

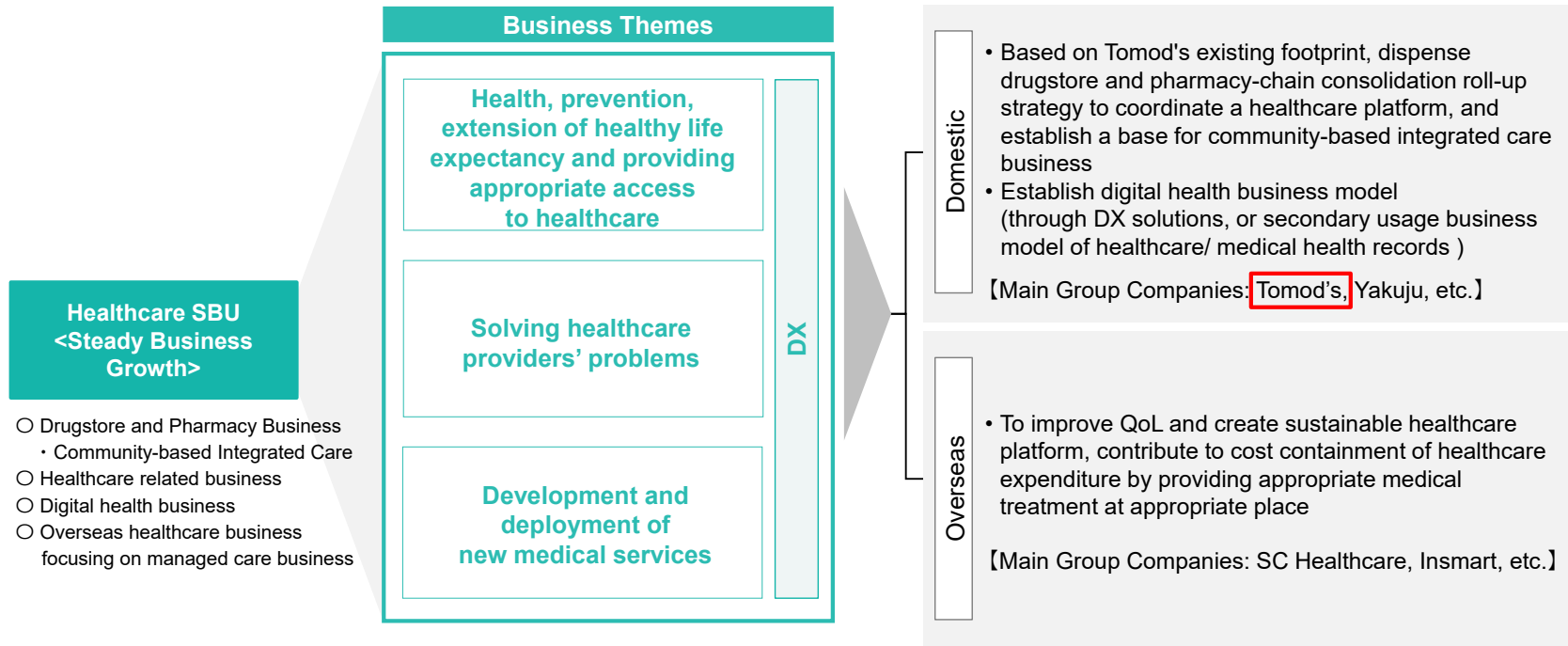
02

SC Group's Value Creation

-From non-financial capital perspective-

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Overview of Healthcare Business Strategy



Business environment and social value

1990s

**Established Tomod's predecessor
(Sep. 1993)**

* First internal venture company

<Business environment/societal conditions>

- Before the separation of prescription and dispensation, which was common in the West
- Early days of awareness of importance of self-medication and self-care



<Social issues>

Lack of separation of prescription and dispensation:

- Hampered training of expert personnel
- Led to inappropriate prescription and over-prescription
- Drove medicine prices up

The falling population and aging of society:

- Produced soaring healthcare costs
- Created a lack of hospital beds and medical personnel

Solved social issues, aiming to achieve drugstore/dispensing pharmacy ideals in the midst of a difficult environment

[Management Principles]

As a retailer supporting medical treatment, Tomod's aims to be its customers' "personal pharmacy," helping them live rich and healthy lives

[Personnel development]

- Enhance expertise
- Maintain thorough focus on patients' perspectives

[Transformation in the roles played by drugstores/dispensing pharmacies]

- Provide full range of products needed in daily life
- Enrich product selection
- Optimally balance product sales and dispensation
- Open stores in various places trafficked by customers in their daily lives
- Create stores customers will want to visit

