

# IR Day 2024

~Enhancing Visibility of Medium-Term Management Plan 2026~

<sup>12</sup> / **10** Tue **14:00~17:00**

# CONTENTS

Time	Program	Speakers	
14:00 ~ 14:10	Opening	Representative Director, President and CEO	Shingo Ueno
Part1 The way to enhance our competitive advantages to achieve growth through addressing social challenges			
14:10 ~ 14:20	Prologue	Managing Executive Officer, CSDEIO・CAO・CCO	Makiko Eda
14:20 ~ 14:50	Commercial Aviation Business	General Manager of Commercial Aviation SBU	Ichiro Tatara
	Healthcare Business	General Manager of Healthcare SBU	Hideyuki Tokuhira
	Diverse Urban Development Business	Managing Executive Officer, Group CEO of Diverse Urban Development Group	Yukihito Honda
14:50 ~ 15:50	Q&A		
Part2 Panel Discussion			
16:00 ~ 16:30	Panel Discussion with Outside Director	Panelist) Outside Director Panelist) Managing Executive Officer, CSO Moderator) Head of Investor Relations Department	Takashi Mitachi Takayuki Sumita Yoshinori Takayama
16:30 ~ 16:50	Q&A		
16:50 ~ 17:00	Closing	Representative Director, President and CEO	Shingo Ueno

# Opening

**Representative Director, President and CEO, Shingo Ueno**

# IR Day 2024

~Enhancing Visibility of Medium-Term Management Plan 2026~

## Part1

The way to

**Enhance our competitive advantages  
to achieve growth  
through addressing social challenges**

# Prologue

**Managing Executive Officer, CSDEIO・CAO・CCO, Makiko Eda**

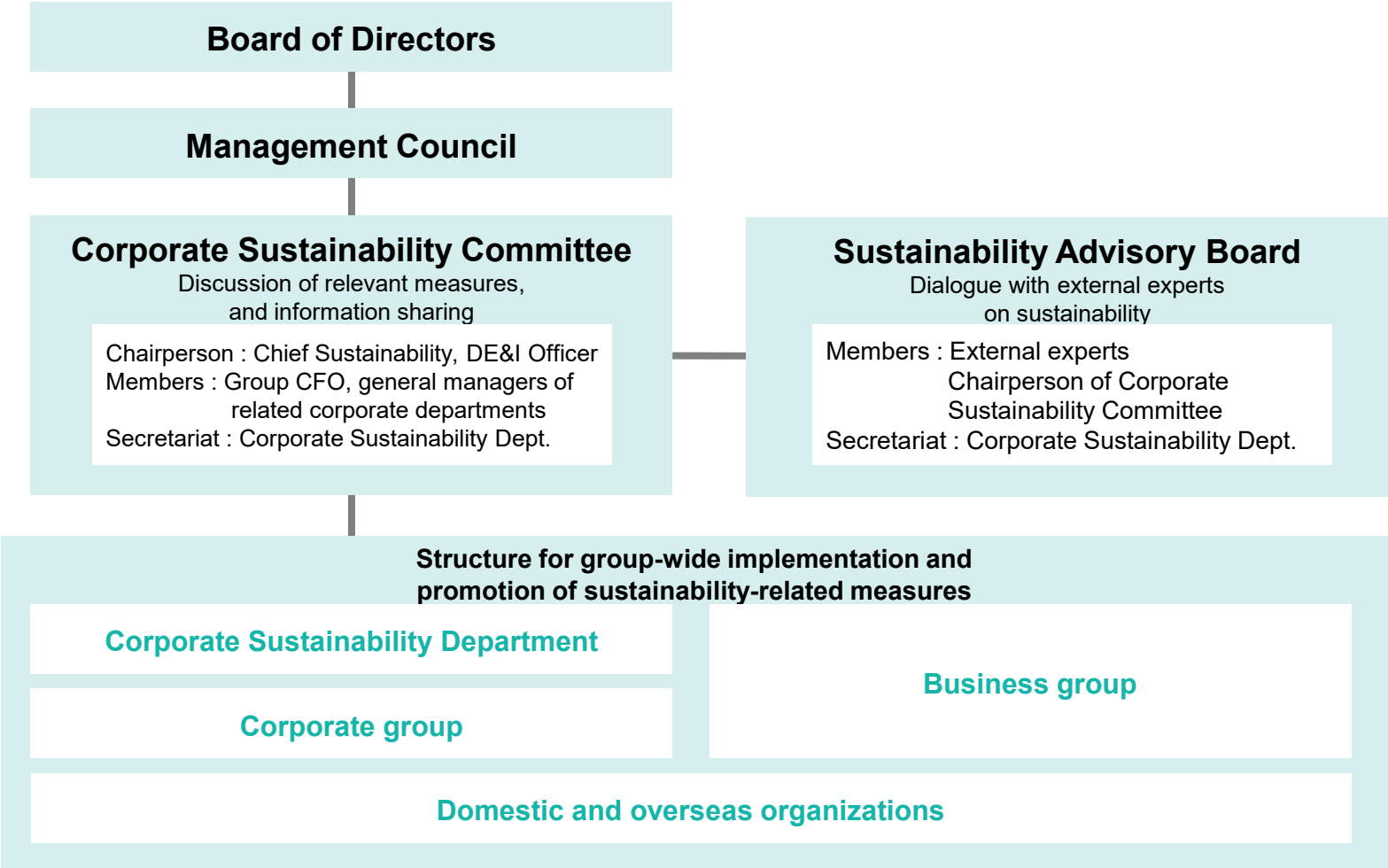
# Material Issues

Material issues are medium- to long- term commitment for the Group to take one step further toward addressing key social challenges that we must undertake. The Group will achieve sustainable growth through addressing the social challenges.



# Sustainability management

## ■ Sustainability Governance and Oversight



# Empower people and organizations

[FY2024–FY2026]

## No.1 in Each Field

Enhance our competitive advantages to achieve growth through addressing social challenges

### Empower people and organizations

Empower each and every one of our diverse talents to work as a team to create new businesses and solve issues

Business  
engineering  
power

Leadership

Speed

### Business engineering power

Based on the recognition that diversity of human resources is an important factor in generating innovation, we will increase the number of decision makers with diverse backgrounds and experiences and promote the creation of an environment where new ideas are conceived.

### Leadership

We expect self-leadership from all employees, not just the head of the organization. With a mindset of leading our industry and business, we will continue to transform ourselves to achieve this goal.

### Speed

To ensure the speedy growth of our SBUs, we will delegate authority and develop operational rules for HR matters.



# Growth through Addressing Social Challenges

## ■ Commercial Aviation Business

Decarbonized, environmentally responsive, circular economy business



Began reusing/recycling retired aircraft  
(51% stake in Werner Aero)



Accelerate efforts related to sustainable aviation fuel (SAF)

## ■ Healthcare Business

Building primary care services



Managed care business

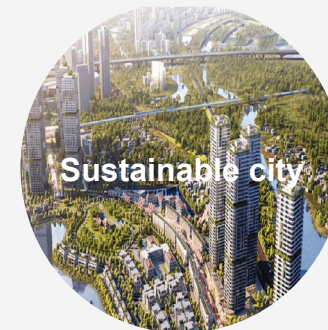
Contributing to the containment and optimization of healthcare costs through access to adequate healthcare and provision of pre-symptomatic and preventive services



