



TRANSLATION FOR REFERENCE ONLY

March 23, 2016

For Immediate Release

Company Name	Aplix IP Holdings Corporation
Representative	Ryu Koriyama, CEO & Representative Director (Code: 3727, TSE Mothers)
Inquiries	Kengo Nagahashi, Director (Tel: 050-3786-1715)

Aplix IP Holdings Harnesses Its IoT Solution to Develop a Pet Healthcare Platform: Pet Item Manufacturers to Start Selling Compatible Products in May

Aplix IP Holdings Corporation (headquartered in Shinjuku-ku, Tokyo; Ryu Koriyama, CEO & Representative Director; hereinafter "Aplix," TSE: 3727M) announces today that Aplix has developed and begun supplying a pet healthcare platform that uses Aplix's Internet of Things ("IoT") solution, which serves as the basis for healthcare services for pets. Aplix also announces today that pet item manufacturers have announced a series of products for pets compatible with this new platform, including a feeder, a drinker, a toilet and a Wi-Fi gateway that enables owners to confirm the status of their pets remotely. The manufacturers will begin sales of these products in May.

1. Description of the Platform

The pet healthcare platform developed by Aplix visualizes abnormalities or changes in the life rhythms of pets that can be hard to perceive otherwise, enabling pet owners to better track the condition of their pets more and provide care more quickly by automatically storing in the cloud data about the state of IoT-compatible pet item use. For example, the platform studies the lifecycle of each pet and alerts the owner of any major change in the frequency or length of meals and toilet visits. In addition, the pet healthcare platform offers advice on optimum healthcare for each pet and provides information on supplements and goods that keep pets healthy.

Pet item manufacturers have recently announced the following five products that will be compatible with this platform: SmartLink™ Waterer - Intelligent Water Fountain, an OurPet's drinker for supplying clean water to pets through a filter; SmartScoop® - Intelligent Litter Box, a cat litter that cleans itself automatically; SmartLink™ Feeder - Intelligent Pet Bowl, a feeder with a cover that opens automatically when pre-registered pets approach; SmartLink™ Gateway - Wi-Fi Pet Care Connector, a gateway that enables owners to check their pets remotely; and SmartLink™ Tag, a product for identifying pets. A number of companies in Japan and other countries are planning to announce a broad array of compatible products in the future.

Aplix expects this platform to increase high-margin affiliate sales. To achieve this result, Aplix plans to guide pet owners using products compatible with this IoT-based pet healthcare platform to veterinary hospitals and online health advisory services based on the conditions of their pets. It will also introduce pet insurance programs offering privileges such as discounts according to healthcare levels, and link the platform to online sales of products such as new pet foods, supplements for pets, playthings for pets and goods for pet owners.

Aplix will continue to offer comprehensive pet healthcare services that harness its IoT solution in cooperation with its partners, including veterinary hospitals and insurance companies. At the same time, Aplix aims to develop new services that offer convenience and comfort to pets and their owners, and will promote these services by linking them with online sales of pet items, the market for which is expanding rapidly.

Note: This press release is provided to share information about Aplix business activities, and it is not intended to solicit investment in Aplix shares. While the materials may describe information such as forecasts related to future business performance, this information has been created based on the judgment of Aplix at the time the materials were created. As a result, Aplix offers no guarantee that the conditions described will come to pass, and any of the information described is subject to change without notice in the future.

- The Intelligent Pet Care™ family of products marketed by OurPet's, which have adopted the Aplix pet healthcare platform



SmartLink™ Waterer
Intelligent Water Fountain



SmartScoop®
Intelligent Litter Box



SmartLink™ Feeder
Intelligent Pet Bowl



SmartLink™
Tag



SmartLink™
Gateway

2. Future Outlook

The Aplix IP Holdings Group's consolidated earnings forecast already reflects this matter, and no revision is made to the full-year forecast figures (Fiscal Year Ending December 2016). If it is confirmed that this agreement will have a significant impact on the financial results, Aplix will make a prompt announcement.

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