

July 17, 2018

FRONTEO launches “KIBIT Find Answer” FAQ system capable of reading the intent of questions from natural sentences, and presenting answers quickly and with a high level of accuracy

Without relying on keywords, the system absorbs sentence fluctuations to capture the characteristics of questions and present answers.

TOKYO, July 17, 2018 -- FRONTEO, Inc. (“FRONTEO”) (NASDAQ: FTEO) (TSE: 2158), a leading provider of artificial intelligence (“AI”) based big data analysis services, has announced that it has begun providing its “KIBIT Find Answer” automated FAQ system, which uses the artificial intelligence (AI) engine “KIBIT” developed independently by FRONTEO.

KIBIT Find Answer is a solution that applies the characteristics of KIBIT, which reproduces “tacit knowledge” based on human experience and judgment using a proprietary algorithm, to the business domain of problem solving using FAQs (Frequently Asked Questions). It learns the characteristics of questions input using natural sentences and is able to extract and quickly present appropriate content based on response data previously provided by experts. By reducing the labor required to respond to inquiries from other internal departments and divisions, it supports problem solving with company work style reform and improved operational efficiency.

Kibi+ **Find Answer**

◆KIBIT Find Answer product features

1. It absorbs fluctuations of expression in sentences input by the people asking questions, and captures the characteristics of question sentences
2. Browsing is easy because multiple answers are presented in descending order from those that most to those that least resemble accumulated question data
3. Because responses can be obtained by people inputting questions that come to mind in natural sentences, accurate answers are easier to produce than with keywords (vocabulary)

■Getting away from “it’s quicker to ask someone”

Within companies, due to the complexity of developing new products or services, the need to support or confirm adherence to rules, laws, and regulations, and increasing procedures for in-house applications, etc., employees with high levels of expertise are inundated with in-house questions on a daily basis. Each time they are asked a question, these experts need to stop the work they were doing to provide a response.



Furthermore, even though they store and record past responses, FAQ systems have, up to now, required significant amounts of time to arrive at desired answers because searches resulted in hits on too many possible answers, or because the range of responses was narrower than expected. Thus, this information could not be used as an asset, leading people to conclude that "it's quicker to ask someone."

With KIBIT Find Answer, as long as there are combinations of questions and responses in natural sentences, detailed classification or tagging is not necessary. When the next question that "is not exactly the same, but has many similarities" comes along, it is able to automatically present similar responses. KIBIT Find Answer is a system used via a web browser, so no special applications are required, and installation and operation are quick and easy.

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 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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