

# Initiatives in Digital Fields

## Progress of DX HR Strategy

Three categories of personnel are required to promote digital transformation (DX): Business Professionals, DX Business Professionals, and DX Technology Professionals. Among our diverse workforce, we already have many Business Professionals with expertise in their respective fields. Under our DX HR Strategy, one aspect of the DX Comprehensive Strategy that we formulated in the fiscal year ended March 2021, we aim to ensure that all employees and officers have acquired digital skills as part of their standard training and that constant innovation through digital transformation becomes firmly entrenched in our corporate culture.

### Progress in FY March 2023

- Our ongoing development of human resources with DX expertise centers on the Mitsui DX Academy program, which was launched in May 2021 and consists of the following three components.

#### 1. DX Skills Training

DX skills training ranges from basic training for all employees and officers to applied training for advanced DX professionals and other employees who need to learn specialized skills. Basic training has already been completed throughout Mitsui (non-consolidated basis) and is being rolled out to overseas offices and affiliated companies.

#### 2. Boot Camp

Boot camp consists of on-the-job training through the practical implementation of digital transformation projects, and fosters DX Business Professionals capable of combining business and DX skills. The first group of participants completed the camp in December 2022, and almost all received certification as DX Business Professionals.

#### 3. Executive Education

Executive education equips participants with cutting-edge DX skills and knowledge, and includes courses at overseas universities so that participants can network with other experts in advanced digital transformation.

- Under our DX Business Professional Certification System, we newly certified 11 employees in October 2022 and 14 employees in April 2023 at Mitsui (non-consolidated basis). In October 2022, we expanded the scope to include employees at overseas offices where we certified 3 employees in October 2022 and 3 employees in April 2023.
- In addition to our training programs, we are actively hiring DX talent. As in previous fiscal year, we held a DX business model competition for internships as part of new graduate recruitment in Japan, and we are strengthening our mid-career recruitment efforts. We are also continuing to strengthen our global recruitment efforts in Asia, South America and other regions, and expanding opportunities for employees to engage in global activities, such as through participation in projects in key business areas throughout Mitsui Group, or postings in Europe and the Middle East.

### HIGHLIGHT

## DX Internships

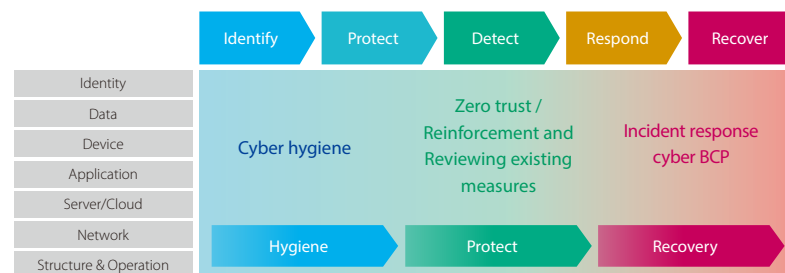
In this groupwork-based program, Mitsui employees and employees from Preferred Networks hold discussions and competitions to develop new DX-related businesses, under the theme "Digital x Business Development."



Please refer to our website for more information on Mitsui's DX.  
[https://www.mitsui.com/jp/en/company/outline/dx\\_comprehensive/index.html](https://www.mitsui.com/jp/en/company/outline/dx_comprehensive/index.html)

## Cybersecurity

In recent times, cyberattacks occur almost on a daily basis and are becoming more sophisticated, advanced, and serious, so the importance of cybersecurity measures across our global group is on the rise. We formulate and implement countermeasures in accordance with the cybersecurity framework of the National Institute of Standards and Technology of the US. We also leverage the knowledge of our subsidiary specializing in cybersecurity, Mitsui Bussan Secure Directions, and implement measures addressing the three steps of prevention, training, and response. In addition, Mitsui purchases insurance, to the extent possible and reasonable, against damage resulting from external attacks.



## Achievements in Cybersecurity Services Business and Start of Overseas Rollout



Mitsui Bussan Secure Directions (MBSD), a wholly-owned subsidiary of Mitsui is a security specialist that provides one-stop solutions to security issues faced by companies, from security-related research, analysis and strategic planning, to the operation of security-related business processes. MBSD is responsible for ensuring cybersecurity within Mitsui Group and provides advanced security services to many companies.

MBSD's strengths include its track record of discovering more than 300 new vulnerabilities (making it the number-one contributor of reports to Japan Vulnerability Notes, a Japanese security vulnerability database) and its top-level domestic technical capabilities backed by more than 20 years of providing security services and approximately 300 highly skilled professionals. While the importance of ensuring security is growing, so too is demand for security services due to the

shortage of highly skilled personnel capable of implementing effective countermeasures. In the fiscal year ended March 2023, MBSD's profit for the year was approximately 1.6 billion yen, an approximate nine-fold increase over the last 10 years, reflecting its robust response to one of society's most pressing issues: cybersecurity.

In April 2023, we increased our shareholdings in the Malaysian industry leader LGMS, making it an equity accounted investee. By leveraging LGMS's highly skilled human resources, MBSD's track record and expertise, and Mitsui's business network, we aim to expand our business into neighboring Asian countries and meet the needs of companies throughout Asia, where the demand for security measures is growing in step with advancing digitalization and economic growth.



