

PRESSRELEASE



Announcement of the Strategic Business Partnership Agreement for Diagnosis Support AI Program in Dementia and Depression between FRONTEO and Shionogi

Osaka, Japan, February 14, 2024 – FRONTEO, Inc. (Head Office: Tokyo, Japan; Chief Executive Officer: Masahiro Morimoto; hereafter "FRONTEO") and Shionogi Co., Ltd. (Head Office: Osaka, Japan; Chief Executive Officer: Isao Teshirogi; hereafter "Shionogi") are pleased to announce that we have entered into a strategic business partnership agreement for the dementia-related AI program and depression-related AI program.

Through this strategic business partnership, FRONTEO and Shionogi will leverage FRONTEO's advanced natural language processing AI technology to collaboratively develop high-performance diagnostic support AI models, as well as both medical and non-medical devices. The objective of this collaboration is to enhance the efficiency of diagnosing mental and neurological disorders. This initiative aims to improve the quality of life for patients, reduce the workload for healthcare professionals, and optimize the use of medical resources. The details of the partnership are as follows.

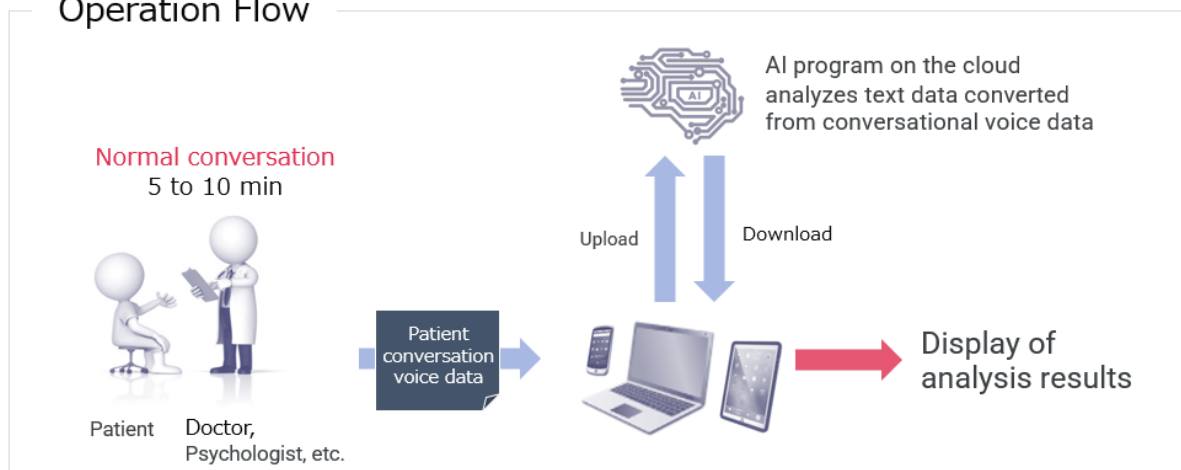
【Key Points of the Partnership】

1. Both companies will utilize FRONTEO's proprietary AI engine "KIBIT" to jointly develop dementia diagnostic support AI models and depression diagnostic support AI models based on the inventions related to "dementia symptom determination devices" and "depression symptom determination devices." The collaboration aims at the co-development, commercialization, and early market penetration and expansion of these AI models and their related medical and non-medical devices.
2. The companies will cooperate to obtain regulatory approval for the jointly developed medical devices.
3. FRONTEO will be responsible for the development of the AI models and medical/non-medical devices, including the operational aspects of these programs.
4. Shionogi will take a leading role in clinical development and aims to build an efficient business structure.

Furthermore, with the signing of this agreement, Shionogi will acquire the exclusive rights to sell the products in Japan and will pay FRONTEO an upfront fee, milestone payments based on the progress of development, and royalties on sales post-commercialization.

【Usage Concept of the Diagnostic Support AI Program】

Operation Flow



- AI program reads normal conversations of approximately 5-10 minutes between patients and healthcare workers and determines whether there is a possibility of **disease or functional decline**.
- It is envisioned that it will be used not only by **specialists** but also by **general physicians (family doctors)** and for **remote medical treatment**, etc.

Neuropsychiatric disorders, such as dementia and depression, are recognized as significant health challenges both domestically and globally. The Ministry of Health, Labour and Welfare reports an upward trend in the number of dementia patients in recent years¹⁾, and the number of patients with mood disorders, including depression and bipolar disorder, has approximately tripled over the past decade²⁾. As the importance of early diagnosis and treatment for these conditions increases, there is a growing need not only for diagnoses by medical specialists and institutions but also for the development of self-diagnostic methods based on scientific evidence using non-medical devices. Diagnostic support programs powered by AI technology are anticipated to facilitate accurate and rapid diagnoses.

1) Ministry of Health, Labour and Welfare: Future Estimates of People with Dementia, <https://www.mhlw.go.jp/content/001061139.pdf>

2) Ministry of Health, Labour and Welfare: Patient Survey, <https://www.mhlw.go.jp/stf/wp/hakusyo/kousei/18/backdata/01-01-02-09.html>

Through this business partnership, FRONTEO and Shionogi will fully leverage their combined expertise and strengths. Our aim is to enhance the quality of healthcare, improve patient quality of life, support healthcare professionals, and optimize the use of medical resources in relation to the diseases targeted by this AI program.

