



TRANSLATION FOR REFERENCE ONLY

FY2016Q2 Consolidated Financial Results

Aplix IP Holdings Corporation
12th Aug 2016



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FY2016Q2 Consolidated Financial Results

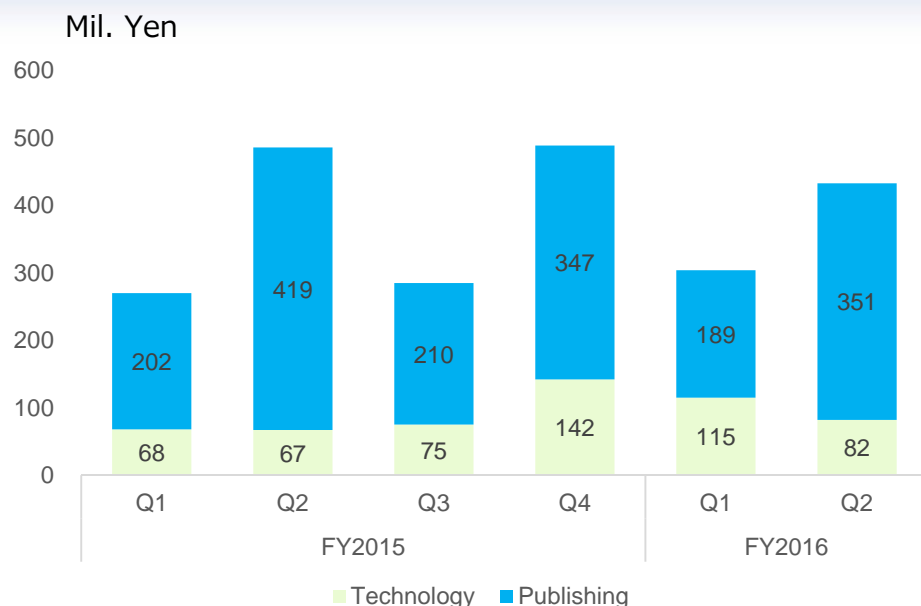
FY2016Q2 P/L Statement



(Million Yen)	Revenues	OP	RP	Net income attributable to parent company shareholders
FY15Q2 Actual (A)	757	-1,252	-1,253	-1,240
FY16Q2 Actual (B)	739	-590	-608	-618
Change (B - A)	-18	+662	+645	+622
Change (%)	-2.4%	—	—	—

✓ Due to cost cut effect Operating Loss was improved +662mil. Yen

FY2016Q2 Revenues by Segment



(Mil. Yen)	FY15	FY16	Change
	Q2	Q2	
Technology	67	82	+22.4%
Publishing	419	351	-16.2%
(Total Revenues)	486	433	-10.9%

Technology Business :

Revenues growth of YoY+22.4% was moderate and will record Revenues in 2H.

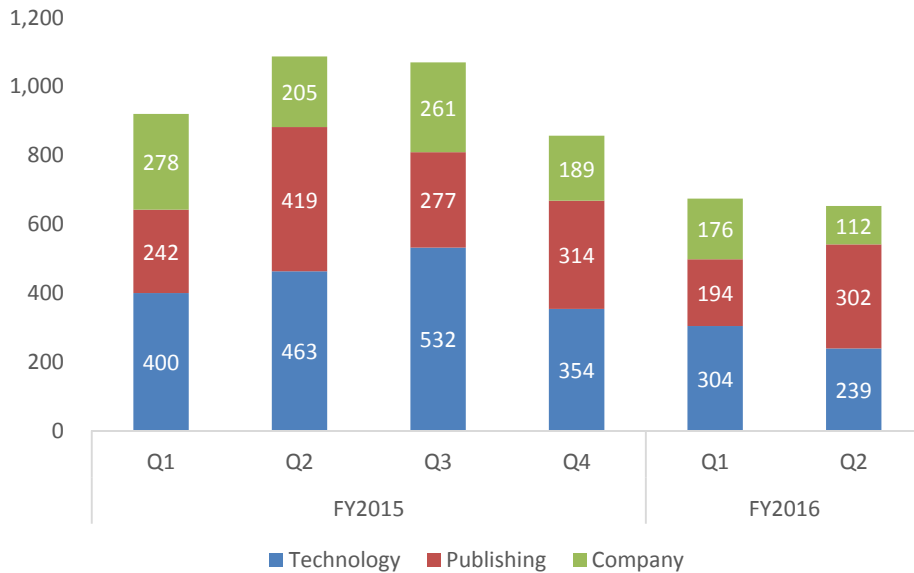
Publishing Business :

