



Healthcare Business Strategy

Healthcare & Service Business Unit

Koji Nagatomi

Healthcare Market in Asia

Accelerating growth
unaffected by economic
conditions

Population
Growth

×

Income
Growth

×

Aging
Population

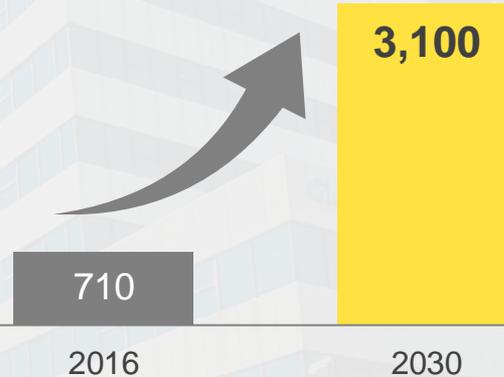
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Changes in
Disease
Patterns

Growth of Asia's* healthcare spending

*South East Asia + China + India

(USD bil)



(Source) OECD, World Bank, Mitsui's forecasts

Healthcare Market in Asia

Significant shortage of
hospitals
(no. of beds)

Population
Growth

×

Income
Growth

×

Aging
Population

×

Changes in
Disease
Patterns

Number of hospital beds per 1,000 population

(Number of beds)

