



# IR Day 2024

~Enhancing Visibility of Medium-Term Management Plan 2026~

12 / **10** Tue 14:00~17:00

# CONTENTS

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

My name is Ueno. Thank you very much for taking your time to join us today.

The theme of this year's IR Day is "Enhancing Visibility of Medium-Term Management Plan 2026." At the beginning of the fiscal year, I explained the overall vision of the new medium-term management plan, particularly how we intend to achieve rapid profit growth and in which areas. In addition, at the Q2 consolidated results briefing at the end of October, we presented disclosure materials showing one step further details for H1 progress.

On the other hand, what we still sense from our conversations with the market is that there is a gap between our profit plan and the market forecast. It is necessary to fill the gap by presenting the outcome. However, that will take some time and thus, we believe that, at the same time, there are things we need to do to make people more confident in their expectations for our growth in profit. That is what we discussed internally.

After discussing the content of this IR Day, we thought it would be helpful to have a dialogue with you with having some actual examples presented by people from the business group, including how progress is made in the field of growth business in terms of growth through competitive advantage and solving social issues. We hope this will lead to enhance the visibility for growth. In addition, we will explain how we see them from the view of management supervision as an outside director in terms of company-wide business portfolio transformation and what the challenges are, and at the same time, make this discussion conducive to improving visibility.

In this context, as a prologue for Part 1 of today's program, Eda will explain the overall picture of our sustainability management and human resource strategy under the new medium-term management plan including the current internal discussions. We will then explain how we are dealing with social issues and how we intend to achieve further growth through the resolution of these issues in our three growth businesses. After that, we will explain our path to future growth, focusing on the competitive advantages of each of those three growth businesses.

In Part 2, as I mentioned earlier, I would like to elevate the content of Part 1 from a company-wide perspective and have a panel discussion by CSO Sumida and Outside Director Mitachi, mainly from the perspective of business portfolio transformation. I believe that discussing here from both sides, the executive and the outside director's perspective, will highlight some aspects of the actual discussions within our company.

Although the program is less than three hours, we hope to make it a valuable time for dialogue. We appreciate your candid comments and questions.

# 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

My name is Eda.

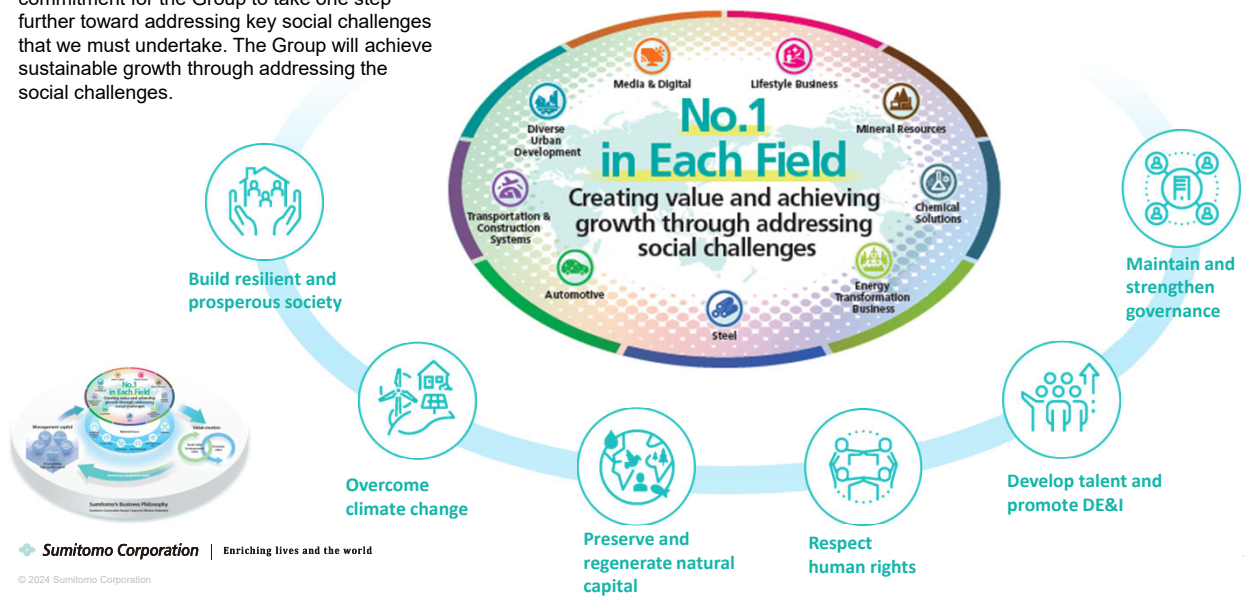
I joined Sumitomo Corporation last November, so I believe today is the first time for me to meet you all. I believe this is a valuable opportunity to hear directly from you, investors, about your interests and concerns, so although the time is limited, I appreciate your participation.

As a prologue of Part 1, I will talk about our company's initiatives from the perspectives of sustainability management, human resource development, and DE&I promotion as Chief Sustainability DE&I Officer and Chief Administrative Officer.

President Ueno has given a brief overview of these topics at the announcement of Medium-Term Management Plan 2026 in May of this year, so I would like to take this opportunity to explain them in some detail, including recent developments.

# 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.



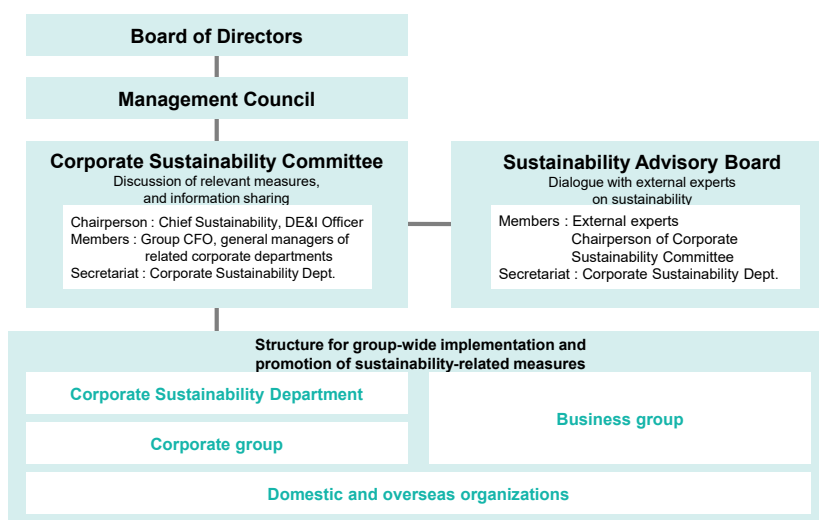
The source of the Group's sustainability management is the spirit of “Benefit for self and others, private and public interests are one and the same.” In short, Sumitomo's business, while benefiting Sumitomo, must also benefit the nation and benefit society. Sumitomo’s Business Philosophy and Sumitomo Corporation's Management Principles are deeply embedded in the values of all employees, and I feel that they form the solid foundation of the Sumitomo Corporation Group.

In developing the new medium-term management plan, we have updated our Material Issues from the perspective of value creation in light of changes in the external environment, such as the worsening of climate change and the rapid decline of natural capital. The six Material Issues shown in green on the slide indicate important social issues that Sumitomo Corporation should address and its commitment to go one step further to solve them.

