The following is an English version of the official Japanese announcement, which has been given to the JASDAQ and the media in Tokyo, Japan.

July 31, 2017

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

Notice of Disposal of Treasury Stock through a Third-Party Allocation

TOKYO (July 31, 2017) - SPARX Group Co., Ltd (hereinafter, the "Company") hereby announces that disposal of treasury stock though a third-party allocation (hereinafter, "Disposal of Treasury Stock") is approved at the Board of Directors meeting held today.

1. Overview of Disposal

(1) Date of disposal	August 21, 2017
(2) Number of shares for disposal	3,000,000 shares
(3) Disposal price	214 yen per share
(4) Total disposal amount	642,000,000 yen
(5) Disposal recipient	The Master Trust Bank of Japan, Ltd. (Stock-Granting ESOP Trust Account)
(6) Other	Disposal of Treasury Stock is conditional on the registration coming into effect as per the Financial Instruments and Exchange Act.

2. Object and Reason for Disposal

The Company at its Board of Directors meeting held today resolved to introduce a stock-granting ESOP trust (hereinafter, "ESOP Trust") as an incentive plan for employees of subsidiaries of the Company (SPARX Asset Management Co., Ltd., SPARX Green Energy & Technology Co., Ltd. and SPARX Asset Trust & Management Co., Ltd.) (hereinafter, "Group Employees") in order to enhance medium- to long-term corporate value of the Company by giving Group Employees further motivation toward improving corporate performance and increasing the share price of the Company. For further information of ESOP Trust, please refer to "Notice Regarding to Introduction of Stock-Granting ESOP Trust" announced today.

The Disposal of Treasury Stock is made to The Master Trust Bank of Japan, Ltd. (Stock-Granting ESOP Trust Account), which is the joint trustee under the ESOP Trust agreement that the Company is to enter into with Mitsubishi UFJ Trust and Banking Corporation.

As for the number of disposal shares, it is the number of shares expected to be issued to the

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Group Employees during the trust period based on the share handling regulations. The scale of dilution is 1.43% of total shares issued as at the end of March 2017 (figure rounded after the second decimal place; 1.48% of total voting rights of 2,028,222 as at the end of March 2017).

Overview of Trust Agreement

(1) Type of trust:	Money trust other than a specified individually managed money trust (Third party beneficiary trust)
(2) Purpose of trust:	Granting of incentives to Group Employees
(3) Trustor:	The Company
(4) Trustee:	Mitsubishi UFJ Trust and Banking Corporation. (Co-trustee: The Master Trust Bank of Japan, Ltd.)
(5) Beneficiaries:	Group Employees who meet the beneficiary requirements
(6) Trust administrator:	A third-party professional trust administrator that has no conflict of interest with the Company (certified public accountant)
(7) Date of trust agreement:	August 18, 2017
(8) Trust term:	From August 18, 2017 to the end of August 2023 (scheduled)
(9) Start of the Plan:	August 18, 2017
(10) Exercise of voting rights:	The trustees will exercise the voting rights of the Company stock in accordance with the instructions of the trust administrator, which reflects the will of candidate beneficiaries.

3. Basis of Calculation of Disposal Value and its Detail

Considering recent changes in the share price, in order to ensure that the determination is free of arbitrariness, the disposal price is set at 214 yen (decimal places truncated), which is the average value of the closing prices of the Company shares on the Tokyo Stock Exchange, Ltd. (hereinafter, “Tokyo Stock Exchange”) over the last one month preceding the resolution at the Board of Directors meeting pertaining to the Disposal of Treasury Stock (from Jun 29 to July 28, 2017). The reason for adopting the average share price of the latest month from the Board of Directors meeting is that it can eliminate external factors of changes in the share price and is more rational and objective as a basis for calculation than applying the share price of a particular point.

The said disposal price is the amount equivalent to the closing price at Tokyo Stock Exchange from one business day before the resolution at the Board of Directors meeting (July 28, 2017) (214 yen); or the amount obtained by multiplying 213 yen (decimal places truncated), the average value of closing prices over the last three months (from May 1 to July 28, 2017), by 100.47% (premium rate of 0.47%); or the amount equivalent to the average value of closing prices over the last six months (from January 30 to July 28, 2017) (214 yen (decimal places truncated)), and based on the foregoing, the Company has determined that the disposal price does not fall under particularly advantageous terms.

Further, all of the corporate auditors (three auditors including the two outside auditors) have

expressed the opinion that the above disposal price does not fall under particularly advantageous terms.

4. Procedures within Scope of Corporate Behavior

As this matter will have a dilutive effect of less than 25% on shares and does not involve a change in the controlling shareholder, it is not necessary to follow procedures for the receipt of the opinion of an entity who has a specific degree of independence from management regarding third-party allotment, as provided by Rule 432 of the Tokyo Stock Exchange's Securities Listing Regulations.

■ Contact Information

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