

TRANSLATION FOR REFERENCE ONLY

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Aplix IP Holdings Corporation

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Aplix IP Holdings Announces Consolidated Results for Second Quarter of FY2015: Earnings Improve Using Beacons to Offer IoT Solutions and Sell Goods at the Moment Users Want Them

Aplix IP Holdings Corporation (headquartered in Shinjuku-ku, Tokyo; Ryu Koriyama, CEO & Representative Director; hereinafter “Aplix”) today announced its consolidated results for the first half of the fiscal year ending December 31, 2015 (January through June 2015). During the first half under review, Aplix sold the comprehensive entertainment business including games and animations, transferred studios and other assets, closed overseas subsidiaries associated with the termination of the software base technology business, and reorganized its business structure to focus its management resources on the IoT business as a growth driver for the future. As a result, Aplix announced that net sales, operating income, ordinary income and net income all improved, rising 79.4%, 7.5%, 9.2% and 3.1%, respectively, from the latest quarter (the first quarter of the fiscal year ending December 31, 2015).

With the global IoT market expanding rapidly, the IoT solutions of Aplix for water purifiers, aroma diffusers and pet supplies, among products, have steadily found increasing demand in Japan and overseas. In the second half of the fiscal year under review, demand for Aplix’s IoT solutions is expected to increase globally.

As beacons attract attention as a trump card of the IoT—connecting goods hitherto unconnected with the Internet—Aplix provides solutions that contain all the elements necessary to realize the IoT, namely a beacon (communication module), applications and the cloud, making it possible to commercialize the IoT simply by embedding or attaching a dedicated module to the outside of home and household appliances. During the period under review, Aplix adapted the “OSHIRASE Beacon” to fitness equipment. Doshisha Corporation meanwhile adopted it for the next-generation concept model of its wellness support equipment and displayed it at a preview event for its customers. Aplix has also adapted the “OSHIRASE Beacon” to a disaster prevention information system and begun providing it as a low-cost IoT solution that can offer safety and security in the home or office, for instance by automatically turning on the light in a room with an early warning by embedding it in lighting equipment, or shutting down an electric range or similar appliance before an earthquake hits by embedding it a heating appliance, electric cooking appliance, etc.

Today, the boundaries between retailers/distributors and manufacturers are disappearing. The former are becoming the new manufacturers, taking advantage of the ease with which products can be made these days to develop private brand products. Meanwhile, the latter are becoming distributors in their own right with internet shops, harnessing the spread toward small-lot distribution such as door-to-door delivery and the Internet. In this environment, it has become increasingly important to realize real-time e-commerce: selling goods at the moment the users want them, instead of waiting for products to be purchased. In the second quarter under review, Aplix began offering the “OTODOKE Beacon” as a solution in which the users are able to order products easily and readily the moment they want to get them, in addition to the existing the “OSHIRASE Beacon”.

Currently, Aplix continues to create solutions at high speed that contain all of the communication module, applications and cloud to realize the IoT readily. The amalgamation of retailers, manufacturers and others with the IoT facilitated by solutions offered by Aplix will bring with it not only new business models that reflect the times, but also major changes to user lifestyles. Aplix will seek to enhance its enterprise value and expand earnings by developing next-generation markets and profitable new business models based on its mission of making the lives of more people more fulfilling and more convenient.

■ 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 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 3.2 million copies in book form. Offering books and picture books for children in this business segment, HOLF SHUPPAN Publishing has released popular books including the “Don’t Spill the Milk!”

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