Through the resolution of these social issues, we will realize a sustainable society and the sustainable growth of the Sumitomo Corporation Group.

# Sustainability management

## ■ Sustainability Governance and Oversight



This is the structure to promote sustainability management.

The Corporate Sustainability Committee is set up as an advisory body to the Management Council to ensure that the Management Council makes effective decisions in sustainability management.

The committee was held frequently last year, particularly to discuss Material Issues' revisions, and the discussions included not only company-wide policies and measures, but also ESG perspectives on individual projects, as well as unique measures tailored to the characteristics of each business group or regional organization.

Under this structure, we incorporate the materiality evaluation axis into the actual business activity review process, such as how the selection of individual projects and partners is proceeded in terms of Material Issues.

In recent years, we have seen increasing legalization and higher requirements for sustainability, and as in the past, these changes in society provide opportunities for new value creation and growth for our group.

While exchanging opinions with our stakeholders, we will strive to respond more strategically and flexibly than before to various changes in the external environment.

# 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.

In order to achieve our goal of becoming No.1 in each field with such a structure in place, the key is human resources. I would like to talk about how to empower people and organizations.

With regard to human resource development and promotion of DE&I, as we introduced at last year's IR Day, we have been reforming various HR systems since the previous medium-term management plan.

In the previous medium-term management plan, we introduced a job grading system that pursues Pay for Job, Pay for Performance, focusing on creating a workplace where the right people are in the right places and where employees can demonstrate their capabilities on a global basis.

In this medium-term management plan, as we aim to become No.1 in each field as a whole company, leaders of each organization and each employee will formulate and implement individual strategies for each SBU to empower people and the organization. There are three priority areas where we are particularly focusing in making a difference: business engineering power, leadership, and speed.

Regarding business engineering power, we are based on the idea that the diversity of human resources is an important factor in creating innovation, while valuing the strong desire of each employee to grow the business. We are creating an environment where new idea is conceived by increasing the decision makers with diverse backgrounds and experiences and increasing opportunities for diverse human resources to interact with each other.

In leadership, this is not just the leadership of the head of the organization. Self-leadership is expected to all employees. I believe that the key to the organization's significant growth is for each individual to have the mindset that he or she is the one who will lead the industry and business, and to continue to transform oneself to achieve this goal.

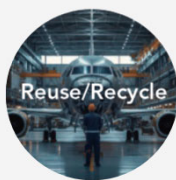
In terms of speed, we delegated human resource-related authority to the SBUs and developed operational rules.



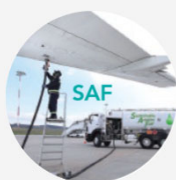
## Growth through Addressing Social Challenges

### ■ 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

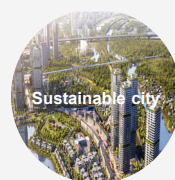
Contributing to the containment and optimization of healthcare costs through access to adequate healthcare and provision of pre-symptomatic and preventive services



Clinic chain

### ■ Diverse Urban Development Business

Energy management in Vietnam



Collaborative energy management in nearby sustainable cities and industrial parks



Finally, I would like to briefly touch on some examples of how these initiatives are being implemented in actual business groups, which will be introduced by each group later in this presentation.

The first is Commercial Aviation business.

In the aviation industry where the technical challenges are great and decarbonization is considered to be most difficult, our commercial aviation business is working toward decarbonization by 2050 to become a decarbonized, environmentally responsive, circular economy business.

Specifically, Werner Aero, in which we invested in 2022, recycles retired aircraft and parts, contributing to building a circular economy in the aviation sector through effective use of resources. We also aim to offer SAF, a sustainable aviation fuel, to our existing customer network.

Next is Healthcare business.

In Malaysia, the quality and supply of services have not kept pace with the increasing demand for medical care, and the issue of lack of access to appropriate medical services has surfaced. Furthermore, as medical technology continues to develop, the burden of medical costs on patients, companies, and insurance companies is increasing.

Our Healthcare business provides primary care services to Malaysian citizens as a function of their health management and family doctor, and we aim to continue to build a sustainable healthcare system.

Finally, Diverse Urban Development business.

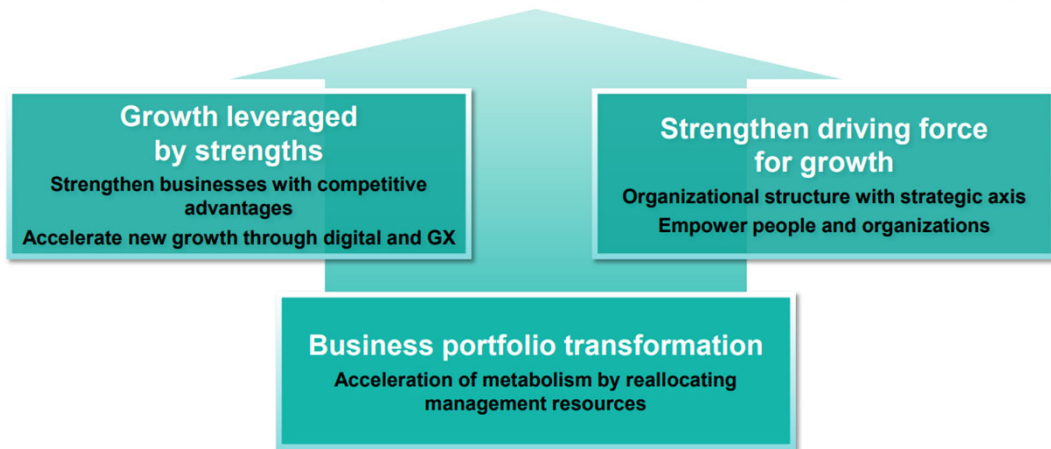
In the development of a sustainable city in North Hanoi, Vietnam, we provide a multi-faceted solution co-created with many companies and governments to address economic growth and social issues. Specifically, in response to the unstable power supply, we are contributing to carbon neutrality through the development of our own power distribution network and the gradual introduction of renewable energy assets, as well as energy management through power sharing between neighboring Thang Long Industrial Parks.

In addition, in terms of human resources, personnel with strengths in real estate development and personnel with strengths in negotiating with foreign governments and developing business overseas were brought together under the same group following a reorganization in April of this year. Under the new organizational structure, we hope to promote innovation by combining the knowledge and experience of our diverse human resources more than ever before.

## Medium-Term Management Plan 2026

# No.1 in Each Field

Enhance our competitive advantages to achieve growth through addressing social challenges



I have briefly introduced the concept of value creation and growth through the resolution of social issues.

In the following part, the business groups involved in the actual execution of the business will discuss them in more detail, focusing on their respective competitive advantages.

That's all for my explanation. Thank you.

# Commercial Aviation Business

General Manager of Commercial Aviation SBU, Ichiro Tatara

My name is Tatara from Commercial Aviation SBU.

Today, I would like to explain the current status and future of our aviation business from the perspective of improving our competitive advantage and growing through solving social issues.

## 【Commercial Aviation SBU】 Organization Structure and Growth Image



### 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

The first slide is the organization on the left side. There are 5 SBUs under the Transportation & Construction Systems Group headed by Kusaka as Group CEO, and one of them, Commercial Aviation SBU, is engaged in commercial aircraft-related businesses.

Commercial Aviation SBU has three visions:

- 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; and
- 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.

