



Japanese Foundation for Cancer Research and FRONTEO Healthcare, Inc. Jointly Research Cancer Precision Medicine

Aim to develop a comprehensive diagnostic system utilizing cutting-edge genome analysis technology and artificial intelligence that supports physician diagnosis by making suggestions based on patients' genetic information

TOKYO, Apr. 28, 2017 (GLOBE NEWSWIRE) -- FRONTEO Healthcare, Inc. ("FRONTEO Healthcare"), a subsidiary of FRONTEO, Inc. ("FRONTEO") (NASDAQ:FTEO) (TSE:2158) that provides medical data analysis solutions using the artificial intelligence ("AI") engine "KIBIT" and Japanese Foundation for Cancer Research ("JFCR") have begun research and development of Cancer Precision Medicine System that may utilize cutting-edge genome analysis technology and AI. Through this research, FRONTEO Healthcare and JFCR aim to develop a cancer precision medicine that will provide the best treatment for each cancer patient based on genetic tests.

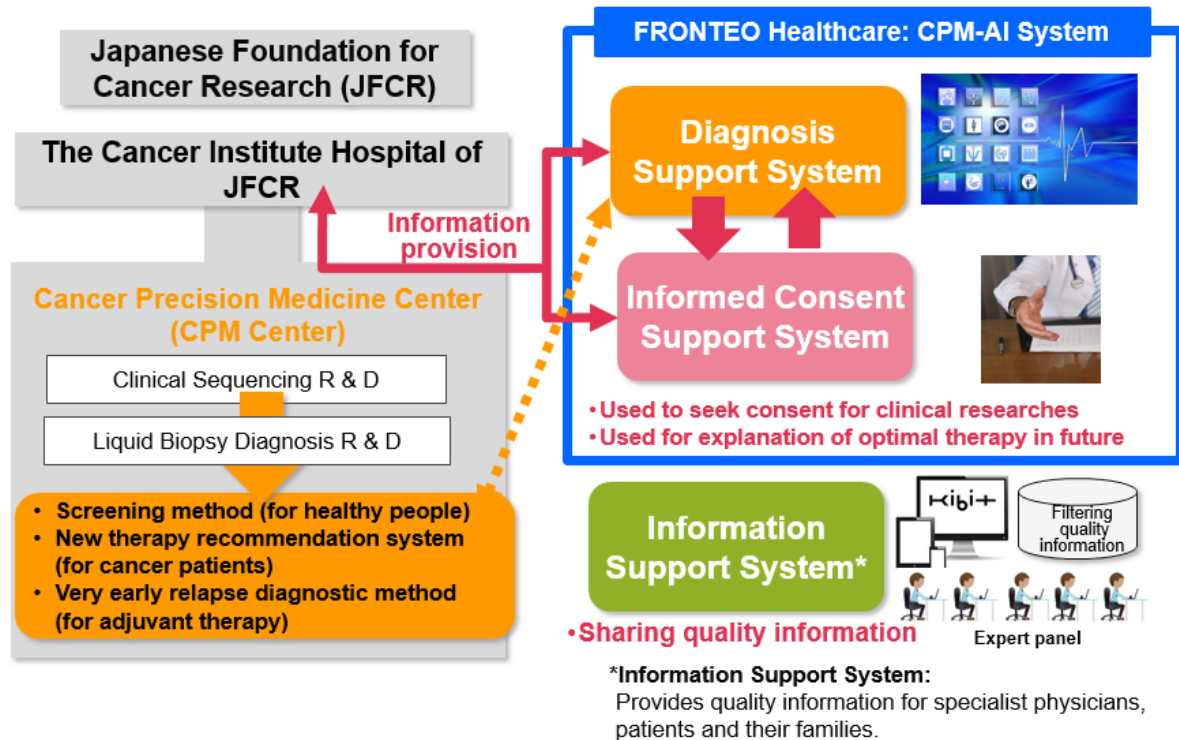
JFCR established the Cancer Precision Medicine Center in October 2016. Employing cutting-edge technologies for genome analysis on cancer cells and tissues, it aims to develop next-generation cancer diagnostics that may result in best treatments. FRONTEO Healthcare also announced in October 2016 that it had begun the development of its Cancer Precision Medicine AI System ("CPM-AI System.")