Clinic chain

## ■ Diverse Urban Development Business

Energy management in Vietnam

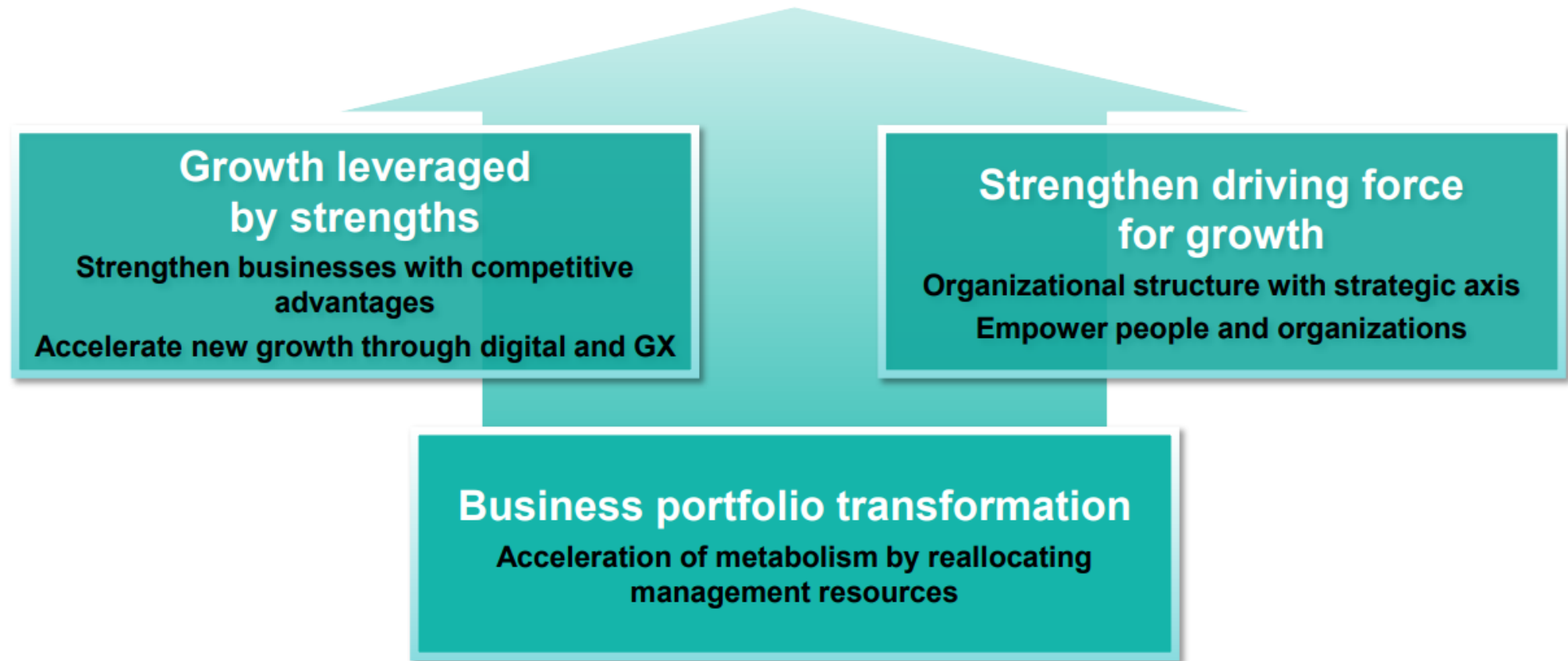


Collaborative energy management in nearby sustainable cities and industrial parks

# Medium-Term Management Plan 2026

## No.1 in Each Field

Enhance our competitive advantages to achieve growth through addressing social challenges



# Commercial Aviation Business

**General Manager of Commercial Aviation SBU, Ichiro Tatara**

# 【Commercial Aviation SBU】 Organization Structure and Growth Image



**Transportation & Construction  
Systems Group**  
Group CEO, Takao Kusaka

CFO Office

Leasing SBU

**Commercial Aviation SBU**  
General Manager of SBU,  
Ichiro Tatara

Aerospace Defense &  
Technology SBU

Ship & Marine SBU

Construction & Mining  
Systems SBU

## SBU Vision

Contribute to the maintenance and development of transportation infrastructure around the world by **maintaining our position as a top global player** in the aircraft/engine/helicopter leasing business

Contribute to the effective use of resources through efforts for **circular economy and environment-related businesses** in the commercial aviation industry

**Contribute to the building of diverse access and the development of regions and industries**, through involvement in air services for people and goods in the advanced air mobility business

## Corresponding material issues



Preserve and regenerate natural capital



Build resilient and prosperous society

# 【Commercial Aviation SBU】 Organization Structure and Growth Image

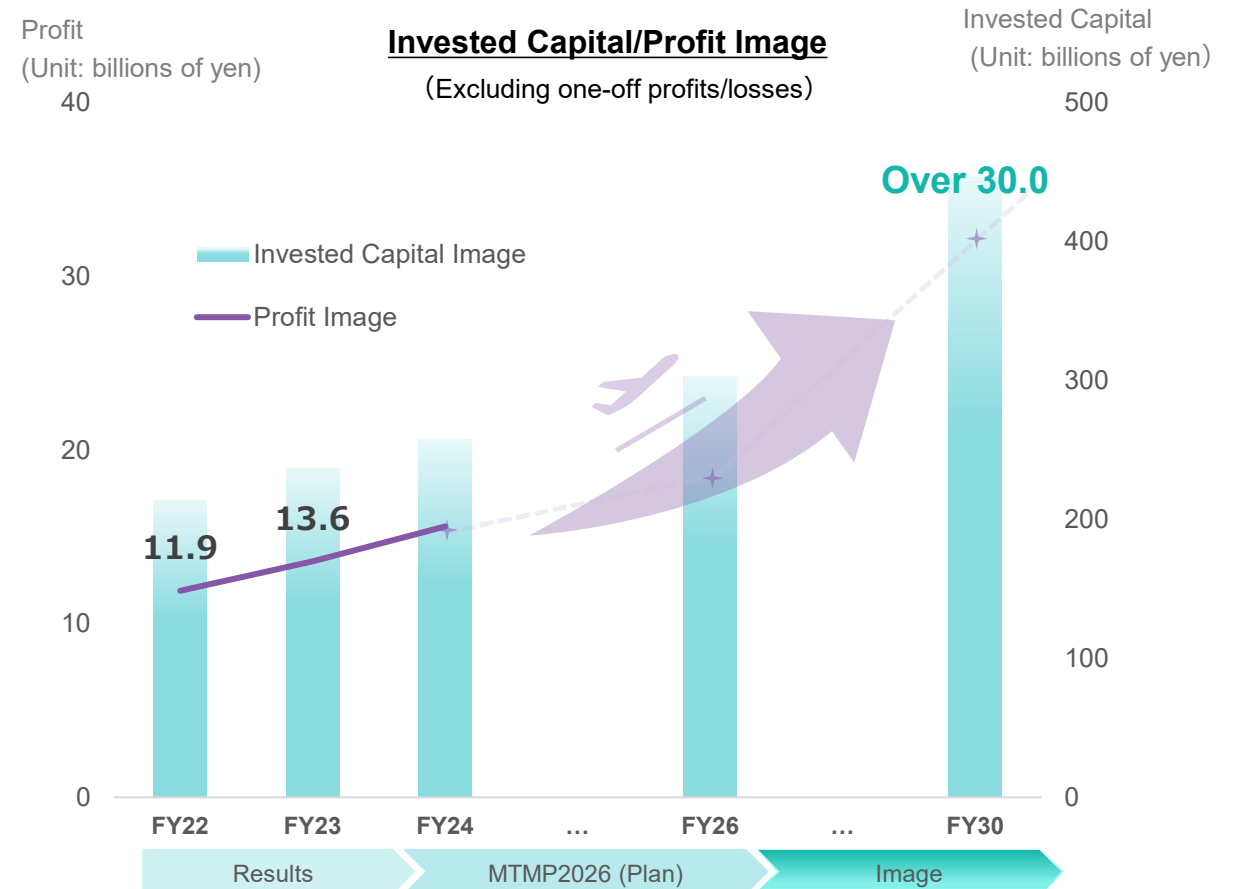
## Commercial Aviation SBU

### Main Businesses

- Aircraft / Engine / Helicopter Leasing Business
- Aircraft Aftermarket Business
- Used Aircraft Parts Business
- Circular Economy and Environment-related Businesses
- Advanced Air Mobility Business

