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

August 21, 2015

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

Notice Regarding the Tokyo Metropolitan Government's Public-Private Partnership Renewable Energy Fund

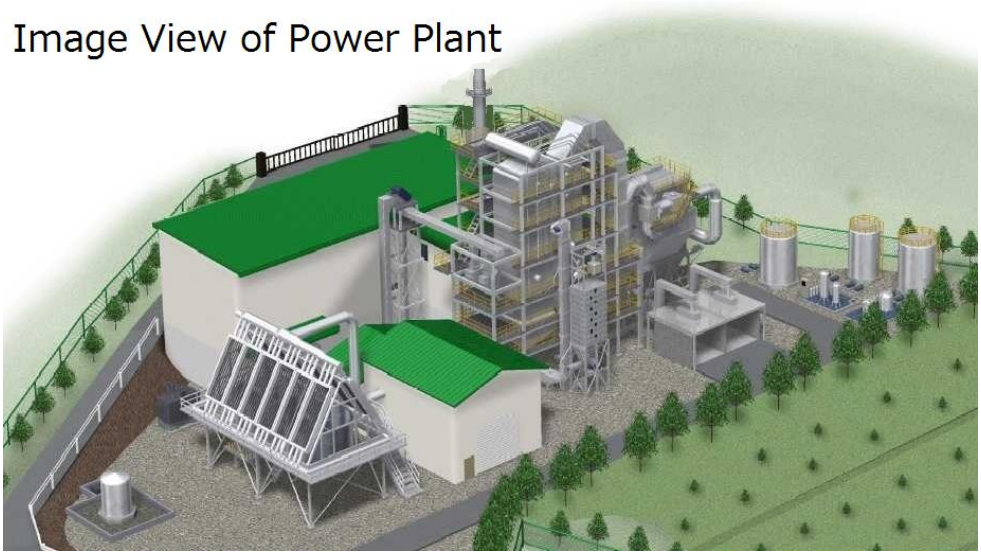
Investment in biomass power plant determined for the first time in our Group!

We announced in the "Notice Regarding the Tokyo Metropolitan Government's Public-Private Partnership Renewable Energy Fund" dated May 26, 2015 that the "SPARX Public-Private Partnership Renewable Energy Investment Limited Partnership (lump-sum paid-in type)" (hereinafter the "Partnership") had started its operations with capital contributions received from its partners, by executing the Investment Project No. 1. We are pleased to inform that the Partnership executed the following investment:

■ Overview of investment target power plant

Entity	SGET Green Electric Power Generation G.K.
Power generation type	Woody biomass power plant, newly established
Location	401-15, Shimohonai, Sanjo-shi, Niigata Prefecture
Power output	6.25MW
Total project cost	Approximately 5.55 billion yen (Planned)
Operation start	December 2017 (Scheduled)

Image View of Power Plant



■ This is an investment to a biomass power plant that our Group will start for the first time in our business of real asset management, particularly the management of renewable energy generating plants.

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

- Biomass power generation can be a base load power source because it is capable of very stable power generation among the various kinds of renewable energy.
- Utilizing unused trees in mountains as fuel is effective for the protection of village forests, promotion of forest improvement, conservation of the ecosystem, and prevention of disasters in mountains, which will lead to forest restoration.
- Establishment of this power plant would have a wide range of spinoff effects on the community, including vitalization of forestry by collecting and hauling unused materials from the local area, preservation of village forests, and development of new industries and new job opportunities through the management and operation of biomass energy supply facilities, as well as related facilities.
- For the said reasons, Sanjo-shi placed great expectations on the investment as an interested municipality, and thus our Group concluded an agreement with Niigata Prefecture's Federation of Forestry Cooperatives about fuel procurement, which was the most significant concern in this project. Thus the mechanism for securing stable fuel procurement is guaranteed with the collaboration of the local communities, including Niigata Prefecture and Sanjo-shi.

■ In the future, our Group will expand this model all over Japan to contribute to the realization of the regional revitalization of Japan to the best of our ability by connecting the financial power of urban cities and local resources.

■ This Notice is released on the same date as that of Tokyo Metropolitan Government and Sanjo-shi.

■ This Notice is released for the purpose of providing information on a group company's business to gain understanding on our business, and not intended for investment solicitation.

■ Related press release

"Notice Regarding the Tokyo Metropolitan Government's Public-Private Partnership Renewable Energy Fund" dated May 26, 2015

http://www.sparxgroup.jp/press/uploads/PressE150526-01.pdf

■ Contact Information

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