



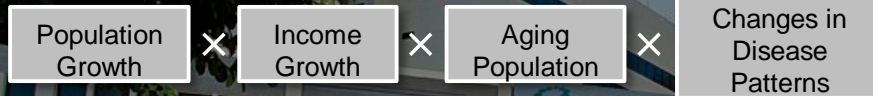
# Healthcare Business Strategy

Healthcare & Service Business Unit

**Koji Nagatomi**

# Healthcare Market in Asia

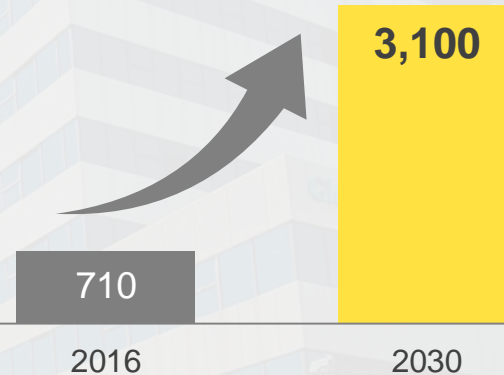
**Accelerating growth  
unaffected by economic  
conditions**



## Growth of Asia's\* healthcare spending

\*South East Asia + China + India

(USD bil)



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

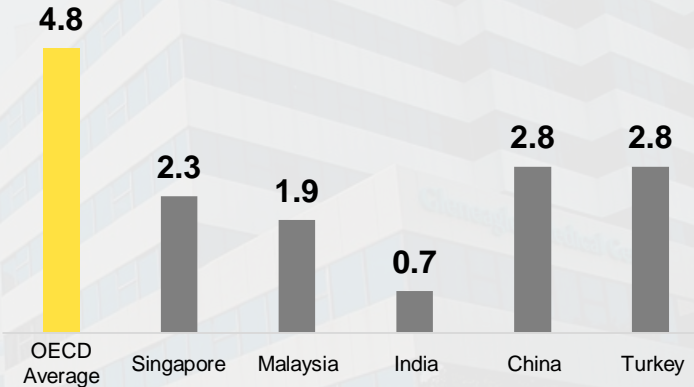
# Healthcare Market in Asia

**Significant shortage of  
hospitals  
(no. of beds)**



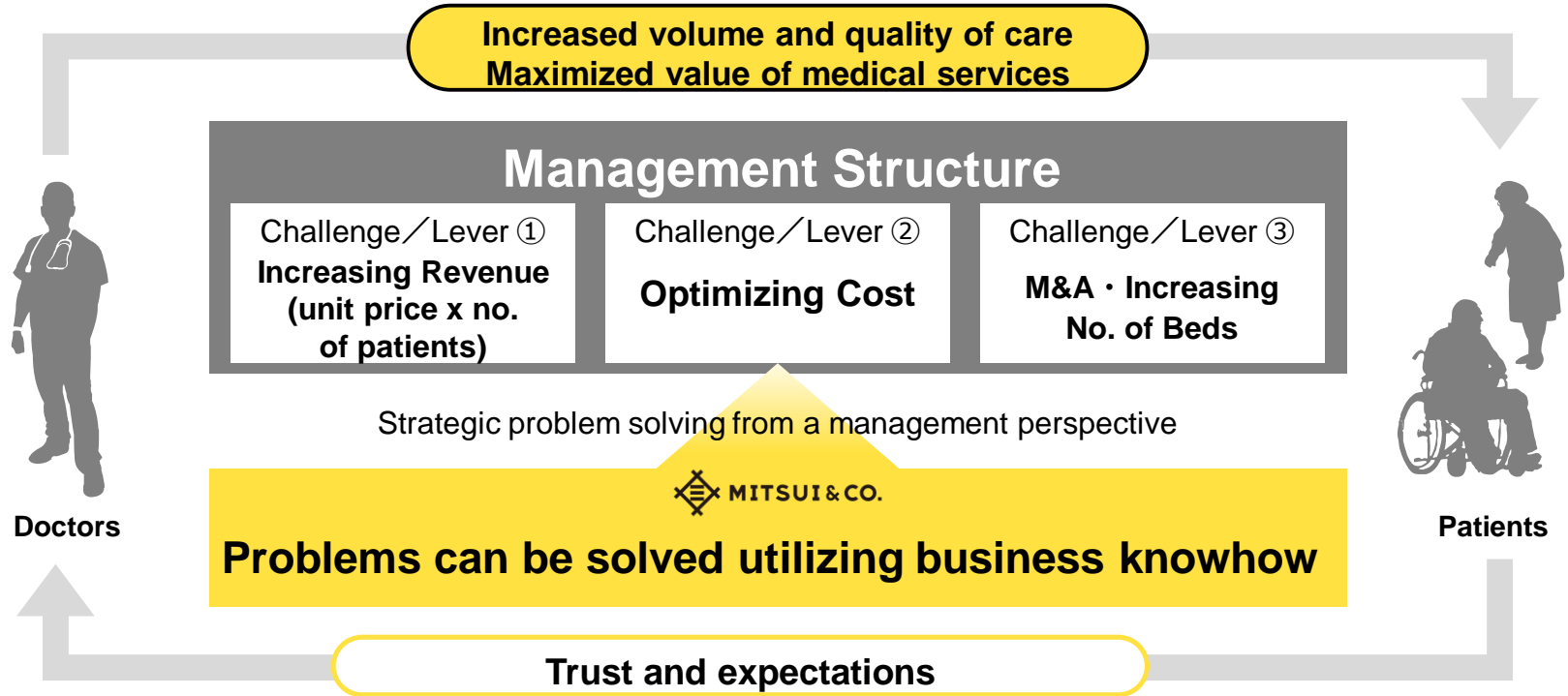
## Number of hospital beds per 1,000 population