A book published by HOLP SHUPPAN, Publishing was selected to National Wide Youth Book Report revenues in Q2 and contributed revenues but Revenues declined due to decrease in new books (FY15Q2 31 books FY16Q2 21 books) to improve profitability.

FY2016Q2 Operating Cost by Segment



Mil. Yen



(Mil. Yen)	FY15	FY16	Change
	Q2	Q2	
Technology	463	239	-48.4%
Publishing	419	302	-27.9%
Company	205	112	-45.4%
(Total Cost)	1,088	655	-39.8%

Technology Business :

human cost reduction (YoY -48.4%)

Publishing Business :

Cost reduction by decreasing revenues (YoY -27.9%)

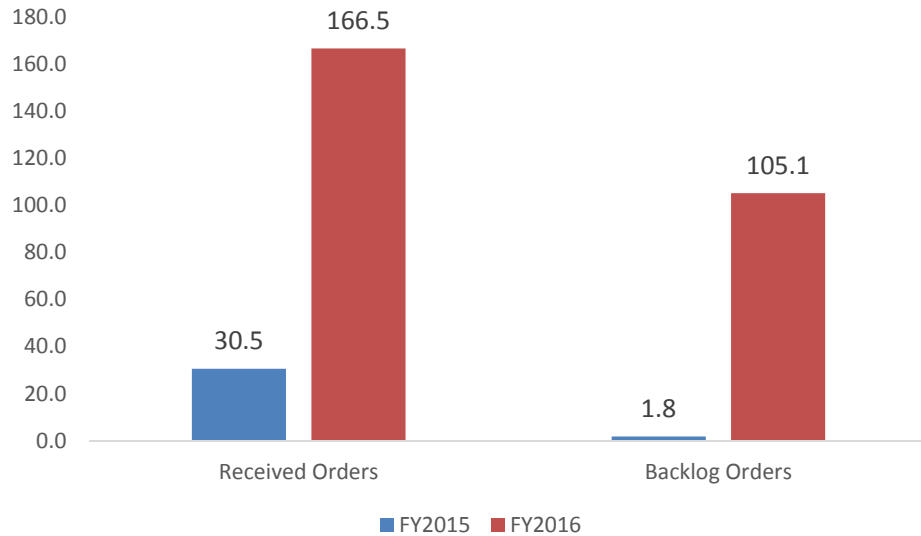
Company Cost :

human cost, rent reduction etc. (YoY -45.4%)

FY16Q2 Received Orders and Orders Backlog



Mil. Yen



(Mil. Yen)	FY15	FY16	Change
	Q2	Q2	
Received Orders	30.5	166.5	+445.9%
Backlog Orders	1.8	105.1	+5738.9%

Received Orders and Orders Backlog : Increased Received Orders and Orders Backlog for IoT Solution

