



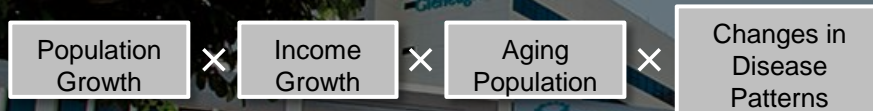
Healthcare Business Strategy

Healthcare & Service Business Unit

Koji Nagatomi

Healthcare Market in Asia

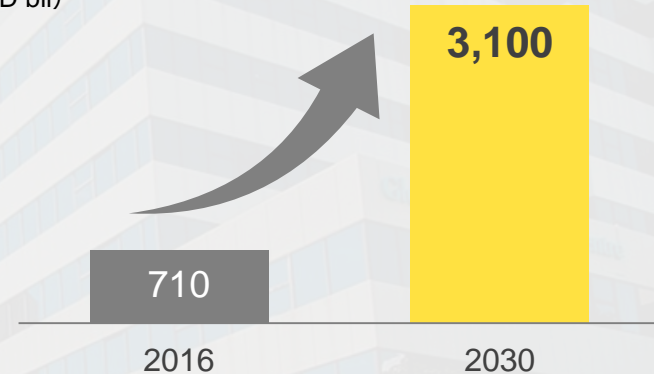
**Accelerating growth
unaffected by economic
conditions**



Growth of Asia's* healthcare spending

*South East Asia + China + India

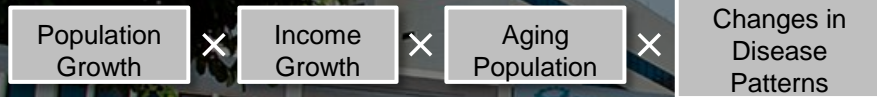
(USD bil)



