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

February 1, 2018

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

# SPARX Group Co., Ltd. Announces Rating Affirmation

Issuer Rating maintained "BBB" (Rating Outlook: Stable)

TOKYO (February 1, 2018) - SPARX Group Co., Ltd. is pleased to announce that we today received a notice from Rating and Investment Information, Inc. (R&I), a rating agency, that R&I has maintained "BBB" (Rating Outlook: Stable) of our Issuer Rating.

For Rating Symbols and Definitions, please refer to the R&I's website described below.

（Reference）

R&I's rationale for remaining the same Issuer Rating (excerption)

In Japanese equity investment strategies, the net inflow of AUM is gradually accelerating thanks to inflows of capital from investors seeking favorable performance, as well as enhanced access to individual investors. The balance of AUM for investment in real assets, mainly in renewable energy generating facilities, is also growing. SPARX is aiming for further expansion in this field by setting up "brown field investment" funds, which focus on the phase of running renewable energy generation facilities, and offering other investment options, such as biomass energy supply facilities. Furthermore, the Mirai Creation Fund, a fund set up with partners including Toyota Motor Corp. and Sumitomo Mitsui Banking Corp., is steadily increasing its investment records. Some of its investees have reached or are nearing exits, for example, in the form of IPO or buyouts by major firms. With investment strategies increasingly diversified, the earnings base has become more solid. R&I is paying attention to whether SPARX is able to make higher value-added alternative investments in South Korea and Hong Kong by utilizing the knowhow of investment in Japan.

While operating expenses remain flat because of the business model that does not require large investments, management fee revenues have increased thanks partly to AUM growth, thus leading to higher profitability. SPARX has a sound debt-equity structure, as suggested by low debt and a net cash position, as well as its adherence to prudent financial management policy. Reflecting a focus on investment in real assets, seed money will likely grow. R&I does not expect SPARX to take excessive risk relative to shareholders' equity, but will keep a close eye on future developments.

HP of Rating and Investment Information, Inc.;
http://www.r-i.co.jp/eng/

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■ For inquiry

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No further entry