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FRONTEO to Provide AI Process Outsourcing Services

Aims to accelerate the introduction and implementation of its AI applications for customers when dealing with massive amounts of data

Builds an integrated system spanning AI-related services from products and trainings to operations

TOKYO, Nov. 29, 2016 (GLOBE NEWSWIRE) -- FRONTEO, Inc. ("FRONTEO" or the "Company") (NASDAQ:FTEO) (TSE:2158), a leading provider of global eDiscovery solutions and big data analysis services utilizing artificial intelligence ("AI"), has announced that it will start providing AI Process Outsourcing ("APO") service, in which FRONTEO's AI experts and service team will accelerate the introduction and implementation of AI applications for its customers. This service aims to resolve challenges an organization faces when adopting AI services, eliminate the obstacles during AI's introduction and realize continued effective usage of FRONTEO's AI applications.

With such service, the Company aims to help customers who have no previous experience in adopting AI technologies utilize the KIBIT AI engine to improve operational efficiency and resolve challenges when dealing with massive amounts of data. FRONTEO's AI experts and service team will provide support throughout the entire process, from test analysis, process design to application support after the commencement of the AI operation. This will enable customers to utilize the AI applications effectively without acquiring in-house AI technology experts.

KIBIT, the proprietary AI engine developed by FRONTEO, delivers solutions that allow organizations to effectively utilize their information assets that are not currently actively used. KIBIT can extract useful text-based information converted from documents, emails, internal and external Social Network Service, daily sales reports, and customer inquiries, for organizations to identify potential risks and opportunities.

The APO service consists of the following three stages: AI Analysis (Stage 1), AI Introduction and Operations Planning (Stage 2), and AI Operational Support (Stage 3). Prices for Stage 1 start at 3 million yen. Prices for Stage 2 and Stage 3 depend on timeframe and scope.

AI Process Outsourcing: Stages and Key Activities

AI Analysis	FRONTEO assesses the customer's problems and determines whether AI can solve his or her needs, followed by a test analysis.
AI Introduction and Operations Planning	FRONTEO defines the requirements, builds the infrastructure and implements the system installations. The Company also conducts the planning and preparation work for operations.
AI Operational Support	FRONTEO supports the operation by reporting operational status on a regular basis and providing feedback for further improvements.

FRONTEO's AI experts and the AI service team, who have extensive knowledge and experience in the operations of the KIBIT engine, will provide support and operate the AI system on a daily basis through the AI Process Outsourcing service to handle sophisticated intellectual processes on behalf of its customers.

While more and more businesses are considering engaging AI systems, obstacles to such introductions remain. Such obstacles include the shortage of AI specialists to handle the AI systems, the lack of knowledge in how to utilize the AI technologies and experience with installation and operations, as well as the high costs associated with such introduction even on a trial basis.

With this new service, FRONTEO is ready to offer an integrated system that will increase opportunities for organizations in Japan to use its AI applications. With FRONTEO's suite of products, including Lit i View AI Sukedachi Samurai, EMAIL AUDITOR and PATENT EXPLORER, the Company plans to focus on the implementation of such AI applications within a shorter timeframe, depending on its usage or purpose. By providing the AI Process Outsourcing services, FRONTEO also is able to conduct analysis on AI operations that can be used to improve corporate activities. Together with the AI Expert Skill Training Program, FRONTEO now provides the full span of AI related services, covering products, trainings and operations.

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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