

TRANSLATION FOR REFERENCE ONLY

November 11, 2015

Aplix IP Holdings Corporation

(Code: 3727 TSE Mothers)

**Aplix IP Holdings announces the consolidated FY2015 3rd quarter results**  
**- By the end of this 3rd quarter, Aplix has finished the restructuring operation of selling off the game and animation business, shutting down the studios and writing off the related assets. Aplix is reborn as an Internet of Things Startup Company with a paid-in capital of 4.7 billion Japanese Yen (\*1) –**

Aplix IP Holdings Corporation (headquartered in Shinjuku-ku, Tokyo; Ryu Koriyama, CEO & Representative Director; hereinafter "Aplix".TSE:3727M) has announced the FY2015 3rd quarter results and has revised the consolidated forecast for FY2015.

Aplix has completed the restructuring operation of selling off the game and animation business, shutting down the studios and writing off the related assets. As part of this restructuring operation, Aplix has reduced approximately 0.5 billion Japanese Yen of its annual office rent by relocating from its prior office in Higashi-Shinjuku, which had an animation recording studio, live streaming studio, theater room and various video and audio mixing rooms, to the Waseda University district, the place where Aplix's original technology business originated. Further, Aplix has reduced a significant number of administration staff, along with the domestic and international staff associated with its legacy embedded feature phone software business. Finally, Aplix has shutdown operations of subsidiaries and branches in Beijing, Shanghai, Taipei and Seoul.

With our new Internet-of-Things business in rapid expansion mode, our customers have started to design and manufacture products to be widely sold.. In order to provide needed network and information technology expertise required to accelerate development, Aplix has started providing engineering services and project management to our customers and their contract manufacturers (EMS and ODM) in both English and Chinese.

To seize the opportunity of the rapidly expanding Internet of Things market, and with the aim of returning to a profitable company in the following FY2016, Aplix is reborn as an Internet of Things "Startup" Company with a paid-in capital of 4.7 billion Japanese Yen (\*1). Since 2010, Aplix has been developing and manufacturing wireless modules to connect home and office appliances to the Internet. Currently working with more than 100 home and office appliance manufacturers actively developing Internet of Things prototypes, Aplix has become the leading company with a huge advantage in experience and knowledge in connecting a wide range of home and office appliances to the Internet.

With Aplix's Internet of Things solution, home and office appliances will become an integral part of innovative new e-commerce and information services, helping to create a better everyday lives for the users of our customers' products, and generate new recurring revenues for our customers. The target market of Aplix's Internet of Things solution is 70 million network-connected consumer products (\*2) anticipated to be shipping annually within 5 years. Aplix's mission is to connect e-commerce and information services with

consumers with Aplix's end-to-end Internet of Things solution, consisting of wireless modules, smartphone applications and cloud services. The revenue generated by these solutions will be the main driver of Aplix's future business growth.

\*1: As of start of FY2015

\*2: forecast by HIS

## ■ 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!”

Aplix IP Holdings website (Investor Relations): <http://www.aplix-ip.com/>

Aplix website (Technology Business): <http://www.aplix.co.jp/>

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