Consolidated Financial Results for FY2016 (Apr. 2016 – Mar. 2017)

May 16, 2017

SPARX Group Co., Ltd.
http://www.sparxgroup.com/

SPARX VISION Statement

To Be the Most Trusted and Respected Investment Company in the World

“Thomson Reuters Lipper Fund Awards Japan 2017” the Best Group in Group Award (Equity)

Won 4 years in a row!



Although Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Lipper. Users acknowledge that they have not relied upon any warranty, condition, guarantee, or representation made by Lipper. Any use of the data for analyzing, managing, or trading financial instruments is at the user’s own risk. This is not an offer to buy or sell securities.

Received Morningstar's Best Fund Award, "Fund of the Year 2016"

Won the "Best Fund Award"!

SPARX Dominates the "Best Fund Award" in Domestic Stock Fund Category

It is the first time that the same asset management company won "Best Fund Award" in both categories.
"Gensentoshi" has renewed the record 3 years in a row in the Domestic Large-cap Fund Category.
"Kachihakkutsu", has won "Fund Award" in the Domestic Mid- and Small-cap Fund Category for the first time.



Press Release January 30, 2017

Received Morningstar's Best Fund Award, "Fund of the Year 2016" ①



Domestic Large-cap Stock Fund Division

(total: 617 funds)

"Best Fund of the Year 2016"

Won 3 years in a row!

SPARX Shin Kokusai Yuryo Japanese Equity Fund ("Gensentoshi" ("Highly Selective Investment"))

References to any specific securities do not constitute an offer to buy or sell securities. Those awarded funds based upon the past performance cannot guarantee their future performance. Data or statements are obtained from sources Morningstar Japan K.K believed to be reliable but are not guaranteed as to accuracy or completeness.

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Taking every factor into consideration, Morningstar Japan K.K. has selected funds for Morningstar Award "Fund of the Year 2016" in each divisions from open-end mutual fund based upon its unique quantitative and qualitative analysis. Awarded funds in the Domestic Large-cap Stock Fund Division have been selected from 617 funds at the end of December 2016. Awarded funds in the Domestic Mid- and Small-cap Stock Fund Division have been selected from 250 funds at the end of December 2016.

Press Release January 30, 2017

Received Morningstar's Best Fund Award, "Fund of the Year 2016" ②



Domestic Mid- and Small-cap Stock Fund Division (total: 250 funds)

"Best Fund of the Year 2016"

SPARX Premium Japanese Micro-cap Equity Fund ("Kachihakkutsu")

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Financial Results for FY2016

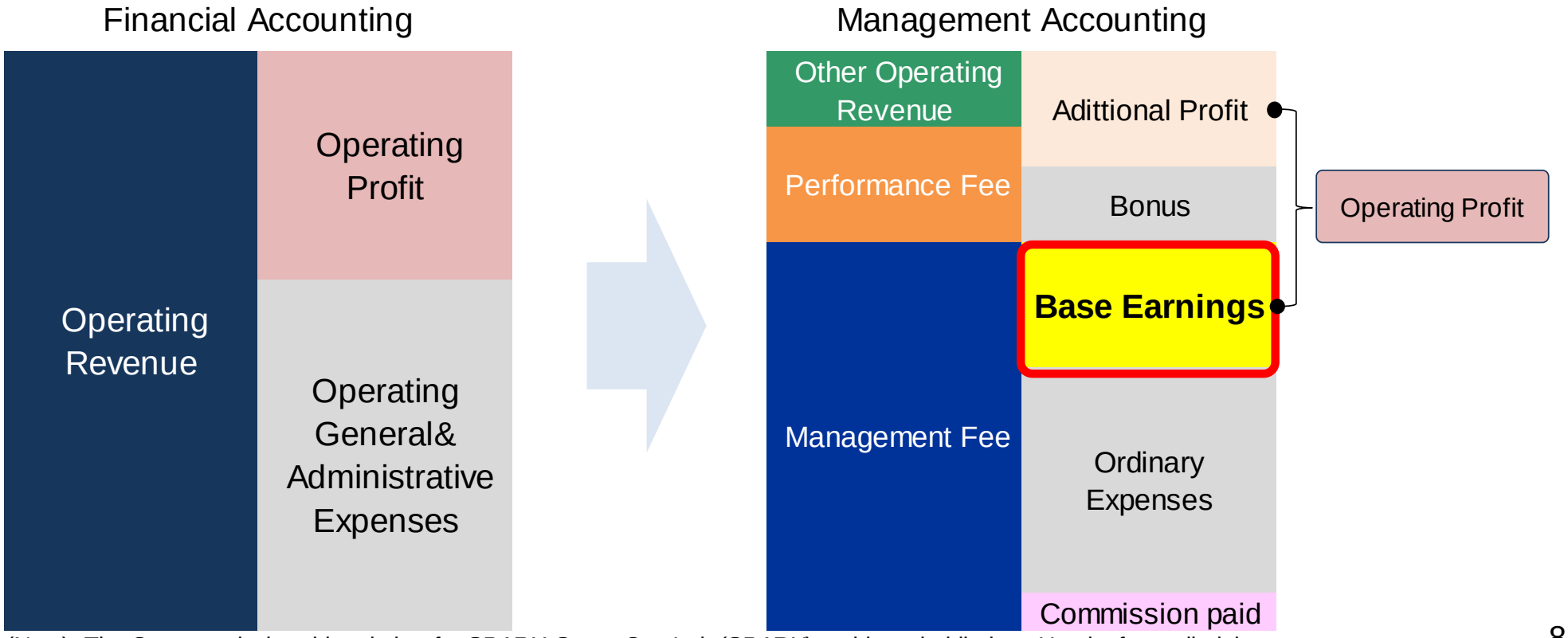
An Attention to Consolidated Financial Results of SPARX Group Co., Ltd.

The Company identifies "**Base Earnings**" as the most important financial indicator which explains sustained and stable fundamental profitability of the Company.

Base Earnings = (Management Fee – commission paid) – Ordinary expenses

= Management Fee (After the deduction of commission paid) – Ordinary Expenses

Because the operating profit for financial accounting purposes includes one-off/ additional performance fees which could be affected by trends of the equity market and progress of real assets investment business, **we recommend you to pay attention to "Base Earnings" for understanding the earning strength.**



(Note) The Company is the abbreviation for SPARX Group Co., Ltd. (SPARX) and its subsidiaries. Hereinafter called the same.

FY 2016 Overview (1) Performance

		FY2015	FY2016	
		Apr2015-Mar2016	Apr2016-Mar2017	YoY change
Average AUM	(100MM JPY)	9,732	9,459	▲2.8%
Management fee rate (After the deduction of commission paid)	(%)	0.59%	0.69%	0.10
Management fee (After the deduction of commission paid)	(MM JPY)	5,705	6,498	+13.9%
▲ Ordinary expenses	(MM JPY)	3,770	4,028	+6.8%
Base earnings	(MM JPY)	1,935	2,469	+27.6%
Performance fee	(MM JPY)	1,730	1,322	▲23.5%
Percentage of AUM eligible to earn peformance fee	(%)	40.1%	36.4%	▲3.7
Other operating revenue	(MM JPY)	365	107	▲70.5%
▲Amortization of goodwill	(MM JPY)	311	—	—
▲ Bonus	(MM JPY)	674	688	+2.1%
Operating profit	(MM JPY)	2,978	3,169	+6.4%
Profit attributable to owners of parent	(MM JPY)	2,685	2,346	▲12.6%
ROE	(%)	19.6%	15.7%	▲3.9

FY 2016 Overview (2) AUM

While AUM as of 2016 fiscal year end stayed almost the same as that of 2015 fiscal year end mainly due to redemption from Korean institutional investors, the profitable Japanese AUM increased from the previous period due to expansion of AUM in Real Asset Strategy and Mirai Creation Strategy, as well as in Japanese Equity Focus All Cap Strategy and Japanese Equity Clean Tech Strategy.

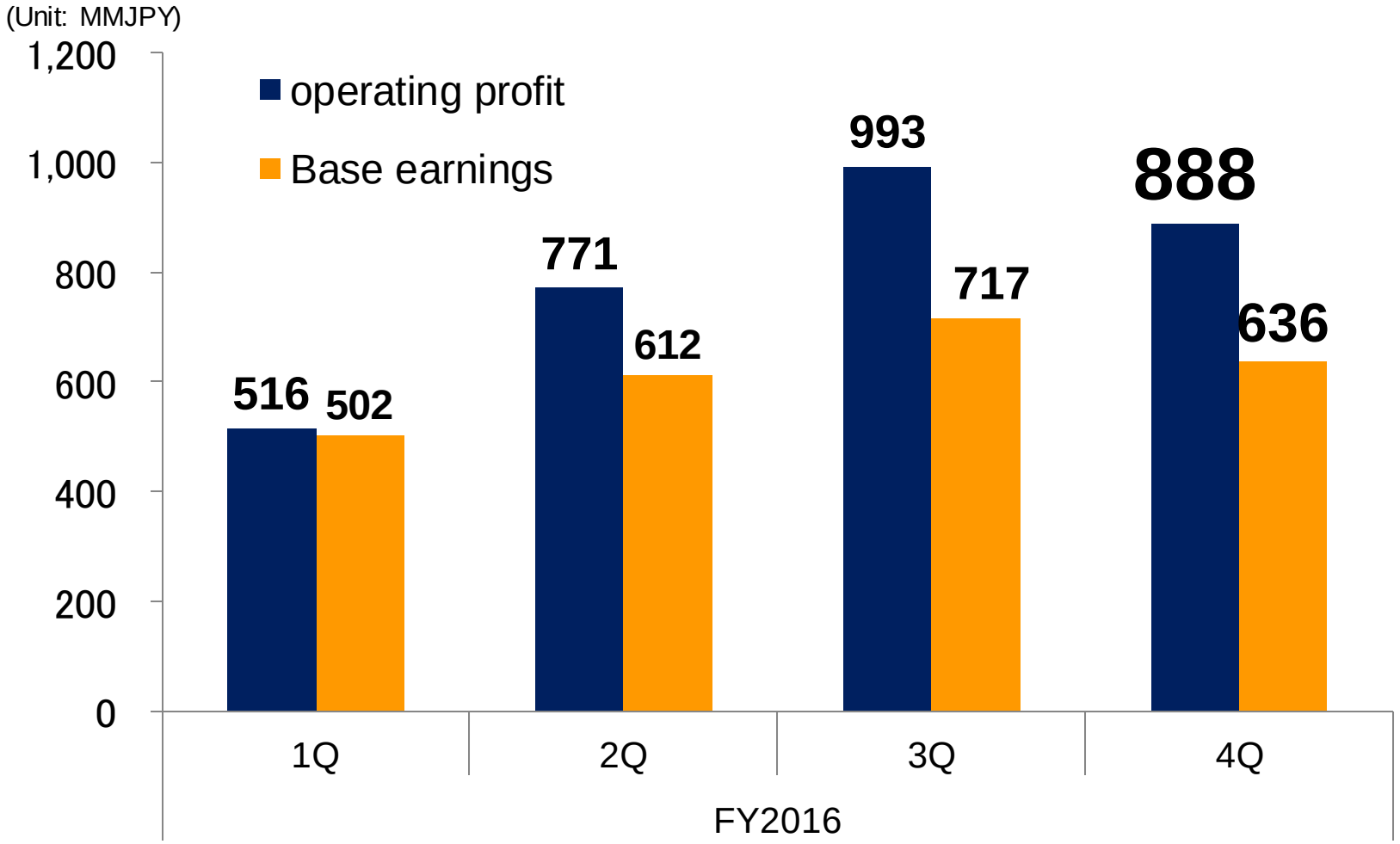
(Unit:100MM JPY)	AUM			Average AUM (Twelve months)		
	As of March, 2016	As of March, 2017	Change (%)	FY2015	FY2016	YoY change (%)
Japan	7,383	8,131	+10.1%	6,711	7,603	+13.3%
Korea	1,979	1,343	▲32.1%	2,746	1,659	▲39.6%
Asia	231	143	▲37.9%	274	196	▲28.6%
Total	9,593	9,619	+0.3%	9,732	9,459	▲2.8%

	As of March, 2016	As of March, 2017	YoY change
TOPIX	1,347	1,512	+12.3%
NIKKEI stock average (JPY)	16,758	18,909	+12.8%
KOSPI	1,995	2,160	+8.2%

※ Please refer "SPARX Group Announces Assets Under Management for March" for further information.
http://v4.eir-parts.net/v4Contents/View.aspx?cat=tdnet&sid=1456941

FY 2016 Overview (3) Performance Quarterly Trends

Substantial profitability of the Company is strengthened by stably increasing quarterly operating profit and base earnings.