FY2016 Forecast

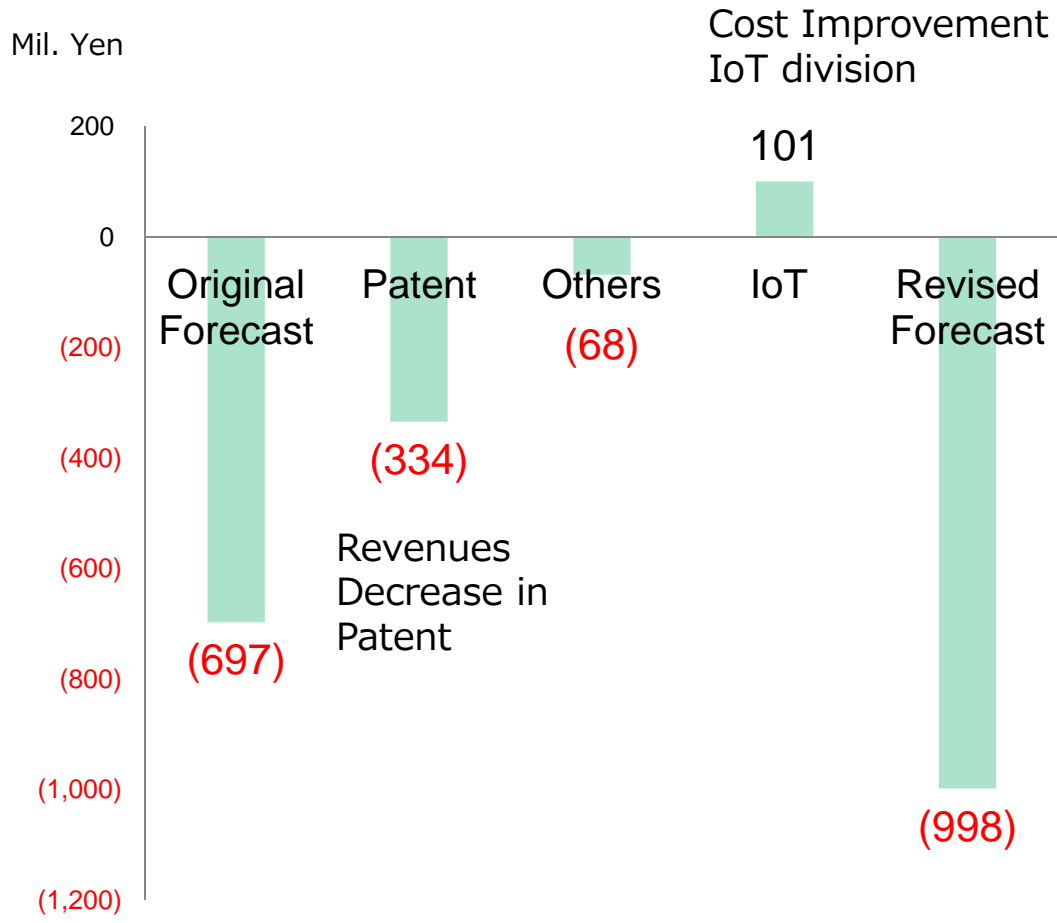


(Million Yen)	Revenues	OP
FY2015	1,532	-2,406
FY2016 Before Revised (A)	2,306	-696
FY2016 After Revised (B)	1,650	-998
Change (B—A)	-656	-301
Change (%)	-28.4%	—



FY2016 OP Forecast Breakdown

FY2016 OP Forecast Breakdown



- ✓ Aplix filed Sony Computer Entertainment Inc. and Sony Computer Entertainment America LLC due to patent infringement at Massachusetts Federal District Court on June 2014
- ✓ SCE and SCEA insisted invalid of patents for PTAB at US Patent and Trademark Office and started Inter Partes Review.
- ✓ PTAB judged related Aplix's patents are invalid
- ✓ All expected royalty revenues of 375mil. Yen are excluded in revised FY2016 forecast

Issued Stock Options for Directors and Employees


Name	Paid Free	Target	Issued Stocks	Dilution	Exercise Period
S-1 Stock Options	Paid	Directors (4people)	225,000 stocks	1.57%	1 st Sep 2016 ~31 st Aug 2026
S-2 Stock Options	Free	Subsidiary employee and Directors(91 people)	100,000 stocks	0.70%	11 st Aug 2018~10 th Aug 2021