Today

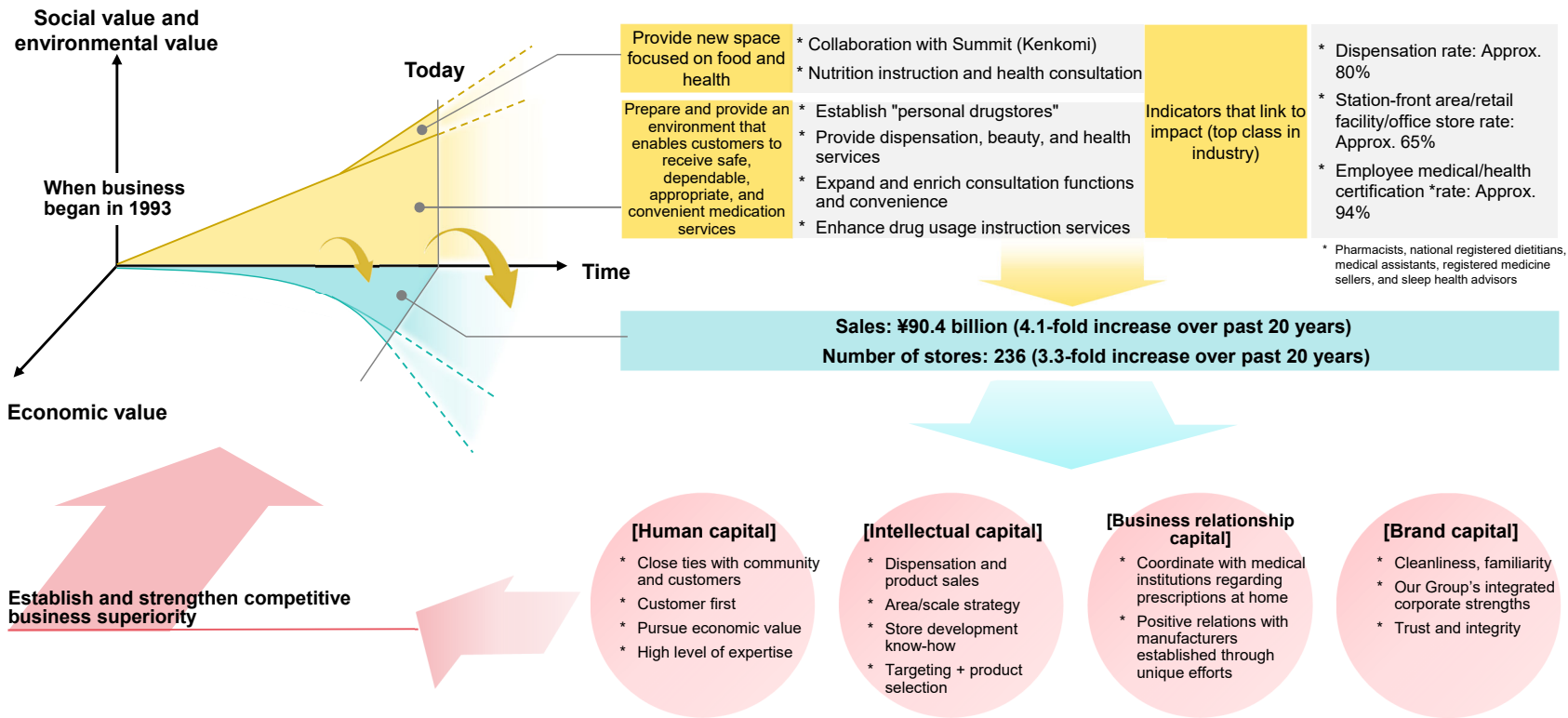
236 stores in the Tokyo metropolitan area