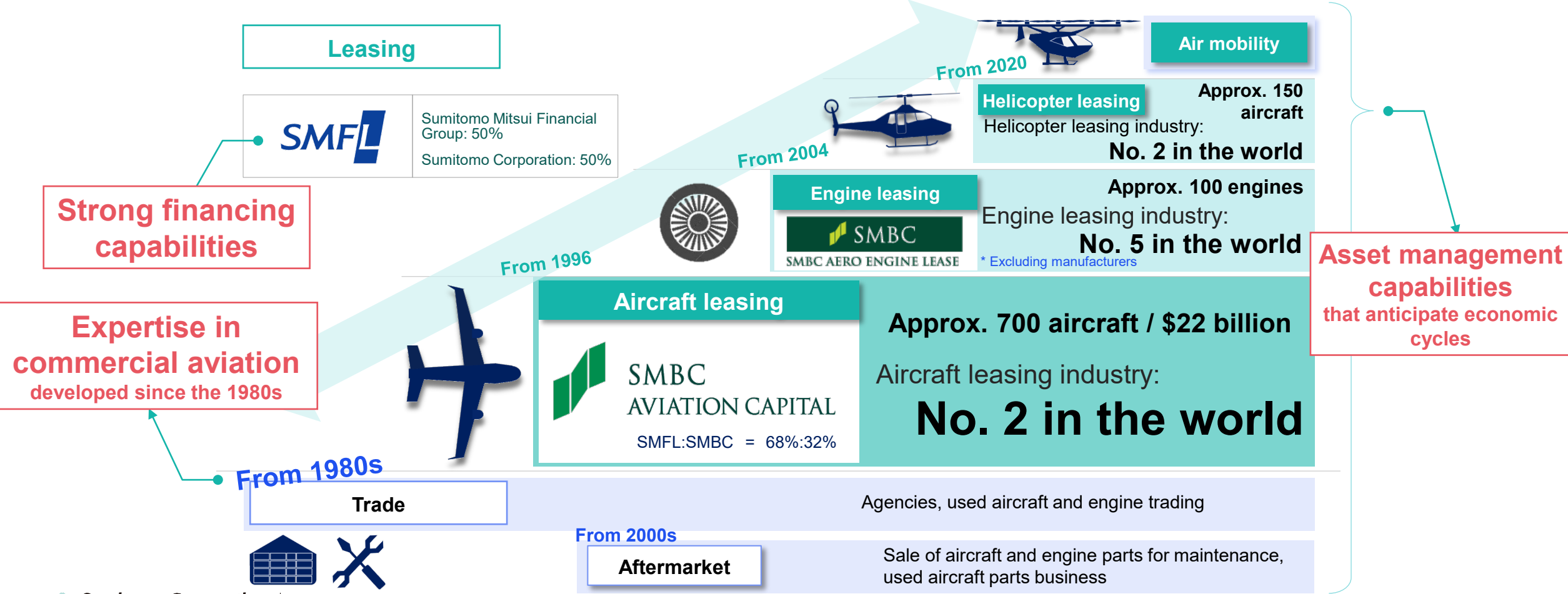
### Main Group Companies

- SMBC Aviation Capital
- SMBC Aero Engine Lease
- SMFL LCI Helicopters
- Werner Aero



# Earnings Base of Commercial Aviation SBU

In the field of commercial aviation, our leasing business holds the No. 1 position and profitability compared to other domestic trading companies. We will make this position dominant and sustainable.  
In each of the leasing businesses, we aim to be the global/industry No.1 in terms of scale and competitiveness, while at the same time, developing new businesses in the GX field



# Earnings Base of Commercial Aviation SBU (SMBC Aviation Capital)

Diversify geographical risk and control asset value with a portfolio focused on highly liquid aircraft and young fleet  
Expand prime assets and earning base by seizing business opportunities that arise from strong financing capabilities and industry-leading position

## Diversification of Fleet

26.3%  
Europe

9.3%  
MEA

33.9%  
Asia

## Features of SMBC AC



SMBC  
AVIATION CAPITAL

Narrow body jet ratio

83%

For domestic and  
short-haul routes

Customers

150 companies

Customer risk diversification

Average age of aircraft

Approx.  
5 years

High liquidity

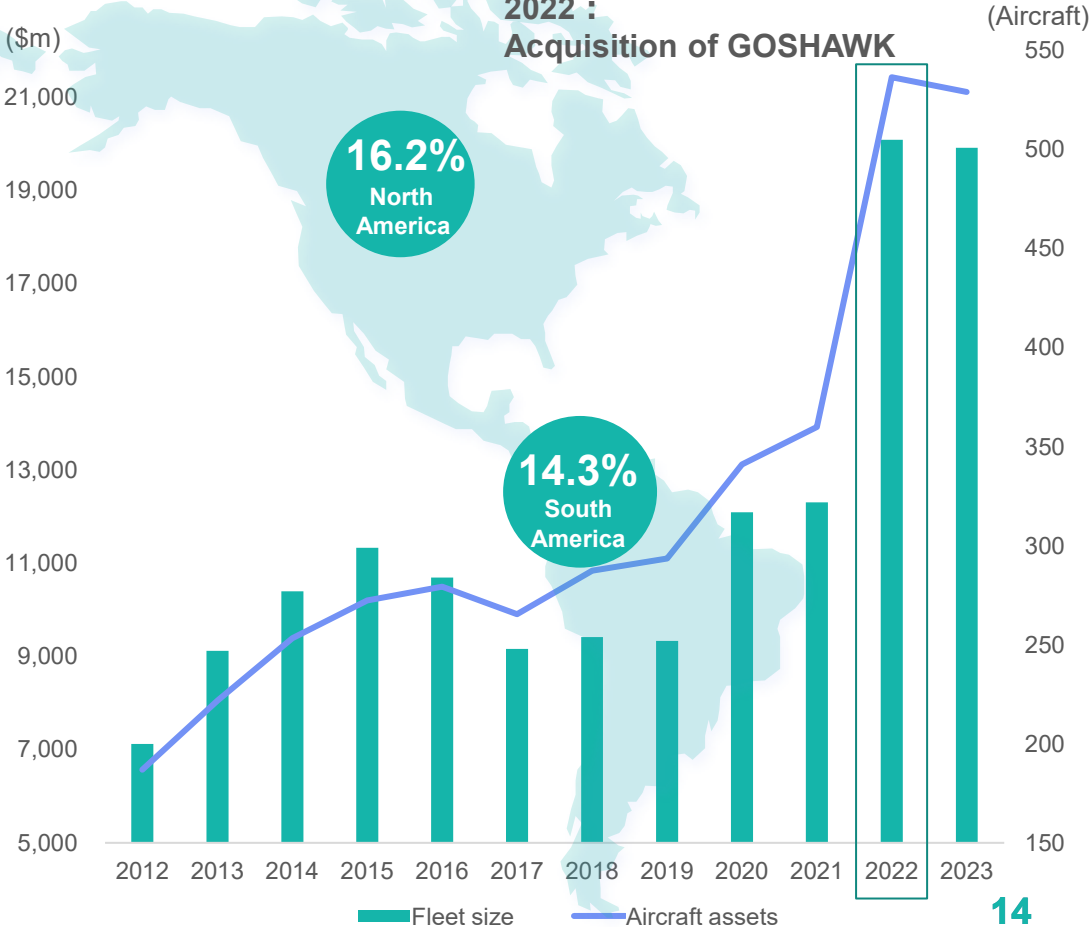
Aircraft fleet  
diversification

50 countries

Geographical risk  
diversification

## Fleet size and Aircraft assets of SMBC AC

2022 :  
Acquisition of GOSHAWK



# Further Expansion of Competitive Advantages

In addition to expanding existing businesses, **provide decarbonization solutions to the commercial aviation industry** by leveraging the airline network and platforms of our leasing businesses  
In the field of advanced air mobility (which is expected to be the next generation of air mobility), we aim to **pioneer next-generation transportation networks** utilizing eVTOL and drones

## Business foundation / competitive advantages



- **Relations/network with airlines**
- **Financing capabilities through collaboration with SMFL**
- Ability to understand trends in the commercial aviation industry
- Ability to develop business from aircraft leasing to engines and helicopters

## Business development by leveraging competitive advantages

### Next-generation businesses

### Social challenges to address

Decarbonization solutions

Next-generation transportation networks



#### Reuse/recycle



**WERNERAERO**



- Promote reusing and recycling parts/components from retired aircraft through the used aircraft parts business of Werner (U.S.)



#### Advanced air mobility



- Established Soracle, Japan's first eVTOL operator, as a joint venture with JAPAN AIRLINES
- Aiming for demonstration flight at Expo 2025 Osaka, Kansai, Japan



#### SAF, carbon credits



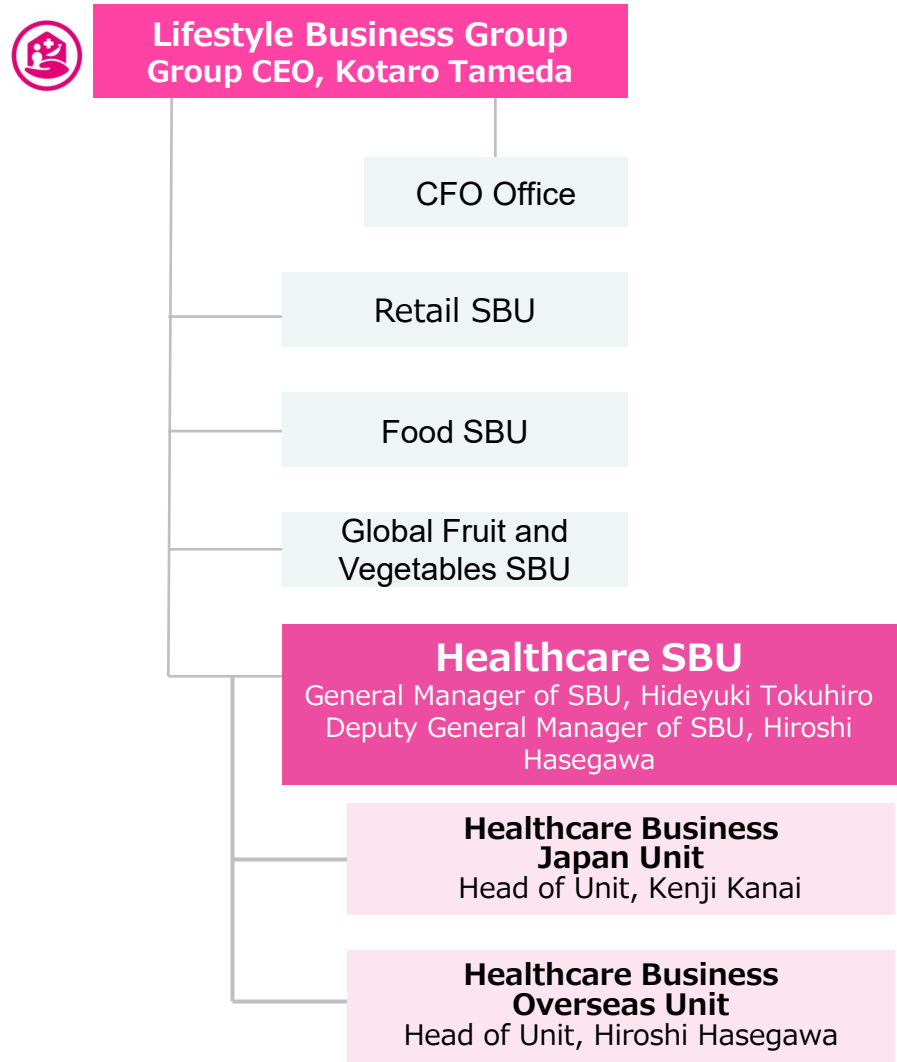
- Plan the production and supply of Sustainable Aviation Fuel and provide it to airline customers
- Entered the business of carbon credits derived from mangrove plantations in Indonesia



