

Preferred Networks, Inc., A Spin-off Company

Towards next generation big data platform in IoT era

TOKYO – Preferred Networks, Inc. (PFN, HQ:Tokyo, Japan, President&CEO: Toru Nishikawa) was established on March 26th, 2014, as a spin-off company from Preferred Infrastructure, Inc. (PFI), a software development company with expertise in natural language processing and machine learning. The business focus of PFN is to apply real-time machine learning technologies to new applications in the emerging field of the Internet of Things (IoT). Separately, PFI will continue its research and development on natural language processing, and sales/maintenance business of comprehensive search platform “Sedue for BigData.”

The license of Jubatus, a big data analytics platform developed jointly by PFI and NTT Software Innovation Center, will be transferred to PFN. PFI will independently continue the development of Jubatus.

PFN addresses two major problems confronting data analytics in the IoT era:

1. Cloud computing is reaching its scalability limit as data volume explodes
2. Manual data analysis cannot cover the ever-growing variety of collected data

PFN solves these problems and realizes a new computing and network architecture for IoT by integrating advanced and unique technologies, including:

1. Edge-heavy computing
2. Distributed intelligence
3. Machine learning
4. Deep learning
5. Computer vision

By leveraging these methods for diverse applications, PFN plans to enter the following markets:

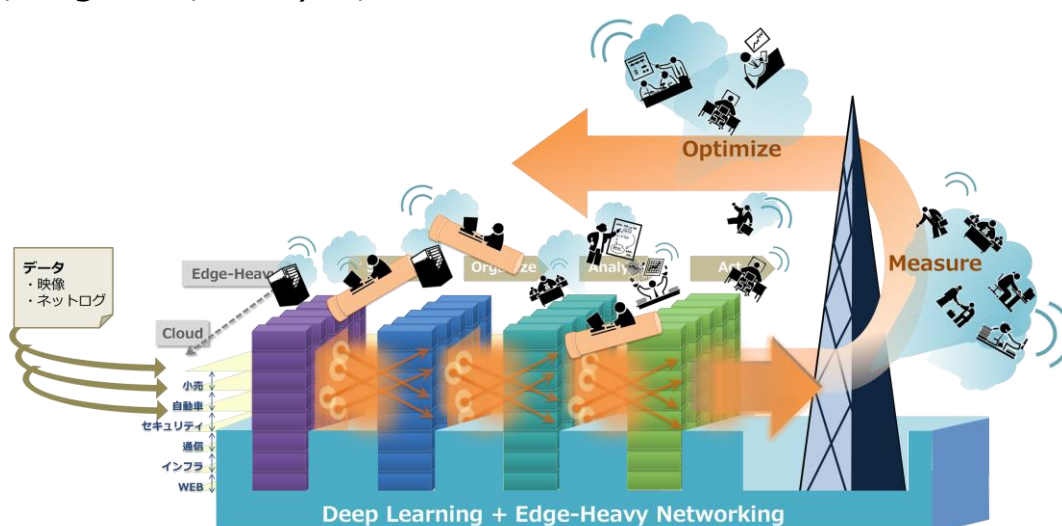
1. Retail and advertising
2. Automobile manufacturing
3. Public safety
4. Network security and optimization

5. Manufacturing
6. Public transportation
7. Healthcare

PFN seeks to form joint development and business partnerships with leading companies in each industry. In addition, PFN anticipates receiving investments from its strategic partners in order to accelerate market-specific software and business development. The company's current financial plan includes equity participations this October and early next year.

Unify & Generalize

Sense, Organize, Analyze, Act



Overview of Preferred Networks, Inc.

- | | |
|-------------------|--|
| ▪ Main business | Research, development, and sales of computer software/hardware/network with a focus on the IoT |
| ▪ Address | Hongo, Bunkyo-ku, Tokyo |
| ▪ Establishment | March 26, 2014. |
| ▪ Capital | 22.2 million yen (as of October 1, 2014) |
| ▪ President & CEO | Toru Nishikawa |

<Contact>

Preferred Networks, Inc
 Junichi Hasegawa & Toru Nishikawa
 Email: pfn-info@preferred.jp
 URL: www.preferred-networks.jp