

Living Related & Real Estate Business Unit

What We Aim to Be and Our Growth Strategy

May 16, 2019

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General Manager, Living Related & Real Estate Business Unit

Thank you for coming today.

I am Ando, General Manager of Living Related & Real Estate Business Unit.

1. Business Unit Overview

2. Business Unit Growth Strategy

3. Quantitative Targets

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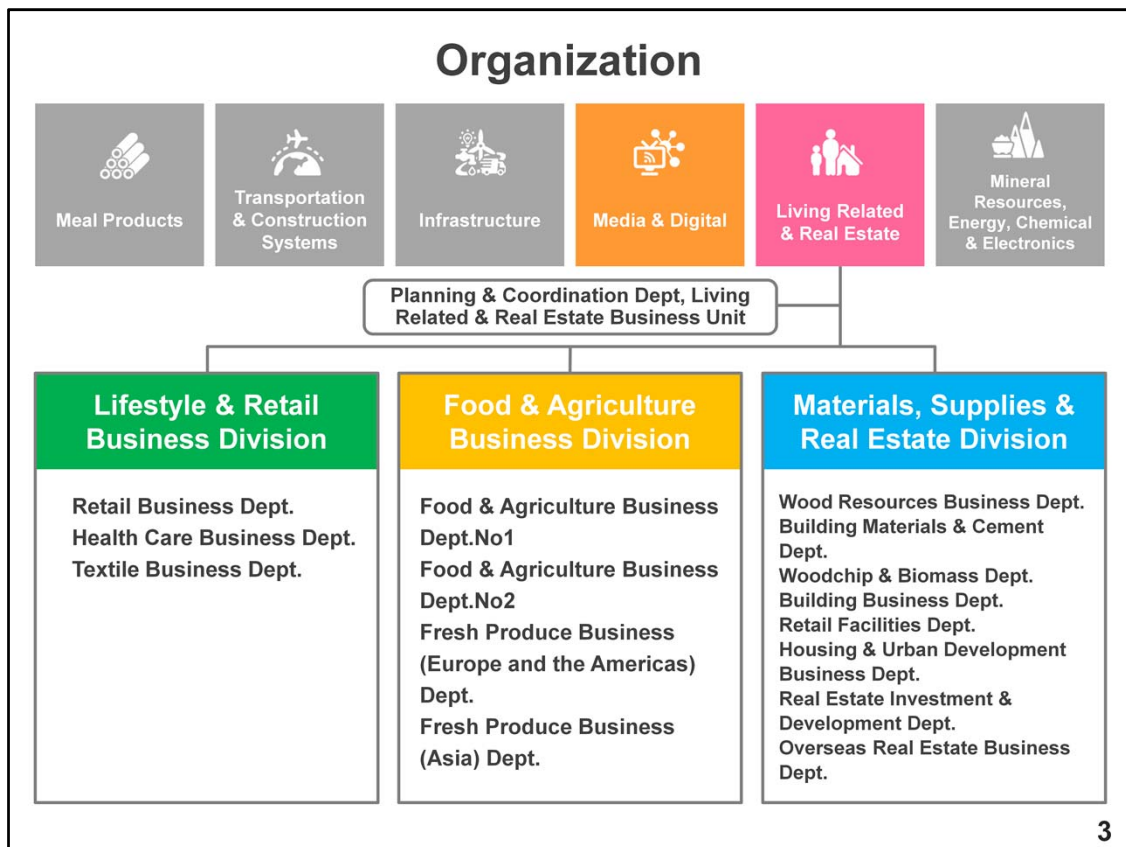
Today, I would like to explain the business unit's overview, growth strategy, and quantitative targets. First is the overview.

< Business Unit Vision >

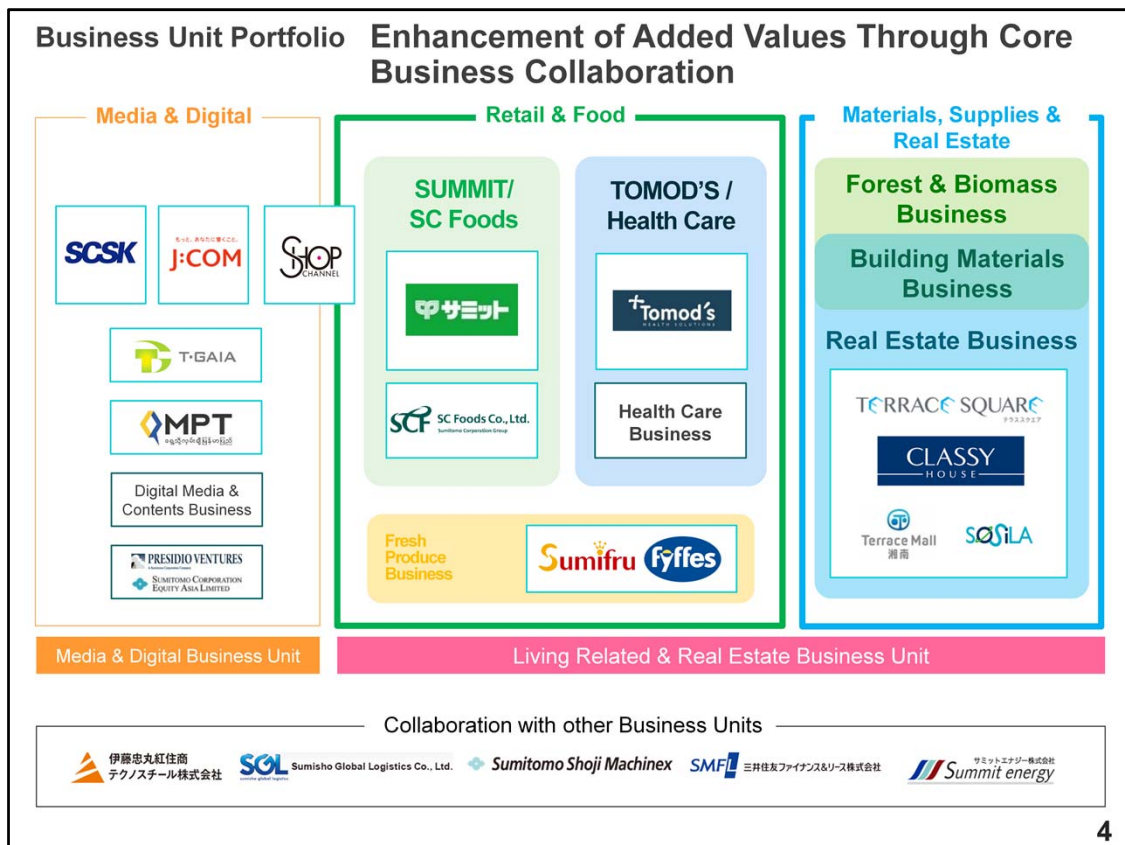
We meet global consumers demand with our products and services and create new distinctive values and lifestyles for more comfortable and exciting lifestyles

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As stated here, this business unit's vision centers on "products and services that are close to consumers", "new value creation", and "enriching lifestyles".



The business unit is organized by three divisions: Lifestyle & Retail, Food & Agriculture, and Material, Supplies & Real Estate.



We were separated from the Media & Digital Business Unit in a progressive manner last year. We are linked with the Media & Digital Business Division through the B to C approach, including J:COM, Shop Channel, and T-Gaia. The two business units will continue to share strategies and platforms for growth, and we will operate them in a unified manner.

Since this business unit has a large scope of business fields that seem to be unrelated at first glance, I would like to explain the relationships between each of these businesses. Please see the front screen.

The Business Unit is broadly divided into the Retail & Food field and the Materials, Supplies & Real Estate field, depending on the products handled. Among these, there are groups in which business ties are particularly deep. In the Retail & Food business, we have Summit, SC Foods, Tomod's, as well as the healthcare and fresh produce businesses. In the Materials, Supplies & Real Estate business, there is the building materials and real estate business and the forest biomass business that grew out of building materials business. Each business collaborates within and outside their group.

For example, SC Foods sells meat, juice, and other products to Summit, and the fresh produce business also sells products to Summit. The healthcare business is planned to expand by leveraging the business foundation of Tomod's. Summit and Tomod's have opened stores in office buildings, retail facilities, and condominiums, which are handled in the real estate business, and they jointly consider store opening strategies.

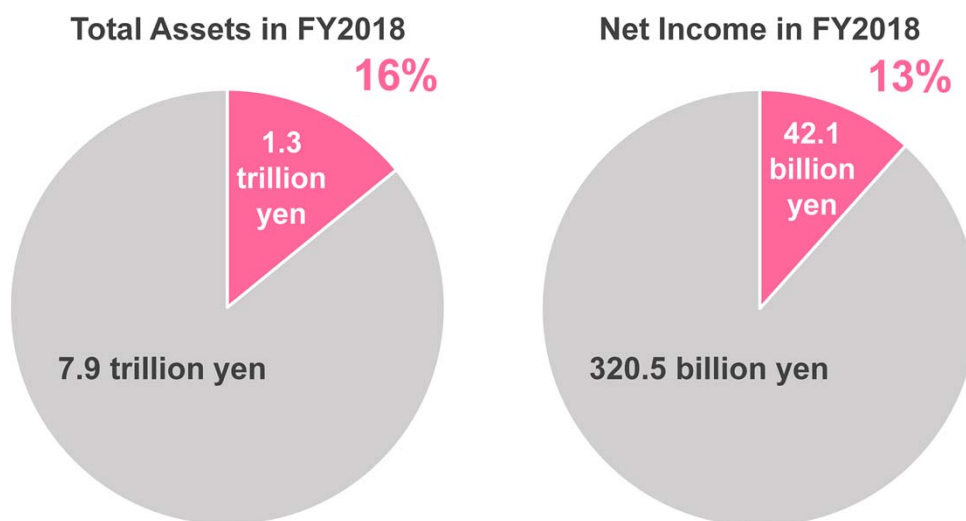
Next, the building materials business and the real estate business have contributed to sales promotion of cement and construction materials, and the forest biomass business was developed based on the knowledge of timber obtained through the handling of building materials.

Some examples of collaboration with the Media & Digital Business Division include J:COM's services as a developer of housing projects to increase added value. In addition, J:COM is considering the development of a domestic healthcare business that leverages its ties with local communities.

In addition to the Media & Digital Business Unit, we collaborate with Sumitomo Mitsui Finance & Leasing in real estate business management using a leasing scheme. We also use imported biomass fuels to contribute to a low-carbon society in which J:COM customers can use electricity generated by Summit Energy.

