

FY2024 Financial Results and Second Medium-Term Management Plan Briefing

May 12, 2025
TSUMURA &CO.

01

TSUMURA VISION “Cho-WA” 2031
Towards realization

02

Summary of the First Medium-Term Management Plan
(FY2022-2024)

03

Second Medium-Term Management Plan (2025-2027)

04

Financial and capital policies and FY2025 performance
forecast

05

Progress of US development (TU-100)

Lively living for everyone TSUMURA VISION “Cho-WA” 2031

We aim to create conditions in which the Tsumura Group is contributing to the well-being of all by supplying evidence-based products and services, including Kampo and traditional Chinese medicines, that suits factors including the life stage, symptoms, genetic makeup and daily life environment.

Tsumura Group's Value Creation Areas

Three Preventive Measures

Treatment

**Pre-symptomatic
treatment**
(Prevention)

**Prevent disease from
becoming serious**
(Prevent change in
existing disease)

**Prevent
relapses**
post-healing care

Healthcare
(prevention)

TSUMURA VISION “Cho-WA” 2031

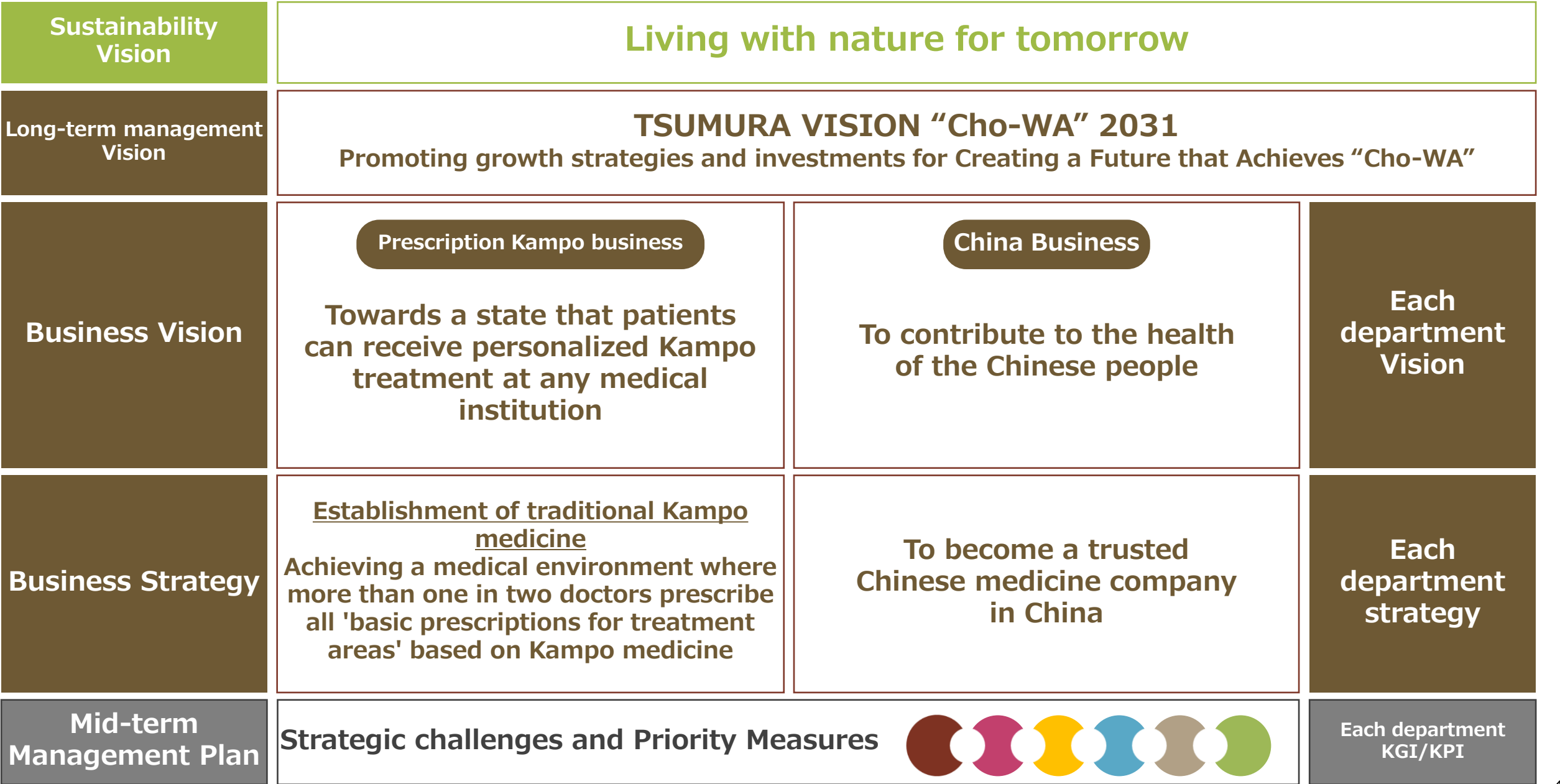
Business

- 1. Basic prescriptions: 50% of doctors prescribe all
- 2. Expansion of standardization and personalization of Kampo treatment
- 3. Science of pre-symptomatic diseases Three Preventive Measures
(Pre-symptomatic treatment • Prevention of disease progression • post-healing care)
- 4. Build a foundation for business in China (China business ratio of 50% or more)
- 5. Digital transformation of the Kampo value chain
- 6. Corporate Purpose management, Corporate Philosophy management, and Vision management

Finance

Capital Efficiency
ROE 10%

Shareholder Returns
DOE 5%



Summary of the First Medium-Term Management Plan (FY2022-2024)

Promoting growth strategies and investments for Creating
a Future that Achieves “Cho-WA”

Numerical targets for the first medium-term management plan (FY2022-2024)

Achieved all numerical targets (sales, operating profit, ROE) in the first medium-term business plan

Goals

Sales

162

billion Yen

Operating profit

29

billion Yen

ROE

8

%

Achievements

181







billion Yen

40.1

billion Yen

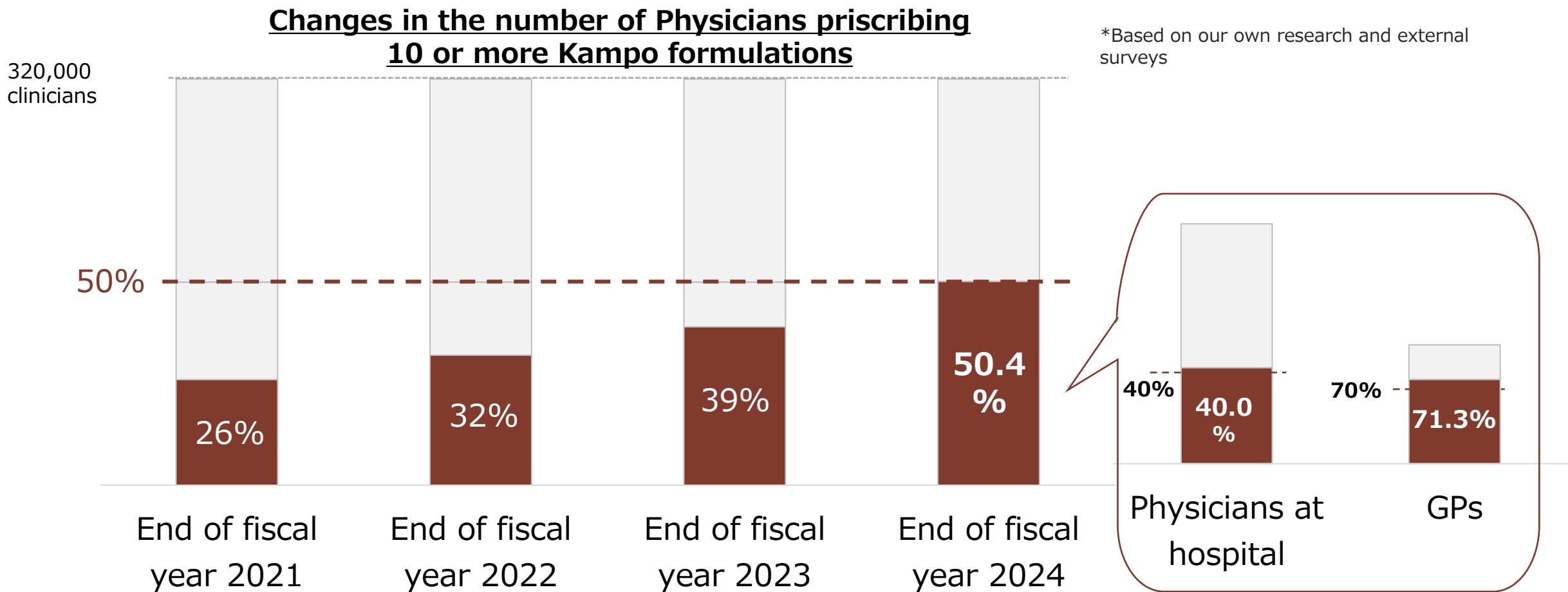
11.4

%

-  Continued expansion of the Kampo market by providing Kampo solutions tailored to each individual doctor
-  Promoting the creation of evidence for Kampo medicine and the Science application of pre-symptomatic diseases (disorder) medicine through KAMPOmics
-  Expanding sales of crude drugs and drug pieces in China and entering the traditional Chinese medicinal products business
-  Renewing IT infrastructure to reform the Kampo value chain
Promoting the use of AI and robots in crude drug selection and manufacturing processes
-  Creating value through organization and human capital and promoting reform to boost job satisfaction
-  Initiatives to Realize Our Sustainability Vision

1 Continued expansion of the Kampo market by providing Kampo solutions tailored to each individual doctor

In order to allow patients to receive Kampo treatment based on Kampo medicine in their daily medical practice,
Contribute to the realization of a medical field in which 50% Physicians prescribing 10 or more Kampo formulations drugs



Comprehensive evidence package

Evidence package	Meta-analysis analysis	RCT (Randomization Comparative test)	Drugs Dynamics	Side effects Incidence survey
43 Rikkunshito	○	○	○	○
54 Yokukansan	○	○	○	○
100 Daikenchuto	○	○	○	○
* * *	○	○	○	○

Expanded range of prescriptions/areas/evidence

Qualitative improvement

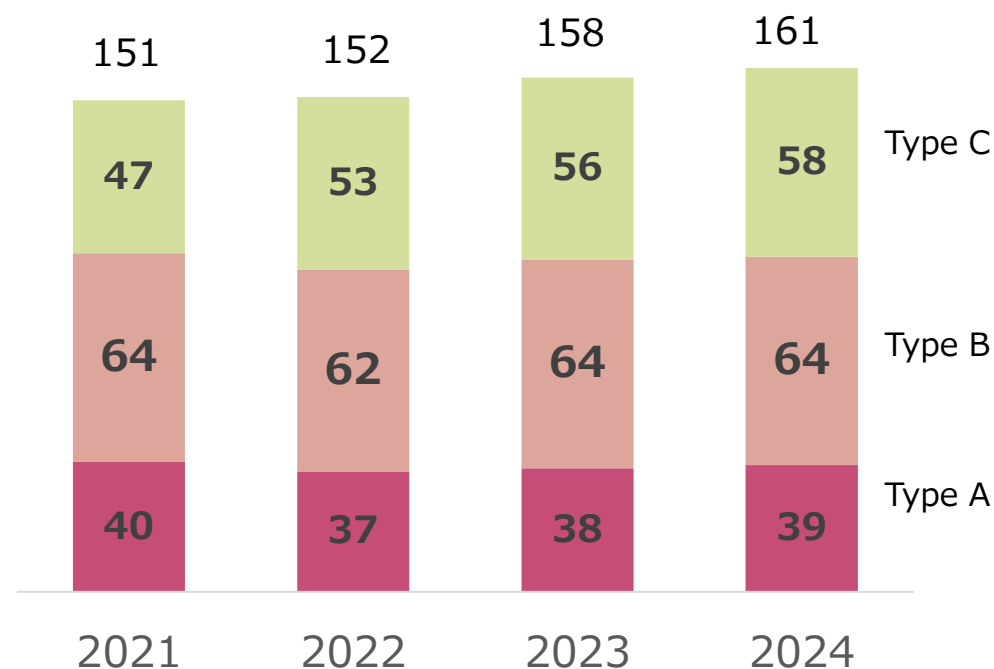
<Listed prescriptions/diseases>
Treatment guidelines
Improved recommendation level in

Quantitative expansion

<Unlisted prescriptions/diseases>
New inclusion in Treatment guideline

Number of Treatment guideline included

161 cases, an increase of 10 from fiscal 2021



*From the Treatment guideline Task Force of the EBM Committee of the Japan Society of Oriental Medicine

Type A: There are cited papers, evidence, and recommendations are graded and described.

Type B: Citations exist but no evidence grade or recommendation grading is provided

Type C: No cited papers, no evidence grade, and no recommendation grading

- Expand sales of crude drug platform, focusing on raw material crude drug and drug pieces medicine
- Continuing discussions on entering the traditional Chinese medicinal products business within the formulation platform

Crude drug Medicine Platform

Sales

9.9 billion
yen

20.6 billion
yen



Raw material
crude drugs



Drug Pieces

By promoting value over quality
High growth due to an increase in customer
numbers and transaction volume

Developing sales channels, focusing on
public hospitals
Launch of "One Person One Piece" value-
added drug pieces service

2021

2022

2023

2024 (FY)

Formulation Platform



Traditional
Chinese medicinal
products

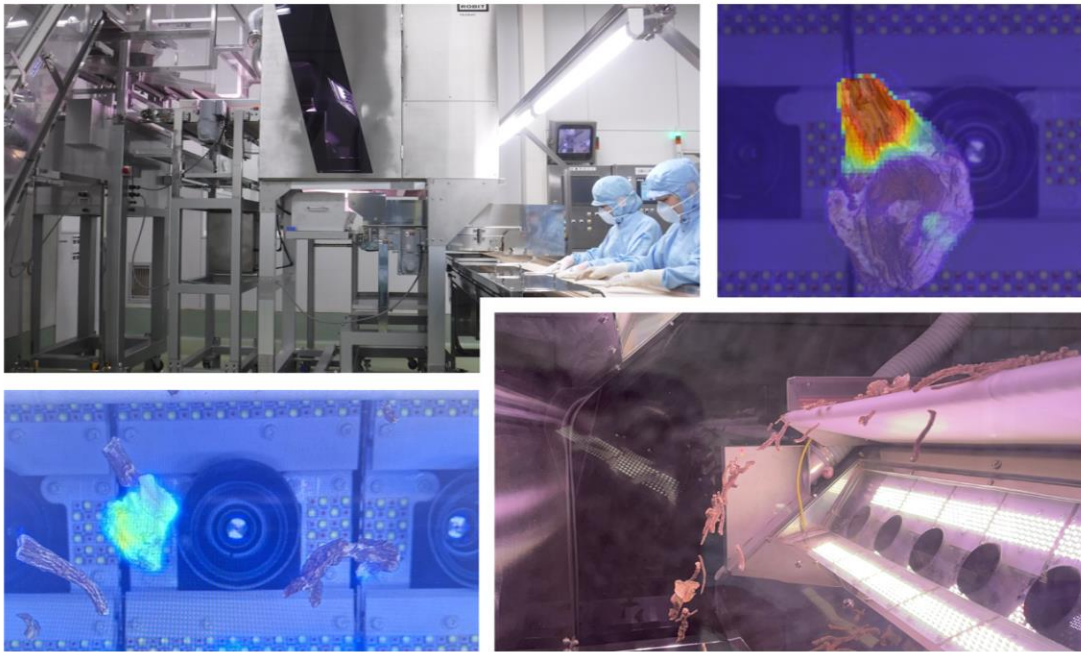
Negotiating with multiple companies to
enter the business
Shaanxi Ziguang Chenji once entered
into a business and capital alliance
However, the project did not start.

Cultivation and Procurement

Manufacturing

Sales, education and dissemination

Automation of sorting work

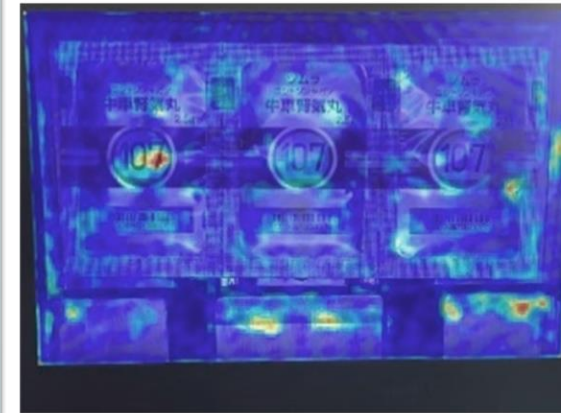


Introduced and started operation at Ishioka Center and Yubari Tsumura

Introduction to overseas production bases (CHINA MEDICO CORPORATION and SHENZHEN TSUMURA MEDICINE) and expand the number of items

Automation of inspection, operation and associated tasks

Visual inspection of product packaging



Removal and attachment of lids on intermediate product containers



Promoting development using AI technology

Introduction of planning system for compounding crude drugs

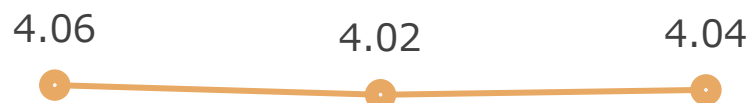
- Systematize complex and specialized business processes and ways of thinking

Shortening lead times and optimizing crude drug inventory

Promoting efforts to Potential-Abilities Development and improve the work environment

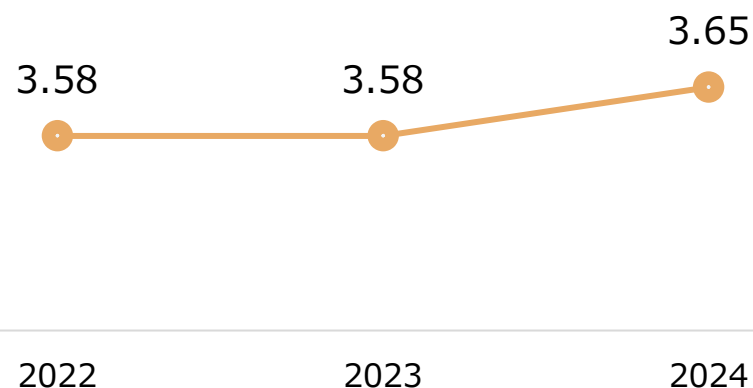
Corporate Philosophy penetration survey

— Average score for 30 questions in the Corporate Philosophy penetration survey (out of 5)



Engagement Survey

— Overall index (maximum 5 points)



Measures

Career Challenge (Internal Recruitment system)

- Improve employee job satisfaction and motivation
- Discovering talented people and preventing them from leaving the company
- Strengthening organizational capabilities by putting the right people in the right positions