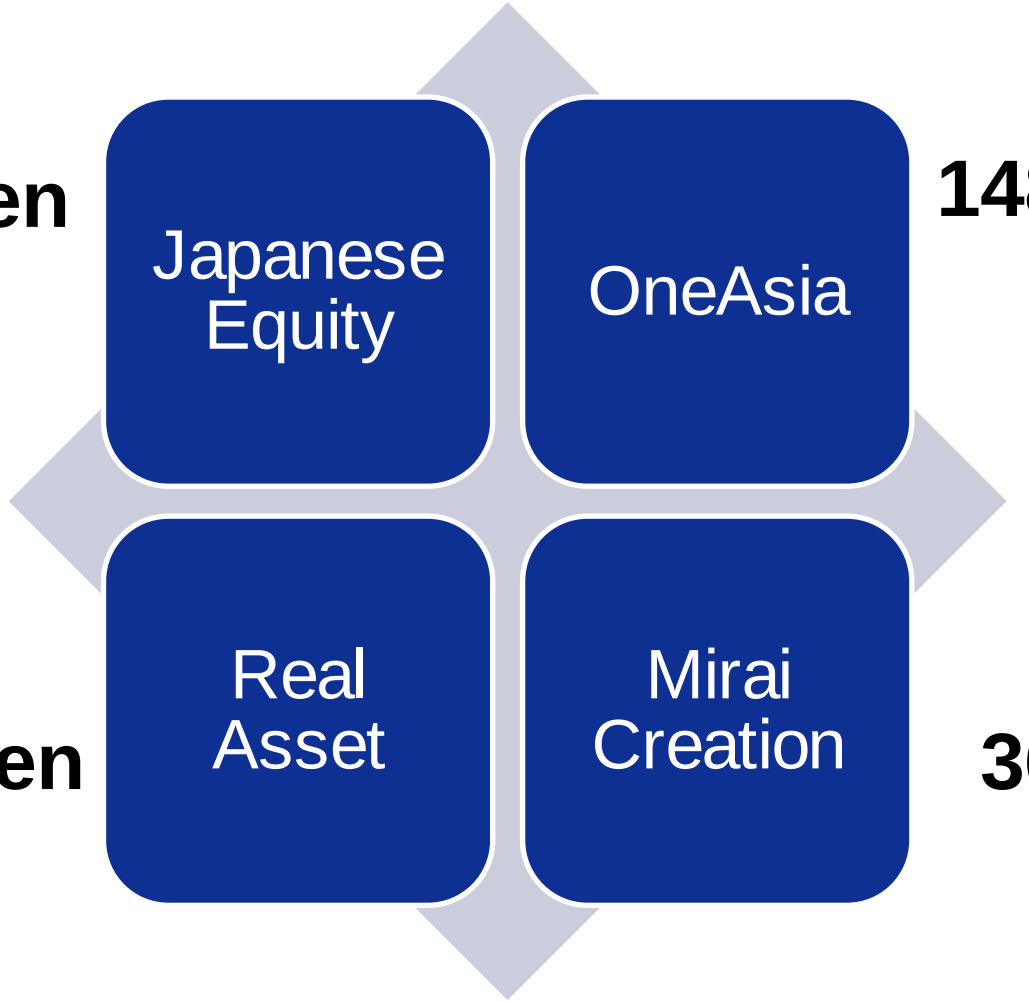
Progress of the Businesses and Future Plans

4 Main Investments for Growth Realization

Breakdown of AUM as at the end of March 2017

607.1 billion yen

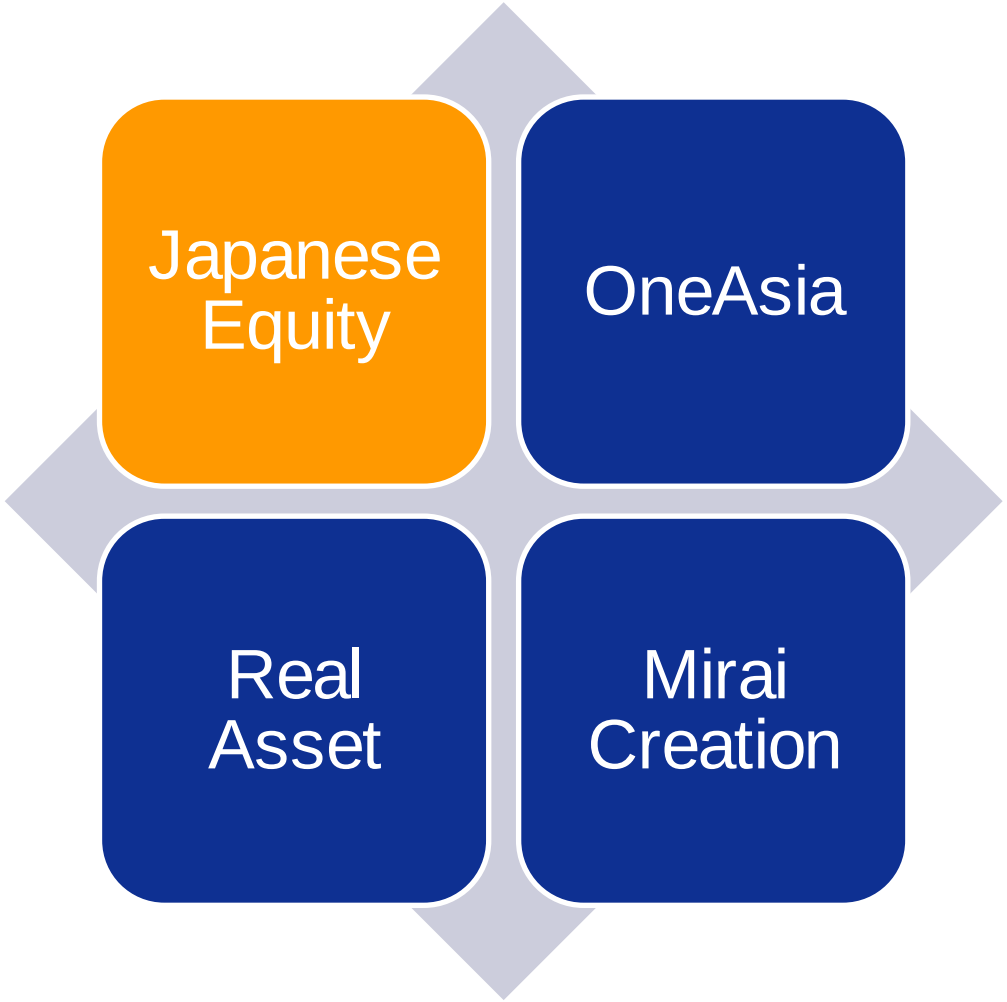
148.7 billion yen



169.4 billion yen

36.5 billion yen

① Japanese Equity Investment Strategy
(AUM as at the end of March 2017 : 607.1 billion yen)



Japanese Equity Investment Strategy : AUM by Strategies

（Unit：100million JPY）	AUM			
	Mar. 2016	Mar. 2017	Change	Change (%)
Japanese Equity Long-Short Strategy	399	179	▲219	▲55.0%
Japanese Equity Focus All Cap Strategy	2,522	2,947	+425	16.9%
Japanese Equity Mid & Small Cap Strategy	1,915	1,816	▲99	▲5.2%
Japanese Equity Clean Tech Strategy	851	1,032	+180	21.2%
Shareholders Responsibility Strategy	65	56	▲8	▲13.6%
Others	100	39	▲61	▲60.8%
Total	5,855	6,071	+216	3.7%

- Japanese Equity Long-Short Strategy:
  decreased due to redemption mainly from domestic institutional investors
- Japan Equity Focus All Cap Strategy:
  increased due to new subscription, favorable performance and rise of equity market
- Japanese Equity Mid & Small Cap Strategy:
  decreased due to redemption mainly from domestic and international institutional investors
- Japanese Equity Clean Tech Strategy:
  increased due to favorable performance and rise of equity market

Press Release April 10, 2017

Demanding of Teikoku Sen-i to Improve its Capital Efficiency Through the Fund of Shareholders Responsibility Strategy

SPARX Filed a Report of Possession of Large Volume of Shares in Teikoku Sen-i Co., Ltd. (Security Code 3302)

Tokyo (April 10, 2017) – SPARX Group Co., Ltd. hereby announces that its consolidated subsidiary, SPARX Asset Management Co., Ltd. (referred to as "SPARX" herein), acting in the capacity of investment adviser of assets under management for its investors, acquired 5.07% of the outstanding shares of Teikoku Sen-i Co., Ltd. ("Teikoku Sen-i") as at April 6, 2017, and filed a Report of Possession of Large Volume with the Kanto Local Finance Bureau. The report states the purpose of holding as follows:

SPARX has invested in Teikoku Sen-i shares since April 2014 for the following reasons.
(1) SPARX highly evaluates the competitiveness (Fire hoses are products used in special circumstances at the scene of a fire. The credibility that the company has built through many years of supplying these specialized products, provides a competitive edge by erecting barriers to entry into this market.); (2) growth potential (Not only national and local governments but also corporations are becoming considerably more conscious of disaster prevention, especially since the Great East Japan Earthquake. We expect that increased public and private demand will boost growth in the company.); and (3) An outstanding ability of its current management team who have rebuilt Teikoku Sen-i through the growth of its disaster prevention & preparedness business.

On the other hand, SPARX considers from the shareholder's perspective that Teikoku Sen-i does not make efficient use of capital. Specifically, shares of a company which has limited synergy with Teikoku Sen-i's core business (cross-shareholdings) and cash sit on the balance sheet without being used for capital expenditures or shareholder returns. These investment securities and cash balances are the main cause for the decline in capital efficiency as it is difficult to imagine that they will produce returns that exceed the costs of equity in the mid- to long-term.

SPARX has been in dialogue with management at Teikoku Sen-i since April 2015 and has repeatedly asked them to address the issue. However, thus far, Teikoku Sen-i's management has made no moves toward improving capital efficiency. Moreover, there was no mention of anything related to capital efficiency in the Teikoku Sen-i's medium-term business plan disclosed in February 2017.

Improving capital efficiency of listed companies is required for Japanese economic regrowth as described in the Stewardship Code and Corporate Governance Code. Corporations are entities that distribute the fruits of their business activities to their stakeholders such as clients, employees, local community and shareholders. With this awareness, Teikoku Sen-i must share the fruits with shareholders through the improvement of capital efficiency.

