The following is an English version of the official Japanese announcement, which has been given to the JASDAQ and the media in Tokyo, Japan.

October 24, 2014

Company: SPARX Group Co., Ltd.
(JASDAQ Standard Code: 8739)

Notice Regarding the Selection of the Asset Manager of Tokyo Metropolitan Government's Public-Private Partnership Renewable Energy Fund

We inform you that our subsidiary SPARX Asset Management Co., Ltd. (President and Representative Director: Shuhei Abe, hereinafter called "SAM") has received the notice stating that SAM was selected to be an asset manager of the "Public-Private Partnership Renewable Energy Fund (hereinafter called the Fund)" which Tokyo metropolitan government would newly launch.

In our view, the decision is because SAM was evaluated as an optimal operator for bringing effective performance of the Fund in such as promotion of introducing renewable energy within Tokyo metropolitan area, effective utilization of land areas unused in Tohoku district and attraction of funds from overseas into Japan.

1. Overview of the Fund

Tokyo Metropolitan Government will launch the Fund with the aim of accelerating the spread of renewable energy to wide geographical areas and promoting the introduction of renewable energy in the Tokyo metropolitan area. The Fund includes "Tokyo metropolitan area fund" and "wide area fund". The both funds will be managed by the same asset manager.

	Tokyo metropolitan area fund	Wide area fund
Form of fund	It will be determined after discussion between Tokyo Metropolitan Government and the asset manager of the Fund (however, for a portion invested by the Tokyo Metropolitan Government, its limited liability is warranted in the scheme).	Limited partnership for investment under the LPS Act
Size of fund (*)	About 200 million yen (Tokyo Metropolitan Government will be an only investor)	In addition to 1 billion yen investment made by Tokyo Metropolitan Government, this fund will aim at reaching a

		fund size of 4 billion yen or more (not an upper limit of a fund size) by raising money from other investors.
Geographical areas of investments	Tokyo metropolitan area	Areas covered by Tokyo Electric Power Co., Inc. and Tohoku Electric Power Co., Inc.
Business areas of investments	Renewable power generation business	Renewable power generation business

*Including SAM, two companies have been selected to be the asset managers. Therefore, Tokyo Metropolitan Government's investment in the fund managed by SAM will amount to about 100 million yen for the Tokyo metropolitan area fund and 500 million yen for the wide area fund. Our group will make investment in the Fund equal to around 1% of total capital commitments.

2. Tokyo Metropolitan Government's Investment Policies for the Fund
   - Tokyo Metropolitan Government will launch the Fund, the business areas of investment of which focus on renewable power generation business, as an effort to accelerate the spread of renewable energy. The fund will be designed to manage invested funds stably by investing them in stocks, etc. of the renewable power generation business.
   - The government will contribute to regional development by making renewable energy more familiar to citizens of Tokyo through operation of the renewable power generation business in the Tokyo metropolitan area, where it is difficult to operate such business mainly due to high land price, as well as by promoting renewable power generation business in Tohoku region and other areas as location of electric power plants which support a variety of urban activities in Tokyo
   - For the expansion of renewable energy, we think that construction of such scheme under which citizens of Tokyo and local residents and companies participate proactively would lead to further increasing momentum in those districts toward further introduction of renewable energy. In launching the Fund, citizens of Tokyo and local residents and companies will participate in the renewable power generation business and make empirical efforts to construct the scheme so that they can enjoy environmental and economic advantages.
   - The authority for instructions on investment of the Fund shall be delegated to a private fund operating manager, etc. selected through a public competitive process. Fundamentally, the investment is not based only on the Tokyo Metropolitan Government's own judgment.

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3. Effect on Business Results of Our Group

The Fund is planned to be launched in February 2015. The effect on business results of our group for the fiscal year ending March 2015 including management fees to be incurred as a result of launch of the Fund and whether or not consolidation of the Fund as our subsidiary become required will be disclosed soon after fixed details of the Fund give rise to a need of timely disclosure .

4. Future Development of Our Group

Our group considers the vision of Tokyo Metropolitan Government meaningful as the vision contributes to attraction of private funds from Japan and overseas with a fund form by using public funds as incentive, promotion of introduction of renewable energy in Tokyo metropolitan area, effective utilization of land areas unused in Tohoku district, vitalization of regional economy and construction of the symbiotic scheme of urban and local areas. Going forward, the group will devote itself to the business with positively welcoming the selection of us to be an asset manager of the Fund making best use of our experience with its stable management performance as an asset manager of the "Public-Private Partnership Infrastructure Fund", to which SAM was similarly selected in June 2012 by Tokyo Metropolitan Government.

As a fund manager, in particular Public-Private Partnership Infrastructure Fund of Tokyo Metropolitan Government, our group is concretely engaged in renewable power generation business with concerned parties to contribute to construction of a structure of long-term, stable circulation of funds for improving the social overhead capital and securing the stable supply of electric power.
As stated in the "Notice Regarding the Commencement of Preparations for Entering into the Listed Infrastructure Fund Market" dated on July 30, 2014, our group makes concrete preparations for listing on the market in the form of investment corporation by such as obtaining permissions, etc. from government ministries and agencies and constructing the system with the aim to enter into the listed infrastructure fund market which Tokyo Stock Exchange, Inc. is planning to open.

We will further expand and enhance these activities to develop investment business in real assets such as renewable power plants to be the second largest earnings source of our group.

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