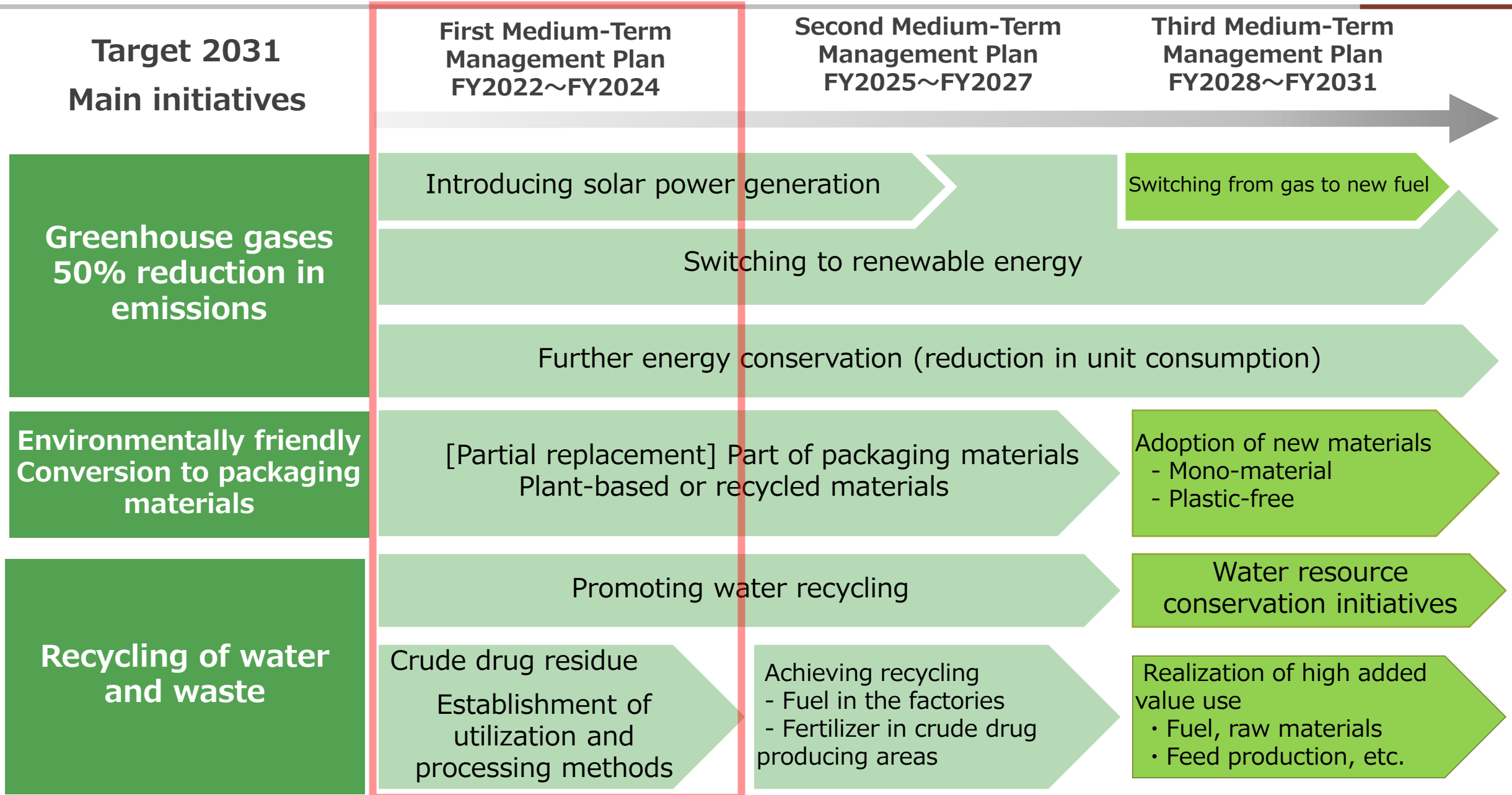
Self-career check-up system

- In addition to traditional career consultations, we also provide career consultation services.
- Supporting autonomous and proactive career development

Employee Trust Stock Compensation Plan (Stock Grant ESOP)

- Raise awareness and demonstrate abilities to realize the Vision
- Further fostering the desire to make significant contributions

Sustainability Targets 2031



First Medium-Term Management Plan FY2022~FY2024

Improve CDP rating
(Climate Change)

Goal

B and above

Achievements

A
Climate
Change

A
Water
Security



TCFD: Enhancing
climate-related financial
disclosure information

Goal

Basic content
Analysis and
disclosure

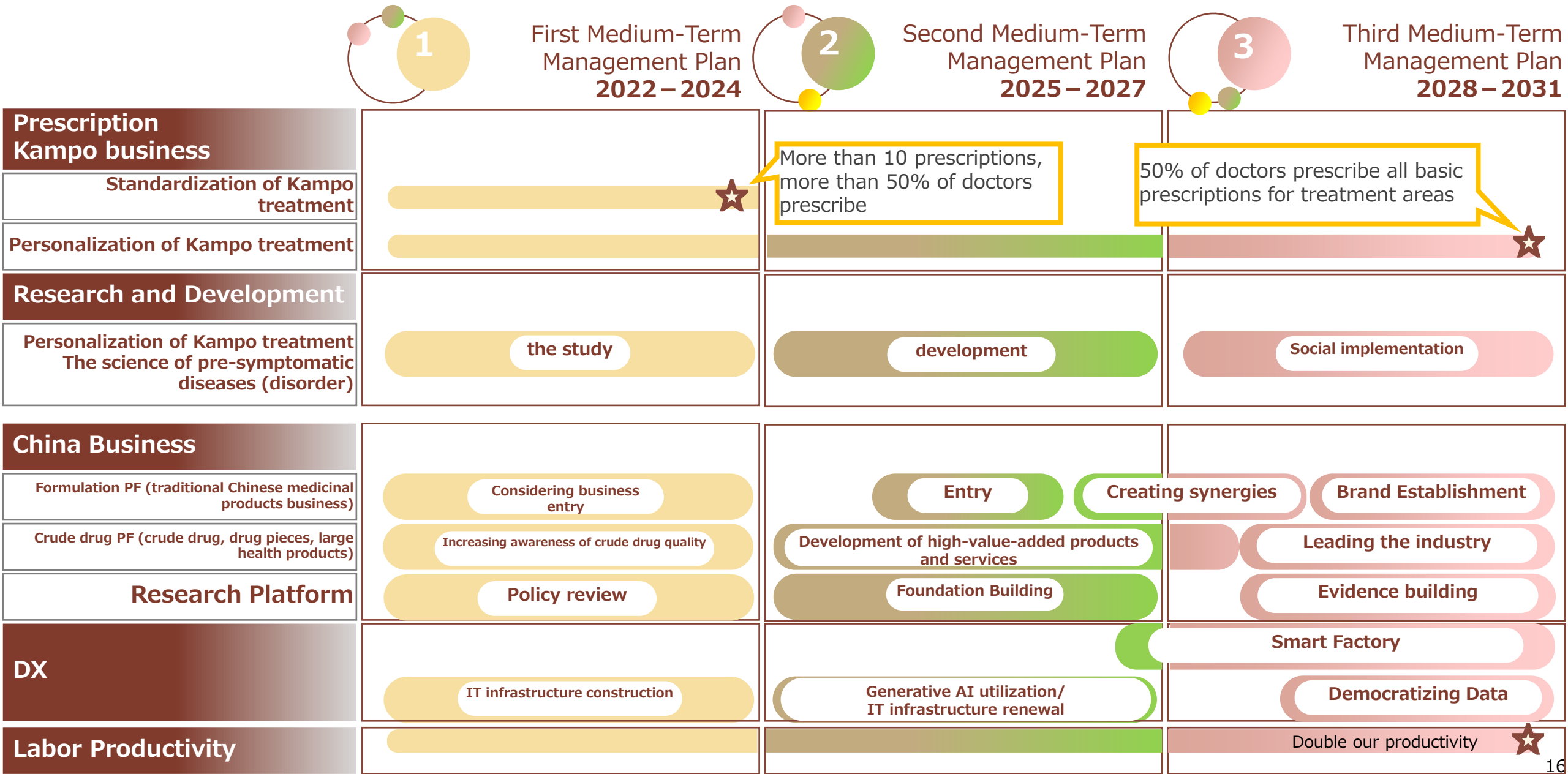
Achievements

- **Scenario analysis based on TCFD**
- **LEAP analysis based on TNFD**

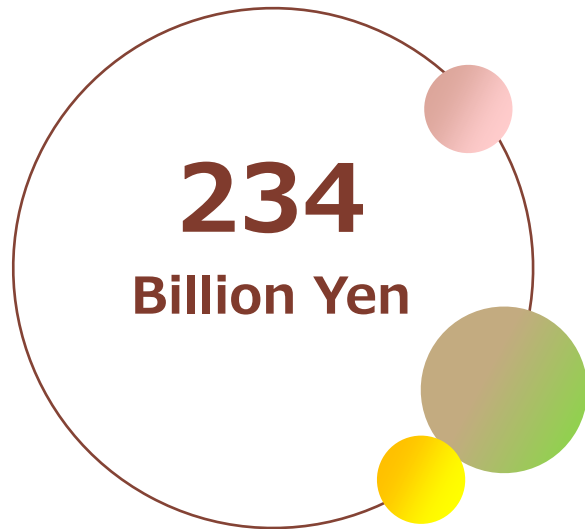
Second Medium-Term Management Plan (FY2025-2027)

Promoting growth strategies and investments for Creating
a Future that Achieves “Cho-WA”

Roadmap to realizing TSUMURA VISION “Cho-WA” 2031

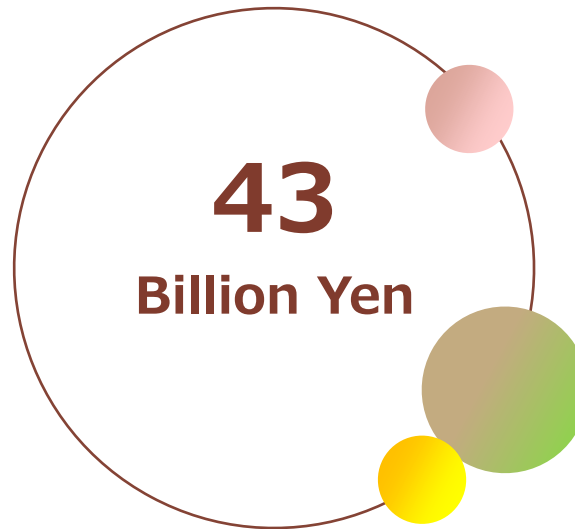


Sales



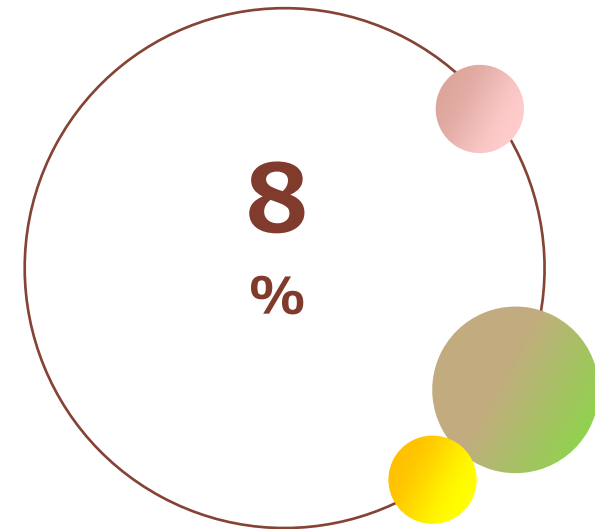
Domestic business: 184 billion yen
China business: 50 billion yen

Operating profit



Domestic business: 39 billion yen
China business: 4 billion yen

ROE



Assumptions: (NHI drug price revision) FY2025, FY2026, FY2027
(Exchange rate) 20.1 JPY/CNY (2025-2027)

Creating shared value with society (Science)

Creation of new value through pharmaceuticals and products derived from natural substances

- Medicines derived from natural products
- Products made from Yakushoku Dogen crude drug

Sustainable, stable supply of pharmaceutical products such as Kampo formulations, which are traditional pharmaceuticals

- Establish a stable procurement system for raw material crude drug
- Pursuit of safety, efficacy and uniformity

Materiality

Health

Reinforcement of business foundations

Nature

Company-wide strategic challenges

1

2

3

4

5

Further growth of the Kampo market through the expansion of standard Kampo treatment and the promotion of personalized Kampo treatment

Creation of new value through KAMPOmics, market development of "three preventive measures for presymptomatic diseases" based on evidence, and taking on the challenge of globalizing Kampo

Entry into the traditional Chinese medicinal products business in China, development of value-added services for drug pieces, and establishment of a traditional Chinese medicine research and development system

Establish a system for stable supply and low-cost operations, and create value for products through the digital transformation of the Kampo value chain to establish the best customer experience

Enhancing the value of organizational capital and human capital through the satisfaction of human capital contributing to the achievement of vision and the promotion of the development of the organization mechanism analogous to Kampo medicines

Initiatives to Realize Our Sustainability Vision

By expanding standardization of Kampo treatment and promoting
individualized treatment (of health issues)
Further growth of the Kampo market

Social Background

Contribution of Kampo Medicine

Geriatric health

- **Increasing elderly population**
 - Increase in dementia patients
 - Increasing number of heart failure patients
 - Increasing frailty of body and mind

Contributing to realizing a society of healthy longevity

Cancer (supportive care)

- **Increase in cancer patients**
 - Side effects and complications associated with treatment (of health issues)
 - Increase in cancer survivors

Improving QOL of cancer patients

Women's Health

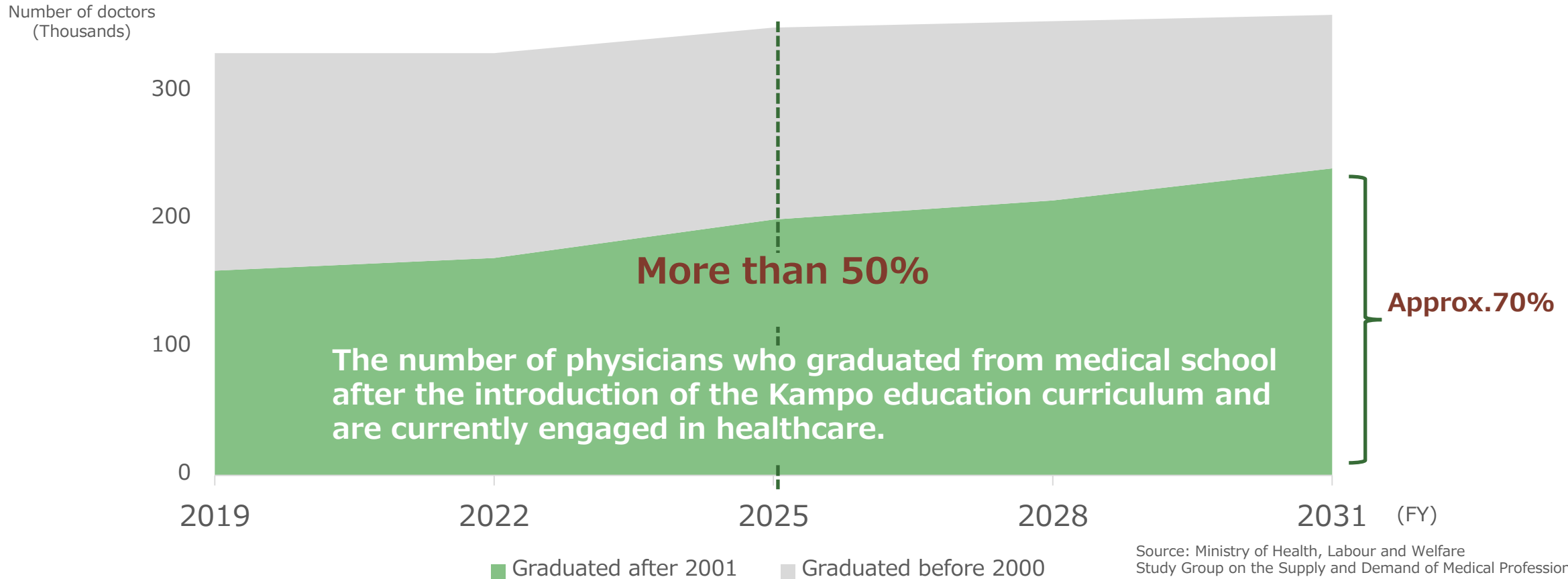
- **Increase in the number of female workers**
 - Menstrual disorders
 - Pregnancy disorders
 - Prenatal and postpartum disorders
 - Menopausal disorders

Supporting women through all stages of life

The percentage of doctors who have received Kampo medicine education has been increasing year by year



- The percentage of physicians who graduated from medical school after the introduction of Kampo medicine education and are engaged in healthcare in 2025 is over 50%
- This is expected to increase to approx. 70% of the total by 2031



Source: Ministry of Health, Labour and Welfare
Study Group on the Supply and Demand of Medical Professionals
Created by our company based on data from the 35th Physician Supply and Demand Subcommittee

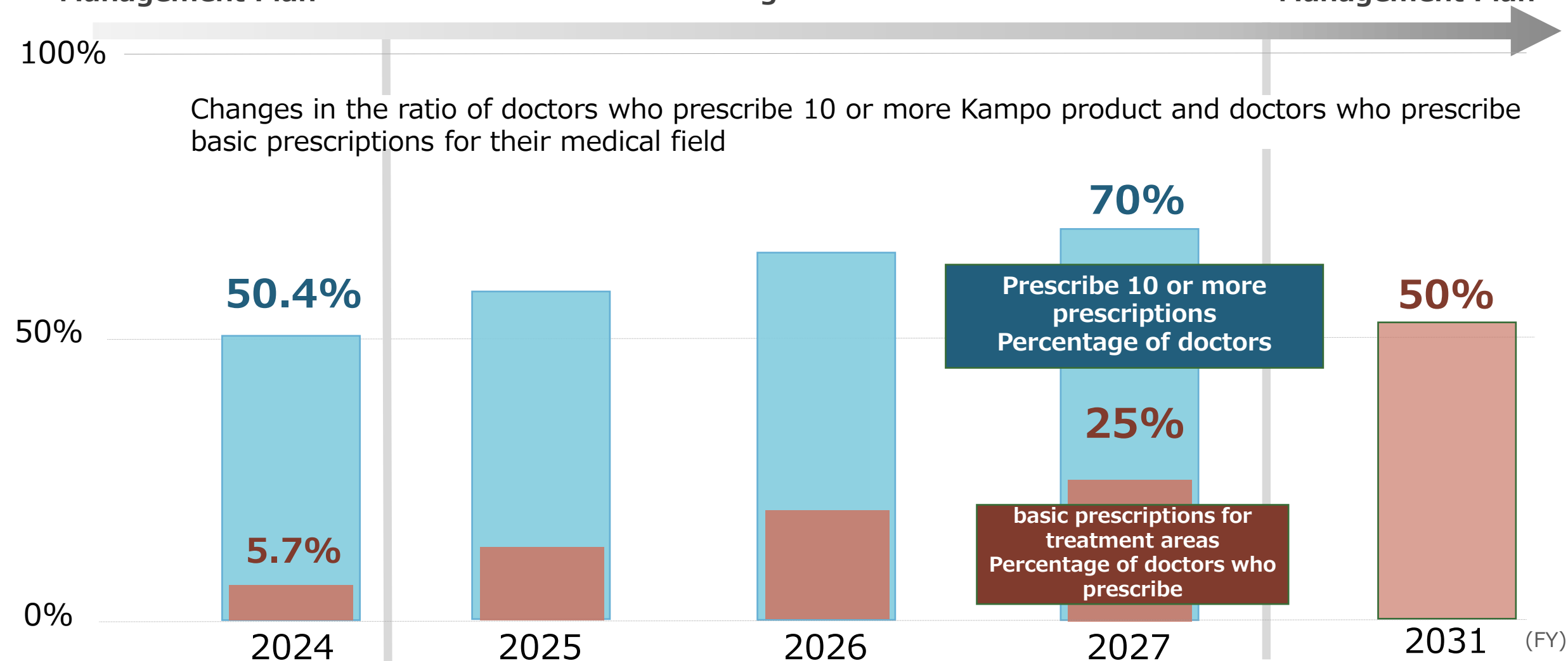
The number of doctors who treatment (of health issues) with basic prescriptions for each medical field will increase to 25%



First Medium-Term Management Plan

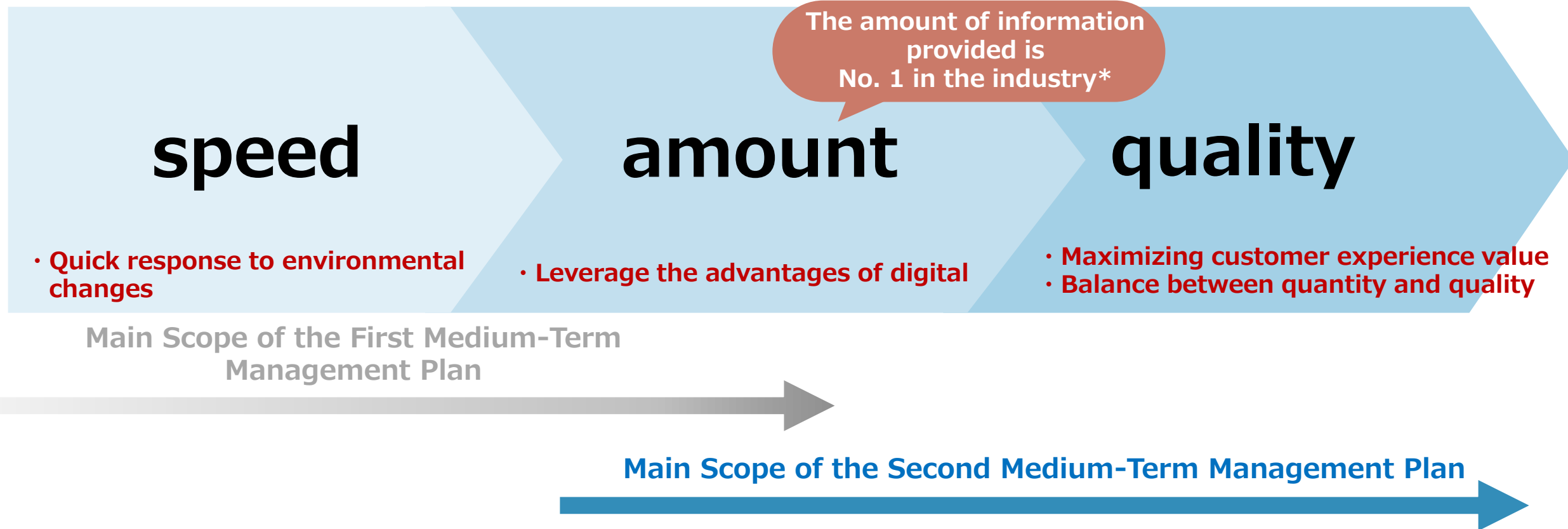
Second Medium-Term Management Plan

Third Medium-Term Management Plan



Developing e-promotion that balances "quantity" and "quality"

<Information provision activities>



*Source: Intage Healthcare Co., Ltd. "Impact Track"
Estimated number of details through internet channels for the FY 2024.

