

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.



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For Immediate Release

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

**Mirai Creation Fund II Invests in OPEN8,
the Developer of Video BRAIN, an AI-Based Video Editing Cloud Service**
—Making video editing easier with AI support—

TOKYO—January 29, 2021—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 OPEN8 Inc. (OPEN8), the developer of Video BRAIN, an AI-based cloud solution for video editing. OPEN8 aims to use the capital gained through this round of fundraising to invest in development, expand its sales team, and increase its marketing budget as part of its efforts to further grow its business.

Portfolio Company Outline

OPEN8 is a content technology company that has developed its own AI technology focusing on natural language processing and computer vision. It owns OPEN8 Core Technology, which consists of a group of algorithms and software modules. Aiming to “use AI and SaaS to become a growth driver of information distribution strategies for all companies,” the firm has combined its video content production and distribution expertise—cultivated through video-based advertising and media businesses—with AI technology to develop an in-house AI video editing cloud service, Video BRAIN, and a social media posting and analysis service, Insight BRAIN. It has also created APIs for automatic video generation to support corporate information dissemination. In 2019, the company was awarded the annual Red Herring Top 100 Asia Winner prize for innovative Asian start-ups by US-based Red Herring.

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 December 31, 2020, the combined AUM for Fund I and Fund II are JPY 88.5 billion.

Mirai Creation Fund investment track record: <https://mirai.sparx.co.jp/en/investment/>

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