

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 Farmnote Holdings,  
a Firm Aiming for Sustainable Dairy and Livestock Farming**  
— Promoting digital transformation in the dairy sector —

TOKYO—September 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 Farmnote Holdings Inc. (Farmnote). The firm promotes social solutions through digital transformation (DX) in the dairy industry. Farmnote intends to use this capital to expand its ICT-based cattle herd management business and improve its development capabilities for dairy-oriented DX technologies.

#### Portfolio Company Outline

Farmnote's management philosophy is to "contribute to sustainable global prosperity through technological innovation." It offers devices and systems that enable cattle herd management using smartphones, tablets, and other devices through its products, Farmnote Cloud and Farmnote Color. It also offers its Farmnote Compass service that helps veterinarians and other professionals discover dairy management issues and suggest improvements. Moreover, it has developed Farmnote Dairy Platform, a DX dairy farm in Nakashibetsu, Hokkaido, that integrates these digital and production technologies. The farm achieved an EBITDA surplus after roughly eight months of operation. The company aims to create a DX-based business model for the next generation of dairy and livestock farming to address pressing social issues, including managing the labor shortages caused by the increasing number of people leaving farming, improving business profits, and reducing the environmental impact of cattle farming globally. It continues integrating the production and environmental technologies it has cultivated to help develop a sustainable dairy and livestock farming business that respects the global environment.

#### 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 August 31, 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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