We are also working on each of our businesses to preserve and regenerate natural capital and build resilient and prosperous society in Material Issues we have set forth.

## 【Commercial Aviation SBU】 Organization Structure and Growth Image

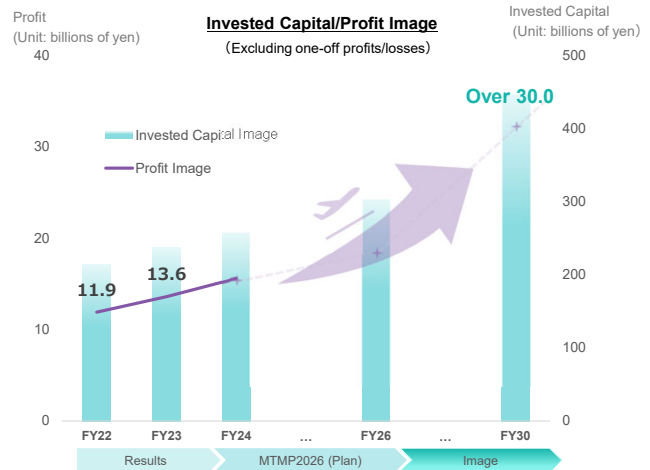
### Commercial Aviation SBU

#### 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

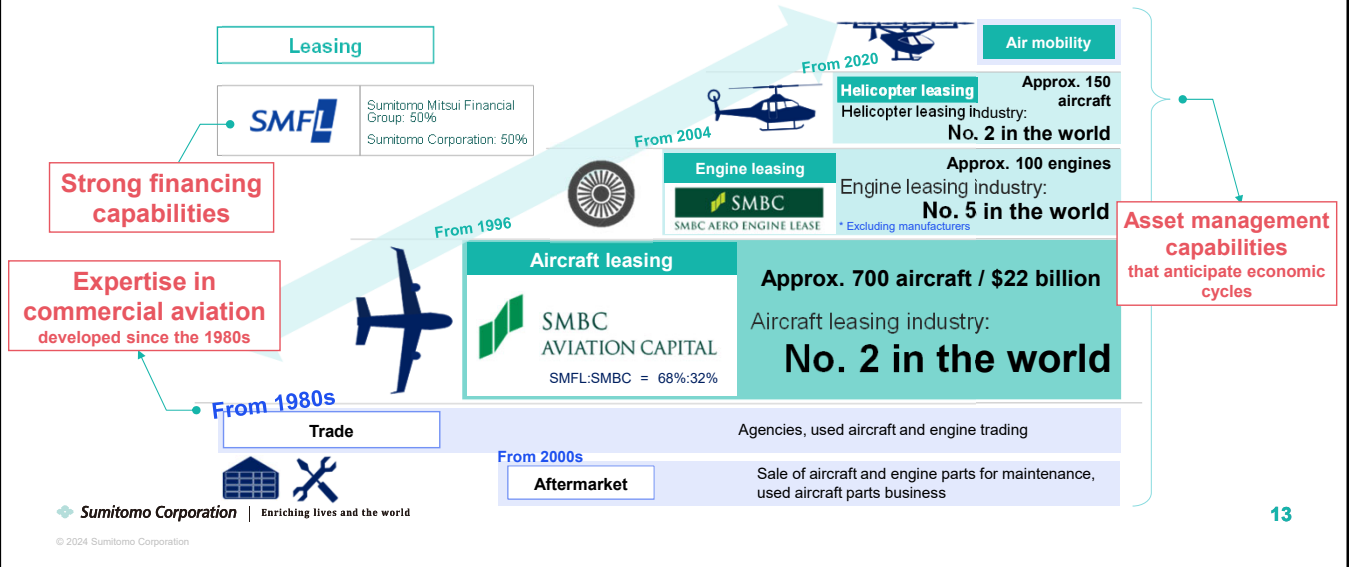


On the next page, on the left, you will see the specific businesses and major operating companies in which the SBU is involved; and on the right side, we show the SBU's performance trends and an image of its growth toward 2030.

In terms of financial performance, SBU generated the profit of JPY11.9 billion in FY2022 and JPY13.6 billion in FY2023. We expect to achieve an increase in profit to around JPY16.2 billion this fiscal year, steadily strengthening its earnings base at the moment. We hope to grow to a profit level exceeding JPY30 billion by 2030.

## 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



On the next page, I will explain the earnings base in detail.

As stated in the first line of the lead sentence, we have established the number one position and earning power in the field of commercial aviation business, mainly in the leasing business, unrivaled by any other domestic trading company. One of our strengths in the airline business is our history of working with airlines since the 1980s and our expertise with the airline business.

At first, our main activities were as an agent for overseas manufacturers and in the trade business, mediating the sale and disposal of old aircraft and parts, mainly to domestic airlines. Later, we also became involved in the after-market field such as maintenance and repair including that for engines and deepened our knowledge of aircraft and engines themselves.

The operating lease business was created to take advantage of this. In other words, this is an aircraft leasing and engine leasing business that increases profitability by carefully monitoring and managing the use and residual value of aircraft engines and the aircraft itself.

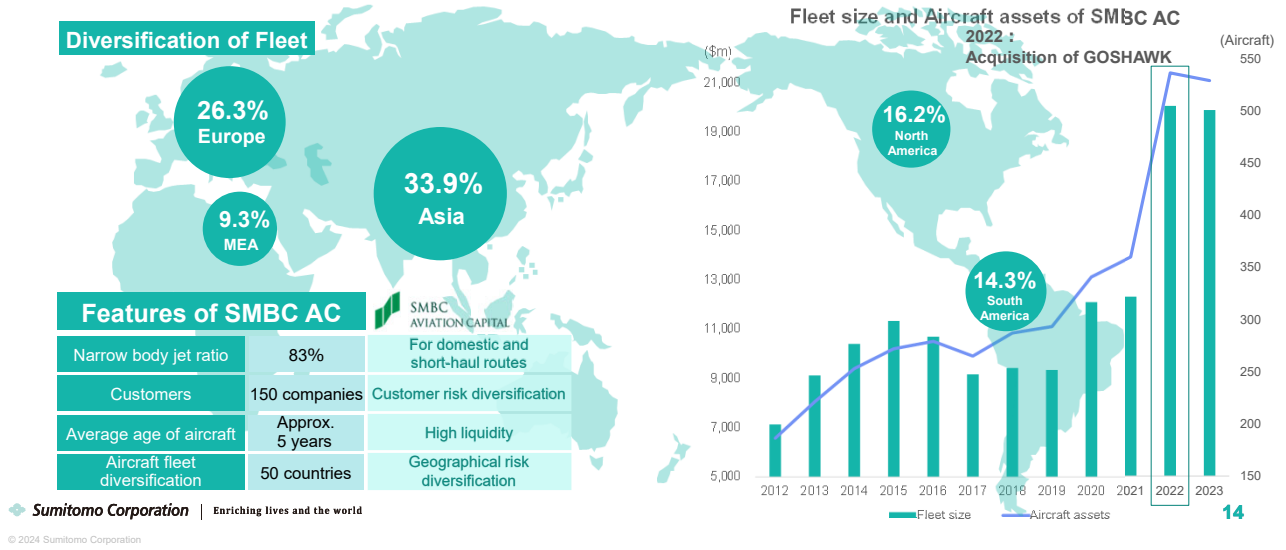
The second strength is strong financing capabilities. The scale-up of each leasing business was made possible through collaboration with Sumitomo Mitsui Finance and Leasing or SMFL, a joint venture with the SMBC Group. We started collaboration with SMFL in 2008 for aircraft, 2019 for engine, and 2020 for helicopter. In 2012, SMBC, SMFL, and our company formed a consortium to acquire an aircraft leasing company owned by Royal Bank of Scotland, which was experiencing financial difficulties at the time, and established SMBC Aviation Capital, which was a major turning point.

