

July 25, 2019

FRONTEO to Announce the Results of Preliminary Survey in “LegalTech AI White Paper” – Results of the First Survey in the Industry to be Announced this Autumn

Survey on Market Size and Use Trends Across the Entire LegalTech Industry

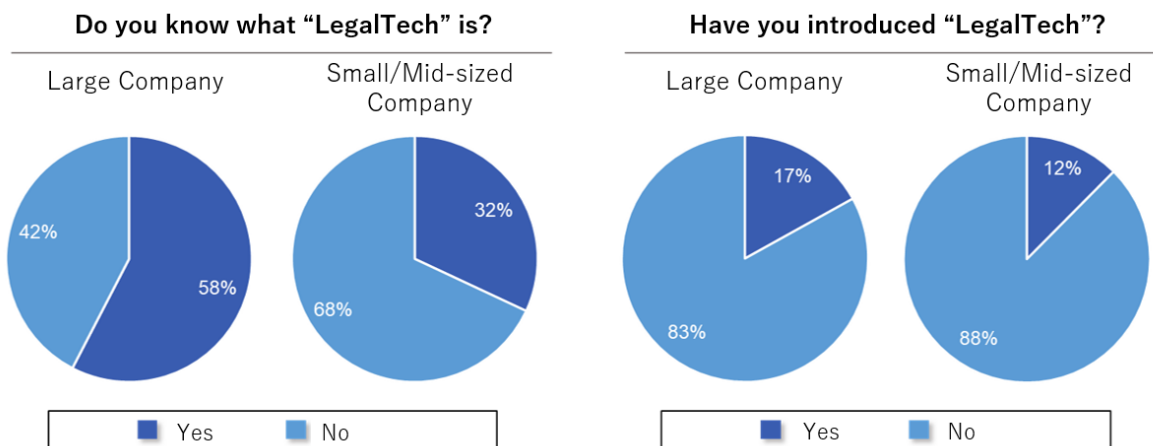
TOKYO, July 25, 2019 - FRONTEO, Inc. (“FRONTEO”) (NASDAQ: FTEO) (TSE: 2518), a leading provider of artificial intelligence (“AI”) based big data analysis services, will issue a “LegalTech AI White Paper” summarizing the market size and use trends of the LegalTech (*) industry this autumn. Prior to this, FRONTEO will announce the results of the preliminary survey conducted for the issuance of the white paper.

The white paper is the first attempt in the industry to conduct a survey on the market size and use trends not only for the litigation support field, which is the core business of FRONTEO, but also for the entire LegalTech field. The results of the survey are expected to be announced this autumn, and several trends which were revealed in the preliminary survey will be introduced this time.

*LegalTech is a collective term for legal business services utilizing IT technology including AI. It is called xTech together with Fintech and HR Tech, and has become a recent trend in the utilization of IT services.

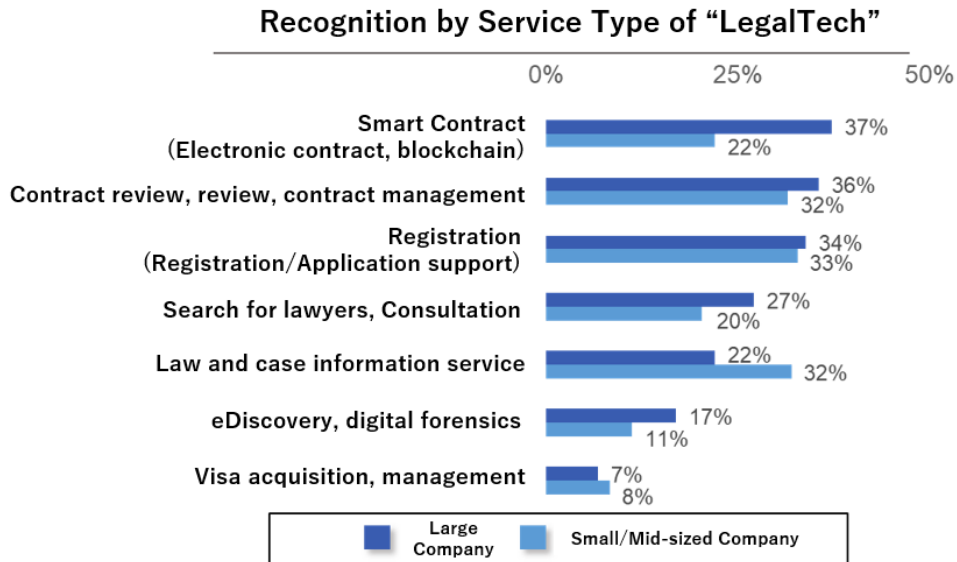
Point 1: Status of Recognition and Introduction of “LegalTech”

