September 28, 2018

FRONTEO Healthcare's AI Initiatives in the Medical Field Introduced at Hospital Management Asia 2018

Presentation by Tokyo Midtown Clinic's Junichi Taguchi

Tokyo, September 28, 2018 - FRONTEO Healthcare, a subsidiary of FRONTEO, Inc. ("FRONTEO") (NASDAQ: FTEO) (TSE: 2158) providing information analysis solutions utilizing artificial intelligence ("AI") for healthcare, has announced that the "Fall Prediction System" and the "Mental Disorder Diagnosis Support System" were introduced as examples of initiatives that utilize AI in the medical field during a presentation made by Tokyo Midtown Clinic Director, Junichi Taguchi, at Hospital Management Asia 2018 held in Bangkok, Thailand from September 13 to 14, 2018.

Both systems utilize AI engine Concept Encoder (Japanese patent registry No. 6346367) which is mounted with characteristics such as objectiveness, transparency, and reproducibility, and was originally developed by FRONTEO Healthcare for the healthcare industry.

Hospital Management Asia 2018
http://www.hospitalmanagementasia.com/

Tokyo Midtown Clinic
https://www.tokyomidtown-mc.jp/en/index.html

Hospital Management Asia is an international conference that targets the management personnel (CEO, CFO, COO, etc.) of medical institutions, including major hospitals in Asia. It takes place annually, and this was the conference's 17th year.

This conference is held to exchange new ideas about the ever-evolving healthcare business model. With presentations on world-class and the latest information about clinical practices and hospital structures, etc., the conference has become an important scene for improving patient care in medical institutions in Asian countries.

Tokyo Midtown Clinic Director, Junichi Taguchi, who spoke at Hospital Management Asia 2018 on this occasion, has been investigating the introduction of AI to the clinic's operations from an operational efficiency perspective. Currently, he is partnering with FRONTEO Healthcare to develop and introduce a system using Concept Encoder that is tailored to their specific needs.

Director Taguchi took the stage during a session called "Healthcare 4.0," on September 13. Discussions about future hospital management utilizing AI and robots were had during the session, and Director Taguchi introduced FRONTEO Healthcare's "Fall Prediction System" and "Mental Disorder Diagnosis Support System" as examples of initiatives that utilize AI in the medical field.

The "Fall Prediction System" is a system that analyzes daily nursing records in an electric medical record (EMR) system using the AI system Concept Encoder to automatically calculate fall risk of inpatients and present it to medical staff. While medical staff manually screen and make risk assessments each day regarding the likelihood that patients will fall, the development of the system is underway with an aim to reduce labor through AI support helping to predict fall risk, leading to appropriate care (Note 1).

Research and development of the "Mental Disorder Diagnosis Support System" is conducted in collaboration with Keio University School of Medicine and multiple corporations including FRONTEO Healthcare, and has been underway since 2015 as part of PROMPT (Project for Objective Measures using computational Psychiatry Technology), a public offering business accepted by Japan Agency for Medical Research and Development (AMED) (Note 2). Along with Japan's aging society, the number of patients with mental disorders such as dementia are on the rise, and because diagnosis and examination of mental disorders take a long time, the shortage of psychiatric doctors is a grave issue. This system can textualize speech exchanged in conversation between mental health patients and doctors during a consultation, and can automatically calculate scores related to disorders upon analysis by Concept Encoder. Development is underway with the hope that the scores related to disorders will help doctors objectively diagnose specific mental disorders. It is also expected to help shorten examination times, help make objective evaluations based on examinations by interviews, help early diagnoses and responses, etc.

FRONTEO Healthcare will continue to create and provide information analysis solutions geared around the Concept Encoder AI system for the development of the entire health care industry.

Note 1: FRONTEO Healthcare Completes its First Practical Version of "Fall Prediction System (tentative name)"
http://www.fronteo.com/global/news/uploadfile/docs/20180808E.pdf
Note 2: PROMPT
http://www.i2lab.jp/prompt/

About Concept Encoder
Concept Encoder is the AI system developed by FRONTEO Healthcare specifically for the healthcare industry. The system was developed with the aim of effective, evidence-based analysis and utilization of healthcare-related big data, including large bodies of free-entry text data. The program incorporates significance test and other crucial statistical methods for evidence-based medicine (EBM), the gold standard of practice among healthcare professionals, and applies this to natural language analysis. The Concept Encoder can also co-analyze non-textual data, and a research effort is underway to co-analyze the numerical data accumulated within the healthcare domain, such as genetic expression, vital data, and other test result values prevalent in the healthcare domain.

Overview of FRONTEO Healthcare, Inc.

Name: FRONTEO Healthcare, Inc.

Date of foundation: April 16, 2015

Capital amount: JPY 327,000 thousand (On the date of February 1, 2017)

Representative: Kuniko Nishikawa, Chief Executive Officer

Area of business: Diagnosis support, healthcare operational support, pharmaceutical industry support, and other healthcare-related information analysis businesses

URL: https://www.fronteo-healthcare.com/en/

About FRONTEO, Inc.

FRONTEO, Inc. ("FRONTEO") (NASDAQ: FTEO) (TSE: 2158) supports the analysis of big data based on behavior informatics by utilizing its technology, "KIBIT". FRONTEO's KIBIT technology is driven by FRONTEO artificial intelligence based on knowledge acquired through its litigation support services. KIBIT incorporates experts' tacit knowledge, including their experiences and intuitions, and utilizes that knowledge for big data analysis. FRONTEO continues to expand its business operations by applying KIBIT to new fields such as healthcare and marketing. FRONTEO was founded in 2003 as a provider of e-discovery and international litigation support services. These services include the preservation, investigation and analysis of evidence materials contained in electronic data, and computer forensic investigation. FRONTEO provides e-discovery and litigation support by making full use of its data analysis platform, "Lit i View", and its Predictive Coding technology adapted to Asian languages. The company name was changed from UBIC, Inc. to FRONTEO, Inc. as of July 1, 2016.

For more information about FRONTEO, contact global_pr@fronteo.com or visit http://www.fronteo.com/global/.

Safe Harbor Statement

This announcement contains forward-looking statements. These forward-looking statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, the amount of data that FRONTEO expects to manage this year and the potential uses for FRONTEO's new service in intellectual property-related litigation, contain forward-looking statements. FRONTEO may also make written or oral forward-looking statements in its reports filed with, or furnished to, the U.S. Securities and Exchange Commission, in its annual reports to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about FRONTEO's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: FRONTEO's goals and strategies; FRONTEO's expansion plans; the expected growth of the data center services market; expectations regarding demand for, and market acceptance of, FRONTEO's services; FRONTEO's expectations regarding keeping and strengthening its relationships with customers; FRONTEO's plans to invest in research and development to enhance its solution and service offerings; and general economic and business conditions in

the regions where FRONTEO provides solutions and services. Further information regarding these and other risks is included in FRONTEO's reports filed with, or furnished to the Securities and Exchange Commission. FRONTEO does not undertake any obligation to update any forward-looking statement, except as required under applicable law. All information provided in this press release and in the attachments is as of the date of this press release, and FRONTEO undertakes no duty to update such information, except as required under applicable law.

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