

# Consolidated Financial Results for the 2nd Qtr of the FY2018 (Apr. 2018 – Sep. 2018)

November 9<sup>th</sup>, 2018



SPARX Group Co., Ltd.  
<http://www.sparxgroup.com/>



## Mission

To make the world  
“Wealthier, Healthier and Happier”.

## Vision

**To Be the Most Trusted and Respected  
Investment Company in the World**



# Financial Results for the 2<sup>nd</sup> Qtr of the FY2018

# An Attention to Consolidated Financial Results of SPARX Group Co., Ltd.

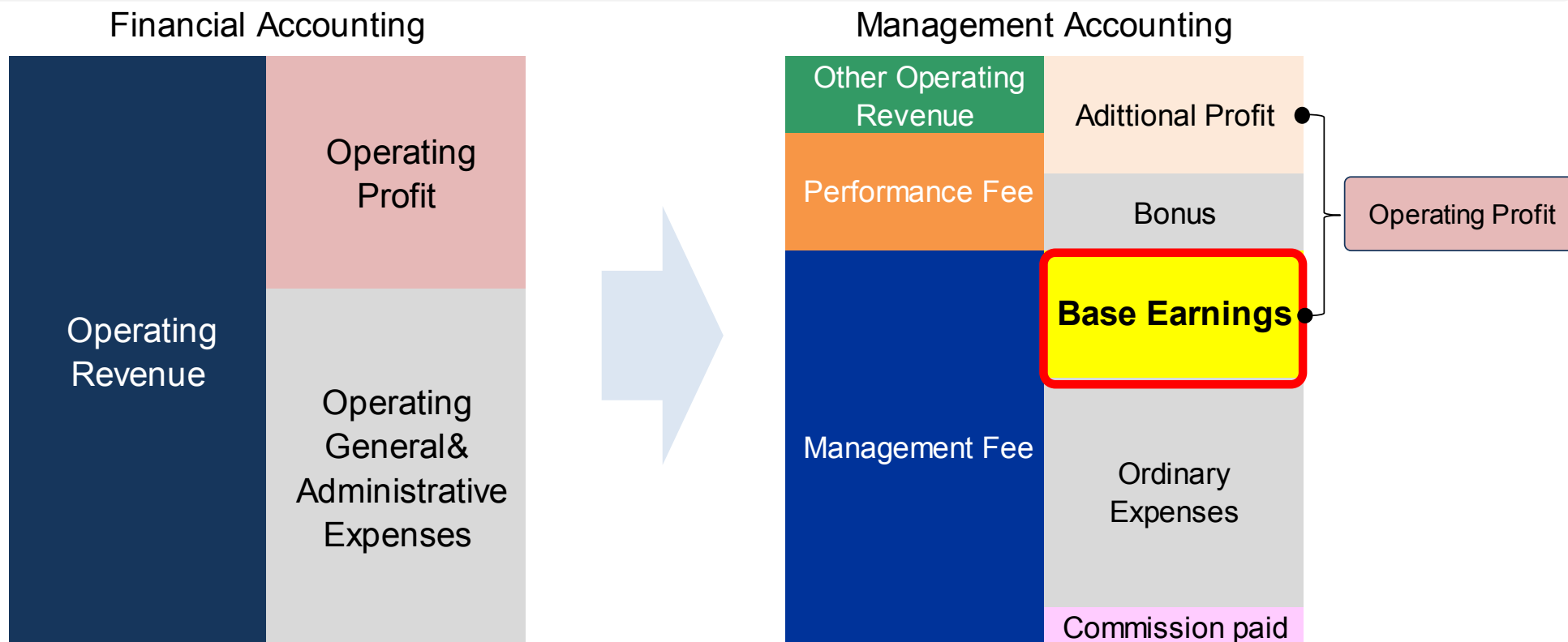


The Company identifies “**Base Earnings**” as the most important financial indicator. “Base Earnings” indicates the sustained and stable fundamental profitability of the Company.

$$\text{Base Earnings} = (\text{Management Fee} - \text{Commission paid}) - \text{Ordinary expenses}$$

$$= \text{Management Fee (After the deduction of commission paid)} - \text{Ordinary Expenses}$$

The operating profit for financial accounting purposes includes one-off/ additional performance fees that can be affected by trends of the equity market and progress of real assets investment business. For this reason we recommend you to pay attention to “Base Earnings” to understand the earning strength.



(Note) “Company” means SPARX Group Co., Ltd. and its consolidated subsidiaries. Hereinafter the same.

## Overview (1) Performance



- Operating revenue remained the same level as the previous 2Q of FY2017 due to an increase in management fee, which covered a decrease of performance fee.
- Operating profit decreased due to an increase in commission paid in regard to an increase in management fee, among other factors.
- Base earnings, which indicate the sustained and stable fundamental profitability of the Company, drastically rose due to an increase in management fee.

(Unit:MM JPY)	FY2017	FY2018	YoY change
	Apr2017-Sep2017	Apr2018-Sep2018	
<b>Operating revenue</b>	<b>5,280</b>	<b>5,264</b>	<b>▲0.3%</b>
<b>Operating profit</b>	<b>2,155</b>	<b>1,832</b>	<b>▲15.0%</b>
<b>Net income</b>	<b>1,574</b>	<b>1,542</b>	<b>▲2.0%</b>
<b>Base earnings</b>	<b>1,469</b>	<b>1,768</b>	<b>+20.3%</b>

(Note) Please refer slide 4, 6, 25 and 31 for details of base earnings.

# Overview (2) Performance



		FY2017		FY2018	
		Apr2017-Sep2017	Full Year	Apr2018-Sep2018	YoY change
<b>Average AUM</b>	(100MM JPY)	<b>10,322</b>	<b>10,937</b>	<b>11,410</b>	<b>+10.5%</b>
<b>Management fee rate</b>	(%)	0.68%	0.68%	0.71%	+0.03
(After the deduction of commission paid)					
<b>Management fee</b>	(MM JPY)	<b>3,509</b>	<b>7,408</b>	<b>4,055</b>	<b>+15.6%</b>
(After the deduction of commission paid)					
<b>▲ Ordinary expenses</b>	(MM JPY)	<b>2,039</b>	<b>4,238</b>	<b>2,286</b>	<b>+12.1%</b>
<b>Base earnings</b>	(MM JPY)	<b>1,469</b>	<b>3,169</b>	<b>1,768</b>	<b>+20.3%</b>
<b>Performance fee</b>	(MM JPY)	<b>1,142</b>	<b>4,476</b>	<b>340</b>	<b>▲ 70.2%</b>
<b>Percentage of AUM eligible to earn performance fee</b>	(%)	34.2%	25.4%	25.4%	▲ 8.8
<b>Other operating revenue</b>	(MM JPY)	<b>98</b>	<b>182</b>	<b>67</b>	<b>▲ 31.7%</b>
<b>▲ Bonus (including ESOP Expense)</b>	(MM JPY)	<b>555</b>	<b>1,257</b>	<b>343</b>	<b>▲ 38.2%</b>
<b>Operating profit</b>	(MM JPY)	<b>2,155</b>	<b>6,569</b>	<b>1,832</b>	<b>▲ 15.0%</b>
<b>Profit attributable to owners of parent</b>	(MM JPY)	<b>1,574</b>	<b>4,681</b>	<b>1,542</b>	<b>▲ 2.0%</b>
<b>ROE</b>	(%)	<b>19.7%</b>	<b>26.6%</b>	<b>15.7%</b>	<b>▲ 4.0</b>

(Note1) Management Fee includes fees from power plants related to Japanese Renewable Energy Investment Strategy. Hereinafter the same.

(Note2) Performance Fee includes one-off administrative fees the Company received from funds for real estate sales and purchases related to Japanese Real Estate Investment Strategy and one-off acquisition fees for setting up of power plant schemes related to Japanese Renewable Energy Investment Strategy. Hereinafter the same.

## Overview (3) AUM



In the Japanese region, AUM recovered JPY 1.1 trillion with a steady increase of AUM despite a large redemption.

(Unit:100MM JPY)	AUM			Average AUM (Six months)		
	As of March, 2018	As of September, 2018	Change (%)	FY2017	FY2018	YoY change (%)
Japan	10,957	11,723	+7.0%	8,869	11,038	+24.5%
Korea	195	183	▲ 6.3%	1,357	185	▲ 86.3%
Asia	99	212	+114.5%	95	186	+95.3%
Total	11,252	12,120	+7.7%	10,322	11,410	+10.5%

	As of September, 2017	As of March, 2018	As of September, 2018	YoY change
TOPIX	1,674	1,716	1,817	+8.5%
NIKKEI stock average (JPY)	20,356	21,454	24,120	+18.5%
KOSPI	2,394	2,445	2,343	▲ 2.1%

※ Please refer “SPARX Group Announces Assets Under Management for September 2018” for further information.

<https://ssl4.eir-parts.net/doc/8739/tdnet/1633923/00.pdf>



# Progress of the Businesses and Future Plans



## Recent Business Progress



### Japanese Equity

AUM expanded due to the Company's investment trusts handled by one major security firm and one major bank, while a large redemption is expected.

### OneAsia

The Company is preparing for launching new funds by generating investment intelligence from each location.

### Real Asset

Mirai Renewable Energy Fund is established with Toyota Motor Corporation participating as an investor.

