

August 13, 2018

Over 100 companies have adopted FRONTEO products in the AI (artificial intelligence) solutions area

Active promotion of use in new fields, such as HR solutions and FAQ systems, in addition to expansion of introduction to financial institutions, etc.

TOKYO, August 13, 2018 -- FRONTEO, Inc. ("FRONTEO") (NASDAQ: FTEO) (TSE: 2158), a leading provider of artificial intelligence ("AI") based big data analysis services, has announced that the cumulative total number of companies using its products in the AI solution area has exceeded one hundred companies.

FRONTEO, after its founding, launched an AI Solutions business to horizontally develop the technology, knowledge, and know-how acquired in areas that are unlikely to tolerate errors, such as international litigation support and fraud investigation. Since then, it has been providing products and services with its proprietary artificial intelligence KIBIT to customers in a wide range of industries including chemical, machinery, and materials manufacturers as well as financial institutions. In recent years, it has also been expanding into the healthcare field and offers solutions using the communication robot Kibiro.

As the use of artificial intelligence in business has gained momentum, the AI Solutions business has achieved significant growth in revenue, with sales last fiscal year (ended March 2018) of 910 million yen, an approximately three-fold year-on-year increase. As a result of the continuous introduction of our AI solutions by major companies during this fiscal year, the total number of companies using those products has exceeded one hundred. Solutions for financial institutions have recently begun attracting close attention, and FRONTEO has been selected as the first support project using artificial intelligence in the "FinTech Experiment Hub" established by the Financial Services Agency in September 2017. FRONTEO is also continuing to swiftly develop systems and products to provide solutions for the diverse needs of customers through initiatives such as enhanced provision of solutions in the HR field and the launch of provision of the FAQ system "KIBIT Find Answer."

KIBIT is a domestically developed artificial intelligence engine equipped with an algorithm that uses unique machine learning developed by technically reproducing the idea of tacit knowledge that does not rely exclusively on keywords, which is used by quick-witted experts. It is a valuable application since it requires a short period of time and little training data with high natural language processing technology. FRONTEO will continue to further accelerate product improvements and system enhancements to provide customers with more useful and user-friendly products and services.

■ AI Solutions Business Service List

< KIBIT Series >

Business data analysis support system KIBIT Knowledge Probe

Patent search & analysis system KIBIT Patent Explorer

Automated email audit system KIBIT Patent Explorer

FAQ system KIBIT Find Answer

<Communication Robot Kibiro Series>

Reception and Customer Service Robot Kibiro for Biz + Marketing

Monitoring Support Robot Kibiro

<Healthcare Area >

[Products for FRONTEO Healthcare](#)

■ List of Companies (Partial) That Use FRONTEO Products

<http://www.fronteo.com/global/solution/customers/>

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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