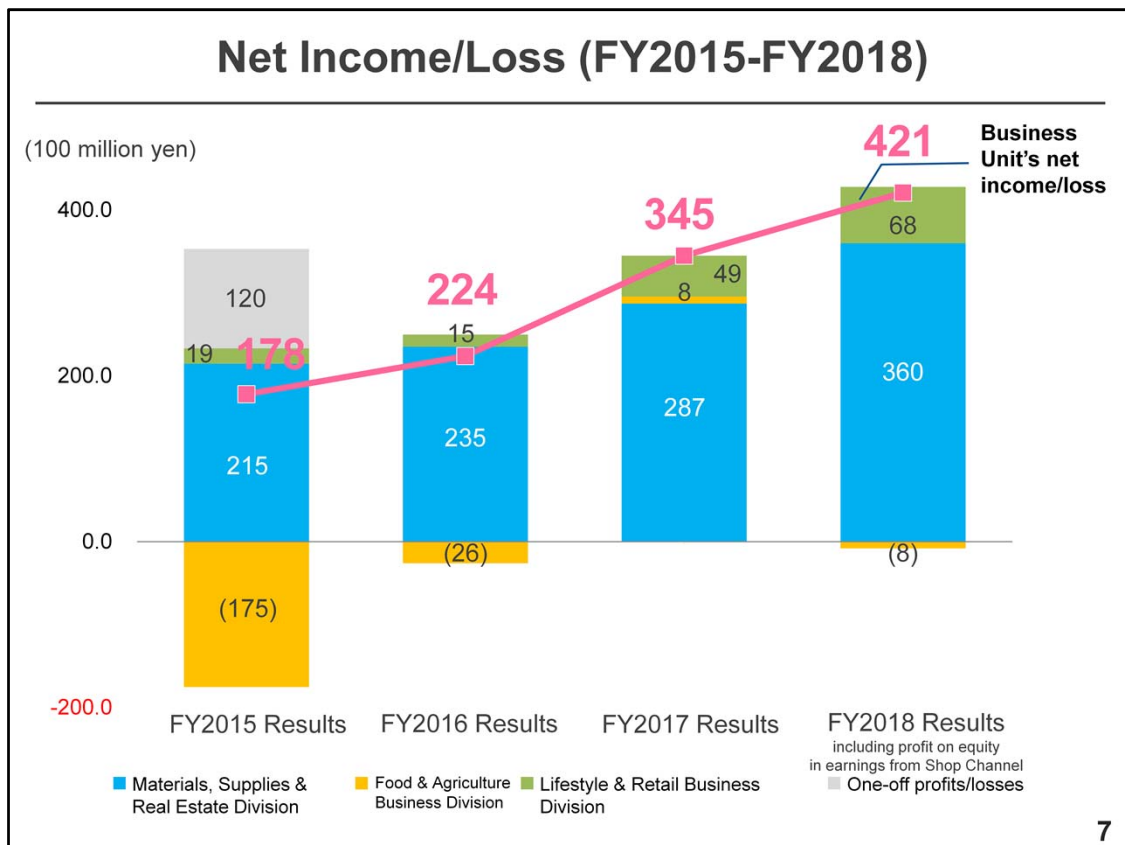
Those are just some of the examples. The Business Unit will collaborate with all businesses in the whole company to enhance added value and contribute to the establishing a foundation for comfortable and enriching lifestyles.

Positioning of the Business Unit Within Sumitomo Corporation

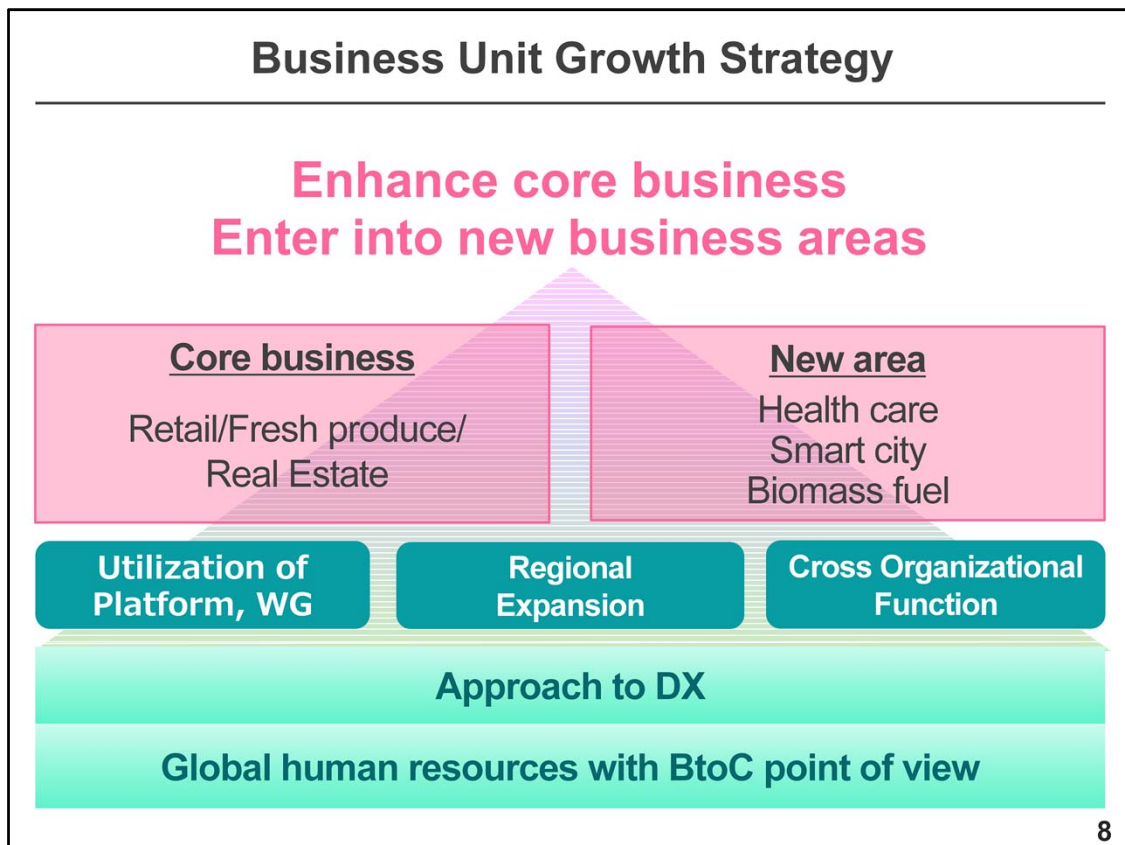


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This chart shows the position of the Business Unit in the Company as a whole. Total assets at the end of FY2018 were 1.3 trillion yen. Net income was 42.1 billion yen. The pink color in the pie chart shows the percentage of the entire company accounted for by this business unit.



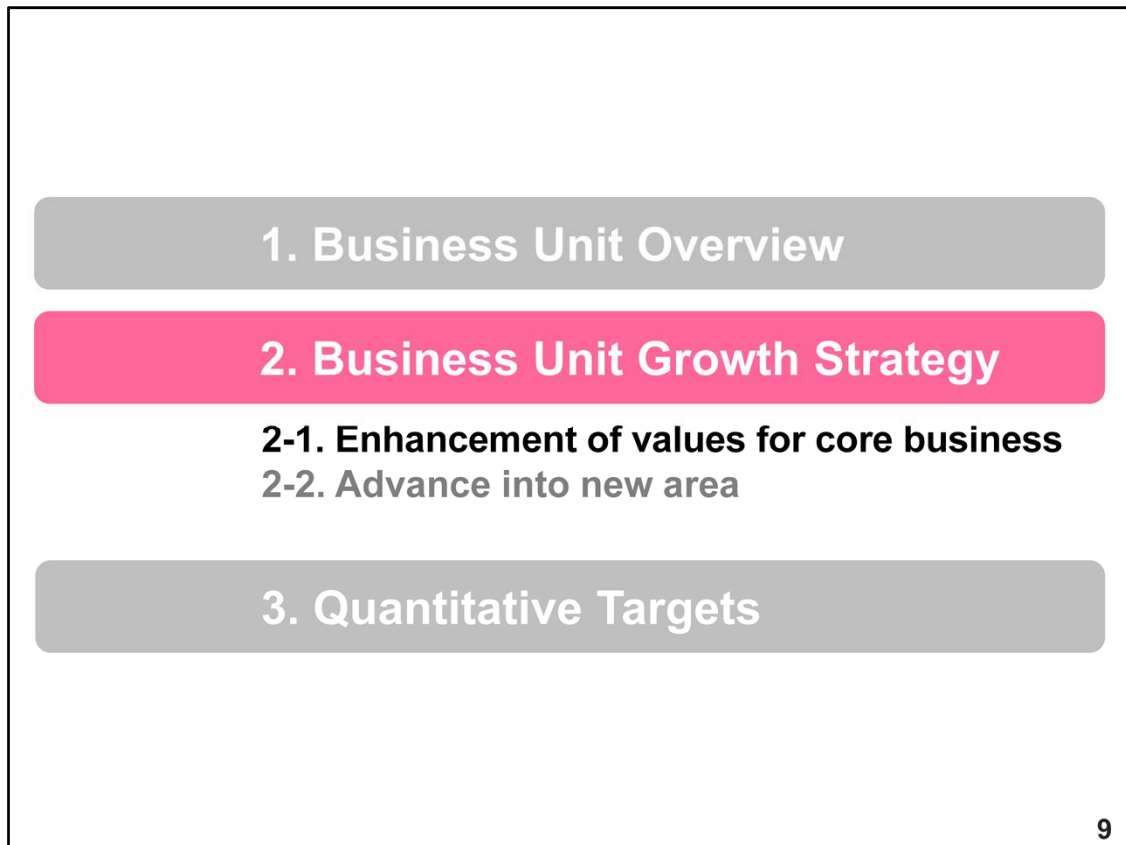
The trend of net income up to FY2018 is shown in the pink line chart. As you can see, stable growth has continued, reaching 42.1 billion yen in FY2018.



The concept of the business unit's growth strategy shown in the form of a pyramid on this page. We are making steady progress in the retail and real estate businesses. The key pillars of our growth strategies are increasing core businesses' value by nurturing fresh produce business into a core revenue source, and taking on challenges in new growth areas, such as the Healthcare business, Smart City business, and Biomass business.

In order to execute our growth strategies, we have formed working groups that utilize the functions of the entire company, such as for the Healthcare Business, by mutually utilizing our core business platforms and functional platforms.

In addition, we are shifting our domestic business model to overseas markets, leveraging cross-organizational collaboration to promote new business development on a company-wide basis, and working on DX as the foundation for our growth strategy. We will also move forward with the development of human resources with a B to C perspective.



Next, I would like to explain the core businesses' value-up strategies in the business unit's growth strategy.



Nabeya Yokochi Store opened on March 23



| | |
|------------------|---|
| Business line | Supermarket (SUMMIT store) business |
| Number of stores | 115 stores mainly in Tokyo (as of March 31, 2019) |
| Initiatives | <ul style="list-style-type: none"> • Resume/accelerate new store openings • Promote the opening of small size stores in city center • Strengthen ready to eat / cook products • Enhance existing stores through renovation • Reinforce services and save labor by DX |



First of all, Summit has the top class share in food supermarket chain in greater Tokyo area. As of the end of FY2018, we had 115 stores in the greater Tokyo area, centered on metropolitan Tokyo. We are also receiving a positive response to the popular flyers on the lower right.