4.8

OECD
Average

2.3

Singapore

1.9

Malaysia

0.7

India

2.8

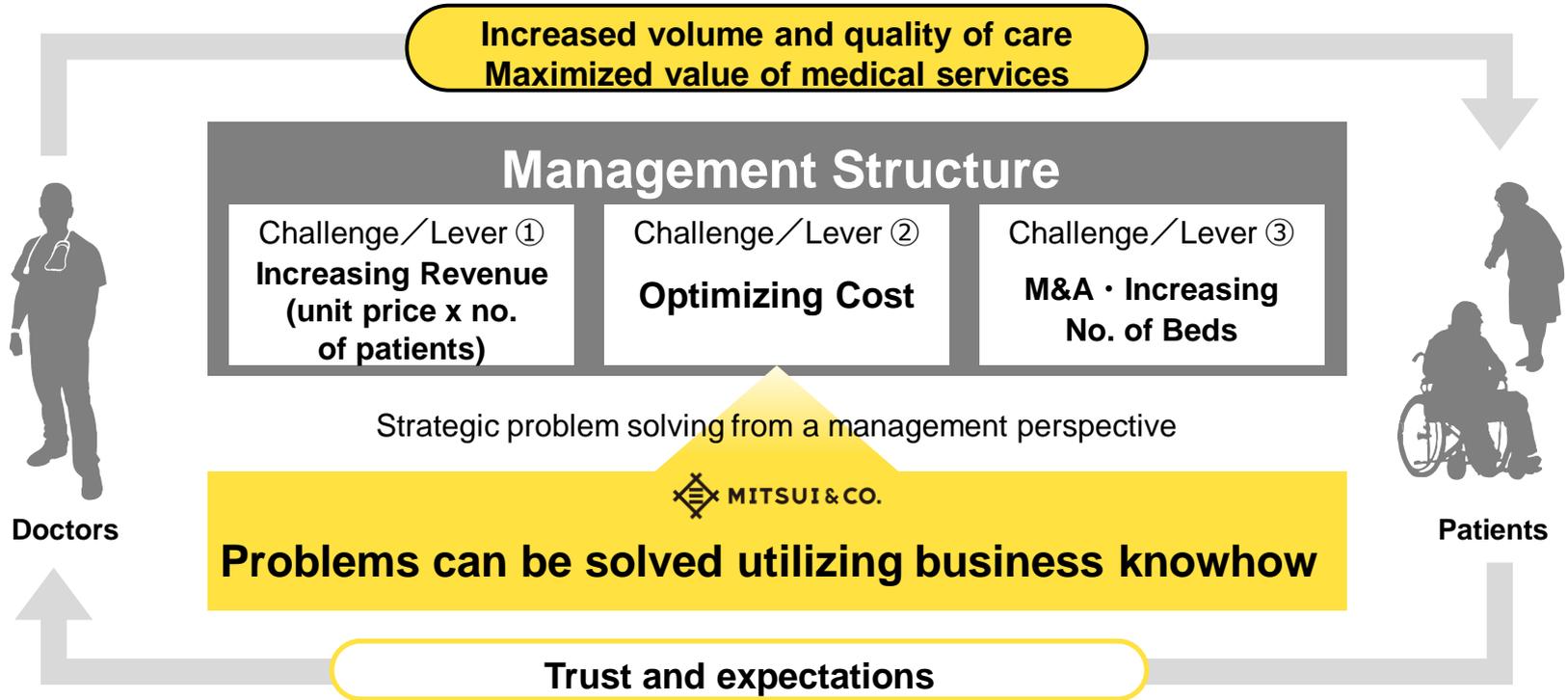
China

2.8

Turkey

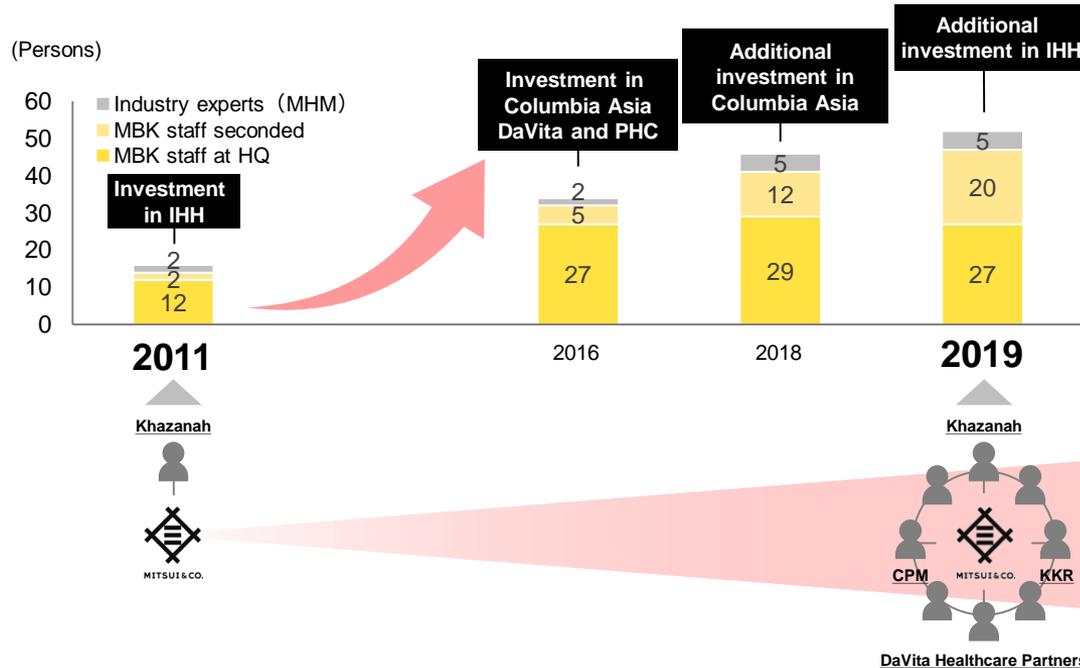
(Source) METI, Government of Singapore, World Bank, OECD

Hospital Business Management in Asia



Mitsui's Resources in Hospital Business

■ Progress in management participation and expansion of human resources



1 Platform

Developing a large and strong platform by participating in management of hospital businesses, such as IHH.

2 Professionals

Expanding human resource including industry experts and professional managers.

3 Network

Connection with industry experts, increasing new business opportunities.

※Refer to appendix for company summaries