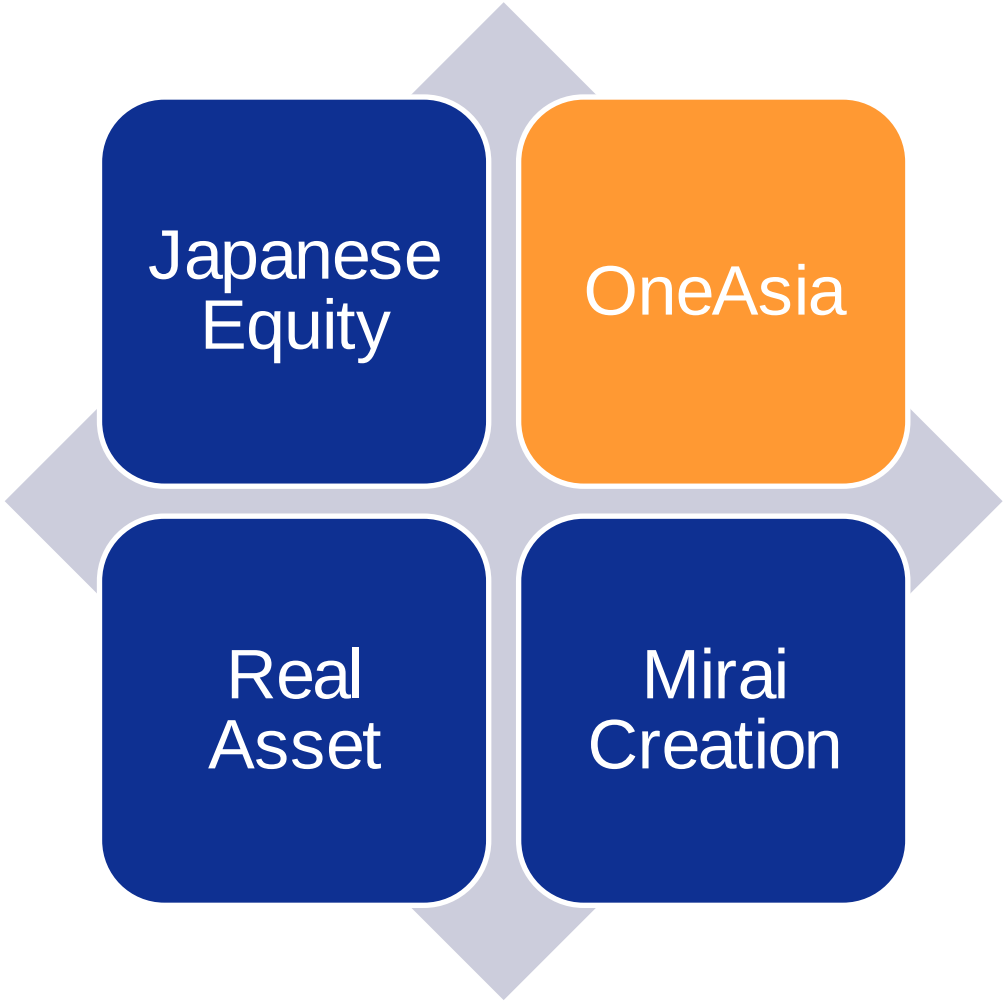
Based on the consideration above, SPARX, as one of Teikoku Sen-i's shareholders, demands the following from Teikoku Sen-i.

1. Sell cross-shareholdings within a reasonable period.
2. Demonstrate a clear policy on future capital allocation to improve medium- to long-term shareholders' value. Particularly, a capital expenditure plan for growth and a shareholder returns plan need to be disclosed.

(Reference) https://www.sparx.co.jp/opinions/pdf/stewardship-e.pdf

②OneAsia Investment Strategy

（AUM at the end of March 2017: 148.7 billion yen）



OneAsia Investment Strategy (1)

Set up Asia Gensentoshi Fund (private placement fund) in February 2017, plan to set up its public placement fund in May 2017

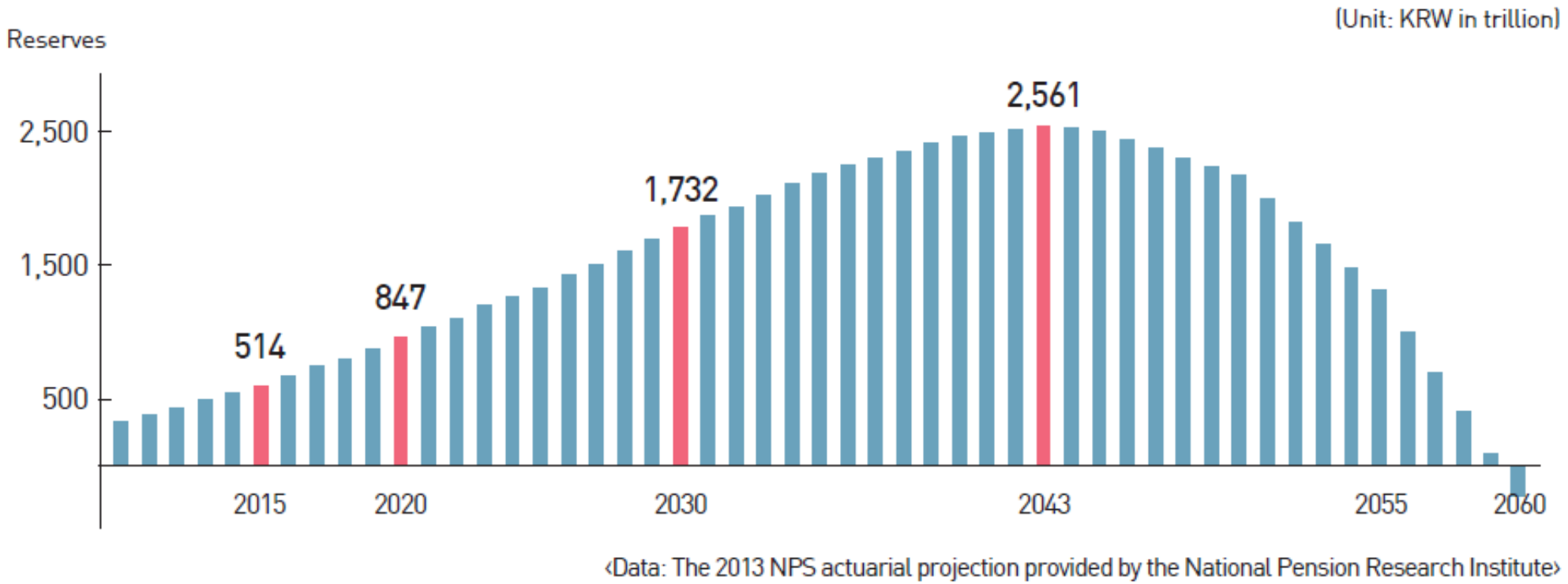
Set up an Asian version of highly esteemed Japanese equity・Gensentoshi Fund (Highly Selective Investment Fund) (long-term investment fund focusing on a limited number of Asian firms (excluding Japanese ones) with advanced technology and strong brand recognition, which are expected to realize future global expansion) as a private placement fund in February.
Thereafter, plan to set up a public placement fund of the same strategy (in May), thereby enhancing access to individual investors and expanding AUM.

Set up Korean Long Short Fund in April 2017

Set up a Long Short Fund of Korean listed equities by utilizing the know-how of investments in Japanese equities.
Seek to increase AUM with alternative investments as higher value-added products.

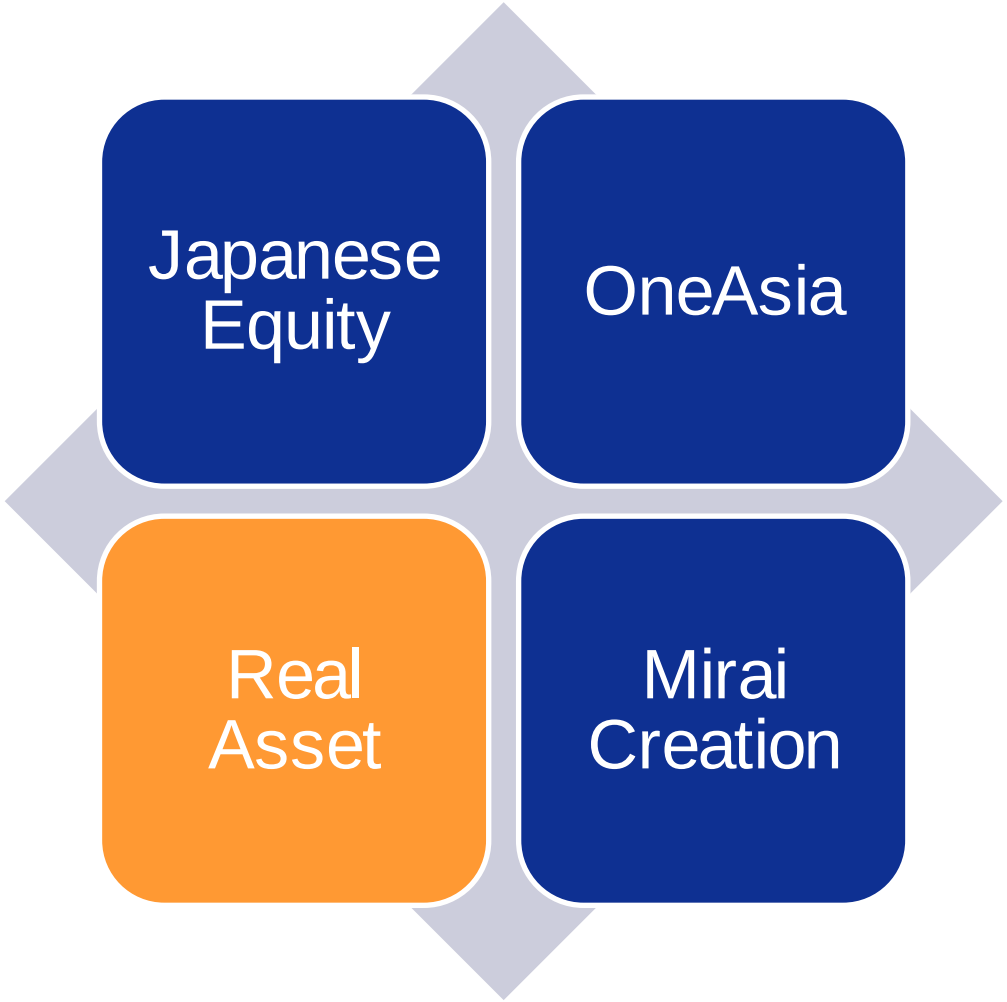
OneAsia Investment Strategy (2)

Capital net inflow expected to build up until the year 2043 according to the estimation of future reserves of pension capital, disclosed by Korean National Pension.