(Number of beds)



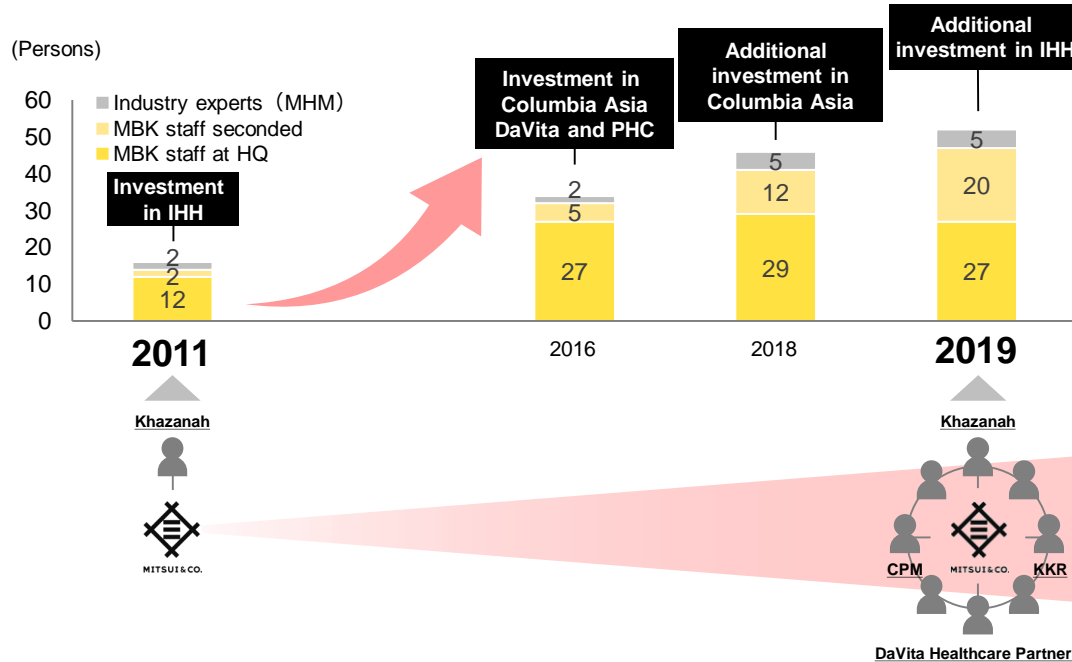
(Source) METI, Government of Singapore, World Bank, OECD

# 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

## 【Progress of IHH's EBITDA】

(USD mil)

218

2011/12

3,500 beds  
(16 Hospitals)

Equity  
Participation

613

2018/12

Over 15,000 beds  
(83 Hospitals)

