



October 25, 2016
Advanced Media, Inc.

The powerful partnership to accelerate the rapid business growth
Established the Strategic Alliance with AudioBurst Ltd.

The World's First AI Based Audio Content Repository and Search Technology Venture

We are pleased to announce that Advanced Media, Inc. (HQs: Tokyo, Japan, President and CEO: Kiyoyuki Suzuki, hereinafter called "AMI") has established the capital and business alliance with AudioBurst Ltd. (HQs: Tel-Aviv, Israel, CEO: Amir Hirsh, hereinafter called "AB"). AMI will own 9.32% of AB's outstanding shares.

AMI Group now pursues the goal of making a rapid sales growth based on the two growth drivers ("Growth Engine"): The first Engine consists of our current core businesses, and the second one does the new business creation, M&A, and overseas business development.

Given that the market of AI (Artificial Intelligence), IoT (Internet of Things) and smart robot are rapidly growing, AMI believes that the market demands for the speech technologies incorporated, next generation, cutting edge technologies should be exploding in the future.

In such a situation, AMI envisions to create a series of new services and solutions that can introduce the unique, brand new, and smart UI (User Interface) and UX (User Experience), and keep enhancing and integrating our core speech recognition technologies and the peripheral technologies such as NLP (natural language processing), intended interpretation, dialogue system, multi-language translation, and emotion detection.

Incorporated in Israel in 2015, AudioBurst Ltd. is building the world's first fully indexed audio repository. AudioBurst has built a technological platform that automatically processes, segments and organizes both live and on-demand audio content. AudioBurst is designed to be the consumers' main source of premium audio content served directly or via third parties (utilizing our API). Its screen-free infotainment offering seamlessly connects with a user's daily life using voice-activated devices, smart homes, connected cars and wearables. AudioBurst's technology utilizes advanced AI (Bot framework) and deep learning technologies. The platform identifies user's intent and can tailor a personal interactive audio feed. It was built to bridge the users' demand and the world of auditory content.

AudioBurst appears on "10 Innovative Companies to Watch in 2016" by Forbes and "15 exciting Israeli Tech Startups to Watch in 2016" by the Inc. magazine. While developing its consumer offering and partnership, it is already selling and serving language services to key Fortune100 customers in the media, tech, and financial sectors in the US.

This strategic alliance with AB should be another powerful growth driver for AMI group. We aim to integrate AB's unparalleled technologies with AMI's advanced service and solutions as soon as possible, create new services, explore new business opportunities, and accelerate our rapid growth.

In this strategic alliance,

- (1) AMI will obtain an exclusive license to B2B activity in Japan. Furthermore, AB will give a non-exclusive license to AMI for the same type of activity in China, Taiwan, Korea and Thailand.
- (2) AMI and AB will collaborate to integrate the cutting edge technologies of each company

We are confident that AMI-AB strategic partnership should help increase the value of AMI group while accelerating AMI's new business creation and enhancement of our technologies and engineering capabilities.

AMI invested 2 million US dollars in AB to own 6,643,341 AB's shares or 9.32% of AB's outstanding shares as of October 25.

Mr. Amir Hirsh, CEO of AudioBurst Ltd., says, "I am very pleased and excited to establish our strategic partnership with AMI. As we aim to make the audio content of the world available, searchable and sharable globally, it is imperative to partner with AMI who has significant technological achievement in Asian languages, mainly Japanese, Chinese, and Korean. This partnership is a corner stone in AudioBurst's move to open our Asian arenas. We really look forward to developing new services and exploring these new markets together with AMI."

Mr. Kiyoyuki Suzuki, Chairman & President and CEO of Advanced Media, Inc., says, "I believe the AB-AMI strategic alliance enable us to provide the brand new, value-added services for the market and eventually accelerate our efforts to achieve Human Communication Integration, or HCI, an integrated state wherein people can use natural communication to benefit from machines and computers. We will rigorously collaborate with AB team to develop and introduce new services to the Asian market and beyond."

[Corporate Profile]

<AudioBurst Ltd.>

Representative : Amir Hirsh, CEO
Headquarters : Tel-Aviv, Israel
U R L : <http://www.audioburst.com/>
Incorporation : June, 2015
B u s i n e s s : Development and sales of the technology platform and solution for audio content analysis, repository creation, and data search

<Advanced Media, Inc.>

Representative : Kiyoyuki Suzuki, Chairman & President and CEO
Headquarters : 6F Sunshinecity Bunkakaikan, 3-1-4 Higashi Ikebukuro, Toshima-ku, Tokyo, Japan
U R L : <http://www.advanced-media.co.jp/>
Incorporation : December, 1997
C a p i t a l : 4,973,097,504 yen (15,929,405 stocks) (as of September, 2016)
B u s i n e s s :

- Solution Support Business plans, designs and develops speech recognition solutions incorporating AmiVoice.
- Product Business offers application licenses incorporating AmiVoice.
- Service Business offers services incorporating AmiVoice to enterprise users and general consumers.

【Contact for Inquiries】

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