### Mirai Creation

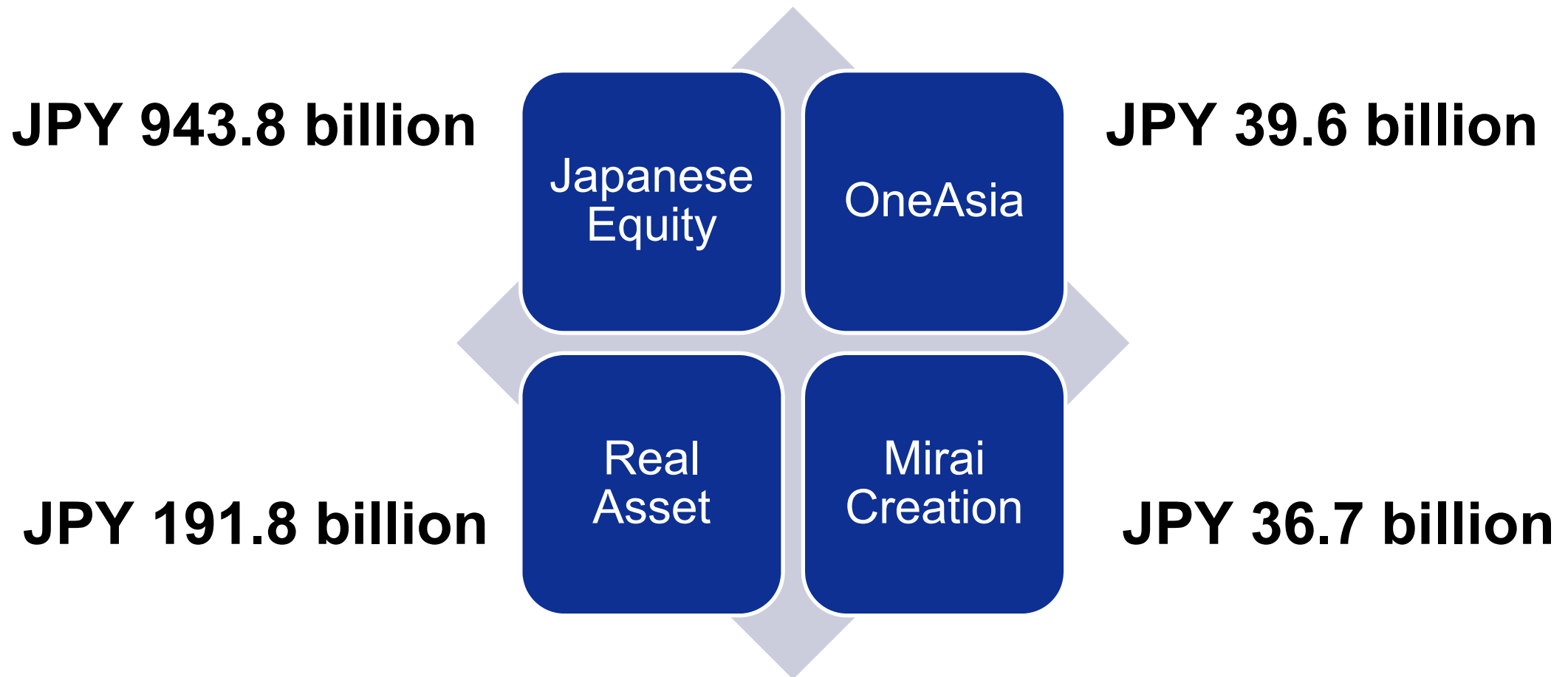
The operation of Mirai Creation Fund II began. Mirai Creation Fund I reached full investment capacity.

## 4 Main Investments for Growth Realization:

Hybrid of High Profitability and Stability



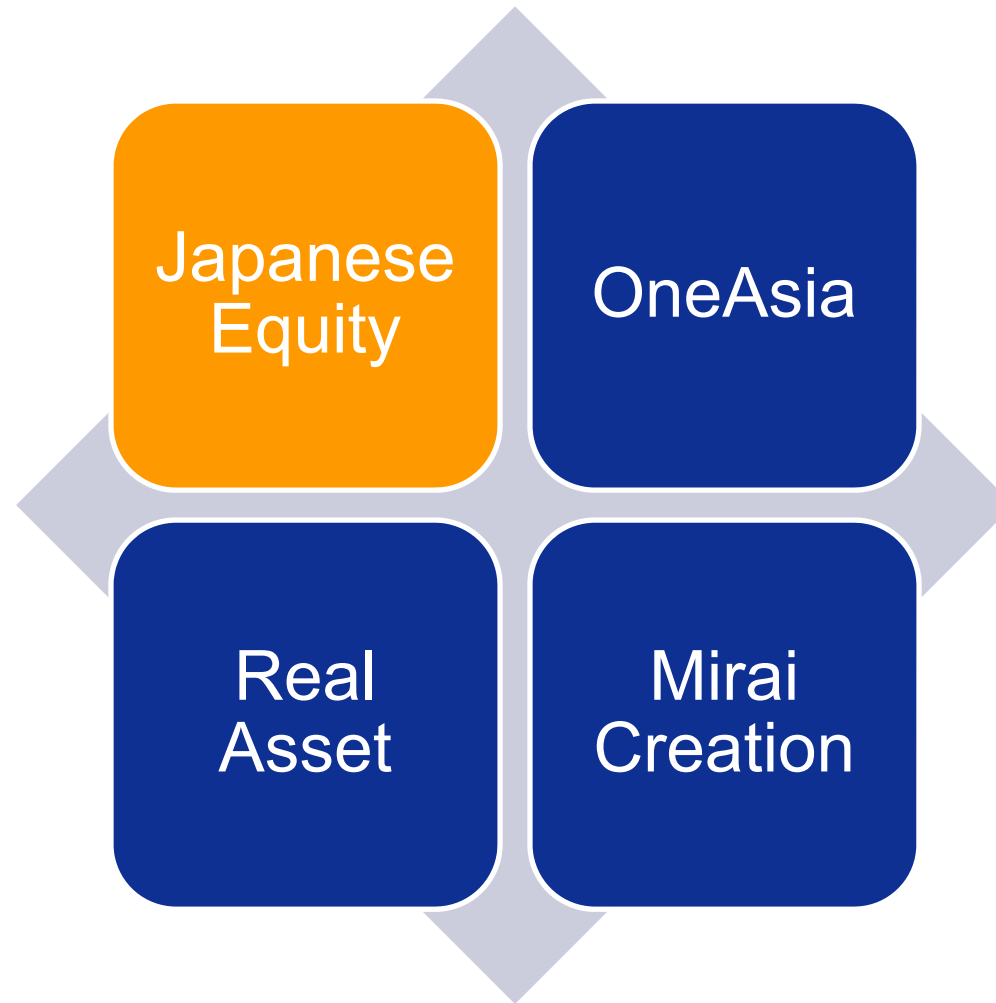
**High Profitability : a large scale of profit (performance fees) can be generated depending on fund performance.**



**Stability : a stable revenue will be expected due to long term contracts without redemptions.**

# ① Japanese Equity Investment Strategy

(AUM as at the end of September 2018 : JPY 943.8 billion)



# Japanese Equity Investment Strategy : AUM by Strategies

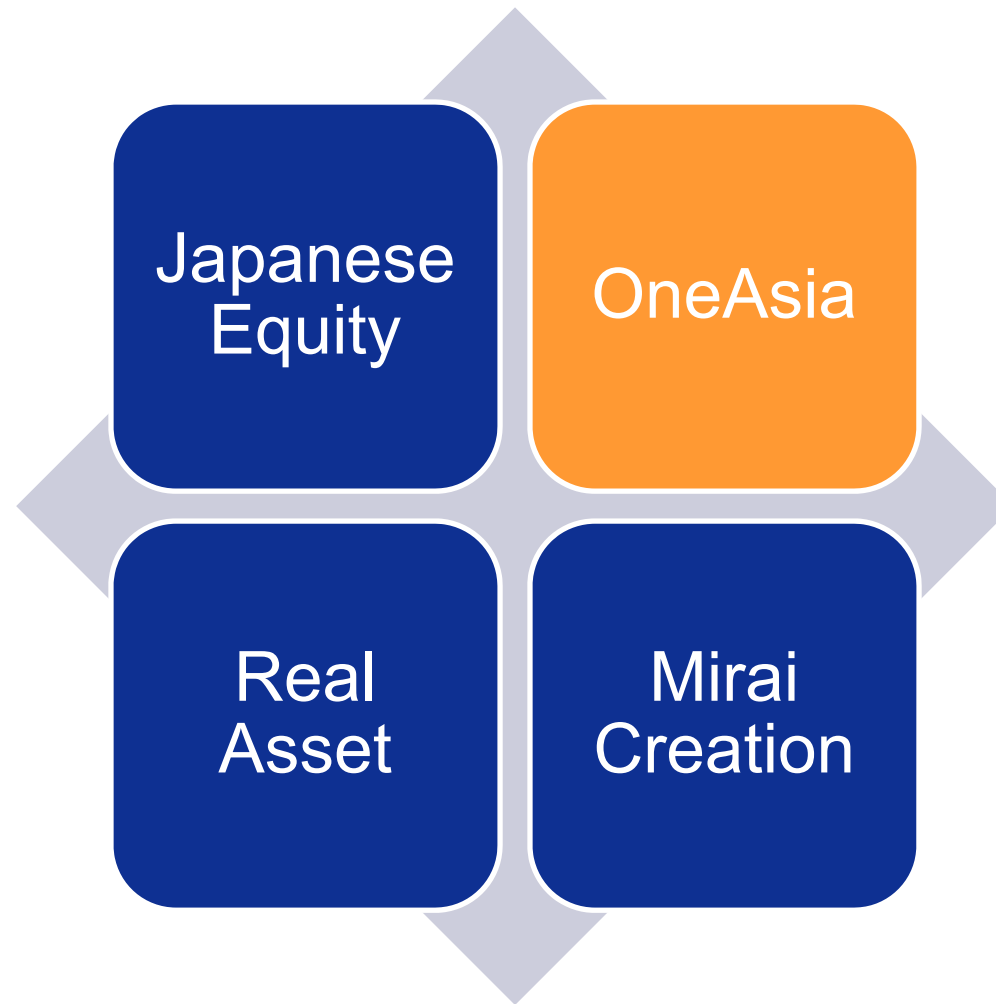


- AUM steadily rose due to an increase in market value in addition to the cash inflow of investment trusts despite an influence of a redemption in May.
- Inquiries and demands from global institutional investors outside of Japan, including a call for due diligence.

(Unit : 100million JPY)	AUM			
	Mar. 2018	Sep. 2018	Change	Change (%)
Japanese Equity Long-Short Strategy	367	480	+113	30.9%
Japanese Equity Focus All Cap Strategy	4,231	4,814	+583	13.8%
Japanese Equity Mid & Small Cap Strategy	2,724	2,513	▲211	▲7.8%
Japanese Equity Clean Tech. Strategy	1,021	789	▲232	▲22.7%
Value Creation/Engagement Strategy	135	152	+17	12.9%
Japanese Equity Market Neutral Strategy	-	254	+254	-
Japanese Equity Sustainable Strategy	178	432	+254	142.8%
Others	5	0	▲5	▲100.0%
<b>Total</b>	<b>8,664</b>	<b>9,438</b>	<b>+773</b>	<b>8.9%</b>

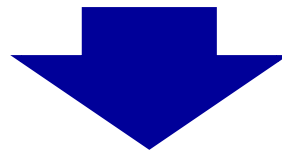
## ②OneAsia Investment Strategy

(AUM at the end of September 2018: JPY 39.6 billion)