Became the Largest  
Shareholder



## Track Record in Hospital Business ②

COLUMBIA ASIA

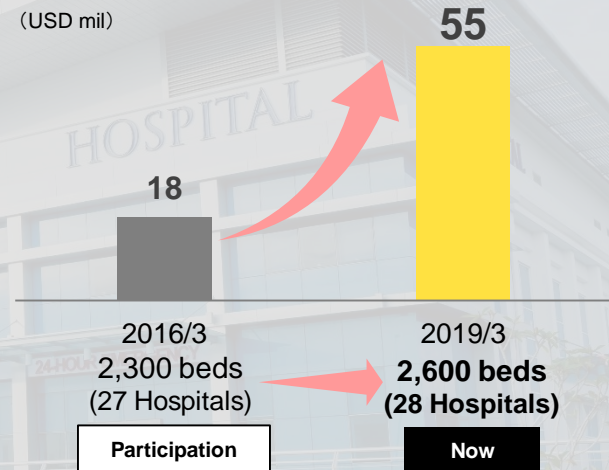
A hospital group  
targeting middle-  
income patients

【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

【Progress of CLA's EBITDA】  
(USD mil)





## Growth strategies centered on the hospital business

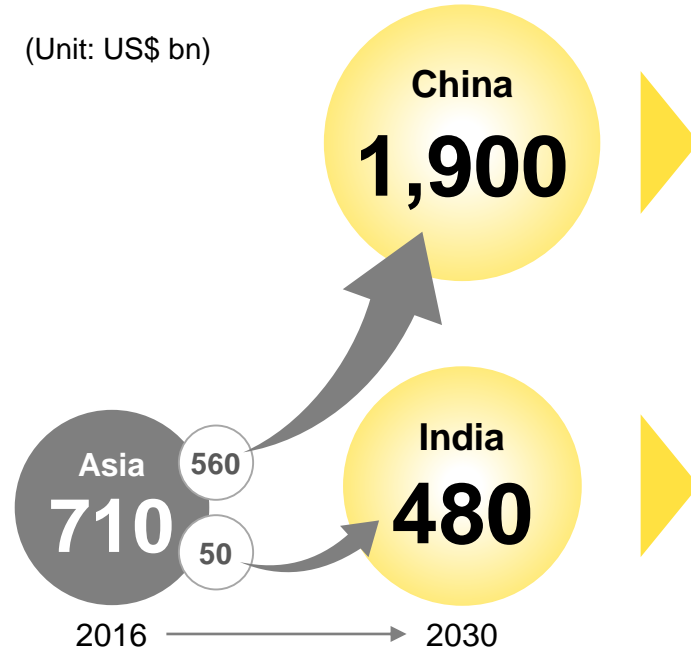
- ◆ Identify demand-driven business opportunities through participation in hospital business which is a **“place”** representing a miniature version of the healthcare industry
- ◆ Leverage neutrality as a trading company and **take an active position in multiple businesses**



# Growth Strategy 1. Expansion into China and India

## ■ Growth of healthcare spending in China and India

(Unit: US\$ bn)

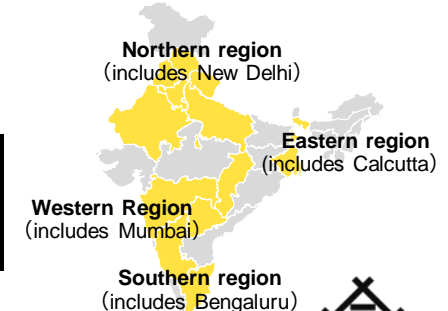
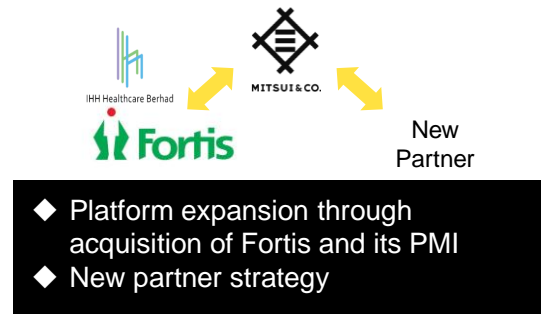