In all these businesses, we increased the scale of business by leveraging financing and balance sheet strength of SMFL. In the aircraft leasing, we now rank second in the world with USD22 billion in assets and a fleet of 700 aircraft under our management. The Company also ranks fifth in the world in engine leasing, owning and managing more than 100 engines. In helicopter leasing, we now rank second in the world owning and managing approximately 150 helicopters. All these businesses have grown to become businesses that combine scale and capability that are among the best in the world.

The asset management capabilities, which capture the business cycle of each of these businesses, are the source of our competitiveness and our third advantage. We aim to become number one in the field in the global market through a combination of scale and competitiveness.

## 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



On the next page, I would like to add a few words about SMBC Aviation Capital, the largest earning base for Commercial Aviation SBU.

SMBC Aviation Capital has a well-balanced geographic diversification, with about one-third of its portfolio in Europe, the Middle East, and Africa; one-third in Asia; and one-third in the Americas, while maintaining a high ratio of highly liquid narrow-body aircraft at over 80% and using aircraft age as a KPI. We are expanding our business while controlling asset value by building a portfolio centered on young aircraft.

A good example of leveraging competitive advantages for growth, mentioned on the previous page, is the acquisition of Goshawk, an aircraft-leasing company in the same industry, in 2022. The graph on the lower right of the page shows the transition of aircraft assets and fleet size. We started negotiation with Goshawk’s parent company in 2021, right after the market price fell due to the COVID-19 pandemic, taking advantage of our in-depth knowledge of aviation industry and asset management capabilities capturing business cycle. With SMFL’s strong financing capabilities, we were able to acquire Goshawk in 2022 and succeeded in significantly increasing its assets under favorable terms.

SMBC Aviation Capital’s network of more than 150 airline clients in 50 countries is the foundation of SBU’s business development.

## 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

Sumitomo Corporation | Enriching lives and the world  
 © 2024 Sumitomo Corporation

### Business development by leveraging competitive advantages

#### Next-generation businesses

#### Social challenges to address



#### Reuse/recycle



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

Decarbonization solutions



Next-generation transportation networks



#### 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



On the last page, I would like to talk about further development of competitive advantage. As the world's population continues to grow, demand for the movement of people and goods is also expected to expand over the long term. On the other hand, decarbonization is a challenge that the airline industry needs to address. To contribute to decarbonization at the same time as responding to the growing needs of mobility, we are working to provide decarbonization solutions to the airline industry by leveraging the airline network and infrastructure of the leasing business for the future. We also aim to pioneer next-generation transportation networks in the field of advanced air mobility, which is expected to become the next generation of air mobility. We are working on these two.

First, to promote the reuse and recycling of aircraft and parts, we invested in Werner Aero, which is engaged in the so-called "part-out" business of removing parts from retired aircraft in the US in 2022, in order to reduce waste in the aviation sector and promote the establishment of a circular economy.

The second will be Advanced Air Mobility, an initiative to create next-generation mobility that also uses so-called eVTOLs, flying cars, and large drones. In this field, we established Japan's first eVTOL operator, Soracle, in cooperation with Japan Airlines in June of this year and are preparing to conduct a demonstration flight at the Osaka Expo next year.

The third is initiatives such as sustainable aviation fuel, SAFs and carbon credits. These will be offered to airline customers on the network that the leasing business has, with the aim of meeting the airline industry's decarbonization needs.

There is no doubt that these decarbonization solutions will contribute to solving social issues, but at the same time, they will also create a commensurate economic burden in the current environment. Therefore, we are facing challenges that are not easy to solve, such as who will bear this burden in what form and how we can put it on a commercial basis and make it sustainable.

We will continue to take on the challenge of fostering next-generation businesses, fully leveraging the strengths of SMBC Aviation Capital and others, while also working closely with groups within our company that deal with next-generation energy and carbon credits.

That is all from me. Thank you.



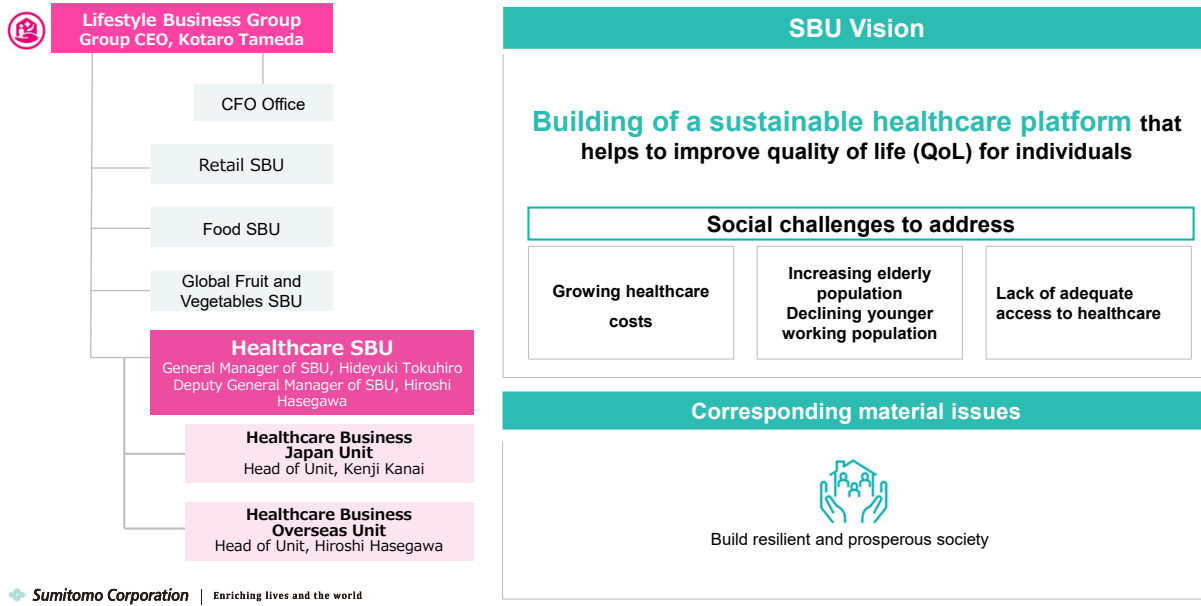
# Healthcare Business

General Manager of Healthcare SBU, Hideyuki Tokuhira

My name is Tokuhira from Healthcare SBU.

Today I would like to talk about the growth story of our SBU.

## 【Healthcare SBU】 Organization Structure and Vision



This slide shows the organization overview and vision of our SBU.

Our healthcare business has steadily expanded since the launch of our healthcare division in 2018, based on Tomod's, and continues to do so to this day.

In 2018, the team has expanded from about 30 people to about 80, about half of whom, including myself, have business-field experience in various lifestyle-related businesses.