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

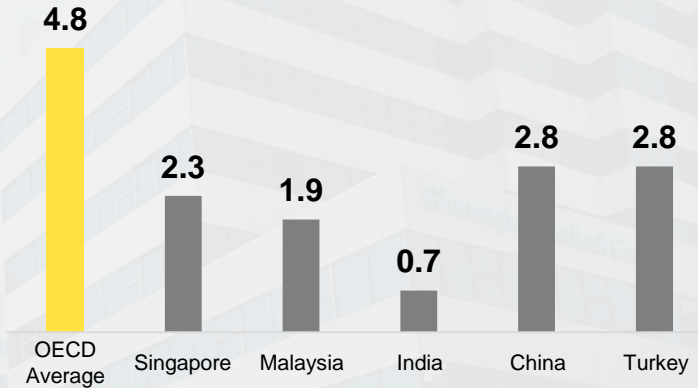
Healthcare Market in Asia

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



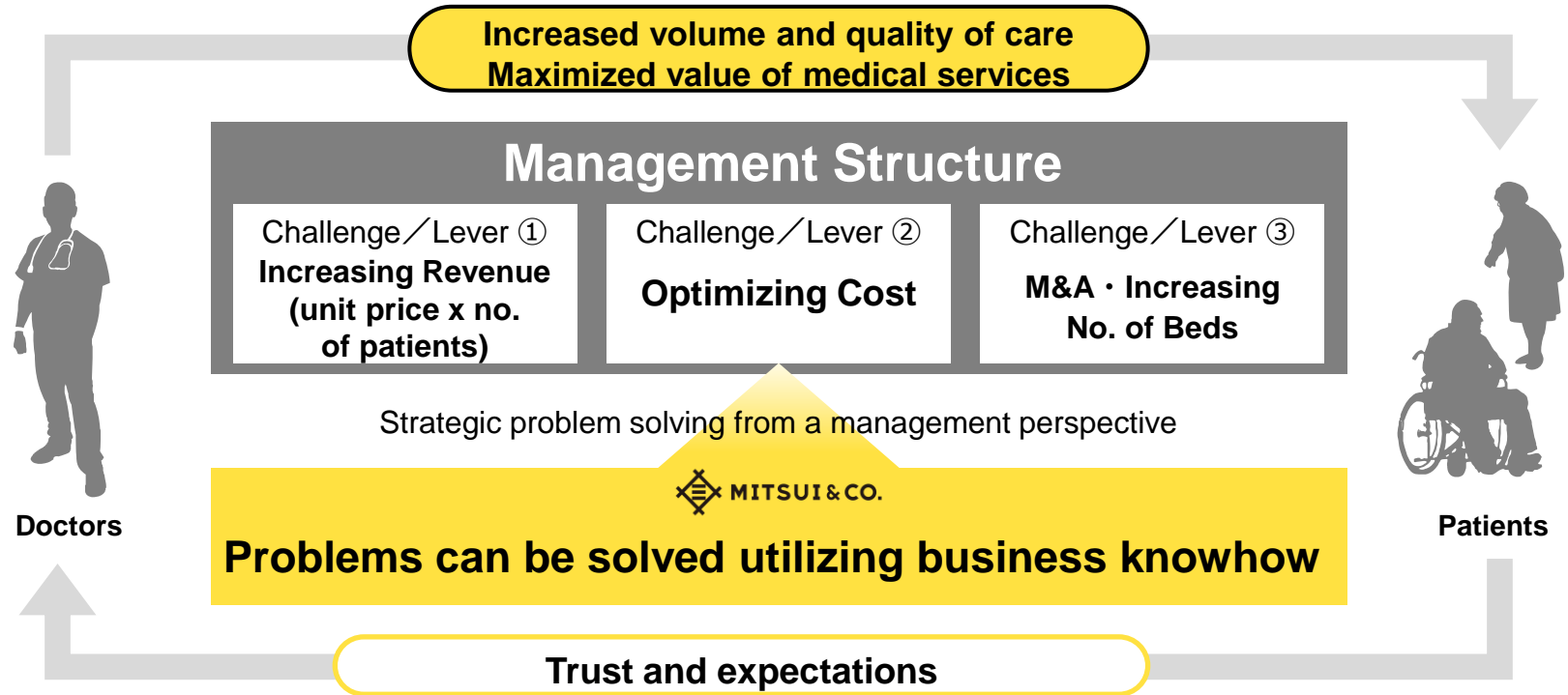
Number of hospital beds per 1,000 population

(Number of beds)



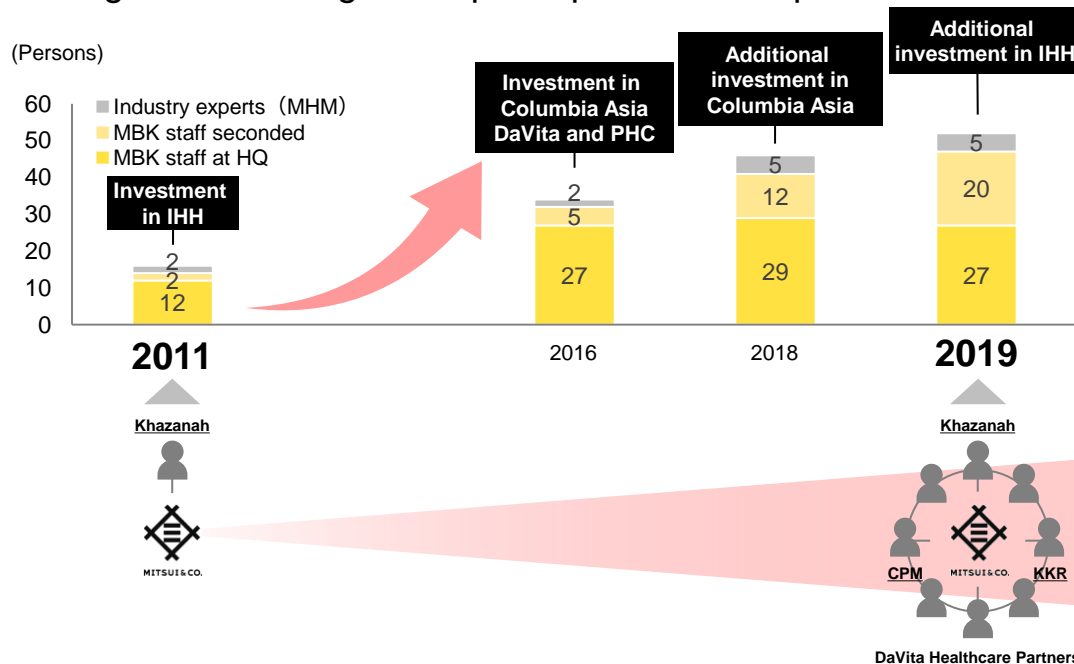
(Source) METI, Government of Singapore, World Bank, OECD