(Source) OECD, World Bank, Mitsui's forecasts

【IHH's geographical presence】

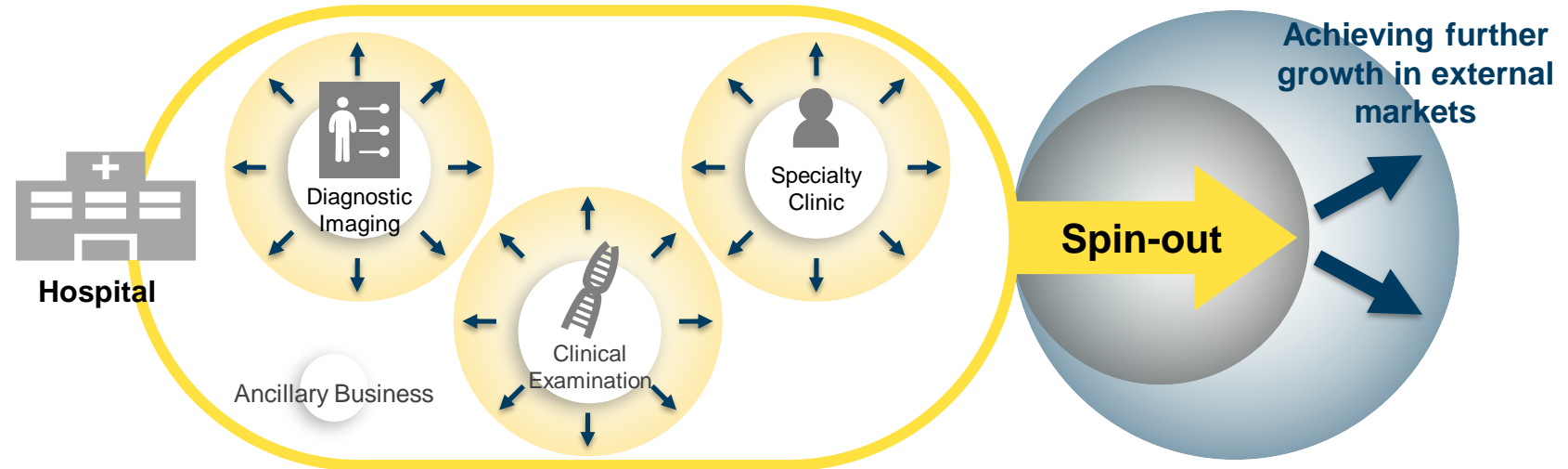


【IHH's geographical presence】



## 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

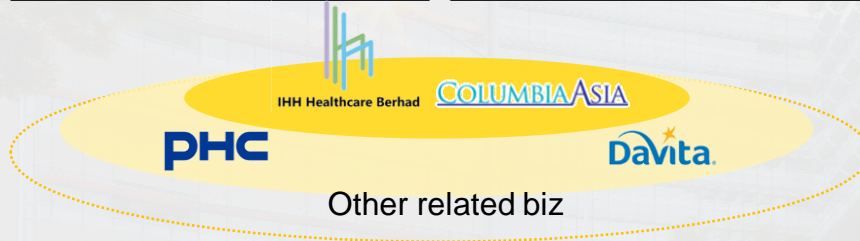
### Strengths of IHH

#### Volume of Data

Approx. 600,000 inpatients and approx. 6 mil outpatients per annum.