Understand the key success factor of hospital business
and acquire the position to proactively pull the lever to increase business value

IHH as Core Platform



IHH (Fortis included) Data

Presence in **12** countries 

Malaysia, Turkey, Singapore, India, Brunei, Holland, Bulgaria, Macedonia, UAE, China (including HK), Mauritius, Sri Lanka

Total no. of hospital beds
15,000 beds 

※Comparison between listed private hospitals in Asia (based on proprietary research)

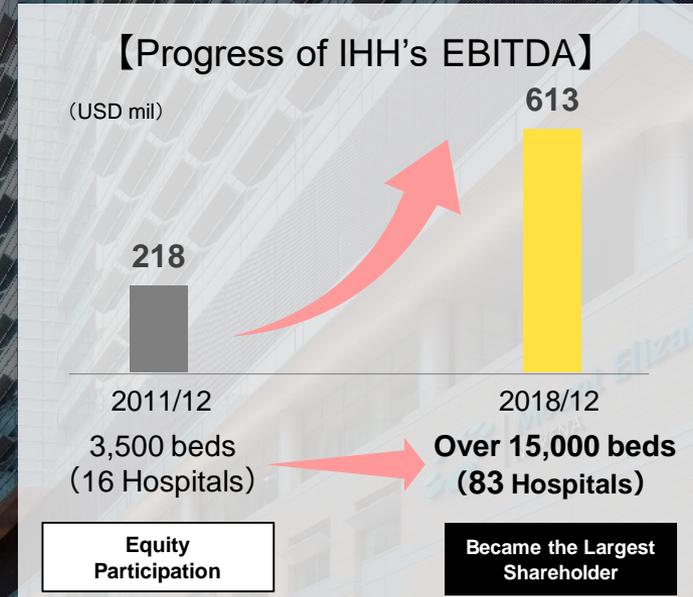
Track Record in Hospital Business ①



【Our focus since initial investment in 2011】

- ◆ Formulating a growth strategy
- ◆ Supporting geographical expansion
- ◆ Formulating and executing capital strategies
- ◆ Strengthening IHH's management base