Expanding information channels and engaging in thorough two-way communication

<e-Promotion>

Kampo Connector

Target: Medical information platform
Doctors who have not yet met with our MR
Function: Providing information via messaging tools, etc.
Information on lectures, video distribution, etc.
Medical Site Registration
MR interview information

Providing information to
a wide range of doctors

Kampo Online MR

Target: Online medical sites etc.
Doctors connected through the internet
Role: Deeper Kampo through 1-on-1 consultations for providing information

Providing deeper information



- New approaches to doctors
- Two-way communication using digital technology

<Face-to-face>

MR

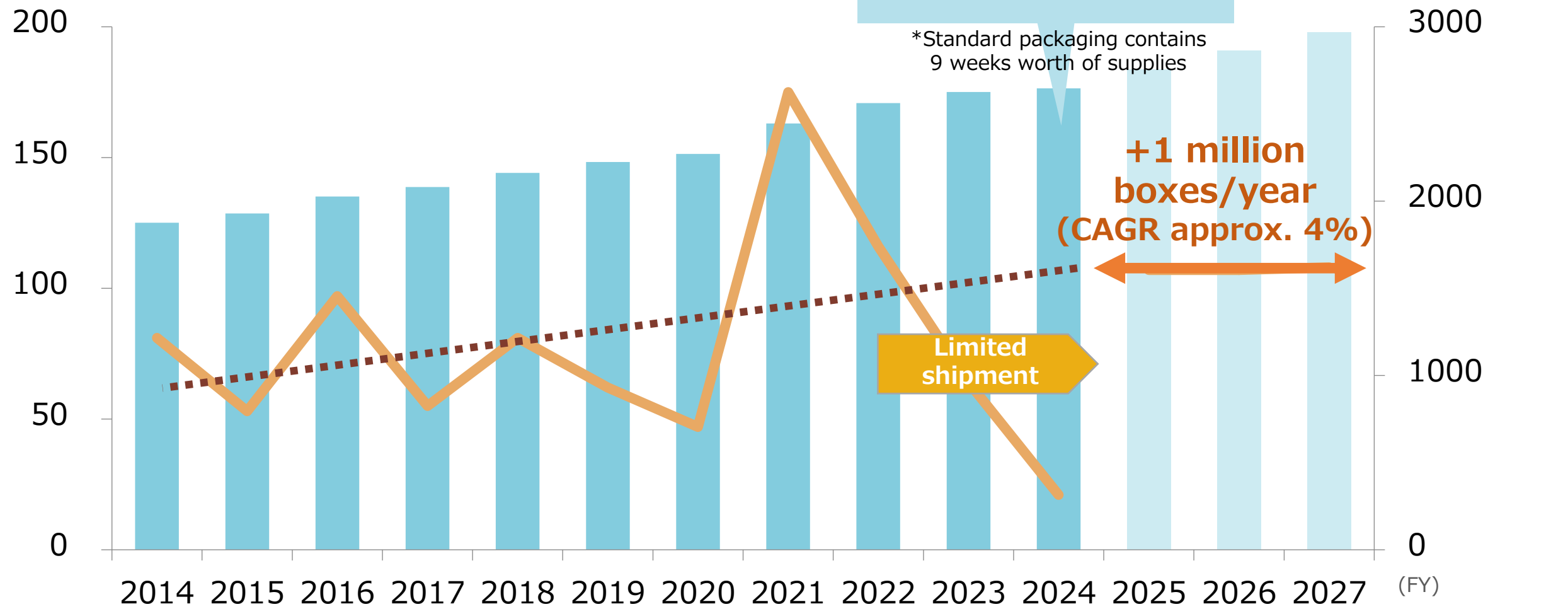


Improve knowledge levels
through the Kampo Meister system

- Approach to doctors who need to meet
- Extensive knowledge and detailed information

Sales volume plan for prescription Kampo product prescription Kampo formulations (129 prescriptions)

Year-on-year increase in quantity (10,000 boxes)



*Standard packaging contains 9 weeks worth of supplies

+1 million boxes/year
(CAGR approx. 4%)

Limited shipment

e-promotion

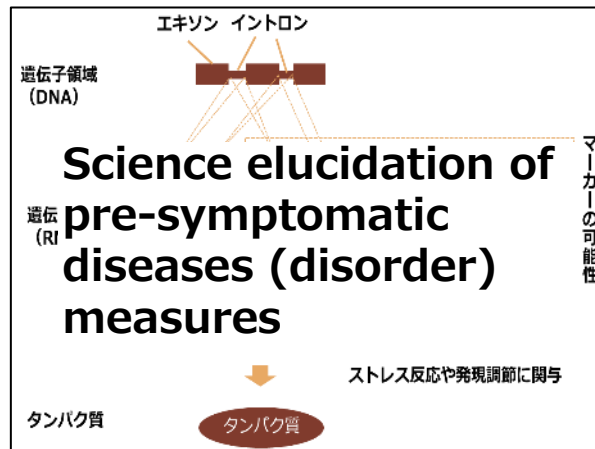
Support for the enhancement of Kampo medicine education (pre-graduation, immediate post-graduation, and post-graduation) 2001 MCC*1 established / 2011 MCC revised① / 2017 MCC revised②

Creation of new value through KAMPOmics, market development of evidence-based "three prevention of pre-disease," and the challenge of globalizing Kampo medicine

- ◎ **First Medium-Term Management Plan:** Conduct basic research with an eye toward future technological developments
- ◎ **Second Medium-Term Business Plan:** Conduct clinical research to increase future feasibility

← Second Medium-Term Management Plan →

The science of pre-symptomatic diseases (disorder)



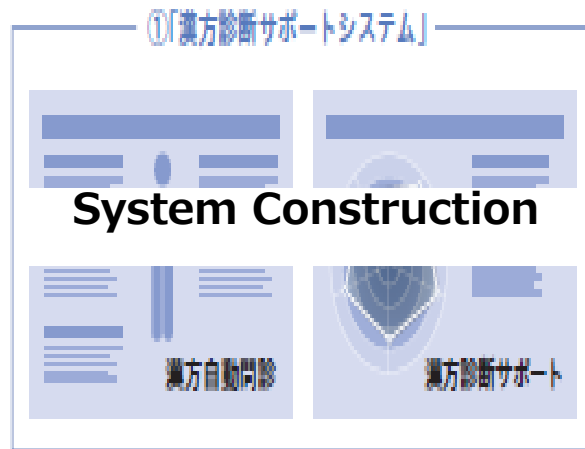
Intron retention

Development of services to improve pre-symptomatic diseases (clinical research)

Creation of markers for preventing pre-symptomatic diseases (disorder)

Development of pre-symptomatic diseases (disorder) improvement services (Scheme construction)

The Science study of proof

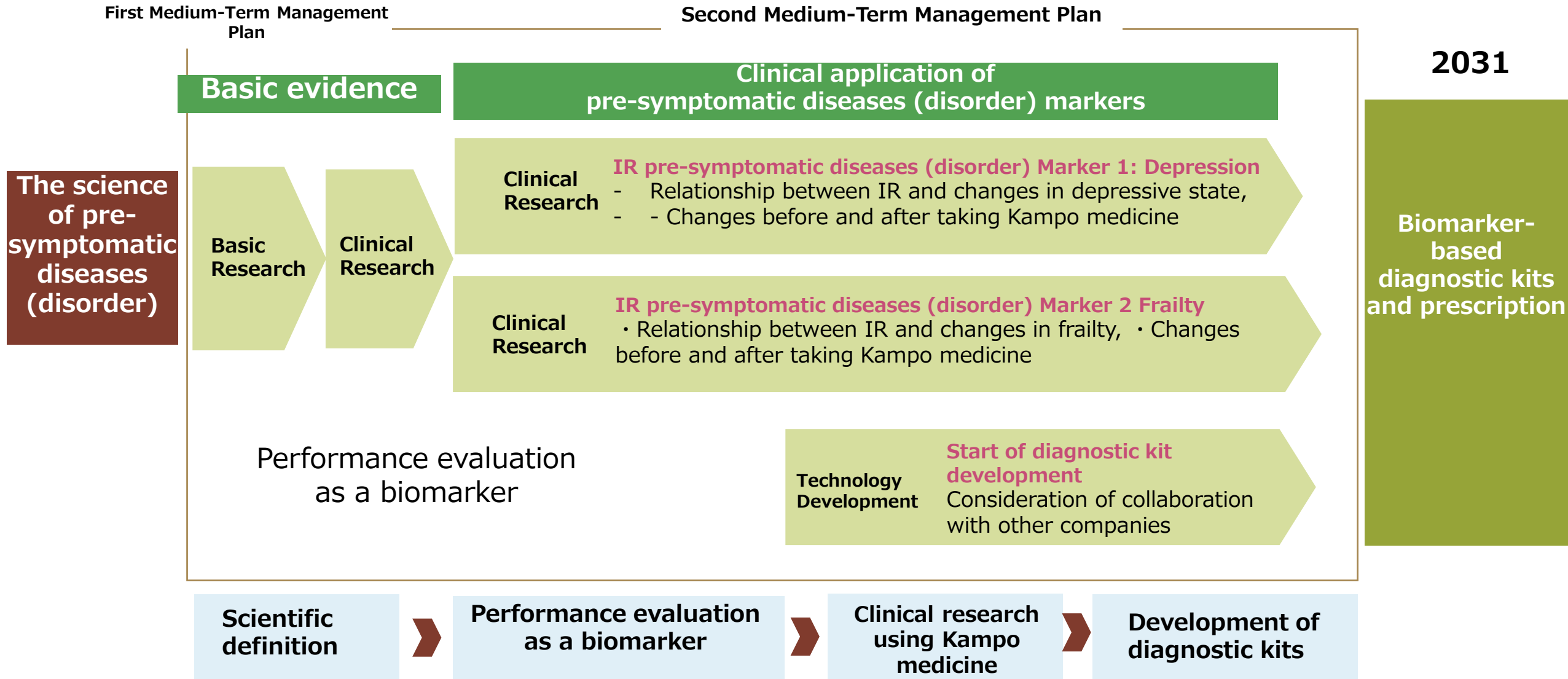


Promoting the development of a Kampo diagnostic support system

Individualized Kampo treatment (of health issues) for cold sensitivity
Combining evidence

Development of a system for diagnosing cold and physical constitution and treating with personalized Kampo treatment

The Science of pre-symptomatic diseases (disorder) medicine: Intron retention (IR)



In the second mid-term business plan, we will focus on depression and frailty, and by 2031, we will use these results to solve social issues in the areas of women and the elderly.

The Science of symptoms: Kampo medicine diagnostic support system and individualized treatment (of health issues) for chills

2031

Personalized medicine using systems (including developments based on chilliness)

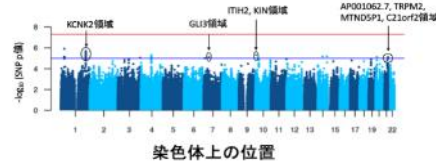
First Medium-Term Management Plan

Creating research results that contribute to improving the diagnostic accuracy of systems



(Clinical Research)

Discovery of genetic factors associated with sensitivity to cold in adult women



Sci Rep. 2024 Jan 22;14(1):1918.

Second Medium-Term Management Plan

System infrastructure development
construction
Clinical system validation testing

Standardization (generalization) of skilled Kampo medicine diagnostic techniques

Clinical validation
Conducting clinical research to build evidence
Using the system to treat cold with traditional Kampo treatment medicine

Clinical Evidence
Clinical Research
A study on clinical symptoms and genetic factors in patients with chills
Individualized treatment (of health issues) focusing on cold

Evidence building

System Construction

Individualized cold treatment (of health issues)

Development of personalized medicine

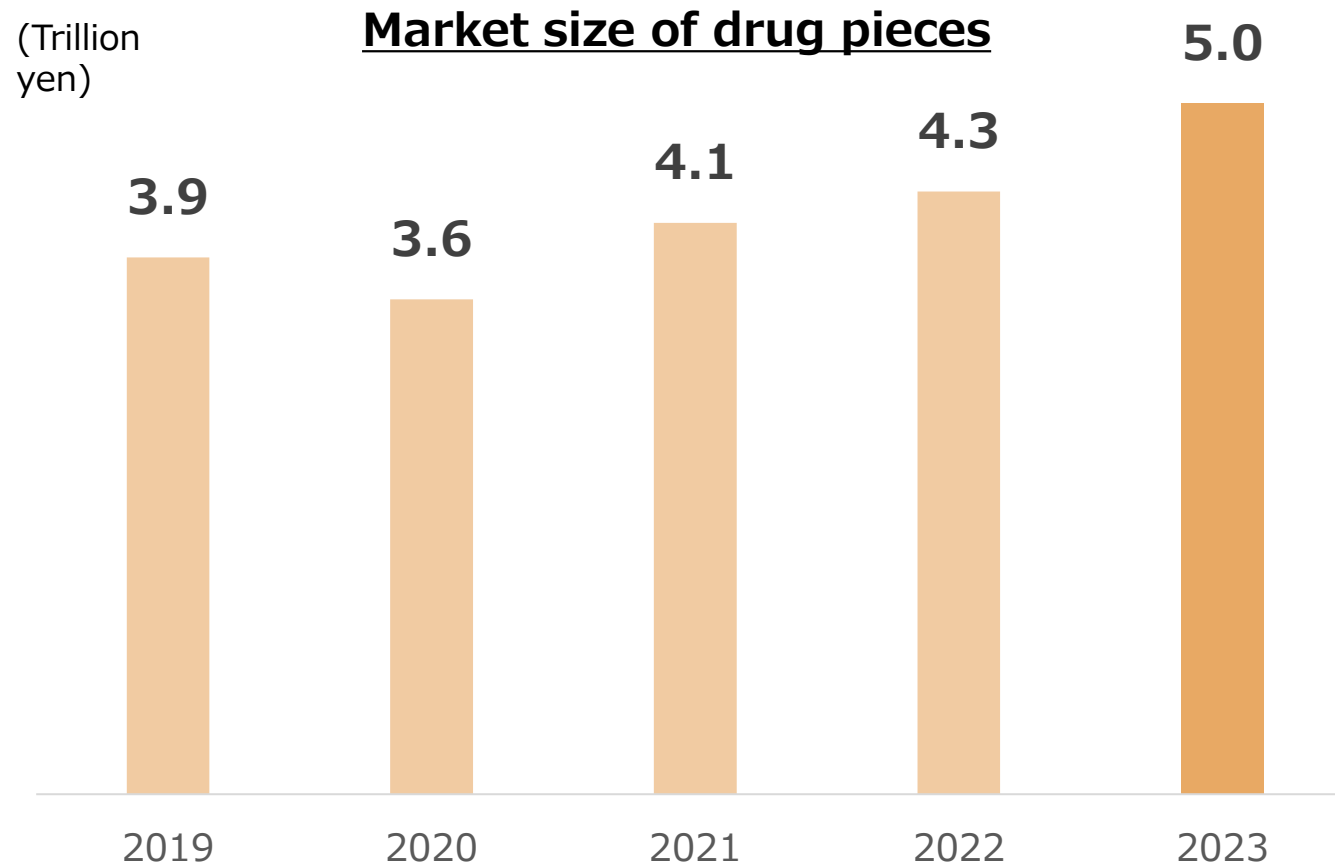
In the second phase of the mid-term management plan, we will focus on the development of clinical evidence and systems related to cold sensitivity. Additionally, we will consider improving the quality of Kampo medicine in medical institutions through the utilization of these systems.

Entering the traditional Chinese medicinal products business in China
Developing value-added services for drug pieces and establishing a
research and development system for traditional Chinese medicines

- Revised milestones based on progress in the first mid-term business plan

	First Medium-Term Management Plan FY 2022-2024	Second Medium-Term Management Plan FY 2025-2027	Third Medium-Term Management Plan FY 2028-2031
Formulation Platform	Considering business entry Partnership negotiations	Business entry and expansion Entry into the traditional Chinese medicinal products business and Foundation Building	Brand Establishment As a traditional Chinese medicinal products company Brand Establishment
Crude drug Platform	Increasing awareness of crude drug quality Centered on crude drug Sales expansion	Development of high-value-added products and services Increase sales ratio of drug pieces and value-added services	Leading the industry Towards becoming a trusted Chinese medicine company in China
Research Platform	Policy review	Foundation Building	Evidence building

- Drug pieces are essential drugs in a diagnostic and treatment method based on "dialectic therapy" in traditional Chinese medicine
- Supported by policies promoting the development of traditional Chinese medicine, the market has continued to grow except for the early period of the COVID-19 pandemic



"Personalized Medicine" in which drug pieces are prescribed by adjusting the type and amount of drug pieces according to the symptoms of each patient

- Expanding value-added services for drug pieces that improve patient convenience through uniformity and portability

Prescribed drug pieces



Patients
The effort required to brew

×
(Takes time and effort)

Homogeneity and stability

△

Storage and carrying
Convenience

×

Technical difficulty

-

Extracted as prescribed and available in a variety of dosage forms

Decoction



○
(No hassle)

○

△

Low

Liquid Extract



○
(No hassle)

◎

○

High

Extract powder



○
(No hassle)

◎

○

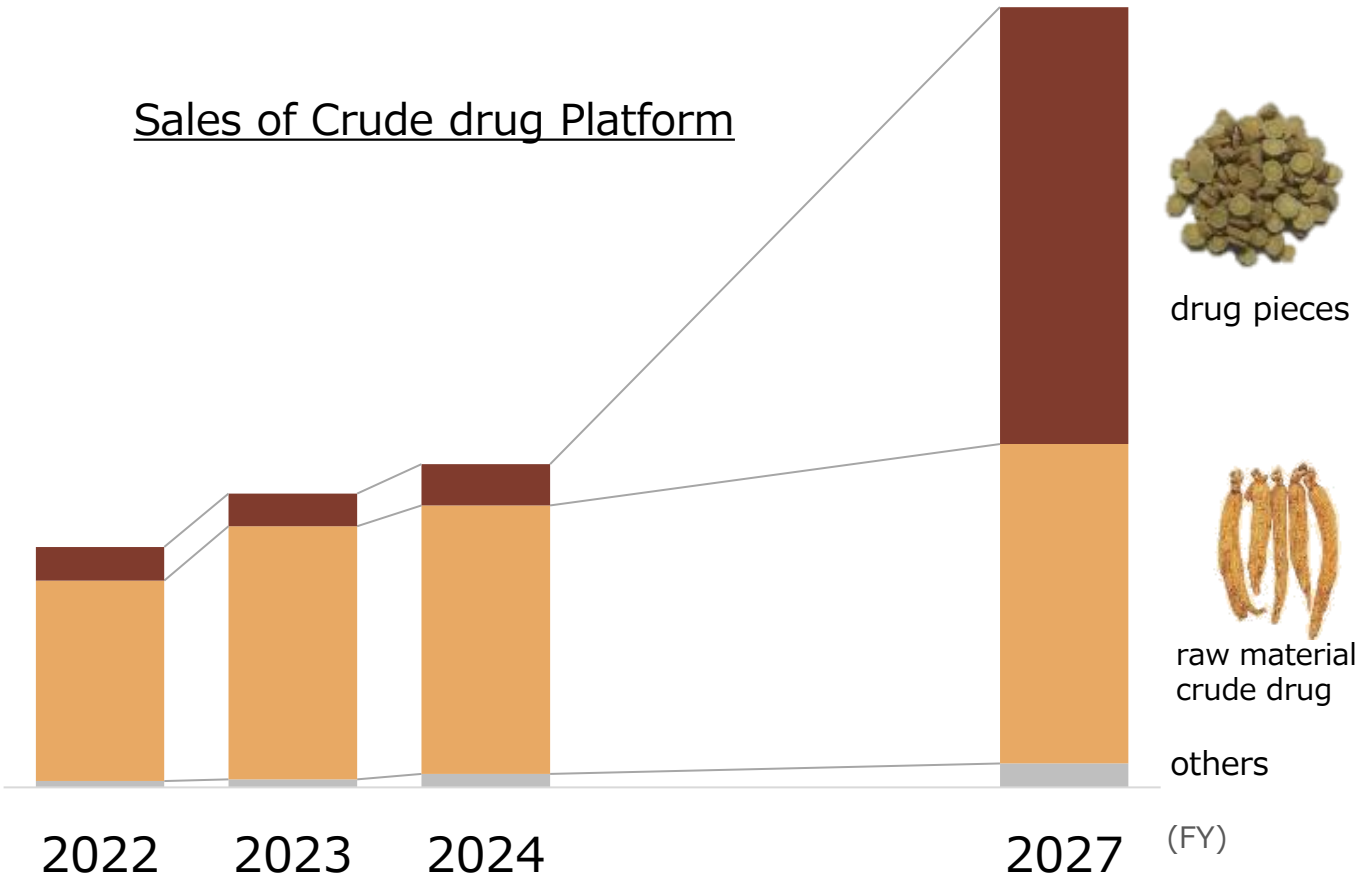
High

Aiming to expand business scale with a focus on drug pieces and Personalized Medicine