#### Value of Data

Enhance operational efficiency and improve quality of care



### Vision

Asia's Largest  
Medical Data  
Platform

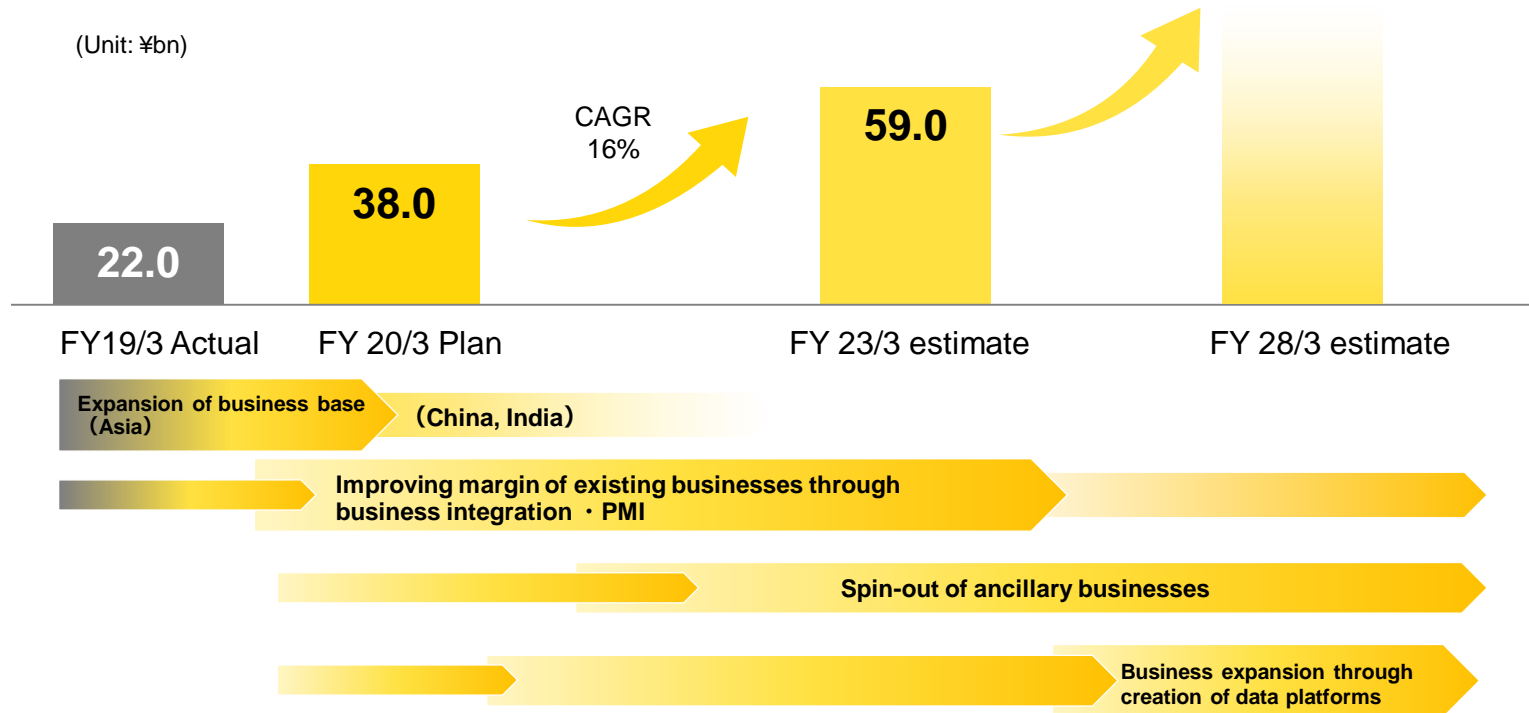


# Quantitative goals and action plans

## 【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 III**



**Abu Dhabi LNG  
Oman LNG**

■  
**Equatorial  
Guinea LNG**



■  
**North West Shelf**



■ **Sakhalin II**

■ **Tangguh**

○ **Meridian CSG**

○ **Marcellus Shale**

■ **Cameron LNG Train1**



# LNG Assets under Development



**Sakhalin II expansion**



**Mozambique Area 1**



**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

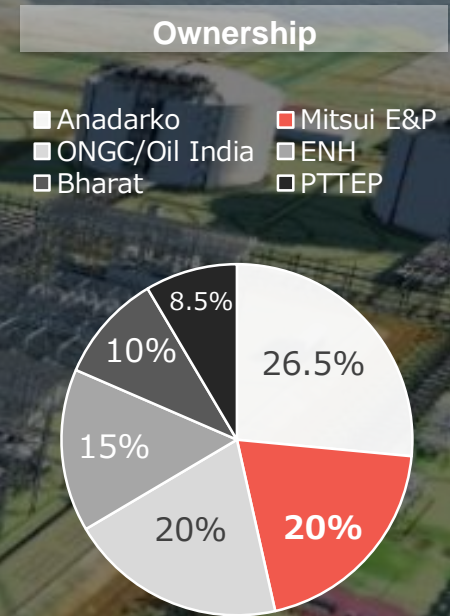
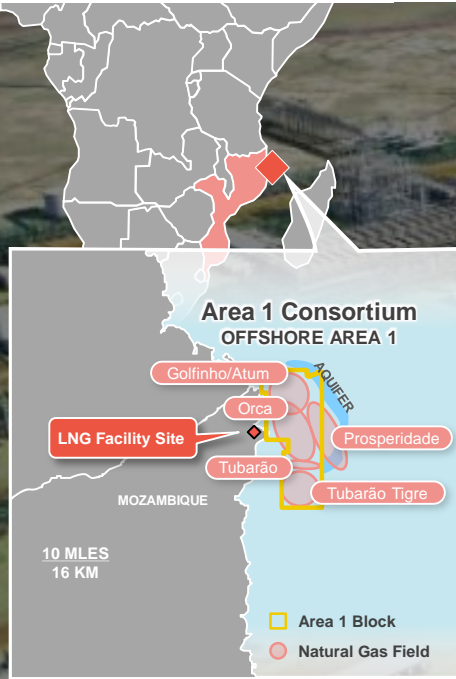
### Sakhalin II expansion

