

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 25, 2009

Company: SPARX Group Co., Ltd.

(JASDAQ Code: 8739)

Announcement of Corporate Streamlining Initiatives (Phase II)

Tokyo (February 25, 2009) – SPARX Group Co., Ltd. (hereafter “SPARX”) announced today that its Board of Directors has passed a resolution to implement the following corporate streamlining initiatives (Phase II).

For Reference:

I. Objective of Streamlining Initiative

As previously mentioned in report on the financial results up to the third quarter of the fiscal year 2008 (ending March 31, 2009) announced on February 10, 2009, the financial results of SPARX were quite unprofitable. Given the stock market and the trend of the amount of our assets under management (AUM), it should be an appropriate business judgment to assume that we would continue to face the challenging business environment.

We are currently implementing many of our strategic plans stated in “Announcement of Corporate Streamlining Initiative”, which was publicly released on October 16, 2008. However, we came to be convinced that we still need to further downsize the company to improve the efficiency of our business. Therefore, in order to realize the business and cost structure which would enable to ensure the profits from the next financial year, we have decided to implement the additional restructuring plan immediately as stated below.

II. Outline of Streamlining Initiative

1. Additional Reduction of Board Members’ Remuneration

As part our efforts to clearly show the management’s responsibilities, an additional reduction in the executive compensation will be made, starting from April '09 to June '09 (end of the term).

① Shuhei Abe

President & CEO, SPARX Group Co., Ltd.

Chairman & Representative Director, SPARX Asset Management Co., Ltd.

Monthly Payment: Nearly 100% reduction*

**In order to pay for the social insurance cost, the actual reduction is equal to 93%.*

② Hironobu Goto

Executive Deputy President and Representative Director, SPARX Group Co., Ltd.

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President and Representative Director, SPARX Asset Management Co., Ltd.

Monthly Payment: 50% reduction

③ Board Members of SPARX Group Co., Ltd.

Monthly Payment: 20% reduction

④ Auditors of SPARX Group Co., Ltd.

Monthly Payment: 10% reduction (voluntary)

2. Voluntary Retirement Plan for SPARX Group Co., Ltd., SPARX Asset Management Co., Ltd., SPARX Securities Co., Ltd. and SPARX Capital Partners Co., Ltd.

Outline of Voluntary Retirement Plan

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|------------------------|---|
| (1) Eligible persons | Any full-time employee of the companies mentioned above as of March 1, 2009 |
| (2) Number of persons | Approximately 50 persons |
| (3) Application period | From March 2, 2009 to March 19, 2009 |
| (4) Retirement date | June 30, 2009 |
| (5) Other items | The retiring employee will be provided with a special retirement package and accorded a status as the retired by the company's reason. In addition, SPARX will also provide career transition support to the retiring employee. |

Note: A total of 26 employees had applied for the voluntary retirement plan, previously stated in the October 16, 2008 press release titled "Announcement of Corporate Streamlining Initiative".

3. Other Streamlining Initiative for SPARX Group Co., Ltd., SPARX Asset Management Co., Ltd., SPARX Securities Co., Ltd. and SPARX Capital Partners Co., Ltd.

1) Revise the Organizational and Salary Structure

We will simplify and clarify the organizational structure and reduce the full-time employees' salaries by 15% or more. Furthermore, stock options in the form of stock acquisition right that were approved by a resolution at the General Meeting of Shareholders held in June 2008 will not be granted.

2) Further Reduce the General Administrative Expenses

As we will have less number of employees, the lease for excess office space will be cancelled for reduction of rental cost. Also, we will thoroughly review our major items of expenses, including the research, travel expenses, professional fees and business outsourcing expenses.

3) Simplify and Clarify the Organizational Structure

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SPARX Asset Management Co., Ltd. will continue to be the group's core business operating entity. By introducing the business group system so as to strengthen our businesses and clarifying the attribution of responsibilities of business results. Moreover, we will scrutinize our non-core businesses without exceptions, and then we will determine as soon as possible whether we should further encourage the business, maintain the business or withdraw from it.

4. Review Our Overseas Businesses

We will review our overseas businesses including consideration of capital restructuring plans and take actions as soon as possible.

We are aware of the fact that we are facing the severe situation, so we are going to take every possible measure to successfully accomplish the restructuring plan, so as to realize the business and cost structure as soon as possible which would enable us to ensure the profits from the next financial year. Details are still under discussions and review as of now, so we will further announce the detailed plans when they are definitely determined.

III. Expected Impact on Financial Results

1. Financial Impact for Current Fiscal Year

In order to implement the special retirement package of the above mentioned Corporate Streaming Initiatives (Phase II) to the retiring employees, we will post an extraordinary loss of approximately 250MM JPY for the 4th quarter of the fiscal year ending in March, 2009. We are currently considering other matters. We will make further announcement as soon as we confirm any impact on the financial results for FY 2008.

2. Financial Impact for Next Fiscal Year or Thereafter

The streamlining initiatives (Phase II) are expected to reduce the total amount of annual operating and general expenses of SPARX Group Co., Ltd., SPARX Asset Management Co., Ltd., SPARX Securities Co., Ltd. and SPARX Capital Partners Co., Ltd. by approximately JPY 1.4 billion compared to the prior-year's figure. Concerning the overseas offices which are currently being examined, their potential impact on the financial result of FY2009 will be released as soon as the figures are finalized.

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