

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

**Summary Report of Semi-Annual Consolidated Financial Results
for First Half (April – September, 2006) of Fiscal Year Ending March 31, 2007**

November 8, 2006

Company Name: SPARX Group Co., Ltd.
 Stock Code Number: 8739
 (U R L <http://www.sparxgroup.com>)
 Representative: Shuhei Abe
 President & Chief Executive Officer
 Contact: Mikiro Shimizu
 Executive Officer
 Tel: +81-3-5437-9700

Date of Board of Directors Meeting (to finalize financial results): November 8, 2006

Adoption of U.S. Accounting Standards: Yes / No

1. Consolidated Results for FY2006 (April 1, 2006 to September 30, 2006)

(1) Consolidated Operating Results (Amount rounded down to million yen)

	Operating Revenue		Operating Profit		Ordinary Profit	
	Million yen	%	Million yen	%	Million yen	%
Sep. FY 2006	15,161	(96.2)	6,140	(62.2)	6,338	(70.2)
Sep. FY 2005	7,729	(13.3)	3,785	(△2.6)	3,724	(△4.0)
FY 2005	26,863	(88.2)	16,401	(110.5)	16,280	(112.2)

	Net Income		Net Income per share		Net Income per share (fully diluted)	
	Million yen	%	yen	yen	yen	yen
Sep. FY 2006	2,911	(49.7)	1,462.90	1,394.81	1,394.81	1,394.81
Sep. FY 2005	1,945	(△5.5)	2,020.60	1,880.09	1,880.09	1,880.09
FY 2005	8,894	(108.6)	8,994.55	8,412.35	8,412.35	8,412.35

Notes:

1. Profit/loss from equity method investments:

Sept. FY 2006: nil Sep. FY 2005: nil FY 2005: nil

2. Average number of shares (consolidated)

Sept. FY 2006: 1,990,503 shares Sep. FY 2005: 962,589 shares FY 2005: 968,554 shares

3. Changes of Accounting Method: Yes / No

4. Percentage figures shown for operating revenue, operating profit, ordinary profit and net income represent year-on-year changes.

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity / Total assets	Shareholders' Equity per share
	Million yen	Million yen	%	yen
Sep. FY 2006	77,913	50,484	64.8	24,346 29
Sep. FY 2005	42,078	32,787	77.9	33,790 46
FY 2005	57,437	40,989	71.4	41,400 11

Note: Total outstanding shares as of the end of the quarter/fiscal year (consolidated)

Sept. FY 2006: 2,005,404 shares Sep. FY 2005: 970,315 shares FY 2005: 985,664 shares

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(3) Scope of consolidation and application of equity method

Number of consolidated subsidiaries: 20

Number of non-consolidated subsidiaries for which equity method is applicable: None

Number of affiliated companies for which equity method is applicable: None

(4) Changes in the scope of consolidation or application of equity method

Consolidated subsidiaries:

Newly included: 7

Newly excluded: None

Affiliated companies for which equity method is applicable

Newly included: None

Newly excluded: None

2. Forecast of Results for the Fiscal Year ended March 31, 2007

The SPARX Group Co., Ltd.'s business is influenced by changes in market conditions which make it difficult to forecast operating results with a high degree of accuracy. Instead of a projection for results, please refer to the following quarterly report of operating results:

3. Breakdown of Consolidated Operating Revenue

Items	Period	Sep. FY 2006		Sep. FY 2005		FY 2005	
		Amount	Share	Amount	Share	Amount	Share
		Thousand yen	%	Thousand yen	%	Thousand yen	%
1. Fee income from investment trust business		2,970,124	19.6	2,384,779	30.9	6,999,065	26.1
Management fee income		(1,887,493)	(12.5)	(1,555,974)	(20.2)	(3,415,284)	(12.7)
Performance-based fee income		(1,082,630)	(7.1)	(828,804)	(10.7)	(3,583,780)	(13.4)
2. Fee income from investment advisor business		11,814,192	77.9	5,120,086	66.2	19,348,211	72.0
Management fee income		(6,893,020)	(45.4)	(3,680,196)	(47.6)	(9,167,395)	(34.1)
Performance-based fee income		(4,921,171)	(32.5)	(1,439,890)	(18.6)	(10,180,816)	(37.9)
Sub – total < 1 + 2 >		14,784,316	97.5	7,504,866	97.1	26,347,276	98.1
Management fee income		(8,780,514)	(57.9)	(5,236,171)	(67.8)	(12,582,679)	(46.8)
Performance-based fee income		(6,003,801)	(39.6)	(2,268,695)	(29.3)	(13,764,596)	(51.3)
3. Other		377,026	2.5	224,438	2.9	516,612	1.9
Total Operating Revenue		15,161,343	100.0	7,729,304	100.0	26,863,889	100.0

Note: Figures in () indicate the breakdown of fee income in the relevant category.

