

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 Ridge-i, a Developer of AI Solutions  
for Infrastructure & Manufacturing and Satellite Imaging Analytics**  
—Using the optimum mix of machine learning, deep learning, and existing technologies  
to implement effective AI in society—

TOKYO—February 1, 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 Ridge-i Inc. ( Ridge-i), an AI development firm that creates custom AI algorithms to meet its clients' needs. Past projects include AI for automating infrastructure-related machinery, inspecting manufacturing sites, and analyzing satellite imagery. Ridge-i intends to use this round of capital to develop new businesses, expand its marketing, and bolster its position as a leader in AI satellite imagery analytics. It also aims to further expand its business by investing in new talent that can bolster its widely regarded technological prowess and AI implementation track record.

**Portfolio Company Outline**

Founded in July 2016, Ridge-i is a group of professionals who provide one-stop service, from discovering client companies' problems to developing, implementing, and operating AI solutions. It creates cutting-edge technologies by pursuing both applied and theoretical technology research and provides the best solutions for allowing society and its clients to experience sustainable benefits.

The firm has a tremendously successful record of delivering various highly acclaimed projects to major corporations. Past projects include partnering with Ebara Environmental Plant on an autonomous crane operation system with AI that identifies garbage types, which has been in operation for more than a year at waste incineration plants; developing AI that utilizes Ricoh's imaging technology to perform visual inspections for manufacturing and construction industries; and creating AI that automatically detects the extent of landslide disasters by analyzing optical satellite data. It has also developed AI solutions to detect other possible abnormalities. As an example of its rapid development capabilities, it created a COVID-19-oriented AI for analyzing human traffic patterns. Ridge-i boasts a wide-reaching network within the industry thanks to its membership in the Space ICT Forum and its partner status within the xDataAlliance, which focuses on utilizing Tellus as the core of developing Japan's space and satellite analytics industries. Ridge-i's founder and CEO, Takashi Yanagihara, has also served on the Stakeholder Committee for METI's Project for Open and Free Government Satellite Data and Data Utilization Infrastructure Improvement, as well as the Task Force for the Utilization of a 4D Cyber City under MIC's Space Communications Policy. In another of its efforts toward utilizing AI to address social issues and SDGs, the firm is actively working with Leave a Nest and the Nippon Foundation to conduct proof-of-concept trials for drone-based AI for detecting marine debris.

With this latest round of additional capital, Ridge-i will accelerate its research and development progress to generate more use cases for AI and create the next generation of AI. As a firm of talented professionals from different industries, Ridge-i will continue to make progress together with its clients on its mission of "creating a new society and business by addressing social and client issues through the use of cutting-edge technology."

**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

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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 were JPY 88.5 billion.

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

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