May 7, 2020

For Immediate Release

SPARX Group Co., Ltd.
President and Group CEO Shuhei Abe
(TSE1: 8739)

Notice Concerning Partial Amendments To the Articles of Incorporation

TOKYO— May 7, 2020—SPARX Group Co., Ltd. (SPARX; TSE1:8739) would like to inform you that the Board of Directors, at its meeting held on May 7, 2020, resolved a proposal for partial amendments to the Articles of Incorporation to be submitted to the 31st Ordinary General Meeting of Shareholders of the Company.

The matters of executive personnel stemming from these changes to the Articles of Incorporation are informed separately in the "Notification Regarding the Institution of an Audit and Supervisory Committee and Changes to Executive Personnel," dated May 7, 2020.

■ Reasons for modifying the Article of Incorporation

(1) As mentioned in the "Notification Regarding the Institution of an Audit and Supervisory Committee and Changes to Executive Personnel," dated May 7, 2020, SPARX Group has decided to abolish its audit & supervisory board and institute an audit and supervisory committee, under the condition of its approval at our 31st Ordinary General Shareholders' Meeting, scheduled for June 9, 2020. We made this decision in an effort to further enhance its corporate governance. We believes that auditing the directors' execution of the duties by the audit and supervisory committee, which is composed of the board of directors, will clarify the segregation between supervision and execution, and enhance the supervision function of the board of the directors, while also accelerating execution of duty by largely transferring authority from the board of directors to the directors themselves. Accordant with these changes, the Company is establishing and modifying the provisions of the Articles of Incorporation that involve delegating responsibility for important executive decisions. It is also establishing the new provisions concerning the directors who form the audit and supervisory committee and the audit and supervisory committee itself, which are needed for companies with audit and supervisory committees while deleting the provisions concerning audit & supervisory board.

(2) The Company is also deleting Article 12, Paragraph 2 of the existing Articles of Incorporation, to enable a more flexible selection of venues for general shareholders' meetings.

(3) The Company is modifying Article 23 and adding Article 27 to clarify in the Articles of Incorporation the provisions concerning director compensation and the by-laws of the board of directors.
(4) The Company is also correcting and modifying some terms and punctuation where necessary due to the above modifications.

- Details of the Amendment
  It is shown in the attached page.

- Dates
  Date of the General Meeting of Shareholders of the Company for amendment to the Articles of Incorporation (Scheduled): June 9, 2020 (Tuesday)
  Effective date of amendment to the Article of Incorporation (Scheduled): June 9, 2020 (Tuesday)

【Attachment】Details of the Amendment

(underline indicates amendment)

Current	Proposed Amendment
Chapter I. General Provisions (Trade Name) Article 1 (Provisions omitted) (Purpose) Article 2 [No changes in English] Article 3 – 8 (Provisions omitted) (Administrator of the Register of Shareholders) Article 9 [No changes in English]	Chapter I. General Provisions (Trade Name) Article 1 (Same as before) (Purpose) Article 2 [No changes in English] Article 3 – 8 (Same as before) (Administrator of the Register of Shareholders) Article 9 [No changes in English]
(Share Handling Regulations) Article 10 [No changes in English] (Record Date) Article 11 [No changes in English]	(Share Handling Regulations) Article 10 [No changes in English] (Record Date) Article 11 [No changes in English]
(Convocation) Article 12 (Provisions omitted) (2) General meetings of shareholders of the Company may be convened at the head office of the Company, or in the vicinity thereof, or anywhere else in Tokyo.	(Convocation) Article 12 (Same as before) (2) (Delete)

Current	Proposed Amendment
Article 13 – 17 (Provisions omitted) (Number of Directors) Article 18 The Company shall have no more than ten (10) directors. （new entry） (Election of Directors) Article 19 A Director shall be elected at a general meeting of shareholders	Article 13 – 17 (Same as before) (Number of Directors) Article 18 The Company shall have no more than five (5) Directors, excluding the Audit and Supervisory Committee Directors. (2) The Company shall have no more than five (5) Audit and Supervisory Committee Directors. (Election of Directors) Article 19 Directors shall be elected at a general meeting of shareholders, with classifications for Audit and Supervisory Committee Directors and other Directors.
(2)-(3) (Provisions omitted) (Term of Office of Directors) Article 20 The term of office of a Director shall expire at the close of the ordinary general meeting of shareholders held with respect to the last business year ending within one (1) year after his or her assumption of office. Provided, however, that the term of office of a Director elected to fill a vacancy of a Director who resigned before expiration of his or her term of office or to increase the number of Directors shall be the same as the	(2)-(3) (Same as before) (Term of Office of Directors) Article 20 The term of office of a Director, excluding Audit and Supervisory Committee Directors, shall expire at the close of the ordinary general shareholders' meeting held with respect to the last business year ending within one (1) year after his or her assumption of office. (2) The term of office of an Audit and Supervisory Committee Director shall expire at the close of

