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FRONTEO Adds Harassment Information Knowledge Base to Email Auditor 19, an Email Auditing System Utilizing AI

Enabling email auditing to start in a short period of time

TOKYO, August 20, 2019 - FRONTEO, Inc. (“FRONTEO”) (NASDAQ: FTEO) (TSE: 2518) a leading provider of artificial intelligence (“AI”) based big data analysis services, announced today that it has newly added a knowledge base (pre-trained model) to the Email Auditor 19 (“EA19”), its email auditing system utilizing KIBIT, FRONTEO’s proprietary AI engine, to detect harassment in the emails. Using EA19, companies will now be able to commence email auditing in a short period of time, even without past harassment case data or sample data.

Public concerns over various types of harassment, including power harassment, sexual harassment, and maternity harassment, are extremely high. Inappropriate measures against harassment and concealment of harassment have generated health hazards and reduced motivation for employees, and it is not uncommon to see companies’ reputations dive due to news reports on harassment breaking out and spreading through SNS. Moreover, on May 29, 2019 there was a proposal for the revision of the Act on Comprehensive Promotion of Labor Policies that would place companies under an obligation to establish suitable policies for preventing power harassment. As it becomes clearer that corporations will be obligated to provide countermeasures against harassment, and given that the Ministry of Health, Labour and Welfare could publish a list of companies that are in violation of this, the enhancement of monitoring of and countermeasures against harassment can be thought of as a pressing challenge in business.

Until now, EA19 has been able to conduct harassment detection so long as client company provides with sample data (training model to be used for detection) based on past cases of harassment. However, there are some issues including difficulty in preparing samples when companies have not compiled data, and the fact that it is not suited for comprehensive screening because past cases focuses on some issues more than others. The “harassment detection knowledge base,” developed by utilizing knowhow garnered through years of screening and textual analysis, solves these problems and enables an ever-greater number of companies to start email auditing in a short period of time.

■ Three steps to full-scale use of the harassment detection knowledge base

Step 1: Set up the harassment detection knowledge base for EA19 and start email auditing.

Step 2: Tune the training model for the user’s circumstances and issues.

Step 3: Based on the results of step 2, begin regular use.

Upon the establishment of regular use, FRONTEO will support high-quality auditing through various optional services such as a trend mail service (email service reflecting the times, free of charge), periodic examination service (after operations, regularly reviews detection accuracy for a fee), and spot review (review detection accuracy as requested by the user for a fee).



As a follow up to “harassment” knowledge base, FRONTEO plans to start offering knowledge bases in other fields such as “data breach” and “accounting fraud.”

FRONTEO will continue to enhance the functions of its products and work to provide optimal solutions in order to support our client’s countermeasures against risk and in enhancing compliance.

About Email Auditor 19

Email Auditor 19 is an email auditing system that analyzes mass quantities of emails using artificial intelligence that has learned the perspective of an auditor. It contributes to establishing an effective compliance structure, preventing the recurrence of wrongdoings and detecting them at an early stage.

Product page: <http://www.kibit-platform.com/products/email-auditor/>

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 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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