

TRANSLATION FOR REFERENCE ONLY

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For Immediate Release

Aplix IP Holdings Corporation
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Aplix IP Holdings Announces Consolidated Results for First Quarter of FY2015: Technologies to Realize the IoT and a New Business Model for the IoT Age to Improve Earnings

Aplix IP Holdings Corporation (headquartered in Shinjuku-ku, Tokyo; Ryu Koriyama, CEO & Representative Director; hereinafter “Aplix”) announced its consolidated results for the first quarter of the fiscal year ending December 31, 2015 (January through March, 2015) today. During the first quarter under review, Aplix was changing its structure to shift its focus from the comprehensive entertainment business and the business centering on software base technology to the IoT business, a new growth driver on which it will concentrate its management resources. Net sales, operating income, and ordinary income for the quarter stood at 271 million yen, 650 million yen, and 656 million yen, respectively. Net income came to 629 million yen. Compared with the previous quarter (the fourth quarter of the fiscal year ended December 31, 2014), operating income, ordinary income, and net income all improved, chiefly reflecting a reduction in maintenance costs, including rents, in association with the relocation of the home office.

Aplix is developing the Notification Beacon, which is embedded in home appliances, detects changes in them, and sends the data, with additional timely information, to smartphones, as the core product in the IoT business. At CES Unveiled Tokyo, the first tradeshow held in Japan in association with the International CES, a tradeshow regularly held by the Consumer Electronics Association (CEA) of the United States, Aplix displayed its original embedded IoT technology and its cutting-edge technology compatible with HomeKit. Aplix also displayed IoT products—home appliances, including the amora diffuser, ceramic fan heater, electric fan, and lighting equipment with the Notification Beacon embedded in them—as concept models for the IoT age proposed by Doshisha Corporation.

In the IoT business, Aplix provides another beacon, the MyBeacon® Series, which sends out positional information and is used by many different business sectors, in public works, by local governments, and by shopping streets. Aplix has developed a system to provide real-time information to the users of the beacon. The system has a new, unique function in collaboration with Twitter. Using new Aplix technologies, the MyBeacon® Series can send not only information on special offers for a limited time and recommendations at stores and in shopping streets but also information about railway services, including delays. The series has found practical application, for example in the Kyodo Nodai Dori shopping street in Setagaya-ku. Aplix’s IoT technology is helping to create new communication between shopping streets and passersby and is promoting the revitalization of communities.

Aplix is creating many different solutions using the Bluetooth® Low Energy module at a high pace. The Company has been developing a variety of products with a number of manufacturers in Japan and overseas based on its new business model for the IoT age and has displayed next-generation concept models at

previews events held by manufacturers. Aplix's mission is to make the lives of even more people more fulfilling and more convenient. Aplix will expand the next-generation market where technologies and services are linked by connecting its cutting-edge technologies and a variety of products of manufacturers. In doing so, it will showcase a profitable new business model. Through these initiatives, Aplix will seek to enhance its enterprise value and expand earnings.

■ About the Aplix IP Holdings Group

The Aplix IP Holdings Group operates its business in pursuit of its mission to enable people all over the world to enjoy more fulfilling lives through software technologies. Its technology business offers two different kinds of beacons developed by Aplix – location beacons and notification beacons. Provided as a location beacon, the MyBeacon® Series constantly transmits radio signals and is increasingly used in many different business sectors, including food and drink services, apparel and fashion, distribution, real estate, leisure and entertainment, logistics and transport and tourism, as well as in public works and by local governments as a positional information solution. As a notification beacon, the *Oshirase Beacon®*, which is embedded in equipment, sends out radio signals only when it detects a predetermined status. It can be combined with all kinds of appliances, especially light electrical products, such as water purifiers, humidifiers, electric fans and coffeemakers. In the publishing and video business, the Group has created numerous well-received titles. One example is the *Broken Blade* series, which has sold a cumulative total of more than 3 million copies in book form. Offering books and picture books for children in this business segment, HOLP SHUPPAN Publishing has released popular books including *Don't Spill the Milk!*

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