

i' s FACTORY co., ltd.

Epic Partners Investments Co., Ltd.

Real-world testing of next generation AI stock trading to commence

Japan' s first AI trading system using ensemble learning predicts trends in stock prices.

Press Release TOKYO, October 31, 2018

i' s FACTORY co., ltd. has agreed with Epic Partners Investments Co., Ltd., an independent hedge fund, to start real-world testing of the next generation AI trading system.

Development of an AI trading system using ensemble learning is the first in Japan (as of September 30th, 2018).

Through the analysis of trends in stock prices, and building predictive models using machine learning, both companies have managed to build a model which in theory achieves constant return.

As the next step, the model will be put to use in real-world trading in the coming months.

The traders at Epic Partners Investments will trade Japanese stocks according to the trends prediction calculated by the predictive model, to test the effectiveness in the real-world operation, and to further enhance the model' s accuracy.

Ensemble learning made possible with the unique AI platform "bodais"

Real-world test will be carried out using the AI platform "bodais" .

"bodais" is a user-friendly data analytics service with built-in machine learning feature on cloud, developed by i' s FACTORY. Its notable feature includes automatic data-cleansing function, which enables a significant reduction of time and effort needed to make raw-data ready to be analyzed.

In the latest AI trading system, the predictive model is based on ensemble learning-an analytical method whereby multiple predictive models are combined to make a single model.

A vast number of virtual traders were modelled on "bodais" to enhance predictive accuracy and to reduce the chance of underfitting.

For the real-world testing, the predictive model uses about 1000 variables, such as stock market indexes, exchange data, financial indicators and past trends in Japanese stock prices.

Using these vast amounts of data, “bodais” automatically chooses the variables and large-scale distributed system calculates the prediction. Through these technologies (patent pending), the predictive model was deployed with a demonstrable level.

For more information on bodais, please refer to <https://bodais.com/en/>

About Epic Partners Investments Co., Ltd.

Established in April 2005 as an investment adviser for the purpose of widely offering domestic general investors exposure to Japanese equity long/short strategy that was, until then, managed mainly for the interest of securities companies’ proprietary trading accounts, and Epic started investment advisory and asset management services with investment professionals who moved from proprietary trading departments of major Japanese and foreign securities companies heading its asset management business. Since Epic’s inception, it has achieved an excellent risk-adjusted-return and received various international awards which are granted to outstandingly winning funds or managers.

Epic is registered with the Kanto Local Finance Bureau (#432), an agent of the Japan Financial Services Agency, as an Investment Management Business manager and Investment Advisory and Agency Business manager, as well as a member of Japan Investment Advisers Association.

Epic has 17 company staff including 9 fund managers, running 4 offshore funds and several managed accounts for diversified clients such as high-net-worth individuals, institutional investors or foreign investors. In all funds or accounts of the firm, investment risks are significantly reduced under its market neutral strategy.

Web site: <https://www.epic-partners.jp/>

About i’ s FACTORY co., ltd.

Established in April 2000 by a group of Doctor of Science holders.

Over 300 data analytics projects and development of various analytics engines lead to an easy-to-use AI platform “bodais” .

“bodais” has made data analytics accessible to wider public without the need for expert knowledge and is being used by many companies.

In recent years, aside from collaborative development of AI engines and services, the company also provides AI training, on-site support, AI consulting on work style

reform etc. to promote AI being leveraged at workplaces to solve various problems such as shortage of workforces and knowledge transfer from the experienced workers to the novices.

Website: <https://bodais.com/en/>

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