

September 7, 2018

FRONTEO Announces Commencement of Proof of Concept Ahead of Adoption of KIBIT AI Engine for Text Data Analysis at AEON Bank

Analysis of sales discussion records when selling financial instruments, with potential utilization in other operations after verification

TOKYO, September 7, 2018—FRONTEO, Inc. (“FRONTEO”) (NASDAQ: FTEO) (TSE: 2158), a leading provider of artificial intelligence (“AI”) based big data analysis services, announced that it will commence a proof of concept aiming at the adoption of KIBIT, an AI engine independently developed by FRONTEO, at AEON Bank, a subsidiary of AEON Financial Service Co., Ltd.

In this proof of concept, KIBIT will be used to monitor whether explanations are being given to customers according to analyses of the principle of suitability, based on meeting records documenting exchanges with customers when AEON Bank proposes and sells financial instruments.

After conducting this proof of concept for a specific period, AEON Bank plans to verify the results and seeks to expand the scope of implementation to utilize KIBIT in other operations.

FRONTEO has been implementing and verifying analyses of sales discussion records using KIBIT at many financial institutions. In May 2018, KIBIT was selected for the “FinTech Experiment Hub” established by the Financial Services Agency. Sales discussion records were analyzed, and in August 2018 FRONTEO announced that using KIBIT produced better results than using only manual checking.

Based on these accomplishments and experiences, FRONTEO will support the realization of the work style reform underway at AEON Bank through the creation of a customer-oriented sales structure and load reduction of person in charge associated with the improvement of efficiency of compliance operations by actively utilizing AI.

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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