Summit has resumed and accelerated the pace of new store openings. We are also opening urban-style small stores in central Tokyo, and recently we opened a Nabeya Yokochi store in Nakano City in March. The photograph on the right shows the inside of the store. We are strengthening our lineup of delicatessen items, ready-to-eat items, and semi-cooked items. Our existing stores have also been gradually renovated, and we are working to strengthen the profitability. At Summit, we are also driving and studying ways to improve operational efficiency and save labor through digital transformation.

Challenges

- Rising personnel cost
- Competition with competitors and other retailers (convenience stores, drug stores, etc.)
- Low birthrate and aging, and changes in consumers' behaviors (needs for ready to eat / cook products), etc.

Measures

- Improvement of profitability of existing stores through renovation
- Enhancing profitability through the resumption of new store openings
- Increasing sales share of ready to eat / cook products with high profitability

Consolidated Net Income
(100 million yen, Japan standard 100% base)



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With regard to business results, as shown in the graph, we have significantly grown business since FY2014, reaching a record high in FY2018 with a consolidated net income of 4.8 billion yen. Although there are challenges such as rising personnel costs, intensifying competition with other companies, the low birth and aging population, and changes in customers' behavior, in order to overcome those challenges, we are working on refurbishing existing stores, new store openings, and promoting sales of delicatessen items, ready-to-eat items, and semi-cooked items. We'll expand our business by those measures and we plan to extend our performance in FY2019

Achieve Growth Based on Unique Products and Organizational Collaboration

Brand pork

Silky pork
(Yongenton pork)

Handling volume:
Approx. 28,000MT



Brand beef

Iowa
premium beef

Handling volume:
Approx. 5,000MT



SUMMIT

Number of
stores*
115

Number of
buyers per day*
400,000

Number of point
card members*
1,640,000

*As of March 31, 2019

SC Foods

Customer base*
Approx. 800
companies

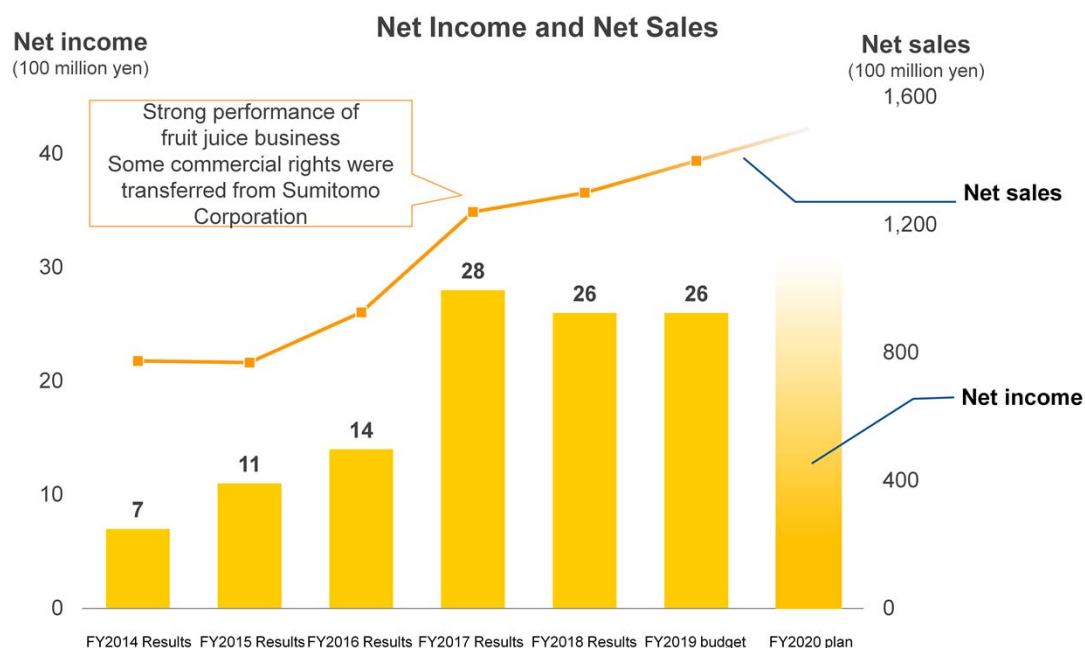
**Product
development
capability**

*As of March 31, 2019

Collaboration between SUMMIT and SC Foods on meat business

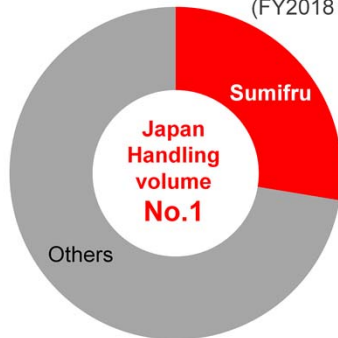
- Contact points with consumers, transaction track records with food manufacturers, food service providers and mass merchandisers, and collaboration in product development
- The two companies collaborate in the series of processes including supply, storage and food processing

The second is SC Foods, which handles distinctive products. SC Foods handles many unique products such as Silky Pork and Iowa Premium Beef. In addition, we have been focusing more on collaboration with Summit since last year. Leveraging Summit's strong connection with consumers and SC Foods' track record of working with food manufacturers, restaurants, and mass retailers, and its product development capabilities, we built a process center in Shiohama in Kawasaki City to collaborate on a series of processes from supply to storage and processing.



Next is the performance of SC Foods. The orange line chart represents net sales, and the bar chart represents net profit or loss. Since FY2014, we have continued to grow steadily. In FY2017, due to robust performance of the juice business and a transfer of some commercial rights from Sumitomo Corporation, performance grew significantly to a net profit of 2.8 billion yen. In FY2018, the Company's main business remained solid, posting 2.6 billion yen, while there was a slight decline due to a reaction to the fruit juice business' robust performance in the previous fiscal year. In FY2019, we expect to incur up-front expenses such as product development and streamlining of operations. However, we expect 2.6 billion yen due to solid performance of major businesses.

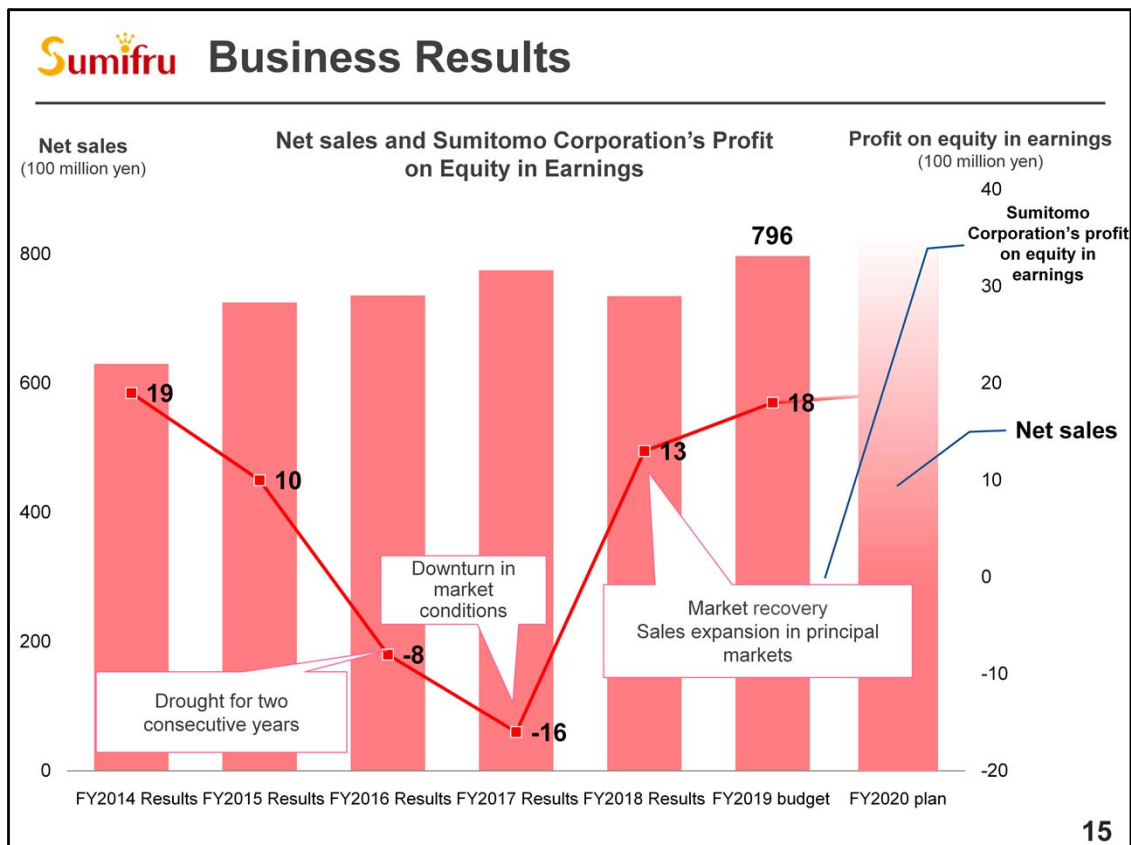
Market Shares for Bananas*
(FY2018 Results) *Weight basis



We sell bananas in Japan, Korea, China and Middle East. Japan and Korea, where we sell premium bananas, are revenue markets.

| Challenges | Measures |
|---|--|
| Reinforcement of sales | We will continue to take measures to expand sales in Japan and Korea. We will also strengthen the sales of premium bananas in China. |
| Stabilization of production | We will invest in drip irrigation system to cope with drought. |
| Introduction of DX and new technologies | By considering the introduction of Agritech and new technologies, we will aim to improve efficiency. |

Next is Sumifru, which has large market share in Japan and South Korea. Sumifru primarily sells bananas in Japan, Korea, China and the Middle East. In Japan and South Korea, we sell “Kanjukuoh” premium bananas. In FY2018, we boasted the number one transaction volume of bananas in Japan, and the number two transaction volume of bananas in South Korea. We face challenges such as the need to strengthen sales, stabilize production, and introduce new technologies. However, we will continue to increase our share of the Japanese and Korean markets, and strengthen differentiated products in China. We will also introduce the facilities for drought countermeasures to achieve stable production and introduce new technologies such as agritech to improve operational efficiencies.



Next is business results. The red line chart represents our equity in earnings (losses). Since FY2015, the business environment has been challenging with droughts and a decline in market prices. In FY2018, however, market conditions recovered and sales expanded in Japan and South Korea, our main markets, and business performance saw a recovery. In FY2019, we plan to expand sales in Japan and South Korea, stabilize production, and introduce new technologies, and achieve further growth in business performance to 1.8 billion yen.



Sales of Fresh Produce with Top Market Shares in Europe and the U.S.