## Outcome of investment intelligence of SPARX WAY

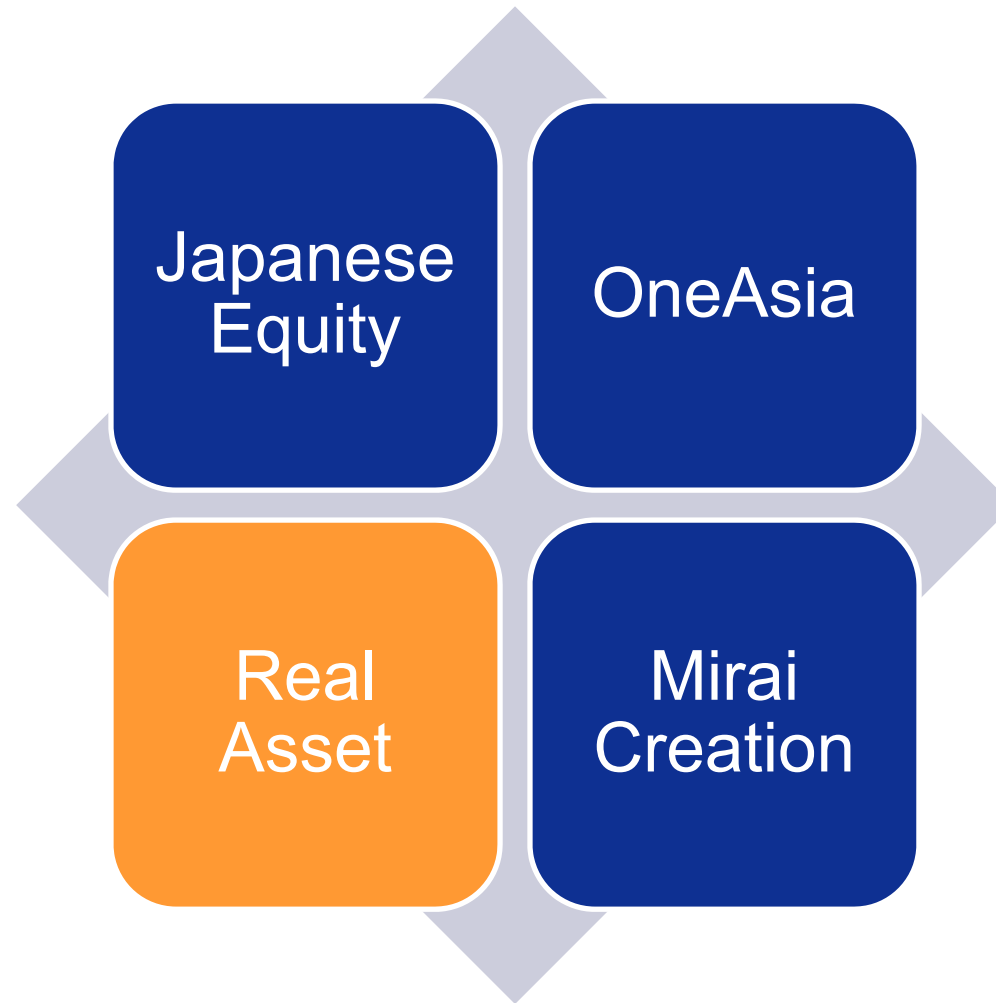
Fund managers in Tokyo, Korea and Hong Kong have been enhancing investments in the Asian region by sharing their investment intelligence. Products are developed based on each location fund managers' ideas and they have started projects in order to lead successful fund launching.



Funds utilized the above concept are planned to be launched, subsequent to the publicly offered investment trust under OneAsia strategy, which Mito Securities Co., Ltd. has handled. The Company aims at a full-fledged expansion of the OneAsia strategy's AUM by using these new investment trusts as a lever.

### ③ Real Asset Investment Strategy

(AUM at the end of September 2018: JPY 191.8 billion)



# Investment in Renewable Energy Generating Facilities (1)







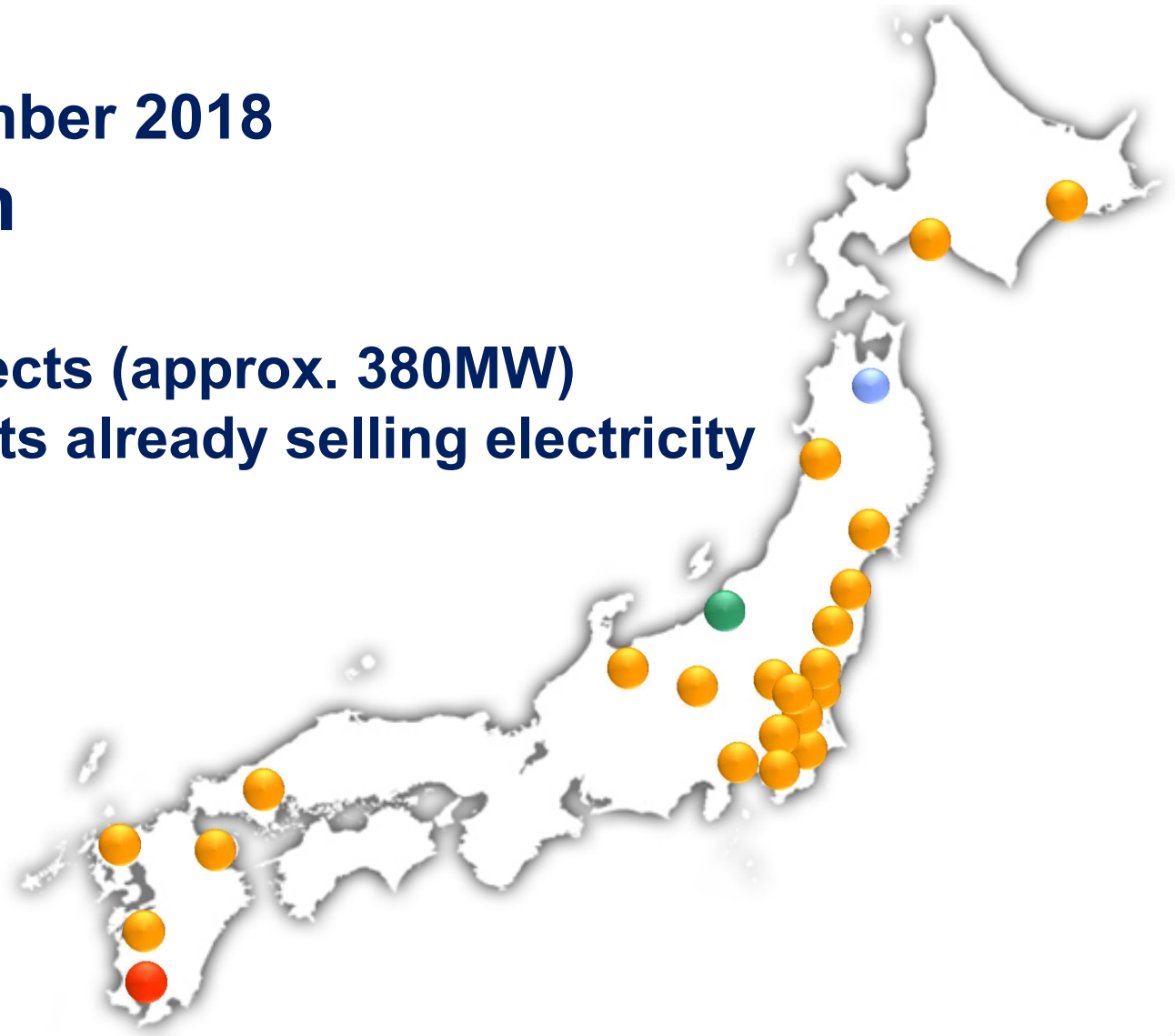
## ■ AUM

At the end of September 2018

**JPY 158.6 billion**

- Invested in 25 projects (approx. 380MW)  
Including 17 projects already selling electricity (approx. 161MW)

-  Solar Power Station
-  Wind Power Station
-  Geothermal Power Station
-  Biomass Power Station





## Investment in Renewable Energy Generating Facilities (2)

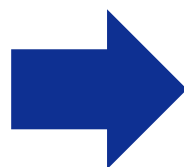


Operation of “Mirai Renewable Energy Fund.” has begun since November 1<sup>st</sup>, 2018.

Toyota Motor Corporation participates as an investor.

Basic Principle	"Driving renewable energy growth and use throughout Japan"
Fund Name	Mirai Renewable Energy Investment Limited Partnership
Investment Targets	Domestic new renewable energy power facilities (power sources: solar, wind, biomass, geothermal, and hydraulic)
Investors	GP:SPARX Group Co., Ltd. LP:Toyota Motor Corporation, CHUBU Electric Power Co.,Inc., Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd.

**Initial capital  
JPY 23.6 billion  
in commitment**

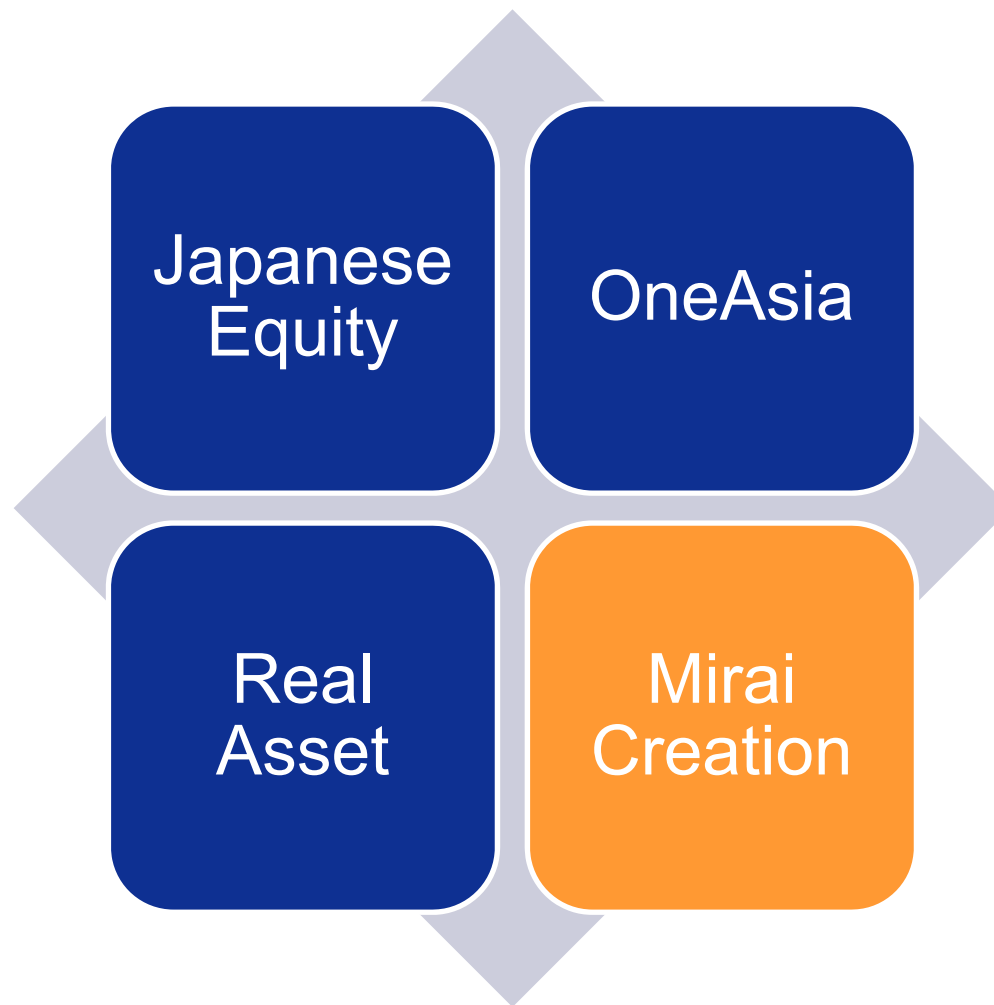


**Aiming to increase  
the total AUM to  
JPY30.0 billion**

(Reference) date: Sep. 19<sup>th</sup> 2018 <https://ssl4.eir-parts.net/doc/8739/tdnet/1630562/00.pdf>  
Nov. 9<sup>th</sup> 2018 <https://ssl4.eir-parts.net/doc/8739/tdnet/1645879/00.pdf>

