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 26, 2020

For Immediate Release

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

Mirai Creation Fund II Invests in Local Motors, Producer of Autonomous Vehicles Using 3D Printing Technology

—Striving for a manufacturing revolution through cutting-edge 3D printing technology—

TOKYO—November 26, 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 LM Industries Group, Inc., the parent company of Local Motors ("Local Motors") . The company uses the industry's most advanced 3D printing technology to design and manufacture autonomous electric vehicles and other products. Local Motors plans to use this capital to invest in accelerating R&D and improving manufacturing operations. The company is making it possible to manufacture vehicles and other products that better meet customer demands, while responding to changing market needs and striving to further grow its business.

Portfolio Company Outline

Local Motors is one of only a few companies able to achieve a high level of production reliability by solely using 3D printing—leveraging the industry's most cutting-edge 3D printing technology—to make nearly every component required for vehicle manufacturing. Furthermore, the company is able to make parts directly from CAD files, which allows much shorter vehicle production times than those of conventional vehicle manufacturers. Local Motors is currently focusing on manufacturing and selling *Olli*, an autonomous electric vehicle that is the product of in-house development. One of the company's strengths—augmenting its advanced vehicle manufacturing technology—is also its ability to partner with top companies in the industry and to use its robust network to source the raw materials needed for 3D printing, in addition to a wide array of sensors, motors, and other components required for autonomous driving and electric vehicles. Going forward, Local Motors will not only manufacture and sell *Olli* but it will also use its 3D printing technology for the fast and highly reliable production of products that meet the ever-changing needs of customers in diverse manufacturing industries. At the same time, Local Motors is also expected to spark a revolution in the manufacturing industry.

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 October 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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