With a vision of building a sustainable healthcare system that contributes to improving the quality of life of individuals, we are pursuing various initiatives to both solve social issues and expand our business.

# [Healthcare SBU] Business Overview & Growth Image

## Healthcare SBU

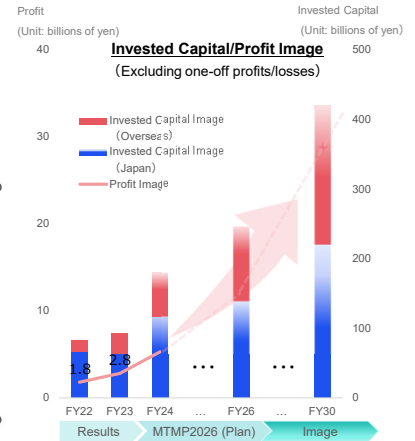
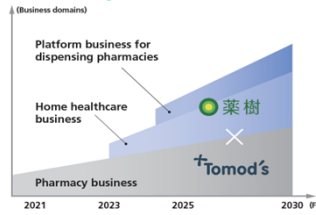
### Domestic healthcare business

- 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



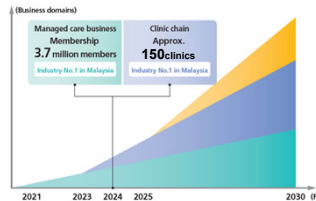
### Growth Image



### 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

In this slide, the left side is the business overview, and the right side is the growth image.

Please look at the left side of the material. In Japan, we are developing our drugstore and dispensing pharmacy business with the aim of building the number one pharmacy network strong in home healthcare as a leader of the community-based integrated care system.

Overseas, we are engaged in our managed care and clinic businesses with the aim of becoming the number one primary care provider in Southeast Asia, providing appropriate access to healthcare. Since participating in investment in the managed care business in 2019, the Company has steadily expanded its operations and both businesses in the country are already number one in the industry.

Then, the right side is the growth image.

Profits have expanded to approximately JPY3 billion over the three years of the previous medium-term management plan, and we intend to grow the business even further in the future.

## [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"

This slide shows the growth story of our SBU.

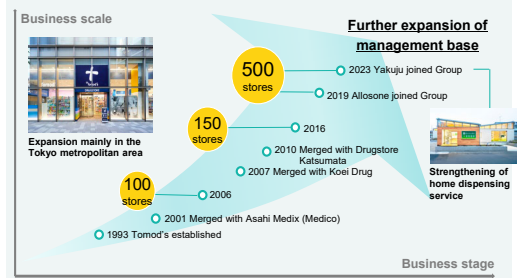
While strengthening our business base in Japan, we will achieve dramatic growth by applying the know-how we have cultivated in Japan, such as chain store operations and customer relationship management, to Southeast Asia and other regions.

## [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

Please see the right side of this slide.

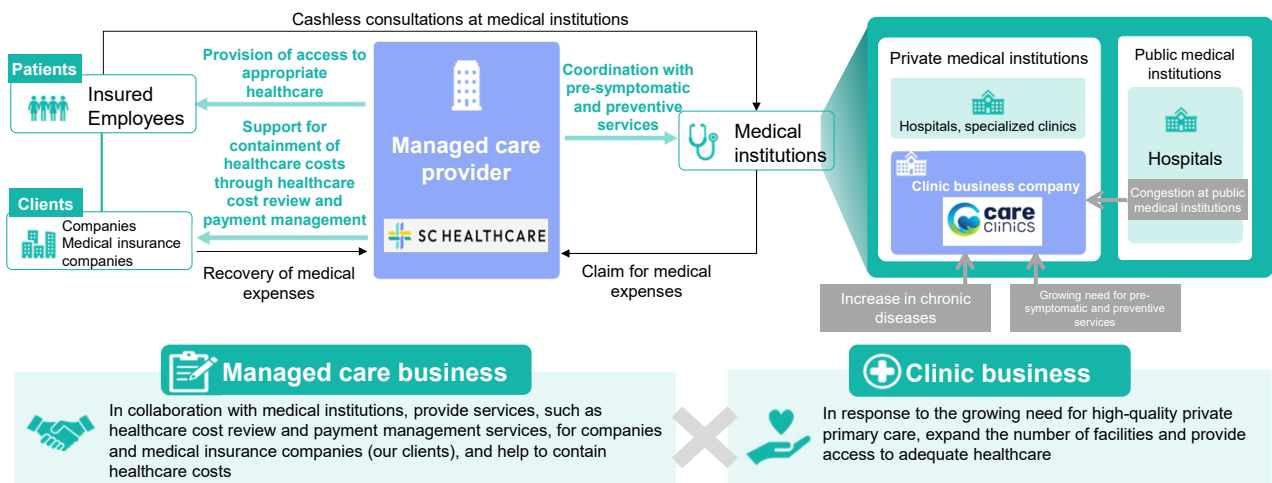
We continued to expand since the launch of Tomod's in 1993, and our network of drugstores and dispensing pharmacies has now grown to 500 stores.

This expansion has been made possible by accumulating, refining, and utilizing expertise in chain store operations and customer relationship management through on-the-ground experience in lifestyle-related businesses.

In the future, we intend to horizontally deploy this know-how and successful experiences overseas to further expand our business.

## [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



This slide is an overview of primary care.

The managed care business described on the left side is a business model that has developed in countries and regions where public insurance is inadequate. We stand between our clients and medical institutions and provide services such as screening and payment management for medical expenses, thereby contributing to the containment of medical costs.

This business model itself is BtoB, but how to serve each patient and each individual beyond the customer is extremely important, and in that context, the business has a strong BtoBtoC aspect.

We participated in this business because we believe that we can use our customer relationship management expertise to expand our business and contribute to solving the social issue of medical cost containment. We will realize the story I have just described and steadily expand our business.

Next is the clinic business on the right side of the document.

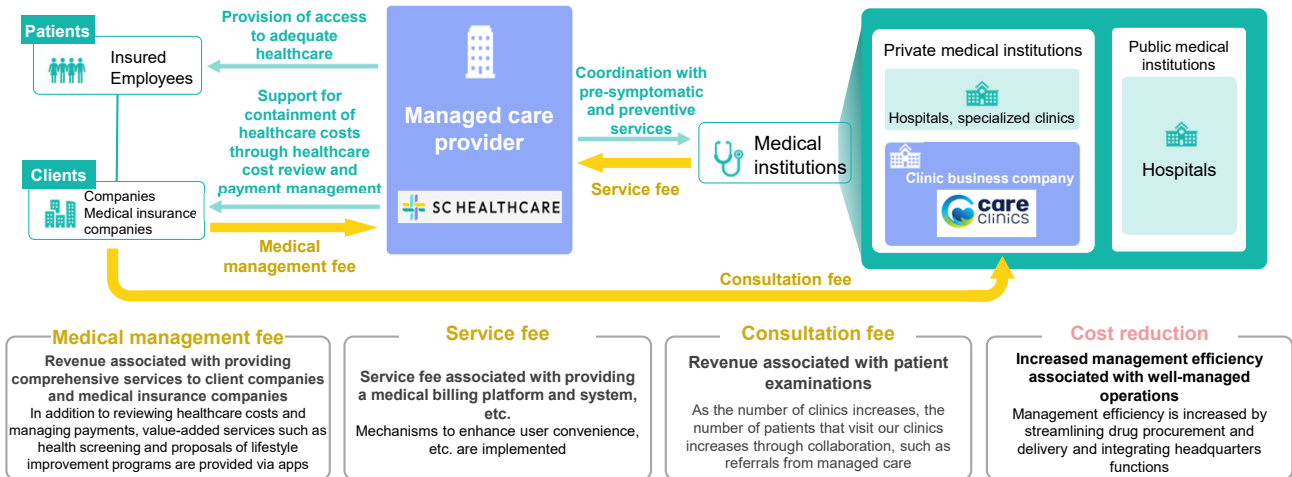
Social challenges have surfaced in emerging countries, where there is a lack of adequate access to healthcare. The expansion of the clinic business is directly linked to solving these social issues, and the business model is the same as the chain store operation we have developed for our retail business in Japan.

