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Aplix IP Holdings Corporation

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Aplix IP Holdings Forecasts Profitability Driven by IoT Business

Aplix IP Holdings Corporation (headquartered in Shinjuku-ku, Tokyo, Representative Director Kengo Nagahashi, hereinafter “the company”) announced its profits forecast for the full business year closing in December 2017.

To improve profitability in the IoT-related business, the company has been bolstering IoT-related businesses and IoT solutions, the new business model of the IoT era, with a central focus on the initiatives of Kunihiro Ishiguro who, after being appointed as CTO (Chief Technology Officer) in 2015, was named a board director in 2016. As with the previous announcement, these developments are coming to fruition, including developing applications and a cloud system for Nestlé Japan and developing IoT and applications for air purifiers of U.S.-based Guardian Technologies LLC. We are further advancing our initiatives to boost profitability in our businesses.

Furthermore, we merged with Aplix Corporation, our consolidated subsidiary, to manage our business more efficiently and reduce costs. Our system has also shifted from a holding company to a business corporation. Also we agreed in today’s board meeting to change our registered company name to Aplix Corporation, and to supplement the lack of earned surplus, on condition that these measures will be approved in the 32nd annual stockholders meeting. Under the new management structure, we will endeavor to achieve the consolidated performance forecast for December 2017 announced today, and painstakingly implement the policies announced today to invest all our group’s management resources into the new Aplix for a robust, profitable structure and finances, and greater profitability.

As for our publishing business—which was the only remaining business after we consolidated our integrated entertainment-related businesses—we improved its profitability structure to a point where it could be profitable on its own, and though it was not our core business it was contributing to our overall profitability. However, on February 23, 2017, to establish a structure focusing on our IoT solution business, we decided to transfer all its shares of Aplix IP Publishing Corporation, Flex Comics Inc., and Holp Shuppan Publishing (subsidiaries in the publishing business of Aplix Publishing Holdings, our consolidated subsidiary).

On February 23, 2017, our founder, representative director and CEO Ryu Koriyama returned his representative rights for a swift transfer of management decisions, as the consolidation of our past entertainment businesses has become viable and future profitability of our current IoT solution business now looks set. Until the end of his term as a board director at the 32nd regular shareholders meeting scheduled for March 28, 2017, he will focus on a seamless transfer of management as a president without representative rights. After his term as a board director, he will assume an external unpaid position to support our business as necessary.

■ About the Aplix IP Holdings Group

The mission of Aplix IP Holdings is to use the power of software to bring happiness to everyone in the world. Following the success of JBlend, which opened a new frontier for Java on mobile phones, we are currently developing the field of IoT (Internet of Things). By supplying IoT solutions from IoT modules (beacons), smartphone apps to cloud services, we aim to advance the transition of household appliances and other products to being IoT-equipped devices and in doing so, realize our concept of “enriching people’s lives with notifications from things.”

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

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

■ Inquiries:

Aplix IP Holdings Public Relations: http://www.aplix-ip.com/en/contact_en/

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