November 24, 2017

For Immediate Release

SPARX Group Co., Ltd.
President and Group CEO Shuhei Abe
(TSE JASDAQ Standard: 8739)

Undertaking a New Investment Strategy in the Renewable Energy Sector

Trailblazing a New Generation of Infrastructure Investment in Japan

SPARX Asset Trust & Management Co., Ltd., one of the Group's subsidies, formed and starts an investment fund, on November 29, for operational renewable energy facilities called the Renewable Energy Brown Field Fund (Brown Fund). The Brown Fund began with ¥20 billion in capital, having been funded by investors, including Ricoh Leasing Company, Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Finance and Leasing, Taiyo Life Insurance Company, and The Tochigi Bank,（alphabetical order）. The Fund closed its first investment on November 7. It will continue accepting capital contributions, ultimately aiming to grow to ¥50 billion.

The Brown Fund will ensure that it has stable cash flow over the long term by adopting a feed-in tariff scheme, and because it will invest in only operational power generating facilities, the Fund will produce dividends from the start, without any developmental risks. With little correlation to asset classes such as stocks and bonds, this Fund can be considered a new alternative in the Japanese market.

Since its founding, SPARX Group has built a track record of consistently uncovering new investment domains in its primary field of stock investments. This investment philosophy and tradition have been passed down seamlessly, even as SPARX Group invests in tangible assets, such as renewable energy power generation facilities. Investing in tangible assets is a highly specialized field that requires knowledge of the condition of the target asset, the regulatory environment, investment approaches, and how to ensure the human resources for building an investment team. Nevertheless, SPARX Group has steadily accumulated this know-how by developing and implementing its investments in renewable energy power plants from scratch, together with its business partners, who are leaders in their various fields. The Group's Green Field Fund, which invests in power plants from the development stage, has invested in 24 power plants (total power capacity of roughly 344 MW), for a total portfolio of ¥147.8 billion, as of September 30, 2017.

SPARX Group believes it can act as a go-between for business and finance in this new field, by aiming for long-term stable management through investing in operational renewable energy power generation facilities. For this to happen, it will leverage its strengths of professional investments based on its bottom-up approach, in addition to its skills in research, analysis, and execution, which have been cultivated through past experience in investing in tangible assets. SPARX will continue endeavoring to offer an even deeper lineup of attractive investment products that generate stable cash flow over the long term for investors in Japan and worldwide.

Infrastructure in Japan needs massive amounts of future replacement investment, and when considering the harsh fiscal situation, bringing private capital into infrastructure replacement and construction will be indispensable. To lead the way toward a new generation of infrastructure investment in Japan, SPARX Group will continue driving market growth as a pioneer in infrastructure funds.

Furthermore, SPARX believes that investing in funds for facilities that generate renewable energy—clean energy that does not rely on fossil fuels—properly meets the aim of environment, social, and governance (ESG) investing, for which concern is rising worldwide. Naturally, SPARX hopes that this strategy will contribute to an increase in renewable energy generation in Japan, which supplies a mere 7% of the energy it consumes as the fifth greatest energy consuming country.

Fund Outline

Fund name:	SPARX Renewable Energy Brown Fund No. 1 Investment Limited Partnership
Capital to be raised:	Maximum of ¥50 billion
Investors:	GP: SPARX Group Co., Ltd.
	LP: Ricoh Leasing Company, Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Finance and Leasing, Taiyo Life Insurance Company, and The Tochigi Bank (alphabetical order), among others.
Fund period:	20 years from the day the fund was formed
Investment period:	Until October 31, 2020

■ For more information, please contact:
SPARX Group Co., Ltd., Administration Department
Tel: +81-3-6711-9100; Fax: +81-3-6711-9101