<Business environment/societal conditions>

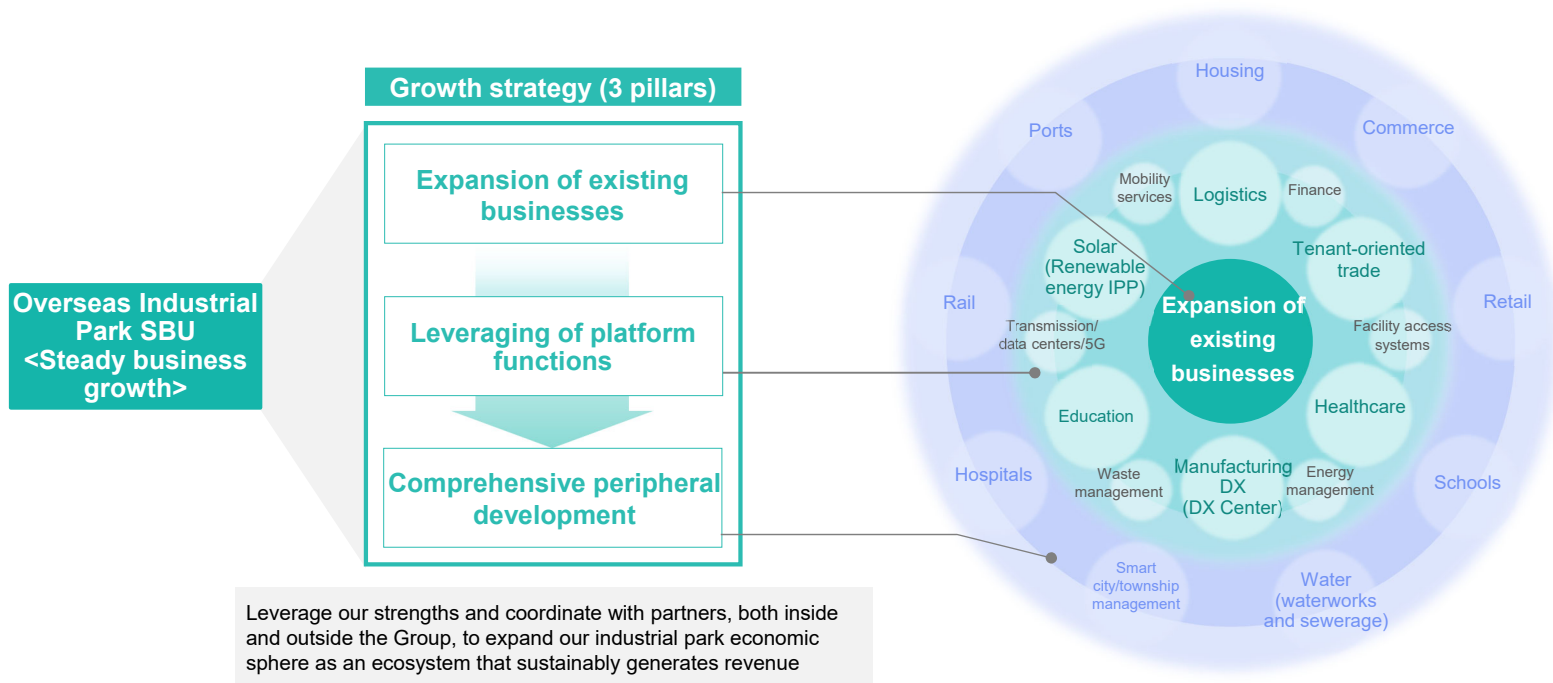
- Separation of prescription and dispensation became well-established
- Ongoing shift from "pharmacy nearest clinic" to "personal pharmacy"
- Rising importance of self-medication and self-care
→ Rising expectations for societal role of drugstores



Non-financial capital supporting value creation



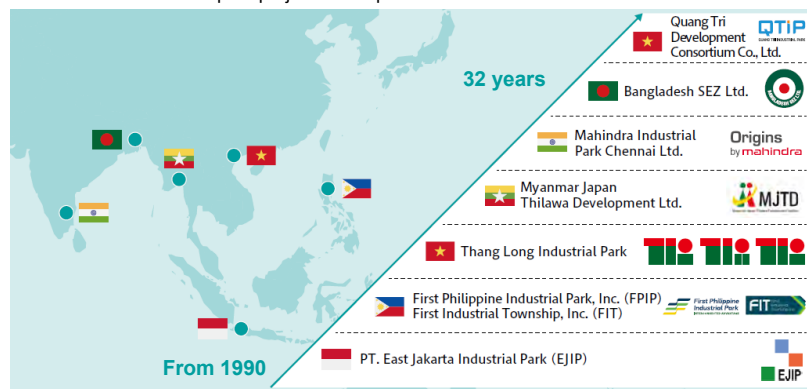
Overseas industrial park business strategy



