



August 9, 2016

## **FRONTEO Obtains Patent for AI-driven Technology Capable of Enhancing Analysis Accuracy**

### **Incremental Learning technology improves the accuracy of AI-driven analysis**

TOKYO, Aug. 09, 2016 (GLOBE NEWSWIRE) -- FRONTEO, Inc. ("FRONTEO" or "the Company") (Nasdaq:FTEO) (TSE:2158), a leading provider of international litigation support and big-data analysis services, today announced that the Japan Patent Office has recently issued a Notification of Decision to Grant a patent to the Company for a technology that improves the accuracy of Artificial Intelligence ("AI") driven analysis through incremental learning.

The necessary procedures of patent registration have already been undertaken, and the patent is currently pending issuance.

Patent application number: 2015-534284

Registration number: Pending issuance

Patent application filing date: February 25, 2016

Priority date: August 29, 2013

The innovative AI-based technology covered by this patent enables the Company's proprietary AI technology, "KIBIT," to add training data on top of the data it has accumulated, significantly enhancing its predictive power. This additional level of learning can incrementally improve the accuracy of the AI-based analysis.

As an example, suppose KIBIT recommends products or services tailored to a user, but the preferences of the user may change over time. KIBIT can take in new user preferences and make recommendations based on the new data without losing the predictive power built up from the past data. Additionally, even if the first phase data analysis results in a particular interpretation and prediction, the incremental learning technology enables KIBIT to correct any biased understanding of data, and to continuously refine its predictions in order to reflect the updated training data.

"We believe that this patent is a testament to the superior innovation that underlies the highly- accurate document analytics provided by FRONTEO," stated FRONTEO Chairman and Chief Executive Officer Masahiro Morimoto. "In this advanced digital age, when the processing of vast volumes of data is necessary, our data analytics solutions are expanding into increasingly important business fields, such as healthcare, business intelligence and marketing. By further honing our AI-based technologies and extending our portfolio of intellectual properties, FRONTEO will continue to provide highly sophisticated services and deliver a better future to people worldwide."

#### **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/>

#### **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)

 Primary Logo

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