EBITDA has increased **3X**
within 7 years after
joining the management of IHH



Track Record in Hospital Business ②

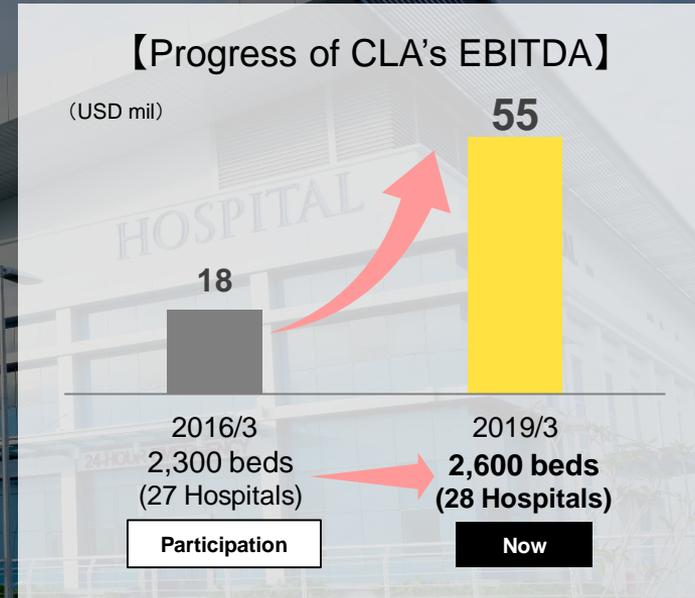
COLUMBIA ASIA

A hospital group
targeting middle-
income patients

【Our focus since initial investment in 2016】

- ◆ Developing a management structure
- ◆ Formulating strategy to increase revenue (unit price × no. of patients)
- ◆ Optimizing cost
- ◆ Strengthening PDCA cycle management

EBITDA increased **3X**
within 3 years of participation



Growth strategies centered on the hospital business

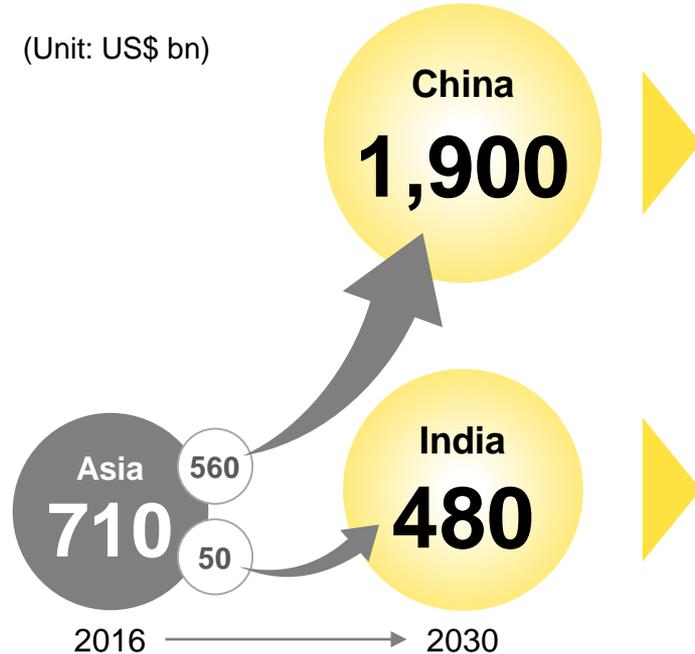
- ◆ Identify demand-driven business opportunities through participation in hospital business which is a **“place”** representing a miniature version of the healthcare industry
- ◆ Leverage neutrality as a trading company and **take an active position in multiple businesses**



Growth Strategy 1. Expansion into China and India

■ Growth of healthcare spending in China and India

(Unit: US\$ bn)



(Source) OECD, World Bank, Mitsui's forecasts

【IHH's geographical presence】

- ◆ Expanding business through IHH
- ◆ Entered into a MOU with China Resources Enterprise, one of China's largest companies