■About Shionogi URL : <https://www.shionogi.com/global/en/>

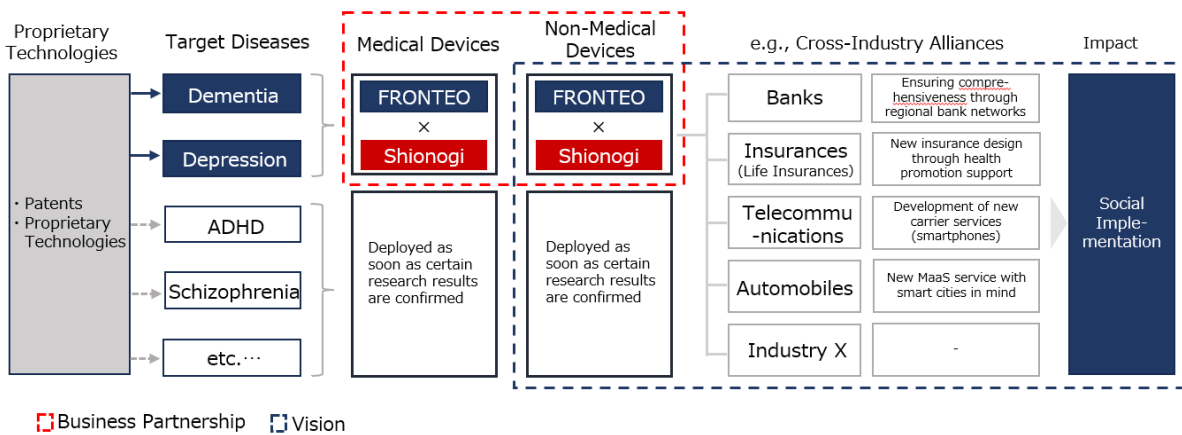
Shionogi is committed to “Contributing to a healthy and prosperous life” as our key focus. We will endeavor to deliver early diagnosis and treatment for the patients of psycho-neurological diseases, which still have high unmet medical needs, and contribute to improving the QOL of patients with psycho-neurological disorders and their families. To that end, we will strengthen our efforts, including collaboration with external partners.

■About FRONTEO URL: <https://www.fronteo.com/>

FRONTEO is a data analysis company that provides various AI solutions and services using the in-house developed AI engine "KIBIT".

Based on the philosophy of "realizing fairness in the information society by providing solutions that do not overlook risks and opportunities buried in records", FRONTEO’s strengths lie in natural language processing and network analysis technologies that extract meaningful and important information from vast amounts of text data and complex networks to support advanced decision-making by experts.

Developing businesses in the areas of LegalTech AI, Business Intelligence, Life Science AI, and Economic Security. Contributing to solving various corporate and social issues. Established in August 2003, listed on Tokyo Stock Exchange Mothers (currently TSE Growth) on June 26, 2007. Offices are located in Japan, USA, South Korea and Taiwan. Obtained a first-class medical device manufacturing and sales business license, registered controlled medical device sales business. The capital is 3,042,317 thousand yen (as of March 31, 2023).



FRONTEO initiated a joint research project in 2015 with the Keio University School of Medicine, targeting the commercialization of the world's first AI medical device that provides diagnostic assistance using natural language. In the field of dementia, patents have been registered in Japan (Registration Number: 6733891), South Korea (Registration Number: 10-2293160), and Europe (Registration Number: 3835972). Additionally, in the field of depression, PCT international applications* were filed in July 2023 (Application Numbers: PCT/JP2023/025678, PCT/JP2023/025679). Leveraging these proprietary technologies, FRONTEO is engaged in the research and development of a program that can analyze natural conversations between patients and healthcare providers lasting approximately 5-10 minutes with AI, to determine the presence or absence of diseases and functional declines. The aim is also to establish methods for the early detection of diseases and symptoms through this program, while securing objective evidence.

* PCT International Application: An international filing system under the Patent Cooperation Treaty (PCT) that allows an applicant to file a single patent application to secure patent rights in multiple PCT member countries.

*FRONTEO and KIBIT are registered trademarks of FRONTEO in Japan.

Forward-Looking Statements

This announcement contains forward-looking statements. These statements are based on expectations in light of the information currently available, assumptions that are subject to risks and uncertainties which could cause actual results to differ materially from these statements. Risks and uncertainties include general domestic and international economic conditions such as general industry and market conditions, and changes of interest rate and currency exchange rate. These risks and uncertainties particularly apply with respect to product-related forward-looking statements. Product risks and uncertainties include, but are not limited to, completion and discontinuation of clinical trials; obtaining regulatory approvals; claims and concerns about product safety and efficacy; technological advances; adverse outcome of important litigation; domestic and foreign healthcare reforms and changes of laws and regulations. Also for existing products, there are manufacturing and marketing risks, which include, but are not limited to, inability to build production capacity to meet demand, lack of availability of raw materials and entry of competitive products. The company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

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SHIONOGI Website Inquiry Form :

<https://www.shionogi.com/jp/ja/quest.html#3>.

For inquiries regarding FRONTEO's Life Science AI business, please contact:

Life Science AI Division, FRONTEO, Inc.

<https://lifescience.fronteo.com/contact>