Management Change


CTO of Ishiguro is in charge to IoT solution business to expand IoT service
Koriyama is still focusing on Publishing Business

in charge
Ishiguro


IoT Solution
IoT Business



IoT module



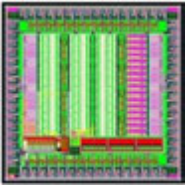
App



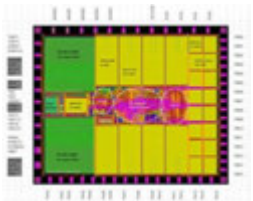
Cloud Service

in charge
Nagahashi

SoC Business
Semiconductor
for IoT




Analogue Chip
Trial




Digital Chip Trial

in charge
Koriyama

Publishing Business
Comic Picture Book



Flex Comics

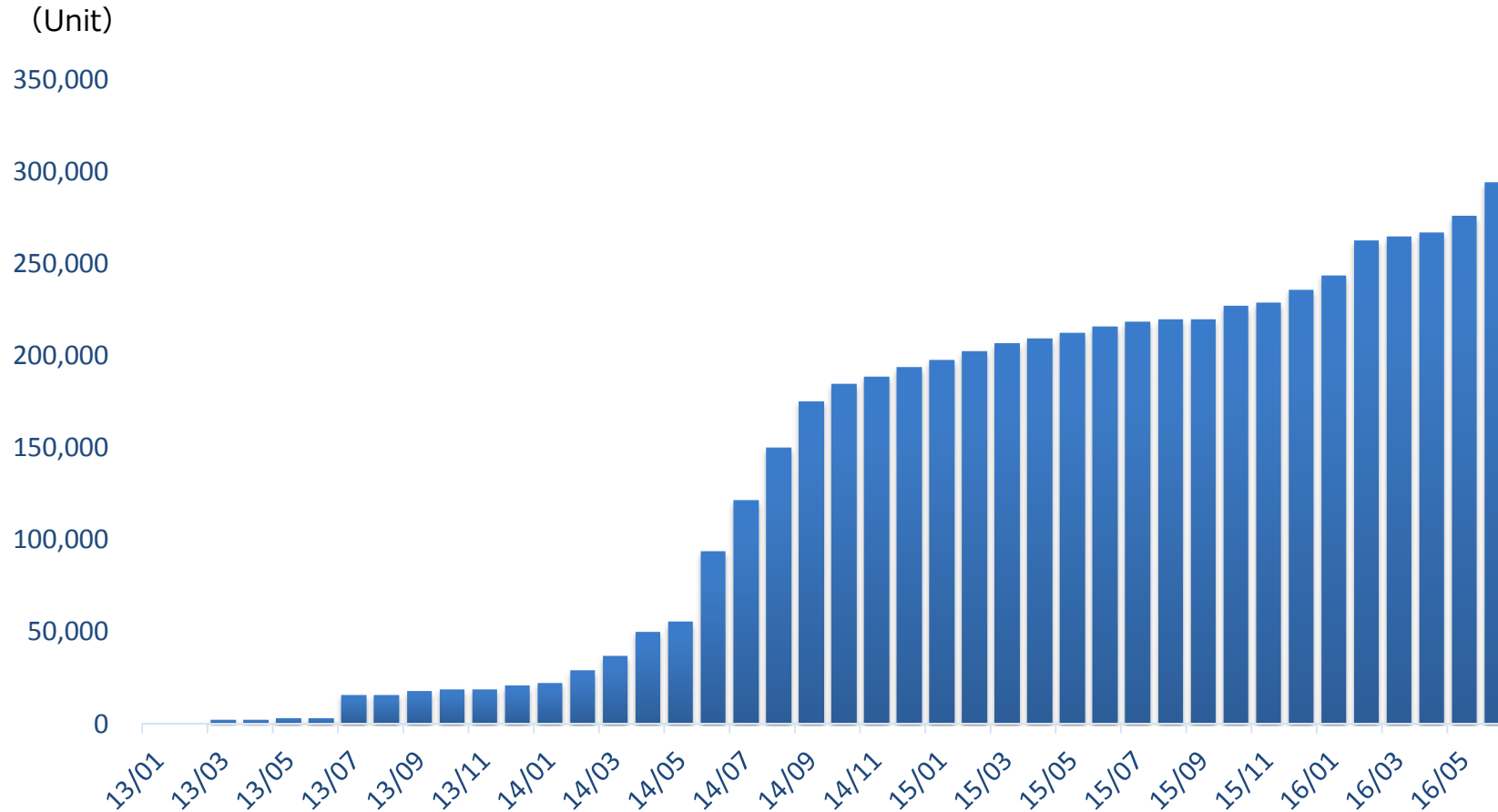


HOLP SHUPPAN,
Publishing

BLE Module Shipment



Cumulative Shipments of BLE modules Exceed 300,000 units on July 2016



Source: Company Date
BLE modules include JM Series, MyBeacon Series and Others.

Appendix

Corporate Overview



Company Name

Aplix IP Holdings Corporation

Founded

February 22, 1986

Capital

13,882 million yen (as of June 30, 2016)

Representatives

Chief Executive Officer Ryu Koriyama

Headquarter Address

**2-20-9, Nishi-waseda, Shinjuku-ku, Tokyo 169-0051,
Japan**

Business Services

**IoT Solution(Hardware, Software, Cloud)
Publishing**

Date of IPO

December 17, 2003

Market

Tokyo Stock Exchange Mothers

Code

JP:3727

Accounting Auditor

Deloitte Touche Tohmatsu

Group Company

Aplix Corporation

Aplix Corporation of America

Aplix Ireland Ltd.

Flex Comix Inc.

HOLP SHUPPAN, Publishing

Aplix IP Publishing Corporation

Products from Startup to IPO

Aplix was founded in 1986 and listed on Tokyo Stock Exchange in 2003.

Aplix was the first Japanese company to provide application software for the NeXT Computer System.



CD-ROM Authoring Tools



WinCDR 6.0 Premium Package



DOS/V POWER REPORT Magazine RECOMMENDED Product (GOLD Prize)(Feb, 2001)