Expanding sales channels centered on raw material crude drug
Gaining recognition for the quality of crude drug

High value-added services and
Expand sales to profitable customer segments

Sales of Crude drug Platform



drug pieces



raw material
crude drug

others

- Expand traceability drug pieces
- Business partnerships with drug pieces companies with strong sales channels in hospitals
- Tsumura Group's personalized medicine technology
- Synergistic effects from utilizing sales channels of partners

- Have superiority in terms of quality and price
- Increase in the number and volume of crude drug
 - Selection of customers with emphasis on profitability

Aiming to create the best customer experience value
Digital transformation of the Kampo value chain
Establishment of a stable supply and low-cost operation system
and improvement of product value

Achieving both stable supply and appropriate inventory

Product value improvement

Low-Cost Operation

The installation base for automatic crude drug sorting machines and
Expansion of target items

Accelerating manufacturing
digital transformation

Innovating information provision
activities through Kampo digital
solutions

Improving sales plan execution accuracy and introducing production and procurement simulation

Cultivation, processing and
storage of crude drug



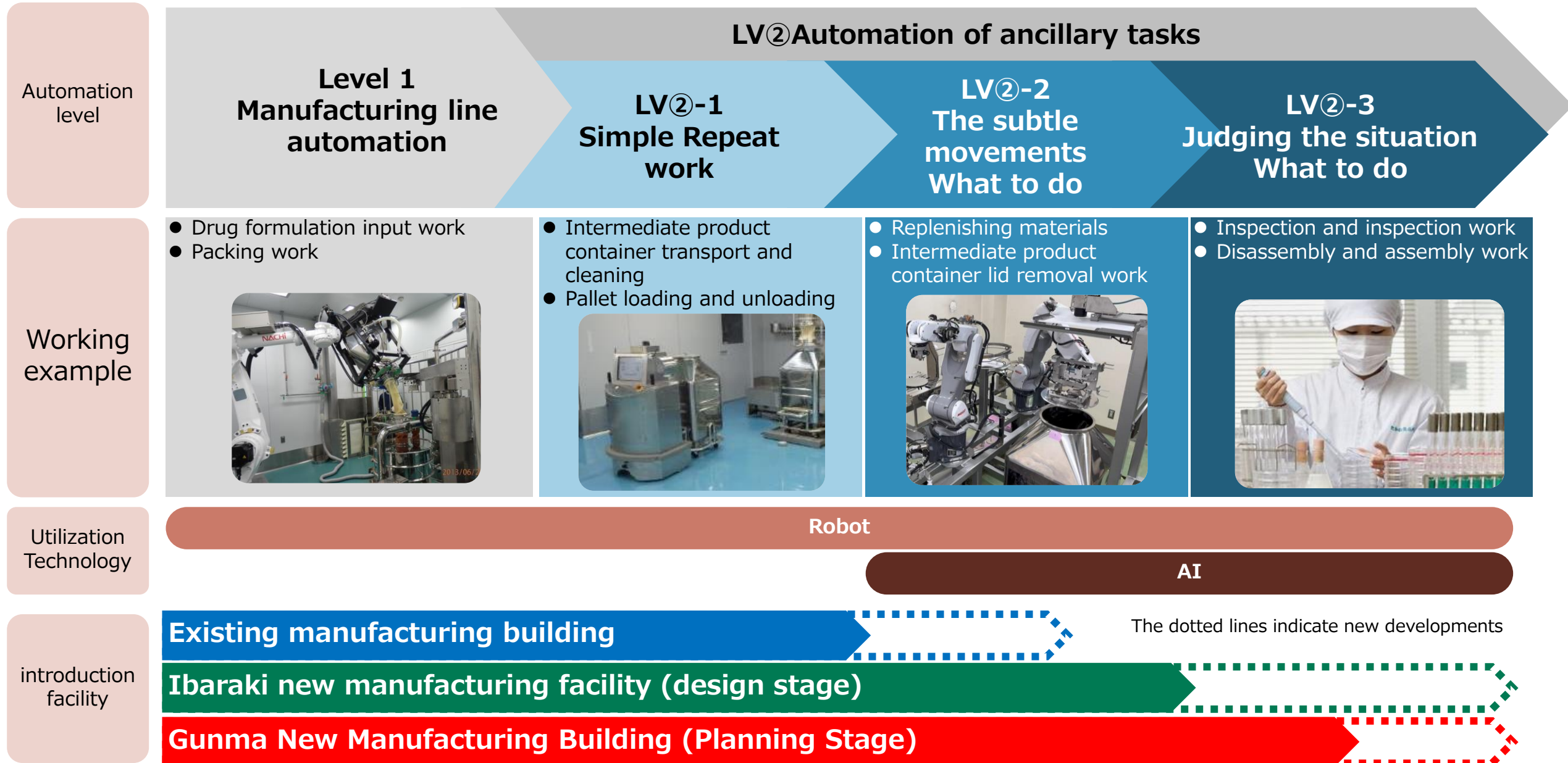
Quality Control and
Manufacturing



Sales, education and
dissemination



Labor productivity improvement



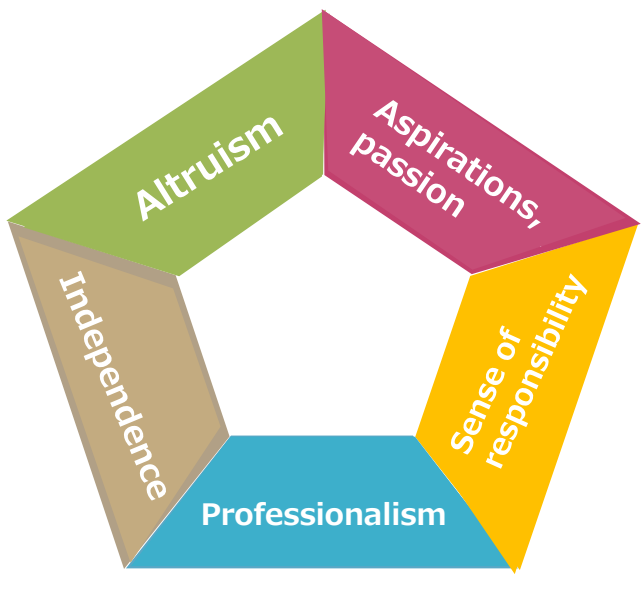
The dotted lines indicate new developments

Improving organizational and human capital value by enhancing human capital that contributes to realizing the Vision and promoting the development of a traditional organization mechanism analogous to Kampo medicines

Improving organization and human capital value to contribute to realizing our Vision

Development of management talent (T-NEXT)

Human resources to aim for



Organization Development organization mechanism analogous to Kampo medicines



Self-directed skills development

Human resource development and improvement of human resource levels

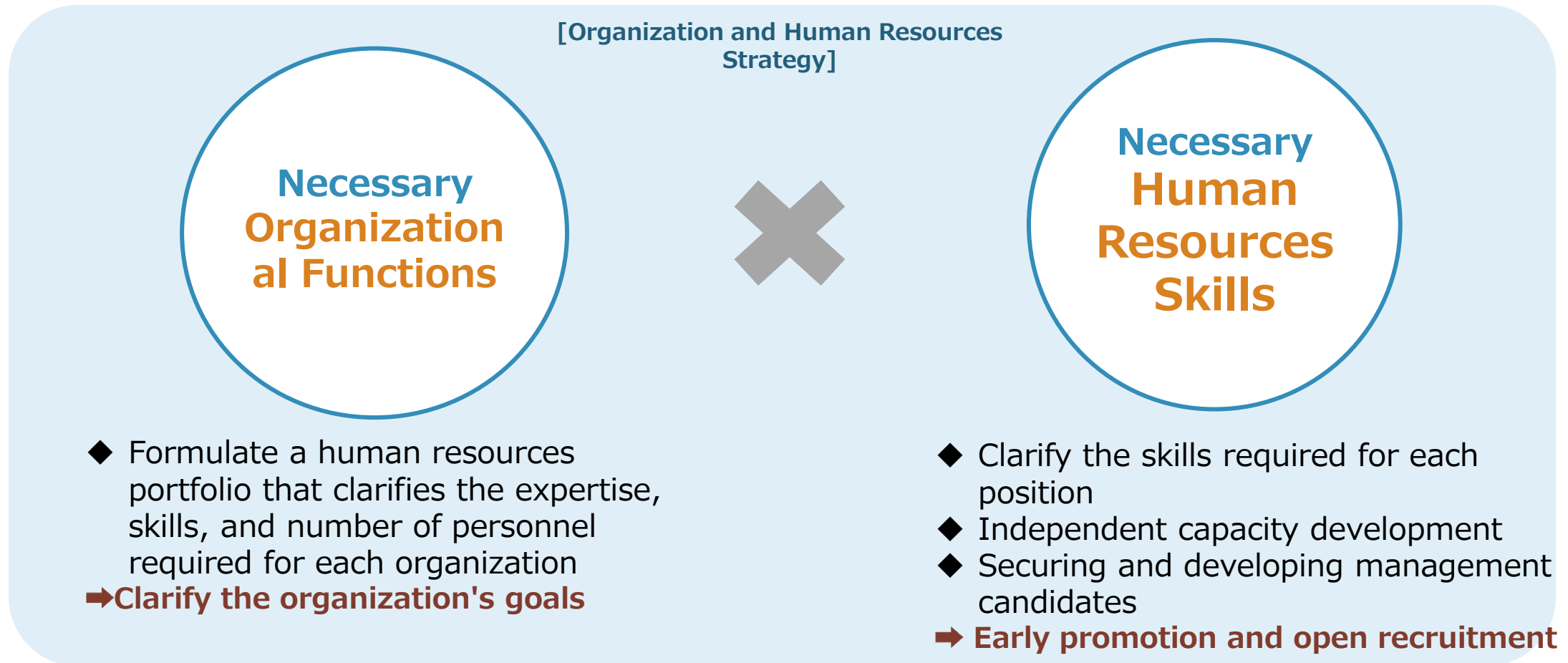
Improve business efficiency

Improving job satisfaction Health and productivity management

[Creating corporate culture] Corporate Philosophy penetration, coaching, team building

Establish a system where the HR department provides support from recruiting and training personnel to organization development

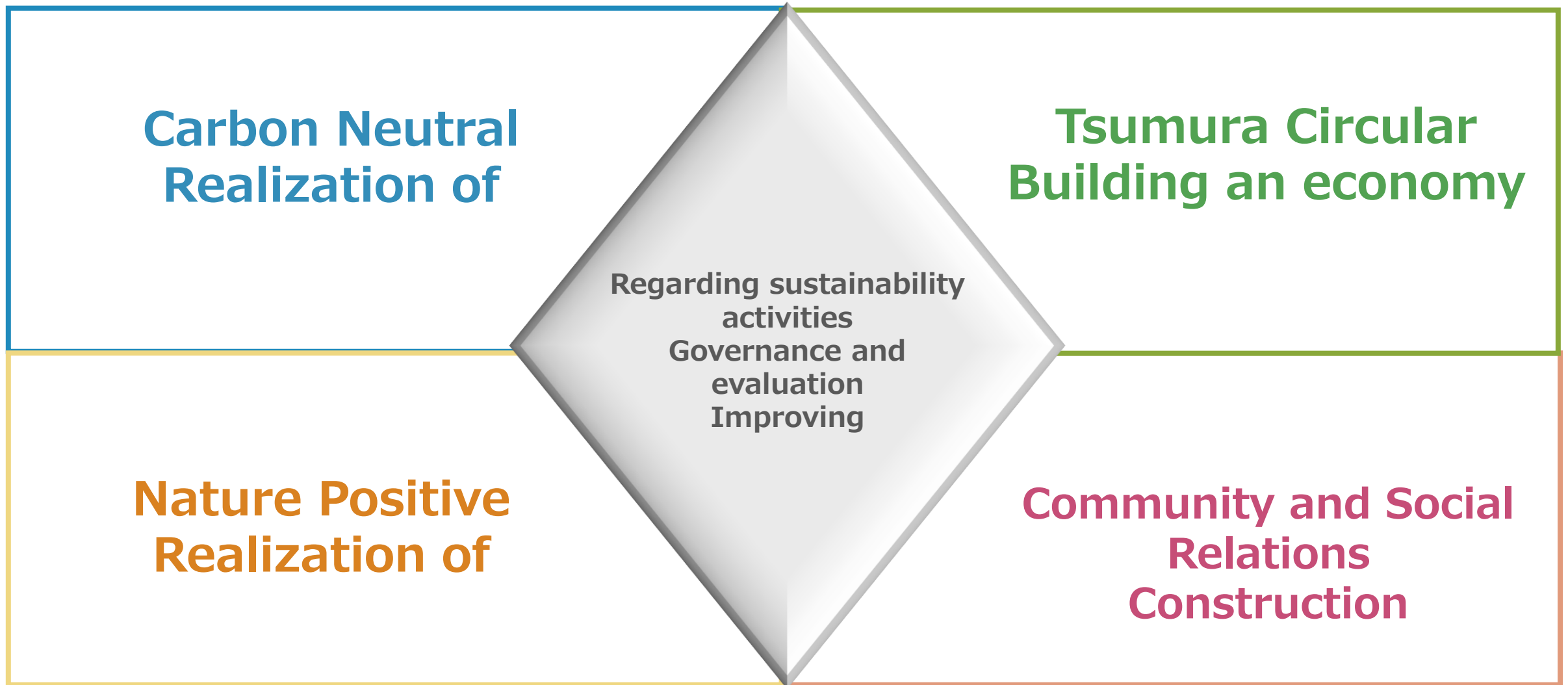
Introduced a job-based personnel system for managerial positions





Initiatives to Realize Our Sustainability Vision

Sustainability Category



Sustainability Targets 2027

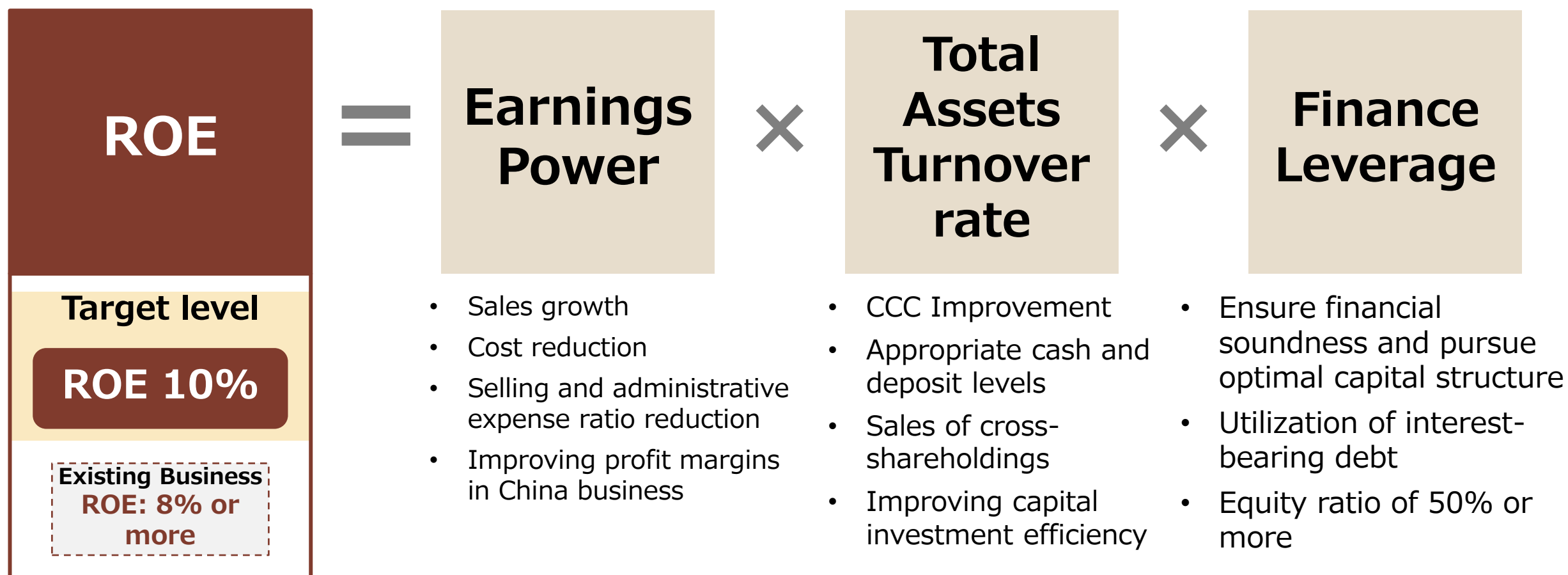


Sustainability Classification	Major items (issues)	Indicators (*LTI-II indicators)	2024 Prospects	Fiscal year 2027 the goal
Carbon Neutral Realization of	GHG	GHG emissions reduction (Scope 1, 2)*	18% reduction	15% reduction
Nature Positive Realization of	Cultivation research of crude drug	Cultivation of wild crude drug (number of items)*	4th item	7 items
	Recharge forests, soil and water resources	Biodiversity Conservation Activities	1 Result	4 Results
Tsumura Circular Building an economy	plastic	New material rate (%)*	0%	30%
	Industrial waste	Promoting the use of crude drug residue (Values converted into resources, %)	10.6%	30%
	water	Water reuse rate (%)	47%	60%
Community and Society Building Relationships	Crude drug producing areas and production bases	Collaboration with herbal crude drug growing areas and local communities	1 Result	6 Results
	• Conservation of the Nature environment			
	• Regional development (education, employment)	Sustainability education for executives and employees	0 Results	5 Results
	• Employee training			

