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FRONTEO Launches AI Review Solution “KIBIT Automator” that Improves Efficiency of Document Review

*Offering a new billing system corresponding to document quantities
rather than by man-month*

TOKYO, March 15, 2019 - FRONTEO, Inc. (“FRONTEO”) (NASDAQ: FTEO) (TSE: 2518), a leading provider of artificial intelligence (“AI”) based big data analysis services, announced today its “KIBIT Automator,” a software that specializes in electronic document review operations during electronic discovery procedures. Review operations conducted by visual observation generally process around 60 documents per hour, but KIBIT Automator aims to increase this to 150.

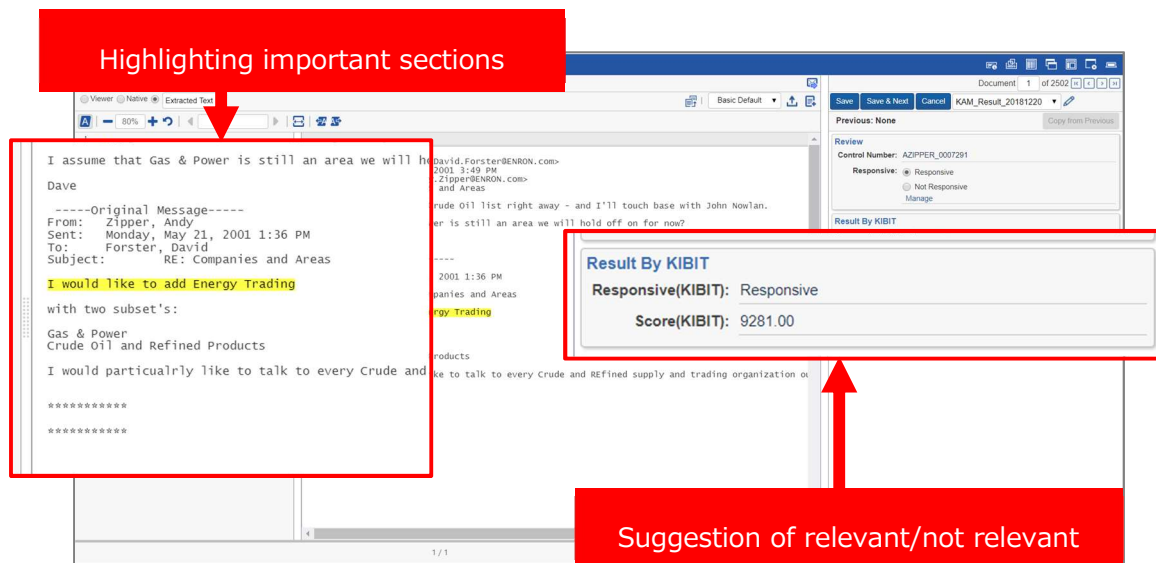
As discovery is a necessary procedure for civil litigations in the United States, KIBIT Automator was developed for the purposes of enhancing document review efficiency specifically in e-discovery, reducing the load of reviewers, and cutting costs. It is said that text review generates the most costs in the discovery process and can amount to approximately 70% of the total discovery costs. The task at hand for discovery, then, is how well the review process can be optimized and how well costs can be condensed. Responding to these issues, KIBIT Automator highlights sections in texts that should be reviewed, indicates whether certain sections could be relevant or not relevant to the evidence using AI, and excludes sentences that are not relevant, all functions that could improve the efficiency of reviews. KIBIT Automator will function as plug-ins for FRONTEO’s “Lit i View” and Relativity’s review solutions, widely utilized text review software.

KIBIT Automator’s strengths

- **Highlights sections that need to be reviewed:** This can decrease the quantity of sentences that reviewers actually need to read.
- **Suggests whether sections are relevant or not relevant:** Based on a score calculated by AI “KIBIT” indicating the degree of relevance, it suggests categorization into “relevant or not relevant.” The AI properly supports decisions in which humans could make mistakes on depending on the person.
- **Assisted Learning:** With its cut-off function that decides “sentences that do not need to be read,” it realizes drastic improvements in the reading speed of sentences.

A New Billing Model

The cost, duration, volume, and reviewers’ speed and skill have all been raised as matters of concerns for text review billing from both clients and law offices. Until now, fees were charged on a man-month basis, and depending on the client, this created situations where quality had to be compromised to keep costs down for reviews with a high level of difficulty. As KIBIT Automator has the functions mentioned above, it shortens the time taken for reviews and maintains the quality of document reviews that is not affected by the skills of the reviewer or



their degree of fatigue due to prolonged operations. This has realized a billing model that corresponds to the text quantity. Not only does this make it easy to estimate costs, it also realizes improved efficiency of text reviews without having to sacrifice quality.

By providing KIBIT Automator and through its continual improvement, FRONTEO aims to automate text reviews through AI in the future. At its current stage, reviews still require human decision making, but in the future FRONTEO hopes to realize a world where machines can conduct reviews enabling humans to concentrate on communicating and developing litigation strategies based on the results of the reviews.

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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