# Healthcare Business

**General Manager of Healthcare SBU, Hideyuki Tokuhira**

# 【Healthcare SBU】 Organization Structure and Vision




### SBU Vision

**Building of a sustainable healthcare platform that helps to improve quality of life (QoL) for individuals**

Social challenges to address		
Growing healthcare costs	Increasing elderly population Declining younger working population	Lack of adequate access to healthcare

### Corresponding material issues



Build resilient and prosperous society

# [Healthcare SBU] Business Overview & Growth Image

## Healthcare SBU

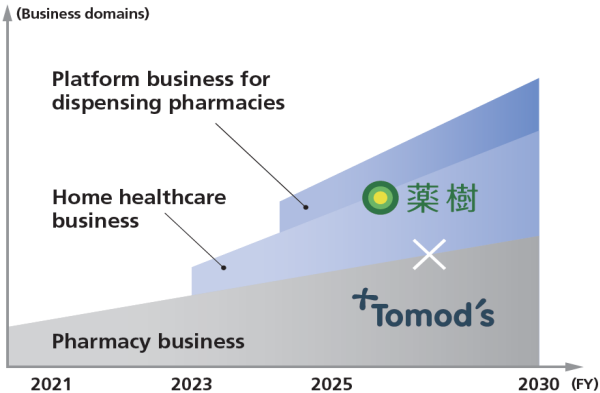
### Domestic healthcare business

- Drugstore and pharmacy business, etc.

Strength in home dispensing service as a leader in community-based integrated care  
Aiming to have the No.1 pharmacy network



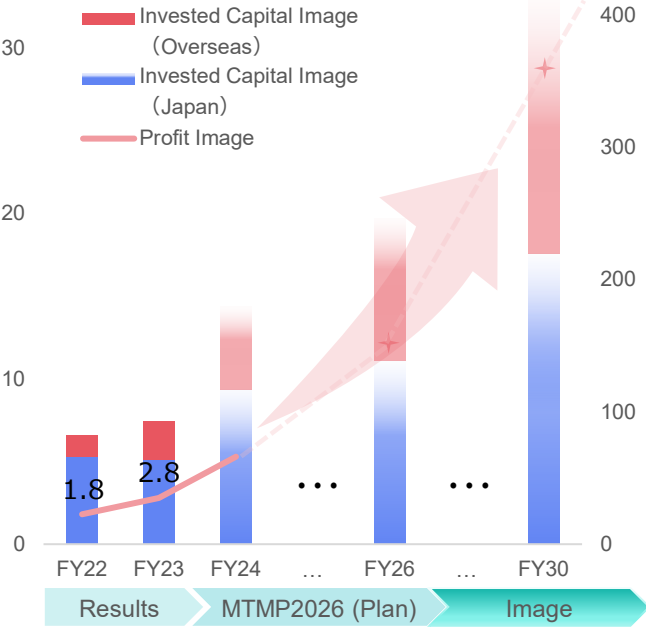
### Growth Image



Profit  
(Unit: billions of yen)

Invested Capital  
(Unit: billions of yen)

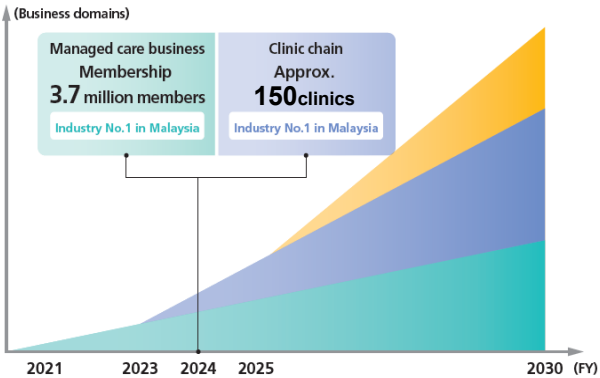
**Invested Capital/Profit Image**  
(Excluding one-off profits/losses)



### Overseas healthcare business

- Managed care business, clinic business, etc.

Aiming to be the No.1 primary care provider in Southeast Asia, providing access to adequate healthcare



Build a sustainable healthcare system that serves to improve the quality of life of individuals

Strengthen peripheral businesses with digital healthcare functions

Expand the foundation of our managed care business

[Healthcare SBU] Growth Story: Bringing Expertise Cultivated in Japan to the World

Overseas healthcare  
(to each region)



Overseas healthcare  
(Southeast Asia)



Lateral distribution of  
Japanese expertise to  
Southeast Asia

Domestic healthcare

Sharing experiences from Japan and Southeast Asia with each region

Managed care business

Membership  
3.7million members  
(Industry No.1 in Malaysia)



Clinic business

Number of clinics  
Approx. 150  
(Industry No.1 in Malaysia)



Managed care business  
×  
Clinic business  
Strength in having both

Drugstore and Pharmacy



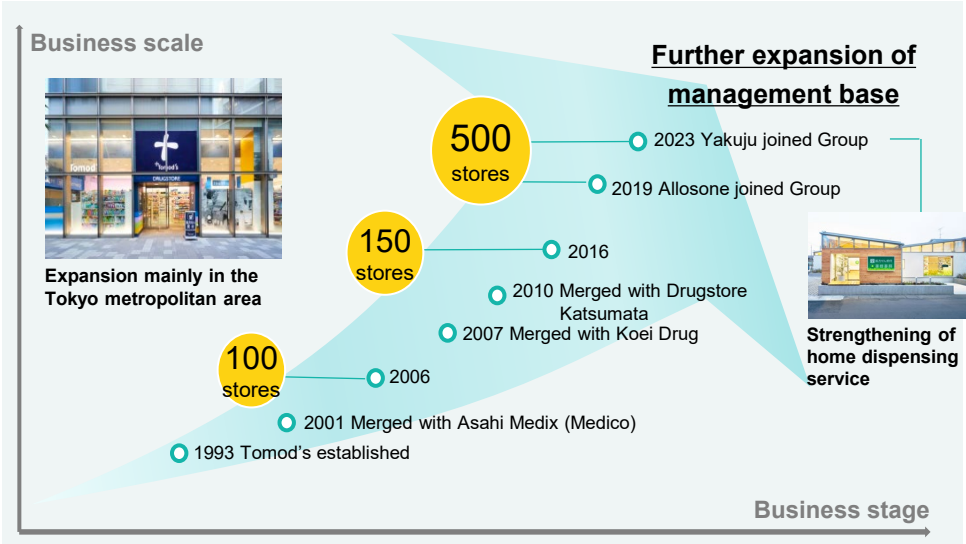
Growth through roll-up strategy supported by  
"chain store operations" and  
"customer relationship management"

# [Domestic Healthcare] Expansion Strategy Utilizing Accumulated Management Expertise

Based on Tomod's existing footprint, promote the drugstore and pharmacy roll-up strategy to coordinate a healthcare platform, and establish a base for community-based integrated care business  
Understand the various needs of each region through dialogue with customers and aim to utilize accumulated customer data for further growth

## Expansion of business base through roll-up strategy

Expansion of business base through speedy roll-up leveraging our accumulated management expertise and improved profitability through increased management efficiency



Point !

### Customer relationship management

Utilization of customer attribute data, purchasing behavior data, etc.