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)

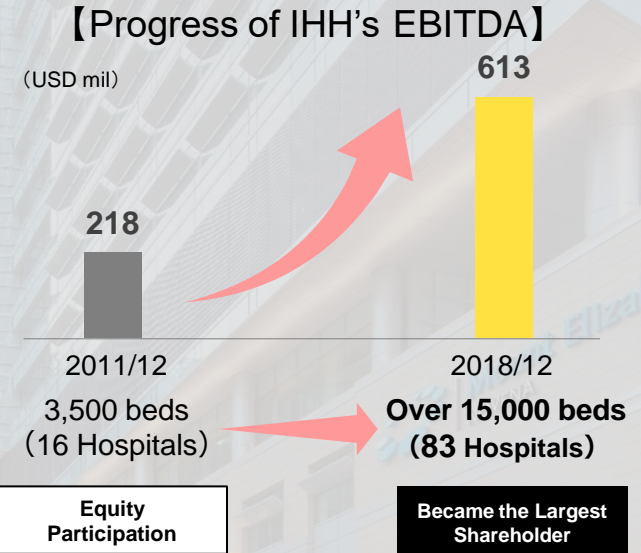
Track Record in Hospital Business ①



【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



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)

18 → 55

2016/3
2,300 beds
(27 Hospitals)

Participation

2019/3
2,600 beds
(28 Hospitals)

Now

Growth strategies centered on the hospital business

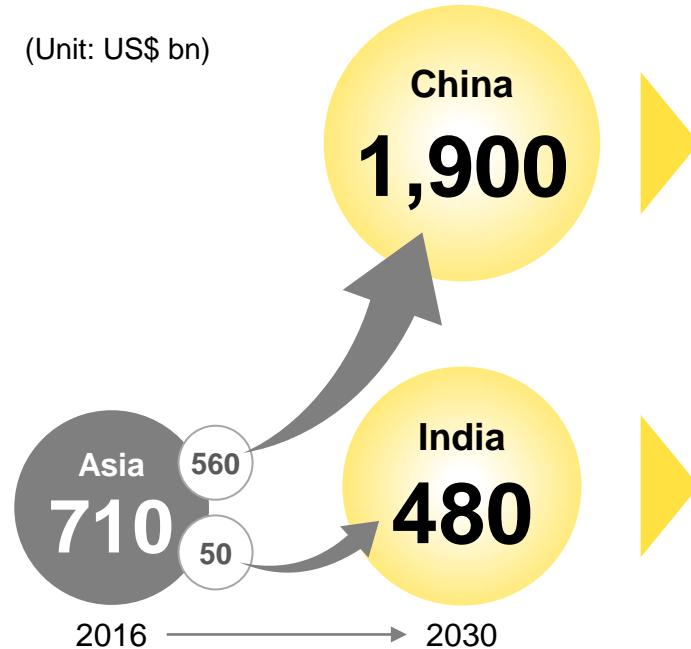
- ◆ Identify demand-driven business opportunities through participation in hospital business which is a **“place”** representing a miniature version of the healthcare industry
- ◆ Leverage neutrality as a trading company and **take an active position in multiple businesses**



Growth Strategy 1. Expansion into China and India

■ Growth of healthcare spending in China and India

(Unit: US\$ bn)

