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

July 23, 2019

For Immediate Release

SPARX Group Co., Ltd.
President and Group CEO Shuhei Abe
(TSE1: 8739)

SPARX Wins 2019 Mercer MPA Awards Japan

Seventh Consecutive Award in the Japanese Equities (Five-Year Period) Category

TOKYO−July 23, 2019−SPARX Group Co., Ltd. (SPARX; TSE1: 8739) today announced that SPARX Japan Equity Focus All Cap Strategy managed by SPARX Asset Management Co., Ltd., a wholly-owned subsidiary of SPARX, has received an award at the 17th Mercer MPA Awards Japan, 2019 held by Mercer Japan, subsidiary of a global asset management consultant. The Strategy has been recognized for its outstanding performance in the Japanese Equities (Five-Year Period) Category. This is the seventh consecutive year SPARX Asset Management has received the award in this category.

Japanese Equities (Five-Year Period) Category
SPARX Japan Equity Focus All Cap Strategy

For more details, visit Mercer's website (https://www.mercer.co.jp/newsroom/2019-mpa-awards.html). Motivated by this award, SPARX continues to enhance its product development and fund management abilities, and to strive to make “SPARX” recognized as a representative of Japanese and Asian Equity investment management firms for more investors.

Reference: Summary of the Mercer MPA Awards
The Mercer MPA Awards commend products/strategies with outstanding performance. These awards are part of Mercer Japan's consulting services to corporate pension funds and institutional investors in Japan. The award's name derives from Manager Performance Analytics (MPA), the name of Mercer's software for analyzing operational returns.

Note: The Mercer MPA Awards recognize only past quantitative results, and they are entirely unrelated to the qualitative metrics Mercer uses to recommend managed products to its clients. The data on fund returns are for gross returns before management fees are deducted. Investors must subtract management fees when using this data. Therefore, when investing in funds recognized through these awards, investors will not necessarily achieve the same results as those commended. Furthermore, there is no guarantee that the evaluation criteria used for these awards are the optimal method, nor that the data or calculations used for these awards are correct. Mercer is not at all responsible for any warranties related to the management firms that have received these awards. Past return results are not indicative of future performance.

■ For inquiries related to this release, contact:
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Notes on Discretionary Investment Contracts

Discretionary investment contract managers invest mainly in stocks and other securities of fluctuating value, and in investment trusts that target such securities, so their net asset values (NAV) will fluctuate according to stock market and other economic trends. Therefore, discretionary investment contracts do not guarantee investments or yields on investments, and they may incur losses due to declines in NAVs, primarily attributable to transaction price fluctuations in relevant markets. Note that the contracts’ content may differ in the costs or

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risks that apply to the individual investment strategies for which clients actually contract. The costs and fees associated with discretionary investment contracts differ according to the terms of each agreement, so these statements express the maximum amounts for all fees that SPARX Asset Management collects for the discretionary investment contracts it manages. Be sure to review the investment agreement prospectus before signing a discretionary investment contract.

Risks Related to Discretionary Investment Contracts

Discretionary investment contracts invest mainly in stocks, public bonds, and real estate investment securities of fluctuating value (assets in foreign currencies also include exchange rate risks), so their net asset values (NAV) will fluctuate. Therefore, the investment trusts do not guarantee the principal, and they may incur losses due to declines in the prices of invested assets, primarily attributable to transaction price and currency fluctuations in relevant markets, resulting in the potential loss of principal. These management-caused losses wholly belong to all beneficiaries.

These risks include only a portion of the risks related to discretionary investment contracts, and the details and nature of the risks differ, according to the type of assets targeted, investment restrictions, transaction exchange, and countries targeted for each contract.

About Commissions and Fees

Commission Structure for Discretionary Investment Contracts

Investment advisory commissions: Calculated by multiplying the current value of client assets (of at least JPY100 million) over a given period by a fixed commission rate. The investment advisory commission applies to the entire contract period, at a rate of up to 2.16% annually (after tax).

Performance commissions(*): Some discretionary investment contracts may require performance commissions.

*The amount of performance commissions varies per the NAV level, so it is not possible to indicate a maximum amount in advance.

Other costs and fees: Clients are responsible for sales commissions generated by composite marketable securities transactions and all other costs related to these transactions.

When discretionary investment contracts incorporate investment trusts, clients are responsible for sales commissions generated by composite marketable securities transactions and all other costs related to these transactions; the transaction fees, trust commissions, and other fees related to the buying, selling, custody, and trust management of composite marketable securities; and the auditing costs, fees for trust assets retained, and contract termination fees that clients incur directly or indirectly.

* The total cost of fees differs according to the period of ownership, so these fees cannot be shown.
* These risks and fees differ according to the details of each contract, so be sure to review the investment agreement prospectus before signing a discretionary investment contract.

Asset Management Company
SPARX Asset Management Co., Ltd.
Financial Instruments Business Operator Registration Number:
Director of Kanto Local Finance Bureau, No.346
Memberships: The Investment Trusts Association, Japan;

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Japan Investment Advisers Association;
Japan Securities Dealers Association; and
Type II Financial Instruments Firms Association

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