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To: Media Organizations

Mitsui & Co., Ltd.  
Preferred Networks, Inc.

Mitsui and Preferred Networks to Establish Joint Venture to Provide  
Biomedical/Healthcare Solutions, Including Cancer Diagnostic Service,  
Based on Deep Learning Technology

**Nov. 15, 2018, Tokyo Japan** – Mitsui & Co., Ltd. (“Mitsui”, Head Office: Tokyo, President and Chief Executive Officer: Tatsuo Yasunaga) and Preferred Networks, Inc. (“PFN”, Head Office: Tokyo, President & CEO: Toru Nishikawa) entered into an agreement on November 15, 2018 to establish a new joint venture in the United States to commercialize deep learning based biomedical/healthcare solutions. The CEO of the new joint venture will be Nobuyuki Ota, the COO of Preferred Networks America, Inc.

In recent years, deep learning technology has made significant progress in providing innovation across various industries. These innovations have been notably recognized in the fields of biomedical/healthcare, through applications in drug discovery, diagnostics and treatment, and other related areas.

The global market for deep learning based biomedical/healthcare solutions is expected to grow continuously. PFN has set cancer diagnostics as one of its key focus areas, and by combining PFN’s technology in cancer diagnostics with Mitsui’s network in the healthcare field, including hospital groups, related assets, as well as business partners, the joint venture aims to accelerate the development of the business, and implementation of the technology into society.

Upon the establishment of the joint venture, Mitsui and PFN will accelerate research and development of deep learning based biomedical/healthcare solutions for the early detection of cancer, aiming to resolve societal issues.



Comments from Satoshi Tanaka

Representative Director and Executive Vice President of Mitsui & Co., Ltd.

Healthcare related businesses have been positioned as a growth area in our Medium-term Management Plan. We are delighted to collaborate with PFN, a leading deep learning technology company, to develop innovative technologies and expand its business overseas.

Comments from Toru Nishikawa

President & CEO of Preferred Networks, Inc.

Since 2014, PFN has been continuously engaged in research and development to apply deep learning technology to the field of medicine. We are extremely pleased to be able to extend our partnership with Mitsui in launching collaborative projects that utilize the results of these R&D efforts, including those in a cancer diagnosis, in the United States.

Comments from Nobuyuki Ota

COO of Preferred Networks America, Inc.

We aim to develop an early cancer diagnostics service based on deep learning technology. Our goal is to save people who potentially suffer from cancer through early detection, and ultimately establish a preventive healthcare platform.

#### Profile of Joint venture (Tentative)

Name of Company	Preferred Medicine, Inc.
Head Office	330 Primrose Road., Burlingame, CA, USA, 94010
Establishment	November 2018
CEO	Nobuyuki Ota
Capital	US\$1 million (Mitsui 50%, PFN 50%)
Business activities	Development and operation of biomedical/healthcare solutions, initially focusing on cancer diagnostics based on deep learning as well as other types of machine learning technology



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About Preferred Networks:

Founded in March 2014 with the aim of promoting business utilization of deep learning technology focused on IoT, PFN advocates Edge Heavy Computing as a way to handle the enormous amounts of data generated by devices in a distributed and collaborative manner at the edge of the network, driving innovation in three priority business areas: transportation, manufacturing and bio/healthcare. PFN develops and provides Chainer™, an open source deep learning framework. PFN promotes advanced initiatives by collaborating with world leading organizations, such as Toyota Motor Corporation, Fanuc Corporation and the National Cancer Center of Japan.

(<https://www.preferred-networks.jp/en/>)

Notice:

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This announcement is published in order to publicly announce specific facts stated above, and does not constitute a solicitation of investments or any similar act inside or outside of Japan, regarding the shares, bonds or other securities issued by us.

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