## ④ Mirai Creation Investment Strategy

(AUM at the end of September 2018: JPY 36.7 billion)

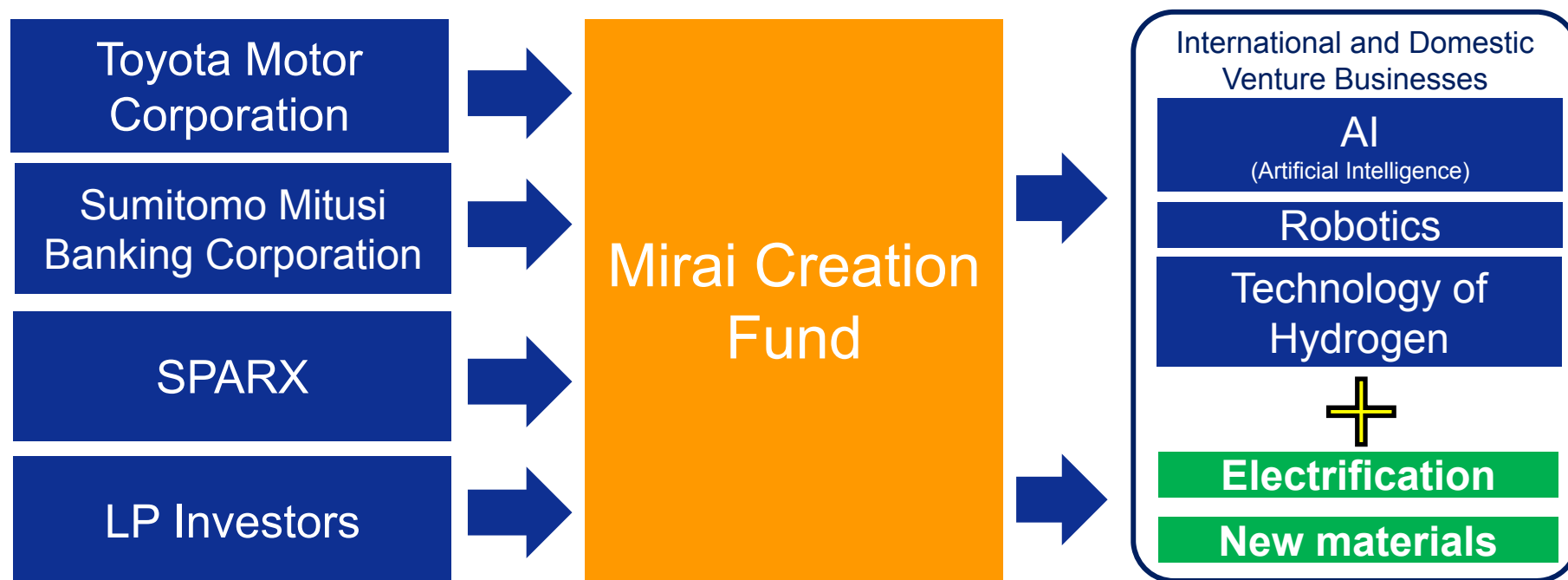


# Mirai Creation Investment Strategy:

## Established Mirai Creation Fund II.



Toyota Motor Corporation and Sumitomo Mitsui Banking Corporation, following the first series fund, again participate as initial investors in Mirai Creation Fund II, which started its operation from October 2018.



Beginning approx.  
JPY14.3 billion



Targeting a total of  
JPY 50-100 billion in commitments

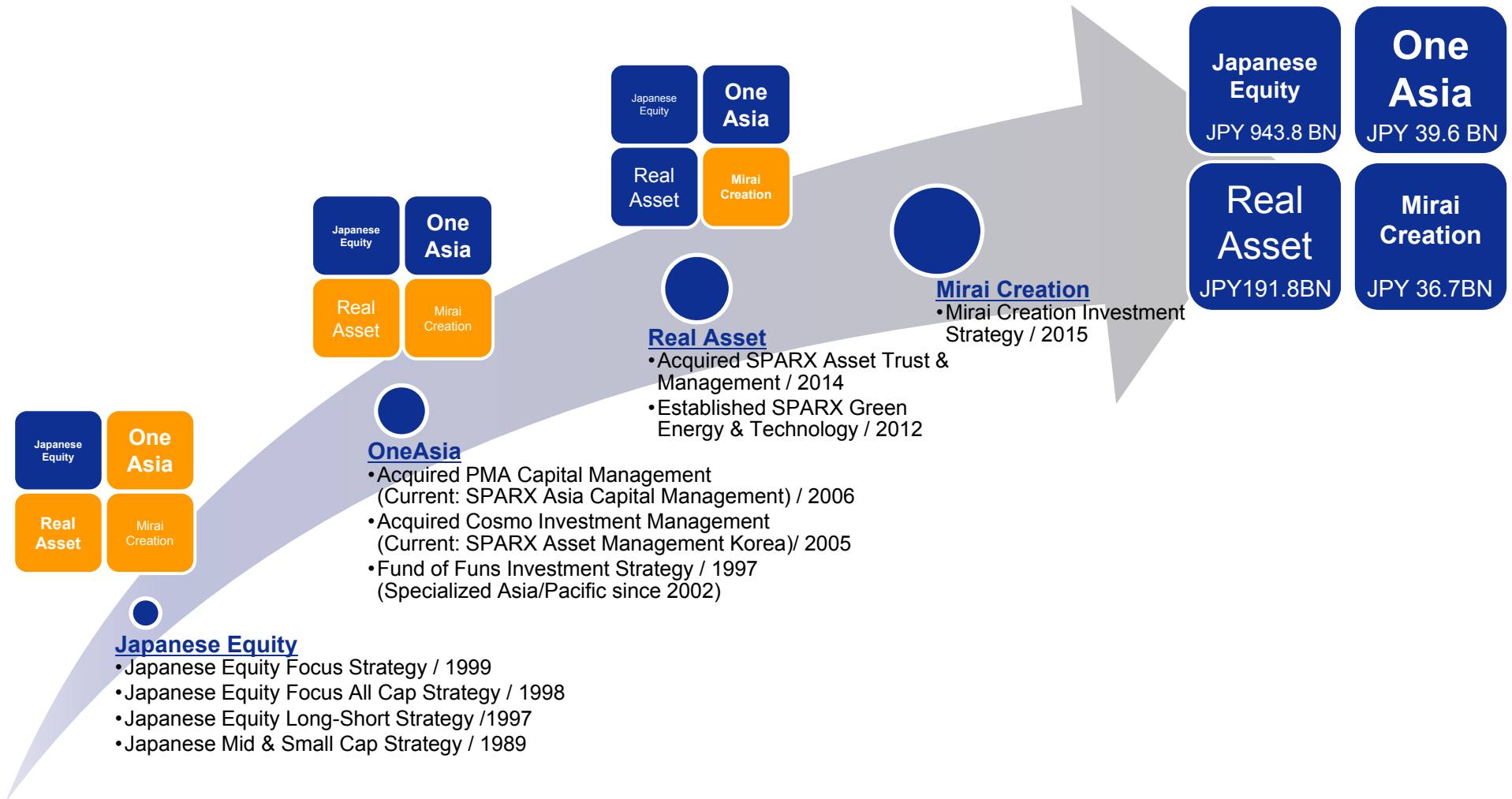


Other

# <Reference> Hybrid Business Model

Hybrid model composed of strategies:  
Highly profitable Japanese Equity and stable Real Asset / Mirai Creation

AUM as of September 2018



Significantly affected by market fluctuations

Increased stability by diversifying strategies

Inherits investment philosophy of SPARX

through Internal Study Sessions, “Buffett Club”



## What's Buffett Club

Through sessions, SPARX employees share values of making clients wealthier, healthier and happier as “the Most Trusted and Respected Investment Company in the World” by analyzing and discussing investment philosophies including a prominent investor, Warren Buffett.



Sessions have been carried on periodically since SPARX established and investment philosophy of SPARX has been inherited to next generations.



# Corporate Profile



<b>Company Name</b>	<b>SPARX Group Co., Ltd.</b>
<b>President</b>	<b>President &amp; CEO Shuhei Abe</b>
<b>Location</b>	<b>1-2-70 Konan, Minato-ku, Tokyo, JAPAN</b>
<b>Establishment</b>	<b>July 1, 1989</b>
<b>Capital</b>	<b>8,585 million Yen (as of Sep. 2018)</b>
<b>Number of Employees</b>	<b>155 (as of Sep. 2018)</b>
<b>Listed Market</b>	<b>JASDAQ Standard Market, Tokyo Stock Exchange</b>
<b>Ticker</b>	<b>8739</b>



**President & CEO Shuhei Abe**

- 1954 Born in Sapporo, Hokkaido, Japan
- 1978 Graduated Sophia University faculty of economics
- 1980 Acquired an MBA from Babson College  
Joined Nomura Research Institute, Ltd.  
Engaged in researching individual firms of Japanese equity as an analyst
- 1982 Seconded to Nomura Securities International, Inc. (NY) and engaged in sale of Japanese equity for US institutional investors
- 1985 Established Abe Capital Research (NY)  
Engaged in asset management and advisory business of Japanese equity in US dollars such quantum fund asset management of US individual asset holders
- 1989 After came back to Japan, established SPARX investment advisor (SPARX Group., Ltd.) and in charge of President and CEO (present)
- 2005 Acquired an AMP from Harvard Business School
- 2011 Assumed one of the Cost Estimation and Review Committee members of the Energy and Environment Council established by the Japanese Government
- 2012 Assumed one of the Demand and Supply Review Committee members established by the Japanese Government
- 2012 Assumed one of the Risk Advisory Committee members established by the Japan Bank for International Cooperation (present)



# Appendix





### Business that receiving fees at fixed rate of AUM

#### ■ Revenue Structure

Management Fees = AUM × rate of management fees

Performance Fees = AUM × percentage of AUM eligible to earn performance fees  
× rate of performance fees

