

March 22, 2018

## **FRONTEO Launches Proof of Concept Trial Using KIBIT AI Engine to Analyze and Extract Desired Information from Fukui Bank's Text Data**

*Targets AI use in realizing more client-based business operation through big data analysis of financial instrument marketing interactions*

TOKYO, March 22, 2018 -- FRONTEO, Inc. ("FRONTEO") (NASDAQ: FTEO) (TSE: 2158), a leading provider of artificial intelligence ("AI") based big data analysis services, announced that it has commenced a proof of concept trial (the "Trial") with The Fukui Bank, Ltd. ("Fukui") utilizing KIBIT, a proprietary artificial intelligence ("AI") engine developed by FRONTEO, to analyze text data in Fukui's business.

The goal of the Trial is to confirm the possibility of building a framework that will enable Fukui to fine-tune its client services and support Fukui in realizing more client-based business operations by determining whether data mined can be extracted precisely from a large volume of records on interactions between Fukui employees and clients through KIBIT's analysis and, in particular, to determine whether appropriate explanations are provided when marketing financial instruments. The Trial is expected to take approximately two months, from March to April 2018.

Checking that explanations during financial instrument marketing conform to laws and regulations as well as principles of suitability is difficult using solely keyword searches, as these are highly abstract determinations that require both precise searches and an exhaustive scope to identify potential issues without omission. The Trial will consist of FRONTEO (i) creating the training data that forms the basis on which the AI will learn to make decisions, (ii) verifying the precision of analysis results, and (iii) submitting an analysis report.

Fukui aims to increase customer convenience through bank-wide improvement of financial instrument services and bank operation sophistication. In addition to supporting this effort, using the expertise obtained in past implementations of KIBIT in the operations of other financial institutions, FRONTEO is expected to be able to produce results and improvements through the Trial in a relatively short amount of time, and assist Fukui in their efforts to implement KIBIT in their operations.

## **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](mailto: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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