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FRONTEO to provide compliance check PoC service for financial institutions with Advanced Media

Verification process for identifying inappropriate responses extracted from actual phone call recordings

Demonstrations available at the FRONTEO booth during AI EXPO from June 28-30, 2017

TOKYO, June 27, 2017 (GLOBE NEWSWIRE) -- FRONTEO, Inc. ("FRONTEO") (NASDAQ:FTEO) (TSE:2158), a leading provider of artificial intelligence ("AI") based big data analysis services, and Advanced Media, Inc. ("Advanced Media") (TSE:3773), a leading provider of product solutions utilizing voice recognition and voice recognition UI (user interface)/UX (user experience), will begin a Proof of Concept ("PoC") trial run conducting compliance checks for financial trades placed over the phone.

This service aims to provide an accurate verification system by constructing a process utilizing actual phone call recordings and seeks to allow financial institutions conducting sales activities by phone to easily detect inappropriate responses that may breach laws such as the Financial Instruments and Exchange Act.

The compliance check service for phone call recordings service will seek to do as follows:

1. Conduct tuning services to add customer-specific vocabulary data, build language models, and construct acoustic models for Advanced Media's voice recognition engine AmiVoice.
2. Build a voice recognition system with an embedded and tuned voice recognition engine within the financial institution's systems. Training on the various settings and methods for use will also be offered. The system will input recorded phone conversations and convert conversations to text within the actual environment.
3. Input content that should be detected through analysis as training data for FRONTEO's artificial intelligence ("AI"), KIBIT, to teach it to identify situations including:
 - ┆ Communication between a sales representative and customer that might infringe on compliance standards
 - ┆ Transactions that have the possibility of deviating from company or business policies and rules
4. Analyze recorded phone conversations that have been converted to text with KIBIT. Verify KIBIT's accuracy in detecting and scoring inappropriate responses. Adjust tuning as needed.

Both FRONTEO and Advanced Media have an extensive track record of working with financial institutions and believe they possess the compliance knowledge necessary to provide a one-stop process to achieve financial institutions' compliance goals. Furthermore, FRONTEO and Advanced Media's services include converting conversation records into text, tuning to improve AI analysis accuracy, and training on application and engine usage, allowing a smooth transition to the service beginning with early implementation or from verification. The verification period is estimated to be approximately three to four months for a standard workload.

The AI engine, KIBIT, has showcased an ability to correctly identify and score compliance-related verifications even when text was incorrect by understanding the surrounding context. Thus, a combination of voice recognition and text analysis technology makes it possible to find context for analysis even if the sentence text is not correct.

Currently, every financial institution is engaged in fulfilling its fiduciary duties. Both FRONTEO and Advanced Media believe that the implementation of their compliance check service will greatly improve the quality and efficiency of identifying high-risk records. Furthermore, as employees improve their behavior, customer care can also improve. FRONTEO and Advanced Media will continue to offer this service while exploring expansions in its application, such as using it for responding to customer inquiries.

The compliance check PoC trial run for phone call recordings will be exhibited at the AI Expo scheduled to be held from June 28 through June 30 at Tokyo Big Sight. For more information on AI Expo, please visit <http://www.ai-expo.jp/en/HOME>

Name: 1st AI EXPO: Artificial Intelligence Exhibition & Conference
Dates: Wednesday, June 28 - Friday, June 30, 2017
Venue: Tokyo Big Sight
Booth: 32-39 (East Hall 6)

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/>.

About Advanced Media, Inc.

Advanced Media, Inc. provides three forms of business services, which are all centered on its voice recognition technology.

- Solution support business offers planning, designing, and developing voice recognition solutions incorporating AmiVoice.
- Product business offers license of application which incorporate AmiVoice.
- Service business offers services that incorporate AmiVoice for business users and general consumers.

Advanced Media's voice recognition technology, AmiVoice, is different from past voice recognition systems operated through machines. It is an intelligent human interface that is organized around voice recognition and can react and record like a person when someone speaks to the machine naturally. Advanced Media provides AmiVoice to a wide range of businesses such as call centers, healthcare service providers, regional governments, mobile service providers, logistics companies, and so on.

For more information about Advanced Media, visit <http://www.advanced-media.co.jp>

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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