

FRONTEO's Kibiro AI Robot As A Book Concierge at Aoyama Book Center

TOKYO, Oct. 27, 2016 (GLOBE NEWSWIRE) -- FRONTEO Communications, Inc. ("FRONTEO Communications"), a digital marketing subsidiary of FRONTEO, Inc. ("FRONTEO") (NASDAQ:FTEO) (TSE:2158), which provides big-data analytics services using its proprietary artificial intelligence ("AI") engine, Booklog, Inc. ("Booklog"), and Aoyama Book Center ("ABC") announced today that they will hold a joint event to showcase the book recommendation function of artificial intelligence ("AI") robot, Kibiro, at ABC's flagship store from October 28 to November 10, 2016.

One Kibiro will be installed at ABC's flagship store in Omotesando. It will provide recommendations as a book concierge from ABC's 100 *Books* of *Choice*, including novels and business books. Kibiro's recommendations will be based on review data provided by Booklog. Customers will first need to identify their preferences from 30 best-selling novels and business books and then Kibiro will use its AI analysis to pick their selections based on review data from Booklog. Children will be asked to select their preferred books from 10 bestselling picture books, and recommendations will be made from ABC's 30 *Picture Books* of *Choice*.

Kibiro is equipped with FRONTEO's proprietary AI engine, called KIBIT. Because the AI engine analyzes and understands the book reviews, Kibiro's recommendations are distinct from those made by keyword search and purchase history, allowing customers to encounter new favorite books.

An ABC officer commented, "The three companies are hosting the event in order to introduce new books to customers. Kibiro presents a new vision of recommendation-oriented bookstores by serving as a book concierge, and we will be able to distinguish ourselves from online bookstores. We also expect that this event will attract customers who are interested in cutting-edge technologies, such as AI, or who want to communicate with a robot."

Meanwhile, an officer from Booklog said, "Booklog reviews strongly reflect the emotions that books evoke in readers. I am hoping that at this joint event, KIBIT's analysis of Booklog reviews will create opportunities to explore new books."

Kibiro has already gained positive feedback after other similar events in the greater Tokyo area. This coming event will be the first to be held at a bookstore.

In the future, FRONTEO Communications will use marketing information, including customers' feedback from this event, to broaden Kibiro's applications for corporations. Later this year, FRONTEO Communications plans to introduce Kibiro's household applications.

About Aoyama Book Center

Aoyama Book Center is a bookstore operator that owns three stores - in Omotesando and Roppongi, two areas at the cutting-edge of Tokyo's culture, as well as at Narita Airport. The Omotesando flagship store and the Roppongi store sell not only Japanese but also foreign books in fields such as design, photography, architecture and fashion.

Aoyama Book Center is operating its stores under the motto of "Propose books and ideas that cannot be found through online search." The Omotesando flagship store has a gallery and an event hall, where exhibitions and talk shows featuring authors are held periodically in order to enrich reading experiences.

About Booklog

Booklog is the largest book review community in Japan, with 980,000 users (as of September 2016). The community started in 2004. Users can post reviews and comments in their own "bookshelves" created on the website. They can easily register books on their bookshelves by using an iPhone app to read the books' barcodes.

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. The 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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