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 27, 2016

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

Notice Regarding the Shift of strategy related to the Listed Infrastructure Fund

TOKYO (April 27, 2016) – SPARX Group Co., Ltd. (“SHC”) hereby gives notice that the Board of Directors has resolved at today’s meeting to shift strategy related to the listed infrastructure fund market, which the Tokyo Stock Exchange Inc. (“TSE”) established .

Particulars

1. Overview

SHC, in order to help build a structure of long-term, stable circulation of funds to improve the social overhead capital and secure the stable supply of electric power, has been providing attractive investment instruments for our domestic and global institutional investors, as an asset manager for infrastructure funds, including focusing on renewable energy power generation business. As announced in the Notice Regarding the Commencement of Preparations for Entering into the Listed Infrastructure Fund Market, released on July 30, 2014, SHC, through our group company, SPARX Asset Trust & Management Co., Ltd., had been preparing for the listing of an infrastructure fund on TSE, mainly for individual investors. However, it turns out that the investment scheme, which SHC is using, will not meet the criteria of the investment corporation tax system. SHC determines that it is difficult to maintain the attractiveness of the financial products for individual investors, so as to be able to produce long-term stable cash flow and, therefore, has decided to shift the strategy related to the listed infrastructure fund market.

2. Reason for the Determination

Listed infrastructure funds, if they meet certain specified requirements of the "Special Provisions for Taxation to the Investment Corporation", are not liable to pay the corporation tax. On the other hand, to meet these certain requirements, power generation facilities which listed funds own, must be rented to other operators. For SHC to adjust to these requirements, it needs a lot of procedures, including amendments of contracts. Taking these issues into consideration, SHC thinks that it has greater merit to maintain current investment scheme and to continue private infrastructure funds.

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

3. Impact to Business Performance

The impact of this shift on the SHC's consolidated earnings in the future is not expected, and the amount of expenses for preparation was not significant.

4. Outlook

Though SHC has decided this time not to enter the listed fund market, we will make the best use of the intelligence, know-how and network, from our past experiences on the development and operation of renewable energy power generation facilities, as a pioneer of infrastructure funds to meet expectations from investors. To provide leading investment products, SHC will aggressively proceed in not only developing new power generation facilities but also acquiring power generation facilities from other companies.

We have been providing "green field investment" funds, targeting for the preparation and the launch of renewable power generation facilities. In addition to this, SHC is preparing to provide "brown field investment" funds, focusing on the running of renewable power generation facilities, which can produce long-term stable cash flow, mainly for institutional investors.

■ Related press release

"Notice Regarding the Commencement of Preparations for Entering into the Listed Infrastructure Fund Market"

http://www.sparxgroup.jp/press/uploads/PressE140730-01.pdf

■ Contact Information

Finance & Management Control
SPARX Group Co., Ltd.

Telephone : +81-3-6711-9100 Fax : +81-3-6711-9101

End of document