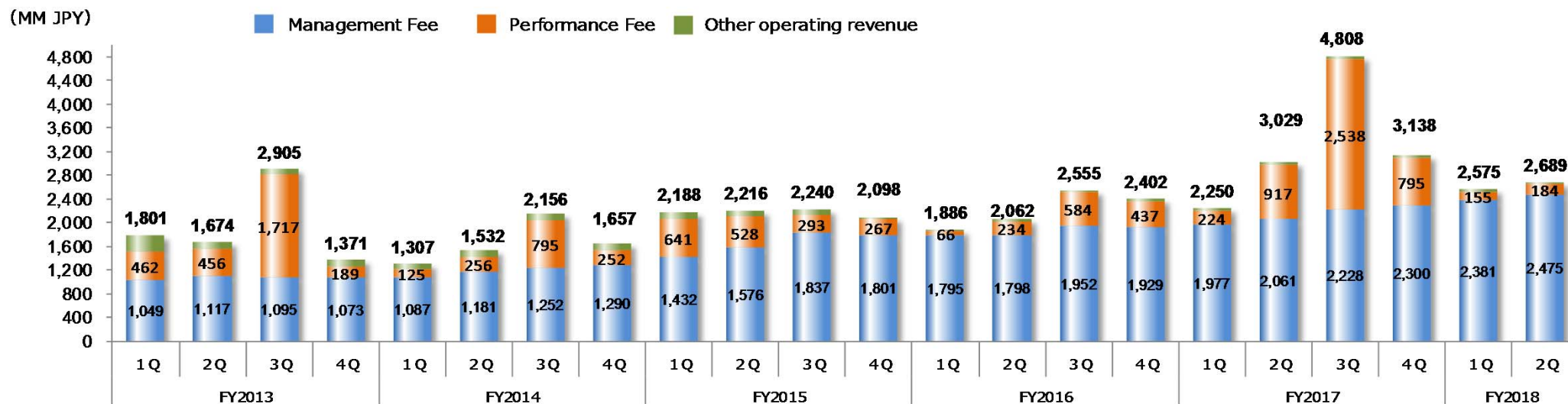
#### ■ Important Management Indicator

- Asset under management (AUM)
- Rate of management fee
- Percentage of AUM eligible to earn performance fees
- Base Earnings  
= management fees (after deduction of commission paid) ▲ ordinary expenses

# Quarterly Trends of Operating Revenue



Management fee has been steadily maintained due to the consistent high management fee rate



(MM JPY)	FY2013				FY2014				FY2015				FY2016				FY2017				FY2018	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Management Fee	1,049	1,117	1,095	1,073	1,087	1,181	1,252	1,290	1,432	1,576	1,837	1,801	1,795	1,798	1,952	1,929	1,977	2,061	2,228	2,300	2,381	2,475
Performance Fee	462	456	1,717	189	125	256	795	252	641	528	293	267	66	234	584	437	224	917	2,538	795	155	184
Other operating revenue	288	100	92	109	94	94	109	114	114	111	109	29	24	28	18	35	48	50	41	42	38	28
<b>Operating Revenue</b>	<b>1,801</b>	<b>1,674</b>	<b>2,905</b>	<b>1,371</b>	<b>1,307</b>	<b>1,532</b>	<b>2,156</b>	<b>1,657</b>	<b>2,188</b>	<b>2,216</b>	<b>2,240</b>	<b>2,098</b>	<b>1,886</b>	<b>2,062</b>	<b>2,555</b>	<b>2,402</b>	<b>2,250</b>	<b>3,029</b>	<b>4,808</b>	<b>3,138</b>	<b>2,575</b>	<b>2,689</b>

(Reference)

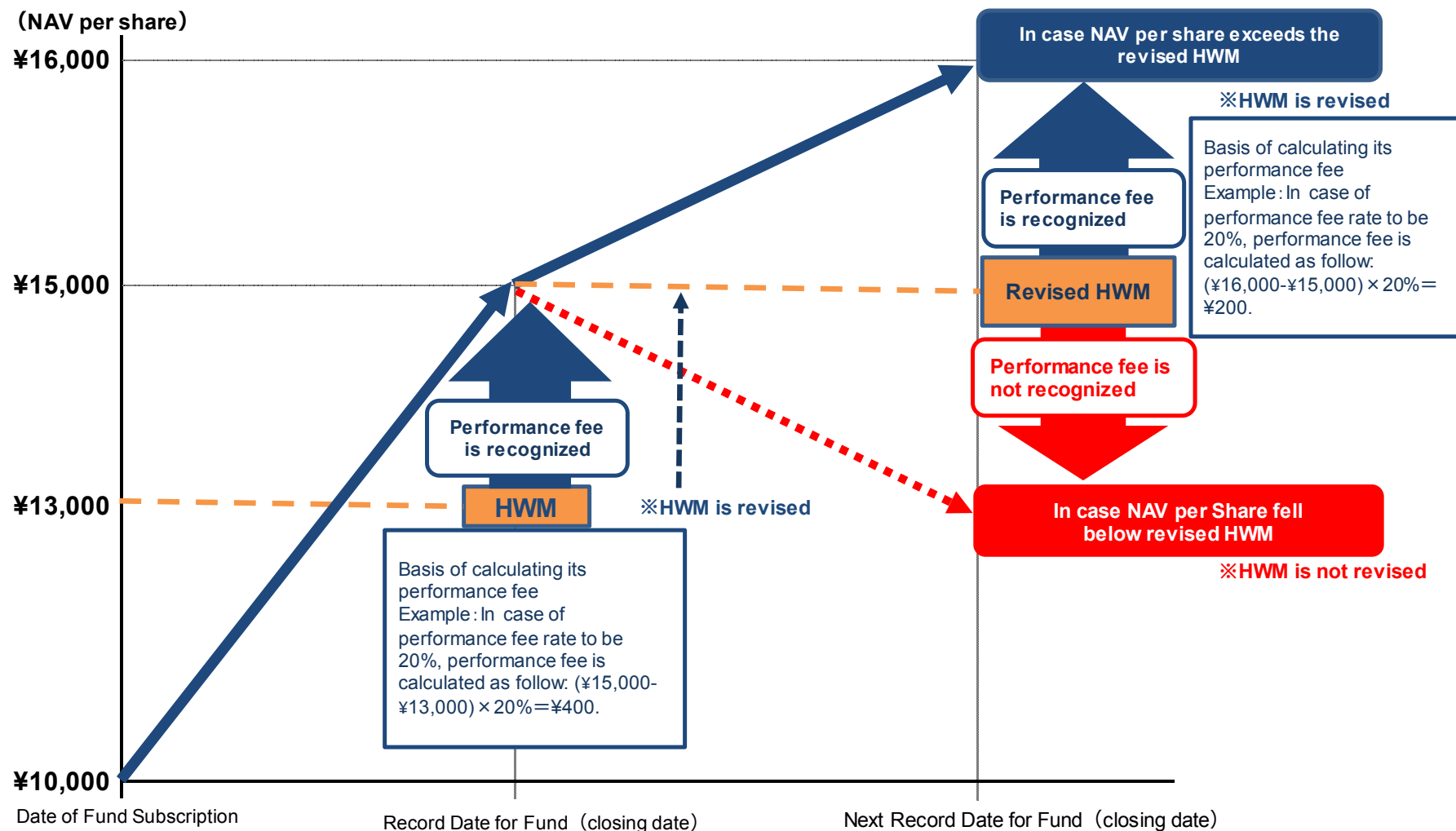
Average AUM (100MM JPY) (3months average)	6,774	6,752	7,117	6,874	7,239	7,859	8,217	9,126	10,297	9,277	9,856	9,497	9,233	9,270	9,703	9,631	10,018	10,627	11,773	11,339	11,310	11,510
Management fee rate (3months average) (After the deduction of commission fee)	0.55%	0.58%	0.53%	0.52%	0.51%	0.52%	0.53%	0.49%	0.49%	0.59%	0.63%	0.66%	0.67%	0.67%	0.70%	0.70%	0.68%	0.68%	0.66%	0.69%	0.71%	0.71%
Percentage of AUM eligible to earn performance fees	46.9%	49.4%	51.9%	55.1%	51.2%	50.5%	51.2%	47.6%	47.4%	37.7%	37.3%	40.1%	39.8%	41.8%	39.2%	36.4%	35.0%	34.2%	32.1%	25.4%	27.2%	25.4%
NIKKEI stock average (Record date)	13,677	14,455	16,291	14,827	15,162	16,173	17,450	19,206	20,235	17,388	19,033	16,758	15,575	16,449	19,114	18,909	20,033	20,356	22,764	21,454	22,304	24,120

# Structure of Performance Fee

## (Related to Equity Investment Fund)



Performance Fee is recognized for NAV per share exceeding HWM as of record date for fund



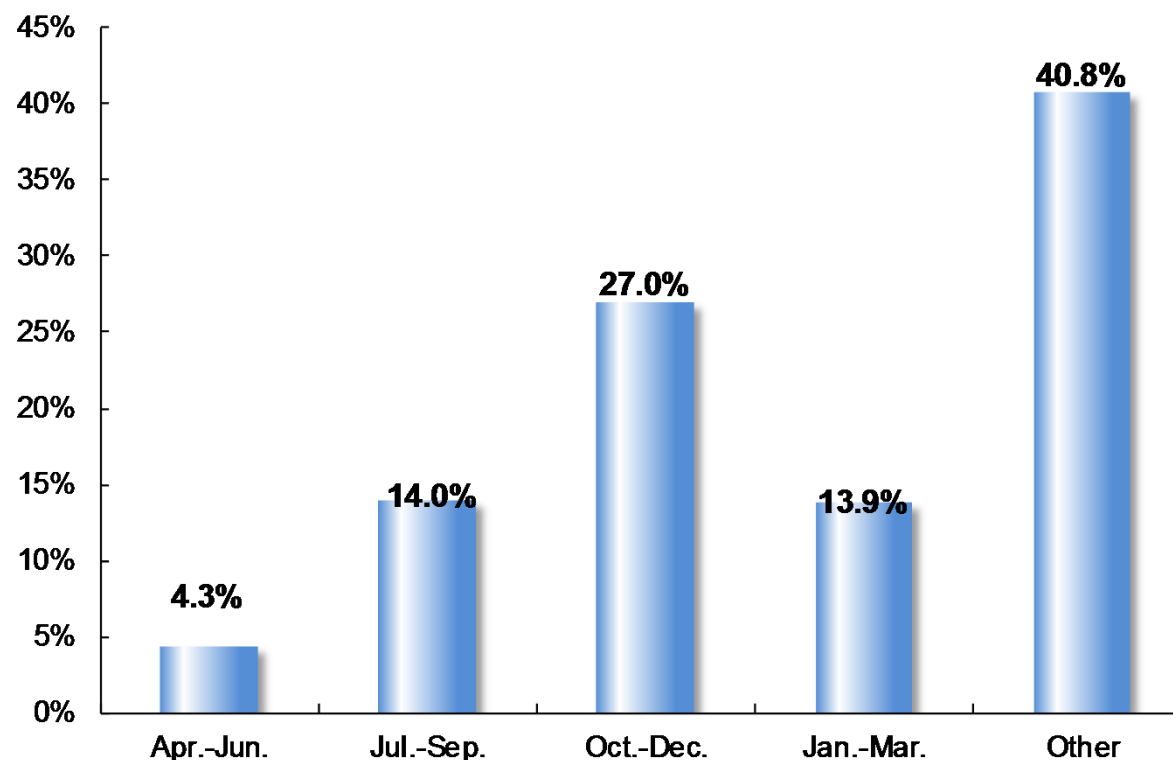
- (Note 1) The structure described above is only informational purpose on performance fee structure. It is not intended to explain exactly how the performance fee is calculated based on fund's NAV.
- (Note 2) Above uses performance fee rate of 20% (excluding tax) for informational purpose only. In addition, "HWM" an abbreviation of High-Water Mark.
- (Note 3) In case performance fee recognized on record date for fund, "HWM" is revised.

