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[Speakers]

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<Q1>

According to your financial statements, you seemed to be experiencing some challenges in Greater China. How are you going to improve this situation?

<Loh>

We established a primary care and ambulatory care clinic platform in Shanghai, and then we opened a hospital in Chengdu in 2019. I think it is fair to say that private healthcare market in China is a challenging one. We need to evaluate how we can grow. We may have to reevaluate our investments a little more efficiently and smartly. I also feel that we need to consider how we can mitigate the risks of current investments. While doing so, we should keep the start-up costs as low as possible, and at the same time, we will continue to monitor the market itself, which has tremendous potential. We will also reevaluate the market before further making investment in Greater China.

The situation is a different in Hong Kong, where our hospital is doing very well. Even in COVID-19 times, volume and EBITDA continued to grow progressively. We are forecasting that Hong Kong will grow rapidly thus we may think about introducing cluster strategy in the city.

<Q2>

To what extent should we consider current tight labor market, a rise in energy prices and so on as risks as an impediment for your growth at your company?

<Loh>

It is a fact that inflationary pressures are real. We have to be careful about salary cost increases in healthcare. Inflationary pressures are obviously rising. We also have to monitor supply pressures and rising energy prices. In some of the markets where we operate, energy prices have doubled and looking at these impacts that would potentially be at the level of 80 million Malaysian Ringgit or about 5-6% of net income, as we continue to study the situation. We will take this situation into account in the short term, while we are looking at driving further growth in the long term. With the long-term demand for private healthcare remains intact, we believe that margin itself will become healthier.

<Q3>

I would like to ask about the growth speed, competitors, market share and strength of IHH.

<Loh>

IHH operates in 10 countries including 4 core markets, which is Singapore, Malaysia, India and Turkey. In these 4 core markets, we have operated more than 20 years as a leading brand in these markets. With the strong brands, we have built up the reputation through long term operations and delivery of excellent clinical services, which makes this as our competitive edge. We are now building a better service among group hospitals through extracting operating synergies and sharing the strategies. Additionally, we are investing in new technology, and , IT systems that will make processes better, and digitalization that makes operations more convenient and transparent. We customize the data and information to each market to remain competitive. That makes our advantage in the market, better healthcare service with competitiveness and will lead to building trust with patients. We could also develop such initiatives in new markets. We choose the new market to enter carefully, understand the regulatory environment, extract synergies within existing market and use the strong brand. Alongside, we bring our strong operating capability to start up a new cluster. Furthermore, we have strong balance sheet, thus we have the ability to grab the opportunities to make acquisitions both for existing clusters and new areas.

<Q4>

I would like to ask about IHH's profit and cash flow targets.

<Loh>

IHH has delivered strong result and proactively made debt repayment in the past 2 years. With an improved balance sheet, IHH would like to create growth for the shareholders by re-investing cash to strategic acquisition, new frontiers, and digital healthcare eco-system. That will make improved returns for shareholders, and we increased the dividend from 4.0 sen to 6.0 sen in 2021. Our intention is to further increase the dividend as per our dividend policy.

<Q5>

You explained that you will be focusing both on shareholder returns and re-investment. How do you plan to improve shareholder returns by IHH, or investment returns for Mitsui?

<Loh>

We would like to accelerate growth by five growth engines which I mentioned in the presentation, as IHH is a growth company. We think that the growth will contribute to shareholder returns and ROE is also an important topic. In early years, ROE of IHH was not so high, probably 2-3% or maybe 4% range soon after IPO. Currently the ratio is approx. 8% and even when excluding COVID-19 impact, it has improved to approx.6%. The trajectory of improving ROE is a high priority in the next two years. We would like to improve ROE through cluster strategy and laboratory strategy, then increase the dividend as well. Both Growth and ROE are very important.

<Q6>

In order to achieve your long-term goal for number of beds, I understand that you will consider lateral expansion of your cluster strategy in the region, acquisitions, etc. What is your growth strategy for the future?

<Loh>

As you pointed out, in addition to organic growth, in order to accelerate growth we need to be more active in M&As. The cluster strategy includes both organic growth and M&As, which have realized synergies and led to an increase in ROE. To maintain this momentum, we acquired Prince Court Medical Centre in Malaysia a few years ago, while focusing on another key point of allocating capital efficiently. We will continue to pursue M&A activities. We will accelerate growth utilizing our capabilities as a leading healthcare operator, and we will try to improve our profit and ROE at the same time.

<Q7>

Please tell us how you plan to secure returns from the perspective of growing your business through data business development.

<Loh>

Since the establishment of IHH, our motto has been patient-centered and building trust with our patients. But times have changed, and for example, patients do not necessarily go to the hospital to receive treatment. This is one of the reasons we are going digital. It will become possible to provide consulting and patient care data that can then be used for subsequent medical treatment without going to the hospital. I think the next question is whether digital resources can be a source of profit rather than just providing such convenience. For example, we could implement subscription models or track patient journeys using data to improve the level of care for our patients.

<Q8>

Please tell us whether IHH or Mitsui will take the lead in the data business.

<Saito>

In addition to improving IHH's management and expanding the company's services through digitalization, Mitsui is considering developing peripheral businesses. As a result, we would like to realize true value-based healthcare by organically linking IHH's business and Mitsui's initiatives through digitalization, in other words, by forming a cluster with both wheels.

<Q9>

While Wellness Business Unit performance for the FY March 2022 was strong with net income of 29.4 billion yen, it also included one-time factors such as gains on sales. Considering the base earnings power, Mitsui previously explained

(at the IR meeting regarding the acquisition of additional shares of IHH in December 2018) that Mitsui was considering 33 billion yen in PAT in proportion to Mitsui's equity for the FY March 2028 as a target. Has this outlook been updated?

<Akutsu>

We were able to achieve strong figures for the FY March 2022, but we do not think we have reached these figures as a base earnings power without one-time factors. On the other hand, we do not think that the previous year's performance of IHH was transitory, and we believe that it will continue to grow. The healthcare staffing business in the U.S. has also successfully completed a turnaround and is expected to grow further. While we are not sure if we will be able to cover all the one-time factors recorded in the FY March 2022, we believe that organic growth in IHH and the U.S. healthcare staffing business will cover a large part of them.

<Q10>

While COVID-19 related revenue contributed to the performance of IHH in 2021, what do you think is the base earnings power of IHH? Is it possible to assume that it will grow further as medical tourism recovers?

<Loh>

We achieved a net income of approximately US\$400 million in 2021. This was due to not only COVID-19 related profit but also structural improvements. In 2022, we will see lower revenues related to COVID-19, but we expect that local patients and medical tourism will return to its pre-COVID-19 level. We have achieved a net income of approximately US\$100 million in the first quarter of 2022 without extraordinary losses, which still included COVID-19 related profit. We expect COVID-19 related profit will decrease in the second quarter, but we expect that recovery in number of local patients and medical tourism.

<Q11>

What percentage of revenue comes from medical tourism?

<Loh>

It depends on the regions. Singapore has the largest share, about 25% of our revenue before COVID-19 pandemic. While it declined, it is on a recovery trend, and we believe it will return to its previous level. As I explained earlier, this will compensate the decline in revenues related to COVID-19, together with the recovery of local patients. We are also seeing a strong recovery in other regions, especially in Turkey, where it has returned to the pre-COVID-19 level of approximately 20%. In Malaysia and India, we expect it will also be recovering, at 5% and 10% respectively before COVID-19.

End