

PRESS RELEASE

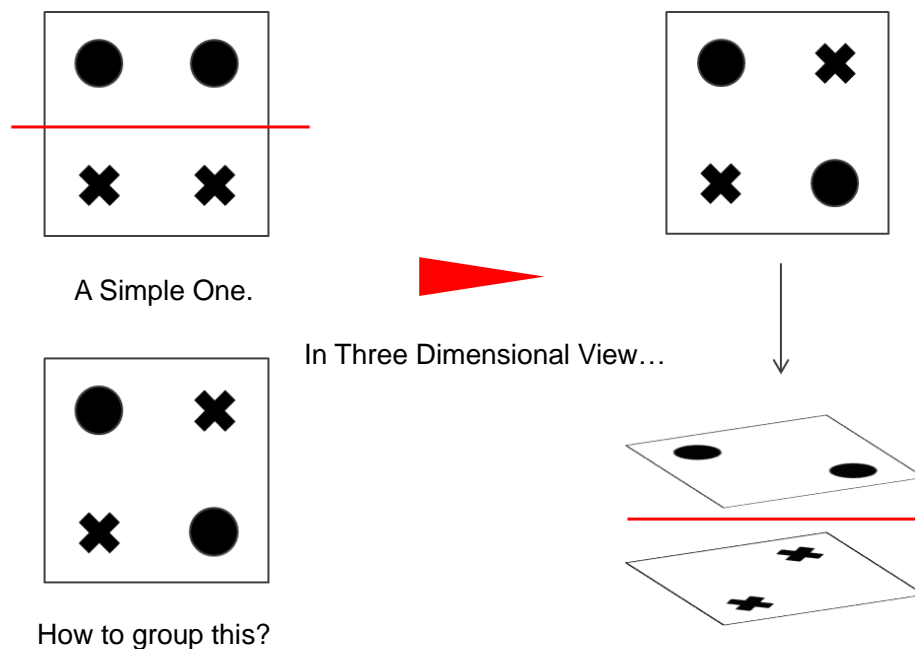
July 19, 2013

The i's FACTORY co. Ltd.

Letter from Data Scientist

The Complete Version of Clustering Service has been Released

Quick and Accurate Analysis, then Focus More on Business Strategy



The i's FACTORY co.ltd., (Chiyoda Ward, Tokyo, President and CEO Tomoyasu Ohba, "i's FACTORY" hereinafter) announces today that its automatic evolution(*1) cloud analysis tool "Bodais" features the complete version of clustering analysis (customer classification), starting on August 5, 2013.

The data scientist group i's FACTORY introduces today that its "Bodais," firstly released in 2001, has been added with clustering analysis.

Clustering analysis has "supervised" and "unsupervised" types, and the complete version features both types of analysis. "Bodais," a SaaS service, may free your hands from "scientists" usually requiring expensive tools and long periods on analysis. The cost of 1 yen per row (record) is also the best price to start your analysis.

Bring your business forward with "Bodais" that enables anyone to "visualize now" and "know the future."

◆ **What is Clustering Service?**

Clustering service is to classify (clustering) your data with its attributes. It provides the following versions; "supervised" and "unsupervised" services.

-Supervised clustering

Build a model using clustered data (supervised data) to give cluster codes to a new data. (also known as cluster modeling).

ID	Attr.1	Attr.2	Attr.3	...	Cluster
1	2	3	5	...	Pattern A
2	1	3	4	...	Pattern B
3	1	3	2	...	Pattern C
...					