# (SAM) Funds with Performance Fees

## Distribution of Record Date for Calculation



Continuously endeavor to distribute record date (settlement date) of performance fee for funds



(Note1) All funds managed by SAM (investment trusts and discretionary investment accounts; hereinafter the same applies) as of Sep 30, 2018 are classified by the performance fee value date and payment month in the graph above. Among these, performance fee is recorded only if it has met the requirements specified in the contract in each calculation value date. Please note that it is not intended to demonstrate how definite performance fee to occur in the future.

(Note2) In calculating these percentages, the following adjustments are made: for funds with multiple payment periods through a year, the equally divided values of the funds are allocated to the amount in the month of each value date and for funds with no regular payment periods are classified as “others”.

(Note3) The table above excludes AUM which arises acquisition fees of fundraising the Company received from such power stations relating to Japan Renewable Energy Investment Strategy.

(Note4) The above % figures are rounded to the nearest tenth of a percent. In addition, the figures are estimated based on in-house calculation.

(Note5) SAM is the abbreviation for SPARX Asset Management Co., Ltd. Hereinafter called the same.

# Breakdown for Operating Expenses and General & Admin Expenses



Commission paid increased  
due to a rise in management fee regarding the investment trusts.

(Units: MM JPY)	FY2017		FY2018	
	Apr2017-Sep2017	Full Year	Apr2018-Sep2018	YoY change
Commissions paid	530	1,162	802	+51.3%
Personnel exp.	1,359	2,902	1,247	▲8.2%
Travel exp.	117	236	148	+26.6%
Property rent	160	321	161	+0.7%
Entrusted business expenses	393	864	481	+22.4%
Depreciation on fixed assets	74	150	79	+7.7%
Advertising exp.	78	148	50	▲36.4%
Research exp.	104	223	143	+36.4%
Other expenses	305	647	316	+3.7%
<b>Total: Operating and general administrative expenses</b>	<b>3,125</b>	<b>6,658</b>	<b>3,432</b>	<b>+9.8%</b>
<b>Ordinary expense</b>	<b>2,039</b>	<b>4,238</b>	<b>2,286</b>	<b>+12.1%</b>

(Note1) The figures above, excluding “YoY change” are truncated. “YoY change” is rounded to the nearest tenth of a percent.

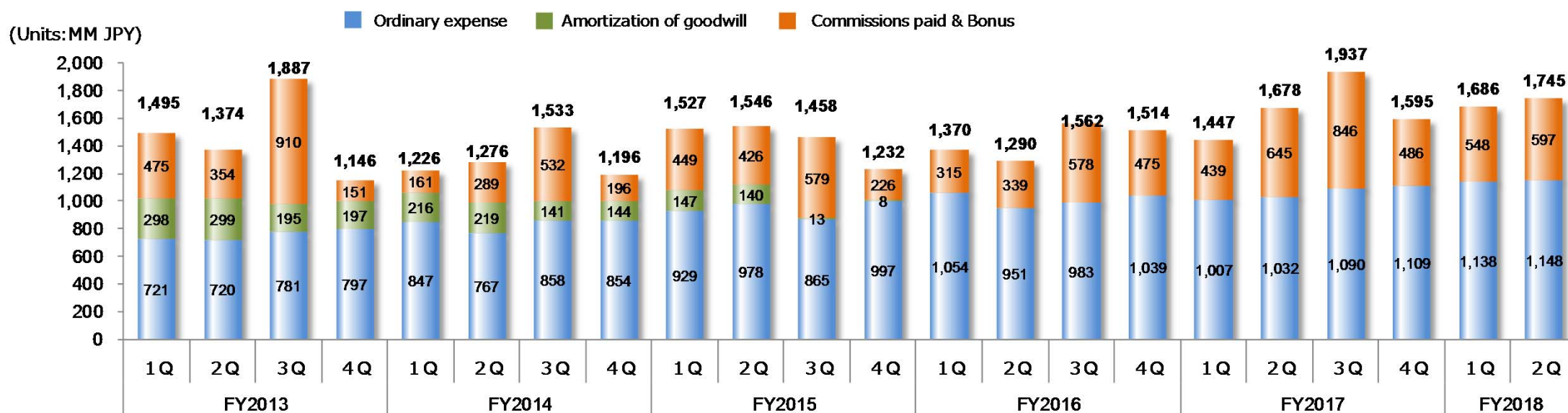
(Note2) The “Personnel expenses” data includes payments for legal welfare, bonus and temporary staff, etc. other than salary.

(Note3) The “Ordinary expenses” is calculated by deducting (1) Commissions paid, (2) Bonuses (including allowance for bonuses, legal welfare expenses related to bonuses, and ESOP expense), (3) Severances package for key members and (4) Amortization of goodwill, from total operating and general administrative expenses; hereinafter the same applies in this document.

# Quarterly Trends of Operating Expenses and General & Admin Expenses



Cautious Cost-control taken continuously in the midst of business expansion

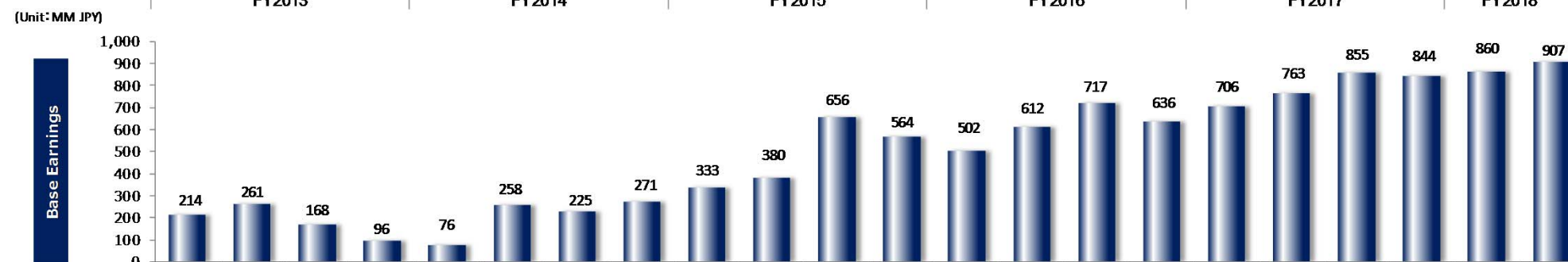
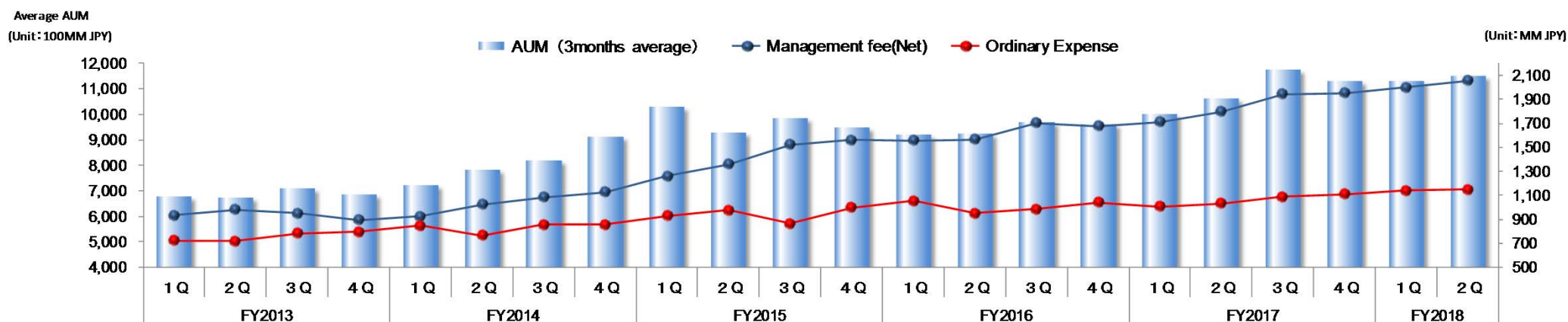


(Units : MM JPY)	FY2013				FY2014				FY2015				FY2016				FY2017				FY2018	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Ordinary expense	721	720	781	797	847	767	858	854	929	978	865	997	1,054	951	983	1,039	1,007	1,032	1,090	1,109	1,138	1,148
Amortization of goodwill	298	299	195	197	216	219	141	144	147	140	13	8	-	-	-	-	-	-	-	-	-	-
Commissions paid & Bonus	475	354	910	151	161	289	532	196	449	426	579	226	315	339	578	475	439	645	846	486	548	597
<b>Operating and general administrative expenses</b>	<b>1,495</b>	<b>1,374</b>	<b>1,887</b>	<b>1,146</b>	<b>1,226</b>	<b>1,276</b>	<b>1,533</b>	<b>1,196</b>	<b>1,527</b>	<b>1,546</b>	<b>1,458</b>	<b>1,232</b>	<b>1,370</b>	<b>1,290</b>	<b>1,562</b>	<b>1,514</b>	<b>1,447</b>	<b>1,678</b>	<b>1,937</b>	<b>1,595</b>	<b>1,686</b>	<b>1,745</b>

# Quarterly Trends of Base Earnings



Base earnings has remained stable by cost-control and increase in management fees



