

ISID and FRONTEO Begin Proof of Concept Trial Using KIBIT AI Engine to Analyze Hokuriku Bank Text Data

Targets AI use in building a client-based marketing system through big data analysis of client proposal and financial instrument marketing interactions

TOKYO, August 31, 2017 — Information Services International-Dentsu, Ltd. (“ISID”) (TSE:4812) and FRONTEO, Inc. (“FRONTEO” or the “Company”) (Nasdaq:FTEO) (TSE:2158), a leading provider of artificial intelligence (“AI”) based big data analysis services, announced that it has commenced a joint proof of concept trial (the “Trial”) with The Hokuriku Bank, Ltd. (“Hokuriku”) utilizing KIBIT, a proprietary artificial intelligence engine developed by FRONTEO, to increase the sophistication of applications of text data in Hokuriku’s business.

The goal of the Trial is to establish a system that will enable Hokuriku to fine-tune its client services and implement a client-based marketing system that utilizes KIBIT’s analysis to categorize and precisely extract data mined from a large volume of records on interactions between Hokuriku employees and clients in a short period of time, and to determine factors such as whether proposals to clients are appropriate and whether appropriate explanations are provided when marketing financial instruments. The Trial is expected to take about two months and intends to verify the validity of the analytical results of KIBIT and suggest possibilities of implementing KIBIT into Hokuriku’s businesses.

As the developer of KIBIT, FRONTEO will be responsible for optimizing KIBIT’s efficiency in the extraction of data, providing support in producing the data to feed into the AI, presenting training on how to operate KIBIT, and providing all other aspects of technical support during the Trial. ISID, with its expertise gained from providing solutions that facilitate communication-building with clients to Hokuriku and many other regional financial institutions, will support the production of training data*, evaluate the analytical results, and provide other types of support aimed at implementing KIBIT under real business conditions.

The following is an outline of the Trial:

1. Analysis of client proposal interaction records

Hokuriku is promoting a client support campaign throughout its bank as an initiative to encourage employees to always take the clients’ best interests into consideration. Each interaction between employees and clients are categorized into successful cases or cases that need additional support. Hokuriku’s headquarters then follows up on the latter category of cases and efforts are made to ensure that Hokuriku’s services meet the needs of its clients. However, some cases are often overlooked due to the high volume of the records of these interactions. The goals of the Trial are to use KIBIT to verify whether categorization and extraction from all records can be achieved within a short amount of time and to create a system that will enable Hokuriku to seamlessly follow up on cases.

2. Monitoring records of interactions concerning marketing of financial instruments

Hokuriku is monitoring the status of its client-based initiatives by analyzing records of interactions concerning the marketing of investment trusts, life insurance, and other financial instruments to determine whether the marketing is well-matched to the needs and objectives of the client and whether the instruments are properly explained. Bank personnel in Hokuriku currently spends an enormous amount of time verifying these factors for each transaction, and the Trial will seek to prove that using KIBIT to analyze data from records of interactions will bring higher accuracy in a short amount of time.

Based on the results of the Trial, ISID and FRONTEO will make further improvements to the accuracy of the analytical results, develop a plan to implement KIBIT within Hokuriku's operations based on current business conditions, and provide necessary support. ISID and FRONTEO also plan to jointly develop new services that combine the technology and solutions of the two companies based on the experience gained from the Trial.

*training data: In this Trial, text that KIBIT will extract from the records of past interactions regarding certain topics is selected to teach the AI. KIBIT is able to perform analysis with minimal data, ranging from several transactions to dozens of transactions.

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 Information Services International-Dentsu, Ltd. (ISID)

Since its establishment in 1975, ISID has provided comprehensive services as a business partner for its clients, from consulting services to system planning, design, development, operations and maintenance support. ISID aims to be an "IT Solution Innovator" and is proactively developing business operations in a wide range of fields, including solutions for financial institutions, product development solutions, group management and consolidated accounting, human capital management (human resource, personnel, payment and performance management), ERP, marketing, and cloud-based services.

For more information about ISID, contact g-pr@isid.co.jp or visit <https://www.isid.co.jp/english/>.

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.