- Expansion of existing liquefaction facility

**4.8m** tons

\*At peak production    \*m = million tons per year

# Mozambique Area 1



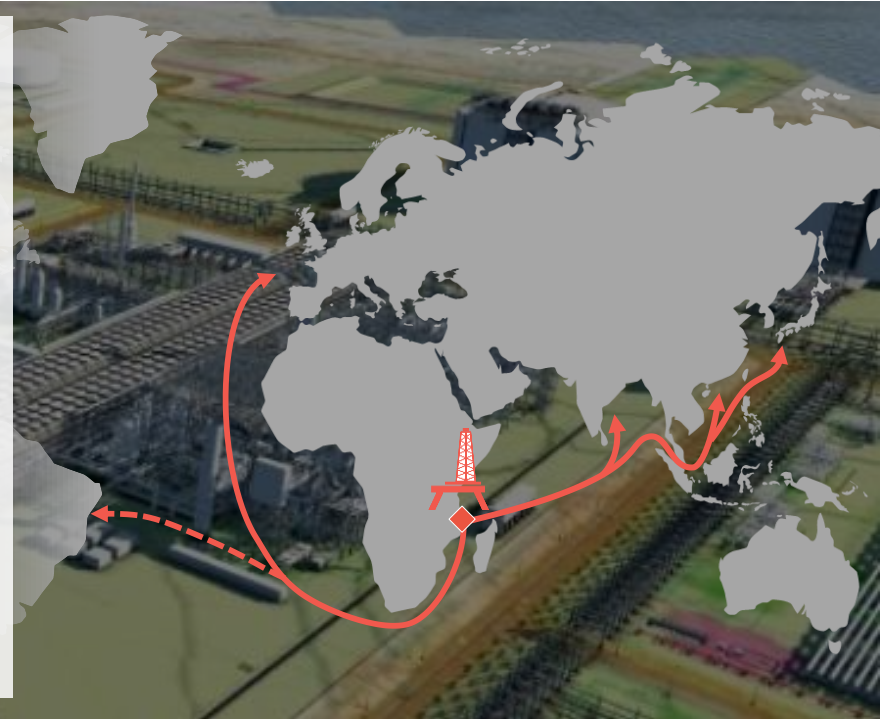


# Mozambique Area 1

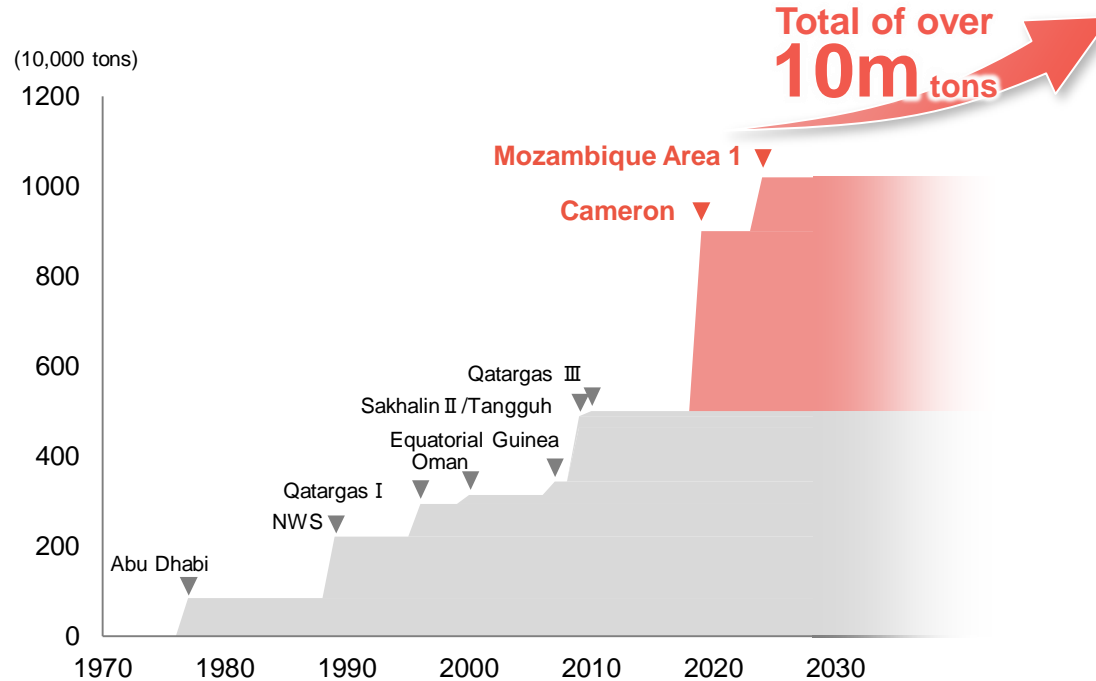
- ◆ One of the world's largest natural gas reserves (75 trillion cubic feet)
- ◆ Located in East Africa, a new supply source
- ◆ Strategic location provides access to markets in the Far East, Asia, Europe, Central and South America, and others
- ◆ Strong support from the Mozambique government
