

The following is an English version of the official Japanese announcement, which has been given to the JASDAQ and the media in Tokyo, Japan.



March 14, 2019

SPARX Group Co., Ltd.
President and Group CEO Shuhei Abe
(TSE JASDAQ Standard: 8739)

**Mirai Creation Fund II (two) Invests in
Nileworks Inc., Agricultural Drone Designer, Manufacturer, and Vendor**
— To Establish a System to Mass-Produce Its New Device for FY2019 Launch—

TOKYO—March 14, 2019—SPARX Group Co., Ltd. (SPARX; JASDAQ: 8739), today announced that the Mirai Creation Fund II (two)—established in July 2018—has invested in Nileworks Inc. (

Nileworks), a firm that designs, manufactures, and sells drones for spraying agrochemicals, managing crop growth, and enabling other agricultural applications. Nileworks is looking to broaden the scope of use of its technologies and expand overseas, thereby becoming a leader in precision agriculture.

About Nileworks

In Japan, farmers are increasingly giving up farming due to aging and a lack of successors. There are fears that the know-how that has been built up over centuries will disappear. Meanwhile, the remaining farmers are increasingly consolidating available arable land, and agricultural corporations are growing, and this raises the demand for more efficient quality control and more labor-saving mechanisms such as drones, robots, and ICT. Under these circumstances, Nileworks has the vision to conduct “precision agriculture from the sky,” and it is advancing the commercialization of agricultural drones and cloud services for crop growth.

In summer 2018, the firm tested labor-saving farm work through 75 PoC trials conducted nationwide. Using the growth data of different cultivars of wet-land rice in various regions, the firm has been refining its diagnostic technology and making preparations to launch its new Nile-T19 in June 2019. As the firm's first mass-production model, the Nile-T19 has a highly stable structure, with redundant communication modes and a propeller guard.

Mirai Creation Fund I (one) and Mirai Creation Fund II (two) Summaries

The Mirai Creation Fund I (one) began operations in November 2015 with financing from three companies: Toyota Motor Corporation, Sumitomo Mitsui Banking Corporation, and SPARX, the Fund's manager. Ultimately, the Fund received contributions from 20 companies, including the above three. Placing intelligent technologies, robotics, and technologies that promote a hydrogen economy as core technologies of the future, the Fund I (one) 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 (two), which targets the three existing Mirai Creation fields and two additional fields of electrification and new materials. As of January 31, 2019, the combined AUM for Funds I (one) and II (two) are ¥99.2 billion.

<https://mirai.sparx.co.jp/>

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