Therefore, as with the managed care business, we started the business because we saw that we could grow the business while solving social issues. For example, approximately 60% of a clinic's sales are medications, therefore, the dispensary operation can be utilized directly.

In addition, the method of analyzing target stores for clinic roll-ups and the criteria for deciding whether or not to acquire a clinic are the same as those used in the roll-up of dispensing pharmacies in Japan.

## [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



This slide shows the monetization model for both businesses.

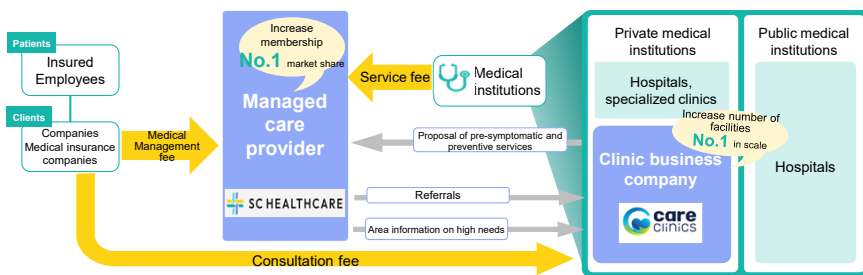
The managed care business receives healthcare management fees by providing clients with healthcare cost review, payment management services, and other services. We receive service fees for providing medical billing platform systems and other services to medical institutions. Medical facilities, including clinics, then receive fees from their clients through managed care providers.

We will expand both businesses by leveraging the know-how we have accumulated in Japan and reducing costs through increased management efficiency in the clinic business, and we will expand these revenue sources by leveraging our strengths in both businesses.

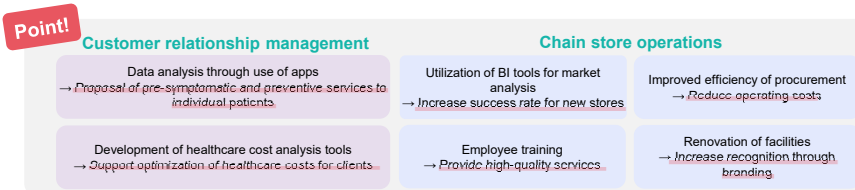
## [Overseas Healthcare] Strength in Having Both "Managed Care x Clinic" Businesses

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



This slide shows the strengths of having both managed care and clinic businesses.

First, the managed care business provides basic services such as medical expense screening and payment management. In addition, we utilize our expertise in customer relationship management to help client companies reduce their healthcare cost burden by pre-symptomatic and preventive services to their employees through our apps and by providing them with healthcare cost analysis tools.

In the clinic business, Tomod's and other trade area analysis methods are utilized to make decisions during the roll-up process. We are also working with a local digital company under our Media & Digital Group to evolve our trade area analysis and improve the probability of success in opening new stores by capturing cell phone movement data and utilizing the data held by our managed care business.

In addition, we are leveraging the strengths of having both businesses to further increase operational efficiency by creating synergies such as sending customers from managed care to clinics and providing pre-symptomatic conditions and disease prevention services from clinics to managed care clients. The business has maximized its revenue by expanding its scale through the implementation of a roll-up strategy and has become the number one company in the industry in the country in both businesses.

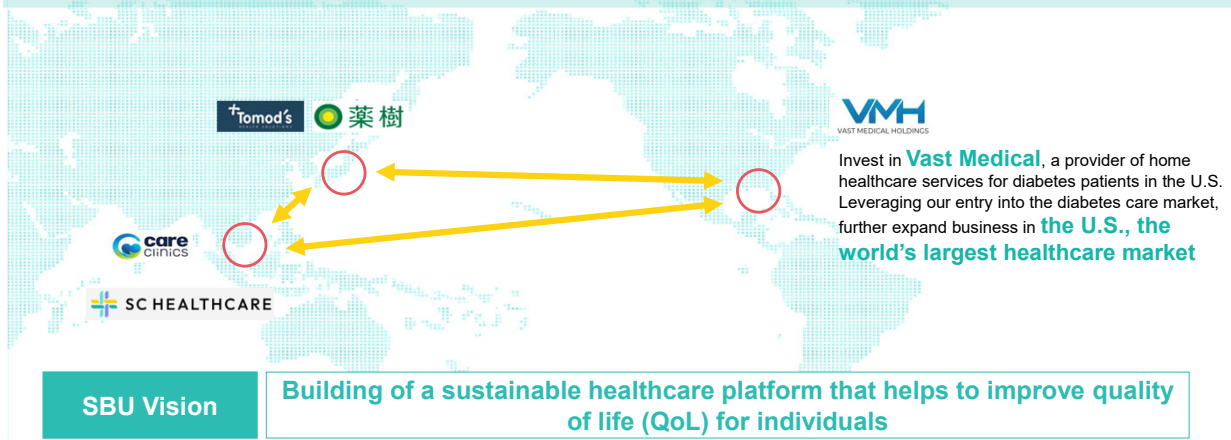
The managed care business in Malaysia already has about 3.7 million members, covering 10% of the country's population. In addition, the clinic business has already become the number one clinic chain in the country with 150 facilities.

The medical data accumulated by both businesses, including medical billing data and treatment history data, are enormous. In the future, we plan to create a database of these data, build a model for controlling and optimizing medical costs, and realize initiatives that will allow people to enjoy a portion of the reduced costs, thereby creating a worldview that will both solve social issues and expand our earnings base.



## 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



This is the last slide.

As stated on the right side of the document, we recently invested in a provider of home healthcare services for diabetes patients as our first investment in the US, the world's largest healthcare market, accounting for approximately half of global healthcare spending.

This is because we believe that our expertise in home dispensing services accumulated in Japan and our know-how in analyzing medical expenses, including diabetes, in Southeast Asia will provide us with an opening to enter the market.

In the future, we intend to use this know-how to grow our business in the US, and to horizontally expand our know-how in the US to Japan and Southeast Asia.

A second project is also under consideration in the US, which will provide access to approximately 100,000 patients with diabetes in total.

We will work to realize our vision by growing our businesses in each region and maximizing synergies by combining them with each other.

That concludes my explanation. Thank you for your attention.