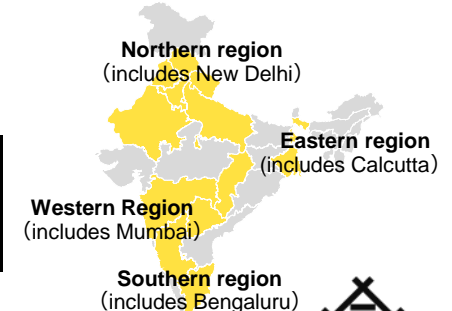
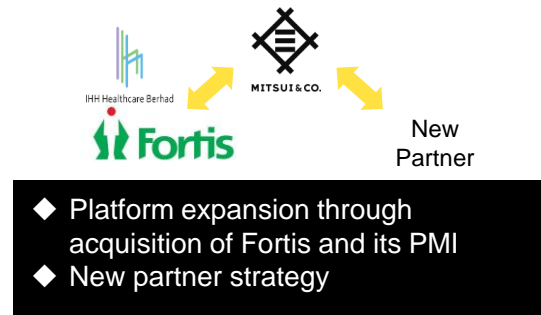


(Source) OECD, World Bank, Mitsui's forecasts

【IHH's geographical presence】

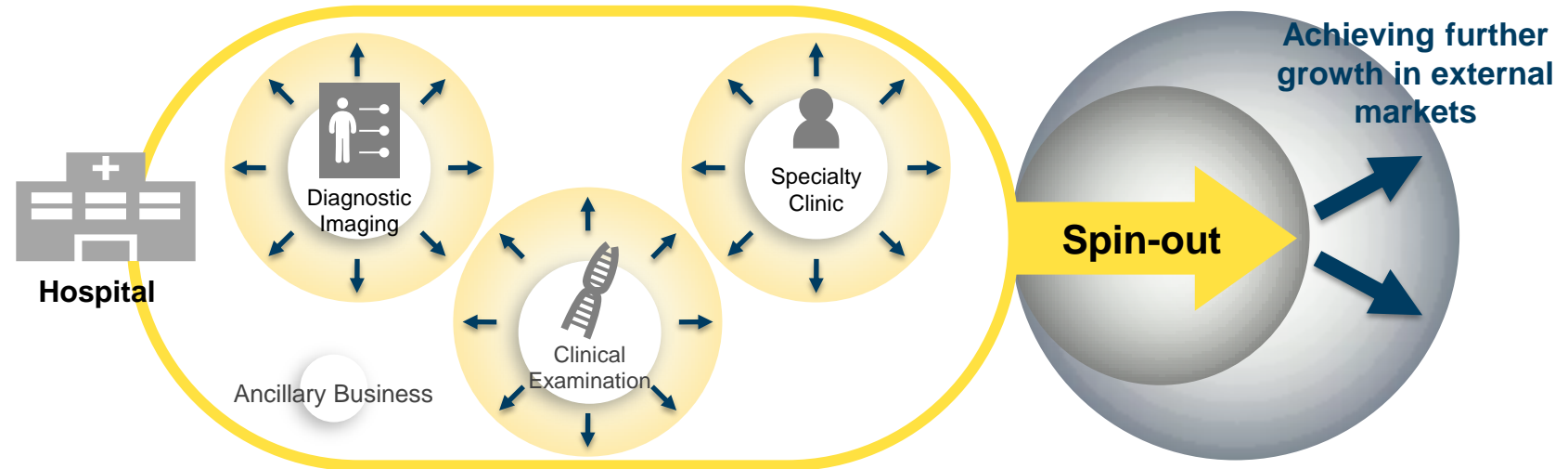


【IHH's geographical presence】



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

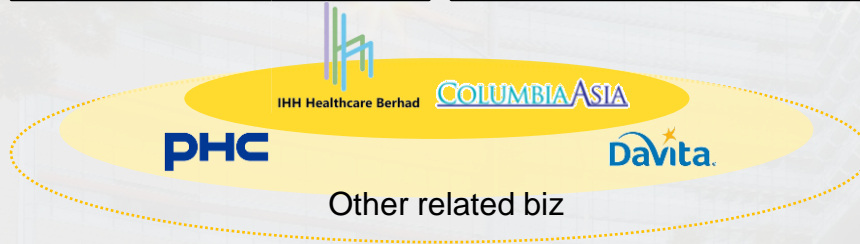
Strengths of IHH

