

April 5, 2018

## **FRONTEO's Artificial Intelligence KIBIT to be Used in the Selection of the Bank of Yokohama's New Graduate Recruits**

TOKYO, April 5, 2018 -- FRONTEO, Inc. ("FRONTEO") (NASDAQ: FTEO) (TSE: 2158), a leading provider of artificial intelligence ("AI") based big data analysis services, announced that Concordia Financial Group, Ltd.'s Bank of Yokohama will use "KIBIT," the AI engine independently developed by FRONTEO for the entry sheet selection of its FY2019 new graduate recruits.

Since last year, the Bank of Yokohama has been using KIBIT for the analysis of interview records with customers. For this new project, the Bank of Yokohama intends to use KIBIT in an initiative for conducting more objective and focused assessments of new graduate applicants. Results of a proof of concept trial on entry sheet assessment by KIBIT confirmed that KIBIT was capable of selecting applicants based on more objective, consistent assessment axes.

In the selection in FY2019, KIBIT, which has learned past data as training data, will read sentences stating aspirations and motives, etc. of applicants and quantify its assessments. Based on KIBIT's assessment, applicants who meet overall selection criteria will pass the documentation screening phase and continue with selection procedures, including an interview.

KIBIT is a technology capable of learning "tacit knowledge" and "sensitivity" that experts view as important on the basis of their own experiences, and ranking in descending order of relevance large amounts of target text data. KIBIT achieves advanced information analysis techniques that allow people to extract quickly and accurately the information that they want rather than search data items one by one using keywords or other methods.

Using KIBIT, the Bank of Yokohama has been able to drastically reduce the time required for checking entry sheets, which was previously a laborious task requiring multiple recruitment officers to screen thousands of entry sheets and make decisions on whether to accept or reject applications. The Bank of Yokohama now intends to engage in more dense employment selection activities by appropriating newly created time for personal interviews and other face-to-face communications. Continuing on from this project, FRONTEO will further develop its services using AI in human resource technology.

### **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 UBIG, 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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