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 4, 2016

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

Notice On the Execution of Investment In GROOVE X
New Generation Robot for consumer appliances

Financing the company's R&D for new robot, accepting Japanese version of convertible equity

Tokyo (October 4, 2016) – The Company has executed a new investment (the amount is not disclosed) in GROOVE X, Inc. (GROOVE X) from "Mirai Creation Investment Limited Partnership" ("Fund"), which was established in November 2015. Following December 2015 case, it is the second time for the Fund to invest in GROOVE X, by way of accepting convertible equity.

■ Overview of the Investment

GROOVE X was founded in November 2015. Mr. Kaname Hayashi, founder and CEO of GROOVE X, who was the representative of the development of the robot, Pepper, in Softbank, aims to fabricate new generation robot for consumer appliances. Using this finance, the company is going to make the prototype of the new robot, which will be in the market in 2019.

■ Overview of the "Fund"

The Fund targets to invest in enterprises and projects that possess innovative technologies in the core fields of artificial intelligence (AI), robotics, technologies to help achieving a hydrogen-based society, as well as other related projects. The Fund began its operations in November 2015 with SPARX Group Co., Ltd. (SPARX) as an operator, invested by Toyota, Sumitomo Mitsui Banking Corporation and SPARX. At the end of August 2016, AUM reaches 25.6 billion yen.

■ Related Press Release

"Toyota and Sumitomo Mitsui Banking Corporation to Invest in New Investment Fund Established by SPARX Group Co., Ltd." dated November 4, 2015.
http://www.sparxgroup.jp/press/uploads/PressE151104-01.pdf

"Notice Concerning the Execution of First Investment Project by Mirai Creation Fund" dated January 5, 2016.
http://www.sparxgroup.jp/press/uploads/PressE160105-01.pdf

"Notice Concerning the Execution of New Investment by Mirai Creation Fund" dated January 13, 2016.
http://www.sparxgroup.jp/press/uploads/PressE160113-01.pdf

"Notice Concerning the Execution of First Investment In Energy Storage Venture by Mirai Creation Fund" dated March 30, 2016.
http://www.sparxgroup.jp/press/uploads/PressE160330-01.pdf

"INCJ, SPARX Group and Mitsubishi UFJ Capital to invest in 3D MEDiA Co., Ltd. Company develops and markets world's first "3D robot vision system" dated May 26, 2016.
http://www.sparxgroup.jp/press/uploads/PressE160526-01.pdf

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

"Notice On the Execution of Investment In WHILL, Revolutionary Next-Generation Personal Mobility Device Company" dated June 1, 2016.
http://www.sparxgroup.jp/press/PressE160601-01.pdf

"Notice On the Execution of Investment In SORACOM, M2M Connection Service, which is Crucial in IoT Era" dated July 6, 2016.
http://www.sparxgroup.jp/press/uploads/PressE160706-01.pdf

"Notice On the Execution of Investment In a FoF, Composed By a U.S. Venture Capital Firm dated July 11, 2016.
http://www.sparxgroup.jp/press/uploads/PressE160711-01.pdf

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