‹Data: The 2013 NPS actuarial projection provided by the National Pension Research Institute›

③ Real Asset Investment Strategy
（AUM at the end of March 2017: 169.4 billion yen）

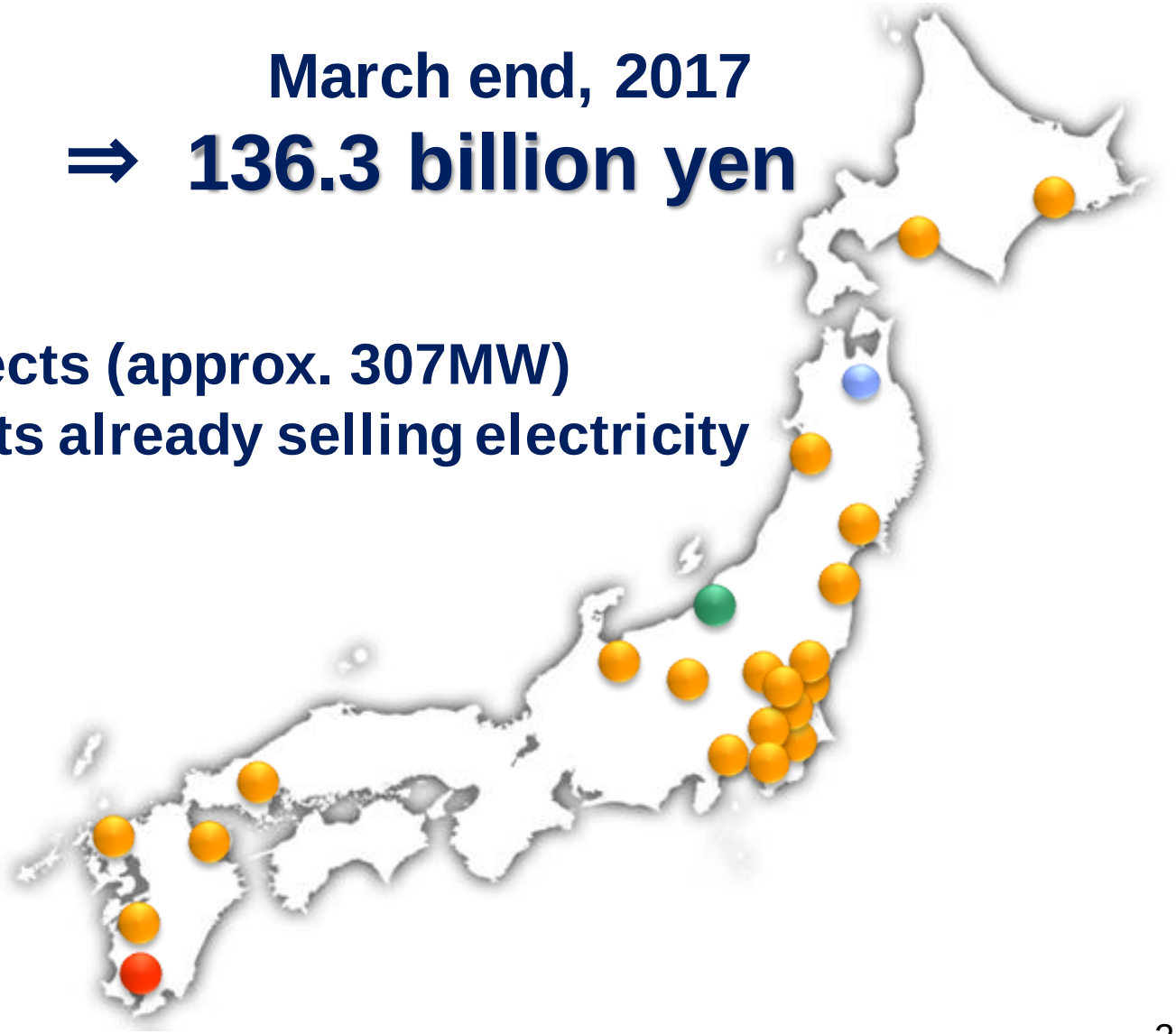


Investment in Renewable Energy Generating Facilities (AUM at the end of March 2017: 136.3 billion yen)

■ **AUM**

March end, 2016		March end, 2017
113.4 billion yen	⇒	**136.3 billion yen**

■ **Invested in 23 projects (approx. 307MW)**
Including 13 projects already selling electricity (approx. 100MW）



- Solar Power Station
- Wind Power Station
- Geothermal Power Station
- Biomass Power Station

Investment in Renewable Energy Generating Facilities

Continue the preparation to provide “Brown Field Investment” fund

SPARX has been utilizing its know-how, intelligence and knowledge for “green field investment” funds, targeting on the preparation and launch of renewable power generation facilities. In addition, SPARX continues preparation to provide “brown field investment” funds, focusing on the running of renewable power generation facilities, which can produce long-term stable cash flow, for such institutional investors.

Plan to invest in a renewable energy generating facility in the disaster-stricken region though the fund

Plan to invest in a renewable energy generating facility in the region afflicted by the accident at Fukushima Daiichi Nuclear Power Plant though a fund. Developing and investing in renewable energy generating facilities is exceedingly meaningful to the Company in terms of contributing to recovery from the disaster.

Real Estate Investment

(AUM at the end of March 2017: 33.1 billion yen)

Investment in an office building “New City Tama Center Building” has been executed by the real estate investment fund

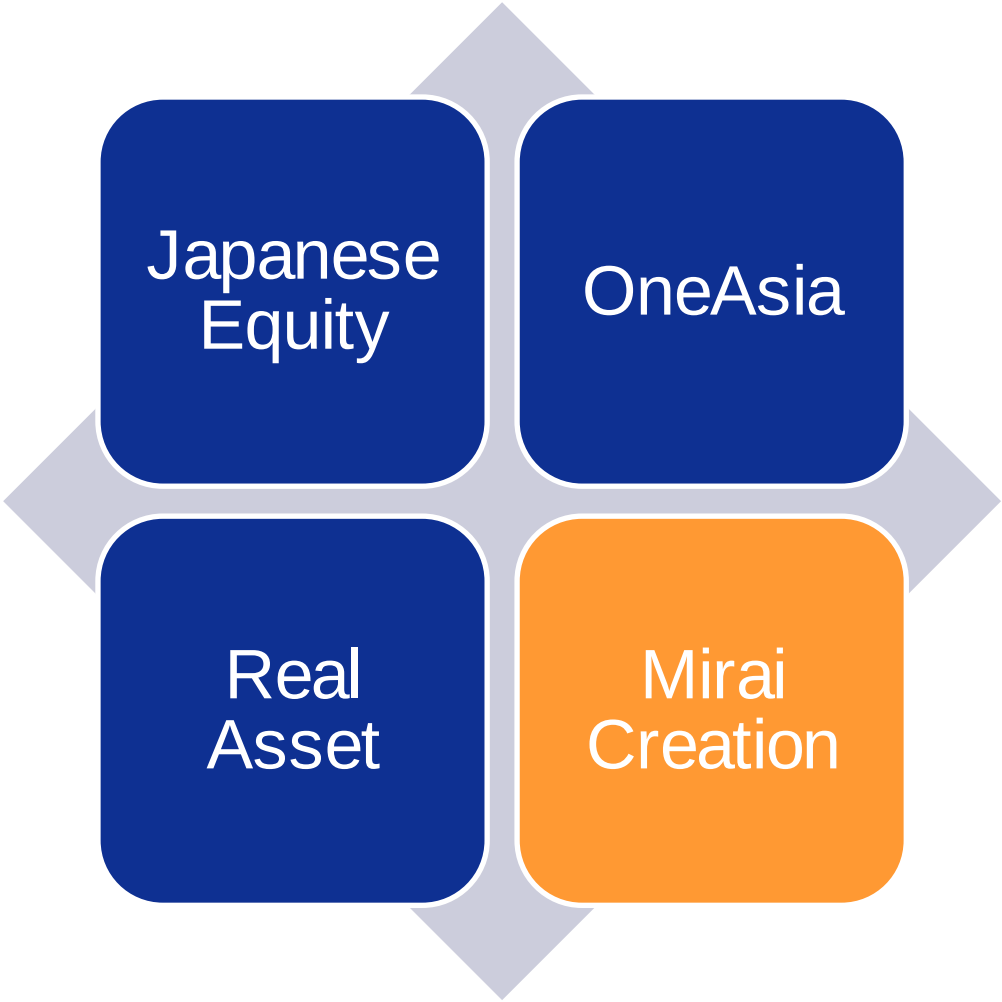




- The office building with a sense of dignity and a refined design was designed by Kengo Kuma and Associates and constructed in 2002.
- Currently, it is utilized as headquarters and operation centers by a major bank, an insurance company, retailers and others.

(Reference) https://www.sparxgroup.com/press/uploads/PressE161215.pdf

④ Mirai Creation Investment Strategy
（AUM at the end of March 2017: 36.5 billion yen ）