Financial and capital policies and FY2025 performance forecast

CFO & Head of Corporate Management Division
Kaoru Kobayashi

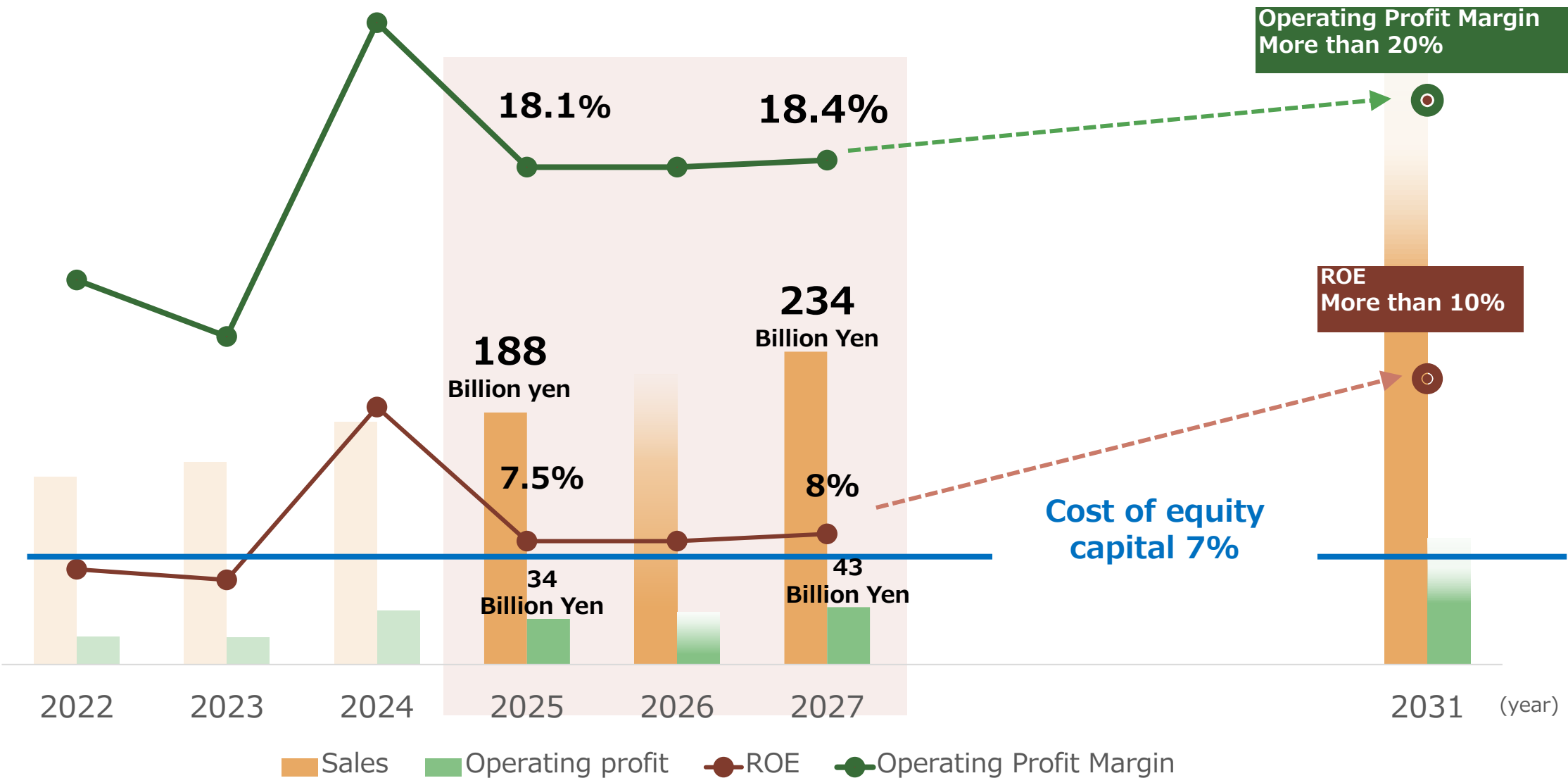
Realizing mid- to long-term improvement in corporate value (improving ROE)



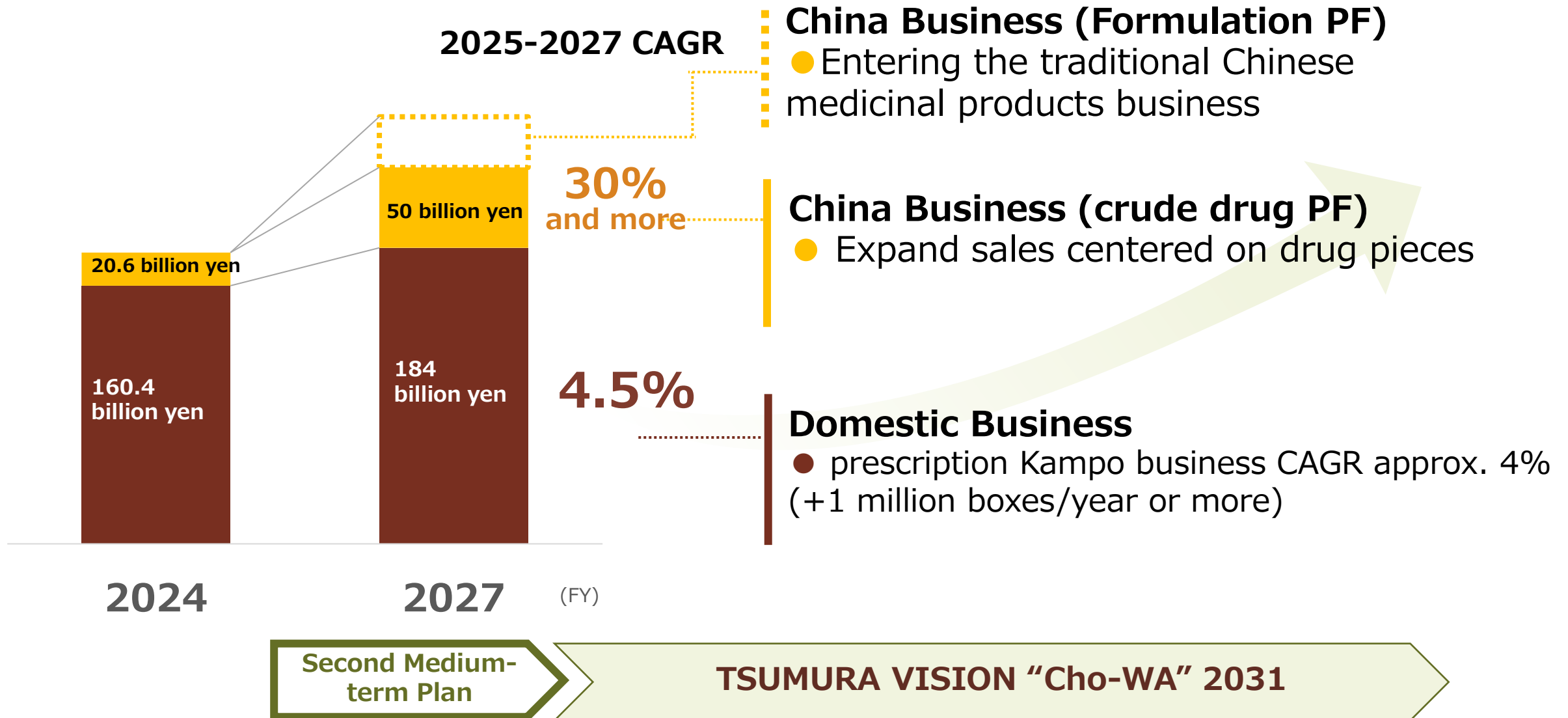
*Cost of equity capital: Approx. 7% Calculated using CAPM Risk-free rate: 2%, risk premium: 6%, beta value: Approximately 0.8

*Equity spread = ROE - cost of shareholders' equity

- Operating profit margin temporarily declined due to increased depreciation and labor costs
- Aim for an operating profit margin of 20% or more and an ROE of 10% or more by fiscal 2031

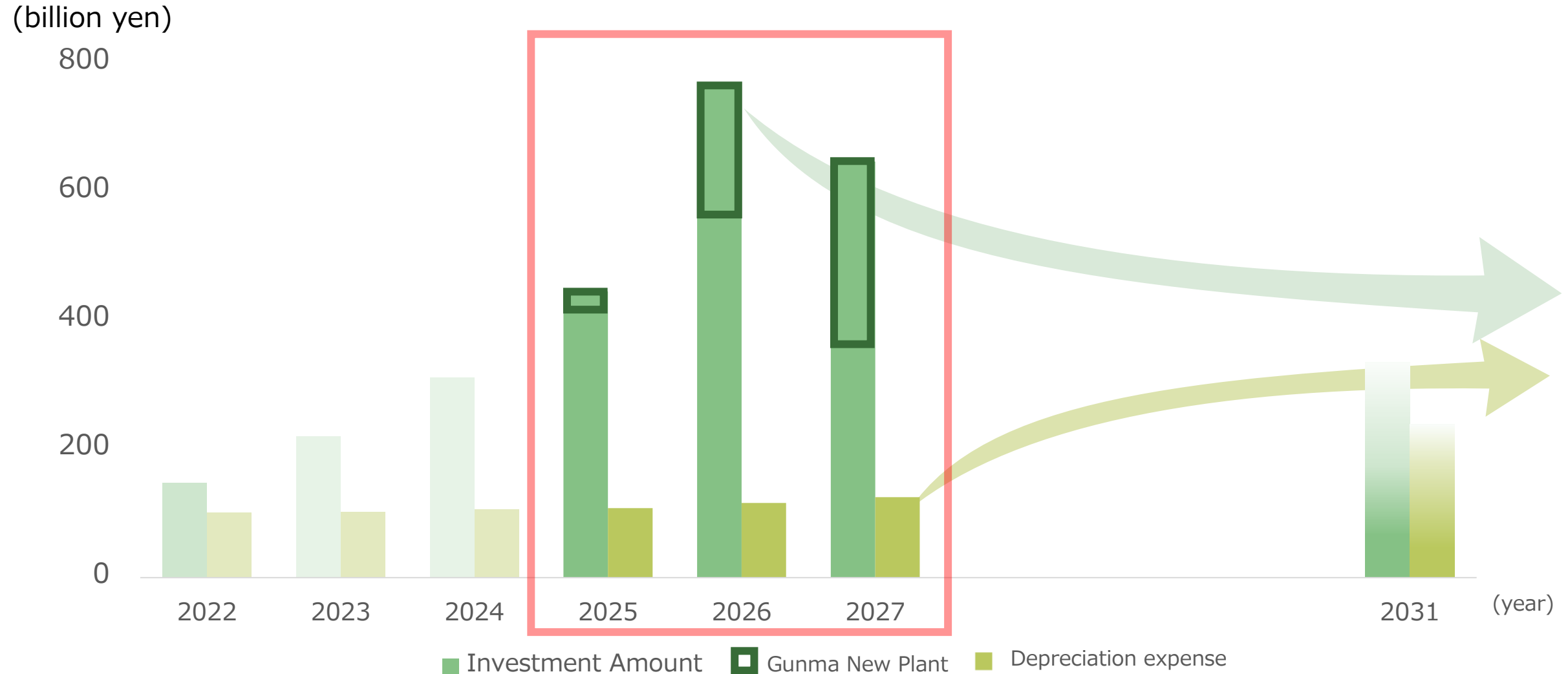


Sales by business



Improving profitability (investment, depreciation expenses)

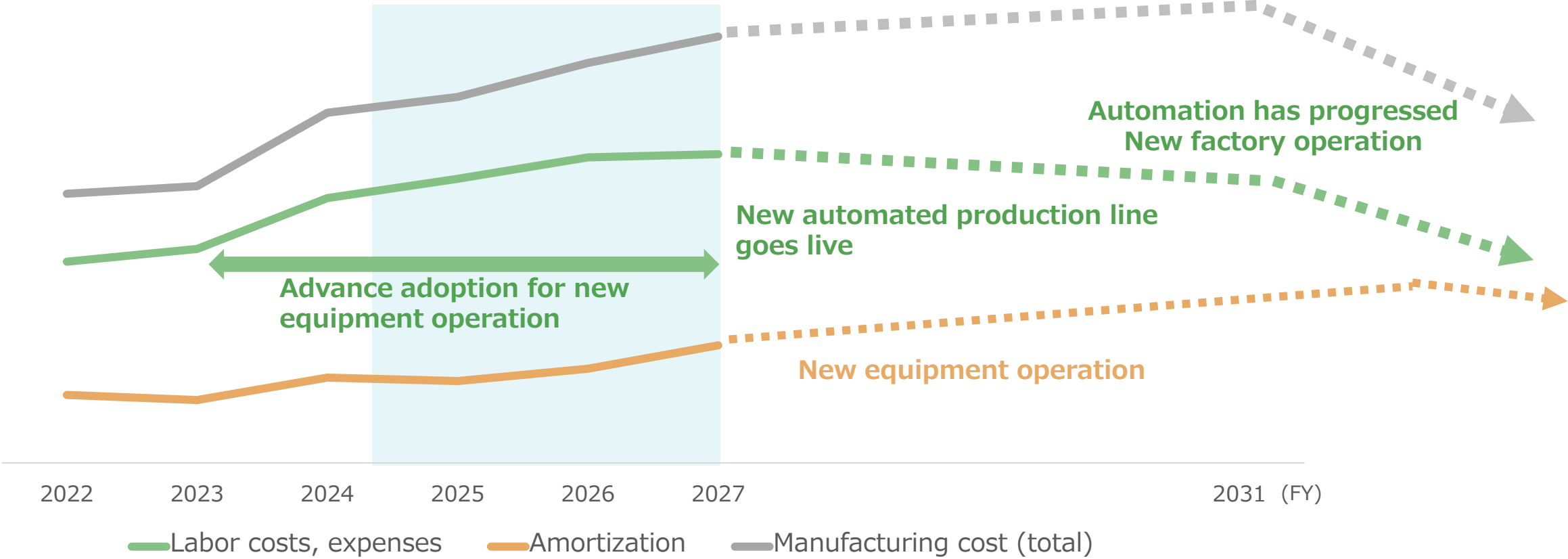
- Investment amount is expected to peak during the second mid-term plan period and then decrease
- Depreciation expenses will increase due to the operation of new facilities



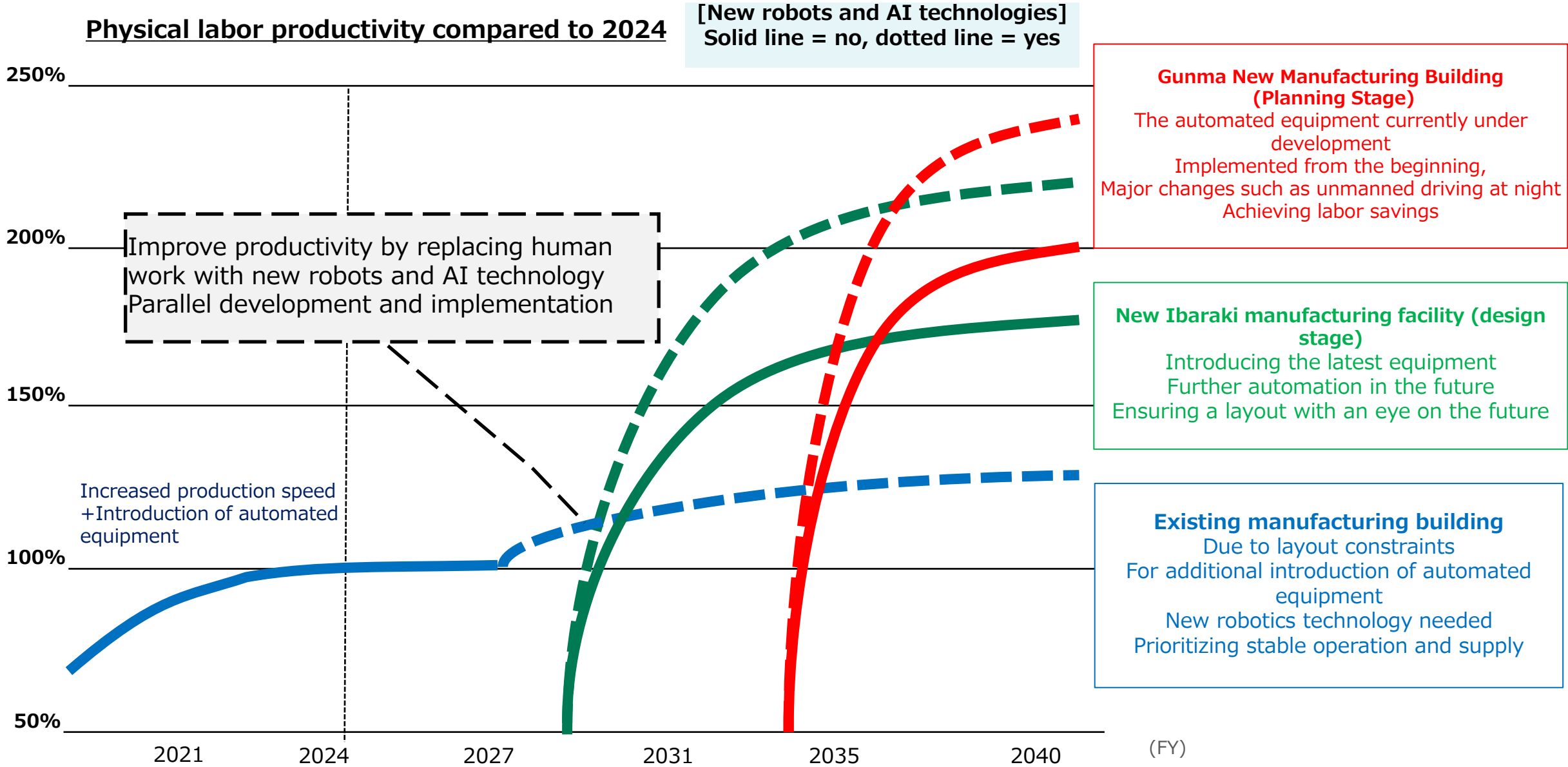
Improving profitability (production costs)

- During the second mid-term plan, manufacturing costs will rise due to increased depreciation and labor costs.
- Labor costs are expected to gradually decrease as the new production line comes online.

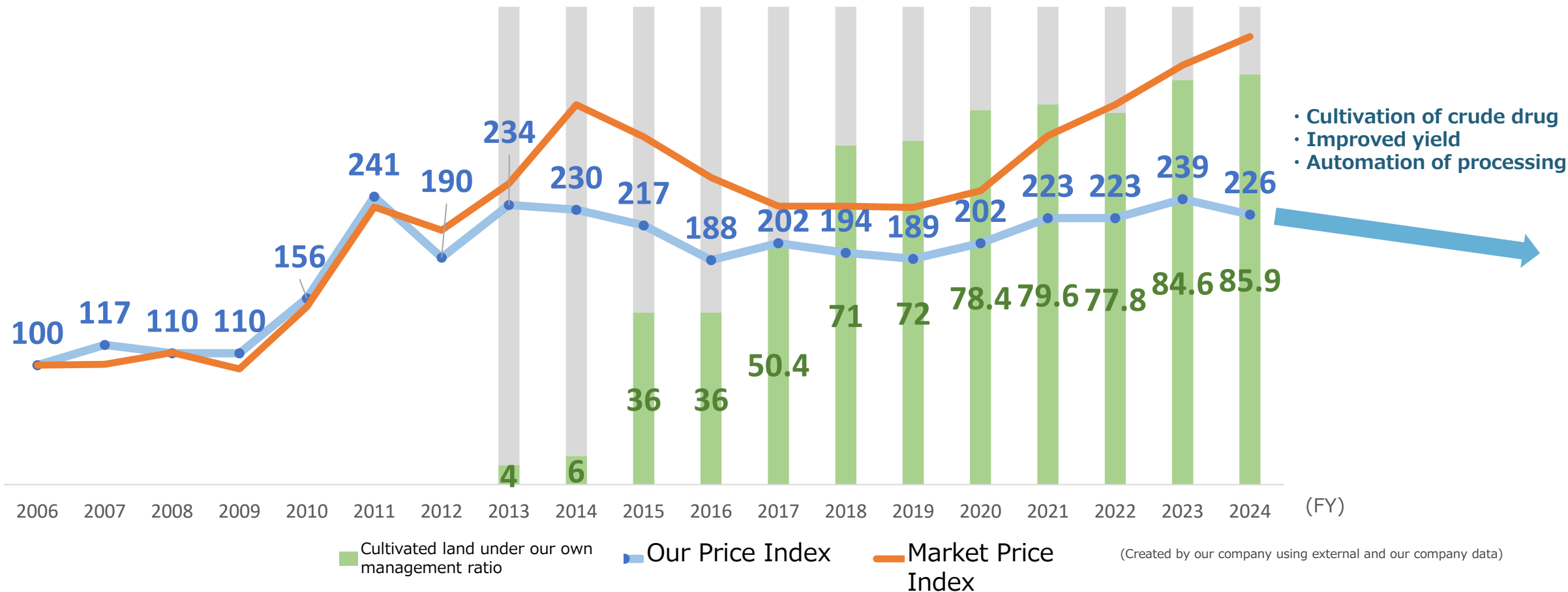
Trends in manufacturing costs per unit



Example of equipment introduction to improve labor productivity: Packaging process