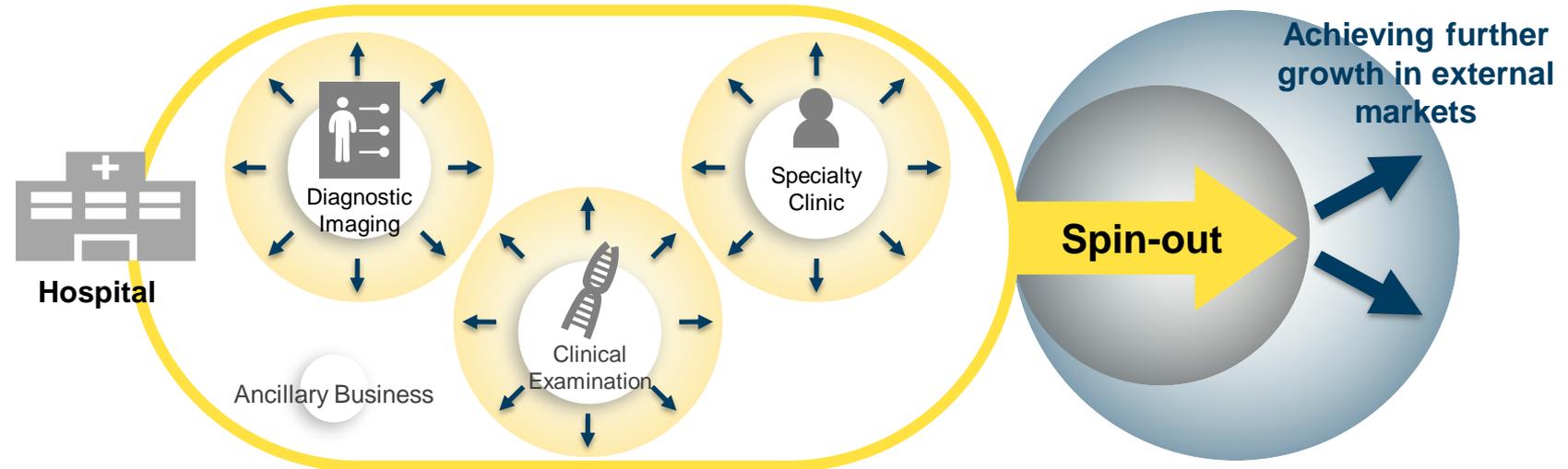
【IHH's geographical presence】

New Partner

- ◆ Platform expansion through acquisition of Fortis and its PMI
- ◆ New partner strategy

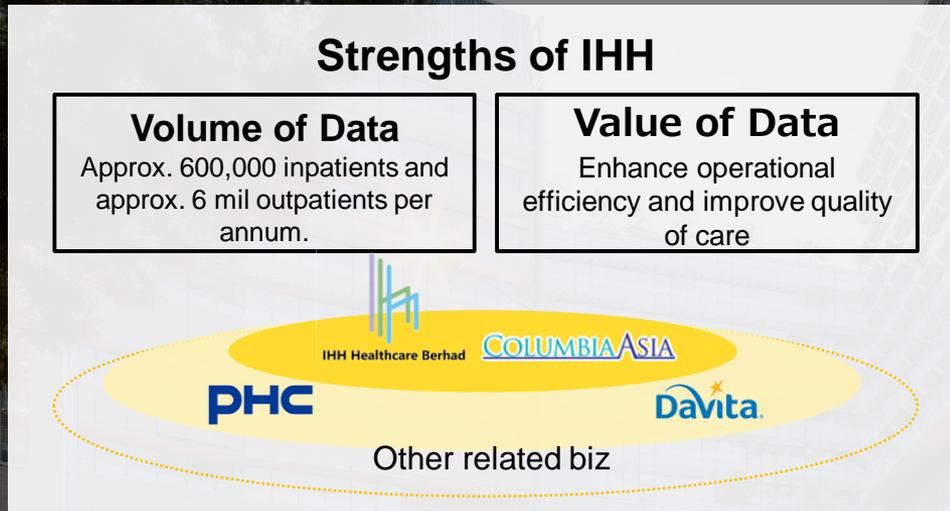
Growth Strategy 2. Business spin-out

- ◆ Strengthening and expanding ancillary businesses of hospitals
- ◆ Promoting further growth through appropriately timed spin-outs