AUM / Investment Record of Mirai Creation Fund Steadily Increased

At the end of March 2016

AUM: JPY 21.6 BN

4 Projects

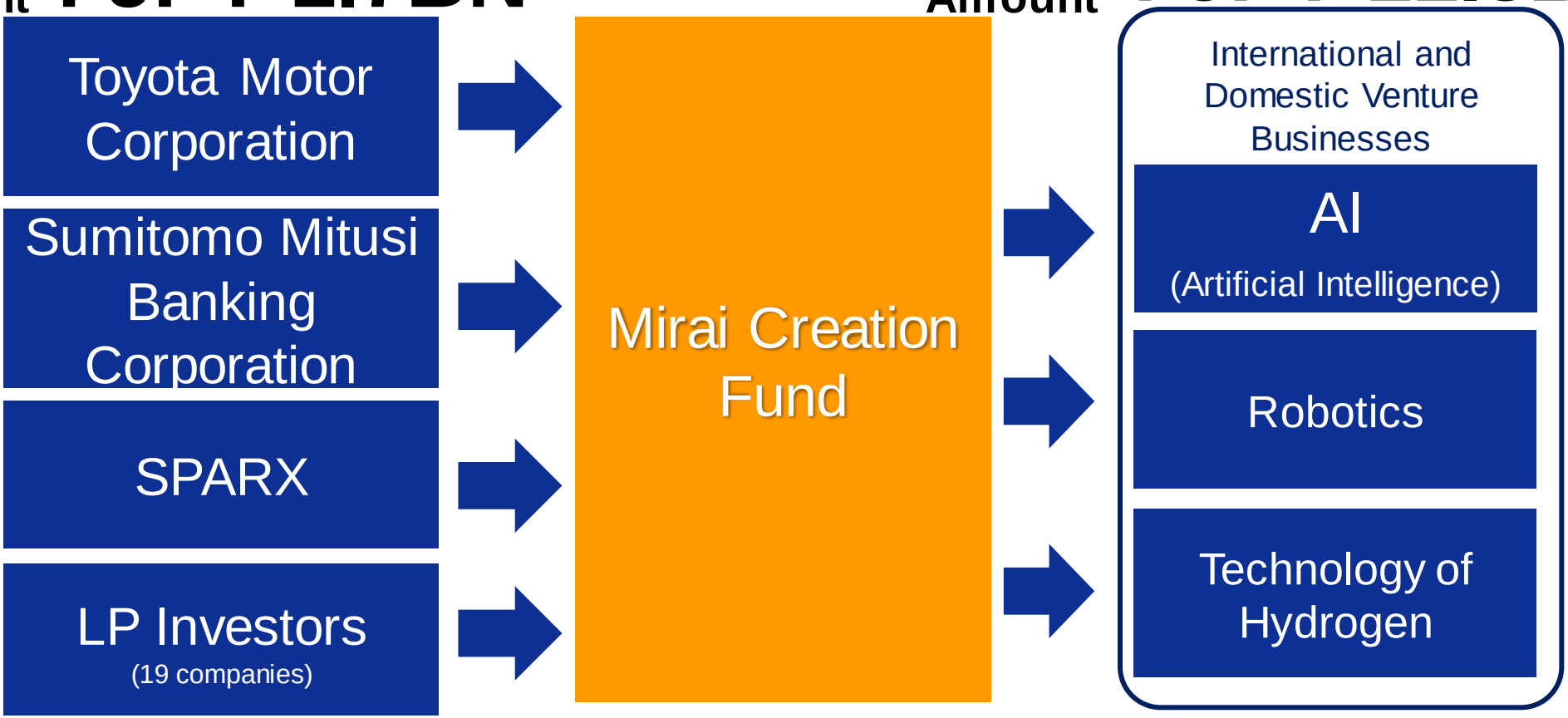
Executed Amount: JPY 1.7BN

At the end of March 2017

AUM: JPY36.5BN

26 Projects

Executed Amount: JPY 11.8BN



Shareholders Return

Return to Shareholders －（1）Stock Repurchase

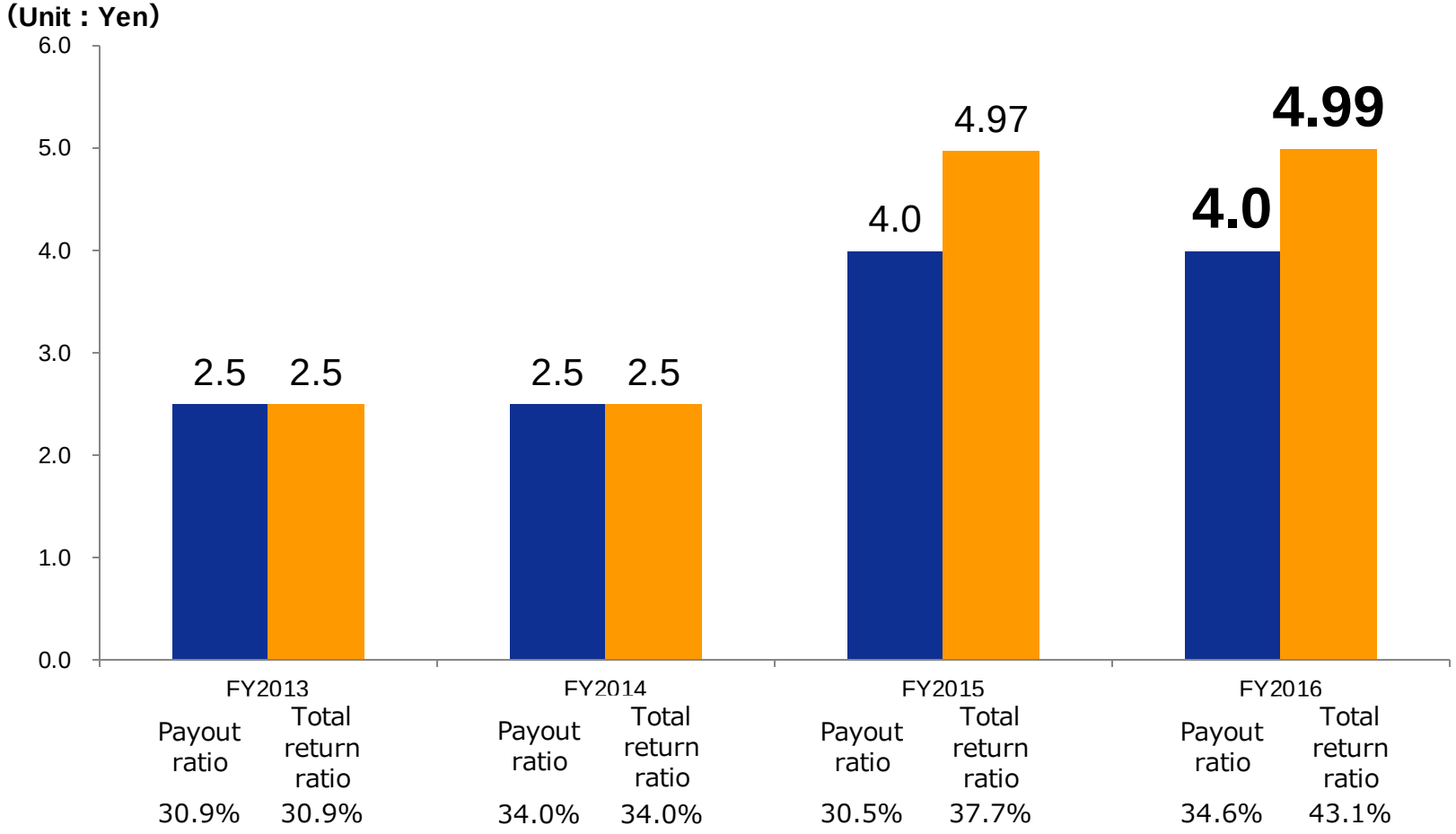
Decided to implement 3 stock repurchase programs in 2 years

Implemented stock repurchase program in order to achieve higher shareholder return, improve capital efficiency and enable effective execution of its capital strategy in accordance to the business environment.

(1)Type of shares acquired	Shares of common stock of SPARX Group Co., Ltd.
(2)Total number of shares acquired	Up to 1,500,000 shares (0.74% of total issued common stock (excluding treasury stock))
(3)Total price of shares acquired	Up to 330,000,000 yen
(4)Period of stock acquisition	From May 1, 2017 through May 31, 2017

Shareholders Return – (2) Dividend

Dividend per share for the fiscal year ending on March 31, 2017 is scheduled to be 4.00 yen which is the same amount as the previous fiscal year.(Note) Shareholders return per share will increase due to the stock repurchase program.



（Note1） Dividends will be paid out subject to the approval of the resolution of the 28th general shareholders' meeting that is scheduled to be held in June 2017.

（Note2） Total return ratio per share =
(dividend + total price of share acquired) ÷ (the year end total number of shares issued △ the year end total number of treasury stock)

（Note3） Payout ratio = dividend per share ÷ net income per share

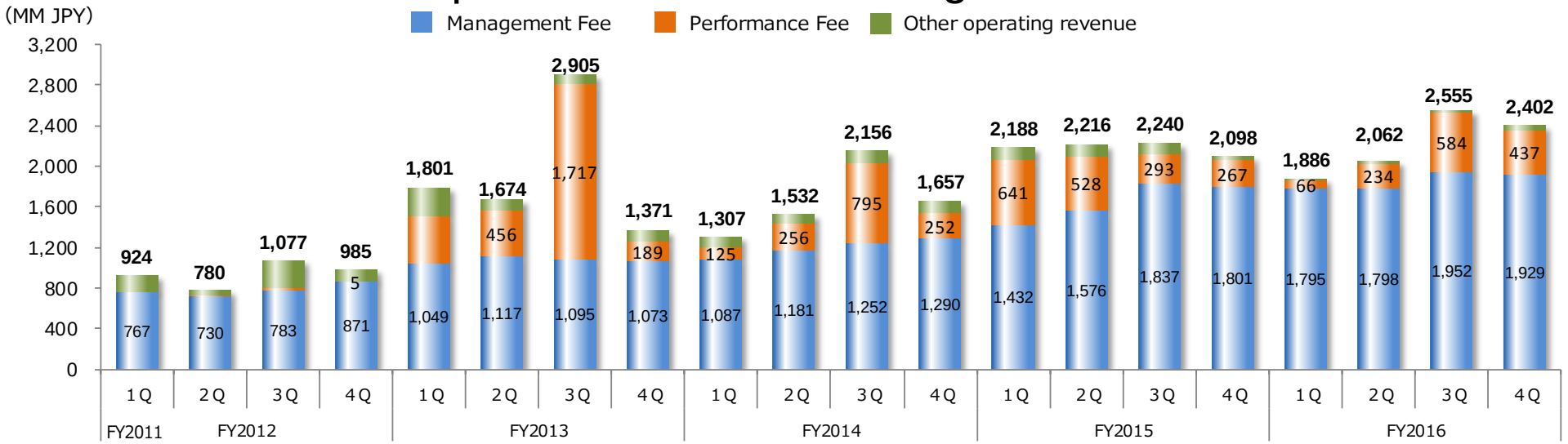
（Note4） Total return ratio ＝ total return ratio per share÷ profit per share

（Note5） Total return ratio in FY2016 exclude the stock repurchase program (slide 27)

Appendix

Quarterly Trends of Operating Revenue

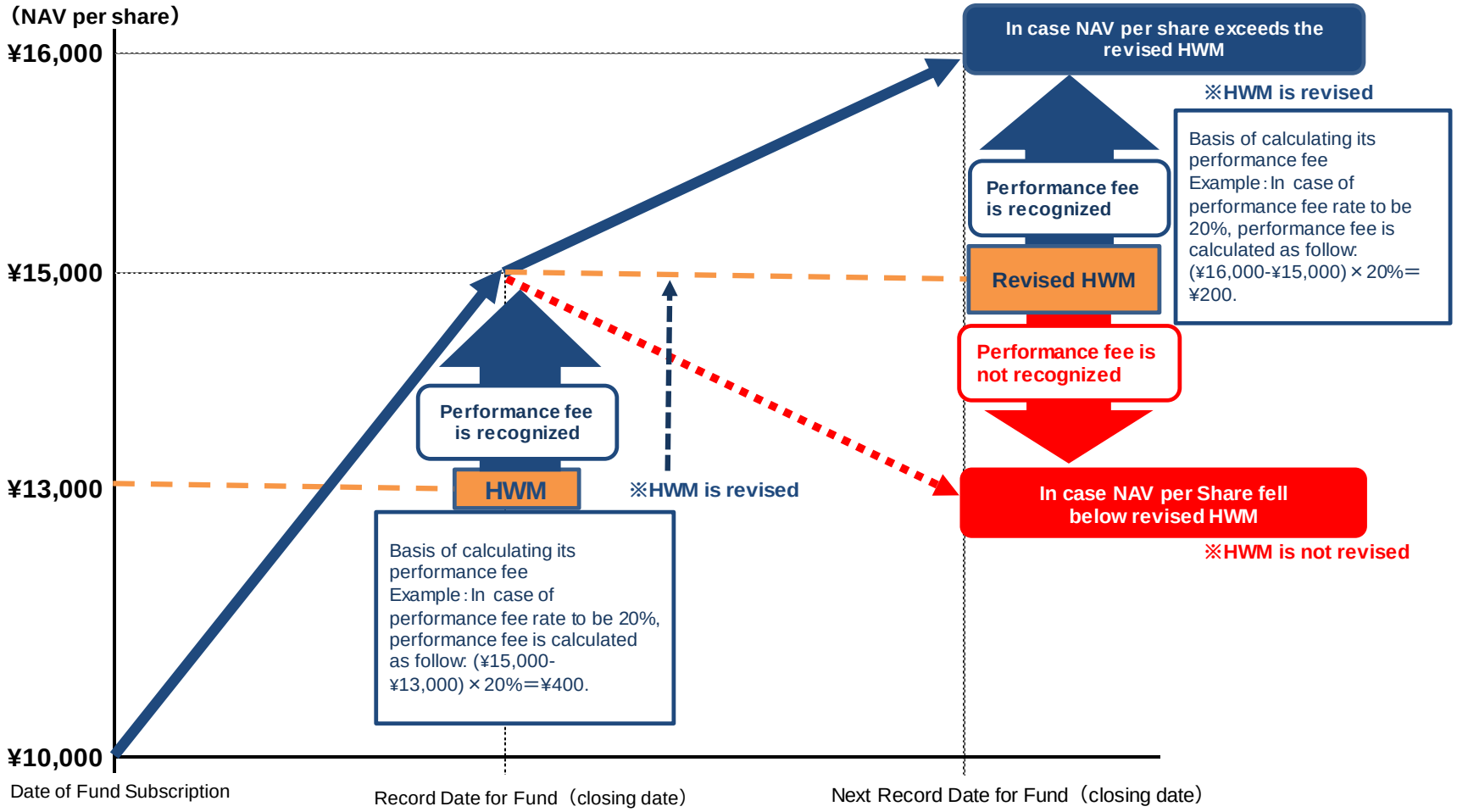
Management fee has remained stable due to improvement of the management fee rate



(MM JPY)	FY2012				FY2013				FY2014				FY2015				FY2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Management Fee	767	730	783	871	1,049	1,117	1,095	1,073	1,087	1,181	1,252	1,290	1,432	1,576	1,837	1,801	1,795	1,798	1,952	1,929
Performance Fee	0	2	31	5	462	456	1,717	189	125	256	795	252	641	528	293	267	66	234	584	437
Other operating revenue	156	46	261	107	288	100	92	109	94	94	109	114	114	111	109	29	24	28	18	35
Operating Revenue	**924**	**780**	**1,077**	**985**	**1,801**	**1,674**	**2,905**	**1,371**	**1,307**	**1,532**	**2,156**	**1,657**	**2,188**	**2,216**	**2,240**	**2,098**	**1,886**	**2,062**	**2,555**	**2,402**
(Reference)																				
Average AUM (100MM JPY) (3months average)	4,799	4,643	5,369	6,232	6,774	6,752	7,117	6,874	7,239	7,859	8,217	9,126	10,297	9,277	9,856	9,497	9,233	9,270	9,703	9,631
Management fee rate (3months average) (After the deduction of commission fee)	0.57%	0.55%	0.52%	0.50%	0.55%	0.58%	0.53%	0.52%	0.51%	0.52%	0.53%	0.49%	0.49%	0.59%	0.63%	0.66%	0.67%	0.67%	0.70%	0.70%
Percentage of AUM eligible to earn performance fees	54.0%	51.9%	46.3%	49.1%	46.9%	49.4%	51.9%	55.1%	51.2%	50.5%	51.2%	47.6%	47.4%	37.7%	37.3%	40.1%	39.8%	41.8%	39.2%	36.4%
NIKKEI stock average (Record date)	9,006	8,870	10,395	12,397	13,677	14,455	16,291	14,827	15,162	16,173	17,450	19,206	20,235	17,388	19,033	16,758	15,575	16,449	19,114	18,909