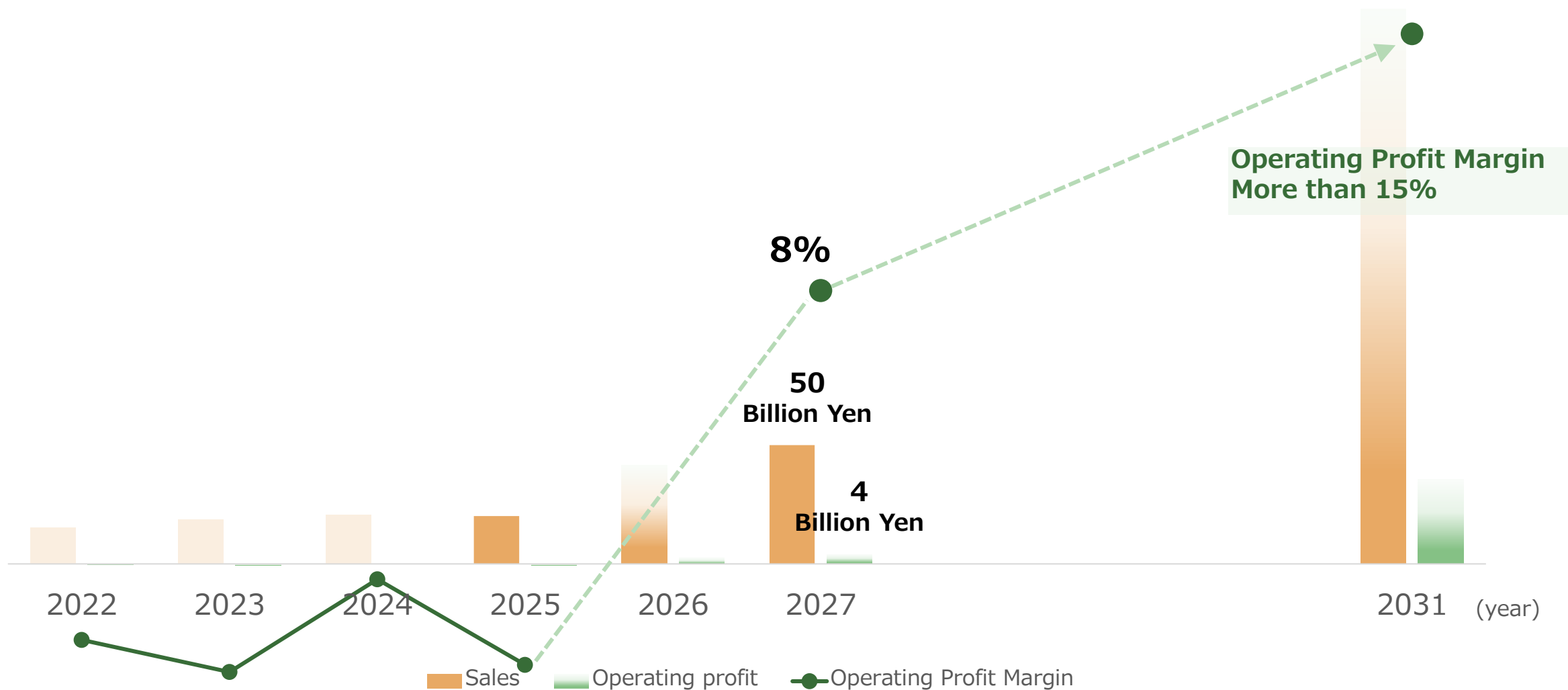


Aim to curb increases in cost rates by reducing procurement costs for crude drug



*1 Our price index: Weighted average price based on our group's usage (2006 as 100)
*2 Cultivated land under our own management: Farmland where our group can provide direct cultivation guidance, understand the costs involved in cultivation, and set purchase prices based on that. In the medium to long term, we will be able to procure high-quality, high-value crude drug in a stable manner at a superior position to the market.

The crude drug platform is expanding sales centered on drug pieces and value-added services



Improve total asset turnover by improving CCC in the operation cycle and reducing cross-shareholdings

CCC Improvements

■ What we aim to achieve in order to realize our Vision

Shorten the operation cycle by 3 to 4 months

■ Initiatives under the First Medium-Term Management Plan

- About 9 billion yen saved by shortening the accounts receivable period (CCC is reduced by about 0.5 months)

■ Initiatives under the Second Medium-Term Management Plan

- Based on the planning system for compounding crude drugs
Improved turnover of crude drug inventory

Reduction of cross-shareholdings

■ What we aim to achieve in order to realize our Vision

Zero in principle in the mid- to long-term



■ Initiatives under the First Medium-Term Management Plan

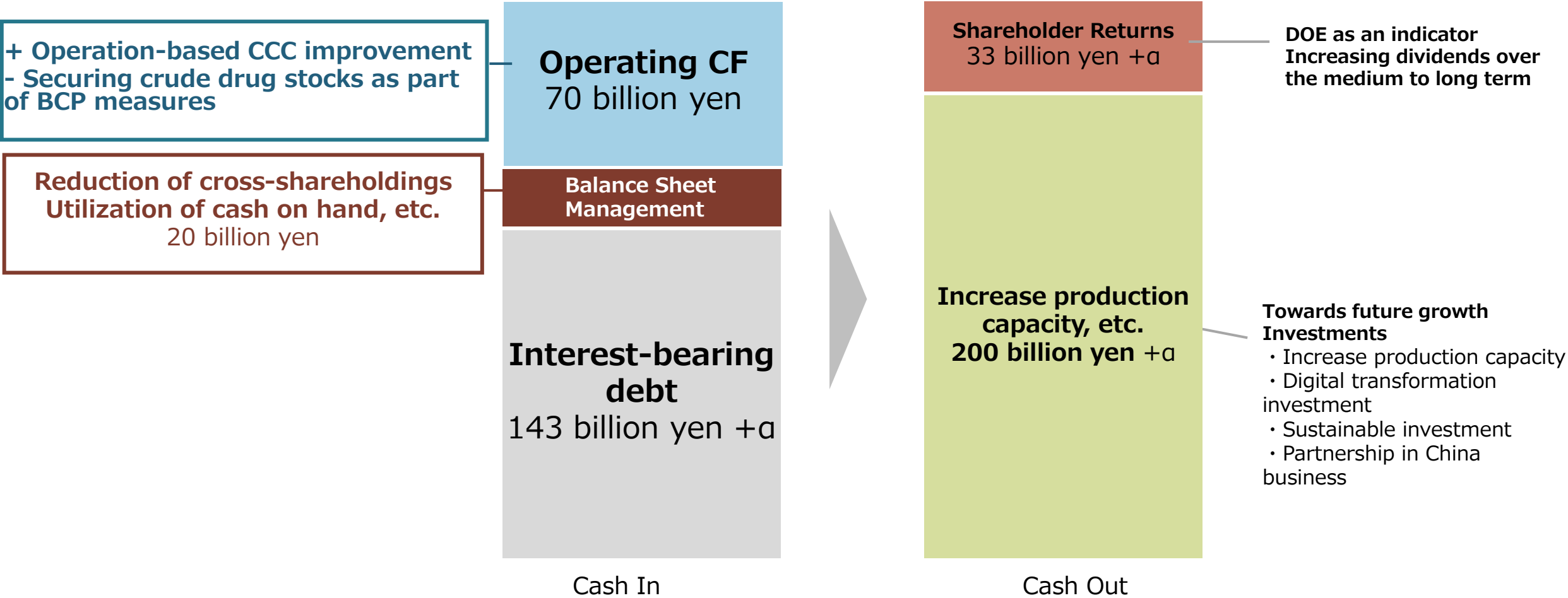
- Sale price was approx. 4.9 billion yen (The total amount of cross-shareholdings decreased by approximately 32%)

■ Initiatives under the Second Medium-Term Management Plan

- Aim to achieve zero emissions in principle

In addition to improving profitability and efficiency, we will generate cash by utilizing financial leverage and allocate it to further business growth and increased dividends.

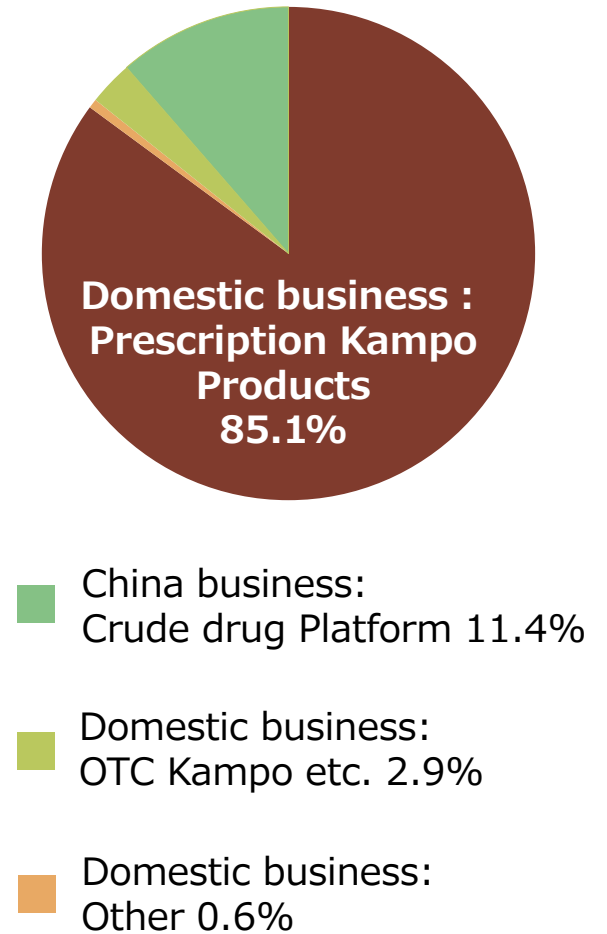
Second Medium-Term Management Plan (FY2025-2027)



FY2024 Financial Results Overview

[million yen]	FY 2024 plan (Updated February 6th)	FY 2024 Achievements	Achievement rate	YoY change	
				Amount	Rate of increase/ decrease
Sales	182,300	181,093	99.3%	+30,247	+20.1%
Domestic Business	161,800	160,459	99.2%	+28,359	+21.5%
China Business	20,500	20,633	100.7%	+1,887	+10.1%
Operating profit	40,000	40,125	100.3%	+20,108	+100.5%
Domestic Business	-	40,136	-	+19,604	+95.5%
China Business	-	(10)	-	+503	-
Ordinary Profit	44,000	42,446	96.5%	+18,953	+80.7%
Profit attributable to owners of parent	34,000	32,428	95.4%	+15,721	+94.1%
PL exchange rate* (JPY/CNY)	-	21.04	-	+1.21	-

Ratio to total sales



*The rate is based on the overseas subsidiary's P/L and differs from the import rate for raw material crude drug.

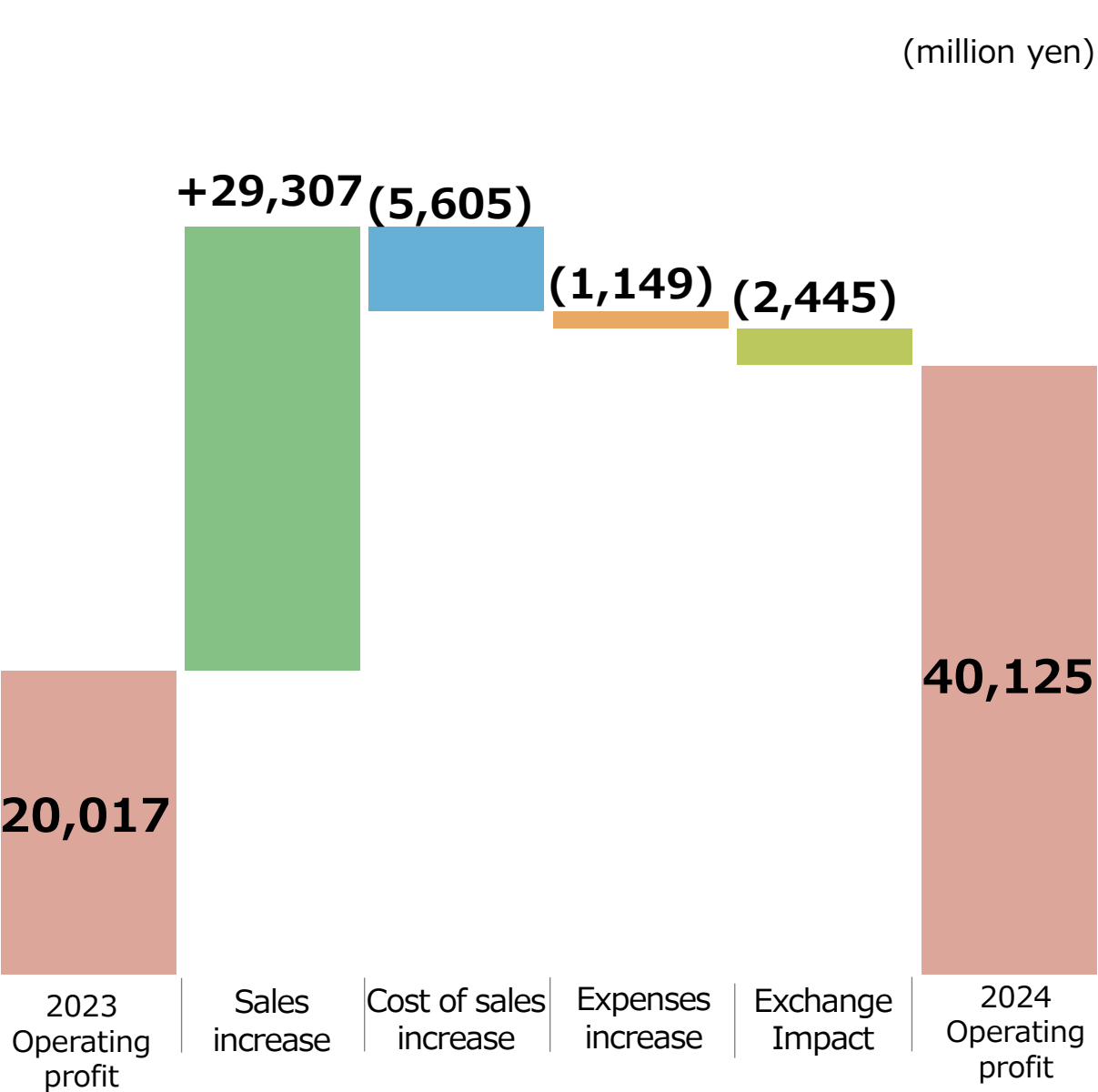
Key Points for FY2024 Financial Results



- Financial results showing increased revenue and profits

Net Sales	181,093	million yen	YoY Change	+20.1%
<div><div>■ Domestic business: Medical Kampo product (129 prescriptions): 154,072 million yen, up 21.9% YoY OTC Kampo medicine, etc.: 5,284 million yen, up 18.8% YoY</div><div>■ China Business raw material crude drugs, drug pieces, Health products etc.: 20,633 million yen, up 10.1% YoY</div></div>				
Operating profit	40,125	million yen	YoY Change	+100.5%
Operating Profit Margin	22.2	%	YoY Change	+8.9pt
<div><div>■ Cost rate: 50.0%, up 0.3pt from revised plan, down 4.4pt from same period last year: The impact of rising processing costs and rising crude drug procurement costs was absorbed by NHI drug price revision.</div><div>■ SG&A expense ratio: 27.9%. Compared to revised plan, down 0.5pt. Compared to same period last year, down 4.5pt. Mainly due to the impact of increased sales.</div></div>				
Ordinary Profit	42,446	million yen	YoY Change	+80.7%
<div><div>■ Foreign exchange gains on loans to overseas subsidiaries: 1,176 million yen YoY decrease of 1,017 million yen</div></div>				
Profit attributable to owners of parent	32,428	million yen	YoY Change	+94.1%
<div><div>■ Profit from sales of cross-shareholdings: 3,239 million yen YoY increase of 2,793 million yen</div></div>				

Factors affecting operating profit (YoY comparison)



(million yen)

Sales increase: +29,307 million yen	
Domestic business (including NHI drug price revision, sales volume, sales composition)	+29,215
China Business	(92)
Increase in cost of Sales: (5,605) million yen	
Domestic business: Crude drug procurement costs	(314)
Domestic business: Cost of Raw materials	(712)
Domestic business: Processing costs, etc.	(4,756)
China business: Decrease in sales composition ratio	+177
Increase in Expenses: (1,149) million yen	
Depreciation	(371)
Research and Development Expenses	(27)
Sales promotion expenses	(68)
others	(683)
Exchange rate (yen depreciation) impact: (2,445) million yen	

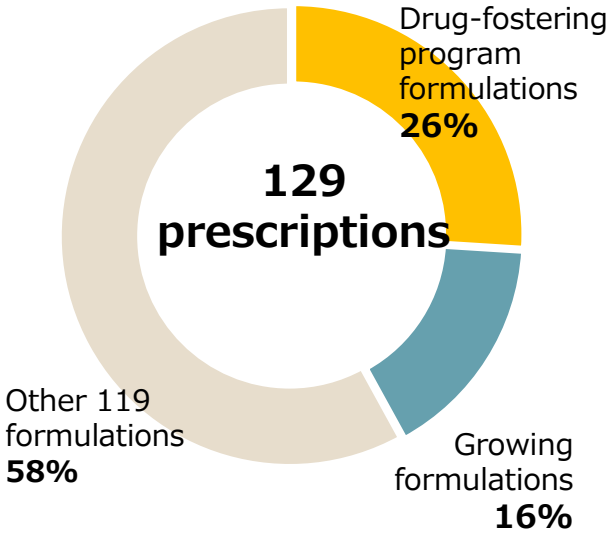
Domestic business: Sales of drug-fostering program formulations and Growing formulations (FY2024)



(million yen)

	Sales Ranking	Product No. / Prescription Name	FY 2023	FY 2024	Year-on-year change	
Drug-fostering program formulations	1	100 Daikenchuyu *	9,851	14,769	+4,918	+49.9%
	2	54 Yokukansan *	7,447	11,147	+3,699	+49.7%
	5	43 Rikkunshito	7,454	7,199	(254)	(3.4)%
	7	107 Goshajinkigan *	3,698	5,583	+1,885	+51.0%
	25	14 Hangeshashinto	1,448	1,464	+15	+1.1%
Total drug-fostering program formulations			29,899	40,163	+10,263	+34.3%
Growing formulations	3	41 Hochuekkito	7,956	7,597	(358)	(4.5)%
	4	17 Goryo-san	6,869	7,376	+506	+7.4%
	10	24 Kamishoyosan	5,117	4,917	(200)	(3.9)%
	18	137 Kamikihito	2,290	2,238	(51)	(2.3)%
	19	108 Ninjinyoei-to	2,305	2,234	(71)	(3.1)%
Growing formulations total			24,539	24,364	(175)	(0.7)%
Total of 119 prescriptions other than drug development and growing formulations *			71,918	89,545	+17,626	+24.5%
Total of 129 prescription Kampo product prescription Kampo formulations			126,357	154,072	+27,715	+21.9%

Sales Composition Ratio



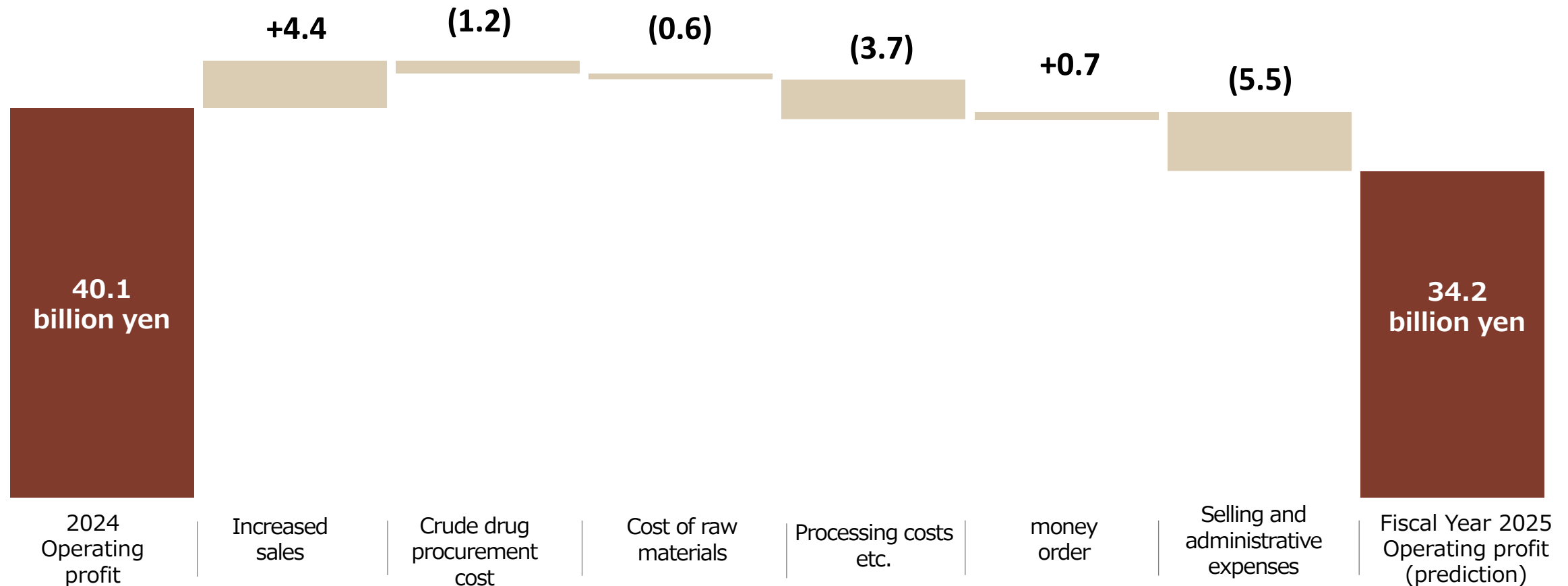
*In the NHI drug price revision in April 2024, Prescriptions subject to price re-evaluation as money-losing products 66 items (3 prescriptions for drug development + 63 other prescriptions, Revision rate: +36.2% to +50.7%