- Data analysis through use of apps
- Online medical examinations and dispensing services
- One-to-one marketing
- 1.9 million app users

### Chain store operations

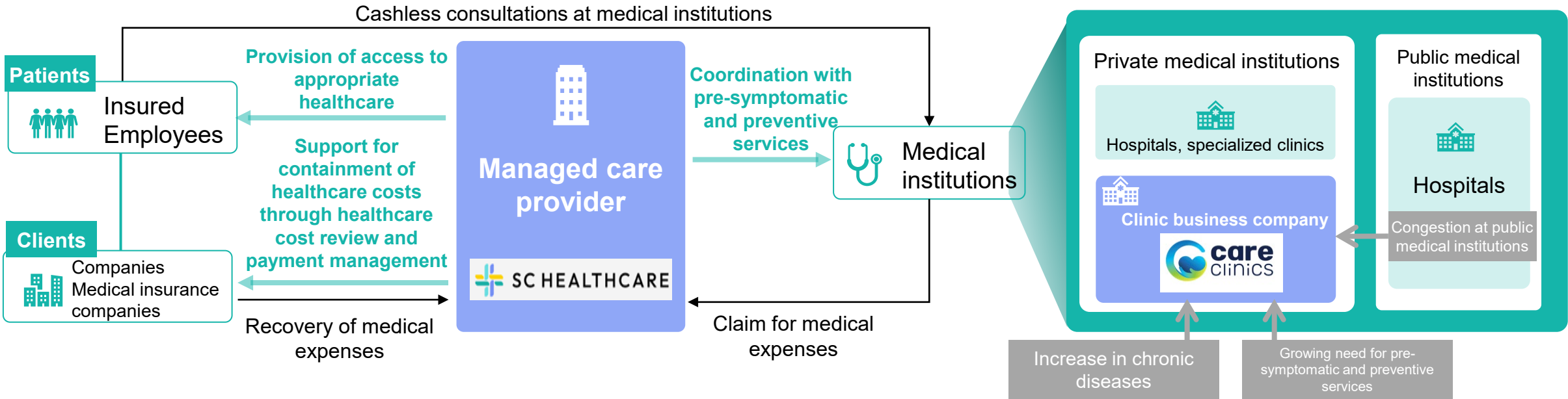
Provision of uniform, high-quality service to all customers at all stores

- Utilization of BI tools for market analysis
- Improved efficiency in drug procurement and delivery
- Employee training
- Renovation of facilities

# [Overseas Healthcare] Overview of Primary Care

Leveraging expertise cultivated in Japan, we will expand our community-based primary care services business\* in fast-growing Southeast Asia

\* Primary care services business: Community healthcare functions that comprehensively and continuously address all health problems and diseases, including pre-symptomatic conditions and disease prevention, serving a public health management and family doctor function



## Managed care business



In collaboration with medical institutions, provide services, such as healthcare cost review and payment management services, for companies and medical insurance companies (our clients), and help to contain healthcare costs

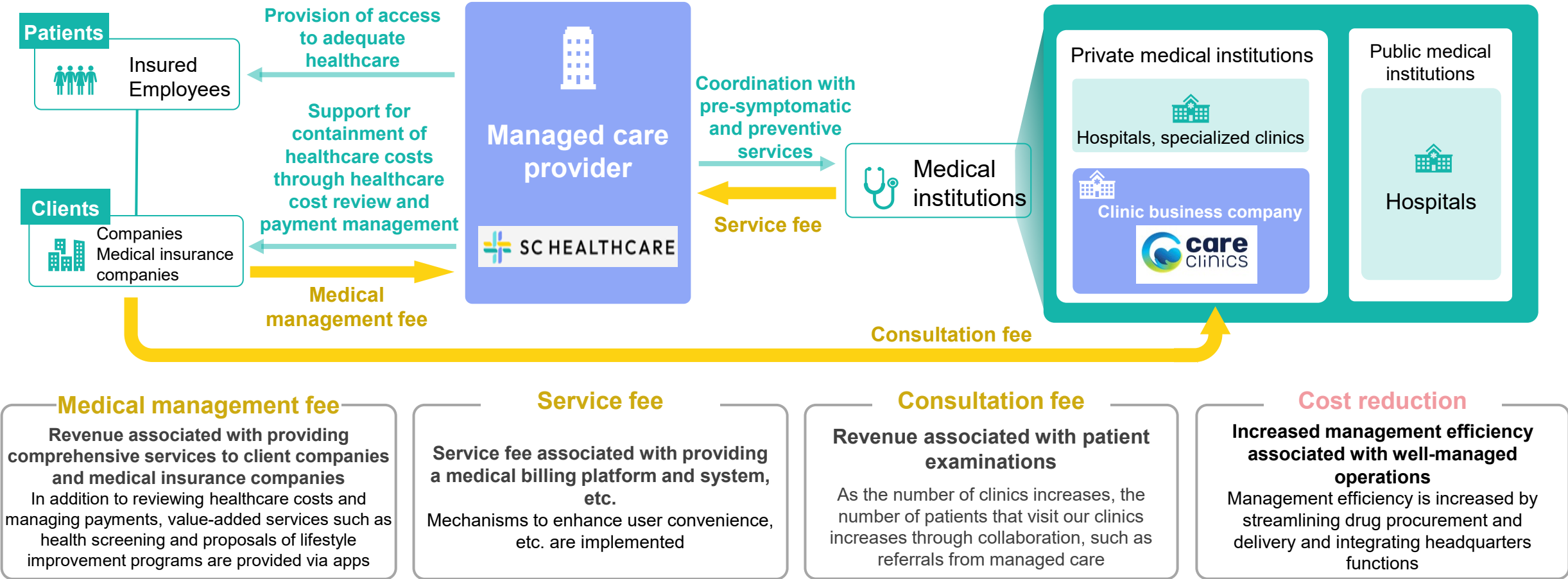


## Clinic business

In response to the growing need for high-quality private primary care, expand the number of facilities and provide access to adequate healthcare

# [Overseas Healthcare] “Managed Care × Clinic” Monetization Model

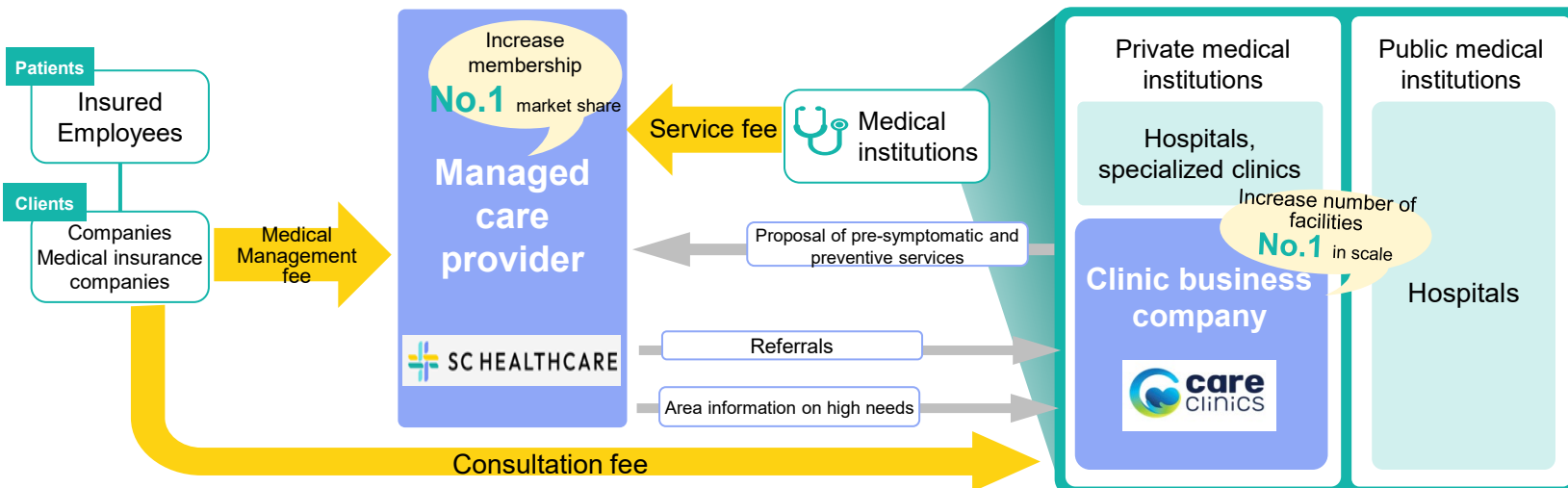
Managed care business provides comprehensive medical services to medical institutions, companies, and private medical insurance companies, while supplying efficient and highly convenient medical and health services to patients through collaboration with our clinics ⇒ Maximize operating company profit



# [Overseas Healthcare] Strength in Having Both “Managed Care × Clinic” Businesses

Improve management efficiency through mutual collaboration by implementing roll-up strategy and scale expansion

Future



Expand business foundation through roll-up strategy + Improve management efficiency ⇒ Maximize profit

Point!