Market Shares (FY2018 Results)

Bananas: **No.1 in Europe**

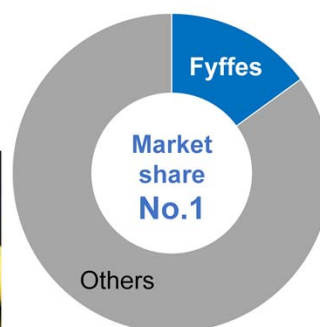
Melons: **No.1 in North America**

Pineapples: **No.3 in Europe and North America**

Mushrooms: **No.1 in Canada**



Bananas: Market share in Europe

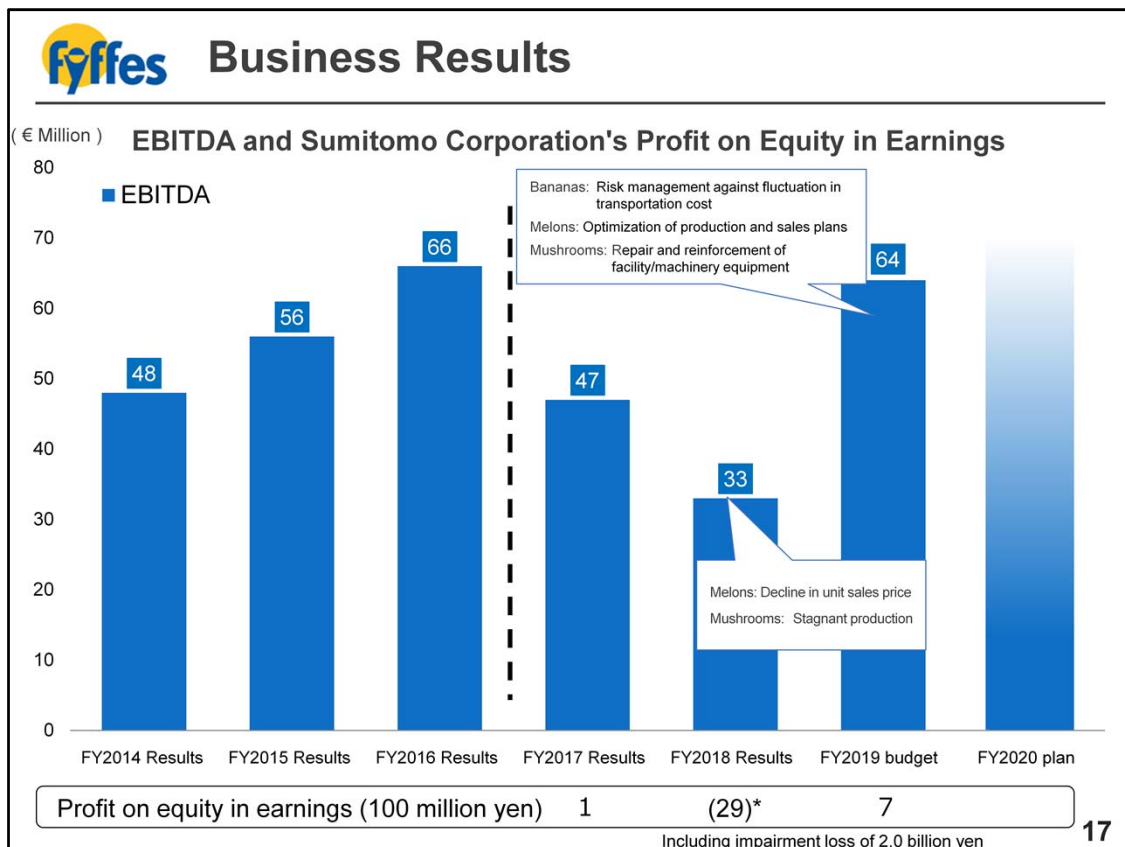


| Challenges | Measures |
|---|--|
| Stabilization of revenues | Bananas/Pineapples: Risk management against fluctuation in transportation cost and expansion of sales volume |
| | Melons: Optimization of production and sales plans, reduction of waste loss |
| | Mushrooms: Reduction of production cycles and repair of facility/machinery equipment |
| Introduction of DX and new technologies | By considering the introduction of Agritech and new technologies, we will aim to streamline production. |

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Fyffes is the leading fresh produce sales company in Europe and the United States. In FY2018, it held the top market share in Europe and North America, with a 15% share of the banana market, and the number one share in melons in North America and mushrooms in Canada. In fresh produce sales, it holds the top market share in Europe and North America. Currently, Fyffes is responding in detail to each product to stabilize the business performance of the products it handles.

In the banana and pineapple businesses, it is working to reduce the risk of fluctuations in transportation costs and to expand sales volumes to emerging markets. In the melon business, it is working to optimize production and sales, as well as reduce waste and loss. In the mushroom business, it is working to stabilize production by reducing production cycle, improving aging facilities, and repairing and upgrading machinery equipment. As explained earlier, we are also working to improve production efficiency by introducing new technologies.



With regards to business results, the blue bar chart shows EBITDA, which has been consolidated within our group since FY2017. Our equity earnings and losses since the acquisition are also shown below in the graph.

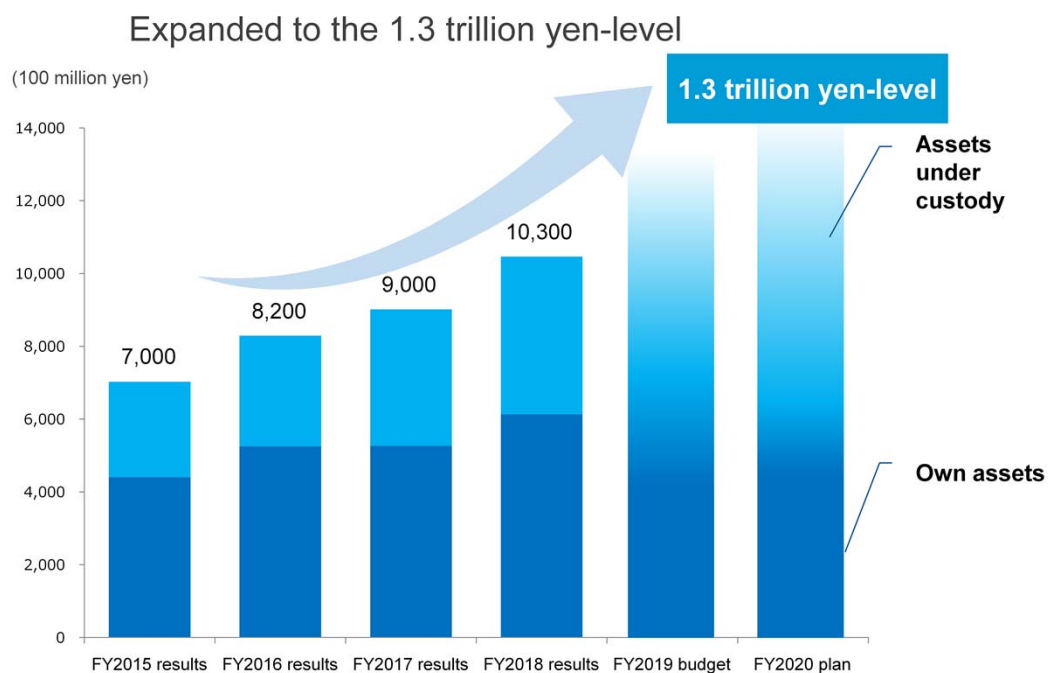
In FY2018, the banana and pineapple businesses faced an extremely challenging environment due to an increase in transportation costs, caused by higher fuel prices, a decline in market prices of melons, and sluggish production in the mushroom business. In the mushroom business, a 2-billion-yen impairment loss was recorded as a result of a review of the medium-term business plan, in consideration of the possibility of a delay in performance recovery, in light of the current slump in production.

In FY2019, as I mentioned earlier, we are working to stabilize the business performance of each product, and we plan to recover the company-wide EBITDA to 64 million euros.



Next, I will explain the real estate business. We are the leading comprehensive real estate developer among trading companies and are developing a full lineup of real estate business, including office buildings, retail facilities, housing, logistics facilities, funds, and REITs.

Real Estate Business Assets Under Management



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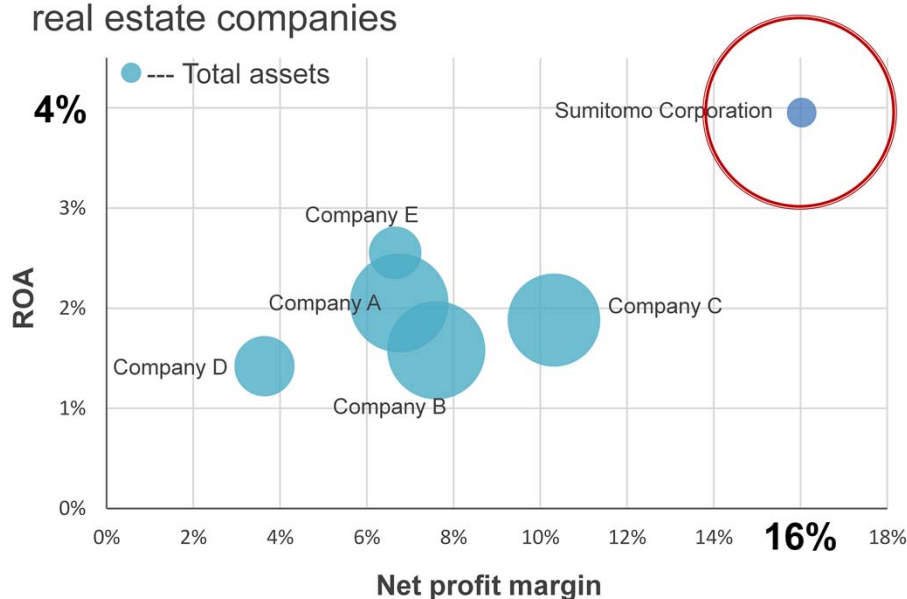
This graph shows changes in the balance of real estate business assets.

As of the end of FY2018, we had investments totaling approximately 1 trillion yen in owned assets, funds, REITs and other assets under custody.

We plan to increase this figure to approximately 1.3 trillion yen in FY2020, mainly reflecting an increase in assets under custody. The increase in assets under custody will be explained in a separate slide.

