

June 26, 2018

## **FRONTEO's KIBIT AI Engine Adopted at Mitsubishi UFJ Morgan Stanley Securities**

*Analysis of sales reports to comprehensively check tens of thousands of daily transactions PoC demonstrates significant improvement in efficiency of work compared with visual checking*

TOKYO, June 26, 2018 -- FRONTEO, Inc. ("FRONTEO") (NASDAQ: FTEO) (TSE: 2158), a leading provider of artificial intelligence ("AI") based big data analysis services, announced that in June this year Mitsubishi UFJ Morgan Stanley Securities, Co., Ltd. ("MUMSS") will adopt the KIBIT Knowledge Probe\*, equipped with AI engine KIBIT independently developed by FRONTEO. The KIBIT Knowledge Probe will be used to create a checking system to facilitate customer-oriented transactions by analyzing sales report data containing records of customers' transactions and quickly extracting records that require checking.

MUMSS has 62 main offices and branch offices located throughout Japan, and their sales representatives generate tens of thousands of sales reports on a daily basis, in which they draft product proposals and take notes at the time they meet with customers. The company checks this enormous volume of records and responds to customers based on the results. Creating a system capable of more comprehensive and efficient checking and enhancing the accuracy of the checking have become a priority for MUMSS.

MUMSS and FRONTEO conducted a PoC (proof of concept) to determine whether KIBIT was capable of efficiently extracting sales reports that required high priority handling. The result was that KIBIT succeeded in extracting such reports four times faster than previous checking by visual inspection.

MUMSS aims to establish a KIBIT operating system that will reduce workload. Both MUMSS and FRONTEO will also work to expand the operations of KIBIT from different perspectives and to other areas, and intend to link this system with finely tuned customer-centered business operations by skillfully extracting the customers' views from a broad range of perspectives.

\*KIBIT Knowledge Probe: Business data analysis support system with a KIBIT engine

### **About KIBIT**

KIBIT is an AI engine developed by FRONTEO. KIBIT is a word coined by combining "kibi," a Japanese word meaning "subtlety," and "bit," the smallest unit of digital information, in order to indicate an AI capable of understanding the subtle elements of human behavior and personality.

### **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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