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## **FRONTEO's AI KIBIT to Reduce New Hire Turnover at Solasto**

TOKYO, March 10, 2017 (GLOBE NEWSWIRE) -- FRONTEO, Inc. ("FRONTEO") (NASDAQ:FTEO) (TSE:2158), a leading provider of global eDiscovery solutions and big data analysis services, and Solasto Corporation ("Solasto"), which provides medical support services such as reception and medical billing for over 1,500 medical facilities, today announced that it will begin a full-scale initiative in late April 2017 aiming to increase the retention rate of its employees by utilizing the KIBIT artificial intelligence ("AI") engine. KIBIT analyzes transcripts from interviews with new hires to identify employees who are insecure or unsatisfied with the job at an early stage, therefore aiming to prevent them from leaving their positions by addressing the identified cases.

KIBIT is the AI engine developed by FRONTEO in Japan that combines artificial intelligence technology and behavior informatics. Using the text from interview transcripts, KIBIT can analyze and learn the kind of comments made by employees that display insecurities or dissatisfaction with their positions. By scoring the degree to which these comments are connected to employees leaving Solasto, it can efficiently identify the employees that Solasto will need to conduct follow-up interviews with.

In November 2016, the two companies started developing the proof of concept for the analysis of text from interview transcripts by KIBIT. Going forward, in addition to conducting trials on an even larger scale, both companies will seek to establish an even more accurate method for recording interview transcripts and a mechanism for support information for employees based on these interview transcripts. The companies aim to begin full-scale operations in late April 2017.

Solasto has provided medical support services such as medical billing and reception for medical facilities for over 50 years, and it currently employs more than 20,000 people. The number of employees hired each year is as high as 5,000, and thus employees with diverse ages, experiences, and backgrounds can start to work at Solasto every day. As a result, one of its key growth strategies is to emphasize initiatives that focus on the employees who provide its core services. In order to provide support for its new hires, Solasto has created a system to listen to the opinions of its employees in detail through a number of methods, including conducting employee interviews more than seven times a year. However, since there are roughly 2,000 interview subjects per month across Japan, building a system that can discover the employees who have insecurities, dissatisfaction, or concerns with their jobs at an early stage and to carry out appropriate follow-ups had become a major challenge.

Solasto has a new service model that integrates personnel and ICT to provide dramatic improvements in productivity and higher quality services in the Japanese service industry, which is said to be dependent on individual skills and have low productivity. In addition, it positions employee satisfaction as an important corporate goal and promotes this introduction of KIBIT as an integral part of changes that improve how people work.

FRONTEO aims to further expand the fields where KIBIT is used. In addition to KIBIT's current services in the legal field for the discovery of fraud, in business intelligence for the discovery of sales opportunities and sorting information, as well as in healthcare for reading tendencies in mental states and behavior, FRONTEO is expanding the opportunities for KIBIT's services in human resources through its initiative with Solasto.

### **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](mailto:global_pr@fronteo.com) or visit <http://www.fronteo.com/global/>

### **About Solasto Corporation,**

(former Nihon Iryo Jimu Center (N.I.C. Corporation))

Established in 1965 as Japan's first-ever educational institution for medical support services, it celebrated the 50th anniversary of its founding in October 2015. In June 2016, it was listed on the Tokyo Stock Exchange, First Section (TSE:6197). It has over 25,000 employees, and has developed business in the fields of medical support services under outsourcing contracts from medical facilities across Japan; elderly care services including home care services, such as home help and day service in the Tokyo metropolitan, Kansai and Nagoya areas, as well as child care services, mainly in child care centers certified by the Tokyo Metropolitan Government. Net sales were 63 billion yen in the financial year ended March 31, 2016. URL: <http://www.solasto.co.jp/>

### **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.

CONTACT: FRONTEO Global PR

[global\\_pr@fronteo.com](mailto:global_pr@fronteo.com)

 Primary Logo

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