

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.



April 1, 2022

For Immediate Release

SPARX Group Co., Ltd.
President and Group CEO Shuhei Abe
(Code: 8739, TSE First Section)

Notice of Current Status of Alleged Lawsuit Brought Against Our Subsidiary in the U.S.

As we announced in our “Notice of an Alleged Lawsuit Brought Against Our Subsidiary in the U.S.” on December 21, 2021, the Lawsuit was brought against SPARX Asset Management Co., Ltd. (“SAM”), our subsidiary, in the United States, which remains pending. We hereby announce the current status and progress of the Lawsuit as the fiscal year has just ended, as follows:

■ Name of Court, Date of Filing, and Current Status and Progress

United States District Court for the Northern District of California

Filed on December 7, 2021 (local time)

A summons and complaint were served on December 16, 2021 (local time) on SAM’s process agent in the State of California, which fact was known to SAM on December 21, 2021 (Japan time).

After a preliminary review by it, SAM could find no information in its files related to the purported transaction alleged in the complaint. Through counsel, SAM has informed the Plaintiff to that effect, and since the start of this case, SAM has been in discussions with the Plaintiff to dismiss the complaint. To give the parties time to continue those discussions, the Plaintiff has extended SAM’s time to respond to the complaint several times. According to the Plaintiff’s counsel, the Plaintiff is seeking information from other sources so that it can satisfy itself that the complaint should be dismissed.

■ Forecast

As noted above, based on the information known to us at this time, we are not aware of any of the facts or circumstances alleged in the Lawsuit. We therefore currently believe that the Lawsuit has no merit and we intend to defend ourselves vigorously. While we do not have the ability to determine the potential future impact, if any, of the Lawsuit or a possible counterclaim or of the costs and expenses associated therewith (including legal fees) on SAM or our future consolidated financial results, we have no reason at this time to believe it would be material. We will provide future updates as necessary.

No further entry

■ Contact Information

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