Structure of Performance Fee (Related to Stock Fund)

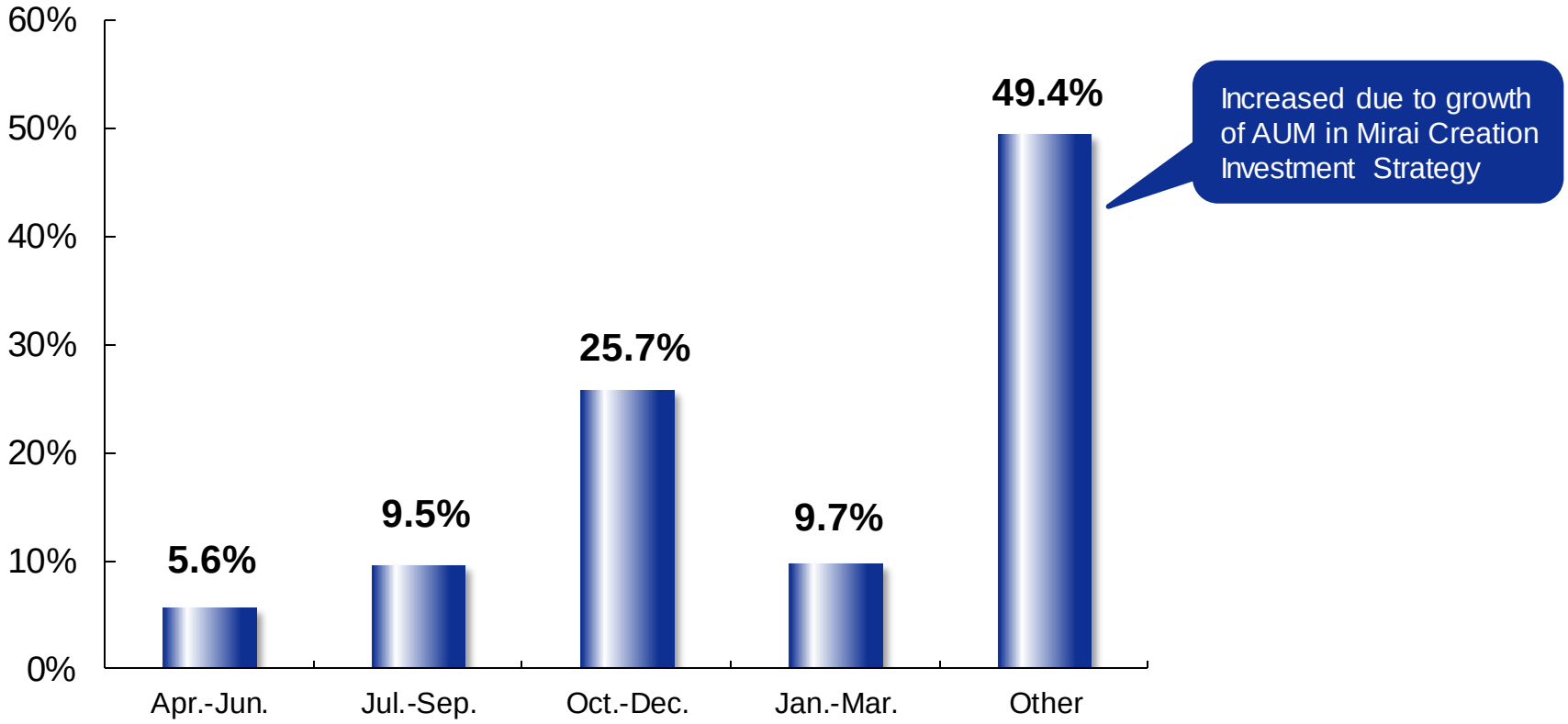
Performance Fee is recognized for NAV per share exceeding HWM as of record date for fund



(Note 1)The structure described above is only informational purpose on performance fee structure. It is not intended to explain exactly how the performance fee is calculated based on fund's NAV.
(Note 2)Above uses performance fee rate of 20% for informational purpose only. In addition, "HWM" an abbreviation of High-Water Mark.
(Note 3)In case peformance fee recognized on record date for fund, "HWM" is revised.

（SAM）Funds with Performance Fees
Distribution of Record Date for Calculation

Continuously endeavor to distribute
record date (settlement date) of performance fee for funds



(Note1) All funds managed by SAM (investment trusts and discretionary investment accounts; hereinafter the same applies) as of March 31, 2017 are classified by the performance fee value date and payment month in the graph above. Among these, performance fee is recorded only if it has met the requirements specified in the contract in each calculation value date. Please note that it is not intended to demonstrate how definite performance fee to occur in the future.

(Note2) In calculating these percentages, the following adjustments are made: for funds with multiple payment periods through a year, the equally divided values of the funds are allocated to the amount in the month of each value date and for funds with no regular payment periods are classified as “others”.

(Note3) The table above excludes AUM which arises acquisition fees of fundraising the Company received from such power stations relating to Japan Renewable Energy Investment Strategy.

(Note4) The above % figures are rounded to the nearest tenth of a percent. In addition, the figures are estimated based on in-house calculation.

(Note5) SAM is the abbreviation for SPARX Asset Management Co., Ltd. Hereinafter called the same.

Breakdown for Operating Expenses and General & Admin Expenses

① **Moving costs incurred by the relocation of Tokyo office in 1Q.**

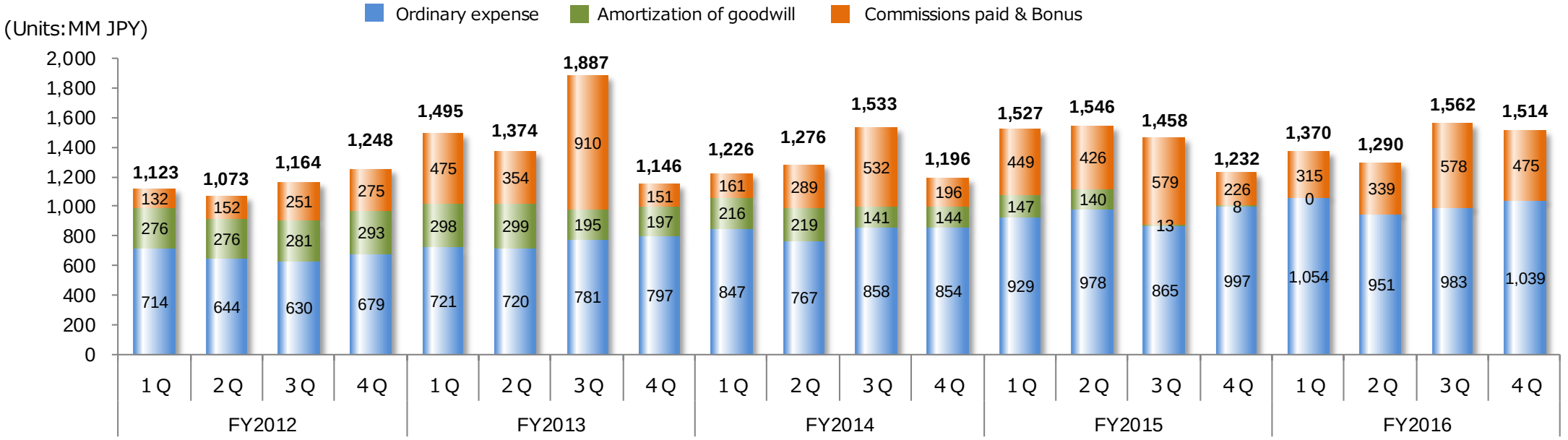
② **Expenses decreased due to goodwill completed in FY2015**

(Units: MM JPY)	FY2015	FY2016	
	Apr2015-Mar2016	Apr2016-Mar2017	YoY change
Commissions paid	1,008	1,020	+1.2%
Personnel exp.	2,305	2,347	+1.8%
Travel exp.	187	225	+20.3%
Property rent	303	357	+18.0%
Entrusted business expenses	691	731	+5.9%
Depreciation on fixed assets	112	105	▲6.1%
Advertising exp.	169	182	+8.0%
Research exp.	225	210	▲6.7%
Other expenses	450	555	+23.5%
Amortization of goodwill	311	–	▲100.0%
Total: Operating and general administrative expenses	5,764	5,737	▲0.5%
Ordinary expense	3,770	4,028	+6.8%

(Note1) The figures above, excluding "YoY change" are truncated. "YoY change" is rounded to the nearest tenth of a percent.
(Note2) The "Personnel expenses" data includes payments for legal welfare, bonus and temporary staff, etc. other than salary.
(Note3) The "Ordinary expenses" is calculated by deducting (1) Commissions paid, (2) Bonuses (including allowance for bonuses, and legal welfare expenses related to bonuses), (3) Severances package for key members and (4) Amortization of goodwill, from total operating and general administrative expenses; hereinafter the same applies in this document.

Quarterly Trends of Operating Expenses and General & Admin Expenses

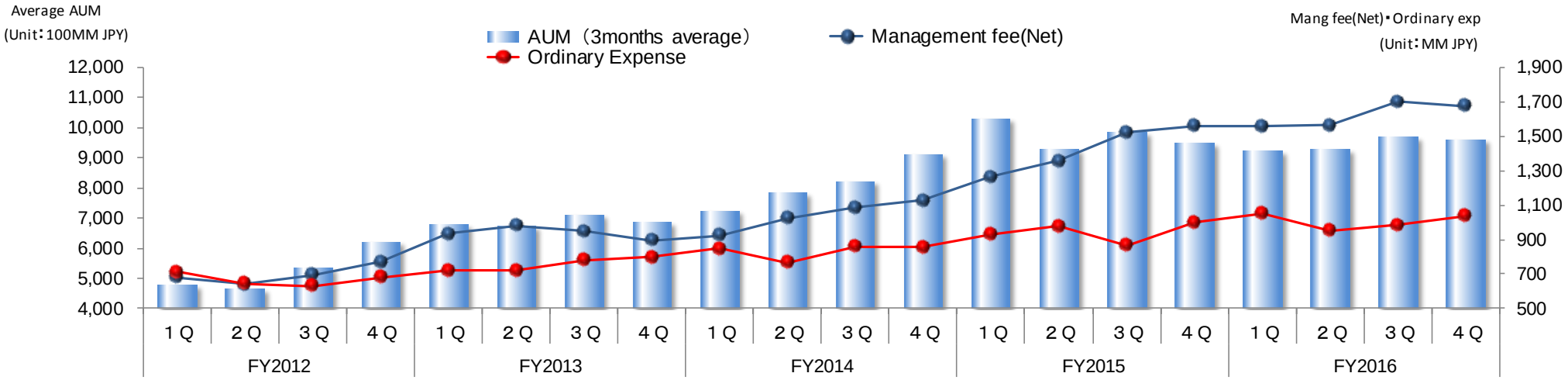
Cautious Cost-control taken continuously in the midst of business expansion

