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FRONTEO's AI Engine KIBIT Adopted to Enhance Asset Management Capabilities at Daiwa SB Investments

Daiwa SB Investments will first employ KIBIT in July 2017 in the management process of Japan Growth Theme Focus (or "Grand Chef"), an open-ended fund that Daiwa SB Investments manages.

Since January 2017, Daiwa SB Investments and FRONTEO have conducted a proof of concept ("PoC") to investigate if KIBIT can learn the tacit knowledge of fund managers while selecting the shares in which to invest. The two firms have also worked together to further verify whether KIBIT can analyze the knowledge it has learned from the experienced fund managers and provide effective support throughout the management process.

The PoC proved that, while it takes much time for fund managers to analyze the large volume of corporate information, KIBIT is able to learn the tacit knowledge and analyze the data in a way that enhances efficiency in selecting the shares in which to invest.

Given the results, Daiwa SB Investments has decided to adopt the KIBIT-based data analysis platform with an aim to further reinforce its asset management capabilities with deeper and more sophisticated analysis of corporate information and other data throughout the management process.

Going forward, FRONTEO will continue to support analysis using KIBIT and provide clients with unprecedented added value in making asset management decisions. By doing so, FRONTEO will support Daiwa SB Investments in its pursuit of providing "Top in Quality"® services that facilitate the accumulation of assets for its clients.

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") ([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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