

News Release

AI venture company ExaWizards and INCJ announce investment agreement with the goal of establishing care based on scientifically-backed AI technology

Strengthening efforts to solve social issues including highly-aged societies by providing a free caregiving data analysis service to local municipalities

Tokyo, March 29, 2018 – Innovation Network Corporation of Japan (INCJ) and ExaWizards Inc. (ExaWizards) announced today that INCJ has invested JPY300 million in growth funding in ExaWizards. INCJ will contribute to the solution of social issues epitomized by highly-aged societies, by promoting collaboration between ExaWizards and both industry and government sectors. ExaWizards raised JPY890 million Series A founding led by INCJ with 7 companies.

ExaWizards has been working on solving social issues that have arisen due to highly-aged societies and a decrease in working population, including the following:

- Spreading usage of dementia care method Humanitude®¹
- Development of Coaching AI, an AI technology which has the capacity to learn skills and support caregiving training
- Use of AI in various industries focusing on medical and caregiving areas

The new founding serves implement their business following:

1. Establish evidence-based care with AI

AI technology will analyze data at caregiving facilities to create evidenced-based results – this was previously difficult to evaluate and verify with scientific evidence. By analyzing unstructured data such as videos, sounds and text, as well as structured data, ExaWizards can create superior care methods as well as dialogue evaluation tools. By strengthening its partnership with INCJ, government bodies and local governments, ExaWizards aims to progress with trial experiments and an evidence-based approach to care.

2. Provide for free caregiving analysis data service for local municipalities using AI

Currently, local municipalities possess a significant amount of caregiving data. However this data has yet to be utilized as there are issues of costs. First, this caregiving data will be analyzed by AI technology with a free analysis service and after this has been achieved, ExaWizards will promote the use of this data for various social issues. As dementia progresses over time, symptoms also progress, and it is often difficult to identify the intervention effects of dementia care. Using this service creates the ability to forecast appropriate intervention timing in advance and enables the comparison and verification of estimated benefits of intervention. In addition, it can be used to allow

¹ Humanitude® was developed by two French students studying physical education, Yves Gineste and Rosette Marescotti. It is a method for dementia care that is based on comprehensive communication including sense, emotion and language with a strong history since 1979. The philosophy is to ask, “Who is the person providing care” and “What is a person” – the method is based on practical techniques using this philosophy. Currently, it has been introduced in France and in ten other countries around the world in over 700 establishments and has been deployed in Japan since 2012. Last year a trial experiment of Humanitude® was conducted in Fukuoka and it was determined by objective indicators that dementia behavior and psychological symptoms of the patient was alleviated and the burden on caregiving professionals and family care was reduced. ExaWizards holds the authorized business license of Humanitude® in Japan.

intervention before symptoms progress which can lead to preventive care. By repeating this prediction, intervention, evaluation cycle and improving the environment for the use of social impact bonds², ExaWizards aims to contribute to reducing costs such as nursing care expenses.

3. Spread of dementia care method Humanitude®

Following the full-scale introduction of dementia care method Humanitude® in Fukuoka City, which is aiming to be a social model of health and longevity, various local municipalities are also considering introducing this method. Furthermore, by introducing this method in medical and caregiving facilities and for home care, ExaWizards can support the realization of a healthy society by reducing the burden on both dementia patients and caregivers.

4. Development and spread of care guidance technology, “Coaching AI”

Analyzing images, sounds and text as well as structured data can extract certain features and skills of expert care and develop it into a service that supports beginner learning called Coaching AI. By visualizing the skills of experts, Coaching AI aims to improve the overall skillset of caregivers.

INCJ believes that the possibilities for services arising from the combination of dementia care method Humanitude® and ExaWizards’ AI technology, can contribute to solving social issues in highly-aged societies. INCJ is proactively investing in the ICT and healthcare industry in companies for solving social issues –and expects there will be synergy between ExaWizards and other portfolio companies in the medical and caregiving industry.

About Innovation Network Corporation of Japan (INCJ)

INCJ is a corporation organized under the Japanese laws in July 2009 with an aim of nurturing future generation industries through promotion of open innovation. The corporation has a total investment capacity of approximately 2 trillion yen, and has a mission to support industrial innovation by investing in innovative businesses.

INCJ is operated by human resources from private sectors with diverse experience in investment, technology, and management. In accordance with laws and regulations, the Industry Innovation Committee established within the corporation determines whether or not to invest according to the assistance standards set by the government and the corporation makes investments that would contribute to industrial innovation in Japan.

URL: <https://www.incj.co.jp/>

² A social impact bond is a social impact investment method through public-private partnerships. Administrative services are commissioned to NPOs and corporations and business is conducted based on funds procured from private fund providers and remuneration will be made to people who provided funding when the pre-agreed results have been achieved. If we can implement projects that reduce social costs with the use of private funds, administrative costs can also be reduced and the people who provide funds can also receive returns.



About ExaWizards Inc.

Headquarters: VORT Hamamatsucho I 3F, 1-6-15 Hamamatsucho Minato-ku, Tokyo
Established: February 2016
Representative: Ko Ishiyama, CEO
Business Outline: Industrial innovation and solving social issues through developing services that use AI
URL: <https://exawizards.com/>

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Overview of new investment decision

Target: ExaWizards Inc.