## Customer relationship management

Data analysis through use of apps  
→ Proposal of pre-symptomatic and preventive services to individual patients

Development of healthcare cost analysis tools  
→ Support optimization of healthcare costs for clients

## Chain store operations

Utilization of BI tools for market analysis  
→ Increase success rate for new stores

Employee training  
→ Provide high-quality services

Improved efficiency of procurement  
→ Reduce operating costs

Renovation of facilities  
→ Increase recognition through branding

Support the development of insurance products and pharmaceutical companies based on accumulated data



Insurance companies



Relevant ministries and agencies

Pharmaceutical companies



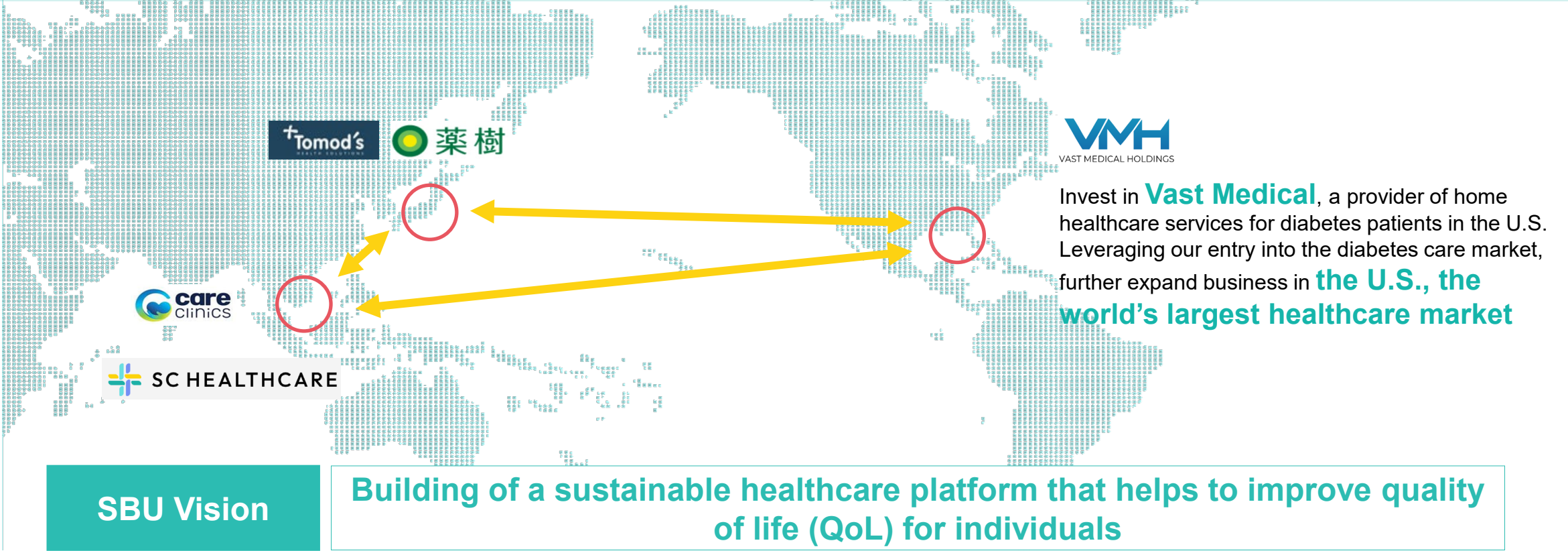
Contribute to establishment of a model for the containment and optimization of healthcare costs

→ Receive part of the contained amount



# Further Expansion of Earnings Base: Maximize Synergies in Each Region

Maximize synergies by growing businesses in each region through leveraging the "customer relationship management" and "chain store operations" expertise cultivated in Japan over many years and by facilitating interaction



# Diverse Urban Development Business

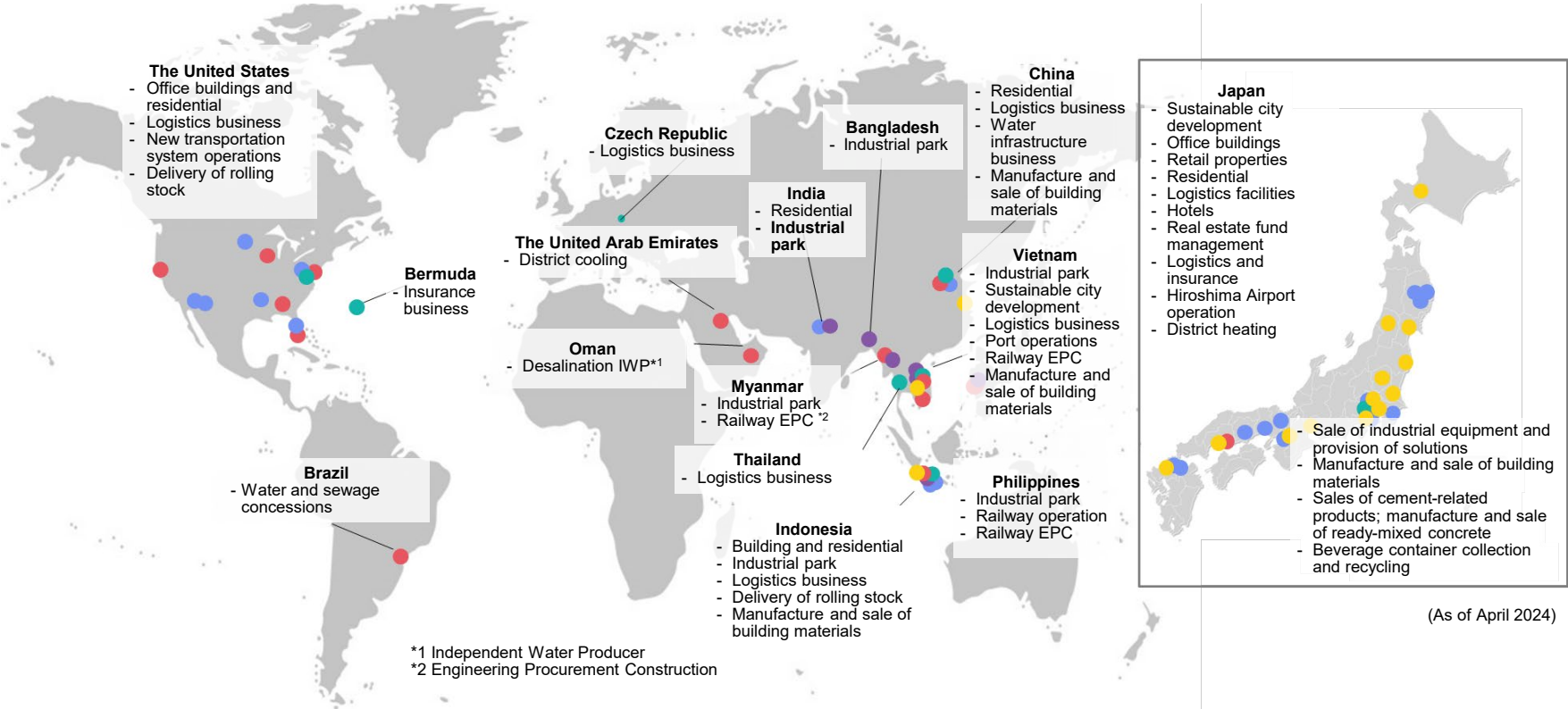
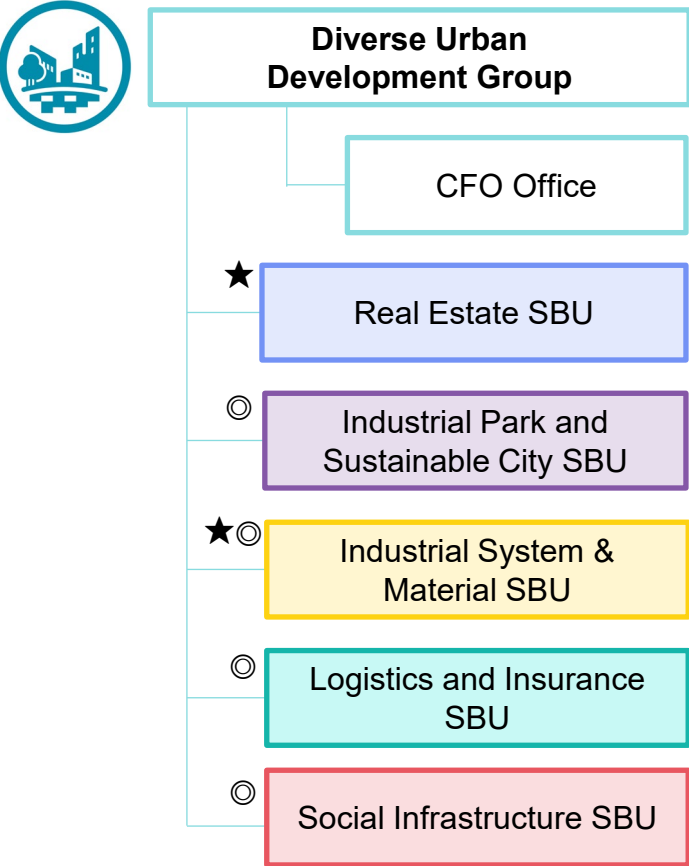
**Managing Executive Officer, Group CEO of Diverse Urban Development Group, Yukihiro Honda**

