of the Joint Venture are as described below.

1. Outline of the Joint Venture

(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 17.17 billion yen) 1RMB=17.17 JPY
(6) Date of Foundation	June 8, 2018
(7) Fiscal-year End	December 31 every year
(8) Investment Ratios	Tsumura China Inc.: 56%, Shanghai Pingpu Investment Co., Ltd.: 44%

(Note) Ping An Tsumura Inc. is a holding company and cannot conduct production activities itself. Therefore, it plans to establish a subsidiary under its umbrella to conduct the business described in (4) above.

## 2. 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, 2019. Tsumura will promptly announce any matters that need announcing in the future.