Growth Strategy 3. Leveraging medical data

- ◆ Build a medical data platform centered on IHH and leverage such data



Vision

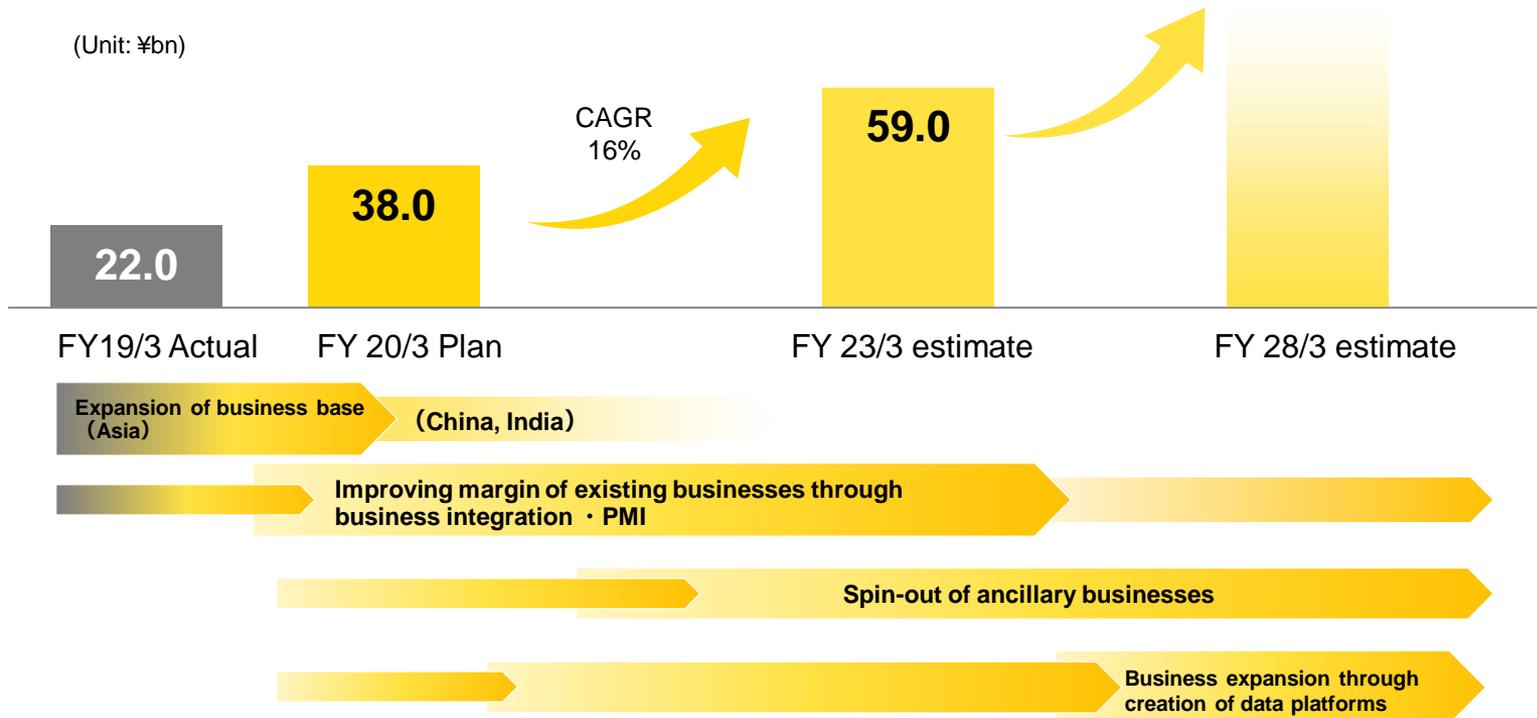
**Asia's Largest
Medical Data
Platform**

Quantitative goals and action plans

【Changes in Mitsui's equity proportional EBITDA of hospitals and ancillary businesses】

(Not including new investments)

(Unit: ¥bn)



Appendix

◆ Main equity affiliates



IHH Healthcare Bhd. (IHH)

IHH is one of Asia's largest private hospital groups operating a total of 83 hospitals and providing approx. 15,000 hospital beds. Its corporate umbrella includes Singapore and Turkey's largest private hospital groups Parkway and Acibadem, as well as Pantai and Fortis which are the second largest private hospital groups in Malaysia and India respectively. Mitsui owns 32.9% of the group as of FY 3/19 period end.

PHC



PHC is a healthcare company with leading market shares in multiple segments including blood glucose monitoring devices (largest in Japan; third largest globally); electronic medical recording devices (largest in Japan); pharmaceutical refrigerators for research institutions (largest in Japan; second largest globally) and has presence and a distribution network in over 125 countries around the globe. Mitsui owns 21.8% as of FY 3/19 period end.

Columbia Asia



Columbia Asia is a hospital group providing high quality medical services to the middle-income population in Asia where rapid growth is anticipated. The group provides approx. 2,600 hospital beds to patients in 28 hospitals and 1 clinic. Mitsui owns 26.1% as of FY 19/3 period end.

DaVita Care



DaVita Care operates dialysis clinics in China and South East Asia. The group aims to expand and improve the quality of medical services in Asia by applying what DaVita as the largest dialysis clinic group in the US learned through its operations. Mitsui owns 20.0% as of FY3/19 period end.