Logitec CD-R/RW Drive for Macintosh & Windows LCW-R6406U



DOS/V magazine 2000/8/15 Technical Test Labs Tester's Choice & Observer's Choice



Panasonic CD-R/RW Drive for USB Interface LK-RW7585UZ



IBM Aptiva Series



SONY Portable CD-R/RW Drive CRX76A / CRX76U

Automotive Telematics

TOYOTA

SONY **MITSUBISHI** **Panasonic**

DAIHATSU **MAZDA** **Pioneer**

DENSO **FUJITSU TEN** **KENWOOD**

ALPINE

Java for Consumer Electronics

Sony Electric Digital Photo Album DSA-100

Sony digital video camera HD DDCAM1 DCM-M1

Sony Digital photo printer DPP-SV85

Sanyo Electric BSCS Digital TV

Pioneer Digital STB for CATV BD-V500

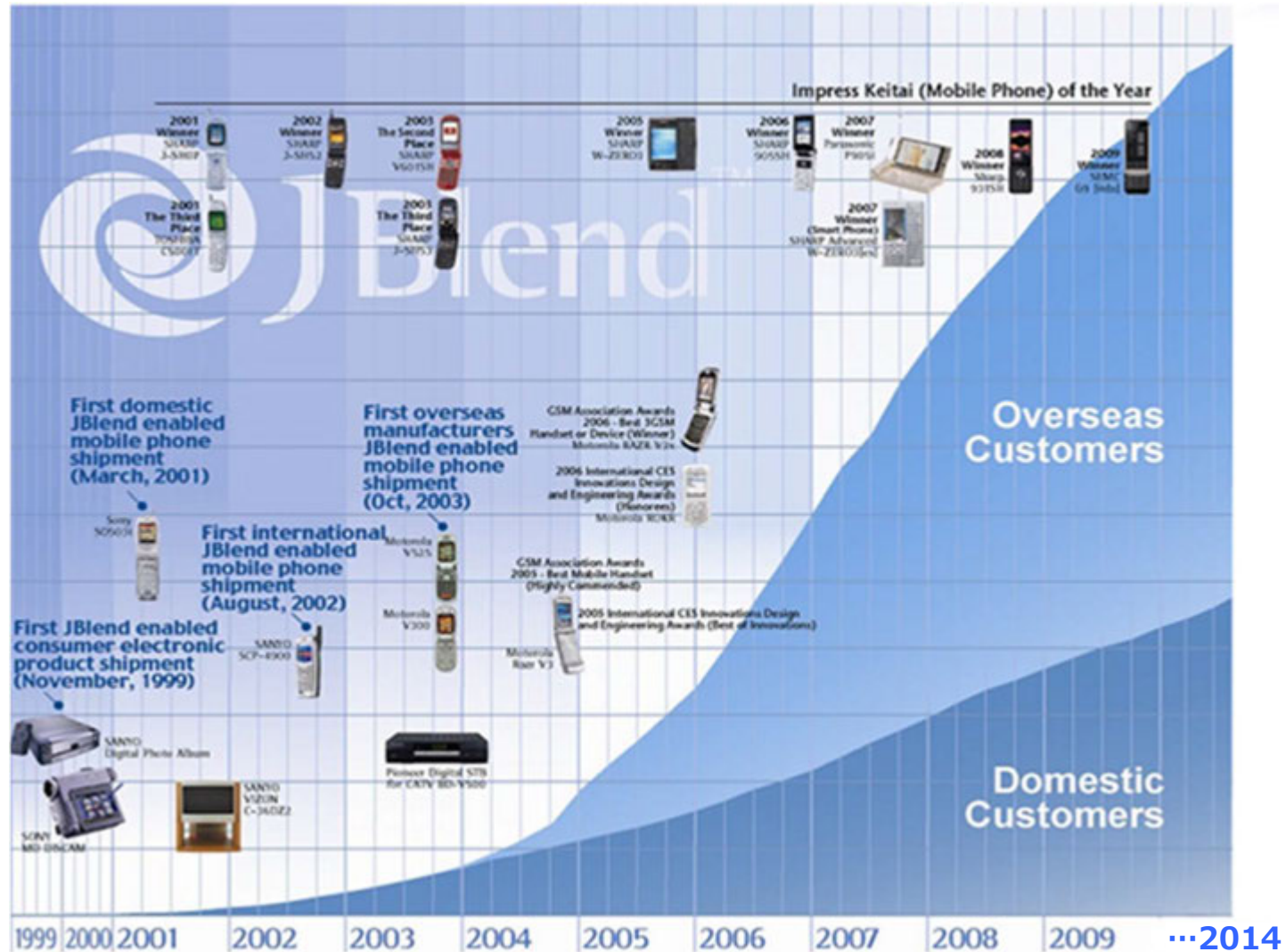
Powered by **JBlend**

Sony Electric POS Terminal MBC-J100

HTC Java based palm size computer BossaNova

Nissan/Sanyo Car navigation system H57M0-A

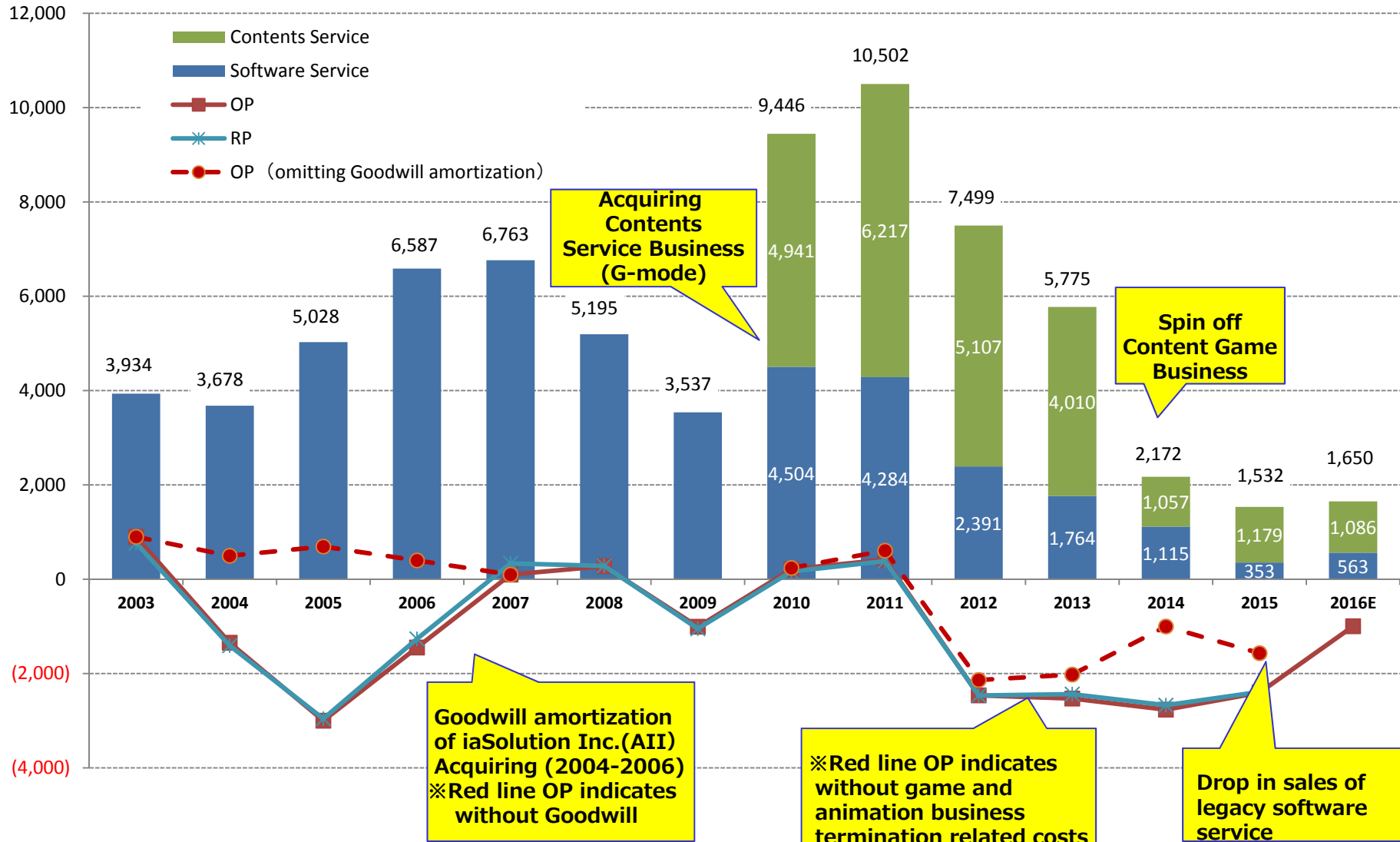
Products from Startup to IPO



IoT Startup



(Yen Mil.) Aplix is Reborn as an IoT Startup Company





Aplix IP Holdings Corporation

<http://www.aplix-ip.com/en/>

Aplix Corporation

<http://www.aplix.co.jp/>

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