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## **FRONTEO Communications and IDOM to Provide AI-Based Car Recommendation Function in Online Customer Support Service**

TOKYO, Oct. 13, 2016 (GLOBE NEWSWIRE) -- FRONTEO Communications, Inc. ("FRONTEO Communications"), a wholly-owned digital marketing subsidiary of FRONTEO, Inc. (Nasdaq:FTEO) (TSE:2158), and IDOM Inc. (formerly known as Gulliver International Co., Ltd.) (TSE:7599) announced today that effective October 14, 2016, IDOM's Car Connect online customer support service will start providing a car recommendation function using FRONTEO's proprietary artificial intelligence ("AI") engine, KIBIT.

IDOM's Car Connect is an online-to-offline customer support service which commenced in January 2016. The service combines the strong sales capabilities under the Gulliver brand and the advantages of digital marketing. It allows customers to consult with advisors through online chats to obtain information such as car specifications and images. Advisors then recommend the most suitable car models available in stock based on the customer's requirements, preferences and Gulliver store locations near-by.

The new function provides customers with more suitable car recommendations that lead to higher customer satisfaction. This is enabled by KIBIT's analysis of past customer reviews regarding specific models, instead of preferred types only or prior purchases. Car Connect with KIBIT also provides model availability information more promptly to a larger customer base, which reduces labor constraints.

FRONTEO Communications and IDOM jointly started a proof of concept test in March 2016 and began to improve interface design in addition to the development work for a larger range of car models in June. The two companies aim to provide better and more satisfying car purchasing experience to customers by utilizing the KIBIT AI engine through further joint development.

### **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 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 investigation. FRONTEO provides e-discovery and litigation support by making full use of its data analysis platform, "Lit i View<sup>®</sup>", 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 [usinfo@fronteo.com](mailto:usinfo@fronteo.com) or visit <http://www.fronteo.com/global/>.

### **About FRONTEO Communications, Inc.**

FRONTEO Communications, Inc. applies FRONTEO's proprietary AI technology to digital marketing and engages in such businesses as providing digital curation services and operating community websites. It uses AI technology to identify people's interests and preferences and find necessary information from among the mass of data available on the Internet. Through such activity, FRONTEO Communications aims to contribute to social development by providing people with opportunities to find information valuable for themselves and helping to unlock their creative potential. FRONTEO Communications was founded on September 1, 2015, as a wholly-owned subsidiary of FRONTEO with capital of JPY10 million.

### **About IDOM Inc.**

IDOM Inc. was founded in Koriyama City, Fukushima Prefecture, in 1994 under the name of Gulliver International Co., Ltd., as a company specializing in trading used cars. Its proprietary Dolphin Net, which is a satellite-based image sales system,

triggered a revolution in car sales in 1996, and around 70,000 cars were sold annually through the system. In 2003, the company was listed on the Tokyo Stock Exchange's first section and at the time was one of the fastest startups to go public. The company now operates 520 stores in Japan and 14 stores abroad. As it seeks to expand its business into new car sales and into overseas markets, the company changed its name from Gulliver International to IDOM, effective on July 15, 2016.

### **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

FRONTEO USA, Inc.

Tel: (212) 924-8242

[global\\_pr@fronteo.com](mailto:global_pr@fronteo.com)

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