

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 Agrees to Invest in Knowledge Palette,
a Drug Discovery and Regenerative Medicine Platformer that Uses
the Transcriptome Technology with the World's Highest Accuracy**

TOKYO—March 29, 2021—SPARX Group Co., Ltd. (SPARX; TSE1: 8739) today announced that its Mirai Creation Fund II (two) —established in July 2018— has agreed to Series A financing (the amount is not disclosed) of Knowledge Palette, Inc., a start-up with the world's most accurate transcriptome technology. The company intends to use this round of fundraising to conduct R&D and recruit personnel to expand collaborative research projects and develop platforms of drug discovery and regenerative medicine which could be applied to wider range of diseases.

Portfolio Company Outline

Founded in 2018, Knowledge Palette is a company developing platforms of phenotypic drug discovery and regenerative medicine using the single-cell transcriptome analysis technology, Quartz-Seq2, which was developed by Dr. Danno, a co-founder of Knowledge Palette, while working at RIKEN, in collaboration with Knowledge Palette's advisors, Dr. Nikaido and Dr. Sasagawa. This analysis technology was ranked No.1 in an international benchmarking project on single-cell transcriptome analysis technology. This core technology enables analysis of whole gene expression profiles of cells after administration of a variety new drug candidates or culture medium and screen their effects, and provides solutions for problems of drug discovery and regenerative medicine.

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 vital to the future, Fund I has invested in approximately 50 companies and projects—from the US, the UK, Israel, Singapore, and Japan—that possess innovations 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 February 28, 2021, the combined AUM for Fund I and Fund II were JPY 88.3 billion.

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

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