2 (5) Information Security, *Annual Securities Report for the fiscal year ended March 31, 2023* (pages 36–38)  
[https://www.mitsui.com/jp/en/ir/library/securities/\\_icsFiles/afidfile/2023/06/21/en\\_104yuhp.pdf](https://www.mitsui.com/jp/en/ir/library/securities/_icsFiles/afidfile/2023/06/21/en_104yuhp.pdf)

Examples of Digital Initiatives

# Trunk Line Transportation Services Using Level 4 Autonomous Driving Technology

In Japan, amid a shrinking workforce and widespread reforms to working styles, as well as the recent increase in demand for logistics services, the shortage of drivers and transportation capacity is likely to become a serious problem. Mitsui is taking on the challenge of developing transportation services using autonomous driving technology to support the future of the domestic logistics industry.

## 1. The Year 2024 Problem in Japan's Logistics Industry

In addition to the recent increase in demand for logistics services, an emerging issue in the logistics industry is the shortage of transportation capacity, due to stricter regulations coming into effect in 2024 regarding overtime and other working conditions for truck drivers. Failure to resolve this social issue will interfere with the timely delivery of needed goods, which could have a significant impact on people's daily lives.

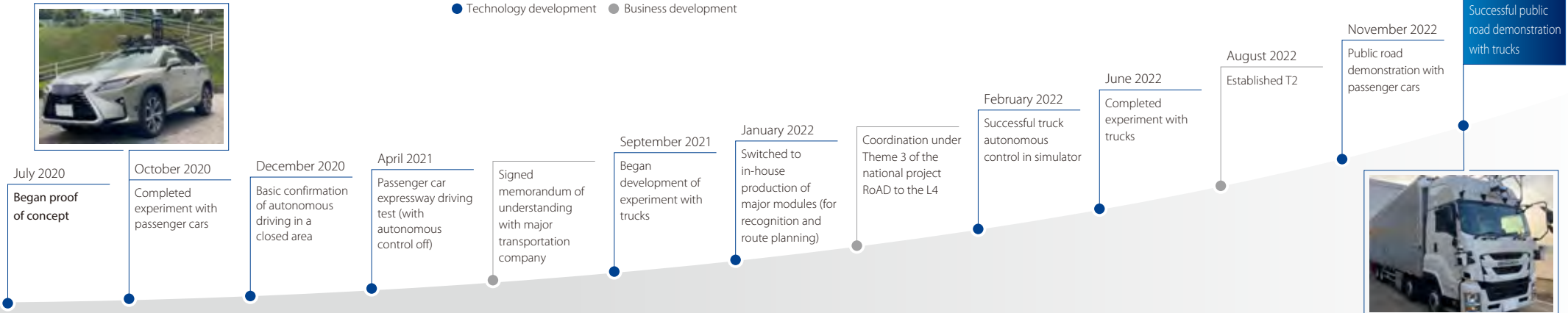
## 2. Providing Core Technologies for Level 4 Autonomous Truck Services through T2

T2 is committed to developing technologies that support the future of logistics while placing the highest priority on safety. AI technologies and vehicle development technologies for achieving Level 4 (see below) autonomous truck driving are core technologies among those needed to enable safe autonomous driving. T2 is developing advanced autonomous driving technologies for all kinds of social applications.



### Track Record in Transportation Service Development Using Autonomous Driving Technology

● Technology development ● Business development



## 3. Provision of Value through Level 4 Autonomous Driving

01 STABILITY	Enables transportation at stable prices, unaffected by the looming driver shortage
02 PRODUCTIVITY	Eliminates the need for downtime other than for preventive maintenance, enabling high-turnover, high-frequency transportation
03 SAFETY	Eliminates accidents caused by human factors, making improved safety possible
04 ENVIRONMENT	Stable driving is expected to improve fuel efficiency and reduce CO <sub>2</sub> emissions

## 4. Background

Starting with a proof of concept conducted from July 2020, Mitsui has been collaborating with Preferred Networks to make steady progress in technology and business development toward the development of transportation services that utilize autonomous driving technology. To further develop this collaboration and demonstrate results, with the aim of commercialization, T2 was established as a joint venture on August 2022.

In line with the Japanese government's strategic roadmap, we aim to start operations by the end of the fiscal year ended March 2025. To that end, on April 2023, we succeeded in autonomous operation on an expressway of a self-driving truck (with a driver on board).



T2 Inc.

T2 will continue to develop proprietary technologies for Level 4 autonomous driving, based on Preferred Networks' deep learning and other AI technologies, and to enhance its technological capabilities and expertise so that it can tackle the challenge of building a trunk line transportation service business that utilizes autonomous driving technology, and thereby support the future of logistics in Japan. On June 30, 2023, T2 and Mitsubishi Estate agreed to form a capital and business alliance in order to build Japan's first logistics network that can support self-driving trucks. This network will integrate trunk line transportation using Level 4 self-driving truck technology developed by T2 with next-generation core logistics facilities developed by Mitsubishi Estate. The facilities will serve as arrival and departure points for the trucks, bringing about a seamless transportation network.



Case Study - Initiatives in digital: Autonomous truck demonstration on public roads (70-80 km/h) (Japanese Only)  
<https://youtu.be/GXWOUfCKnh0>



Please refer to the following website for more information on the RoAD to the L4 "Project on Research, Development, Demonstration, and Deployment (RDD&D) of Automated Driving toward Level 4 and its Enhanced Mobility Services."  
<https://www.road-to-the-l4.go.jp/activity/theme03/> (Japanese only)