Through their joint research activity, JFCR and FRONTEO Healthcare will seek to develop a system that supports physicians in making clinical decisions based on genetic information of cancer cells. The system will consist of AI that searches for academic papers which could support to find the most appropriate treatment in each individual based on the result of genetic test.

The Cancer Precision Medicine Center will seek to develop a system that integrates and analyzes information pertaining to cancer patients, such as cancer genome data, by employing the latest methods including clinical sequencing, which conducts a comprehensive search of genetic mutation in cancer cells, and liquid biopsy, which detects genetic mutations in the blood and other bodily fluids. One of the CPM-AI system that FRONTEO Healthcare will develop through "Diagnosis Support System" is a system that analyzes academic papers and medical data employing the knowledge of cancer experts from every field. The system will make suggestions when physicians decide on the course of treatment based on test results.

In addition to the Diagnosis Support System, FRONTEO Healthcare will develop an "Informed Consent (IC) Support System," in which FRONTEO's AI technology will maximize an efficiency of IC by supplementing explanations according to the degree of understanding the patients and their families. FRONTEO Healthcare plans to complete the development of the Diagnosis Support System and the Informed Consent Support System at the end of 2021.

Overview of CPM-AI System Development



AI “KIBIT” presents a selected range of academic papers by acquiring the knowledge of experts in specific fields

Currently, one challenge in advancing cancer precision medicine is that as the number of medical studies and academic reports released increases, the available options are expanding for patients’ genetic information or abnormal conditions occurring in cancer cells, treatment regimens, and choices of medications with lower incidence of adverse events.

There are high expectations for a system that can share information among physicians in a shorter period of time through the use of AI to identify papers with findings related to treatment methods and the most appropriate drugs. FRONTEO Healthcare’s CPM-AI System can identify papers with the same elements that experts have confirmed as indicating high quality, and can exclude those papers with the factors that experts have identified as indicating low quality. In many cases, a search for scientifically high quality papers is important for the development of cancer precision medicine. For example, whether only papers describing results of monotherapy should be analyzed or those from combination therapy can be also included, and/or whether genetic information for the analysis should be obtained from cancer cells or those from normal cells should be analyzed. These elements should be important when searching for papers. It has been confirmed that if KIBIT is trained in whether or not each of these aspects of research is required, it is able to extract the papers that meet its objectives.

After learning from the most recent medical information selected by experts in a specific field as training data and preselecting the search subjects, KIBIT can function as a filter that reduces unnecessary data and noises. When the CPM-AI system is developed, it is expected



that physicians who are in daily contact with cancer patients will be able to make use of the knowledge of specialists in every field.

JFCR has investigated various technologies, including AI developed in Japan, to find a solution that can comprehend the unique genetic information of Japanese people and protect personal medical data. KIBIT has achieved results for its depth of learning and obtaining effective results in a short period of time with a small amount of data. This, in addition to its cost-effectiveness and the short time to introduction, were highly valued and made the joint research possible.

By developing and providing a system that leverages the respective specialties and strengths of JFCR and FRONTEO Healthcare, the organizations are striving to reduce Japan's cancer death rate, help to prevent recurrence, and decrease the appropriate allocation of healthcare spending.

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/>.

About Japanese Foundation for Cancer Research

- (1) Foundation name: Japanese Foundation for Cancer Research
- (2) Date of Establishment: April 1908
- (3) Representative: Takao Kusakari, Chairman
- (4) Purpose of Establishment: Development of revolutionary cancer treatments and preventative methods through systemic cancer research and promotion of advanced therapies, and their diffusion through our operations in training personnel, international exchange, and survey research. By doing so, we will contribute to the welfare of all mankind by overcoming cancer.
- (5) Main Organizations: The Cancer Institute Hospital of JFCR, Cancer Institute, Cancer Chemotherapy Center, Cancer Precision Medicine Center

URL: <http://www.ifcr.or.jp/english/>



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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