# Business Overview and Organization

## Business overview

- (1) Development and management of real estate and infrastructure (Real Estate, Industrial Park and Sustainable City, Railway, Airport, Water Infrastructure business)
- (2) Supply of related materials and equipment as well as logistics and insurance-related businesses to support the above (Cement, Construction materials, Equipment, Logistics , Insurance)

## Organization Structure



(As of April 2024)

★ Former Living Related & Real Estate Business Unit...Real Estate SBU、Industrial System & Material SBU (Building Materials and Cement)  
◎ Former Infrastructure Business Unit...Industrial Park and Sustainable City SBU、Industrial System & Material SBU (Infrastructure Solution Business)、Logistics and Insurance SBU、Social Infrastructure SBU

# Group’s Competitive Advantages and Growth through Addressing Social Challenges

Filling communities and lives with smiles and compassion through real estate and infrastructure business

## Group’s competitive advantages

"Unique to a general trading company" function, "comprehensive urban development" approach brings multiple values and solves social challenges.

Real estate x Infrastructure

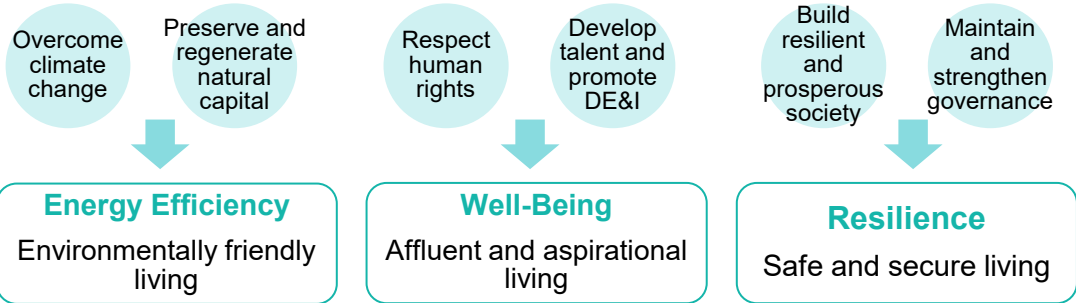
Comprehensive urban development that enables the acquisition of permits, land development, and utilities, as well as the development of real estate on the foundation, and even town management services.

Global x Diverse urban development

Multifaceted development on a global basis targeting markets with rapid population growth and economic growth, as well as countries with a high affinity for Japan

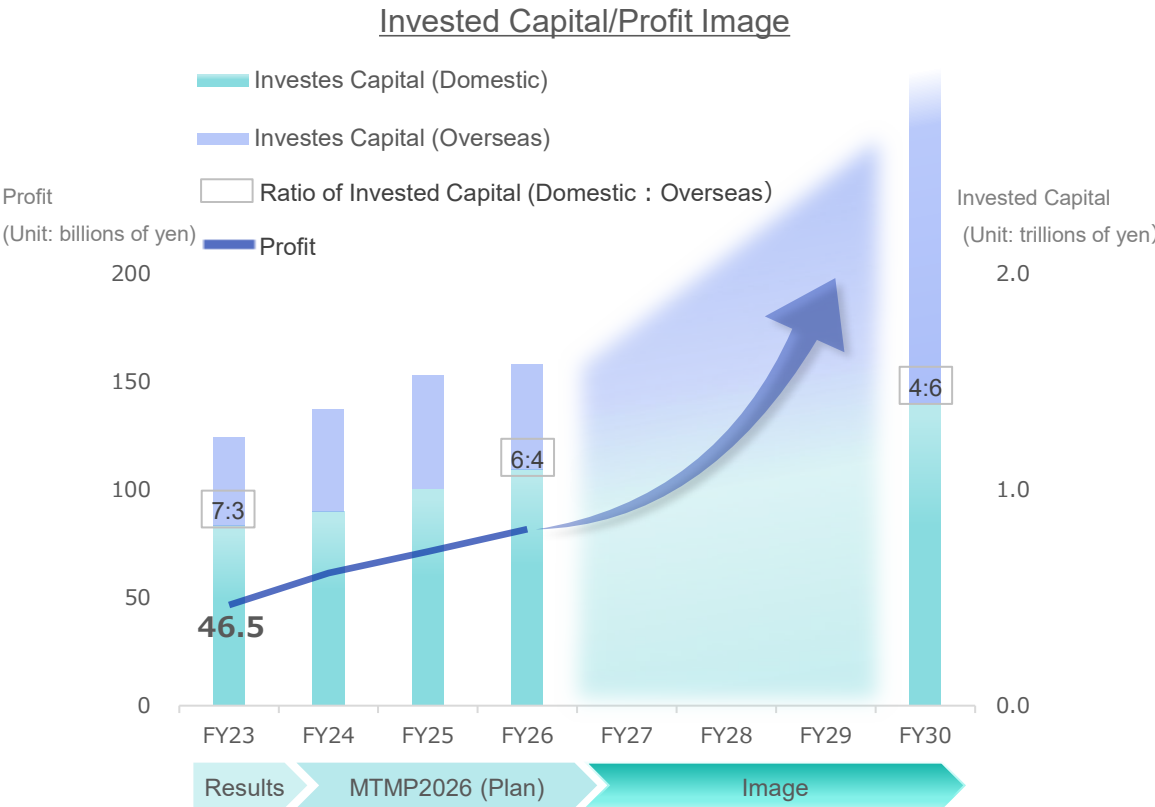
## Group themes for addressing social challenges

Three Group themes have been set based on the Group’s Material Issues, aiming for further growth of the Group through addressing social challenges



## Growth image

Aim to achieve significant growth with improved investment efficiency for the next medium-term plan to FY2030, by enhancing our competitive advantages and increasing invested capital through comprehensive global development.






Group’s Competitive Advantages: North Hanoi Smart City, from Infrastructure Projects to Sustainable City Development

History of Japan-Vietnam partnership


**1972**  
Establishment of Japan-Vietnam diplomatic relations

**1975**  
Establishment of Japanese Embassy


**1995**  
Establishment of public wastewater treatment plant



**2000**  
Project for the repair and upgrade of National Route No. 5



**2009**  
Construction of Nhat Tan Bridge



**2024**  
Tour of site by Minister of Land, Infrastructure, Transport and Tourism  
**Emphasized support for North Hanoi project**



History of our initiatives

**1955**  
Opening of Saigon Office (abolished in 1979)

**1975**  
Opening of Ho Chi Minh and Hanoi offices

**1997**  
**Thang Long Industrial Park I**

**1998**  
First appointment as chair of the Japan-Vietnam Economic Committee



**2001**  
Mekong Energy (electricity BOT)

**2006**  
**Thang Long Industrial Park II**



**2012/2014**  
Ho Chi Minh City Metro Line 1  
Duyen Hai (electricity EPC)

**2015**  
**Thang Long Industrial Park III**



**2017**  
**Participation in North Hanoi project**

**2018**  
Van Phong (electricity BOT)  
First Fuji Mart (supermarket) opens



**From 2025**  
**Development starts for North Hanoi project**

**Development starts for Thang Long Industrial Park IV**

**From about 2026**  
**Start of first phase sales**



Business activity milestones in step with the development of Vietnam

# Approach to Addressing Social Challenges: Approach through Sustainable City Development, North Hanoi

To promote **development focused on the intangible** (that approaches the true needs of the city and its residents) rather than **development focused on the tangible** (which is merely an accumulation of facilities), we will consistently engage in diverse urban development (which starts with addressing social challenges) by taking full advantage of our networks and expertise as an integrated trading company.