4. Net Management Fee Rate

Period	Sep. FY 2006	Sep. FY 2005	FY 2005
SPARX Asset Management Co., Ltd.	0.78%	0.85%	0.81%
SPARX Group	0.79%	0.81%	0.76%

Note:

- Net management fee rate = (management fee – related commissions, charges and minority interests) ÷ average assets under management
- Net management fee rate for PMA Capital Management Limited (“PMA”) is annualized based on management fees that have been realized since SPARX Group Co., Ltd. acquired its stake in PMA .

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5. Assets Under Management (AUM)

The following tables detail historical month-end assets under management of first-half of fiscal year ending March 31, 2007 for the SPARX Group Co., Ltd. (“SPARX Group”); including SPARX Asset Management Co., Ltd. (“SPARX”), Cosmo Investment Management Co., Ltd. (“Cosmo”), and PMA Capital Management Limited (“PMA”). PMA’s operating revenues generated from its AUM are included in the financial figures based on the equity ratio that SPARX owns, following the completion of its acquisition by the SPARX Group on June 19, 2006. Some figures are provided on a preliminary basis. The following numbers represent total AUM for each subsidiary, regardless of the SPARX Group’s equity interest and the minority interests are reported on the profit and loss statement, regarding the interests of shareholders outside of the SPARX Group. SPARX Group unit interests that total less than 100% ownership are as follows:

Company name	SPARX Group Interest
Cosmo Investment Management Co., Ltd.	51.9%
SPARX Value GP, LLC	70.0%

■ AUM by company

(i) Monthly asset under management

(hundred million yen)

Company \ Month year	April 2006	May 2006	June 2006	July 2006	August 2006	September 2006
SPARX	16,452	15,223	15,231	14,925	15,521	13,304
Cosmo	1,912	1,832	1,924	1,898	2,103	2,248
PMA	2,570	2,554	2,615	2,588	2,616	2,659
TOTAL	20,935	19,609	19,771	19,411	20,241	18,212

Note: 1. PMA’s operating revenues generated from its AUM are included in the consolidated financial figures based on the equity ratio that SPARX owns, following the completion of its acquisition by the SPARX Group on June 19, 2006.

2. The above-mentioned figures are market values, rounded down to the nearest hundred million yen, and the parts of figures include the committed amount that is applicable for calculating management fee based on each fund contract.

3. Portions of the figures for September 2006 AUM include preliminary data.

(ii) Average assets under management

(hundred million yen)

Company \ Month year	Sep. FY 2006	Sep. FY 2005	FY 2005
SPARX	15,109	9,717	11,913
Cosmo	1,986	871	1,203
PMA	2,600	-	-
TOTAL	19,697	10,588	13,116

Note: 1. PMA’s operating revenue generated from its AUM are included in the financial figures based on the equity ratio that SPARX owns, following the completion of its acquisition by the SPARX Group on June 19, 2006.

2. The above-mentioned figures are market values, rounded down to the nearest hundred million yen.

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(iii) Assets under management for funds with performance-based fees

(hundred million yen)

Company \ Month year		Sep. FY 2006	Sep. FY 2005	FY 2005
SPARX	Amount	7,194	6,097	7,503
	% within AUM total	54.1	53.3	46.7
Cosmo	Amount	1,881	889	1,373
	% within AUM total	83.7	80.0	80.3
PMA	Amount	2,659	-	-
	% within AUM total	100.0	-	-
TOTAL	Amount	11,736	6,987	8,876
	% within AUM total	64.4	55.7	49.9

Note: 1. The above-mentioned figures are market values, rounded down to the nearest hundred million yen, and the parts of figures include the committed amount that is applicable for calculating management fee based on each fund contract.

2. Portions of the figures for September 2006 AUM include preliminary data.

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