

November 9, 2018

## **FRONTEO Executive Speaks at 2018 International Symposium on the 4th Industrial Revolution Held near Seoul**

*Hideki Takeda, FRONTEO Director and Chief Technology Officer, Presents Application Cases of KIBIT AI Engine at an Event on AI and Blockchain*

TOKYO, November 9, 2018 – FRONTEO, Inc. ("FRONTEO" or the "Company") (NASDAQ: FTEO) (TSE: 2158), a leading provider of artificial intelligence ("AI") based big data analysis services, announced that Hideki Takeda, its Director and Chief Technology Officer, delivered a speech at the 2018 International Symposium on the 4th Industrial Revolution: AI & Blockchain, held on November 1 and 2, 2018 in Pangyo Techno Valley, Republic of Korea (ROK).

In the speech, Takeda demonstrated the societal implementation of artificial intelligence and its impact on the industry, and presented the application cases of KIBIT, FRONTEO's proprietary AI engine.

The symposium was hosted by Seoul National University and the government of GyeongGi-Do, a province that includes Pangyo Techno Valley where the research and development bases of IT companies are concentrated. For the outline of the symposium, please refer to its website at [http://www.gis2018.com/index\\_en.html](http://www.gis2018.com/index_en.html).

Focused on subjects of artificial intelligence and blockchain, the event aimed to share industry trends and the endeavors of companies already applying the relevant technologies with attendees which included people from the country's corporate arena, entrepreneurs and government officials, etc. holding an interest in the themes. Researchers from Seoul National University and University of Pittsburg as well as officers and R&D leaders of major companies in the U.S., China and elsewhere participated in the symposium and spoke on the impact development and implementation of the relevant technologies might have on the industry and what course the technology would take going forward.

Takeda was the sole invitee from Japan as the chief technology officer of a company specialized in the AI field, and gave a keynote speech at a session titled "AI in Various Business Domains." Based on the experience FRONTEO has accumulated in Japan in the implementation of the KIBIT AI engine beginning with the "Legal Tech" field and expanding into business intelligence, Takeda demonstrated the problems FRONTEO had to solve to facilitate the introduction and regular operations of AI, and presented his view on how the popularization of AI would change society and business. Moreover, he introduced cases where KIBIT was used at financial institutions and the results of the verification experiment made at Japan's Financial Services Agency (Note 1).



\*Note 1: FRONTEO Reports Results of Experiment Conducted in the Financial Services Agency's "FinTech Experiment Hub".

Time reduced by 42%, correct detections doubled, and also effective in the standardization and enhancement of capability

(<http://www.fronteo.com/global/news/uploadfile/docs/20180801.pdf>)

In the ROK, FRONTEO conducts business through FRONTEO Korea, Inc., its local subsidiary. As such, the symposium provided an opportunity for FRONTEO to offer the participants some specific cases where its AI has been effectively applied. Going forward, as a company at the cutting edge of societal implementation of AI, FRONTEO will work to contribute to the development of AI-related businesses by taking advantage of similar opportunities to present its achievements.

### **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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