

For Immediate Release

Shinsei Bank, Limited
Shinsei Corporate Investment Limited

Investment in COMPASS by Child-care Support Fund

Tokyo (Friday, April 13, 2018) --- Shinsei Bank, Limited (Chuo-ku, Tokyo; President and CEO: Hideyuki Kudo; hereinafter, "Shinsei Bank" or "the Bank") and its subsidiary, Shinsei Corporate Investment Limited (Chuo-ku, Tokyo; President and CEO: Ippei Matsubara; hereinafter, "SCI") today announced that they have underwritten the third party allotment executed by COMPASS Inc. (Shinagawa-ku, Tokyo; Representative: Genki Jinno) on March 30, 2018, through the Japan Impact Investment I Limited Partnership (hereinafter, "Child-care Support Fund") jointly formed by Shinsei Bank and SCI.

COMPASS has developed an AI (Artificial Intelligence) driven tablet learning system, "Qubena," and provided it to schools including tutoring schools and preparatory schools, and the number of users reaches 15 thousand students (as of April 1, 2018). COMPASS has also operated its tutoring school, "Oubena Academy," and has provided the STEM education course¹ since August 2017 in addition to the course used the Qubena.

By analyzing learning activity logs, calculation process and answer data for each of student, Qubena's AI system specifies points which is causing a student's stumble, guides him or her automatically to questionnaires which the student has to solve, and achieves the efficient and effective learning. In the introduction trial conducted by COMPASS, participated students completed mathematic classes for the first semester in the junior high school 1st grade only in two weeks while it takes 14 weeks in general in a school, and all students obtained higher scores than the grade average score in the examination. In the White Paper on Telecommunications for fiscal year 2016 (published by Ministry of Internal Affairs and Communications), the service provided by COMPASS was introduced as "an advanced ICT utilizing example in the public sector" and "the service which the future growth can be expected." Because COMPASS plans to expand its business by developing customized contents for different tutoring schools, it raised funds through third party allocation of shares, and Shinsei Bank and SCI have subscribed to some of the shares allocated.

Child-care Support Fund was formed in January 2017 by Shinsei Bank and SCI in order to undertake impact investments² in domestic child-care related businesses. The Fund provides approximately 50 million yen per investment to early-to-later stage companies engaging in businesses such as childcare, after-school care, education, household support, and supporting families caring both children and elders in parallel, and work-life balance-related businesses such as support of working women. The Fund made its investment in mama square Co., Ltd., which operates offices with kids' spaces, UniFa Inc., which offers the IoT solution to nurseries, and WISDOM ACADEMY Inc., which operates private after-school daycare center, and this is the fourth investment. Shinsei Bank and SCI will strive to identify additional investment targets and aid their development.

¹ The term "STEM" is comprised of four terms; "Science," "Technology," "Engineering," and "Mathematics." Since the former President Obama introduced it in the educational system in the U.S.A., this term has gotten an attention from all over the world. In the STEM education, because four educational fields have related each other deeply, it is considered that people has to learn four fields in relation to each other instead of learning fields one by one.

² Investments aiming to secure both economic and social returns

[Summary of COMPASS]

Name : COMPASS Inc.
Establishment : December 25, 2012
Representative : Genki Jinno
Headquarters : 14-1, Kamioosaki 3-chome, Shinagawa-ku, Tokyo
Business : Development and sales of AI-based tablet learning system
Capital : 859 million yen (Post-third party allotment)

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