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FRONTEO Group and Drecom to Verify AI-Based Inquiry Evaluation System Enabling Enhanced Services

TOKYO, Sept. 01, 2016 (GLOBE NEWSWIRE) -- FRONTEO Communications, Inc. ("FRONTEO Communications", a wholly-owned direct subsidiary of FRONTEO, Inc. ("FRONTEO" or "the Company") (NASDAQ:FTEO) (TSE:2158)), a leading provider of global eDiscovery solutions and big data analysis services, and Drecom Co., Ltd. ("Drecom") jointly announced today that they launched a large-scale program in August 2016 to verify the artificial intelligence (AI) based evaluation system of inquiries from Drecom's smartphone game customers. FRONTEO Communications is an AI technology based digital marketing services provider. FRONTEO's proprietary KIBIT AI engine is used in this program to automatically evaluate and sort inquiries from smartphone game customers provided by Drecom.

This program is intended to further improve the efficiency of support services by using FRONTEO's KIBIT AI engine to analyze the inquiries received by Drecom's support division from their smartphone game customers, in order to automatically identify their needs. It will help to create a system that enables faster response and provides better user services, in anticipation of an increase in smartphone users and the expansion of Drecom's user base.

Launch of this joint program by the two companies comes after a successful proof of concept (PoC) program implemented in June and July 2016, which was based on customer inquiry analysis by KIBIT. In the PoC program, KIBIT automatically identified the users' needs and requests from their inquiries and precisely sorted such inquiries according to the support division's classification.

In the verification program that started in August, the two companies use large data sets for the analysis. To achieve the goal of establishing a user-friendly system, the two companies will consider both how to set evaluation parameters and how to sort inquiries, enabling faster response; meanwhile to enhance KIBIT's learning precision in cases where there are multiple solutions. The companies will expand the scope of applications of such techniques and know-how acquired through the verification program in the future.

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 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 Drecom Co., Ltd.

URL: <http://www.drecom.co.jp/>

Drecom Co., Ltd. ("Drecom") is an "Internet content creator" that engages in the design and development of various communication-based Internet content, including mobile content and internet ads. Currently, the company is focusing on three core businesses: gaming, advertising/media and social learning. Drecom will continue to take on the challenge of creating Internet content that changes people's lives and provides new values through inventions that surpass expectations. Drecom, founded on November 13, 2001, was listed on the Tokyo Stock Exchange's Mothers section on February 9, 2006. Equity book value of the firm was 1,196 million yen (as of March 31, 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.

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