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FRONTEO Launches KIBIT Partner Network Program to Promote Introduction of Practical AI Technology with Partners

By Providing Broad Range of Solutions to Business and Society, We Aim to Deliver New Added Value

TOKYO, November 22, 2018 — FRONTEO, Inc. (“FRONTEO” or the “Company”) (NASDAQ: FTEO) (TSE: 2158), a leading provider of artificial intelligence (“AI”) based big data analysis services, has launched the KIBIT Partner Network (KPN) program for its distribution partners with an aim to accelerate the introduction and adoption of its proprietary developed AI (artificial intelligence) engine KIBIT in the business sector.

Using a unique machine learning algorithm, KIBIT conducts rapid analysis based on limited calculation resources and a small amount of training data. KIBIT has been highly regarded for its advanced natural language processing technology and text analysis. As of September 2018, KIBIT is in use at more than 120 companies in Japan and abroad in sectors such as finance, manufacturing, service, transportation, and government. It provides a broad range of solutions to support greater operational efficiency at companies and improve society’s productivity.

Through the KPN, FRONTEO will leverage resources such as partner companies’ technology and customer networks to promote greater awareness of KIBIT-based AI solutions and enhance contact with customers in industries and fields where there is potential for application of KIBIT. Moreover, in tandem with its partner companies, FRONTEO aims to develop new added value in people’s daily lives and a wide range of business activities through AI solutions based on natural language processing.

The KPN offers numerous proven KIBIT-based AI solutions along with a line-up of support options integrating FRONTEO’s comprehensive expertise in various processes, from making proposals to customers to system establishment and operation. Partner companies who join the KPN program will be able to rapidly provide to customers a broad range of practical solutions for their challenges. Furthermore, if user companies wish to address their challenges using their text data resources, they can consult with system integrators who have long been associated with them to install, operate, and establish KIBIT-based solutions.

Three Levels of KIBIT Partner Network Certification

The KPN offers three levels of certification—Gold, Silver, and Bronze—according to the partner’s level of collaboration and specialization. These levels provide integrated support along with sharing of the skills and knowledge needed to resolve user companies’ challenges, such as sales support, holding of information sessions, and business plan creation. Moreover, the program provides support for KIBIT-based AI engineer training, AI business growth, and expansion of the solutions portfolio in fields where partner companies

focus their efforts.

Support Options for Authorized Partners

◆**Certification and information**

- Certificates and authorized logo usage permission are granted
- Catalogs/presentation documents are provided
- Educational newsletter
- Appearance in user case study material

◆**Training**

- Online, on-site, and hands-on training (fees required in some cases)

◆**Support**

- Dedicated contact point will be assigned within FRONTEO (*Gold and Silver only)

FRONTEO Product Lines Covered by KPN

- KIBIT Knowledge Probe (business data analysis support system) series
- KIBIT Patent Explorer (patent search and analysis system) series
- KIBIT Email Auditor (Email audit system) series
- KIBIT Find Answer (FAQ system) series
- KIBIT-Connect API provision (*Gold and Silver level only)

Partner companies may also use the FRONTEO AI BizDevOps Lab., which opened on November 16, 2018 with the aim of developing and providing “usable AI.” The FRONTEO AI BizDevOps Lab. is a venue for achieving various processes—from identifying issues to developing solutions to operating and designing viable AI technology—in the shortest possible time and jointly creating highly effective AI solutions through AI-based analytical work.

The use of the KPN by diverse companies and organizations will enable FRONTEO to further enhance its collaboration and synergy with partners in a wide range of sectors and expand the scope of the business scenarios in which it is possible to apply KIBIT solutions.

■**KIBIT Partner Network**

<http://www.kibit-platform.com/partner/> (Only in Japanese)

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.

CONTACT: FRONTEO Global PR
global_pr@fronteo.com