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Rakuten Securities, Inc., Launches Proof of Concept Trial to Identify Missed Service Requests from Call Centers Records by Using FRONTEO AI Engine KIBIT

Aims to create a system that improves customer satisfaction by identifying overlooked requests from daily calls received by operators

TOKYO, October 19, 2017– Rakuten Securities, Inc. (“Rakuten Securities”) today launched a proof of concept (“PoC”) trial using KIBIT, an artificial intelligence engine independently developed by FRONTEO Inc. (“FRONTEO”), to identify missed requests from call records at its call centers.

Rakuten Securities call centers receive numerous calls from customers, known as voices of the customers (“VOC”), on a daily basis. These calls include inquiries for basic information on transactions, questions on how to operate the transaction system, requests for service improvements, complaints and other feedback. Call center operators mark inquiries they regard as requests for service improvement or complaints as “to be addressed” for the purpose of improving Rakuten Securities’ services. However, operators sometimes miss inquiries that should be marked “to be addressed,” and due to the overwhelming number of call records, a review team is unable to check every call record not marked accordingly.

With the PoC, Rakuten Securities and FRONTEO seek to establish a system using FRONTEO’s AI Engine KIBIT to perform exhaustive checks to identify and extract “to be addressed” cases from unmarked call records. By providing KIBIT with past records of requests or complaints as training data, the PoC aims to score call records using connotations, nuances and tendencies occurring in conversations to provide more precise results than could be achieved by using key words and topics in conversation. The PoC is scheduled to last for about one month.

Rakuten Securities has worked to establish a system to quickly respond to customer feedback and integrate such feedback into its products and services. The PoC will be an initiative for realizing broader and faster improvement and implementation.

FRONTEO’s role in the PoC will include consultation on data selection, setting criteria for data analysis, and preparing a data analysis report. Based on the results of the PoC, FRONTEO will work to provide a system that will help to improve the satisfaction level of Rakuten Securities’ customers.

About Rakuten Securities, Inc. URL: <https://www.rakuten-sec.co.jp/>

Established in March 1999 as Japan's first securities company operating exclusively online, Rakuten Securities, Inc. ("Rakuten Securities") is one of the industry leaders with a customer base of over 2.25 million accounts (as of March 31, 2017). Rakuten Securities strives to realize asset building of retail investors and to provide an optimum transaction environment through innovative services designed for its customers, including a broad product lineup featuring the unique trading tool "MARKET SPEED" and smartphone app "iSPEED." Rakuten Securities also provides services that take full advantage of the strengths of Rakuten Group, such as allowing investment trust purchases with Rakuten points saved up through use of Rakuten Group services.

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," "aims," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, the anticipated results and length of the PoC are 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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