- ◆ Annual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



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

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

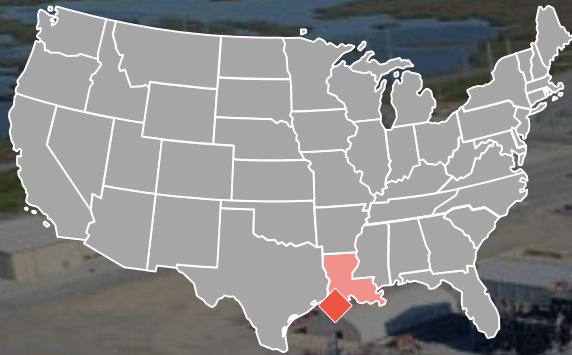


# Expand and optimize our LNG sales/supply portfolio

- ◆ 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

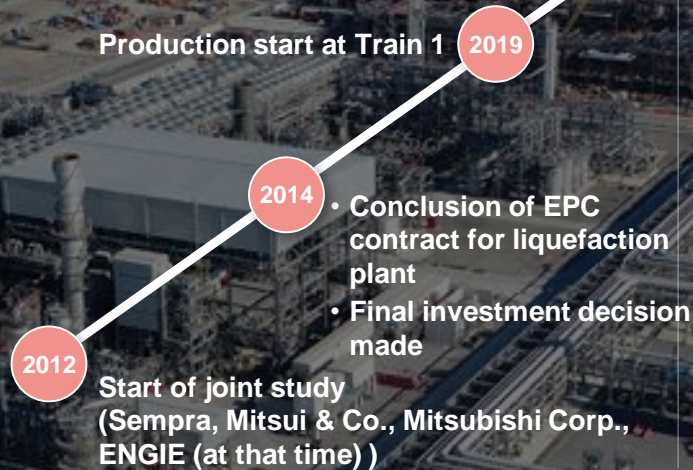


# Cameron LNG



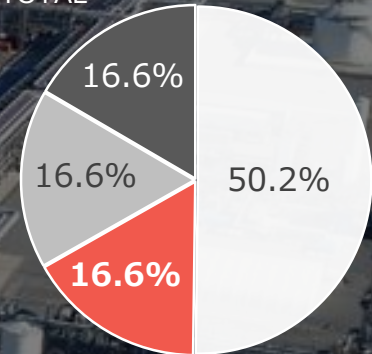
- ◆ Annual production capacity of 12 million tons (total three trains)
- ◆ Annual volume of LNG handled by Mitsui of four million tons

