

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.



November 22, 2022

For Immediate Release

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

Notice of an Alleged Lawsuit Brought in the U.K. Against Our Subsidiary

We hereby announce that we have become aware of a lawsuit (the “English Lawsuit”) brought against SPARX Asset Management Co., Ltd. (“SAM”), our subsidiary, in the High Court of England and Wales, as described below. As of November 22, 2022 (Japan time), SAM has not yet been served with a claim form or particulars of claim relating to the English Lawsuit. SAM is not required to take any further action under English law unless and until it is properly served with the claim form relating to the English Lawsuit.

■ Name of Court and Date of Filing

High Court of England and Wales, King’s Bench Division (the “English Court”)
November 2, 2022 (local time)

■ Particulars of the Claimant

Verdi Law Group, P.C.

As disclosed in our Notice of an Alleged Lawsuit Brought Against Our Subsidiary in the U.S. dated December 21, 2021, the Claimant had previously brought a lawsuit against SAM in the United States District Court for the Northern District of California on December 7, 2021 (local time) (the “U.S. Lawsuit”), but as disclosed in our Notice of Dismissal of the Lawsuit Brought Against Our Subsidiary in the U.S. dated September 30, 2022, the Claimant filed a notice of voluntary dismissal of the U.S. Lawsuit on September 28, 2022 (local time). SAM understands from the documents which were delivered to (but not served on) Sidley Austin LLP (see below) that the Claimant is a law firm registered as a Professional Corporation in the State of California, U.S.A.

■ Cause and Background of the English Lawsuit Being Brought Against SAM

As stated above, SAM has not yet been served with the claim form relating to the English Lawsuit. On October 4, 2022 (Japan time), SAM came to know the fact that it had received a pre-action letter dated September 7, 2022 from the Claimant’s English solicitors (the “Pre-Action Letter”), in which the Claimant made allegations against SAM broadly similar to those raised in the U.S. Lawsuit. Consistent with the requirements of the English Civil Procedure Rules, SAM was in the process of responding to the Pre-Action Letter to deny fully the claims alleged therein. Before SAM provided such response to the Claimant, on November 18, 2022 (Japan time), and through the London Offices of SAM’s solicitors who represented it in the U.S. Lawsuit (Sidley Austin LLP), its English legal counsel, SAM came to know that the English Lawsuit had been filed against it from publication on the English Court’s case system. On 21 November 2022 (U.K. time), copies of the claim form and particulars of claim were delivered to (but not served on) the London offices of Sidley Austin LLP. Sidley Austin LLP is not instructed by SAM to accept service of documents relating to the English Lawsuit and as such service has not been effected on SAM.

■ Summary of Allegations and Demand

As stated above, SAM has not yet been served with the claim form relating to the English Lawsuit. However, SAM has been made aware of the allegations and demands contained therein due to the delivery (but not service) of the claim form and particulars of claim at Sidley Austin LLP’s London offices.

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.



SAM's review of the allegations and demands contained therein is ongoing, but SAM currently understands that the allegations made by the Claimant are based on broadly similar factual allegations as those made in the U.S. Lawsuit, as more fully disclosed in our Notice of an Alleged Lawsuit Brought Against Our Subsidiary in the U.S. dated December 21, 2021. According to the documents delivered to Sidley Austin LLP, the Claimant seeks damages of EUR1,417,500,000 (plus interest to be determined) against SAM and the other defendants. SAM will provide a further update if and when the claim form and particulars of claim are properly served on SAM.

■ Forecast

In light of the above, it is difficult for us to provide any forecast of the English Lawsuit; however, based on the information known to us at this time, we currently believe that the English Lawsuit has no merit and SAM intends to defend itself vigorously. Nevertheless, because our investigation is still ongoing and because the English Lawsuit has only just been filed, we do not have the ability to determine the potential future impact, if any, of the English Lawsuit if SAM were to be served with the claim form, or the potential future impact of a possible counterclaim, or of the costs and expenses associated therewith (including legal fees) on SAM or our future consolidated financial results, although we believe it will be immaterial. We will provide future updates as necessary.

■ Previous Releases

(December 21, 2021)

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

<https://ssl4.eir-parts.net/doc/8739/tdnet/2062253/00.pdf>

(April 1, 2022)

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

<https://ssl4.eir-parts.net/doc/8739/tdnet/2102982/00.pdf>

(September 30, 2022)

Notice of Dismissal of the Lawsuit Brought Against Our Subsidiary in the U.S.

<https://ssl4.eir-parts.net/doc/8739/tdnet/2185872/00.pdf>

No further entry

■ Contact Information

SPARX Group Co., Ltd., Finance & Management Control Dept.

TEL : 81-3-6711-9100 / FAX : 81-3-6711-9101