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

April 22, 2016

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

SPARX Funds received The First Prize of "R&I Fund Award 2016"

Nikko SPARX Asia & Middle East Equity Fund received The First Prize of R&I Fund Award 2016 of Investment Trusts Category/Emerging Equity Multi-regional Fund for the fourth consecutive year.

SPARX Japanese Mid-small cap fund received special prize of 10th Anniversary.

Tokyo (April 22, 2016) – SPARX Group Co., Ltd. is honored to announce that Nikko SPARX Asia & Middle East Equity Fund, launched and managed by SPARX Asset Management Co., Ltd. (SAM, President and CEO: Shuhei Abe), a subsidiary of SPARX Group Co., Ltd., received The First Prize of R&I Fund Award 2016 of Investment Trusts Category/Emerging Equity Multi-regional Fund for the fourth consecutive year. SAM also won the outstanding performance award of R&I Fund Award 2016, in the category of Japanese equity.

And this year, SPARX Japan Small Cap Fund, "Rising Sun", received the special prize of 10th Anniversary, being evaluated by 10 years performance of the fund.

Investment Trusts Category/Emerging Equity Multi-regional Fund **The First Prize** **Nikko SPARX Asia & Middle East Equity Fund**
Investment Trusts /Aggregate Category /Japanese Equity **Outstanding Performance Award** **SPARX Asset Management Co., Ltd.**
Special Prize of 10th Anniversary/ Japanese Mid-Small Equity Fund **SPARX Japan Small Cap Fund** **("Rising Sun")**

It is a great honor to have won this award as it is not only for our specific fund or investment strategy but also has proven our comprehensive excellence as a Japanese investment manager after we had been dedicated to our investment philosophy since incorporation of the company.

Encouraged further by this prize, all members at the SPARX Group remain dedicated to improve our investment capabilities, product offerings and client service activities. We will continue to brand "SPARX" as a representative of Japanese / Asian Equity asset managers, aggressively.

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Please refer to Appendix for the overview for this award.

The R&I Fund Award is presented to provide reference information based on the past data R&I believes to be reliable (however, its accuracy and completeness are not guaranteed by R&I) and is not intended to recommend the purchase, sale or holding of particular products or guarantee their future performance. The Award is not the Credit Rating Business, but one of the Other Lines of Business (businesses excluding Credit Rating Business and also excluding the Ancillary Businesses) as set forth in Article 299, paragraph (1), item (xxviii) of the Cabinet Office Ordinance on Financial Instruments Business, etc. With respect to such business, relevant laws and regulations require measures to be implemented so that activities pertaining to such business would not unreasonably affect the Credit Rating Activities. Intellectual property rights including copyright and all other rights in this Award are the sole property of R&I, and any unauthorized copying, reproduction and so forth are prohibited. The Award for the "Investment Trusts/Aggregate" category is based on the average performance of the relevant funds of a fund manager, and does not indicate the excellent performance of all individual funds of the manager.

(Appendix)

R&I Fund Award 2016

Funds eligible for the "Investment Trusts" and "Investment Trusts/Aggregate" categories are Japanese Publicly Offered Open-type Stock Investment Trusts excluding defined contribution pension funds. Those for "Defined Contribution Pension" consist of Japanese Publicly Offered Open-type Stock Investment Trusts used in defined contribution pension plans. "NISA" funds are Japanese Publicly Offered Open-type Stock Investment Trusts for Nippon Individual Savings Accounts. Funds for "Defined Benefit Pension" are those registered in "R&I Universe Data Service". All of them are in principle based on R&I's classifications.

Selection Process

The funds nominated in the "Investment Trusts", "Defined Contribution Pension", "NISA" and "Defined Benefit Pension" categories are those ranked in the top 75% of the annual quantitative evaluation for three consecutive years based on the actual performance data for each year ending in March 2014, 2015 and 2016. Winners are selected according to the ranking of quantitative evaluation for the three-year period ending in March 2016. “Special prize for 10 years Anniversary” category ranked in the top 75% of the annual quantitative evaluation for three consecutive years based on the actual performance data for each year ending in March 2014, 2015 and 2016. Winners are selected according to the ranking of quantitative evaluation for the five-year period ending in March 2011 and 2016.「

The quantitative evaluation for "Investment Trusts", "Defined Contribution Pension" ,"NISA" and “Special prize for 10 years Anniversary” is based on "Sharpe Ratio", and nominated funds are required to have been set for three years or more and have one year or more left before maturity. For "Investment Trusts" and "NISA", funds must have 3 billion yen or more outstanding and rank among the top 50% in their respective subcategories in terms of outstanding balance. Funds for "Defined Contribution Pension" need to have 1 billion yen or more outstanding and rank among the top 75% in their respective subcategories in terms of outstanding balance. "NISA" funds are those satisfying the condition that the annualized standard deviation of monthly returns for the three-year period ending in March 2015 is 30% or lower. The quantitative evaluation for "Defined Benefit Pension", on the other hand, is based on "Information Ratio". For "Investment Trusts", "Defined Contribution Pension" and "NISA", R&I awards the first prize to one fund and the second prize to about two funds. "Defined Benefit Pension" has no prize levels. Eligible for the "Investment Trusts/Aggregate" category are fund managers that have three funds or more with the balance of 3 billion yen or more each as of the end of March 2016. The first prize and the second prize are awarded to one fund manager each based on the ranking by balance-weighted average "Sharpe Ratio" of funds during the last three years.

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