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## **FRONTEO Announces That More Than 50 Companies Have Adopted Products Equipped with Its AI Engine KIBIT**

TOKYO, July 06, 2017 (GLOBE NEWSWIRE) -- FRONTEO, Inc. ("FRONTEO") (NASDAQ:FTEO) (TSE:2158), a leading provider of artificial intelligence ("AI") based big data analysis services, announced at its Ordinary General Meeting of Shareholders on June 29th that more than 50 companies have introduced products equipped with KIBIT, the AI engine developed by FRONTEO.

FRONTEO's AI business includes the "KIBIT Knowledge Probe" system for the supporting analysis of business data, the "KIBIT Patent Explorer" system for patent research and analysis, the "KIBIT Email Auditor" system, the "AI Process Outsourcing" system that promotes processes that use AI, the "AI Utilization Expert Development Program", and the "Financial Institution Solutions" system.

FRONTEO's AI business had 45 companies as clients and achieved 280 million yen in sales in FY2016 (ended March 31, 2017), which is more than double FY2015 (ended March 31, 2016) with 20 companies as clients and 110 million yen in sales. Adoption of FRONTEO's services has continued to grow in the current fiscal year, and the cumulative number of companies implementing the services is now more than 50 as of June 29, 2017. These solid achievements are results of increased awareness in the improvement of operational efficiency and the creation of added value through the use of companies' text data assets, the increased understanding of the implementation of artificial intelligence, positive customer feedback regarding trial results that had been conducted up until the previous year, and the Company's ability to provide a full range of related services for software products equipped with KIBIT.

KIBIT Knowledge Probe is widely used in the analysis of various text data handled by companies. In particular, it is attracting attention for its improvement of customer satisfaction, compliance efforts, and application in Regtech (Regulation x Technology) for financial institutions. Further developments such as the implementation to support the judgment of fund managers during investments are expected. KIBIT Knowledge Probe has also started to be used in HRtech (Human Resource x Technology) to improve retention rates by finding signs that point to employee turnover.

Utilization of KIBIT Patent Explorer by manufacturers is increasing, especially in the chemicals sector. In addition to the utilization by professionals in human resource development programs, Patent Explorer is also penetrating into the intellectual property sector, such as the establishment of a platform for KIBIT Patent Explorer users to exchange collected information. In addition, KIBIT Email Auditor has been adopted by foreign companies.

Products equipped with KIBIT offer affordable implementation and running costs, and are highly regarded among AI-related products as a result of their user friendly features, application with a small amount of data, and their practical effectiveness such as providing analysis results in a short amount of time. FRONTEO will further strengthen the adoption of KIBIT-related AI products while continuing to provide a sound development and sales framework.

### **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](mailto: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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