## Development History



## Ownership

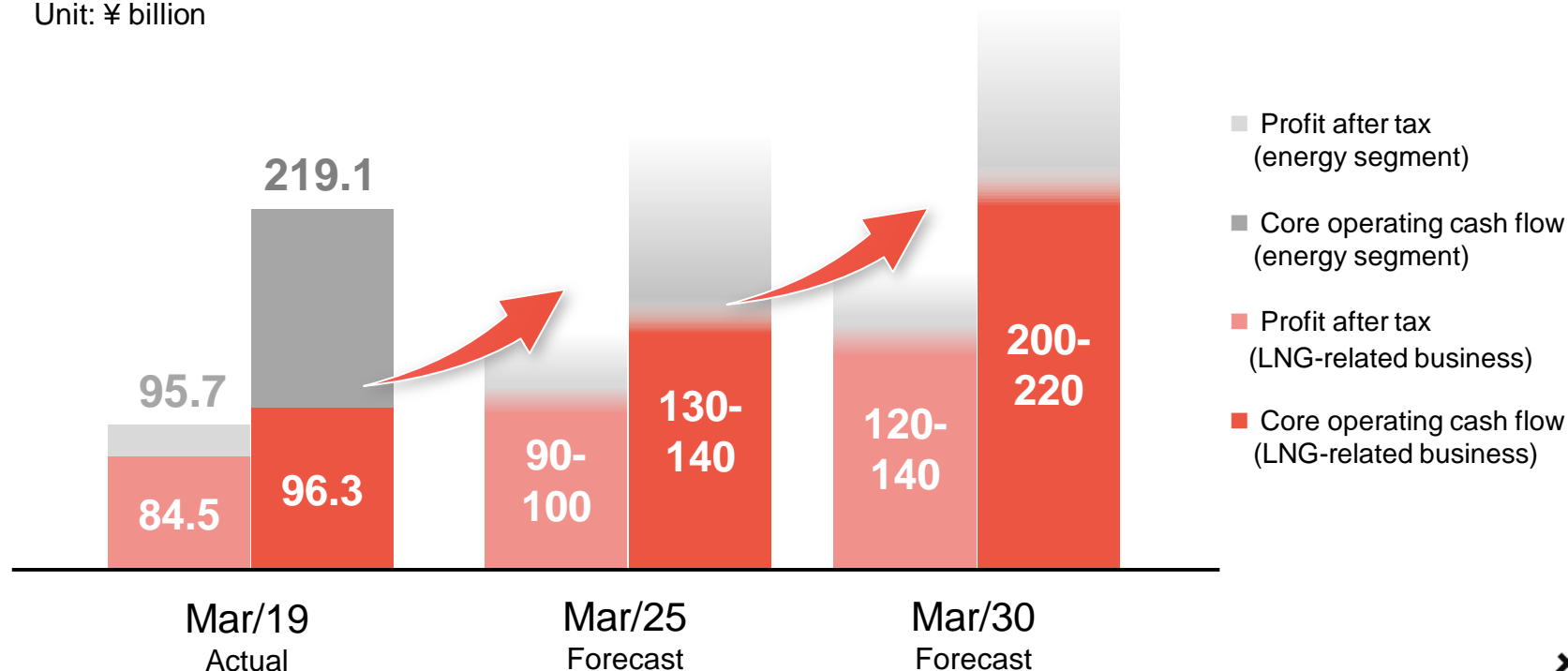
- Sempra Energy
- Mitsui & Co.
- Mitsubishi Corp./Nippon Yusen JV
- TOTAL





# Quantitative Forecast

Unit: ¥ billion



## A Cautionary Note on Forward-Looking Statements:

This material contains statements (including figures) regarding Mitsui & Co., Ltd. (“Mitsui”)’s corporate strategies, objectives, and views of future developments that are forward-looking in nature and are not simply reiterations of historical facts. These statements are presented to inform stakeholders of the views of Mitsui’s management but should not be relied on solely in making investment and other decisions. You should be aware that a number of important risk factors could lead to outcomes that differ materially from those presented in such forward-looking statements. These include, but are not limited to, (i) change in economic conditions that may lead to unforeseen developments in markets for products handled by Mitsui, (ii) fluctuations in currency exchange rates that may cause unexpected deterioration in the value of transactions, (iii) adverse political developments that may create unavoidable delays or postponement of transactions and projects, (iv) changes in laws, regulations, or policies in any of the countries where Mitsui conducts its operations that may affect Mitsui’s ability to fulfil its commitments, and (v) significant changes in the competitive environment. In the course of its operations, Mitsui adopts measures to control these and other types of risks, but this does not constitute a guarantee that such measures will be effective.

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