LNG Business Strategy

Energy Business Unit II

Motoyasu Nozaki

LNG Business Environment

Energy demand increasing
along with economic and population growth

“Dual Challenge”

MORE
energy

CLEANER
energy

Addressed through LNG and its comparatively
low environmental impact

Basic Strategies

Resource Development

**Reinforce our
competitive asset
portfolio**

**Maximize value
of existing assets**

**Develop new
pipeline projects**

© Sakhalin Energy

Supply Global Markets

**Expand and optimize
our LNG
sales/supply portfolio**

Existing LNG Assets

- LNG
- Gas Upstream



■ Qatargas I
■ Qatargas II
■ Qatargas III



■ Abu Dhabi LNG
■ Oman LNG



■ Sakhalin II

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○ Marcellus Shale

■ Cameron LNG Train1



■ Equatorial Guinea LNG

■ Tangguh



"Image supplied by the North West Shelf Project"

■ North West Shelf
○ Meridian CSG

LNG Assets under Development



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Sakhalin II expansion



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Mozambique Area 1



*Image supplied by the North West Shelf Project

Browse gas field

Annual Production Capacity

Cameron LNG Train 2 and Train 3

- Establishing new LNG production facilities

8m tons

Mozambique Area 1

- Natural gas resource development, establishing new LNG production facility

12m tons

Browse gas field

- Natural gas resource development, backfilling North West Shelf LNG

9m tons

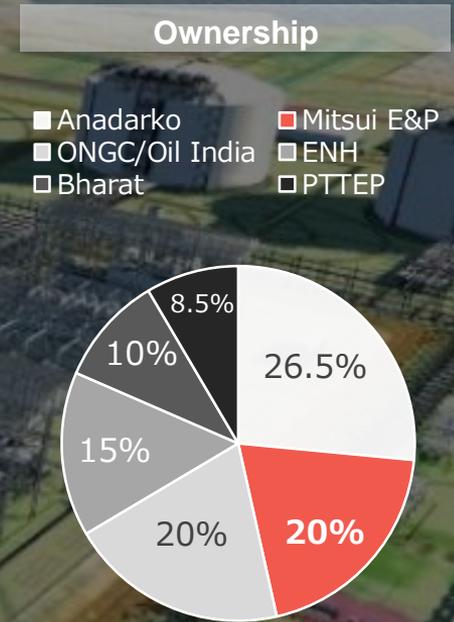
Sakhalin II expansion

- Expansion of existing liquefaction facility

4.8m tons

*At peak production *m = million tons per year

Mozambique Area 1

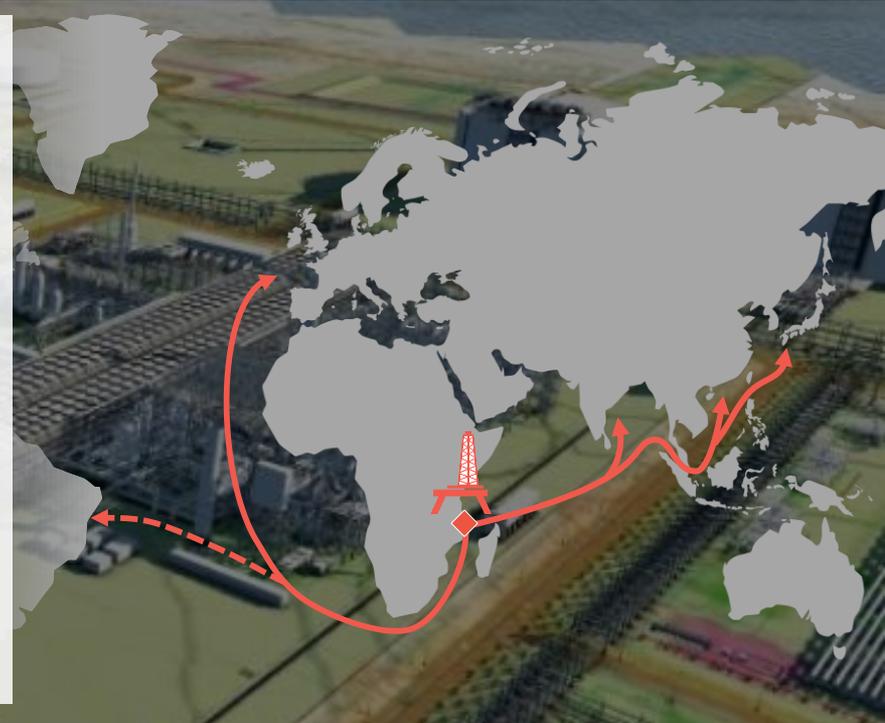


Mozambique Area 1

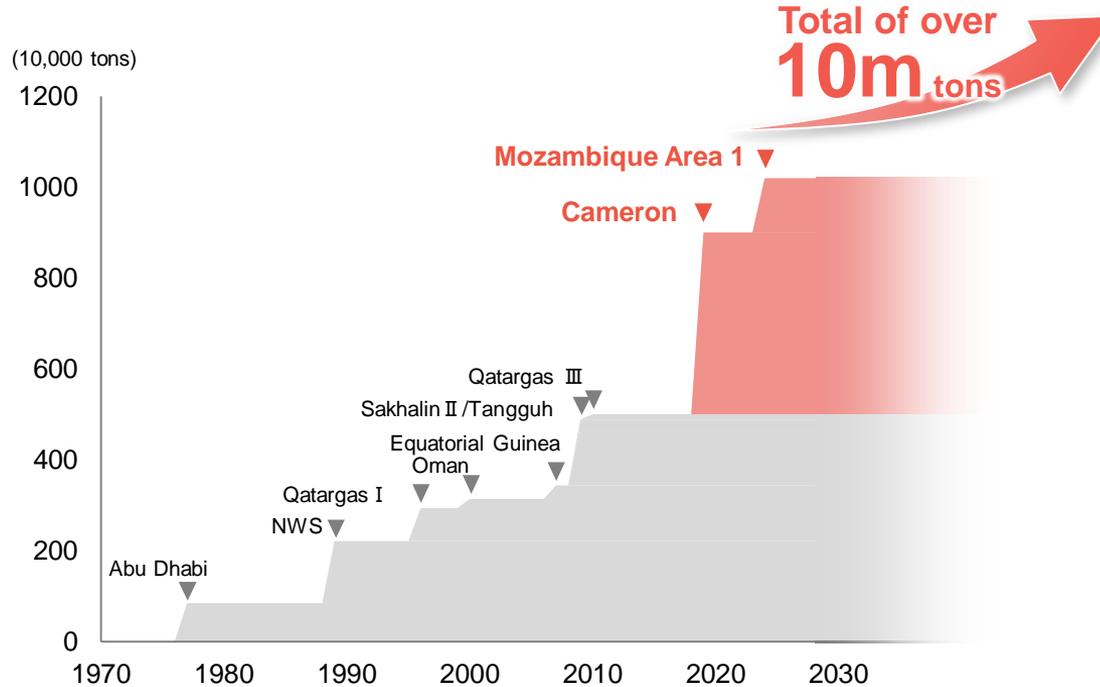
- ◆ One of the world's largest natural gas reserves (75 trillion cubic feet)
- ◆ Located in East Africa, a new supply source
- ◆ Strategic location provides access to markets in the Far East, Asia, Europe, Central and South America, and others
- ◆ Strong support from the Mozambique government
- ◆ Annual production capacity of 12 million tons (total two trains)

LNG sales destination	Annual sales volume (million tons)
Tokyo Gas & Centrica	2.6
Shell	2.0
JERA & CPC	1.6
CNOOC	1.5
EdF	1.2
Bharat	1.0
Pertamina	1.0
Tohoku Electric Power	0.28

Total of over
11m tons



Mitsui's Equity Share of Annual Production Capacity



Building long-term trust with a variety of stakeholders including buyers, operators, host governments, etc.



*For descriptive purposes, current production volumes have been used for all projects

Expand and optimize our LNG sales/supply portfolio

- ◆ Mitsui currently handling three million tons per year; total seven million once Cameron reaches full production
- ◆ Ability to monetize LNG by ourselves is key to developing the LNG business going forward
- ◆ Marketing functions being expanded in four locations – Tokyo, Singapore, London, and Houston

