



August 4, 2016

FRONTEO and O2 Form Partnership in Assisting Transfer of Manufacturing Skills

TOKYO, Aug. 04, 2016 (GLOBE NEWSWIRE) -- FRONTEO, Inc. (Nasdaq:FTEO) (TSE:2158), a leading provider of big-data analysis services, and O2 Inc., a business consulting firm, announced today that they have formed a partnership for developing systems that help companies pass job skills down to young workers, mainly in the manufacturing industry, by combining O2's "ORINAS" new solution for skills transfer and FRONTEO's proprietary "KIBIT" artificial intelligence (AI) engine. The two companies will provide a service to develop tailor-made systems for skills transfer beginning in August 2016.

The "ORINAS" solution enables visualization and systematic representation of thoughts of experienced workers possessing sophisticated skills through the Brain Model, a methodology developed by O2. Based on the knowledge and thinking patterns identified through the model as training data, KIBIT creates knowledge search systems tailored to individual client companies. Such systems are applicable to business processes for which the passing-down of skills is presumed to be difficult (planning, designing, verification, etc.) and make it possible to efficiently search for relevant documents and records. The combination of ORINAS and KIBIT facilitates active job rotation, transfer of business processes to younger workers and utilization of personnel.

In the provision of the new service, O2 is responsible for initial consulting work (visualization of skills and systematization of information to facilitate skills transfer), while FRONTEO is in charge of integrating AI into system development. The new service will become available in more fields as FRONTEO and O2 also conduct trial tests and develop functions for users in non-manufacturing fields (agriculture, sports science, game development, etc.). Ultimately, the two companies aim to create systems that can provide solutions to problems that are specific to individual industries including both manufacturing and non-manufacturing sectors.

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[®]", 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 or visit <http://www.fronteo.com/global/>

About O2

URL: <https://www.o2-inc.com/>

O2 Inc. is a consulting firm that provides comprehensive support to manufacturers concerning strategy, technology and manufacturing. The company was founded in 2004 as a provider of development and design engineering consulting service based on proprietary visualization and structured solutions. More than 90% of the company's consultants come from the manufacturing industry. O2 excels particularly in turning tacit knowledge possessed by experienced engineers into explicit knowledge. In 2014, the company established a strategy consulting division in order to expand into the field of business strategy and innovation planning support. In 2016, O2 strengthened consulting operations related to procurement and production, establishing a system that can provide wide-ranging support, from enhancement of product competitiveness to improvement of profitability. In 2013, the company spun off Xrossvate as a "company managed by engineers for engineers." In 2014, it invested in Yasuda Seisakusho (the name was changed to IBUKI in 2015), a mold maker in Yamagata Prefecture, to participate in its management. O2 is engaging in initiatives to reform the industrial structure particular to the manufacturing industry and revitalize regions, and it aims to make a higher level of social contributions based on its experiences in these activities. It has equity capital of 28 million yen (as of March 31, 2016) and a workforce of 59

employees (as of April 1, 2016; its group-wide workforce is 116 employees)

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

 Primary Logo

Source: FRONTEO

News Provided by Acquire Media