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.

December 18, 2019

For Immediate Release

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

Mirai Creation Fund II (two) Invests in GaN Systems

— Global leader in GaN power transistors for Electric Vehicles —

TOKYO—December 18, 2019—SPARX Group Co., Ltd. (SPARX; TSE1: 8739) today announced that its Mirai Creation Fund II (two) —established in July 2018—has executed an investment (the amount is not disclosed) in GaN Systems, the Ottawa-based company that designs and manufactures Gallium Nitride (GaN) power semiconductor transistors. SPARX views gallium nitride (GaN) power semiconductors as a fundamental building block for the design of smaller, lighter, more efficient, and lower cost power electronic systems for the next generation automobiles and its application will be expanded into OBC battery chargers, DC/DC converters, traction inverters, and for autonomous driving, LIDAR systems. As a cornerstone technology in the electric vehicle market, GaN Systems strives to become a global leader who provide a wide variety of die and packaged power transistors from 100V to 650V and from 4A to 150A.

Portfolio Company Outline

GaN Systems is the global leader in GaN power semiconductors with the largest portfolio of transistors that uniquely address the needs of today's most demanding industries including data center servers, renewable energy systems, automotive, industrial motors and consumer electronics. As a market-leading innovator, GaN Systems makes it possible to design smaller, lower cost, more efficient power systems. The company's award-winning products provide system design opportunities free from the limitations of yesterday's silicon. By changing the rules of transistor performance, GaN Systems is enabling power conversion companies to revolutionize their industries and transform the world. For more information, please visit: www.gansystems.com

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 areas of electrification and new materials. As of November 30, 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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