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

February 22, 2016

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

Notice Regarding Decline of Acceptance of the Selection as Fund Manager for Tokyo Metropolitan Government's Public-Private Partnership Infrastructure Fund for Facilities Contributing to Welfare

TOKYO (February 22, 2016) – The Company previously announced that our subsidiary SPARX Asset Trust & Management Co., Ltd. (President and Representative Director: Tetsufumi Isayama, hereinafter called "SATM") was selected as one of the fund managers of "Public-Private Partnership Infrastructure Fund for Facilities Contributing to Welfare (hereinafter called the Fund)" by Tokyo Metropolitan Government, in the press release dated October 26, 2015. However, we hereby inform you that SATM has declined to accept the selection as the Fund manager and it has been publicly announced by Tokyo Metropolitan Government today

■ Reason of decline

Since the proposed scheme which SATM submitted for the selection of the Fund manager has become difficult to construct due to the failure of the arrangement among the involved firms for the establishment of the Fund and its operation despite full efforts made by SATM in order to break through the unexpected changes in the circumstance occurred after SATM was selected as the Fund manager.

■ Influence to the group companies

The Impact of this decline on the SPARX Group's consolidated earnings is not significant and the amount of expenses for preparation for establishment of the Fund was not significant.

■ Future development of the group companies

Although we have declined to accept the selection as the Fund manager this time, we continue to aim to expand further and enhance the investment management business targeting real assets including health care/medical service related facilities to fully develop the business into the second major source of income for our group.

■ Related press release

"Notice Regarding the Selection of Fund Manager for Tokyo Metropolitan Government's Public-Private Partnership Infrastructure Fund for Facilities Contributing to Welfare"
http://www.sparxgroup.jp/press/uploads/PressE151026-01.pdf

■ For inquiry

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