

FRONTEO Taiwan Expands eDiscovery Service Review Center to Increase Chinese and English Capabilities

New system to complete review tasks in Taiwan by increasing the number of staff capable of reviewing eDiscovery documents in traditional Chinese

TOKYO, October 23, 2017 – FRONTEO Taiwan, Inc. ("FRONTEO Taiwan"), a subsidiary of FRONTEO, Inc. ("FRONTEO" or the "Company") (Nasdaq: <u>FTEO</u>) (TSE: <u>2158</u>), a leading provider of artificial intelligence ("Al") based big data analysis services, today announced the expansion of its eDiscovery service review center facilities and staff working in both the English and Chinese languages, including traditional Chinese. The expansion will improve FRONTEO Taiwan's support services for eDiscovery in U.S. legal proceedings.

U.S. legal proceedings utilize eDiscovery, which is a system that requires submission of legal documents in an electronic format, the costs of which account for over 50% of total litigation expenses. Accordingly, the reduction of eDiscovery costs has become one of the major managerial issues for companies in Asia with a native language other than English that have entered the U.S. market.

FRONTEO Taiwan has established a system to support global companies in China and Taiwan involved in U.S. litigation cases. Specifically, FRONTEO Taiwan aims to accelerate the comprehensive review of documents written in Chinese by employing and training reviewers who can work with both traditional and simplified Chinese, both of which have been used historically in eDiscovery less frequently than English, to support the growing number of eDiscovery documents written in these scripts.

FRONTEO Taiwan was founded in November 2011 as the first eDiscovery support operator in Taiwan. FRONTEO Taiwan utilizes "Lit i View E-DISCOVERY," an eDiscovery support tool independently developed by its parent company FRONTEO, as well as FRONTEO's AI engine KIBIT and FRONTEO's expertise accumulated from years of litigation support. As FRONTEO Taiwan expands its services in cooperation with five leading law firms in the U.S., the FRONTEO Group now boasts a track record of providing services to over 6,000 cases, including international litigation support cases.

FRONTEO and FRONTEO Taiwan will, as pioneers of eDiscovery support service providers in Asia, establish a system to steadily accumulate cross-border cases and continue to support globally developing Asian companies in dealing with litigation in the U.S.

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, reflecting 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 AI 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 investigations. 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 <u>global pr@fronteo.com</u> 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," "aims" "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, plans regarding future eDiscovery support services are 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 forwardlooking 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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