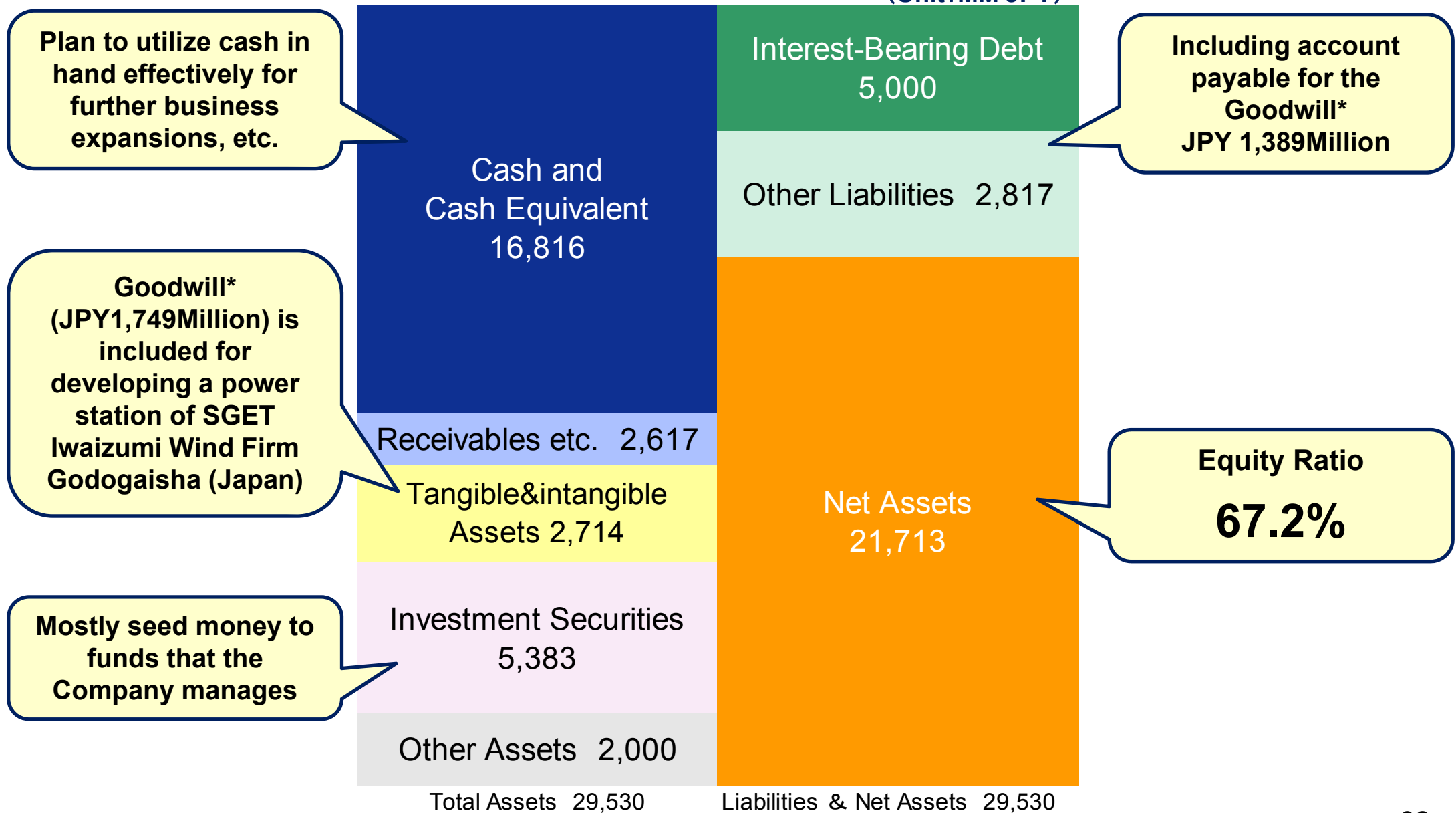
(Unit : MM JPY)	FY2013				FY2014				FY2015				FY2016				FY2017				FY2018	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
AUM (3months average)	6,774	6,752	7,117	6,874	7,239	7,859	8,217	9,126	10,297	9,277	9,856	9,497	9,233	9,270	9,703	9,631	10,018	10,627	11,773	11,339	11,310	11,510
Management fee(Net)	934	982	950	894	923	1,025	1,084	1,126	1,262	1,358	1,521	1,562	1,557	1,563	1,701	1,675	1,713	1,795	1,945	1,953	1,998	2,056
Ordinary Expense	721	720	781	797	847	767	858	854	929	978	865	997	1,054	951	983	1,039	1,007	1,032	1,090	1,109	1,138	1,148
Base Earnings	214	261	168	96	76	258	225	271	333	380	656	564	502	612	717	636	706	763	855	844	860	907

(Note) As preliminary figures, the 「Management fee (Net)」 is calculated by multiplying the management fee rate (after the deduction of commission paid) and the average AUM for the period.

# B/S Overview (1)



(Unit: MM JPY)



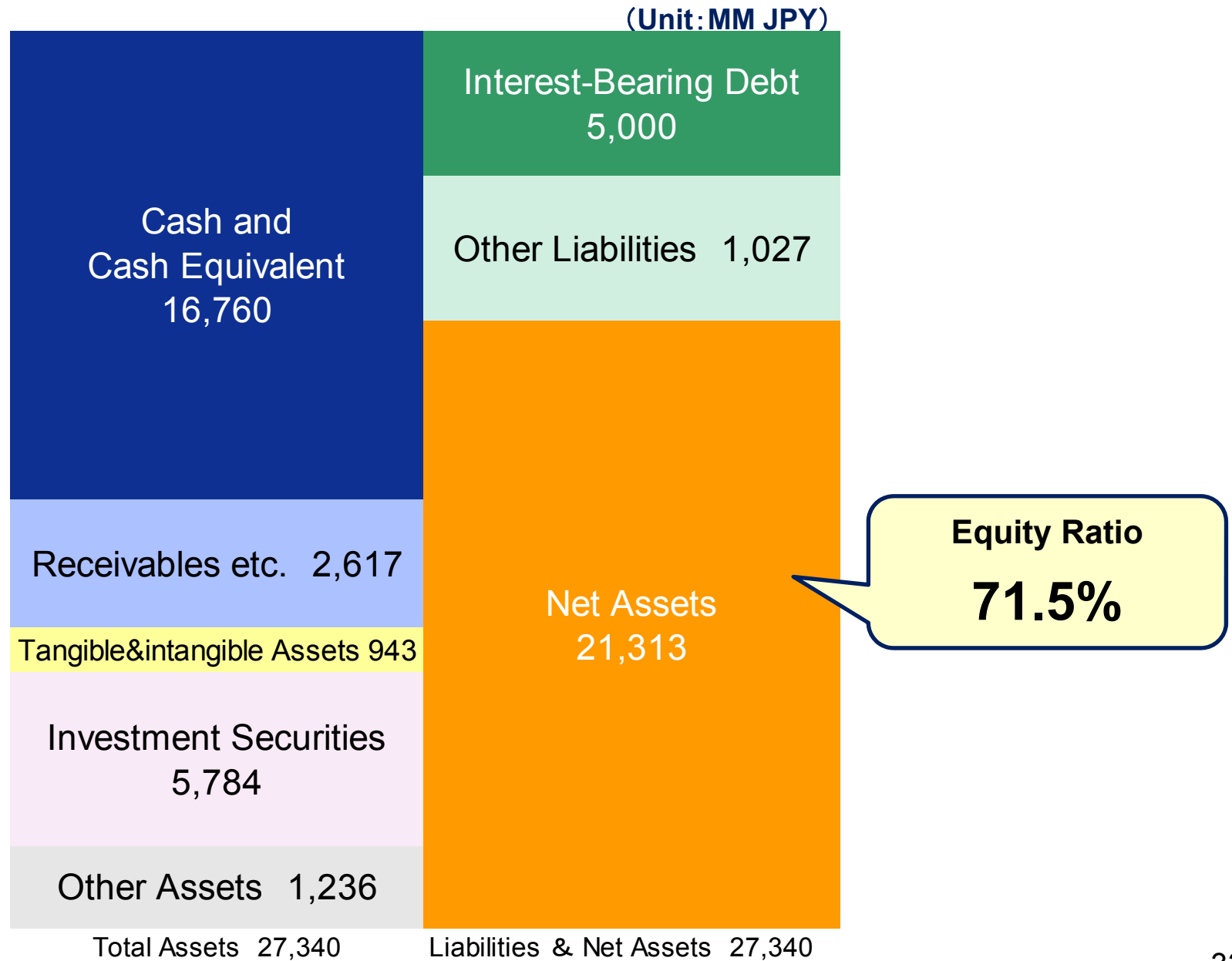
Goodwill\* (JPY1,749Million) is included for developing a power station of SGET Iwaizumi Wind Firm Godogaisha (Japan)

Mostly seed money to funds that the Company manages

Equity Ratio  
**67.2%**



<Reference> Table below outlines the exclusion of Balance Sheet of SGET Iwaizumi Wind Firm Godogaisha (Japan)



# B/S Overview (2)



(Units: MM JPY)	Mar. 2018	Sep. 2018	YoY change
<b>Current assets</b>	21,484	20,369	▲ 1,114
Cash and cash equivalents	18,649	16,816	▲ 1,833
Receivables	2,403	2,617	+213
<b>Fixed assets</b>	9,852	9,160	▲ 692
Goodwill	1,749	1,749	-
Investment securities	5,868	5,383	▲ 485
<b>Total assets</b>	31,336	29,530	▲ 1,806
Long-term loans payable	5,000	5,000	-
Payables	4,447	2,134	▲ 2,312
<b>Total liabilities</b>	9,945	7,816	▲ 2,129
Common stock	8,582	8,585	+2
Add'l paid-in-capital	3,285	3,286	-
Retained earnings	9,374	9,486	+112
Treasury stock	▲ 3,204	▲ 3,204	-
<b>Total Shareholder's Equity</b>	18,038	18,153	+115
Valuation difference on AFS securities	329	363	+34
Foreign currency translation adjustment	1,131	1,308	+177
Non-controlling interests	1,875	1,875	-
<b>Total net assets</b>	21,391	21,713	+322

Decreased mainly due to payment of dividends, bonuses and taxes

Decreased mainly due to payment of bonuses and taxes

Payment of dividend: ▲JPY 1,430MM  
Profit attributable to owners of parent in 2Q FY2018 : +JPY 1,542MM