FY2025 Earnings Forecast

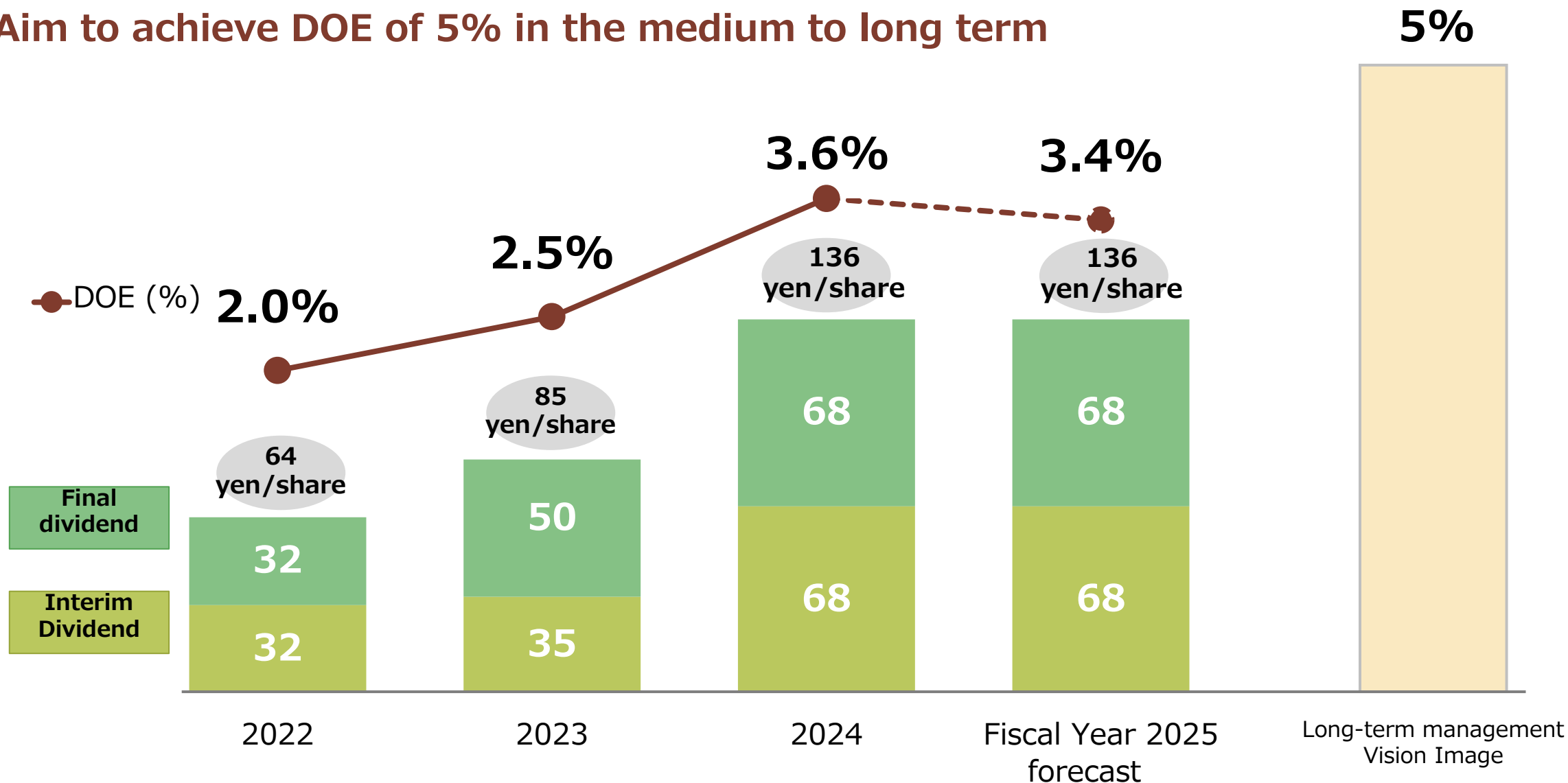
[million yen]	FY 2024 Achievements	FY 2025 prediction	YoY change	
			Amount	Rate of increase/decrease
Sales	181,093	188,000	+6,906	+3.8%
Domestic Business	160,459	167,900	+7,440	+4.6%
China Business	20,633	20,100	(533)	(2.6)%
Operating profit	40,125	34,200	(5,925)	(14.8)%
Domestic Business	40,136	34,700	(5,436)	(13.5)%
China Business	(10)	(500)	(489)	-
Ordinary Profit	42,446	34,000	(8,446)	(19.9)%
Profit attributable to owners of parent	32,428	23,000	(9,428)	(29.1)%
PL exchange rate (JPY/CNY)	21.04	20.30	(0.74)	-
ROE	11.4%	7.5%	<p>(Note) Non-operating income and expenses (mainly foreign exchange gains on loans to overseas subsidiaries, etc.)</p> <p>Extraordinary profits (mainly gains on sales resulting from the reduction of cross-shareholdings)</p> <p>It is difficult to make a reasonable calculation based on the current state of the exchange rate and stock market.</p> <p>This has not been factored into the earnings forecast.</p>	
EPS	427.15 yen	302.95 yen		

Analysis of factors affecting the increase or decrease in operating profit forecast for fiscal year 2025

- Profits are expected to decline as the effect of increased sales volume is outweighed by increased selling, general and administrative expenses and processing costs.



- Based on the shareholder return policy, we forecast 136 yen in FY 2025
- Aim to achieve DOE of 5% in the medium to long term



Progress of US development (TU-100)

General Manager of International Research & Development Division
Eriko Yamashita

TU-100: A developmental investigational drug manufactured from the same crude drug ingredients as Tsumura Daikenchuto for the domestic market.

Postoperative ileus (POI) is an unmet medical need in the United States

- POI is a state in which gastrointestinal motility is temporarily suppressed until gastrointestinal function recovers after surgery.
- Insufficient recovery of intestinal function after surgery ⇒ Extended hospital stay and increased medical costs

Daily hospitalization costs in the United States: Approx. \$2,500 (approx. 360,000 yen at 145 yen to the dollar)¹

- Despite improved perioperative management, advances in surgery, and the implementation of medical treatment (of health issues), a significant number of patients experience delayed resolution of POI.

Alvimopan is the only drug approved by the FDA to promote recovery of gastrointestinal function after surgery.

1: Market Research Report by Evaluate for December 2024

2: Sanfilippo 2015, Sapci 2020, Venara 2016, Blair 2023, Buscali 2022, Chapman 2019, Khawaja 2022, Gustafsson 2019

Overview of the TU-100 P2T4 test

Objective: To evaluate the efficacy and safety of endoscopic and laparoscopic bowel resection in subjects undergoing intestinal resection (laparoscopic or open).

Evaluate the efficacy and safety of TU-100 in restoring gastrointestinal function after surgery

Study format: Multicenter, randomized, double-blind, placebo-controlled study

Development stage: Phase 2

Number of cases: 402

Group composition: 15g/day group, 7.5g/day group, placebo group

Patient enrollment period: July 29, 2021 to March 25, 2024 (2 years and 8 months)

Test completion date: May 1, 2024



Although the COVID-19 pandemic a challenging environment for conducting the study, the target number of patients, 402, was enrolled.

TU-100 P2T4 test results published

Release date: April 16, 2025

What is ClinicalTrials.gov?

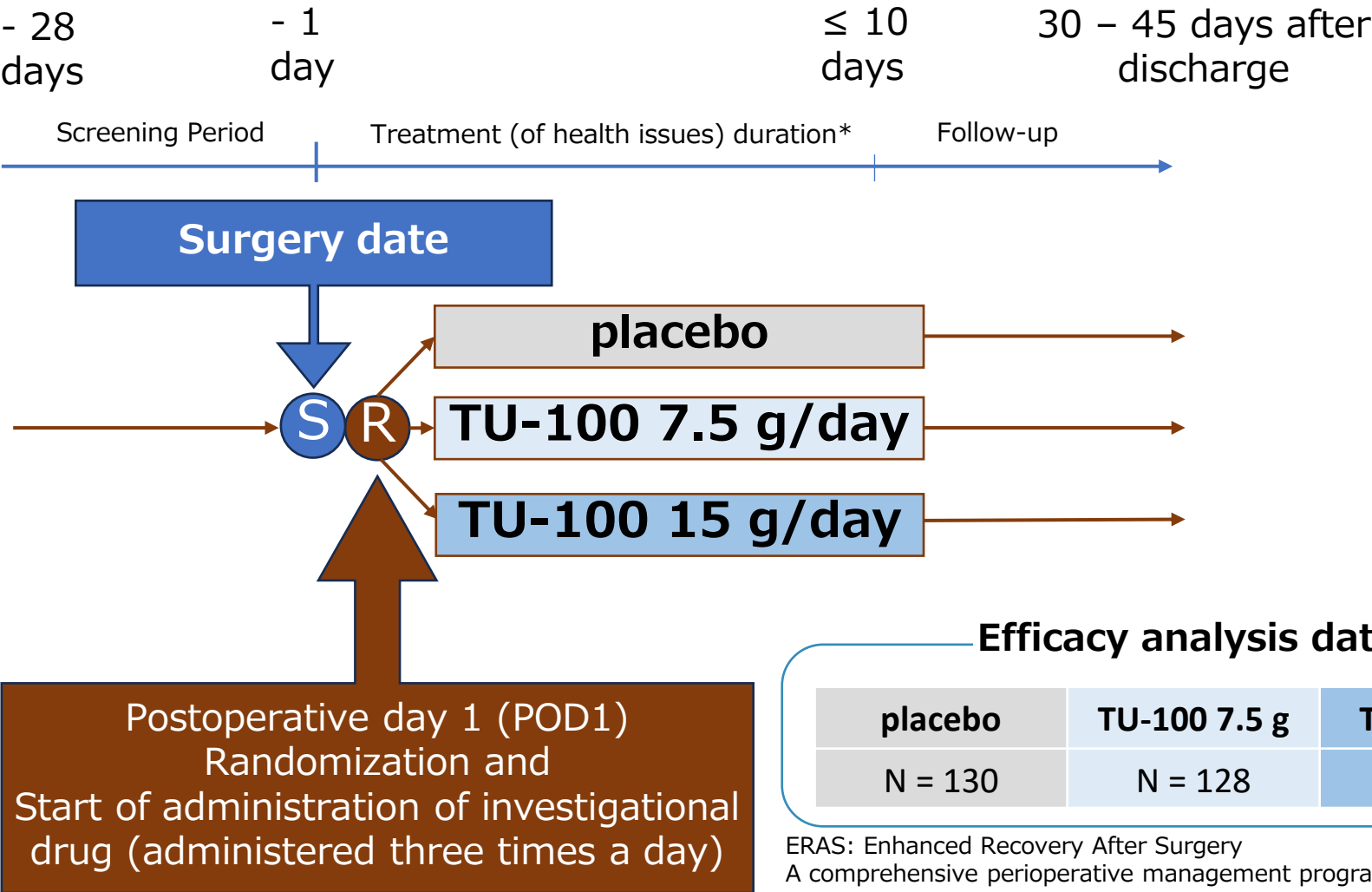
- A database that provides clinical trial information jointly by the National Institutes of Health (NIH) and the Food and Drug Administration (FDA) in the United States.
- Registration of clinical trial results will become mandatory from 2017

<div><div>NIH</div><div>National Library of Medicine National Center for Biotechnology Information</div></div> <div>ClinicalTrials.gov</div>			
Outcome Measures			
<div>1. Time to Gastrointestinal Recovery (GIR)</div> <div>Type: Primary Time Frame: From the day after surgery until hospital discharge or ≤ 10 days (whichever is earlier)</div>			
Description	Time to achieve recovery of GI motility as measured by a composite endpoint representing upper AND lower GI recovery		
Time Frame	From the day after surgery until hospital discharge or ≤ 10 days (whichever is earlier)		
Analysis Population Description	Analysis population includes subjects in the Full Analysis Set in each treatment group who receive at least 1 dose of study medication, who underwent an elective bowel resection surgery as specified in the protocol, and who provided at least 1 post-surgery assessment of the primary endpoint (TGIR) during the treatment period.		
Arm/Group Title	TU-100 15 g/Day	TU-100 7.5 g/Day	Placebo
Arm/Group Description	Subjects will receive a total daily dose of TU-100 5 g TID until hospital discharge or ≤ 10 days (whichever is earlier). TU-100: Treatment with investigational product	Subjects will receive a total daily dose of TU-100 2.5 g TID until hospital discharge or ≤ 10 days (whichever is earlier). TU-100: Treatment with investigational product	Subjects will receive placebo TID until hospital discharge or ≤ 10 days (whichever is earlier). Placebo: Treatment with placebo product
Overall Number of Participants Analyzed	132	128	130
Median (90% Confidence Interval) Unit of Measure: hours	32.6 (29.7 to 41.2)	30.8 (28.1 to 35.3)	33.4 (29.1 to 40.9)

The study drug will be administered three times a day from the day after surgery until the end of hospitalization (up to 10 days). *Use in conjunction with ERAS pathway



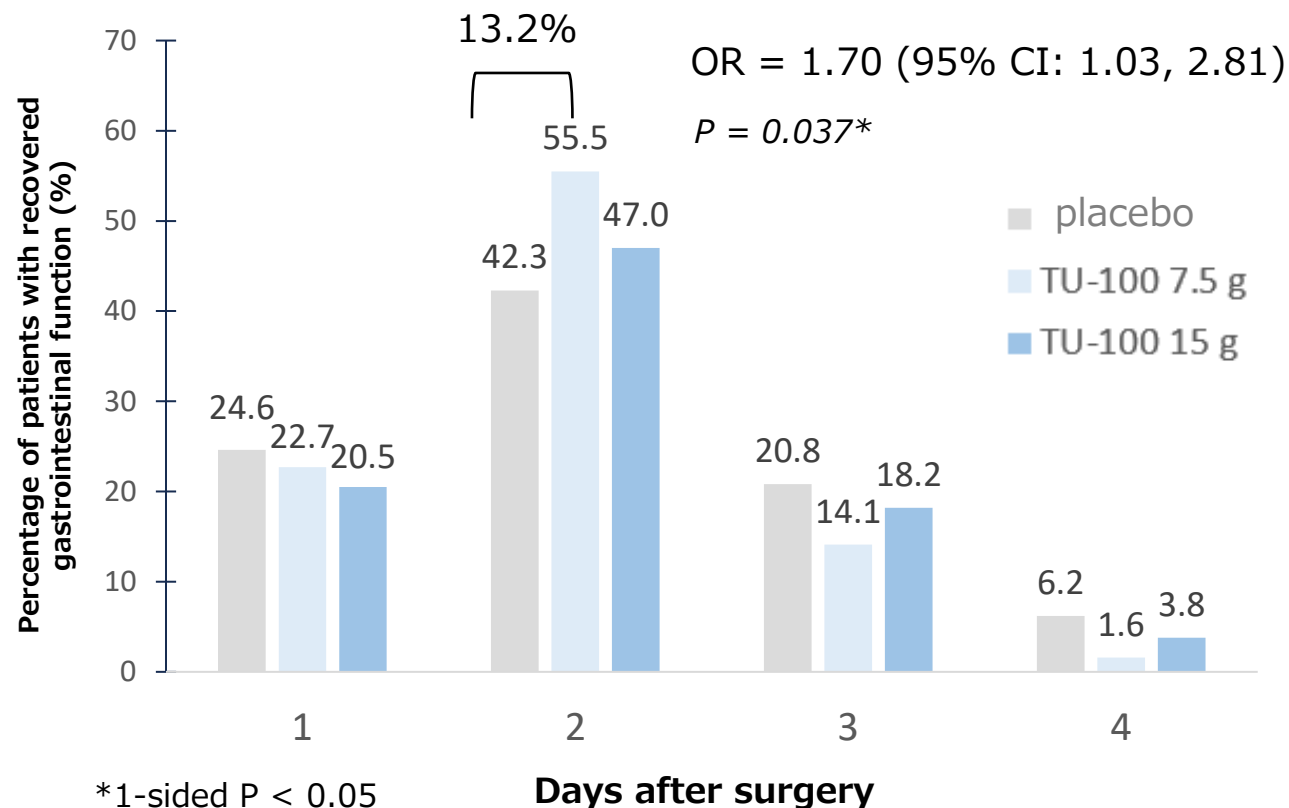
Granules
Dissolve in 1.5 ounces (approx. 44 ml) and take



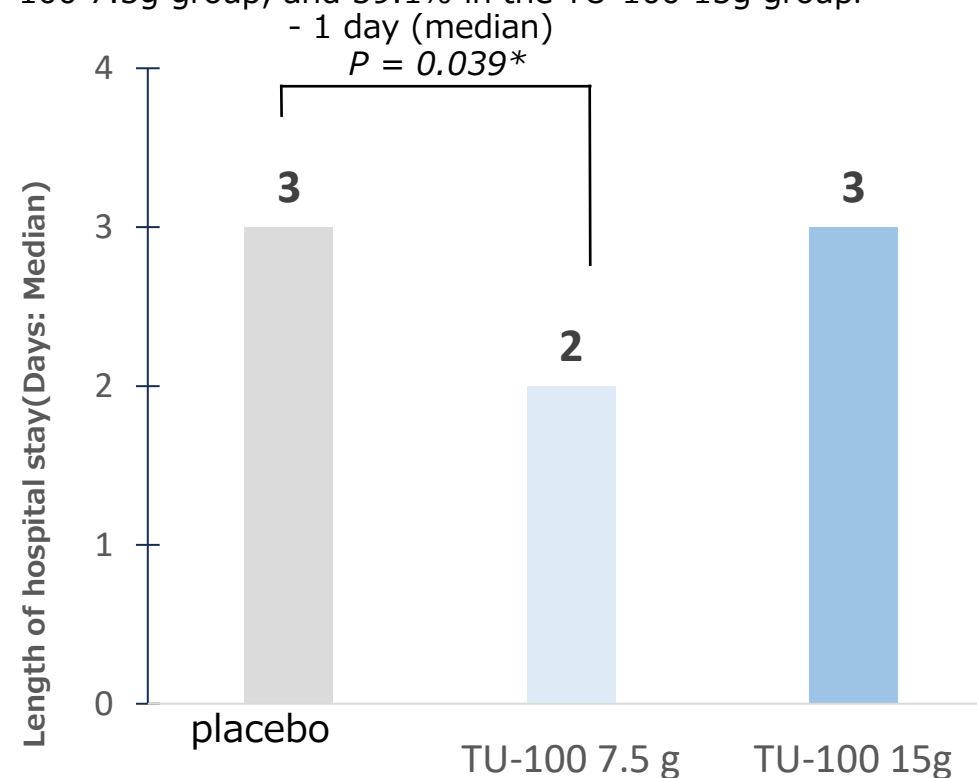
ERAS: Enhanced Recovery After Surgery
A comprehensive perioperative management program to promote early postoperative recovery

Key results from TU-100 P2T4 study

- There was no significant difference in the primary endpoint [time to recovery of gastrointestinal function]
- There were significant differences in multiple secondary endpoints in the TU-100 7.5g group (proportion of patients with recovered gastrointestinal function, length of hospital stay, etc.)
- The incidence of adverse events was 62.3% in the placebo group, 57.0% in the TU-100 7.5g group, and 59.1% in the TU-100 15g group.