# Diverse Urban Development Business

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

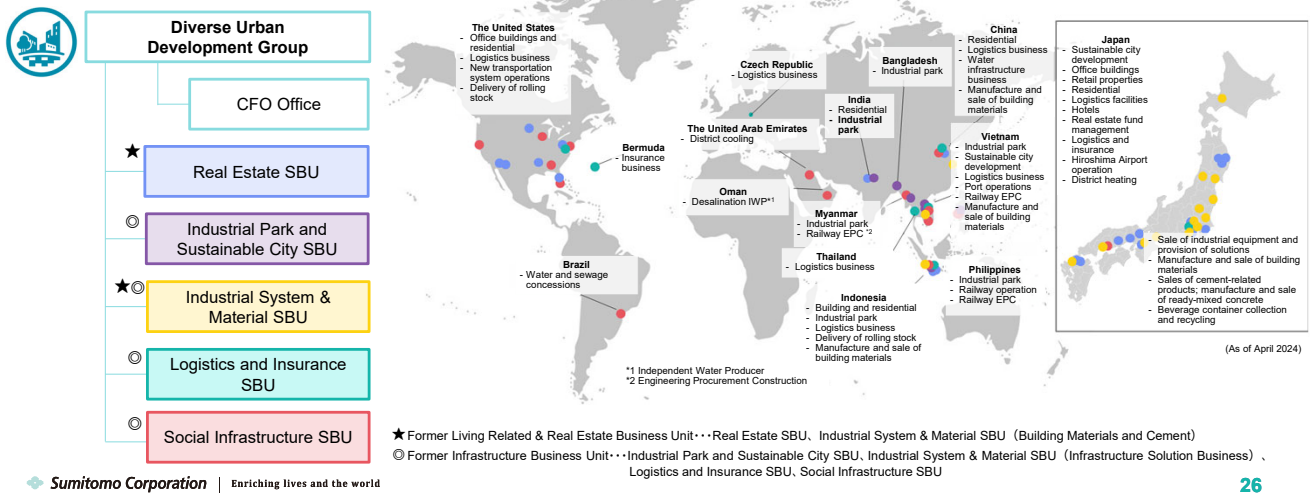
My name is Honda from Diverse Urban Development Business. Let me begin with the explanation.

## 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



First, let me give you an overview of our business and organizational structure.

This group started in April with the former construction and real estate division until last fiscal year, and the former infrastructure division, excluding electric power. Broadly speaking, the business outline consists of two functions.

The first is the development and management of real estate and infrastructure, as shown as (1) in the slide.

The second is (2), supply of related materials and equipment as well as logistics and insurance-related businesses to support the above.

As for the organizational structure, there are five SBUs, which are color-coded on the left side of this slide. Please refer to the business areas of each SBU and the regions of global development activities, which are indicated on this slide in the same color as the respective SBUs.

Our group aims to promote the diverse urban development business on a global scale with a comprehensive menu that unites these functions as its structure.

## 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

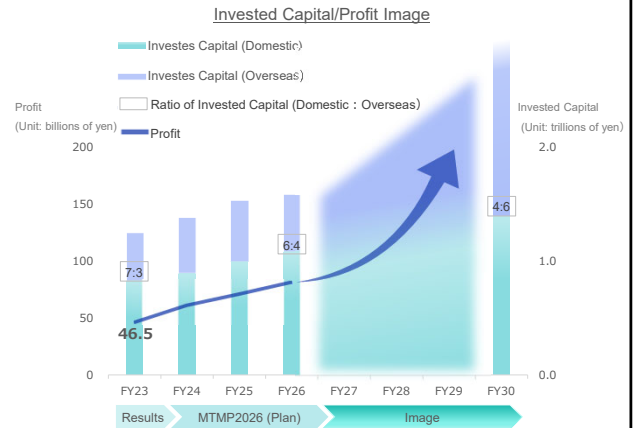
#### Group themes for addressing social challenges

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.



Next, I will explain the Group's competitive advantage and growth through solving social issues.

In a nutshell, we believe that our competitive advantage lies in our ability to develop multi-layered businesses that only a general trading company can offer.

Our strength in terms of functionality is our ability to offer a variety of menus for both real estate and infrastructure.

As a general trading company, we are equipped with a variety of functions, including development of infrastructure for living and industry, such as roads, electricity, gas, and water supply, real estate development of housing, offices, and commercial facilities, as well as town management to support and optimize the operation of local communities.

In terms of strategy, we are combining these functions to comprehensively expand our target in the global market.

In our efforts to solve social issues, among six company-wide Material Issues, we are advocating the following three themes that are incorporated into our on-site activities:

"Energy efficiency" is the use of renewable energy and energy-saving technologies, such as energy management and the reuse of recycled materials.





"Well-being" is a very broad definition, but we would like to focus on those that enrich people's lives and bring comfort to them, such as education, medical care, sports, and entertainment facilities.

"Resilience". In response to recent climate change and other factors, we have set out to strengthen disaster prevention, crime prevention, and other measures that will bring security and safety to people's lives.

Currently, about 70% of our group's invested capital, mainly in real estate, is heavily weighted toward Japan. By combining our overseas infrastructure construction capabilities, we would like to bring the ratio of domestic and overseas businesses to about half and half by 2030, and if possible, to a point where the ratio of overseas businesses exceeds that of domestic businesses, aiming for significant growth with investment efficiency.

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

**History of Japan-Vietnam partnership**

<p><b>1972</b> Establishment of Japan-Vietnam diplomatic relations</p> <p><b>1975</b> Establishment of Japanese Embassy</p>	<p><b>1995</b> Establishment of public wastewater treatment plant</p> 	<p><b>2000</b> Project for the repair and upgrade of National Route No. 5</p> 	<p><b>2009</b> Construction of Nhat Tan Bridge</p> 	<p><b>2024</b> Tour of site by Minister of Land, Infrastructure, Transport and Tourism <b>Emphasized support for North Hanoi project</b></p> 
---	---	---	---	--

**History of our initiatives**

<p><b>1955</b> Opening of Saigon Office (abolished in 1979)</p> <p><b>1975</b> Opening of Ho Chi Minh and Hanoi offices</p>	<p><b>1997</b> <b>Thang Long Industrial Park I</b></p> <p><b>1998</b> First appointment as chair of the Japan-Vietnam Economic Committee</p> 	<p><b>2001</b> Mekong Energy (electricity BOT)</p> <p><b>2006</b> <b>Thang Long Industrial Park II</b></p> 	<p><b>2012/2014</b> Ho Chi Minh City Metro Line 1 Duyen Hai (electricity EPC)</p> <p><b>2015</b> <b>Thang Long Industrial Park III</b></p> 	<p><b>2017</b> <b>Participation in North Hanoi project</b></p> <p><b>2018</b> Van Phong (electricity BOT) First Fuji Mart (supermarket) opens</p> 	<p><b>From 2025</b> <b>Development starts for North Hanoi project</b></p> <p><b>Development starts for Thang Long Industrial Park IV</b></p> <p><b>From about 2026</b> <b>Start of first phase sales</b></p> 
---	--	--	---	---	--

**Business activity milestones in step with the development of Vietnam**

As a concrete example of our group's efforts to demonstrate its competitive advantage, I will explain our sustainable urban development project in North Hanoi Smart City, Vietnam.

This slide shows the history of cooperation between Japan and Vietnam in the economic field and our business development in Vietnam in the upper and lower part respectively.

In line with, or in parallel with, the Japan-Vietnam partnership, we have developed our business in the country with a focus on the development of industrial parks, power plants, railroads, and logistics services.