## Step 1 Recognize challenges

Although the economy is developing at a remarkable pace, development of the living environment is still not keeping pace



Severe traffic congestion



Unstable electricity supply



Inadequate healthcare system



Lack of diverse educational opportunities



Environmental pollution burden of waste disposal

## Step 2 Provide solutions that address those challenges

Provide solutions that are truly needed from tangible and intangible perspectives

- Bus service connecting North Hanoi with the city center
- Congestion forecasting and optimal route distribution based on AI models
- Construction and sale of energy-efficient housing
- Development of own power distribution network and installation of renewable energy generation facilities

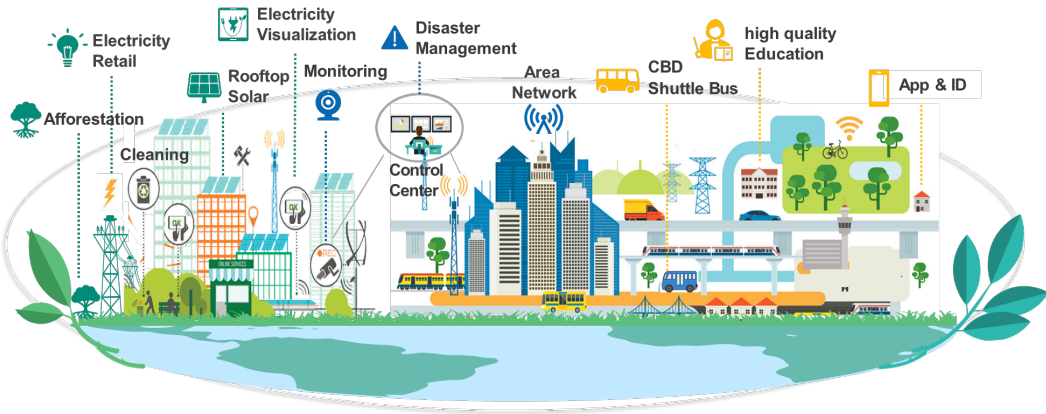
- Inducement for medical institutions
- Development of diverse medical services

- Inducement for educational institutions
- Expansion of educational services

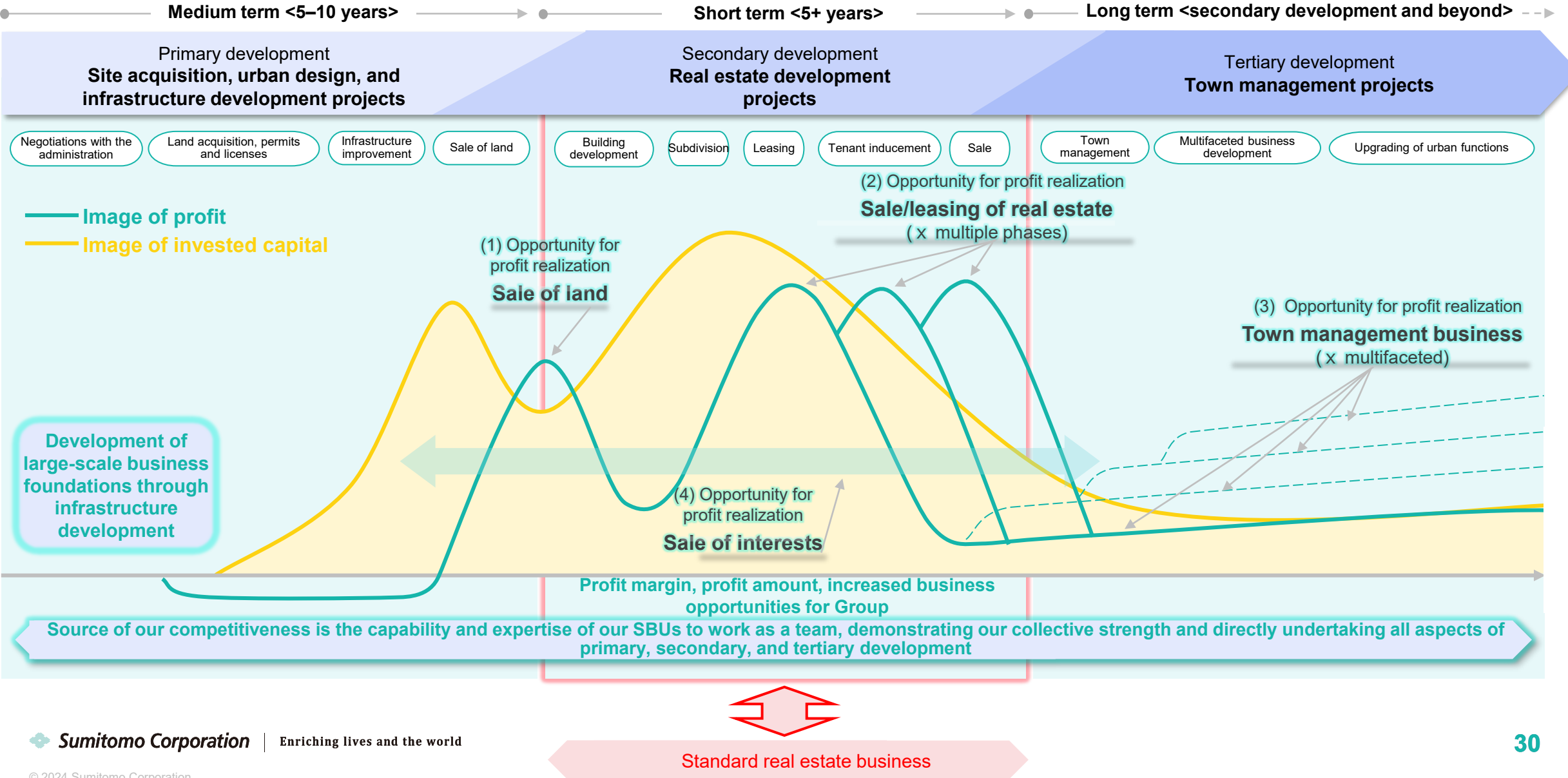
- Building of waste separation and collection processes

## Step 3 Take on further challenges for the future

Aim to realize a future vision of Vietnam that reflects the aspirations of the people of Hanoi, while also aiming to achieve growth through our vision for diverse urban development



Toward Addressing Social Challenges and Further Growth: Group Business Model for Diverse Urban Development



# Q&A



# Part1 Q&A / Speakers

【Sustainability, DE&I Group】

【Human Resources, General Affairs & Legal Group】

**EDA** CSDEIO・CAO・CCO

【Transportation & Construction  
Systems Group】

**KUSAKA** Group CEO

**TATARA** General Manager of  
Commercial Aviation SBU

【Lifestyle Business Group】

**TAMEDA** Group CEO

**TOKUHIRO** General Manager of  
Healthcare SBU

**HASEGAWA** Deputy General Manager of  
Healthcare SBU  
(Head of Healthcare Business  
Overseas Unit)

【Diverse Urban Development Group】

**HONDA** Group CEO

**MURATA** Deputy Group CEO

**YANAI** General Manager of  
Industrial Park and  
Sustainable City SBU

**IR Day 2024**

~Enhancing Visibility of Medium-Term Management Plan 2026~

**Part 2**

# **Panel Discussion**

**Theme**

**Competitive Advantages &  
Business Portfolio Transformation**

# Panel discussion



Outside Director

**Takashi Mitachi**

- Apr. 1979 Joined Japan Airlines Co.,Ltd.
- Oct. 1993 Joined Boston Consulting Group
- Jan. 1999 Vice President & Partner,Boston Consulting Group
- Jan. 2005 Japan Co-chair, Boston Consulting Group
- May. 2005 Managing Director & Senior Partner, Boston Consulting Group
- Mar. 2011 Director, Japan Association for the World Food Programme (retired in Aug.2018)
- Apr. 2013 Vice Chairman, KEIZAI DOYUKAI (Japan Association of Corporate Executives) (retired in Apr. 2017)
- Mar. 2016 Outside Director, Rakuten,Inc. (currently RakutenGroup, Inc.) (presentposition)
- Jun. 2016 Outside Director, Lotte Holdings Co., Ltd. (present position)
- Mar. 2017 Outside Director, DMG MORI CO., LTD. (present position)  
Outside Director, FiNC co., Ltd.(currently FiNC Technologies Inc.) (retired in Mar. 2020)  
Outside Director, Audit and Supervisory Committee Member, UNICHARM CORPORATION(retired in Mar. 2021)
- Jun. 2017 Outside Director, Tokio Marine Holdings, Inc. (present position)
- Oct. 2017 Senior Advisor, Boston Consulting Group (retired in Dec. 2021)
- Apr. 2020 Professor, Graduate School of Management, Kyoto University (present position)
- Jun. 2022 Outside Director, Sumitomo Corporation (present position)

# Panel discussion

- April 1985    Joined Ministry of International Trade and Industry (MITI)
- Dec. 2019    Sumitomo Corporation Advisor
- Apr. 2021    Executive Officer (Apr. 2023 Managing Executive Officer) /  
Sumitomo Corporation Global Research Co. Ltd. President and CEO
- Apr. 2024    Present position



**Chief Strategy Officer;  
President and CEO,  
Sumitomo Corporation Global Research Co. Ltd**

## Takayuki Sumita

# Closing

**Representative Director, President and CEO, Shingo Ueno**

**Enriching** lives and the world