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. **This press release is being provided for informational purposes only. Investment in the SPARX Japan Equity Long Short Fund (an Irish-domiciled UCITS fund) is not being offered to US investors.**

March 7, 2025

For Immediate Release

SPARX Group Co., Ltd.
President and Group CEO Shuhei Abe
(TSE Prime: 8739)
Marketing Communication

SPARX Group Announces Launch of New Irish Fund Targeting International Investors

-Establishing an Alternative Investment Strategy Fund to capitalize on the expanding UCITS market-

TOKYO—March 7, 2025 - SPARX Group Co., Ltd. (SPARX; TSE Prime: 8739) announced the approval of an Irish-domiciled UCITS*1 fund, the *SPARX Japan Equity Long Short Fund* (the "New Fund"), on February 04, 2025, by the Central Bank of Ireland. SPARX's subsidiary, SPARX Asset Management Co., Ltd. (SAM) is appointed as investment manager of the New Fund. The New Fund is a sub-fund of Strategic Investment Funds UCITS plc (the "Platform"), an open-ended umbrella investment company with limited liability and segregated liability between sub-funds incorporated under the laws of Ireland under registration number 526074 and authorized as an undertaking for collective investment in transferable securities pursuant to the UCITS Regulations.

Since the launch of its Japanese equity long-short investment strategy in 1997, SAM has consistently delivered stable, long-term performance to both domestic and international investors through Cayman and Japan-domiciled funds. In recent years, Europe has witnessed a growing trend toward investments via highly regulated UCITS funds, and we expect this momentum to continue. As part of our Group's commitment, we aim to broaden access to Japanese equity alternative investments through the introduction of the New Fund. In addition, we will intensify our marketing efforts, particularly targeting European institutional investors, leveraging both the New Fund and our existing UCITS offerings. These initiatives are expected to contribute significantly to the growth and business performance of the Group as a whole. The New Fund aims to achieve an initial target size of USD 100 million within a short timeframe.

■ SPARX Group's Position in the UCITS Fund Market

Since 2003, SAM has managed its *Focus All Cap Investment Strategy* through its Irish-domiciled UCITS fund, SPARX Japan Fund, a sub-fund of SPARX Funds plc, with AUM currently at JPY 156.1 billion (approximately USD 1 billion as of February 28, 2025). This makes SAM the second-largest Japanese asset manager in the Japanese equity all-cap category of Irish-domiciled UCITS funds, a segment with a total size of approximately JPY 1,508.4 billion (approximately USD 10.1 billion as of February 28, 2025), according to data published on March 4, 2025, by FE fundinfo (verified by SAM). As the UCITS fund market continues to expand, SAM is committed to enhancing its presence further through the launch of this New Fund.

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■ Background to the New Fund

In Europe, particularly following the financial crisis, there has been a noticeable increase in investments channeled through UCITS funds. For certain investor profiles, the scope of eligible investment opportunities is increasingly restricted to those permitted under the UCITS Regulations. This trend is mirrored in the realm of alternative investment strategies. However, in the case of Japanese equity long-short investment strategies, Cayman Islands-based funds have traditionally dominated. A key challenge has been determining whether it is feasible to maintain traditional investment approaches while also adhering to UCITS Regulations.

In this context, SAM has identified that portfolios with a long-standing and stable track record can indeed be effectively managed under UCITS compliance. The New Fund has received regulatory approval from the Central Bank of Ireland and SAM has successfully launched the New Fund. This initiative aims to offer investors a UCITS-compliant structure, enabling access to unique investment opportunities in Japanese equities, distinct from traditional approaches.

■Operations Utilizing the SIG Platform, with Extensive Experience and Proven Track Record

The New Fund is a new sub-fund established on the Irish domiciled Platform which is operated by the UK based Strategic Investments Group Limited*[2] (SIG). SIG was established in 2002 and has provided alternative investment strategies through UCITS funds since 2010, with over two decades of experience in Alternatives and a proven track record. With a broad and established network of European investors, SAM leverages this strength to deepen its relationships with global investors, further enhancing its ability to attract and engage with overseas capital. This extensive reach not only supports SAM's growth in international markets but also positions it to seize new investment opportunities across borders.

■ Features of the New Fund

1. SAM has, since its inception, employed a meticulous bottom-up research approach focused on individual companies, conducted through on-site company visits to inform its stock selection. The New Fund will adopt the same methodology for identifying its portfolio constituents.

2. The New Fund targets stocks listed on all major Japanese stock exchanges, encompassing companies across all market capitalizations.

3. SAM rigorously assesses the intrinsic value of companies by evaluating three key factors: i) the quality of corporate earnings, ii) strategic business positioning, and iii) market growth potential. Utilizing these insights, SAM identifies significant value gaps between market prices and true intrinsic values, leading to targeted investment opportunities.

4. The New Fund adopts an equity long-short strategy within the realm of alternative assets, where SAM focuses on undervalued stocks for long positions and overvalued stocks for short positions. This approach seeks to minimize the impact of market fluctuations, aiming for stable asset growth over the medium to long term.

5. The New Fund has been approved as an Article 8 under SFDR (Sustainable Finance Disclosure Regulation), promoting products that encourage (E) environmental and (S) social characteristics.

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*1 UCITS (Undertakings for Collective Investment in Transferable Securities) refers to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, (S.I Number 352 of 2011), as amended (the "UCITS Regulations"), a set of regulations established by the European Commission, which govern the establishment and operation of collective investment schemes.

*2 Strategic Investments Group Limited is a UK-based fund distributor, which operates a UCITS fund platform with strong expertise in European markets and which is regulated by the FCA. Established in 2002 as a distributor of alternative fund-of-funds, the firm now operates out of London and Frankfurt.

*3 SFDR (Sustainable Finance Disclosure Regulation), Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability‐related disclosures in the financial services sector, is a regulation enacted by the European Union (EU), which mandates financial market participants and advisors to disclose information related to sustainability. The regulation aims to facilitate investor decisions based on environmental (E), social (S), and (G) governance factors.

(Note) SPARX's rate as of February 28, 2025. USD = JPY 149.63

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