Real Estate Business Net Profit Margin/ROA

Higher asset efficiency compared with other leading real estate companies

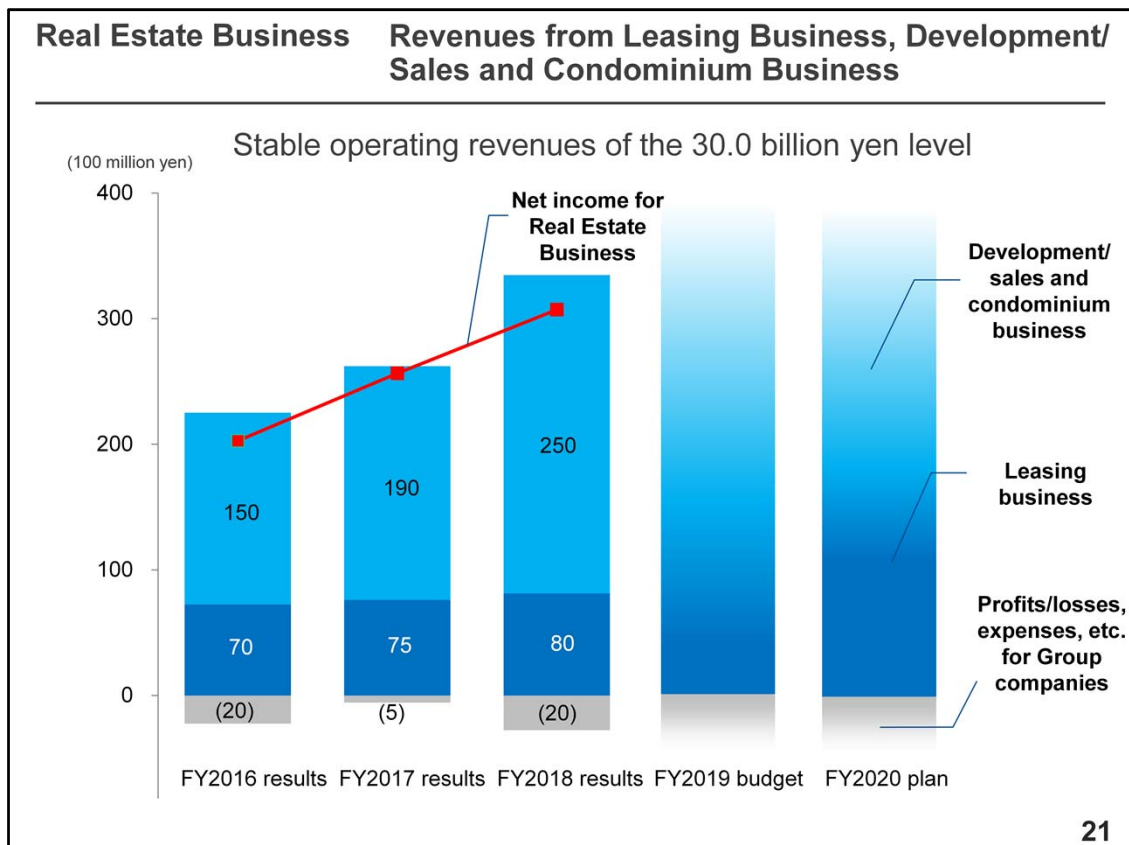


* Excluding some large one-off profits/losses. Results for each company are based on average values between FY2012 and FY2017 in accordance with publicly available materials.

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This table presents a comparison of net profit margin and ROA among major real estate companies.

The horizontal axis indicates the net income margin, the vertical axis indicates ROA, and the size of the circle is the size of total assets, and we compare with major real estate companies. You can see that while our real estate business is smaller than that of major real estate companies, our net profit margin on sales is 16% and ROA is 4%, both significantly higher than that of our peers, indicating the high efficiency of our business operations.



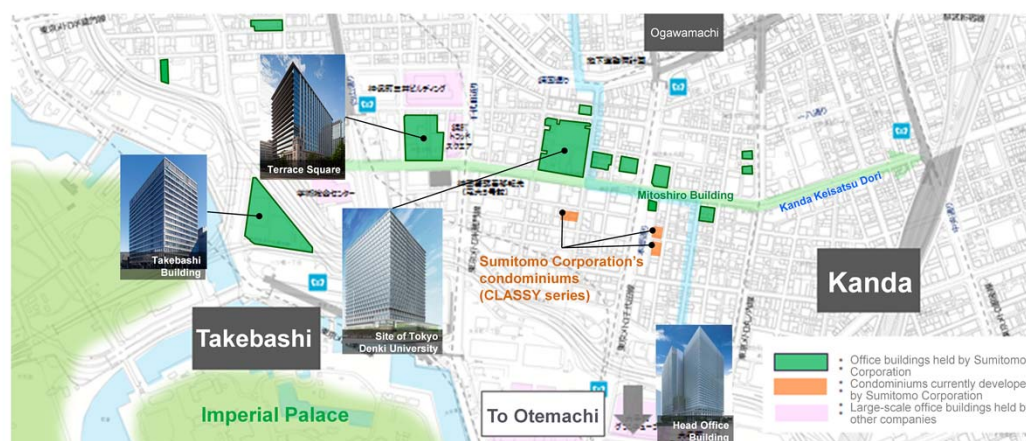
Next, I will talk about the leasing business and development/sales and condominium business, which are the main revenue sources of the real estate business. I will explain the trends in net profit and loss of the two pillar businesses. The leasing business is based on income gains, with rental income from tenants of our office buildings and retail facilities as a revenue source. As shown in the dark blue section of the chart, this business is a stable revenue base of between 7 billion yen and 8 billion yen per year.

From FY2021 onward, the revenues of the leasing business are expected to increase significantly, due to the full-scale operation of a large office building under construction on the former site of Tokyo Denki University, in Kanda. The second pillar is the development/sales and condominium business. This business involves a short span of time from the development to the sale of properties, and generates capital gains. As shown in the light blue section of the graph, this business accounts for the largest share of our real estate business net income in recent years. The details of the business will be described in a separate slide. Apart from these two revenue pillars, the real estate business has consolidated net profit/loss from domestic subsidiaries, and expenses such as personnel costs and interest payment. The results of group companies include fee income generated by funds and REITs, and commissions from the sale of condominiums.

Real Estate Business Rental Business

Promotion of Kanda area development to secure stable revenue foundation

| | | | |
|---------------------------------------|---|---|-------------------------------------|
| Real Estate Business total | 31.0 billion yen | Real Estate Business total | 610.0 billion yen |
| Net income (FY2018 results) | Kanda area ⇒ 1.2 billion yen ⇒ Approx. 5.0 billion yen (FY2021) | Total assets (FY2018 results) | Kanda area 160.0 billion yen |



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I'd like to talk about the development project in Kanda area, which is the core of the leasing business.

This is a map of the area around Kanda and Takebashi.

We are currently in our headquarters building in Otemachi, but in the past we were headquartered in the Takebashi office building. The real estate business has positioned the Kanda area as a strategic priority area and is working on town development centered on Kanda Keisatsu Avenue. In recent years, in addition to Terrace Square, which was completed in 2015, we are building an office building on the former site of Tokyo Denki University for completion in 2020. We own many office buildings in the Kanda area, as you can see the green parts of the map. We also develop and sell condominiums in the Kanda area, and are engaged in urban development, including housing. The net income and total assets for the whole real estate business and the Kanda area projects in FY2018 are shown in the table. The total assets of Kanda Area projects amounted to 160 billion yen, accounting for approximately one-fourth of the real estate business. While the real estate business had a record-high net income in FY2018, at 31 billion yen, just 1.2 billion yen was recorded for the Kanda area, including development costs, interest rates, and costs for new projects. However, after commencing the operation of the former Tokyo Denki University site, we plan to expand net income to 5 billion yen in FY2021. Going forward, we will continue to focus on the Kanda area, which we may call our second birthplace.

Real Estate Business Development/Sales and Condominium Business

Development aimed at securing capital gains while maintaining premium assets with unrealized gains



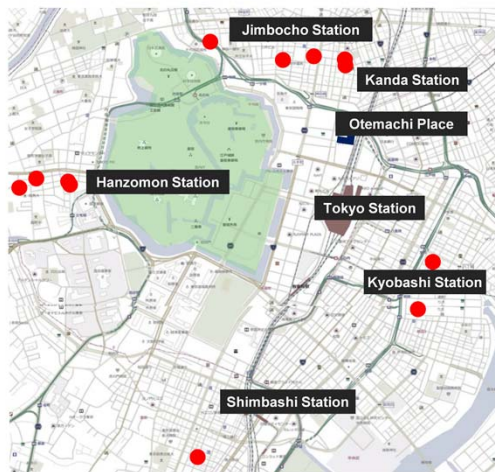
23

Next, I will discuss the development/sale and condominium businesses.

After acquiring land, designing and constructing buildings, and attracting tenants, we sell these properties to obtain capital gains. Our primary purchasers are funds and REIT managed by our group, which allow us to earn fee income after the sale. This business targets medium-sized office buildings under PREX brands, condominiums for sale under CLASSY HOUSE brands, logistics properties under SOSiLA brands, and the BTS (Build To Suit) business that engages in development, construction and delivery according to customer needs.

Real Estate Business Medium-sized Office Building “PREX”

Expansion with a focus on Tokyo metropolitan area



Workplaces that utilize rooftop garden and refreshment space

Completed: **8 projects** / Under development and planning: **5 projects***
Complete the processes from site acquisition to disposition for **approx. 3 years**

*As of March 31, 2019

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Let me explain a little about PREX, a brand of medium-sized office buildings. We are developing mid-sized PREX office buildings in central Tokyo with functions and grades comparable to those of large office buildings. By FY2018, eight projects had been completed, and most recently, the Kioicho PREX was completed at the end of January 2019. Five more projects are scheduled to be completed in the near future, and we will continue to focus on development centered on the central Tokyo area.

Real Estate Business Condominium Development Business

Promotion of the condominium business targeting upper-middle class with a focus on the Tokyo metropolitan area and the Kansai area



CLASSY TOER Yodoyabashi



2020 Tokyo Olympic Athletes Village Site Redevelopment Project
HARUMI FLAG

Entry into complex development and urban redevelopment projects
Total number of condominium units sold: **Approx. 70,000**

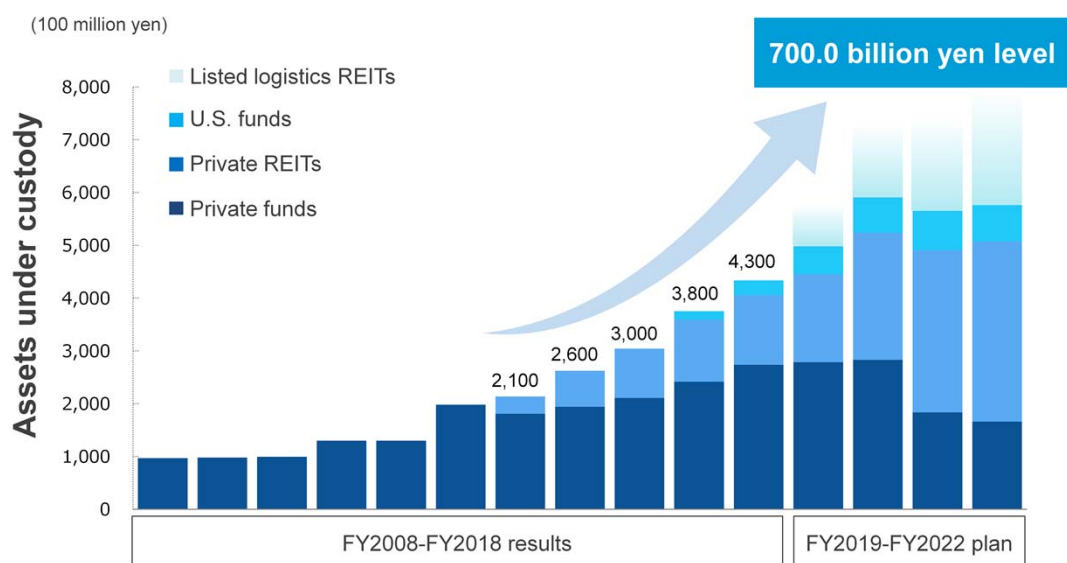
25

Next is the condominium development business.

