

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



February 15, 2018

Company: SPARX Group Co., Ltd.
(JASDAQ Standard Code: 8739)

SPARX Becomes Signatory to United Nation's Principles for Responsible Investment

—Aiming to Realize Its Mission to Make the World "Wealthier, Healthier, and Happier"—

Tokyo (February 15, 2018) –SPARX Group Co., Ltd. ("SPARX") announced that SPARX became a signatory to the UN-supported Principles for Responsible Investment (PRI).

First proposed by the UN Secretary General in 2006, the PRI comprises six principles on the duties of investors, from the perspective of responsible investing. The principles call on institutional investors to consider environmental, social, and governance (ESG) issues. Signatory institutions to the PRI are expected to incorporate these six principles into their investment activities and to report on these activities.

Since its founding in 1989, SPARX has used its unique bottom-up approach to invest in companies that excel at long-term value creation. Furthermore, in its role as a shareholder, the firm has supported its investee companies through investment and proactive dialogue meant to improve their corporate value.

We believe that SPARX investment activities thus far share the fundamental aims of the PRI to incorporate ESG issues into its investment process and ownership policies and practices. SPARX decided to become a signatory to the PRI in response to the initiative's clear objective of raising the influence that institutional investors have on improving social sustainability, as the initiative has shifted from raising awareness to making an impact in the 10 years since its inception.

When signing on to the PRI, SPARX CEO Shuhei Abe made the following statement: "Signing on to the PRI is a major step toward realizing SPARX's mission to make the world 'Wealthier, Healthier, and Happier.' As an investment firm, we are increasingly accepting our responsibility to define the true meaning of justice for the world. With capital becoming more concentrated in the hands of few and more institutionalized, fewer and fewer universal truths are shared by society leading to distortion and different agendas. Since its founding, SPARX has earned its clients' trust by deeply understanding the philosophies of its investee companies and making sure they are viable and sustainable. By continuing such activities without falling into a routine of formalities, all SPARX employees strive to realize our mission, while simultaneously meeting the responsibilities assigned to all investment firms."

Tadahiro Fujimura, SPARX Asset Management CIO and SPARX Group executive, followed up with these remarks: "At SPARX, we fundamentally believe that corporations' maintaining long-term relationships with their clients, employees, business partners, shareholders, and other stakeholders are the source of their corporate value. With this belief, we agree with the general idea and the aims of the PRI. We have continually discussed ESG-based issues when evaluating companies, especially those small- to medium-sized companies that do not have sufficient disclosure."

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Meanwhile, the PRI has clarified its objective to ‘make an impact on society,’ while corporations have undertaken steps to improve themselves from the perspective of ESG issues. As a result, through our signing on to the PRI, we would like to use our research and investment activities to further increase our support for our investee companies, with a focus on corporate transformation.”

“We are very pleased to welcome SPARX Group to the PRI and applaud their recognition of the importance of ESG to the investing process,” said PRI managing director, Fiona Reynolds. “And we hope that other investors in Japan will follow their lead and embrace the long-term components of sustainable investing.”

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