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

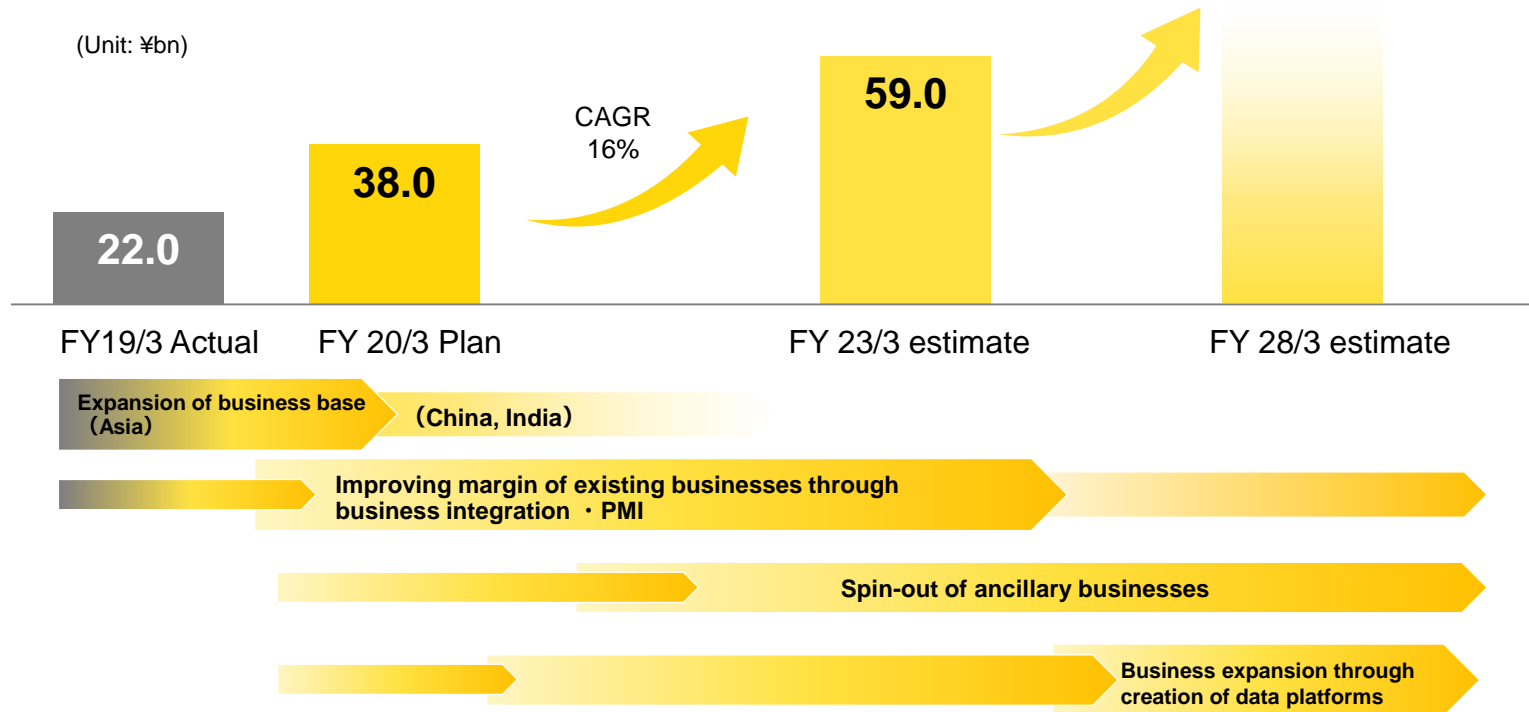
Asia's Largest
Medical Data
Platform

Quantitative goals and action plans

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

(Not including new investments)

(Unit: ¥bn)



360° business innovation.



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.