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

December 26, 2016

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

Notice On the Execution of Investment In freee Japan's Leading Market Share Company In Cloud Accounting Software

Financing the company's R&D and enhancement on new AI based services

Tokyo (December 26, 2016) – The Company has executed a new investment (the amount is not disclosed) in freee, K.K. (freee), the cloud accounting software company empowered by its original artificial intelligence (AI) technologies from "Mirai Creation Investment Limited Partnership" (Fund), which was established in November 2015. Using this capital, freee intends to make new AI based services, including management analysis and strengthen its solution services for small and medium–sized enterprises (SMBs).

■ Overview of the Investment

freee (HQ: Shinagawa, Tokyo), which has a mission, "Getting SMBs to focus on creative activities", was established in July 2012. Based on its original AI database, it is the Japan's leading market share company in the area of cloud accounting and payroll software, according to a survey by Digital InFact, Inc. in August 2016. freee expands its business, like synthesizing various financial and credit card accounts and helping financial institutions to finance SMBs with its cloud accounting software database. Additionally, working with tax accountants and accounting firms, freee provides various types of solutions to enhance the productivity of SMBs.

■ Overview of the Fund

The Fund targets to invest in enterprises and projects that possess innovative technologies in the core fields of 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 13.5 billion yen by Toyota Motor Corporation, Sumitomo Mitsui Banking Corporation and SPARX. At the end of November 2016, overall 17 companies have invested in the Fund and AUM reached 32.5 billion yen. The Fund has been invested in 14 companies, including Venture Capitals as of December 26, 2016.

■ 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.
https://www.sparxgroup.com/press/uploads/PressE151104-01.pdf

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

"Notice Concerning the Execution of New Investment by Mirai Creation Fund" dated January 13, 2016.
https://www.sparxgroup.com/press/uploads/PressE160113-01.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 Concerning the Execution of First Investment In Energy Storage Venture by Mirai Creation Fund" dated March 30, 2016.
https://www.sparxgroup.com/press/uploads/PressE160330-02.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.
https://www.sparxgroup.com/press/uploads/PressE160526-01.pdf

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

"Notice On the Execution of Investment In SORACOM, M2M Connection Service, which is Crucial in IoT Era" dated July 6, 2016.
https://www.sparxgroup.com/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.
https://www.sparxgroup.com/press/uploads/PressE160711-01.pdf

"Notice On the Execution of Investment In GROOVE X New Generation Robot for Consumer Appliances dated October 4, 2016.
https://www.sparxgroup.com/press/uploads/PressE161004-01.pdf

"Notice On the Execution of Investment In Getaround Peer to Peer Car Sharing Service and Car Rental" dated November 1, 2016.
https://www.sparxgroup.com/press/uploads/PressE161101-01.pdf

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