Current	Proposed Amendment
remaining term of office of the other Directors then in office.	the ordinary general shareholders' meeting held with respect to the last business year ending within two (2) years after his or her assumption of office.
(new entry)	(3) The term of office of an Audit and Supervisory Committee Director elected to fill a vacancy on the Audit and Supervisory Committee left by a Director who resigned before the expiration of his or her term of office shall be the same as the remaining term of office of the resigning Audit and Supervisory Committee Director.
(new entry)	(4) The resolution electing an Audit and Supervisory Committee Director to fill a vacancy on the Audit and Supervisory Committee per the stipulations of Article 329, Paragraph 3 of the Companies Act shall remain in effect until the start of the ordinary general shareholders' meeting held with respect to the last fiscal year ending within two (2) years after his or her assumption of office. This provision shall not apply if said resolution limits its period of effect.
(Meetings of the Board of Directors) Article 21 (Provisions omitted) (2) (Provisions omitted) (3) Notice of convocation of a meeting of the Board of Directors of the	(Meetings of the Board of Directors) Article 21 (Same as before) (2) (Same as before) (3) Notice of convocation of a meeting of the Board of Directors of the

Current	Proposed Amendment
Company shall be dispatched to each Director and audit & supervisory board member no later than three (3) days prior to the date of the meeting, provided, however, that in case of emergency, such period may be shortened.	Company shall be dispatched to each Director no later than three (3) days prior to the date of the meeting, provided, however, that in case of emergency, such period may be shortened.
(Omission of Resolution of Board of Directors) Article 22 In the event that a Director makes a proposal on matters to be resolved by the Board of Directors and the Directors (limiting to those who may be involved in the resolution of such matters) unanimously declare their intention of consenting to the proposal in writing or by way of electromagnetic records, the Company shall assume that the Board of Directors resolved to approve such proposal; provided, however, that the same shall not apply if a Statutory Auditor makes an objection to such proposal.	(Omission of Resolution of Board of Directors) Article 22 In the event that a Director makes a proposal on matters to be resolved by the Board of Directors and the Directors (limiting to those who may be involved in the resolution of such matters) unanimously declare their intention of consenting to the proposal in writing or by way of electromagnetic records, the Company shall assume that the Board of Directors resolved to approve such Proposal.
（new entry）	(By-Laws of the Board of Directors) Article 23 All matters concerning the Board of Directors shall conform with all relevant laws and ordinances, these Articles of Incorporation, and the Regulations of the Board of Directors, which the Board of Directors shall establish.

Current	Proposed Amendment
（new entry）	(Delegating Responsibility for Important Executive Decisions) Article 24 Pursuant to the stipulations in Article 399, Paragraph 13 of the Companies Act, the Company may delegate some or all responsibility for important executive decisions (excluding any decisions involving actions listed in Paragraph 5 of the same Article) to the Directors through a resolution by the Board of Directors.
(Executive Directors) Article 23 One (1) President and Director and several Vice Presidents and Directors, Senior Managing Directors and Managing Directors may be appointed by resolution of the Board of Directors.	(Executive Directors) Article 25 The Board of Directors may elect, through a resolution, one (1) President and Director and several Vice Presidents and Directors, Senior Managing Directors, and Managing Directors from among the Company's Directors, excluding the Audit and Supervisory Committee Directors.
(Representative Directors) Article 24 (Provisions omitted) (2) In addition to the preceding paragraph, several Directors may be appointed to represent the Company by resolution of the Board of Directors.	(Representative Directors) Article 26 (Same as before) (2) In addition to the preceding paragraph, the Board of Directors may elect, several Directors to represent the Company, excluding the Audit and Supervisory Committee Directors.
（new entry）	(Director Compensation) Article 27