A significant difference was observed in the proportion of patients who recovered gastrointestinal function on the second postoperative day in the TU-100 7.5g group compared with the placebo group.



A significant difference in length of hospital stay was observed in the TU-100 7.5g group compared with the placebo group.

P-value from 2-sample t-test.

Changes in the medical environment

- **COVID-19 pandemic leads to shift to earlier discharge for simple bowel resections**
- There are cases where patients are discharged before a bowel movement is confirmed.

Future medical needs

- **Complex major abdominal surgery requires longer hospital stay than bowel resection**
- Recovery of gastrointestinal function is a key milestone that influences early treatment (of health issues) outcomes and discharge decisions
- Expectations for a drug that meets the following requirements
 - Improvement of POI through promotion of gastrointestinal motility and suppression of intestinal inflammation
 - Shorter hospital stay

Corporate Communications Department

Investor Relations Group

investor_madoguchi@mail.tsumura.co.jp

Notes regarding this document

- The information provided in this document includes so-called "forward-looking statements." Whether these forecasts can be realized or not depends on various risks and uncertainties. Therefore, please be aware that actual results may differ significantly from these forecasts.
- Our business performance and financial position may be affected by changes to regulations regarding healthcare administration, such as the healthcare insurance system and drug prices, imposed by the governments of Japan and other countries, as well as by fluctuations in interest rates and exchange rates.
- If any of our major currently marketed products were to be discontinued or experience a significant decline in sales due to product defects, unexpected side effects or other factors, this would have a significant impact on our business performance and financial position.
- This document contains information about pharmaceuticals (including products under development), but it is not intended as an advertisement or medical advice.
- The materials and information provided in this document may be changed, added to, or deleted without prior notice.

Appendix

Financial Condition and cash flow Position (FY2024)

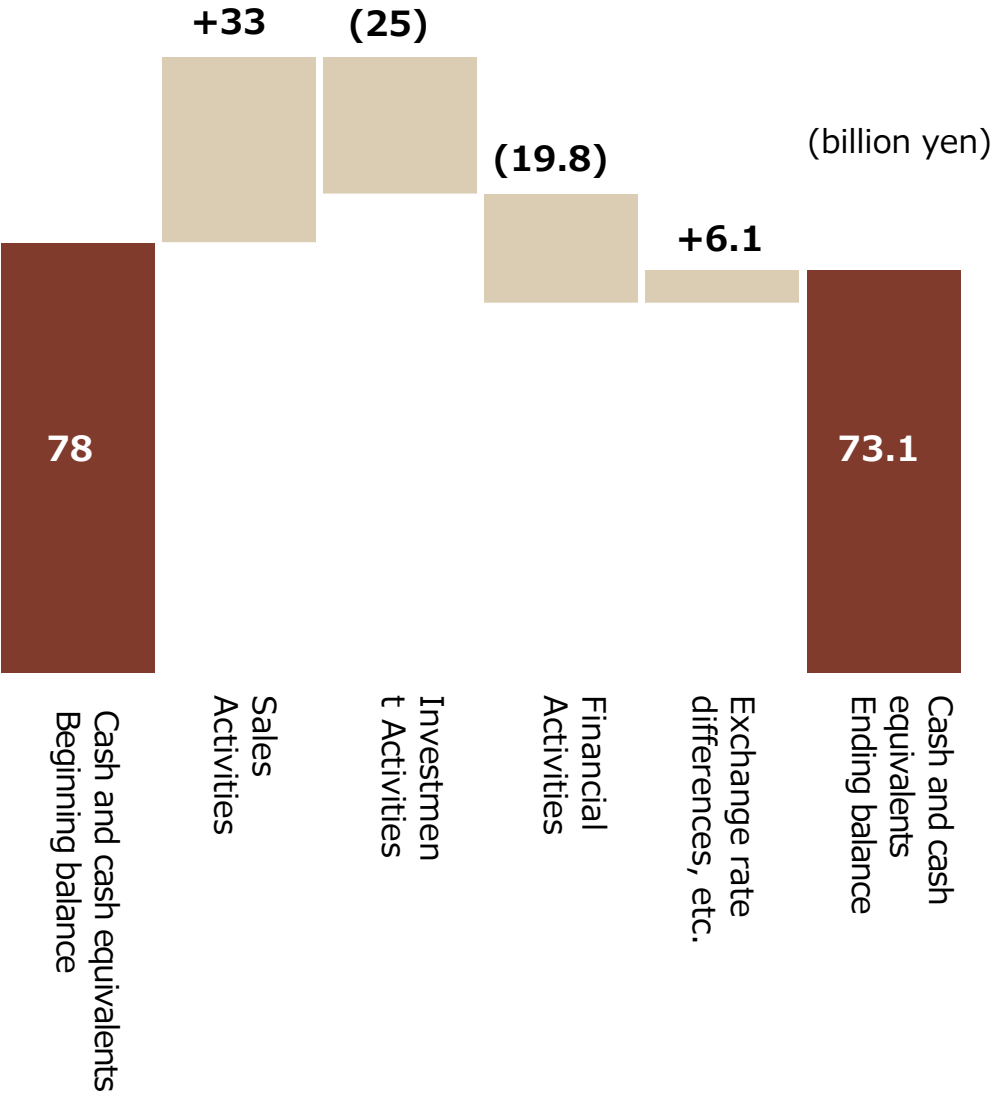


(million yen)

	FY 2023 (2024.3)	FY 2024 (2025.3)	Increase/ decrease amount
Total Assets	428,254	464,380	36,126
Current assets	281,292	295,709	14,417
Fixed assets	146,961	168,670	21,709
Total Liabilities	132,889	134,270	1,381
Current liabilities	68,557	61,913	(6,643)
Fixed Liabilities	64,332	72,357	8,025
Total net assets	295,364	330,110	34,745

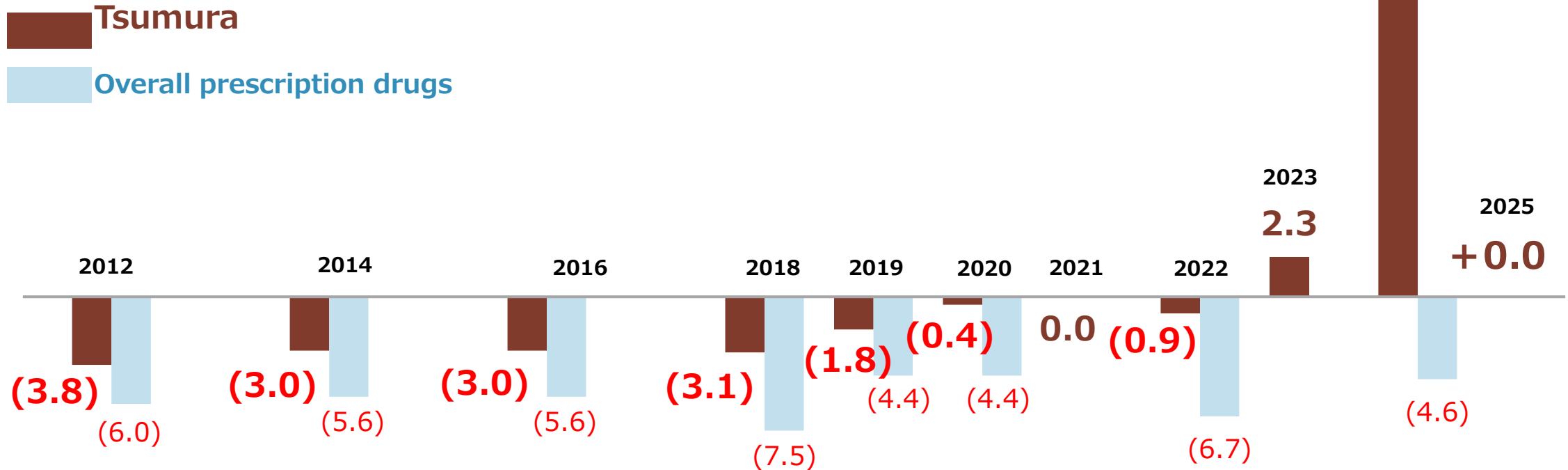
Equity Ratio	63.2%	64.7%	+1.5pt
--------------	-------	-------	--------

	2023 (2024.3)	2024 (2025.3)	Increase/d ecrease amount	Of which, foreign exchange
Total Inventory	117,617	133,784	16,167	6,471
Goods and Products	12,139	14,939	2,800	254
Work in progress	18,309	20,197	1,888	243
Raw materials and supplies	87,168	98,647	16,167	5,974



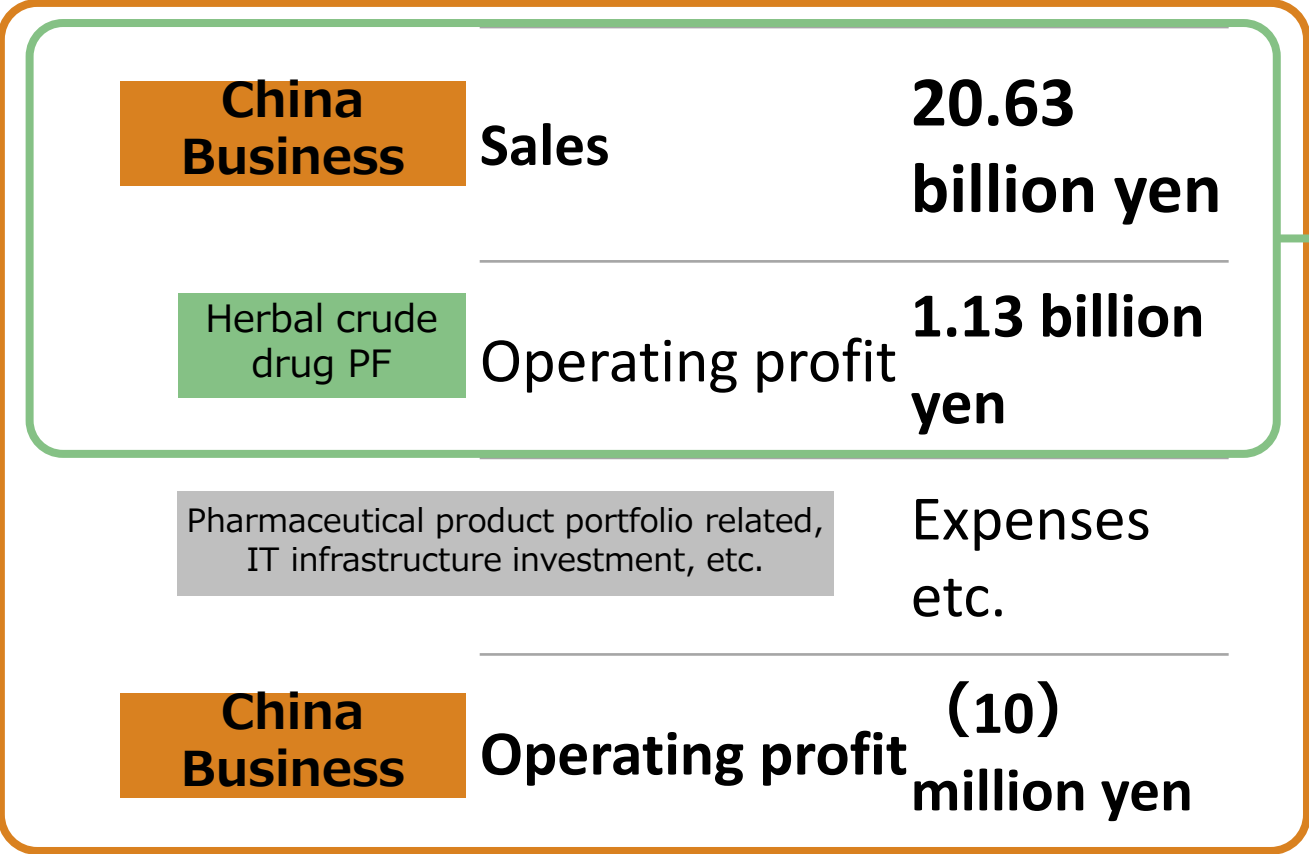
- The NHI drug price revision rate in April 2025 will be +0.03%
(There were 0 negative revisions and 3 positive revisions)

Changes in NHI drug price revision rates (weighted average: %)



* The revision rates for prescription drugs as a whole are not disclosed for 2021, 2023, and 2025 due to mid-year revisions.

- Operating profit of crude drug platform continues to be in the black
- Operating profit in China business is in the red due to upfront investment costs for formulation platform etc.



Growth rate (compared to the same period last year)
+8.4%

raw material crude drug



Sold as raw material to traditional Chinese medicinal products manufacturers

Growth rate (compared to the same period last year)
+37.4%

drug pieces

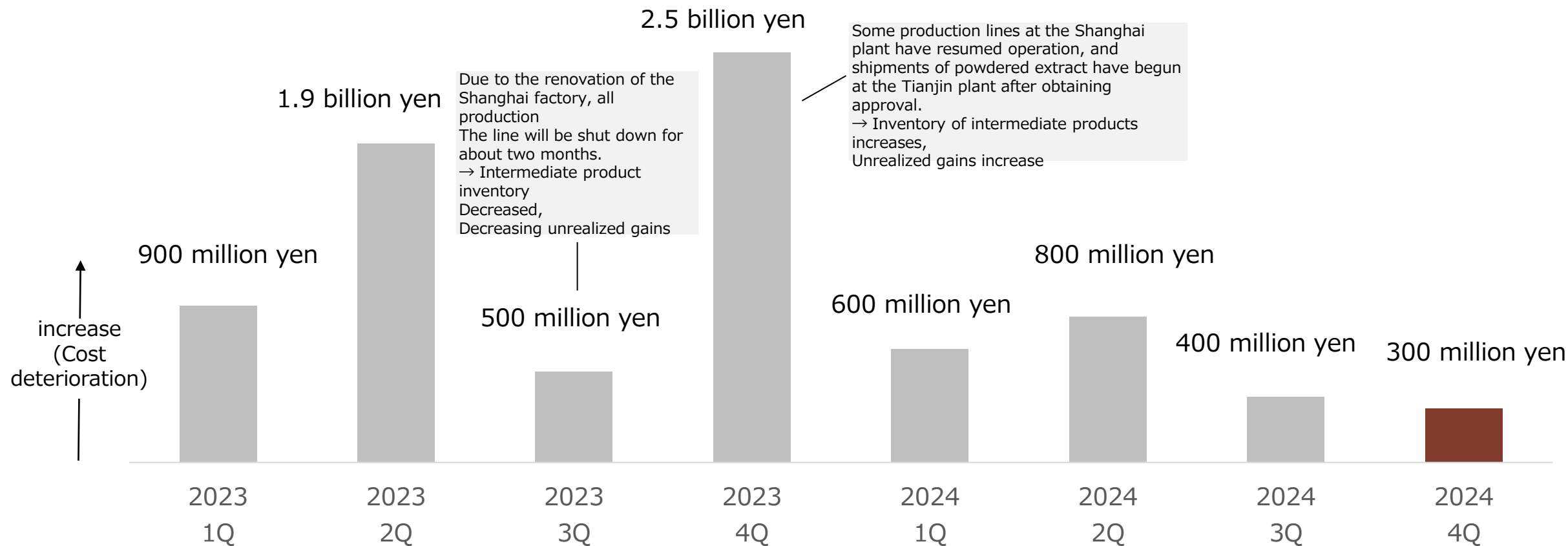


Sold to hospitals and pharmacies for medical use and OTC

Major Products of Herbal crude drug PF

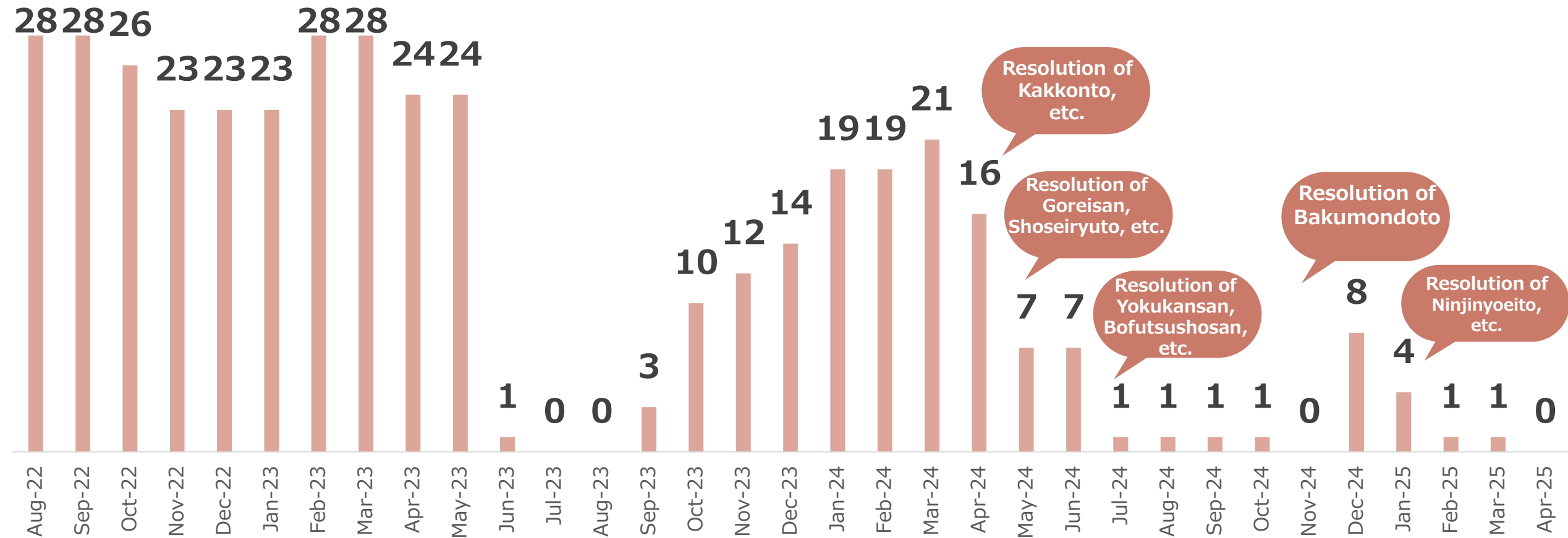
- In FY2023, large fluctuations will occur in each quarter due to special factors such as factory shutdowns.
- No special factors will occur in FY2024

Trends in unrealized profits



Domestic business: Changes in number of limited-shipment items in 129 prescription Kampo formulations

- All items will be lifted on April 11, 2025



Investment (for increasing production capacity, automation, and digital transformation)

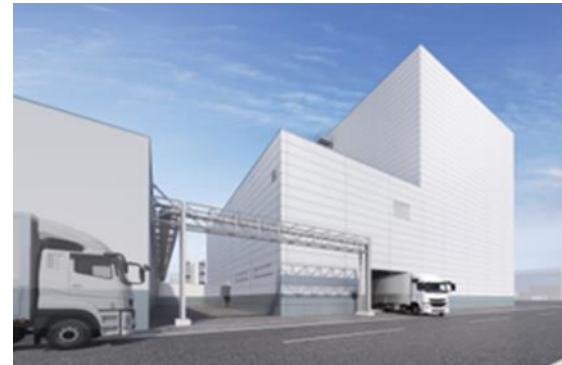
Investment plan: 200+ billion yen

Ibaraki Plant No.4 SD Building (Extract powder manufacturing)



Investment amount: Approx. 30 billion yen
Construction period: 2024 to 2026
Capacity: 900t/year

Ibaraki Plant 3rd Crude Drug Building (Storage of raw material crude drug)



Investment amount: Approx. 8 billion yen
Construction period: 2024 to 2026

Tianjin Plant 3rd Phase Manufacturing Building (Extract powder manufacturing)



Investment amount: Approx. 14 billion yen
Construction period: 2022 to 2025
Capacity: 750t/year

Gunma New Plant SD Building (Extract powder manufacturing)

Investment amount: Approx. 50 billion yen
(planned)
(*2nd Medium-term Management Plan
Period)
Construction period: From 2026

Ibaraki Plant Granulation and Packaging Building (Extract granule manufacturing)

Investment amount: Approx. 40 billion yen
(planned)
Construction period: 2025 to 2027

Ibaraki Plant QC Building (Quality control, crude drug storage, etc.)

Investment amount: Approx. 9 billion yen
(planned)
Construction period: 2025 to 2027

**Under
Construction**

**Planned
construction**