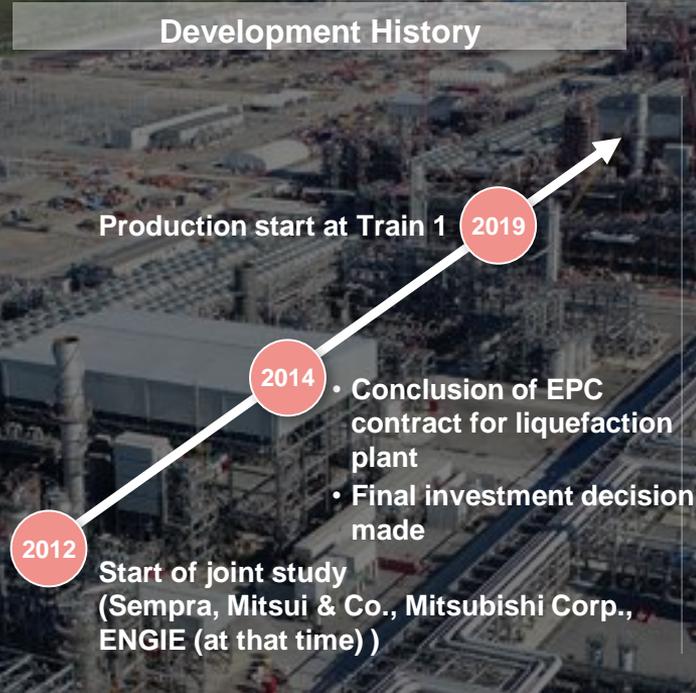


Cameron LNG



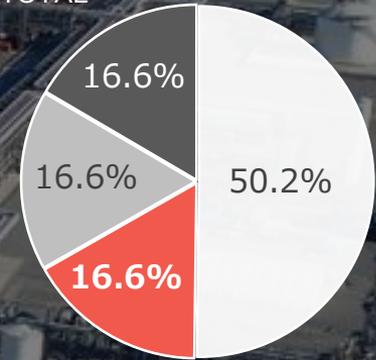
- ◆ Annual production capacity of 12 million tons (total three trains)
- ◆ Annual volume of LNG handled by Mitsui of four million tons

Development History



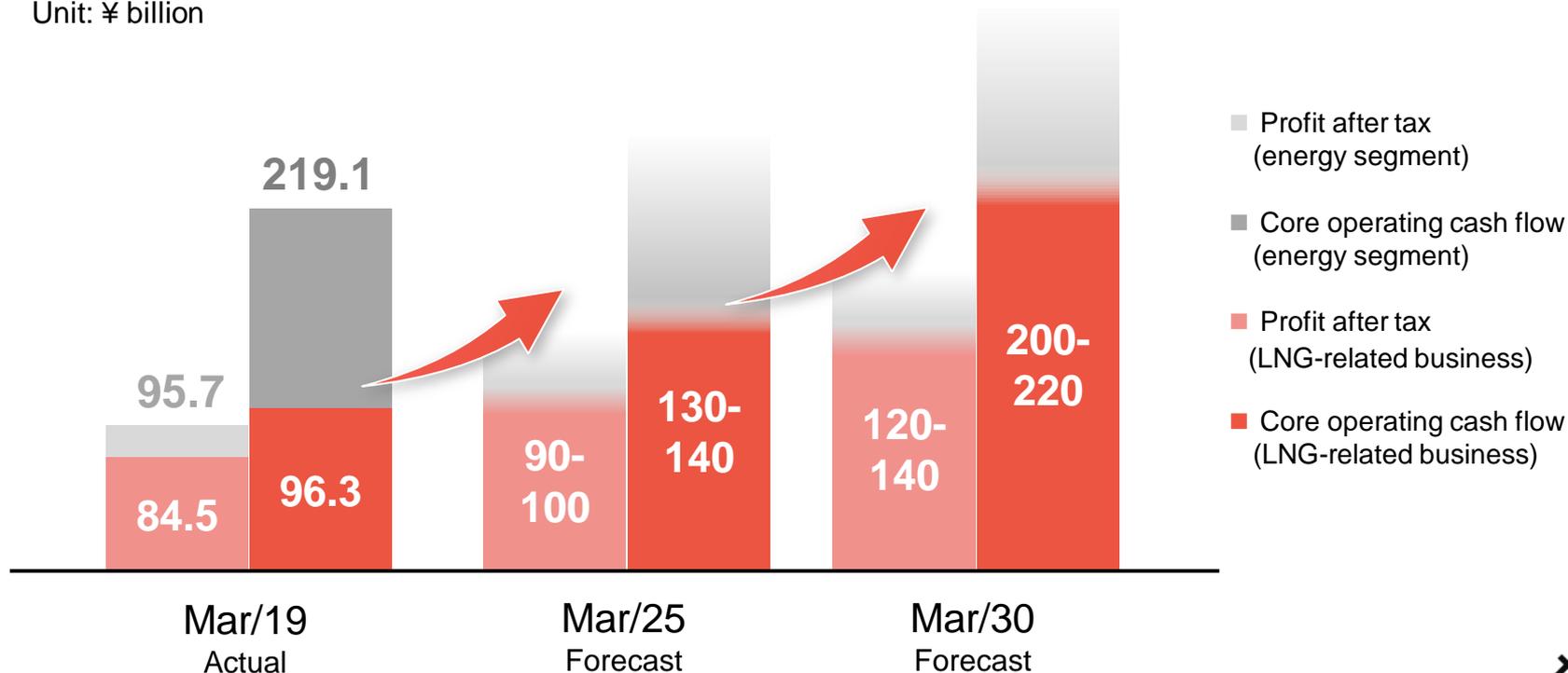
Ownership

- Sempra Energy
- Mitsui & Co.
- Mitsubishi Corp./Nippon Yusen JV
- TOTAL



Quantitative Forecast

Unit: ¥ billion



A Cautionary Note on Forward-Looking Statements:

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360° business innovation.



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