Current	Proposed Amendment
	The general shareholders' meeting shall decide, through a resolution, the economic benefits the Company shall pay to Directors in the form of compensation, bonuses, and other remuneration for executive action, which shall differ for Audit and Supervisory Committee Directors and other Directors.
(Release of Liabilities of Directors) Article 25 (Provisions omitted) (2) [No changes in Engalish]	(Release of Liabilities of Directors) Article 28 (Same as before) (2) [No changes in English]
Chapter V. Statutory Auditors and The Boards of Statutory Auditors (Establishment of Statutory Auditor and Board of Statutory Auditors) Article 26 The Company shall have Statutory Auditor(s) and a Board of Statutory Auditors.	(Delete) (Delete)
(Number of Statutory Auditors) Article 27 The Company shall have not more than five (5) Statutory Auditors. (Election of Statutory Auditors) Article 28 (1) Statutory Auditors shall be elected at a general meeting of shareholders. (2) Resolutions for the election of	(Delete) (Delete)

Current	Proposed Amendment
Statutory Auditors of the Company shall be adopted by a majority of the voting rights of the shareholders who are entitled to exercise the voting rights and are present at a general meeting of shareholders, who shall have at least one-third (1/3) of the aggregate voting rights of all shareholders.	
(Term of Office of Statutory Auditors) Article 29 The term of office of a Statutory Auditor shall expire at the close of the annual meeting of shareholders held with respect to the last business year ending within four (4) years after his or her assumption of office. Provided, however, that the term of office of a Statutory Auditor elected to fill a vacancy of a Statutory Auditor who resigned before expiration of his or her term of office shall be the same as the remaining term of office of the previous Statutory Auditor. (Term of Office of Statutory Auditors) Article 30 The Board of Statutory Auditors shall elect Statutory Auditors to be in full time service from among the Statutory Auditors. (Notice to Convene the Meetings of the Board of Statutory Auditors) Article 31	(Delete) (Delete)

Current	Proposed Amendment
Notice of meetings of the Board of Statutory Auditors shall be dispatched to each Statutory Auditor at least three (3) days before the date of the meeting. Provided, however, that in case of urgency, such period may be shortened.	(Delete)
(Release of Liabilities of Statutory Auditors) Article 32 (1) The Company may release the liabilities for damages of Statutory Auditors (including former Statutory Auditors) due to their neglect of duty pursuant to Article 426, Paragraph 1 of the Companies Act, to the extent permitted by the laws and regulations, by resolution of the Board of Directors. (2) The Company may execute an agreement with the statutory auditors to limit the liability for damages due to their neglect of duty pursuant to Article 427, Paragraph 1 of the Companies Act; provided, however, that the maximum amount of damages under such agreement shall be the Minimum Liability Amount provided for by the laws and regulations.	(Delete)
(new entry)	Chapter V. Audit and Supervisory Committee
(new entry)	(Establishment of the Audit and Supervisory Committee) Article 29

Current	Proposed Amendment
(new entry)	The Company shall have an Audit and Supervisory Committee. (Notice to Convene the Meetings of the Audit and Supervisory Committee) Article 30 Notice of meetings of the Audit and Supervisory Committee shall be dispatched to each Audit and Supervisory Committee Director at least three (3) days before the date of the meeting. Provided, however, that in case of urgency, such period may be shortened.
(new entry)	(Regulations the Audit and Supervisory Committee) Article 31 All matters concerning the Audit and Supervisory Committee shall conform with all relevant laws and ordinances, these Articles of Incorporation, and the Regulations of the Audit and Supervisory Committee, which the Audit and Supervisory Committee shall establish.
Chapter VI. Accounting Auditor	Chapter VI. Accounting Auditor
Article 33 – 34 (Provisions omitted)	Article 32 – 33 (Same as before)
Chapter VII. Accounts	Chapter VII. Accounts

Current	Proposed Amendment
Article 35 – 37 (Provisions omitted)	Article 34 – 36 (Same as before)
(new entry)	Supplementary Provisions (Interim Measures Regarding the Release of Liabilities of Statutory Auditors) (1) With regard to actions performed prior to the close of the 31st ordinary general shareholders' meeting, the Company may release the liabilities for damages of Statutory Auditors (including former Statutory Auditors) due to their neglect of duty pursuant to Article 426, Paragraph 1 of the Companies Act, to the extent permitted by the laws and regulations, by resolution of the Board of Directors. (2) With regard to actions performed prior to the close of the 31st ordinary general shareholders' meeting, any agreements that the Company executed with any auditors (including former Statutory Auditors) to limit the liability for damages due to their neglect of duty pursuant to Article 427, Paragraph 1 of the Companies Act shall conform with the provisions in Article 32, Paragraph 2 of the pre-amendment Articles of Incorporation, pending a resolution during the above general shareholders' meeting.

■ For inquiries related to this release, contract:

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No further entry