We are engaged in the business of condominiums for the upper-middle market, mainly in the Tokyo metropolitan and Kansai regions. In 2009, we launched the Classy House brand under the concept of combining functionality and beauty. The Classy Tower Yodoyabashi shown on the left is one of the typical properties of the Classy House brand. In addition, we are the only trading company to participate in the multi-purpose development and urban redevelopment project HARUMI FLAG, which will serve as the Olympic Village in the 2020 Games. Our cumulative sales to date have reached 70,000 units.

Real Estate Business Fund and REIT Business

Expand assets under custody to the 700.0 billion yen level



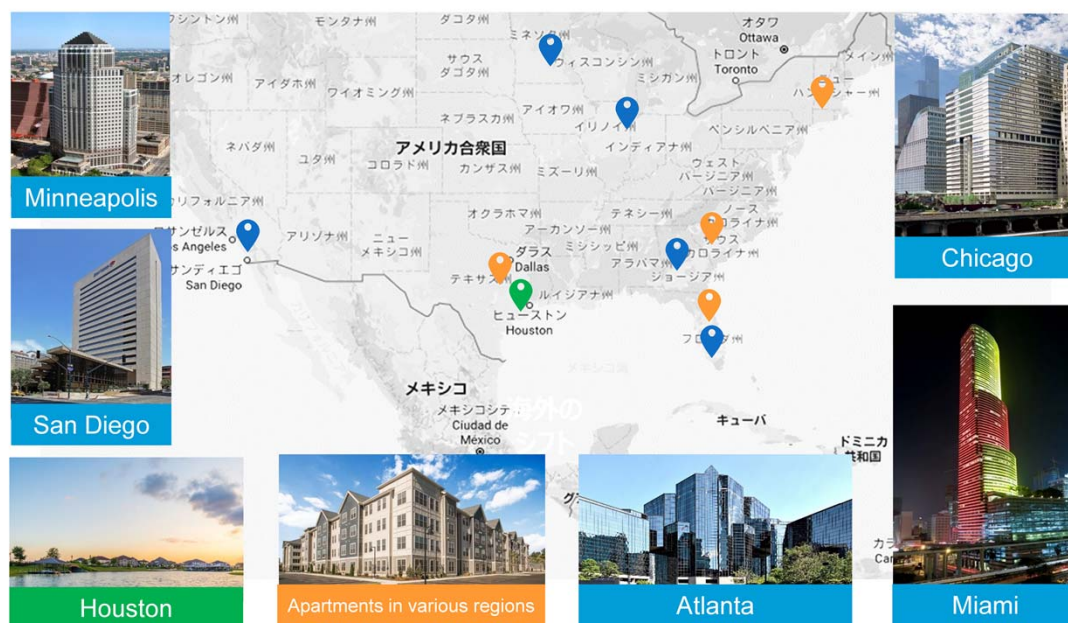
26

Next is the fund/REIT business.

As of the end of FY2018, we were managing approximately 430 billion yen in assets under custody in our funds and private placement REITs. By establishing a listed logistics REIT this fiscal year, we plan to expand the size of our assets under custody to 700 billion yen by FY2022, further increasing our presence and returns.

Real Estate Business Overseas Real Estate Business (Americas)

Aim to achieve overseas business ratio of 20%



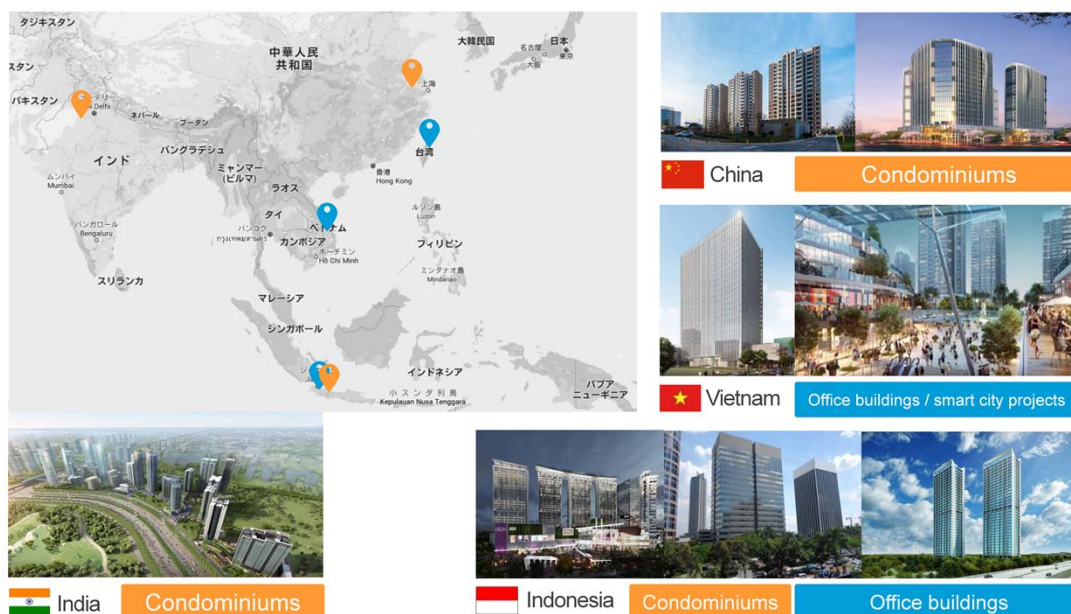
27

Next, I would like to discuss overseas expansion.

In the United States, the group is engaged in the office building business, the development of large-scale residential land, and the development and sale of condominiums. In the Office Building Business, we have built a portfolio of five office buildings in Chicago, Miami, San Diego, Atlanta and Minneapolis, including properties that were incorporated into the private placement fund that we formed in June 2017 and July 2018.

Real Estate Business Overseas Real Estate Business (Asia)

Aim to achieve overseas business ratio of 20%



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In Asia, in addition to the condominium business in China, Indonesia, and India, as well as office buildings and smart city development projects in Vietnam, we are strengthening our consulting business for retail facilities in China and developing office buildings and logistics facilities in Indonesia. Through these activities, during the current medium-term management plan, we intend to raise the ratio of real estate business's overseas business from around 10% to 20% on a net income basis.

1. Business Unit Overview

2. Business Unit Growth Strategy

2-1. Enhancement of values for core business

2-2. Advance into new area

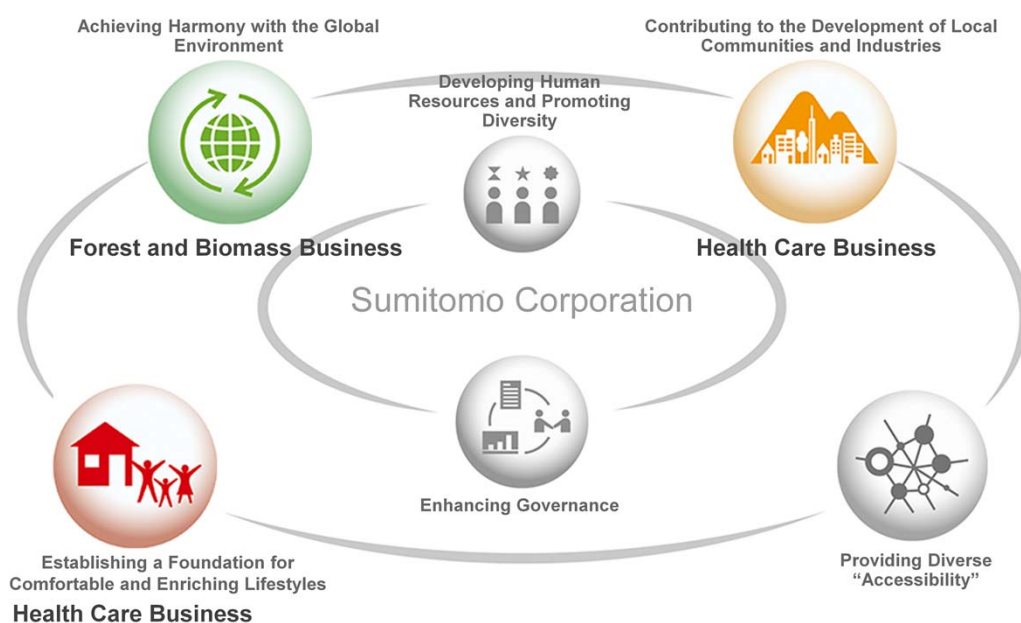
3. Quantitative Targets

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Next, I would like to explain the division's expansion into new fields as part of the growth strategy.

Significance of Initiatives in New area

Identification of material issues to be addressed (Material Issues)

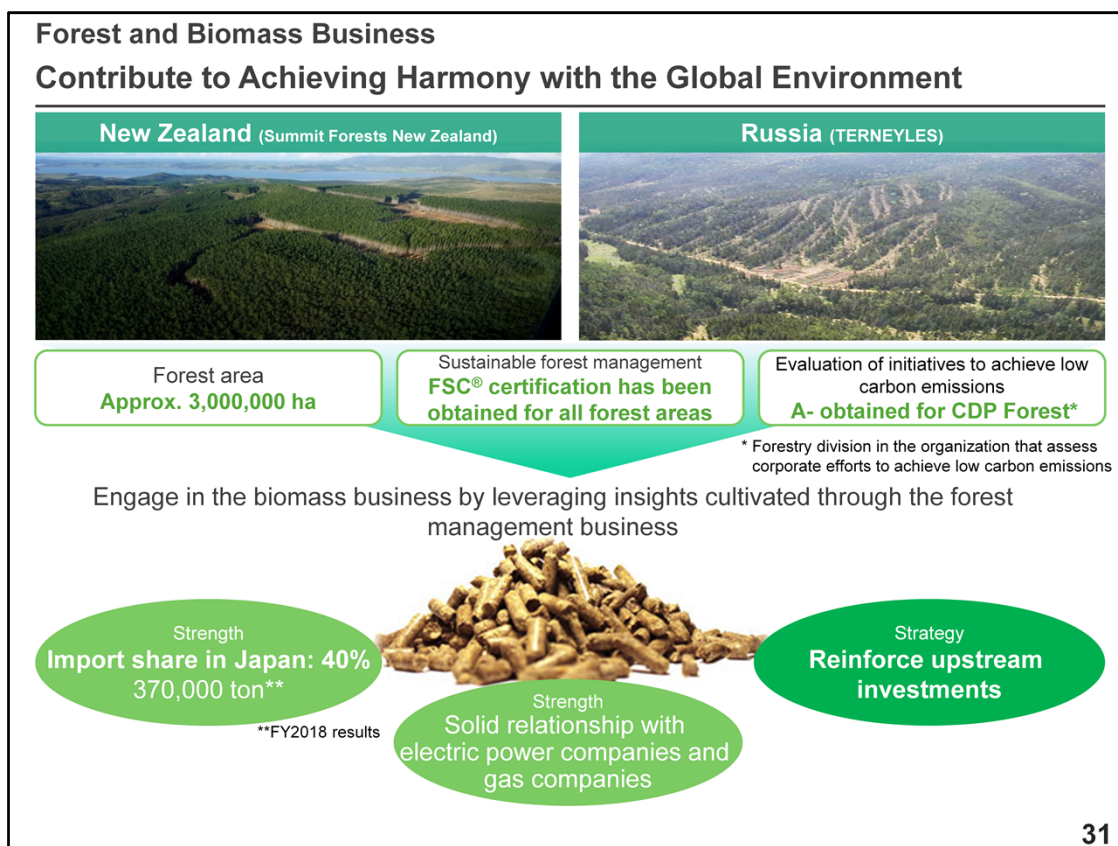


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This is the significance of pursuing initiatives in new fields.

