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 31, 2020

For Immediate Release

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

Mirai Creation Fund II (two) Invests in DeepX, which Provides Mechanization and Automation Assistance to the Manufacturing Industry

—Automating all types of machinery by using deep learning and machine control technologies—

TOKYO—July 31, 2020—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 DeepX, Inc. (DeepX). The firm helps mechanize and automate operations in the manufacturing industry through the use of deep learning and machine control technologies. DeepX intends to use this round of fundraising to accelerate the commercialization of its automation modules and other solutions for the construction and manufacturing industries by hiring engineers and investing in its computational resources. It aims to further grow its business by pursuing the potential in developing recognition and control technologies with a small volume of data, while also seeking robustness, versatility, and accountability in the real world.

Portfolio Company Outline

Founded in 2016, DeepX has made its mission “to automate all types of machinery and to revolutionize production sites across the globe” by helping to mechanize and automate on-site operations using AI technologies. DeepX is one of the few start-ups that boasts advanced technological capabilities in both AI and machine control technologies. Its unique position stems from its sizable team of pioneering AI engineers—who primarily come from the Matsuo Laboratory at the University of Tokyo’s Graduate School of Engineering—and the many engineers it employs who are well-versed in machine control technologies. Moreover, its team has received client praise for its commitment to thoroughly understanding its clients and their operations. To date, DeepX has been involved in various automation projects, including those for hydraulic excavators at construction sites, as well as for the process of portioning pasta in food processing plants.

While many start-ups use AI technology, few advocate the automation of machinery and hardware at production sites, as DeepX does. The company’s business should contribute to solutions to the problems of labor shortages and manufacturing declines that are currently facing Japan.

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 June 30, 2020, 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/en/investment/

■ For inquiries related to this release, contact:
Public Relations, SPARX Group Co., Ltd.
Tel: +81-3-6711-9100 / Fax: +81-3-6711-9101
pr_media@sparxgroup.com