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.

November 5, 2020

For Immediate Release

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

Mirai Creation Fund II Invests in iQPS Inc., a Miniature SAR Satellite Developer

—Realizing real-time earth observation using constellations of miniature SAR satellites—

TOKYO—November 5, 2020—SPARX Group Co., Ltd. (SPARX; TSE1: 8739) today announced that its Mirai Creation Fund II—established in July 2018— has executed an investment (the amount is not disclosed) in iQPS Inc., a satellite development firm focused on miniature SAR satellites. Using this round of fundraising, iQPS plans to take on the challenge of realizing quasi-real-time earth observation in 10-minute intervals using a constellation of 36 satellites overall. In December 2019, it launched its first miniature SAR satellite "Izanagi", which weighs in at less than 100 kg. This December, it plans to continue with the launch of its second satellite "Izanami", as it undertakes the development of its future satellites.

Portfolio Company Outline

Founded in 2005 as a space engineering spin-out from Kyushu University, iQPS inherited the university's miniature satellite development technology that it began researching in 1995. The firm aims to grow a Kyushu-based space industry under its slogan of "from Kyushu to space."

After achieving various successes that include the 2014 QSAT-EOS project, iQPS, in 2017, raised just over JPY 2.3 billion from the Mirai Creation Fund I and other investors to begin the development of its miniature SAR satellites. In 2019, it was the first start-up to receive cabinet approval for the use of a satellite remote sensing device, later launching its first satellite "Izanagi" from the space center in India in December of the same year. In December 2020, the company plans to launch its second satellite "Izanami" from a US site via the SpaceX Falcon 9 rocket. This satellite is the start of a four-satellite system that will ultimately form a 36-satellite constellation to realize 24-hour, quasi-real-time earth observation no matter the weather. With this constellation in place, iQPS plans to offer wide-ranging solutions for defense, disaster prevention, security, environmental, and economic applications.

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 September 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/

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