

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

November 12, 2009
Company: SPARX Group Co., Ltd.
(JASDAQ Code: 8739)

**LOTTE (KOREA) Exercises the 1st Call Option of Cosmo's Stock
and SPARX's Generation of Extraordinary Profit**

Tokyo (November 12, 2009) – SPARX Group Co., Ltd. (hereafter “SPARX”) received the “Notice of Exercising the First Option” that states Lotte Group (hereafter “Lotte”) exercises the 1st Call Option of Cosmo's stock and SPARX sent its acknowledgement letter to Lotte. It will involve the transfer of shares in Cosmo Investment Management Co., Ltd. (hereafter “Cosmo”) and SPARX announces that it does anticipate capital gains in its consolidated extraordinary profit generated by this transfer.

1. Overview of exercise of the 1st call option of Cosmo's stock

As stated in the press release on December 19, 2009 entitled “SPARX Enters Joint Venture with Lotte (Korea) through Cosmo Investment Management”, SPARX concluded a joint venture agreement with Lotte, which will involve the transfer of shares in Cosmo as of December 19, 2008.

Lotte obtained two call options for purchasing Cosmo's shares (1st call option: 8.9% of outstanding shares, 2nd call option: 21.1% of outstanding shares) under the above-mentioned contract. This scheme was arranged based on the agreement between SPARX and Lotte that Lotte will acquire the Cosmo's shares with phased approach. This time, Lotte exercised the 1st call option agreed in the contract.

2. Summary of the purchaser

As stated in “SPARX Enters Joint Venture with Lotte (Korea) through Cosmo Investment Management”, which was publicly released on December 19, 2008, seven companies of Lotte (Lotte Card Co., Ltd., Lotte Shopping Co., Ltd., Lotte Midopa, Lotte Station Building Co., Ltd., Honam Petrochemical Corp., KP Chemical Corp., and Lotte Confectionary Co.,

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

Ltd.) are the purchasers.

3. Summary of the transaction concluded by the 1st call option

| | | | |
|-----|---|-----------------------------|---|
| (a) | Number of shares held before transaction (Number of voting right) | 584,161 shares (584,161) | (69.0 % of outstanding shares in Cosmo) |
| (b) | Number of shares to be transferred (Number of voting right) | 75,306 shares (75,306) | (Transfer price KRW 21,887 M) |
| (c) | Number of shares retained after transaction (Number of voting right) | 508,855 shares (508,855) | (60.1 % of outstanding shares in Cosmo) |

4. Time schedule

February 2, 2010 Date of transfer of stock (scheduled)

5. Expected impact on financial results

SPARX does anticipate capital gains (stock of affiliated company) of approximately JPY 0.8B in its extraordinary profit on consolidated income statement. This capital gain is calculated for preparing the consolidated financial statements with the assumption that the stock of affiliated company will be sold at the beginning of the 4th quarter of period ending in March 2010. Because the change of exchange rate can influence the profit, the effect of this profit on our company's performance for the term ending in March 2010 will be announced as soon as it is confirmed.

For more information contact:

SPARX Group Co., Ltd., Finance & Management Control Dept. in Tokyo at (813) 5437 9700