

October 25, 2017

Press Release

Daiwa Securities Co., Ltd.

FRONTEO, Inc.

Launching Proof of Concept with Artificial Intelligence to Improve Productivity

TOKYO, October 25, 2017 – FRONTEO, Inc. (“FRONTEO” or the “Company”) (Nasdaq: FTEO) (TSE: 2158), a leading provider of artificial intelligence (“AI”) based big data analysis services, announced that Daiwa Securities Co., Ltd. (“Daiwa Securities”) is launching a proof of concept to verify the feasibility of utilizing KIBIT, an AI engine developed independently by FRONTEO, to improve productivity at Daiwa Securities’ head office and branches. Specifically, Daiwa Securities will verify if KIBIT’s analysis of data from telephone call records between employees and customers can streamline day-to-day compliance-related processes carried out by sales division managers and internal control managers.

Daiwa Securities’ sales division managers and internal control managers currently manually verify phone records between employees and customers in an attempt to improve sales quality. However, an enormous amount of time is necessary to verify the recorded calls.

The proof of concept will verify whether KIBIT is able to extract high priority phone recordings. If KIBIT is able to effectively extract these conversations, Daiwa Securities will not only be able to streamline the process of identifying conversations that need to be verified, but also implement higher-quality, more comprehensive compliance processes and further improve customer satisfaction. The verification process will begin in November 2017 and last for two months.

With the goal of becoming the first choice among customers for securities services, Daiwa Securities continues to be proactive in adopting new technologies.

About KIBIT

KIBIT is an artificial intelligence engine originated in Japan. It was independently developed by FRONTEO by combining Landscaping, an AI-related technology, and behavior informatics. The name “KIBIT” was coined by combining “kibi,” a Japanese word meaning subtlety, and “bit,” the smallest unit of digital information, to mean artificial intelligence that understands human subtleties. It can reproduce the way

humans make judgments and select information by understanding the meaning of a sentence within a text and learning human tacit knowledge and sensitivities.

About FRONTEO

FRONTEO is a data analysis company supporting big data and other information analysis using KIBIT, its independently developed artificial intelligence engine. The company was established in August 2003 as a company that supports eDiscovery (electronic evidence disclosure), a procedure for preserving, investigating and analyzing evidence materials for the purpose of using them in international litigation, and computer forensic investigations. Listed on the Tokyo Stock Exchange Mothers section and the NASDAQ. URL: <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, the anticipated benefits of utilizing KIBIT AI and length of the proof of concept 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 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.