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

May 29, 2018

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

Establishing 12 Solar Power Plants with Annual 124 million kWh.

Tokyo Metropolitan Government's Public-Private Partnership
Infrastructure Fund Completes the Fund's Liquidation.
A Framework for Leveraging Public Spending through Investment Funds and
A Meaningful Model for Public-Private Infrastructure Funding.

Tokyo (May 29, 2018) –As the end of the term for the public- private infrastructure fund created through the contribution of the Tokyo Metropolitan Government and managed by SPARX Asset Management Ltd., has arrived, SPARX announces the completion of the fund's liquidation. SPARX Public-Private Green Energy Fund Investment Limited Partnership ("Fund") was the first fund of SPARX Group Co., Ltd. ("SPARX") in the field of renewable energy founded in October 2012.

Created as a public-private partnership fund with the Tokyo Metropolitan Government, the Fund used 1.5 billion yen provided by the government to prime further investments from public and private sources all over the world. This Fund was created with two aims: 1) to encourage new industrial growth and localized economy recovery through the construction of renewable energy power plants; and 2) to help find solutions that will achieve essential goals like decreasing CO_2 emissions and increasing Japan's level of energy self-sufficiency. Over the nearly five years since its establishment, the Fund has created12 solar power plants, across the country, with about 124 million kWh, equivalent to the energy consumption by about 41,000 households (#1), with 35.5 billion yen total operating expenses. The Fund has increased the principal by about 1.6 times and the fund's liquidation has completed. This marks the birth of Fund-based Policy Investment Strategy, a new mode of financial policy that differs from the conventional method of funding through policy spending in that it provides a framework for leveraging public spending through investment funds. We believe that the Tokyo Metropolitan Government's concept can be seen as a meaningful model for public-private infrastructure funding in Japan, and that, at the liquidation of this Fund, we will have achieved our goals.

Since its founding, SPARX has established a consistent track record of developing new fields for investment, primarily in the area of stock investments. SPARX has brought that same philosophy and tradition to its investment in real assets, such as power generation facilities that use renewable energy. SPARX has managed to gain the specialized knowledge necessary through its bottom-up development and investment execution in renewable energy power generation facilities, in cooperation with our first-rate business partners in every area.

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As of the end of March 2018, SPARX has invested a total of 159.4 billion yen in 25 power plants (with a combined capacity of roughly 385 MW), most of them through green field investment funds from the development stages onward, including the Fund.

However, the ratio of renewable energy (including hydroelectric) currently being generated in Japan is still at 12%(#2), far lower than the 22%-24%, FY 2030 target set by the government. Japan's ratio of renewable energy to all power generated is also relatively low when compared to that of other countries around the world. SPARX believes that investment in renewable energy that is clean and does not depend of fossil fuels is an investment that aligns with the concept of ESG (environment, social, governance) investing, which is attracting more interest internationally. Investment in renewable energy is also essential for decreasing CO_2 emissions and increasing Japan's level of energy self-sufficiency. SPARX intends to continue to invest in renewable energy power generation facilities, contributing to the further diffusion and expansion of renewable energy power generation facilities.

Japan's infrastructure will require enormous new and continued investments in the near future. Traditionally, funding for highly public-oriented projects, such as for infrastructure, has been provided through government bodies' policy spending at national and local levels. More recently, however, the country's financial condition has getting worse and worse. The outcome of such public projects comes under the close scrutiny of taxpayers, who ultimately fund them. Considering current financial situation, projects that encourage public-private financing will become essential for updating or building new infrastructure. SPARX intends to continue to utilize the experience we have gained through managing this Fund to lead the market as a pioneer in a new age of infrastructure investment in Japan.

(#1) Estimated by SPARX, based on the figures from The Federation of Electric Power Companies of Japan (Japanese)
http://www.fepc.or.jp/enterprise/jigyou/japan/

(#2) Quote from Japan's Agency for Natural Resources and Energy website (Japanese)
http://www.enecho.meti.go.jp/category/saving_and_new/saiene/renewable/family/index.html

■ Fund Overview

Name	SPARX Public-Private Green Energy Fund Investment Limited Partnership
Members	General Partner SPARX Group Co., Ltd. (capital contribution: 200 million yen) Limited Partners The Tokyo Metropolitan Government (capital contribution: 1.5 billion yen) and multiple other business and finance organizations participated in as limited partners.
Fund manager	SPARX Asset Management Co., Ltd.
Partnership established	October 15, 2012
Duration	To January 31, 2018
Size of fund	8.8 billion yen

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- Power Generation Facilities Receiving Funding
  (Capacity and total operating expenses are approximate.)

Location	Capacity (MW)	Total operating expenses (100 million yen)	Start of operation
Kamimine-cho,Saga Prefecture	2.0	7	October 2013
Ashikita-machi, Kumamoto Prefecture	8.0	30	December 2013
Kita Akita-shi, Akita Prefecture	2.7	9	December 2013
Tsumagoi-mura, Gunma Prefecture	2.5	9	January 2014
Ichihara-shi, Chiba Prefecture	2.9	11	February 2015
Toyama-shi, Toyama Prefecture	7.7	28	February 2015
Nakai-machi, Kanagawa Prefecture	9.8	39	April 2015
Kushiro-shi, Hokkaido Prefecture	21,7	80	May 2015
Fukushima-shi, Fukushima Prefecture	2.7	9	May 2015
Hitachi Omiya-shi, Ibaraki Prefecture	21.2	78	July 2016
Ashikita-machi, Kumamoto Prefecture	2.2	7	July 2016
Kurihara-shi, Miyagi Prefecture	15.6	48	January 2017

- Investment Performance
  Equity IRR: approximately 10% (before fee deductions)

- This notice is released concurrently with that of the Tokyo Metropolitan Government.

- This notice is released for the purpose of providing information on a group company's business to gain understanding on our business, and not intended for investment solicitation.

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