

The following is a translation summary of the official announcement given to the JASDAQ and the media in Tokyo, Japan.



June 9, 2008

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

**SPARX AND LOTTE (KOREA) ANNOUNCE COMMENCEMENT OF TALKS
TOWARD CAPITAL TIE-UP INVOLVING SOUTH KOREAN INVESTMENT
ADVISOR COSMO**

TOKYO (June 9, 2008) – SPARX Group Co., Ltd. (hereafter “SPARX”) and major South Korean industrial conglomerate Lotte Group (hereafter “Lotte”) announced today that they have agreed to start discussions on forming an alliance to jointly manage leading Seoul-based investment advisory firm Cosmo Investment Management Co., Ltd. (hereafter “Cosmo”) under a plan in which Lotte would acquire more than a 50% stake in Cosmo.

Pursuant to this plan, starting this week Lotte will begin various due diligence efforts with Cosmo officials in regard to the planned acquisition of shares from SPARX. At present, SPARX owns a majority 67.9% stake in Cosmo and Cosmo officials own the remaining 32.1% share of the company. The final ownership shares, transaction value and specific amount of investment by Lotte will be determined after the due diligence has been successfully completed.

Once the final agreement on the transaction has been reached, Lotte plans to shift Cosmo’s investment management operations to cover the investment trust management operations in an expedited manner. Cosmo’s pretax profit in 2007 totaled some 46.7 billion won, ranking it among South Korea’s most profitable asset managers. Today, the South Korean asset management industry is expanding rapidly in both the household and institutional sectors, including pension funds, and the industry is seen as having high potential for continued growth. Moreover, Cosmo plans to strengthen its own overseas operations by leveraging SPARX’s existing international network of offices in New York, London, Dubai, Bermuda and Hong Kong.

In addition, Cosmo plans to introduce new financial products to an existing customer base consisting of over 10 million Lotte cardholders by, for example, developing financial services related to Lotte’s purchase of a casualty insurance company earlier this year and South Korea’s retirement pension fund market.

A spokesperson for Lotte said: “We expect to keep intact the current management team at Cosmo, who have already produced superior results in the market.”

We are announcing by this press release the commencement of talks about the details of the

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planned alliance, and this press release is not an announcement of any official decision on the transaction made by SPARX. We have decided that it is appropriate to make today's announcement primarily because Cosmo is currently a key subsidiary and it concerns our core investment strategy regarding Cosmo.

Furthermore, it is possible that the discussions between all parties might conclude without the final agreement on the transaction.

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