While recognition and understanding of LegalTech is advancing at large companies, more than 60 percent of the legal staff surveyed answered “Not familiar with” or “Only familiar with the name,” suggesting that utilization of IT in legal business is still not being promoted. Less than 20 percent of large companies, medium-sized companies and SMEs have introduced LegalTech, and it is said that the market is still at its dawn.



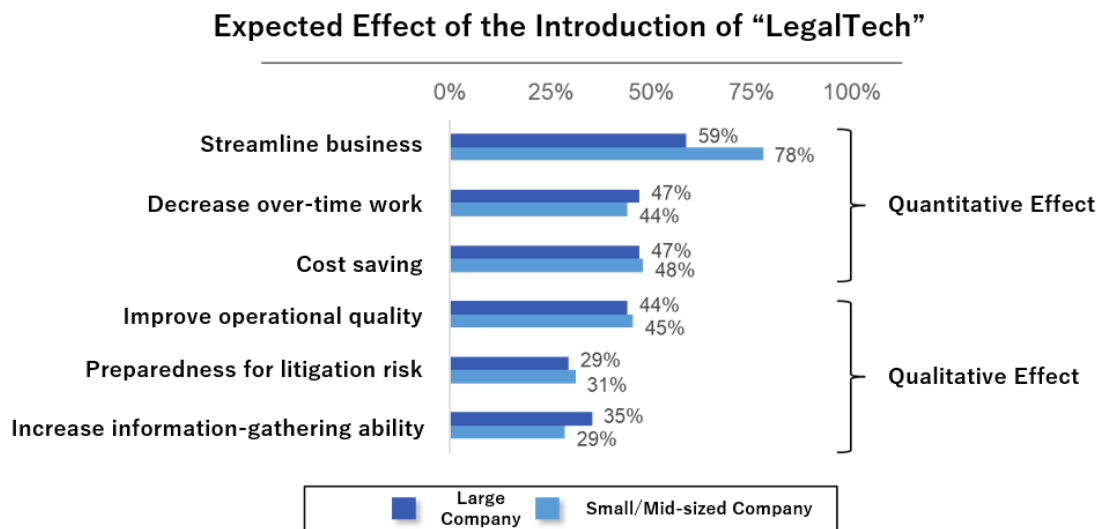
Point 2: Recognition by Service Type of “LegalTech”

Great interest in contract-related services, which account for the majority of corporate legal business, is seen. On the other hand, name recognition of litigation support and digital forensics, which are the primary forms of LegalTech in the U.S., is low.



Point 3: Expected Effect of the Introduction of “LegalTech”

While great interest in the services can be seen, “quantity” surpasses “quality” with respect to the expected effect of the introduction of “LegalTech.” It is expected that the introduction of LegalTech will be promoted significantly with the advancement of understanding on its effects and utility.



Overview of the Preliminary Survey

- Survey method: Online survey
- Survey target: People engaged in legal business at companies
- Number of samples: 300

*Number of samples is scheduled to increase in the survey



“Recently, movements to improve business efficiency using AI and advanced technology such as Fintech and HR Tech have accelerated. The legal field is no exception and interest in “LegalTech” aiming to enhance productivity in legal business by utilizing IT and AI is also increasing. LegalTech started in the U.S. and has rapidly spread against the backdrop of imminent needs of close investigation of enormous amounts of electronic data (e-mails and various electronic files) in a procedure called “Discovery.” LegalTech is entrusted to experts outside Japan as its recognition in Japan is low and the primary utilization method and effectiveness as well as the risk of not utilizing LegalTech is not known in Japan. It is a field in which future development can be expected for Japanese companies and domestic law offices promoting globalization.

As a leading company in the LegalTech AI industry, FRONTEO is delighted to conduct this survey and announce the results to everyone. The results of the survey are expected to be announced around this autumn. FRONTEO will continue to strive to introduce the latest LegalTech technology to Japanese companies and support adoption of it” says Mitsuru Kariya, Director, Global Strategy at FRONTEO.

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 <https://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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