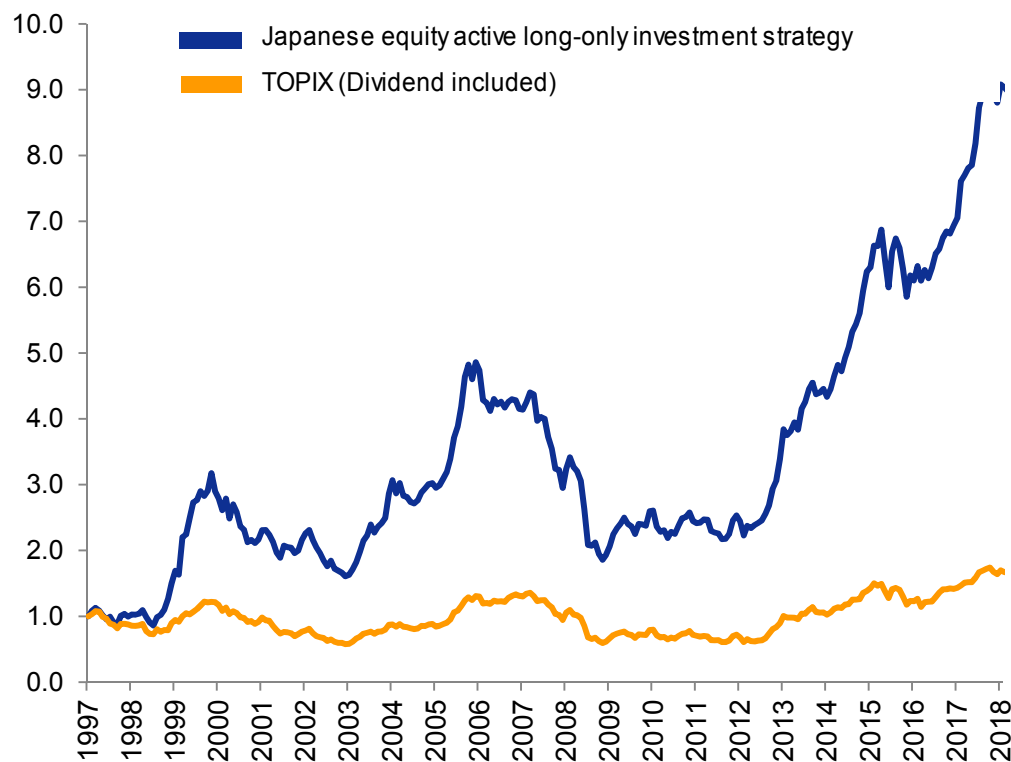
(Note1) Figures above are truncated.

(Note2) Investment securities include the seed money of the Company funds.

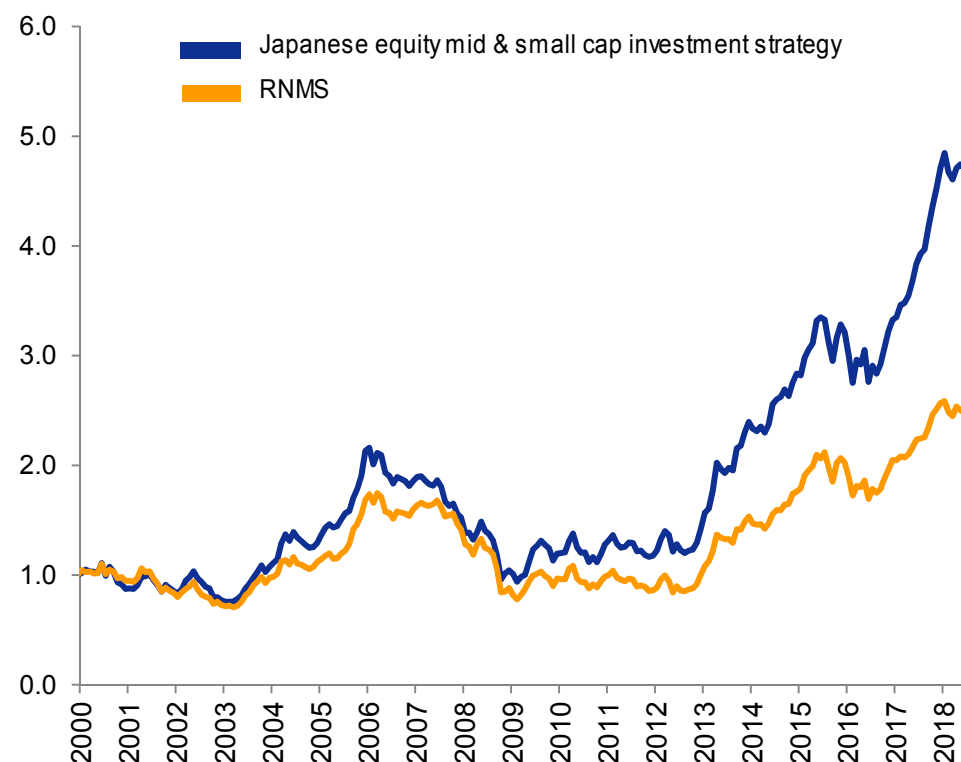
# Annualized Performance by Strategy Since Inception ①



## Japanese equity active long-only investment strategy



## Japanese equity mid & small cap investment strategy



(Annualized Return)

Japanese equity active long-only investment strategy	11.10%	Reference Index	TOPIX (Dividend included)
Reference Index	2.66%	Measurement Period	1997/5 ~ 2018/9
Excess Return	8.44%	Volatility of Composite Return (Annualized)	20.44%

(Annualized Return)

Japanese equity mid & small cap investment strategy	8.81%	Reference Index	Russell/Nomura Mid-Small Cap Index
Reference Index	5.18%	Measurement Period	2000/1 ~ 2018/9
Excess Return	3.63%	Volatility of Composite Return (Annualized)	17.48%

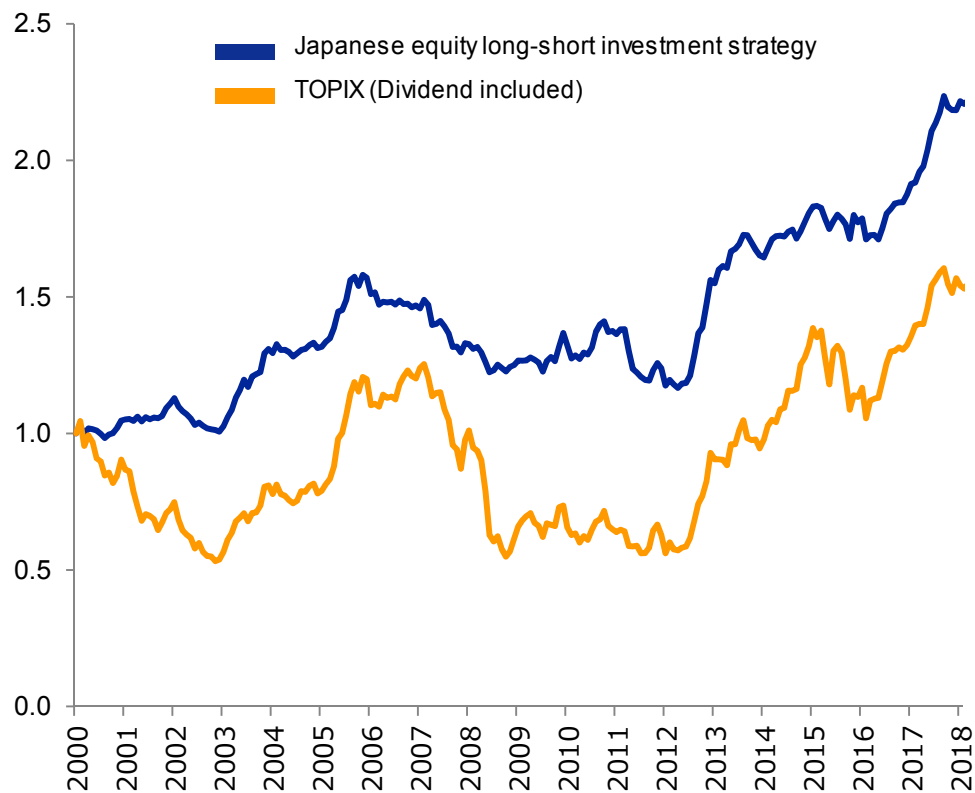
Please refer to the disclaimers at the end of the slides.

Source: SPARX Group Co., Ltd (Tokyo, Japan), as of September 30, 2018. 35

# Annualized Performance by Strategy Since Inception ②



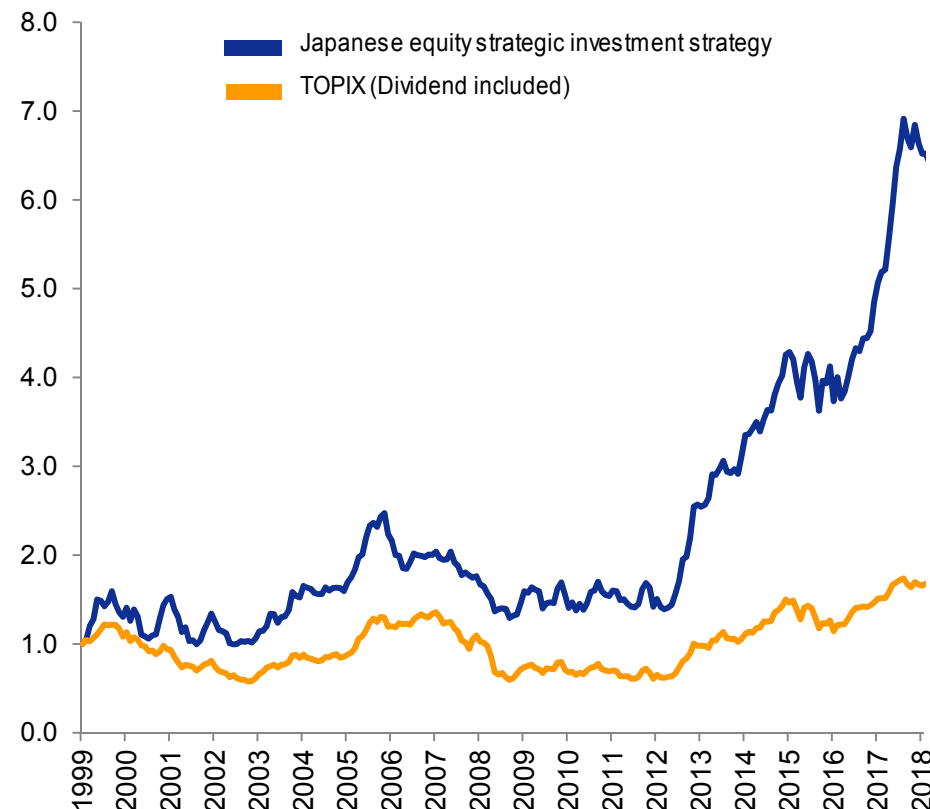
## Japanese equity long-short investment strategy



(Annualized Return)

Japanese equity long-short investment strategy	4.42%	Reference Index	TOPIX (Dividend included)
Reference Index	2.67%	Measurement Period	2000/6 ~2018/9
Excess Return	1.76%	Volatility of Composite Return (Annualized)	7.22%

## Japanese equity strategic investment strategy



(Annualized Return)

Japanese equity strategic investment strategy	10.30%	Reference Index	TOPIX (Dividend included)
Reference Index	2.96%	Measurement Period	1999/7 ~2018/9
Excess Return	7.34%	Volatility of Composite Return (Annualized)	19.94%

# QUALITY

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Contact: Global Business Development Tel: +81-(0)3-6711-9200

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