March 5, 2019

For Immediate Release

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

Mirai Creation Fund Ⅱ(two) Invests in Neural Pocket, a Provider of AI Services for Forecasting Demand

—Offering solutions using image analysis AI for improving client business efficiency—

TOKYO—March 5, 2019—SPARX Group Co., Ltd. (SPARX; JASDAQ: 8739), today announced that the Mirai Creation Fund Ⅱ(two)—established in July 2018—invested in Neural Pocket Inc. (Neural Pocket; formerly Fashion Pocket Inc.), a solutions provider that uses image analysis AI to improve its clients' business efficiency and profitability. The Mirai Creation Fund Found Ⅱ(two) took part in the Series B round, which totaled ¥600 million, as a lead investor. Neural Pocket will use this round of fundraising to secure outstanding human resources for its position as a global AI firm representing Asia and to accelerate its fashion trend analysis, AI smart city, and signage advertising AI businesses.

About Neural Pocket Inc. (formerly Fashion Pocket)

Neural Pocket is commercializing its R&D on proprietary AI technologies for analyzing images and video, with the aim of realizing the society of future through the application of AI in the fashion, smart city, and digital signage (advertising) sectors. In the fashion sector, the firm develops AI MD, the world's first service for analyzing fashion trends, and engages in creating exciting products based on accurate interpretations of fashion trends and improving the profitability of its clients through reductions in product markdowns and waste.

Neural Pocket's management team features a diverse cast. Its CEO who was a partner at an international consulting firm, has much experience providing support for the use of AI/IoT technologies in various industries. The CTO researched for the European Organisation for Nuclear Research (CERN), played a pioneering role in the early days of big data analysis and AI development, and experienced developing AI for the manufacturing industry (robotics development and failure prediction models). After conducting statutory audits of and aiding IPO preparations for listed corporations in his role as a CPA, the CFO earned experience providing support for rapid start-up growth as a CFO for another start-up and an outside director for a listed start-up.

The firm has seen rapid growth in its service deployment in the 14 months since its founding, with its clients releasing merchandise designed using AI MD in more than 2,000 stores across Japan in the 2019 season.

Mirai Creation Fund Ⅰ(one) and Mirai CreationFund Ⅱ(two) Summaries

The Mirai Creation Fund Ⅰ(one) began operations in November 2015 with financing from three companies: Toyota Motor Corporation, Sumitomo Mitsui Banking Corporation, and SPARX, the Fund's manager. Ultimately, the Fund received contributions from 20 companies, including the above three. Placing intelligent technologies, robotics, and technologies that promote a hydrogen economy as core technologies of the future, the Fund Ⅰ(one) invested in approximately 50 companies and projects from the US, the UK, Israel, Singapore, and Japan that possess innovative technologies in these fields. (https://mirai.sparx.co.jp/) In H2 2018, SPARX began managing the

Mirai Creation Fund Ⅱ(two), which targets the three existing Mirai Creation fields and two additional fields of electrification and new materials. As of January 31, 2019, the combined AUM for Funds Ⅰ(one) and Ⅱ(two) are ¥99.2 billion.

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