

TRANSLATION FOR REFERENCE ONLY

November 7, 2014

For Immediate Release

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<u>Major US-Based Water Filter Manufacturer Uses Aplix's Notification Beacon</u> <u>Product: Concludes Contract to Share Revenue from Replacement Filter Sales</u> <u>with Aplix</u>

Aplix IP Holdings Corporation ("Aplix") is pleased to announce that the major US-based water filter manufacturer Aquasana Inc. ("Aquasana") will incorporate a beacon product produced by Aplix ("Notification Beacon," hereafter) in water filters installed under sinks and on countertops, and has concluded a contract with Aplix to share revenue from replacement filter sales for these water filters.

The Notification Beacon equipped in Aquasana water filters constantly monitors the state of the filter to ensure that world-class performance that removes more than sixty harmful substances including chlorine, lead, industrial chemicals, pharmaceutical contaminants and waterborne pathogens is maintained. When replacement is required, a replacement order can be easily placed via a smartphone, helping users maintain a healthy daily lifestyle at all times.

In addition to a wide variety of social infrastructure-oriented beacon products already being used by many customers, such as location-based services, Aplix has stayed ahead of the competition and developed the Notification Beacon, which enables ongoing business after the sale of a manufacturer's product through the sale of consumables, related products and services. On this occasion, Aplix has begun offering a continuous replacement order placement solution for household goods.

The Aplix Notification Beacon replacement order placement solution is positioned as a future growth driver which, through the sharing of revenue from manufacturers associated with the sale of consumables, related products and services, not only provides revenue through the sale of beacons themselves but holds the promise of maintaining higher profitability as a business generating ongoing revenue. In addition to targeting household goods, development is currently proceeding in conjunction with Japanese and overseas manufacturers to incorporate the Notification Beacon into a wide range of office and industrial products as well, and the revenue shares from these products will become a primary revenue stream from the next fiscal period onwards.

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