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## **FRONTEO to Partner with TIS Leveraging Strength in AI Text Analysis**

*Problem solving in highly specialized industries utilizing AI engine KIBIT*

TOKYO, September 21, 2018 - FRONTEO, Inc. (“FRONTEO”) (NASDAQ: FTEO) (TSE: 2158), a leading provider of artificial intelligence (“AI”) based big data analysis services, announced that it has finalized a partnership agreement with TIS Inc. (“TIS”), a TIS INTEC (TSE: 3626) Group company. Utilizing KIBIT, FRONTEO’s proprietary AI engine, the two companies will develop and provide solutions for various problems.

KIBIT is an AI engine whose strength lies in text analysis, that is, extracting appropriate data from small quantities of learning data. In the first phase of the partnership, the companies will work together to provide “solutions for the pharmaceutical industry” and “solutions for patent search support.”

### **【Background】**

AI technology can now conduct natural language processing, meaning that AI has the capability to learn the semantics of words, phrases, and sentences. However, normal installations can incur vast costs and take time to conduct data analysis, data management, and learning, especially if one wishes to select data for a given purpose from big data that contains descriptive text data.

KIBIT, the AI engine which belongs to FRONTEO who conducts R&D on AI specialized for texts, is mounted with knowhow that has been accumulated and systematized through data analysis. This is based on tacit knowledge, a type of knowledge grounded on the experiences and intuitions of lawyers which have been extracted from massive quantities of text data that were cultivated through unearthing evidence in international litigation. Based on limited training data, KIBIT learns tacit knowledge based on the subtle elements of behavior and personality, experiences, and decisions of humans who select certain items.

TIS launched its AI Services division in 2017 and has utilized original technologies to develop services in intention estimation, dialogue, and speech recognition in the natural language field in particular. During this process, FRONTEO’s KIBIT and its text analysis caught the attention of TIS, which led to the conclusion of this partnership agreement.

TIS and FRONTEO will work together to develop the following solutions in the first phase of the partnership:

### **【Solutions for the Pharmaceutical Industry】**

The two companies will provide solutions which enhance operations through natural language by combining the knowhow of TIS cultivated in the pharmaceutical industry and its solution “Medical Drive,” and FRONTEO’s KIBIT.

Business data analysis support system KIBIT Knowledge Probe, which comes with an AI engine that has learned the senses and tacit knowledge cultivated through client experiences, will analyze massive quantities of communication text data such as daily reports of medical representatives, other inquiries, and conversations to smoothly exchange information in the pharmaceutical industry, create new business opportunities, and support risk aversion.

Moreover, utilizing the AI Q&A system KIBIT Find Answer, which learns the characteristics of questions input as natural sentences and quickly extracts and presents appropriate content based on response data previously provided by experts in each area for the pharmaceutical industry, the two companies will contribute to reducing the labor required to respond to inquiries.

### **【Solutions for Patent Search Support】**

The two companies will also utilize AI engine KIBIT in the chemical and manufacturing industries and provide solutions that can be used for patent search operations.

Utilizing KIBIT Patent Explorer, a patent search analysis system which streamlines patent searches, the two companies will support patent business practices in various scenarios where patent searches are required, mainly in invalidity searches, by quickly discovering and extracting patent literature that could be grounds for negating an invention's novelty or inventive step.

### **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 Medical Drive**

Medical Drive is a total solution for the pharmaceutical industry and is based on abundant experience cultivated as a system integrator as well as medical industrial knowledge gained by engaging in the field.

### **About TIS Inc.**

TIS Inc. provides multiple IT solutions through data centers and the cloud, in addition to contracted development of system integrators. It also has a global support structure based mainly in China and the ASEAN region, and contributes to the growth of client businesses as a business partner to over 3,000 companies in various industries such as finance, manufacturing, logistics and services, the public sector, as well as communications, etc. For details, see the link below.

<http://www.tis.com/>

### **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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