Based on the Sumitomo Business Philosophy and the Sumitomo Group's Management Principles, we have identified six key Material Issues that we must prioritize and leverage our strengths through our business activities in order to achieve sustainable growth in step with society in the future.

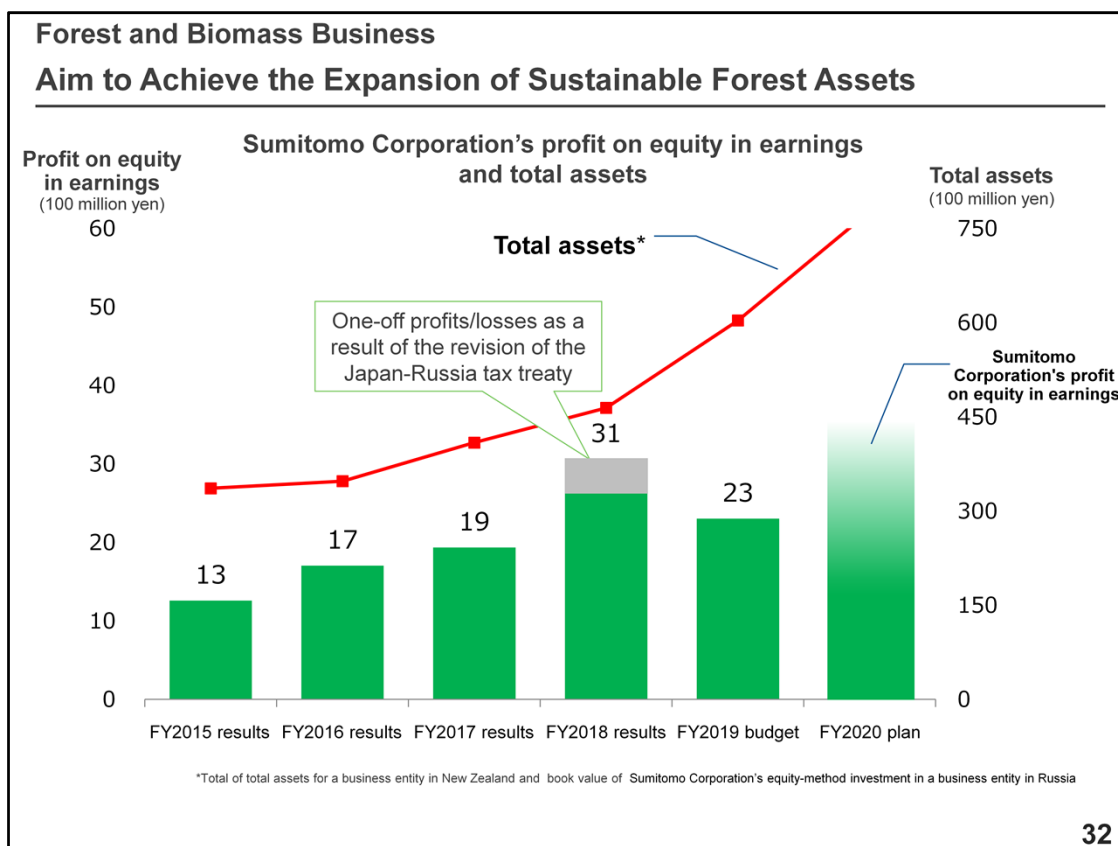
As new business fields, the forest and biomass businesses contribute to "Achieving Harmony with Global Environment", and the healthcare businesses contribute to "Establishing a Foundation for Comfortable and Enriching Lifestyles", as well as to the "Development of Local Communities and Industries".



This is about the forest and biomass business.

In the forest business, we own an extensive 3 million hectares of forests in New Zealand and Russia, and trade raw and processed timber for China and Japan. We have obtained FSC® certification as a means of ensuring proper forest management in all of our forest areas. In FY2018, we received an A- rating from CDP Forest, an institution that measures efforts toward a low-carbon society. It was the highest rating achieved by a trading company. We are also engaged in the biomass business by leveraging the knowledge we have gained from our forest business. The biomass fuels market is expected to grow amid growing awareness of environmental conservation in recent years. We are the number one supplier of imported wood pellets, with a 40% market share.

We have built strong relationships with gas and electric power companies. In FY2017, we invested in PBEC, which manufactures wood pellets in Canada. In this way, we are moving upstream toward a stable supply of biomass fuels, and plan to develop cost-competitive supply sources.



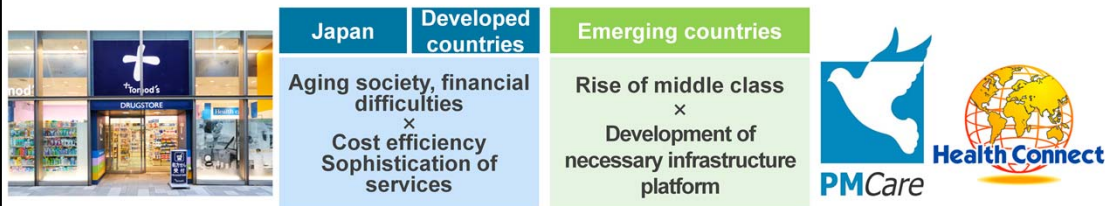
These are the quantitative aspects of the forestry business.

The red line chart represents our total assets and is the sum of the book value of the New Zealand operating company's total assets and book value of equity investment in the Russian operating company. The green bar chart represents our equity in earnings (losses).

In FY2018, there was a one-off profit associated with the amendment of the Japan-Russia Tax Convention, and despite a pullback in FY2019, we expect actual performance to remain solid, as the lumber market is expected to remain robust. During the current medium-term management plan, we are planning additional purchases of forest assets, mainly in New Zealand, and we expect total assets to trend upward.

Health Care Business Overall Strategy

<Vision> Establishment of sustainable health care platform that enhances quality of life



Strategically invest resources in fields where we should take on as the Health Care WG* across the Group

| Key investment fields | |
|---|---|
| <p>[Japan/developed countries] TOMOD'S, dispensing business / comprehensive regional care Pharmaceuticals and cosmetics related</p> | <p>[Emerging countries] Managed care business</p> |

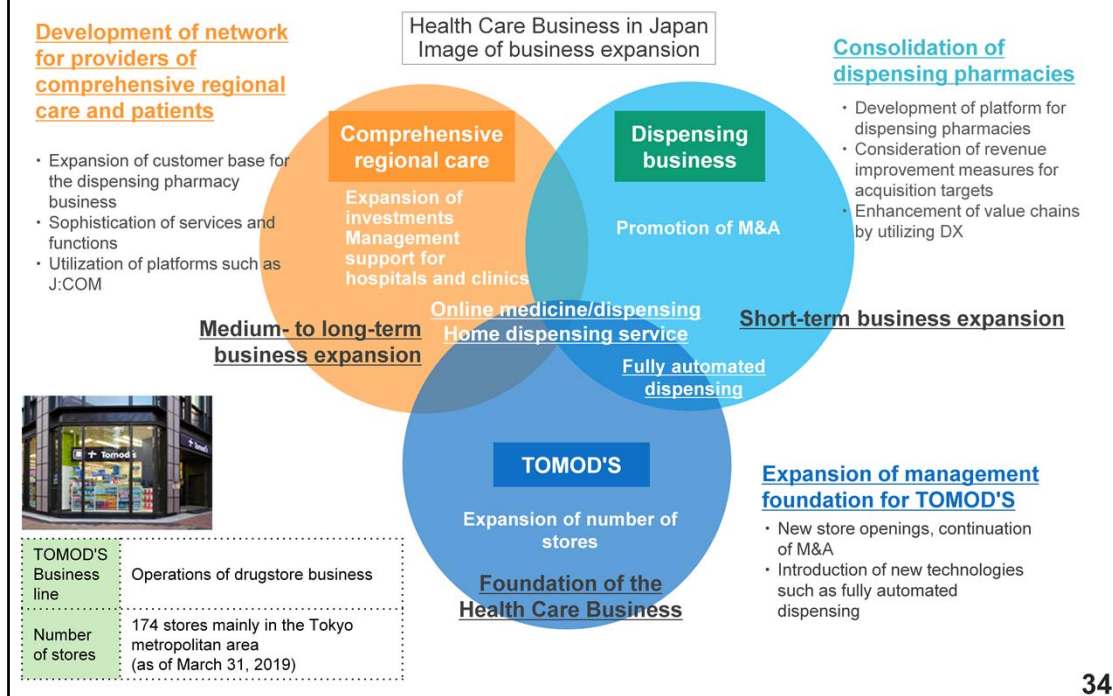
*Working group comprised from Lifestyle & Retail Business Division, Media Division and Life Science Division

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Next, in the Healthcare Business, which is one of the company's focus areas, we have set forth the vision of establishing a sustainable healthcare platform for improving quality of life. We have formed a company-wide healthcare working group and are working on this goal on a company-wide basis.

In Japan and other developed countries, we are working to “increase the efficiency of costs”, “improve services”, and “organize necessary infrastructure” in emerging countries. We intend to strategically allocate management resources to the following priority investment areas in order to expand our equity in earnings.

