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.

October 4, 2019

For Immediate Release

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

Mirai Creation Fund II Invests in AI Medical Service for Diagnoses Endoscopic

—Using Endoscopic AI to Save Patients Worldwide from Undetected Cancer—

TOKYO—October 4, 2019—SPARX Group Co., Ltd. (SPARX; TSE1: 8739) today announced that its Mirai Creation Fund II—established in July 2018—has invested in AI Medical Service (AI-MS), a developer of AI that aids in making diagnoses from endoscopic images. AI-MS intends to use this round of fundraising to accelerate the development and drug-approval process for the world's first real-time endoscopic AI. The firm's efforts will include moving forward with clinical trials, expanding its pipeline, hiring talented individuals, and making capital investments.

Portfolio Company Outline

Founded in 2017, AI-MS aims to realize AI that assists endoscopic examinations of the digestive tract (esophagus and stomach through the small and large intestine). CEO Tomohiro Tada, a clinical gastroenterologist who had been directly involved in endoscopic examinations and treatments, founded the firm to address ground-level problems with diagnoses, specifically, gastroenterologists risk fatigue and overlooking problems amid the rising demand for endoscopic examinations as the number of cancer patients grows worldwide. Japan is home to some of the best endoscope manufacturers and endoscopists in the world. AI-MS will partner with endoscopists and medical facilities that are among the KOLs in the field, take pioneering data from outstanding teachers, and formulate solutions to aid AI-based endoscopic diagnoses to discover cancer using real-time video. In contrast to most of its competitors, which currently target only colon cancer, AI-MS has presented its research on stomach, pharyngeal, esophageal, duodenal, and several other cancers at academic conferences around the world. With the evidence it has been accumulating, the firm has been rated one of the global leaders in its field, and it promises the potential to compete worldwide.

Mirai Creation Fund I and Mirai Creation Fund II Summaries

The Mirai Creation Fund I began operations in November 2015 with financing of JPY 13.5 billion from three companies: Toyota Motor Corporation, Sumitomo Mitsui Banking Corporation, and SPARX, the Fund's general partner. Ultimately, the Fund received contributions from 20 companies, including the above three. Casting intelligent technologies, robotics, and hydrogen-economy technologies as core technologies of the future, Fund I has invested in approximately 50 companies and projects—from the US, the UK, Israel, Singapore, and Japan—that possess innovative technologies in these fields. In H2 2018, SPARX began managing the Mirai Creation Fund II, which targets the three existing Mirai Creation fields along with the two additional fields of electrification and new materials. As of August 31, 2019, the combined AUM for Fund I and Fund II were JPY 109.3 billion.
Mirai Creation Fund investment track record: https://mirai.sparx.co.jp/investment/

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