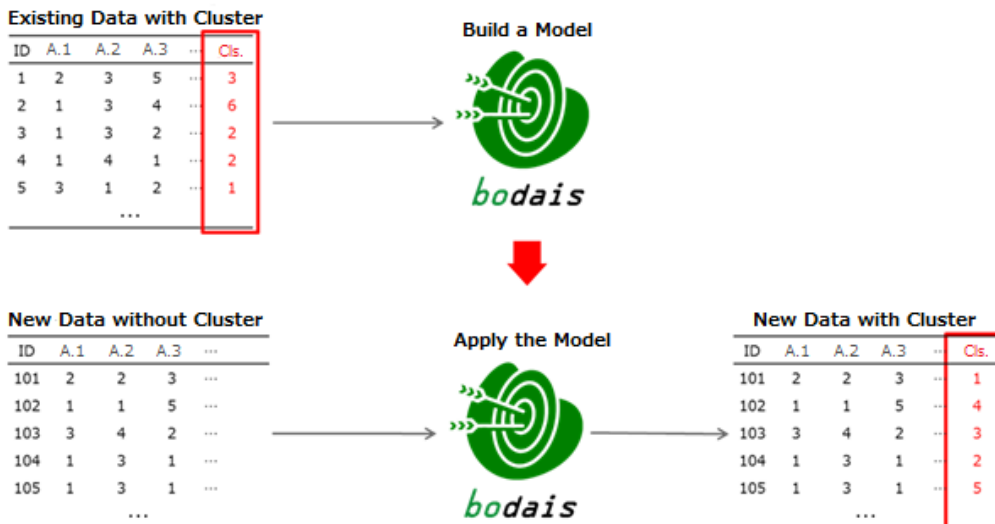
-Unsupervised clustering

When your data has no previously defined cluster (unsupervised data), this type of clustering gives cluster codes (cluster generation) before running the "supervised" version.

ID	Attr.1	Attr.2	Attr.3	...	Cluster
1	2	3	5	...	?
2	1	3	4	...	?
3	1	3	2	...	?
...					

◆ **Flow of Supervised Clustering**

1. Upload a clustered data on "Bodais" to build a clustering model.
2. Give cluster codes to a new data with unknown cluster codes.



◆ Scenes where clustering works

-Customer segmentation in retail and EC

Tell Bodais your own result of customer segmentation generated with attributes such as total purchase amount and frequency, and build a model with it. You can predict to which segment your new customer may be categorized (cluster modeling), and the result enables you to plan activity. For instance, you can focus on individual customers who should be loyal to you but not yet so.

[input data]

demographic information (gender, age, residential address, ...),

purchase history (the first item bought from you, total amount paid, ...)

-Client segmentation for BtoB sales

Clustering with adequate target group or unit, like departments, may help you to categorize your lead clients. You can develop effective sales teams to target similar companies/departments, to accumulate know-hows effectively, and to prepare well-targeted sales materials and proposals.

[input data]

basic client information (sales, number of employees, ...)

usage/purchase history (frequency, monetary, ...)

-Customer segmentation with inquiry data

Build customer clusters using answers for 30 questions (cluster generation). Since it is not practical to make all clients answer 30 questions, Bodais selects the 5 questions that have the highest selection power to build a model. It enables you to prepare only 5 questions to know the cluster to which your new customers belong (cluster modeling), and enables to apply the result with high flexibility, such as instant clustering of over-the-counter customers.

[input data]

demographic information (gender, age, residential address, ...),

usage/purchase history (frequency, monetary, ...)

response data for inquiry

-Classification of Web users

Build customer clusters with demographic information and access logs (cluster generation). For each customer, the demographic information may enable you to predict patterns of their usage for your Web service before they actually start to use (cluster modeling) The result enables you to plan actions in advance, such as to send useful Tips repeatedly to potential heavy users and to follow up possible dormant users after the point of their use.