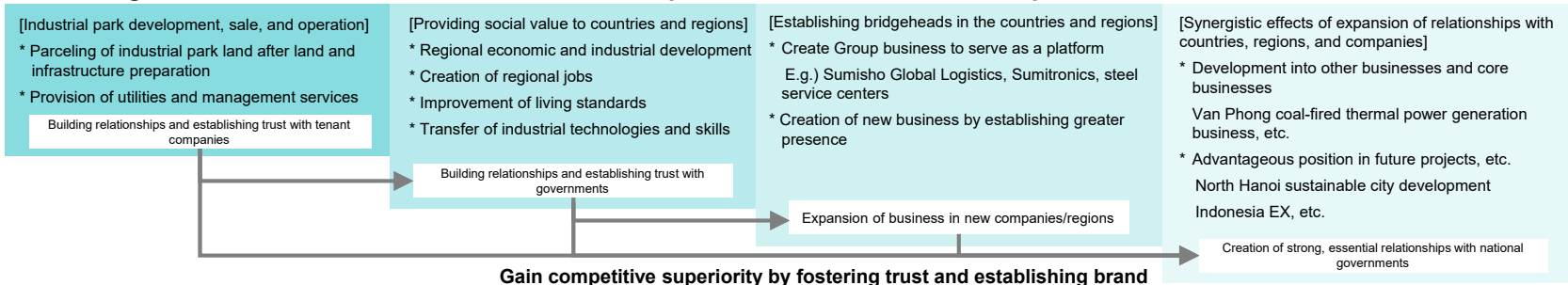
Business environment and social value



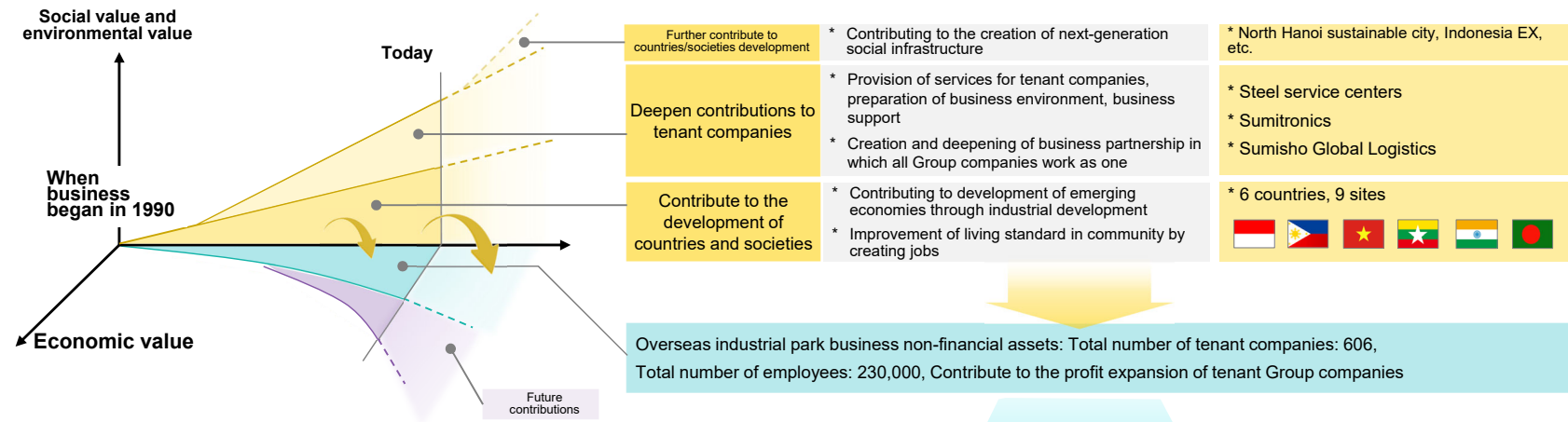
Past overseas industrial park project development



Broadening relations with stakeholders and business expansion in overseas industrial park business



Non-financial capital supporting value creation



Establish and strengthen competitive business superiority

[Human capital]

- * Business operation DNA developed through the process of attracting 606 companies
- * Broad-ranging experience that leverages trading company comprehensive strengths and platform

[Intellectual capital]

- * Experience in attracting 606 companies
- * Intimate knowledge of pain points
- * Intimate knowledge of local legal systems
- * Infrastructure provision know-how
- * Industrial park operation know-how

[Business relationship capital]

- * Solid relationships of trust with governments
- * Relationships of trust with 606 companies by providing support after parceling and move-in

[Brand capital]

- * SC's brand image among governments
- * The sense of reliability and security that comes with our business
- * Provision of Japanese-quality infrastructure, both physical and systemic

The value creation of the Sumitomo Corporation Group

Value creation features shared throughout our Group

Integrity and sincerity

Place prime importance on integrity and sound management without pursuing easy gains

Collaborative creation

Benefit for self and others, private and public interests are one and the same

Long-term perspective

Grand Design

Stay a step ahead in dealing with change

Enterprising spirit

Human capital, the source of value creation

Recognize human resources as the most important asset

The Sumitomo's business philosophy that runs through the entire Group is passed on in the DNA of the Group's employees.

All of our business activities must produce social value, environmental value, and economic value.

Further enhance our ability to create economic value

Leverage underlying features and strengths of 54 SBUs to maximize social value, environmental value, and economic value (plan to generate 600 billion yen profit in FY2025)

Expand non-financial capital to increase medium- and long-term corporate value beyond FY2025

▶ Expanded in Part 2