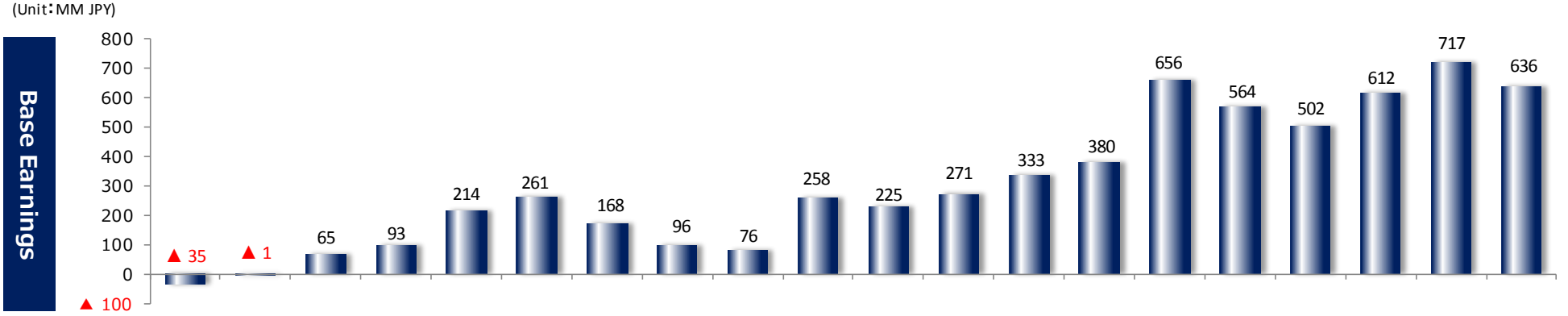


(Units : MM JPY)	FY2012				FY2013				FY2014				FY2015				FY2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Ordinary expense	714	644	630	679	721	720	781	797	847	767	858	854	929	978	865	997	1,054	951	983	1,039
Amortization of goodwill	276	276	281	293	298	299	195	197	216	219	141	144	147	140	13	8	–	–	–	–
Commissions paid & Bonus	132	152	251	275	475	354	910	151	161	289	532	196	449	426	579	226	315	339	578	475
Operating and general administrative expenses	**1,123**	**1,073**	**1,164**	**1,248**	**1,495**	**1,374**	**1,887**	**1,146**	**1,226**	**1,276**	**1,533**	**1,196**	**1,527**	**1,546**	**1,458**	**1,232**	**1,370**	**1,290**	**1,562**	**1,514**

Quarterly Trends of Base Earnings

Base earnings slightly improved by cost-control and increase in management fees



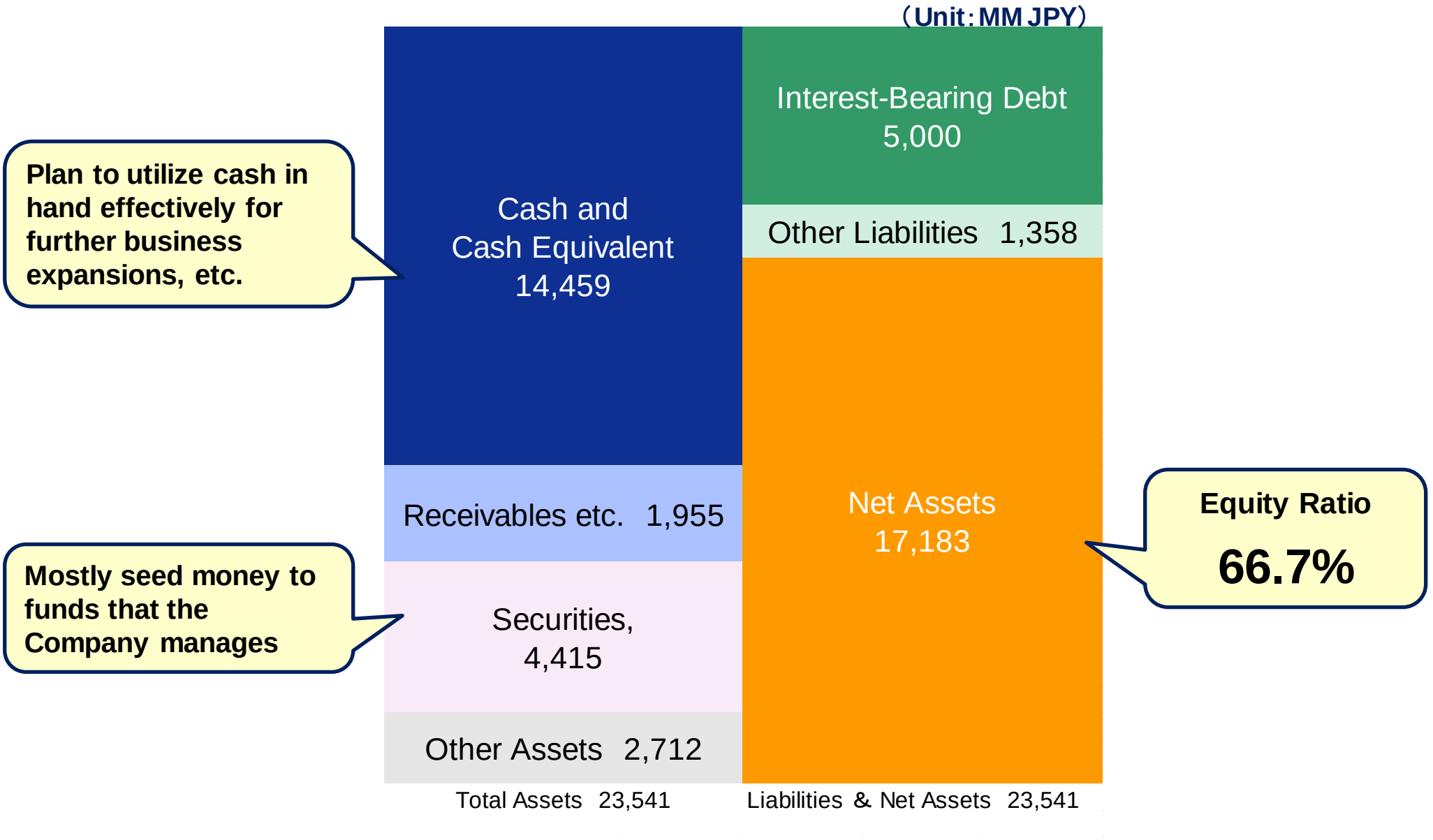


(Unit : MM JPY)	FY2012				FY2013				FY2014				FY2015				FY2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
AUM（3months average）	4,799	4,643	5,369	6,232	6,774	6,752	7,117	6,874	7,239	7,859	8,217	9,126	10,297	9,277	9,856	9,497	9,233	9,270	9,703	9,631
Management fee(Net)	679	642	695	771	934	982	950	894	923	1,025	1,084	1,126	1,262	1,358	1,521	1,562	1,557	1,563	1,701	1,675
Ordinary Expense	714	644	630	679	721	720	781	797	847	767	858	854	929	978	865	997	1,054	951	983	1,039
Base Earnings	▲35	▲1	65	93	214	261	168	96	76	258	225	271	333	380	656	564	502	612	717	636

(Note) As preliminary figures, the「Management fee (Net)」is calculated by multiplying the management fee rate (after the deduction of commission paid) and the average AUM for the period.

B/S Overview（1）

（Unit：MM JPY）



B/S Overview (2)

(Units: MM JPY)	Mar. 2016	Mar. 2017	YoY change
Current assets	16,921	17,767	+845
Cash and cash equivalents	13,070	14,459	+1,388
Securities	494	-	▲494
Receivables	1,838	1,955	+117
Fixed assets	3,758	5,774	+2,015
Investment securities	3,335	4,415	+1,080
Total assets	20,680	23,541	+2,861
Current portion of long-term loans payable	3,000	—	▲3,000
Long-term loans payable	—	5,000	+5,000
Payables	1,465	1,214	▲251
Total liabilities	4,946	6,358	+1,411
Common stock	8,575	8,581	+6
Add'l paid-in-capital	4,108	4,111	+3
Retained earnings	3,972	5,503	+1,531
Treasury stock	▲3,501	▲3,701	▲199
Total Shareholder's Equity	13,154	14,494	+1,340
Valuation difference on AFS securities	▲63	▲29	+33
Foreign currency translation adjustment	1,163	1,220	+57
Non-controlling interests	1,453	1,479	+26
Total net assets	15,733	17,183	+1,449

Breakdown of current portion of long-term loans payables is as follows:
1,500MM JPY Rate : 1.365%
1,500MM JPY Rate : 1.396%
Paid off in October 2016

New long-term loans payable
3,000MM JPY Rate : 0.78799%
2,000MM JPY Rate : 0.92609%
Due : September 2021

Payment of dividend : ▲815 MM JPY
Profit attributable to owners of parent : ＋2,346 MM JPY

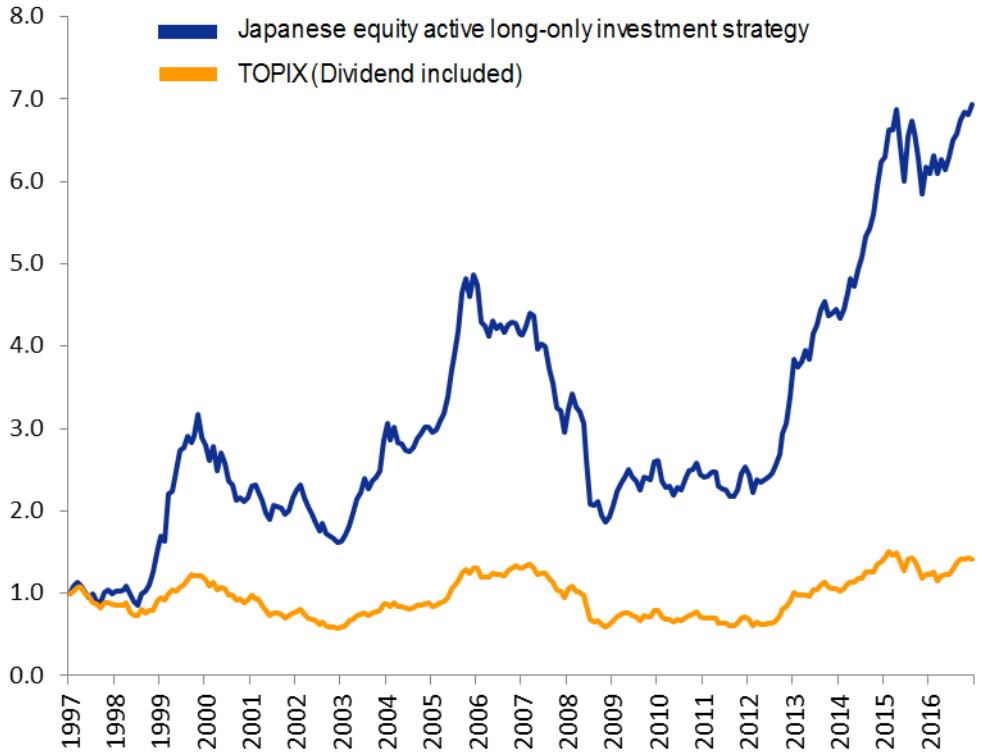
Stock repurchase: 199MM JPY

(Note1) Figures above are truncated.
(Note2) Investment securities include the seed money of the Company funds.

Annualized Performance by Strategy Since Inception ①

※ Category of investment strategy in this slide is not completely match with IR information in slide 15.