Thang Long Industrial Park in Hanoi has attracted 250 companies, mostly Japanese, and created 90,000 jobs.

## 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

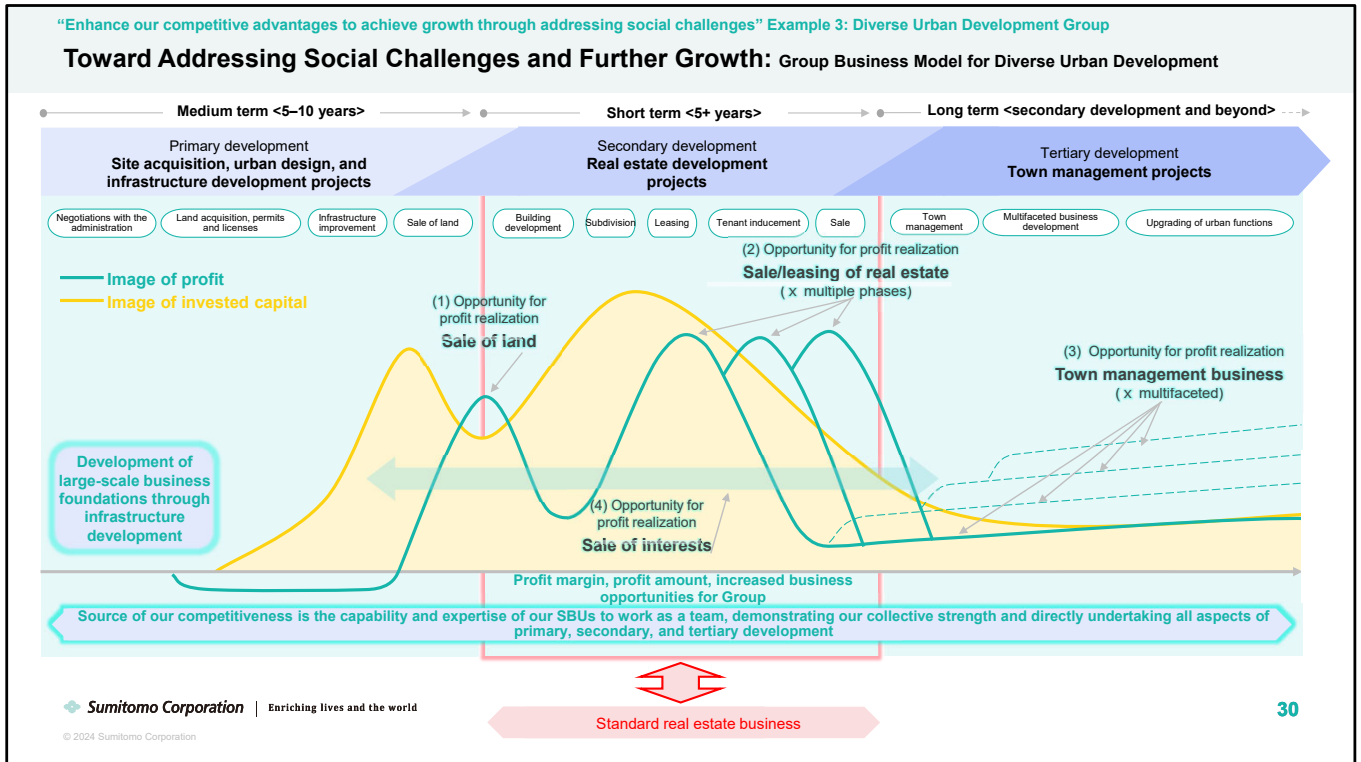


Through this experience and dialogue with local authorities and local companies, the concept of sustainable city development in North Hanoi emerged, aiming to resolve the social issues facing Hanoi and to enrich people's lives in the future.

Along with rapid economic development and population growth, Hanoi is facing a variety of challenges, as illustrated on the left side of this slide. In response to a request from the local government, we have decided to take charge of comprehensive development in the area adjacent to the Thang Long Industrial Park to resolve these issues.

The project is located in the middle of the main road connecting Noi Bai International Airport and Hanoi's city center. It is located three kilometers from Thang Long Industrial Park and covers an area of 270 hectares. As Tokyo Disneyland is 50 hectares, it is a metropolitan development project equivalent to five Tokyo Disneylands.

Due to the nature of Vietnam, it has taken some time to get the various permits and approvals for the master plan, but construction is scheduled to finally begin next year. A key feature of this project is that it is not limited to standard real estate business but takes a holistic approach that addresses social issues in Hanoi, starting with infrastructure development. We are determined to engage in the diverse urban development business from the perspective of a general trading company, with an eye to developing projects that respond to the various needs of the local community, rather than just accumulating facilities as objects.



A quantitative business model for diverse urban development that combines real estate and infrastructure, as in North Hanoi, would look something like this. The area in yellow represents the change in invested capital, and the green curve represents the change in profit.

Opportunities to realize profits from infrastructure creation are shown in (1). The profit from the real estate development business over the second development phase is shown in (2), and the profit will be realized repeatedly in each phase.

In addition, as Phase III, we will create recurring revenue opportunities for town management. Sale and revenue recognition opportunities related to development interests, in whole or in part, are spread over a long period of time, from Phase I to Phase III. We advocate a business model in which we, as a developer, are involved in all stages of development on our own, from primary to tertiary development, thereby creating business opportunities to secure higher revenues and more opportunities in the secondary development and real estate development business, which are the pillars of our revenues.

These are our group's strategies.

On the other hand, I would like to emphasize that this does not mean that only comprehensive development will be undertaken in every region. It is important for the five SBUs to develop their business based on their individual independent business capabilities.

We believe that our ability to link them in a multifaceted manner will differentiate us from our competitors and lead to the development of high value-added businesses.

This is the purpose and strategy of our group's establishment.

Thank you for your attention.

# 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.) (present position)
- 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

Thank you for your hard work today.

In summary, there was a lively Q&A session and I thought that today was a very valuable opportunity to hear the voices of the business frontline, to hear their explanations about specific businesses, and to have Q&A session in response to them. In that sense, I believe you expect that the units that we have explained to you today to be able to grow and become a part of the JPY650 billion.

The medium-term management plan has only been in effect for a little more than six months, but the response I am feeling is that it is going quite well. I feel that this would be coming along nicely not only for the current year's numbers, but also for the next year and the year after that. In this sense, I hope that you all have high expectations for us and I would also appreciate your guidance.

Regarding the reorganized organization, this is not what I am saying, but what the employees and leaders are saying through surveys and others measures, their opinions are quite positive. For example, active discussions are now held with a greater awareness of strategy, and the degree of involvement of the heads of each unit or SBU in the project has improved. Perhaps unlike previous organizations, many of them are grouped together in a strategy, from the smallest to the largest, and the head of the organization is someone who knows the business. So due to their increased involvement in projects, some say that decision-making has become speedier. Also, in terms of human resources, there are active discussions on strategic placement of human resources in groups, personnel appointments, and reassignments, and these are also opinions from the business frontline. Of course, there were some opinions that were raised as challenges, but in general, many of the opinions were positive. This is not my opinion, but rather the voice from the business frontlines, and as I mentioned earlier, I am feeling the response to this and other issues.

That is all. Thank you for your long time today.

[END]

# Enriching lives and the world