[input data]

demographic information (gender, age, residential address, ...),

access logs (activity record on the Web)

◆ Fees

Base Fee + Usage Fees (0.6 - 1.2 yen per row)

-First-time registration fee: 20,000 yen (Open account and issue Bodais account)

-Usage fees

[Details on Usage Fees]

	Base Fee	Maximum Number of Rows with Base Fee	Per row Fee above the Maximum Number of rows	Best if Monthly Usage Amount is
Plan 1	8,000 yen/month	16,000 rows/month	@ 1.2 yen	less than 34,333 rows
Plan 2	30,000 yen/month	60,000 rows/month	@ 1.0 yen	34,333 to 130,000 rows
Plan 3	100,000 yen/month	200,000 rows/month	@ 0.8 yen	130,001 to 450,000 rows
Plan 4	300,000 yen/month	600,000 rows/month	@ 0.6 yen	450,001 rows and more
Note	This fee is charged each month regardless of the number of rows you used. Basic registration period is 6 months.	These numbers of rows above is the maximum number of rows per month you can use for analysis. You can carry over unused portion of rows up to 6 months forward.	The fee above is charged for rows exceeding the maximum number of rows per month, including rows carried over from past.	Above are to select the best plan for your potential monthly usage. Note: since the maximum rows can be carried over, these numbers may change depending on your frequency of usage.

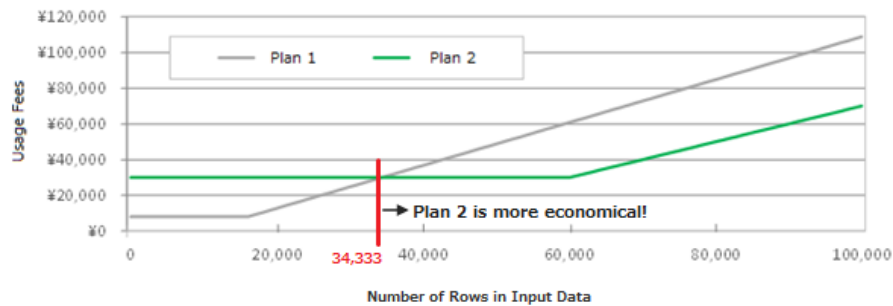
The unused portion within “the monthly maximum number of rows with base price” can be carried over up to 6 months forward.

The rows above are the sum of rows within input data files for modeling and prediction, except data headers. Adding rows to the existing dataset are charged accordingly.

If a session of analysis issues error, the rows used for the session are not charged.

Once an analysis finished successfully, the number of used rows is irrevocable even in the case you deleted the result.

-A Chart of Usage Fees



-Related Package

Package	Content	Price
Bodais introduction package (ask for further detail)	This is a package for the first-time user of Bodais, including start-up consulting and the base price of SaaS package for 6 months. Our consultant listens to your business goals, define the answer and process data to be appropriate for data analysis. This package also offers a "Bodais filter setting file" that enables your company to repeat and customize analysis on your own.	From ¥3,000,000 Additional fees may be charged depending on terms and conditions of analysis.

all fees above does not include sales tax.

Tackling Big Data

Big data is all the rage since the last year. We have an increasing number of clients who do not satisfy existing solution packages but try to activate their data for their own ends. Bodais is the automatic evolution cloud package we provide to answer client needs in a short period of time.

Clustering service adds strategic support to scoring service, with which the probability is given to business goals such as order receipts and membership admissions. Aside from customer segmentation, the analytic tool can be applied to a variety of business planning like prediction of machine failure and allocation of personnel.

Origin of Bodais

As the integrated service of analytical technologies that visualizes potential and course of action within large data and text information, "Bodais" is named after the "Bohdi mind", the intense desire for wisdom after enlightenment, combined with "dice" as a symbol of chance. "Bodais" is a service to discover wisdom in the data.

(*1) Automatic evolution, the term coined by i's FACTORY, is a concept of next generation computing where computer evolve itself learning the result of actions based on its prediction.

(*2) These fees are in effect as of July 2013.

<p>About Us i's Factory Co.Ltd. Foundation: April 25, 2000 Representative: President and CEO Tomoyasu Ohba(Doctor of Science) Stated Capital: 66,906,000 Yen</p>	<p>For Press Inquiry TEL 03-5259-9004 E-mail: sales@isfactory.co.jp Consulting&Sales Department Ikuta http://www.isfactory.co.jp/</p>
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