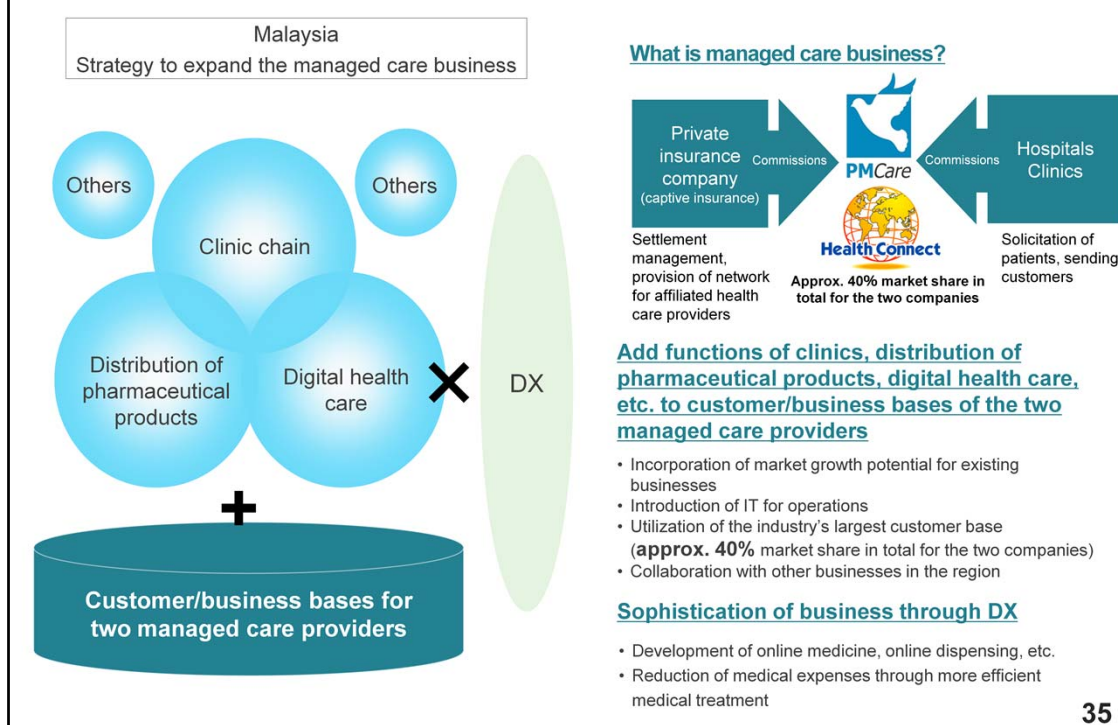
Health Care Business Initiatives in Japan



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Among the priority investment fields, in Japan we are working to expand the management base of Tomod's, which is the base of our healthcare business, and in the short term we are rapidly expanding the scale of our dispensing business through acquisitions and other means. In the medium to long term, we will move forward comprehensive community care initiatives and expand our network of hospitals and patients through investments. In the future, we will utilize new digital technology, J:COM, and other platforms to form service alliances, including online medical care, dispensing, and home dispensing.

Health Care Business Initiatives in Emerging Countries



Next, in emerging markets, we intend to expand our Managed Care business in Malaysia, which we acquired at the end of March. Managed care is a management system for health care services in countries where public health insurance systems are not established like in Japan. In such countries, patients pay their own medical expenses, and now there is a shift to private health insurance and corporate health care benefits. Under these circumstances, patients are increasingly seeking satisfactory medical services.

Managed care providers form an alliance with a network of high-quality medical institutions for patients and act as an agent for the review and approval management of medical bills conducted by insurance companies. The business model for medical institutions is to receive commissions from both insurance companies, corporations and medical institutions, as this leads to an increase in the number of patients.

The two companies that we acquired, PMCare and Health Connect, are the largest managed care operators with a 40% share of the Malaysian market. We intend to add functions such as clinic chains, pharmaceutical distribution, and digital healthcare based on data analysis to this base, as well as upgrading the functions of new DX technologies, such as online medical treatment, dispensing, and controlling healthcare costs through efficient treatment.

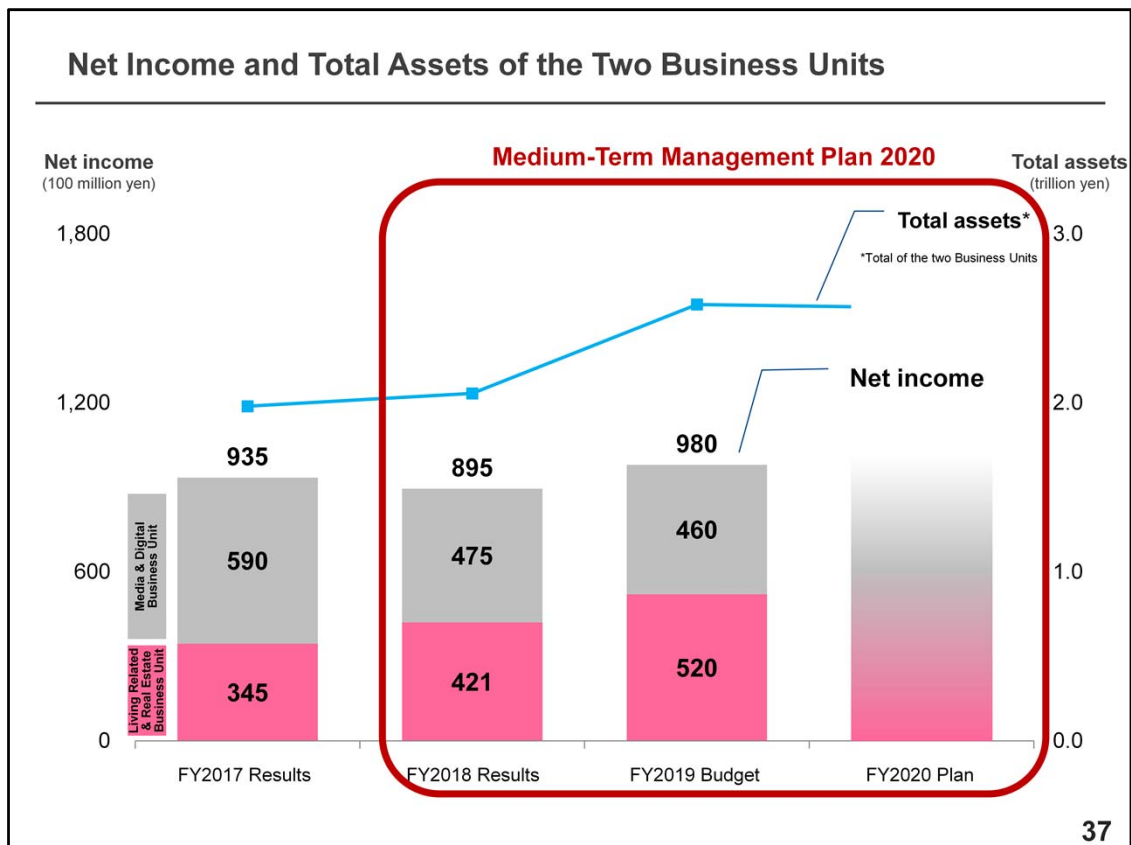
1. Business Unit Overview

2. Business Unit Growth Strategy

3. Quantitative Targets

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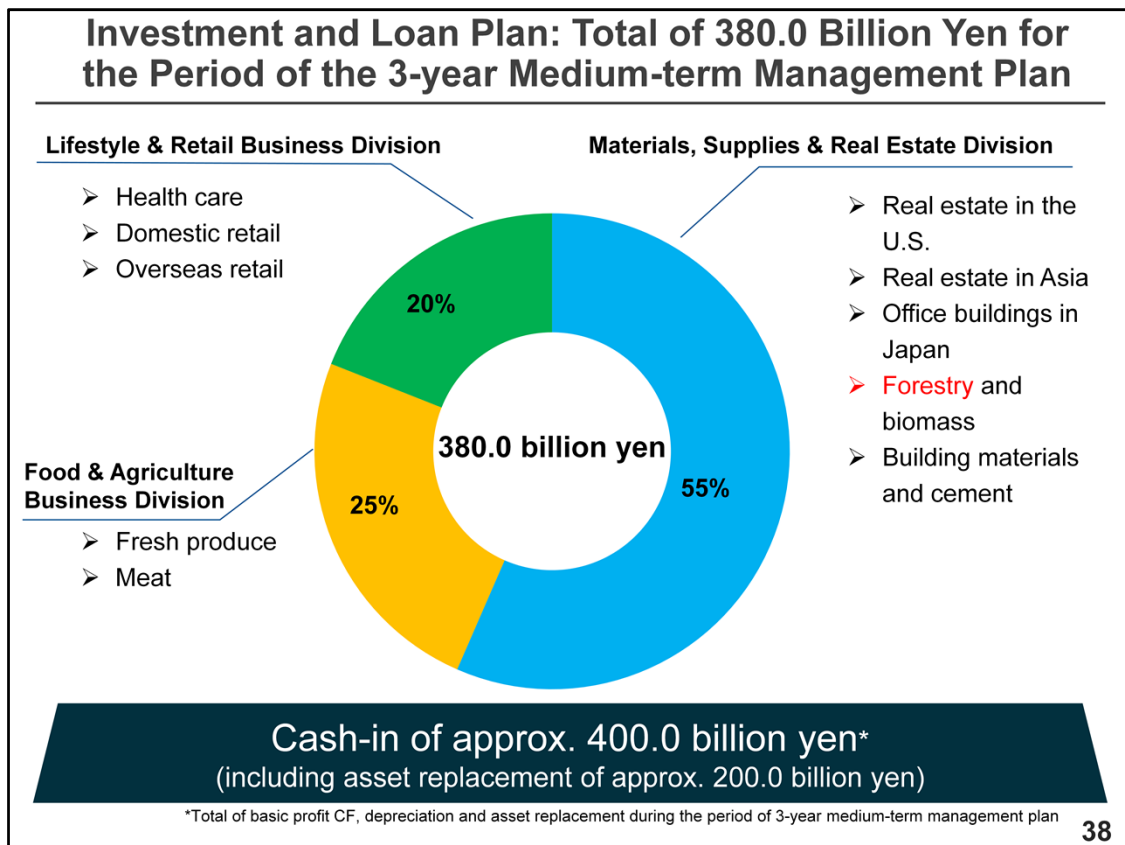
Finally, I would like to mention the quantitative targets of this division.



Over the three years of the medium-term management plan, we aimed to achieve net profit of 100 billion yen in conjunction with the Media and Digital Division, as we explained earlier. We plan to come close to this level in FY2019. For Living related & real estate business unit itself, the business unit posted a net profit of 42.1 billion yen in FY2018. We anticipate a net profit of 52 billion yen in FY2019, as we anticipate solid performance to continue at our core operating companies and real estate businesses, as well as a turnaround in earnings at Fyffes, due to improved earnings for each product.

In FY2020, Fyffes expects to return to its regular level of profitability due to the effects of the capital investment in mushrooms and the recovery of the pineapples market. On the other hand, we are looking at expenses related to the development of new businesses, and we expect these expenses to be at the same level as in FY2019.

Next, regarding the outlook for total assets shown in the line chart, following the revision of the leasing accounting standards in FY2019, total assets increased by approximately 200 billion yen, newly recognizing the assets of Summit, which leases land and buildings related to stores, and recognizing the right-of-use asset in real estate business, which conducts the subleasing business. We are considering asset reductions to improve asset efficiency.



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Next, I will explain our investments and loans plans. Over the next three years, we plan to add basic profit cash flow plus depreciation and reductions to cash-in of around 400 billion yen. Investments and loans are based on the amount of cash generated. Over the three-year period, the division plans to spend about 380 billion yen, and the percentages for Materials, Supplies & Real Estate, Food, and Lifestyle & Retail are shown in the pie chart. In order to execute our growth strategies, we will carefully select good projects and conduct investments and loans.

So, I'll finish my explanation. Thank you very much for your attention.