May 24, 2017

To whom it may concern

Sumitomo Mitsui Financial Group, Inc.
SMBC Nikko Securities Inc.
FRONTEO, Inc.

Launch of a Project using Artificial Intelligence (AI) to Improve Customer Satisfaction

Sumitomo Mitsui Financial Group, Inc. (SMFG) (President and Group Chief Executive Officer: Takeshi Kunibe) and SMBC Nikko Securities Inc. (President & CEO: Yoshihiko Shimizu) have assessed and verified the effectiveness of KIBIT[1], an artificial intelligence (AI) engine independently developed by FRONTEO, Inc.[2] (Chief Executive Officer and Chairman of the Board: Masahiro Morimoto), in analyzing data to improve customer satisfaction. Based on this result, SMBC Nikko Securities will adopt KIBIT[*1] in its efforts to improve its customer services and to achieve company-wide work-style reform through the streamlining of business processes.

SMBC Nikko Securities has extensively examined how it can use artificial intelligence in order to offer services beneficial to customers. In January 2017, the company started assessing the use of KIBIT in various fields. Through a proof of concept (POC) using actual data, its effectiveness was verified.

More specifically, among responses of call center operators that were recorded in the record of inquiries from customers, those that resulted in improved customer satisfaction, which operators were not aware of or did not report, were identified with a high degree of accuracy. We are planning to start assessing the effectiveness of KIBIT in extracting and classifying complaints and dissatisfactions that operators fail to notice or that are hidden and difficult to identify superficially.

Key features and advantages of KIBIT include that it only needs a small amount of data to learn and takes only a short time to make an assessment. The objective of our project is for KIBIT to learn tacit knowledge accumulated at SMBC Nikko Securities to identify and share issues and knowledge that should be learned and addressed in order for us to become a strong, powerful company that is immune to effects of the external environment. KIBIT can also quickly organize a vast amount of records and identify the information we need, which is highly likely to help improve employee productivity. It is therefore expected to contribute to our efforts for work-style reform.

SMBC Nikko Securities will expand the use of KIBIT throughout the company in order to not only improve customer services but also to achieve the goals of work-style reform. FRONTEO will continue offering support to facilitate the full-scale adoption of KIBIT in business operations.

All SMFG Group companies will make effective use of cutting-edge digital technology in various use settings in our continuing efforts to improve services we offer to customers.

[1] KIBIT is an artificial intelligence engine originated in Japan. It was independently developed by FRONTEO by combining Landscaping, an AI-related technology, and behavior informatics. The name "KIBIT" was coined by combining "*kibi*," a Japanese word meaning subtlety, and "bit," the smallest unit of digital information, to mean artificial intelligence that understands human subtleties. It can reproduce the way humans make judgments and select information by understanding the meaning of a sentence within a text and learning human tacit knowledge and sensitivities.

[2] FRONTEO is a data analysis company supporting big data and other information analysis using KIBIT, its independently developed artificial intelligence engine. The company was established in August 2003 as a company that supports eDiscovery (electronic evidence disclosure), a procedure for preserving, investigating and analyzing evidence materials for the purpose of using them in international litigation, and computer forensic investigations. Listed on the Tokyo Stock Exchange Mothers section and the NASDAQ.
URL: http://www.fronteo.com/