

For Immediate Release

Shinsei Financial Co., Ltd.

## **“SF Hackathon” Held**

Tokyo (Wednesday, April 5, 2017) --- Shinsei Financial Co., Ltd. (hereinafter, “Shinsei Financial”) today announced that it held a “SF Hackathon”<sup>1</sup> for university and graduate students for nine days from Tuesday, March 21 to Friday, March 31, and presented the final results on the last day with the participation of outside jurors. “SF Hackathon” is a data analysis contest with the purpose of enhancing the prediction of individual credit risks, which is Shinsei Financial’s core technology, and providing students with learning opportunities.

Six university and graduate students including The University of Tokyo and Kyoto University participated in this first “SF Hackathon.” Using Shinsei Financial-owned actual data of card loans for individuals, the participants developed a model to predict the probability of credit losses of customers who applied for a card loan product, based on algorithms such as deep learning, random forest, and logistic regression, and competed for the accuracy of the developed model as well as the novelty and development potential of the idea.

At the presentation of the final results, each of six students provided a six-minute presentation on the appealing points and determination ability of their developed model. Four jurors including Takashi Hara, the chief editor of Nikkei FinTech, Ryotaro Kato, President and CEO of SecondXight, Inc., Riku Sugie, President and CEO of Shinsei Financial, and Andrew Hoshino, Senior Manager of the Group Business Strategy Division, Shinsei Bank, Limited evaluated the details of the presentations.

As a result of the evaluations, Taishi Watanabe, a first year master’s student of the Graduate School of Frontier Sciences, The University of Tokyo, was selected as the winner of the Award for Excellence, which is granted to the student who developed the model with the highest determination ability. Shota Hara, a third year undergraduate student of the Department of Physics, Faculty of Science and Technology, Tokyo University of Science, won the Special Jury Award, which is granted based on the evaluations of the competitors comprehensive skills including the idea of the developed model and the presentation.

Participant students provided feedback on the event such as “I was strongly impressed by the high level of awareness of employees who gave us guidance over the nine days” and “As I have no opportunities to use data which are actually used in business, I have learned much from this event.” Mr. Sugie who served as a juror said to the students, “I would like you to further enhance your analyzing and presentation skills because language and figures will become your strengths to objectively communicate things to others when you will work in future.”

Shinsei Financial is pursuing the research of leading-edge technologies and the study of their use in business in line with our vision of “financial services for ordinary people.” Shinsei Financial held the SF Hackathon as part of these activities, and will continue to implement it going forward.

<sup>1</sup> “Hackathon” is a term coined with the combination of “Hack” and “Marathon.” In general, it is an event in which several teams consisting of computer programmers and designers work on a given topic intensively for a prescribed period of time and compete for the results.



Mr. Watanabe, the winner of the Award of Excellence, and President Sugie of Shinsei Financial



Mr. Hara, the winner of the Special Jury Award, and President Sugie

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