Japanese equity active long-only investment strategy

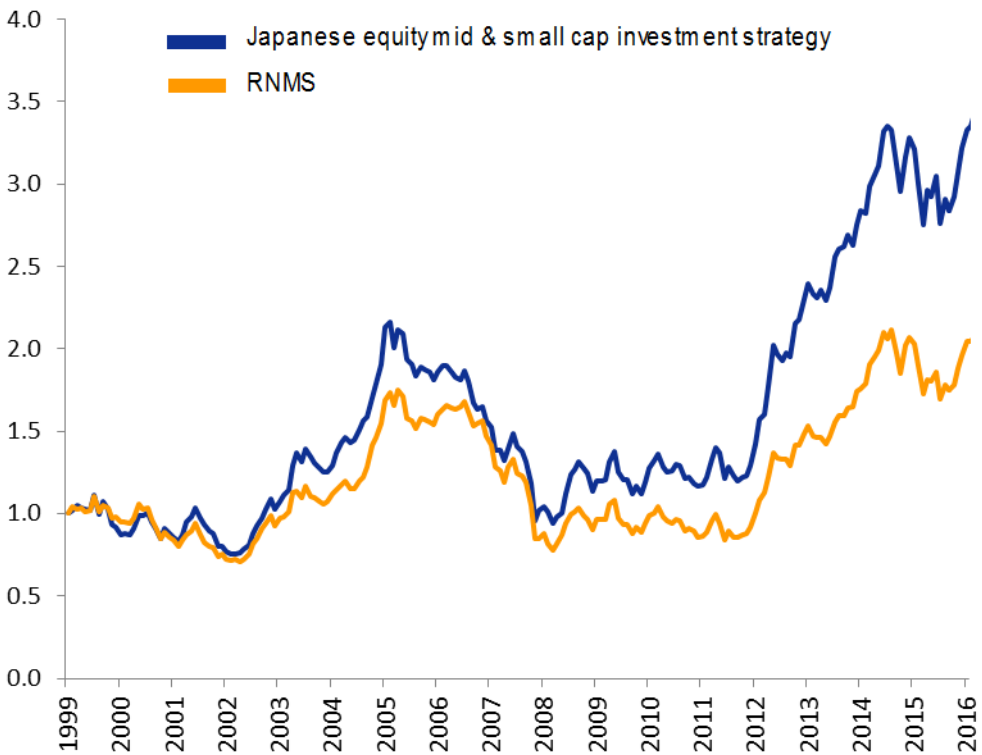


(Annualized Return)

Japanese equity active long-only investment strategy	10.21%
Reference Index	1.76%
Excess Return	8.45%

Reference Index	TOPIX (Dividend included)
Measurement Period	1997/5 ～2017/3
Volatility of Composite Return (Annualized)	21.04%

Japanese equity mid & small cap investment strategy



(Annualized Return)

Japanese equity mid & small cap investment strategy	7.50%
Reference Index	4.31%
Excess Return	3.19%

Reference Index	Russell/Nomura Mid-Small Cap Index
Measurement Period	2000/1 ～2017/3
Volatility of Composite Return (Annualized)	18.02%

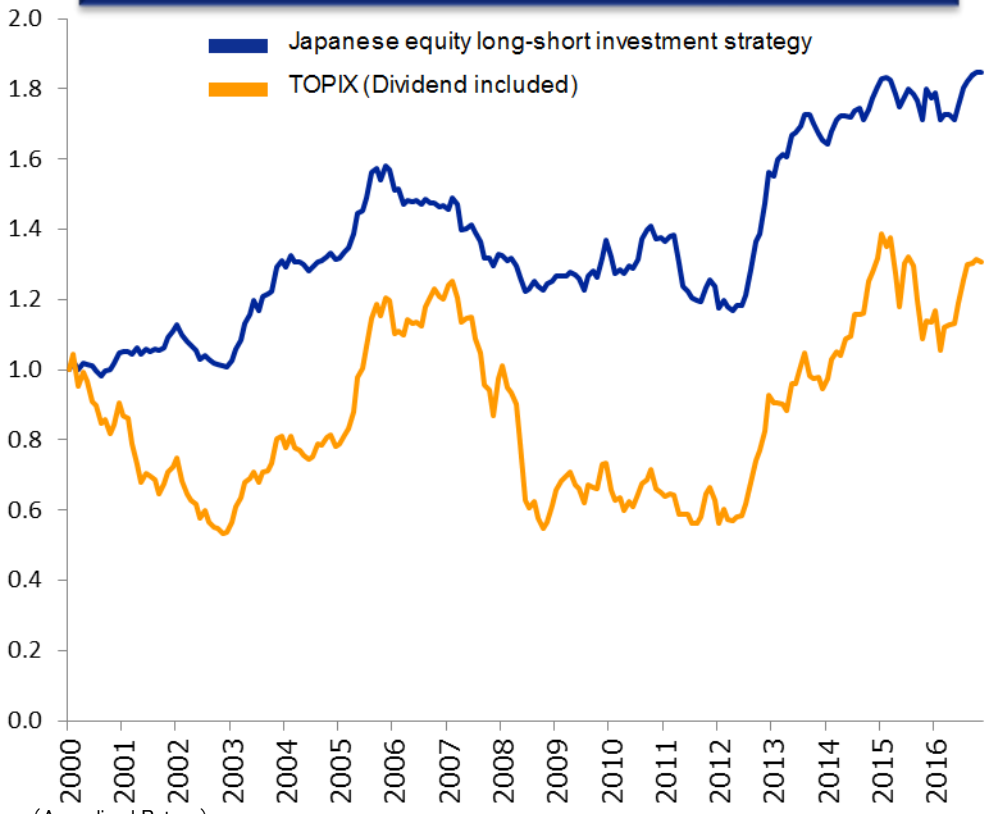
Please refer to the disclaimers at the end of the slides.

Source: SPARX Group Co., Ltd (Tokyo, Japan), as of March 31, 2017.

Annualized Performance by Strategy Since Inception ②

※ Category of investment strategy in this slide is not completely match with IR information in slide 15.

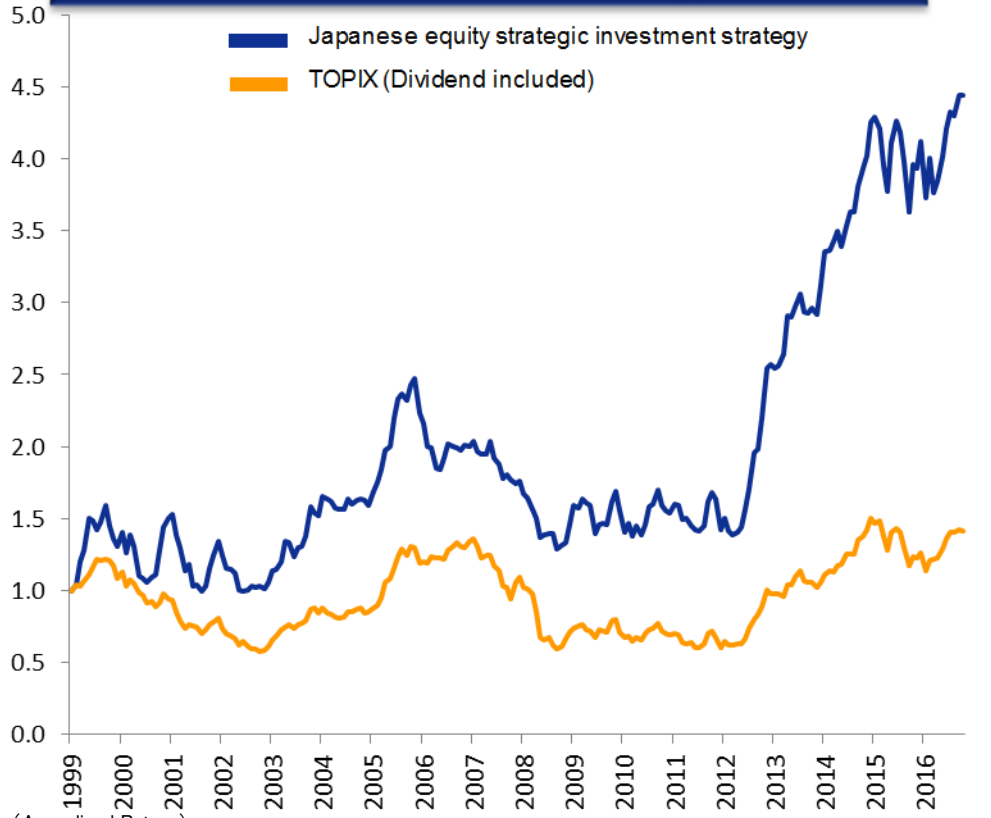
Japanese equity long-short investment strategy



(Annualized Return)

Japanese equity long-short investment strategy	3.71%	Reference Index	TOPIX (Dividend included)
Reference Index	1.60%	Measurement Period	2000/6 ～2017/3
Excess Return	2.11%	Volatility of Composite Return (Annualized)	7.36%

Japanese equity strategic investment strategy



(Annualized Return)

Japanese equity strategic investment strategy	8.76%	Reference Index	TOPIX (Dividend included)
Reference Index	1.97%	Measurement Period	1999/7 ～2017/3
Excess Return	6.79%	Volatility of Composite Return (Annualized)	20.42%

Please refer to the disclaimers at the end of the slides.

Source: SPARX Group Co., Ltd (Tokyo, Japan), as of March 31, 2017.

Invested Companies by Mirai Creation Fund (at the end of March 2017)

＜Excerpt＞

Category	Company Name	Features
AI	Xevo Inc. (Prev. UIEvolution, Inc.)	Develops middle ware smoothly accessible UX (user experience) from vehicles, hotels and luxury liner.
AI	SORACOM	Provides secured network at low costs to accessing IoT devices.
AI	Getaround	A venture develops car sharing system “The AirbnB for car rental” Establishes a strategic relationship in Toyota “connected vehicle” project.
AI	freee, K.K.	The Japan’s leading market share company in the area of cloud accounting and payroll software.
AI	FiNC Inc.	A digital health company providing personalized health and wellness recommendations to individuals via a combination of healthcare experts and AI, based on various data including genetic tests, medical diagnostics and lifestyle habits.
AI	aptpod, Inc.	Bi-directional cloud system provider, applicable to autonomous driving.
AI	GoldIp Inc.	Provides services, including a chat system which enables clients to communicate with overseas lawyers and patent attorneys directly and AI based patent visualization system
Robotics	GROOVE X	Aims to create a global standardized home robot by utilizing experiences via developing Pepper .
Robotics	Kymeta Corporation	Technology of satellite antenna which will realize high data capacity and high-bandwidth connected mobility.
Robotics	3D MEDiA Co., Ltd.	Contributing to industrial robots’ intelligence by providing function of eye and brain.
Robotics	WHILL Inc.	Develops, produces and sells high end e-wheelchairs complex of hardware and software.
Robotics	MJI Inc.	Develops communication robots, “Tapia”, which provide not only convenient but also joyful and exciting life.
Robotics	Magellan Systems Japan, Inc.	R&D on base technologies for self-driving with envisaging the launch of Japanese GPS service.
Hydrogen	Exergy Power System Co., Ltd.	Has unique technology on hybrid-hydrogen batteries and hydrogen production.

Corporate Profile

Company Name	SPARX Group Co., Ltd.
President	President & CEO Shuhei Abe
Location	1-2-70 Konan, Minato-ku, Tokyo, JAPAN
Establishment	July 1, 1989
Capital	8,581 million Yen （as of Mar. 2017）
Number of Employees	133 （as of Mar. 2017）
Listed Market	JASDAQ Standard Market, Tokyo Stock Exchange
Ticker	8739



President & CEO Shuhei Abe

1954 Born in Sapporo, Hokkaido, Japan
1978 Graduated Sophia University faculty of economics
1980 Acquired an MBA from Babson College
Joined Nomura Research Institute, Ltd.
Engaged in researching individual firms of Japanese equity as an analyst
1982 Seconded to Nomura Securities International, Inc. (NY) and engaged in sale of Japanese equity for US institutional investors
1985 Established Abe Capital Research (NY)
Engaged in asset management and advisory business of Japanese equity in US dollars such quantum fund asset management of US individual asset holders
1989 After came back to Japan, established SPARX investment advisor (SPARX Group., Ltd.) and in charge of President and CEO (present)
2005 Acquired an AMP from Harvard Business School
2011 Assumed one of the Cost Estimation and Review Committee members of the Energy and Environment Council established by the Japanese Government
2012 Assumed one of the Demand and Supply Review Committee members established by the Japanese Government
2012 Assumed one of the Risk Advisory Committee members established by the Japan Bank for International Cooperation (present)

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Contact: Global Business Development Tel: +81-(0)3-6711-9200

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