Established: February 2016

Headquarters: Minato-ku, Tokyo

Representative: Ko Ishiyama, CEO

Business Outline: AI solutions for solving social issues

Overview of investment

Authorized Investment: JPY300 million maximum

Amount Invested: JPY300 million

Co-investors (Series A): D4V1 Investment Business LP, ISGS1 Investment Business LP, SOMPO Holdings, Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Scrum Ventures Fund III LP, SMBC Venture Capital 4 Investment Business LP, IDATEN Ventures 1 Investment Business LP

Shareholding Ratio: Not disclosed

Investment Structure Outline: Appendix

Significance of investment

Supporting social needs:

- Japan's social security costs are increasing due to the considerable ageing society and specific measures are necessary in order to reduce these costs.
- Operational reform using technology is becoming increasingly important to improve productivity with the social issues in Japan such as the reduction of the working age population, declining birthrate and ageing population.
- The new service which combines dementia care method Humanitude® with ExaWizards' AI technology is expected to contribute to solving social issues of the ageing society and reduce social security costs.

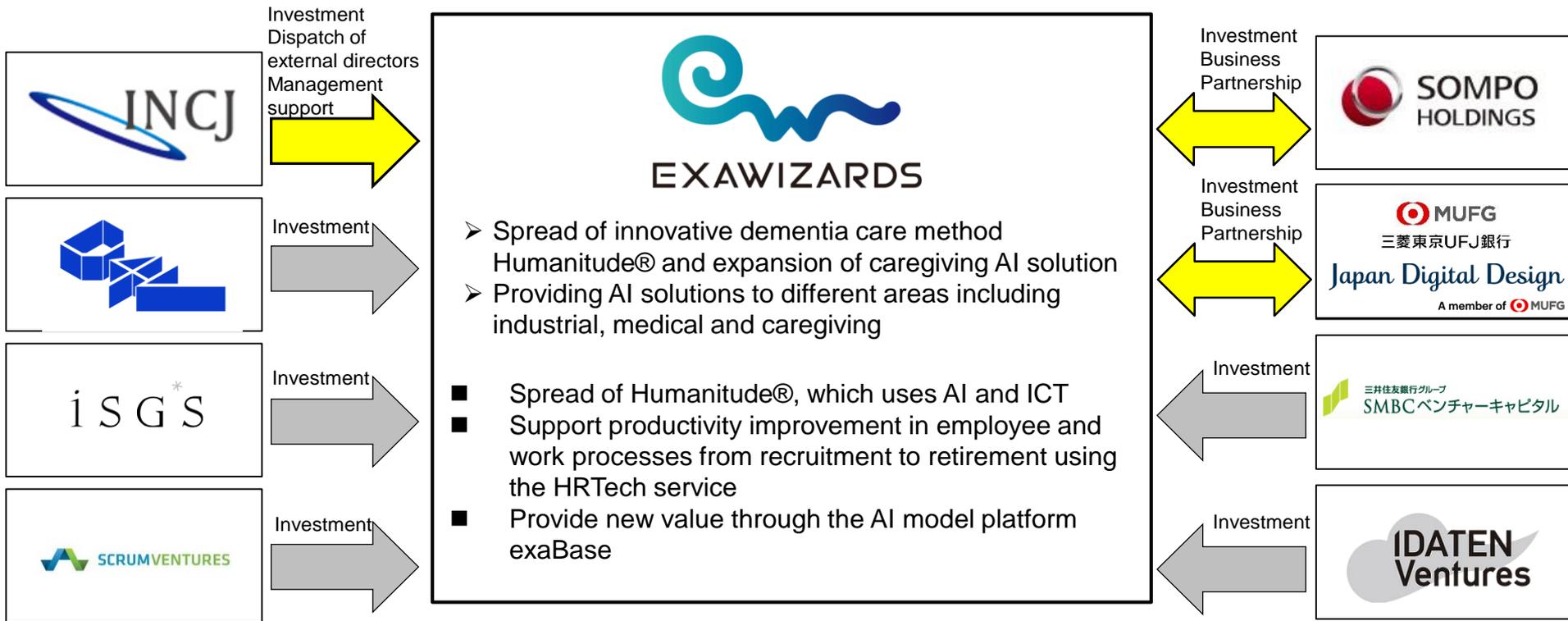
Growth potential:

- The dementia care method Humanitude® creates the possibility to eliminate the supply and demand gap of caregiving workers by helping to reduce the turnover rate of caregivers and reduce social security costs.

Innovation:

- ExaWizards aims to solve social issues such as the considerable ageing society, by their businesses using AI.
- ExaWizard aims to promote the spread of the innovative dementia care method Humanitude® in caregiving, by using ICT and AI.

Target: ExaWizards Inc.
Business Outline: AI solutions for solving social issues
Authorized Investment: JPY300 million (maximum)
Date of Announcement: March 29, 2018



- The new service which combines dementia care method Humanitude® with ExaWizards' AI technology is expected to contribute to solving social issues of the ageing society and reduce social security costs.
- Contribute to improve productivity with the social issues in Japan such as the reduction of the working age population, declining birthrate and ageing population.