

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

Fiscal Year 2006 (ending March 31, 2007)
Summary Report of Consolidated Financial Results

May 18, 2007

Company Name: SPARX Group Co., Ltd.
Stock Code Number: 8739
(URL <http://www.sparxgroup.com>)
Representative: Shuhei Abe
President & Chief Executive Officer
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Executive Officer
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Date of Board of Directors' Meeting (to finalize financial result): May 18, 2007

Adoption of US Accounting Standard: Yes / No

1. Consolidated Results for FY2006 (April 1, 2006 to March 31, 2007)

(1) Consolidated Operating Results

(Amount rounded down to million yen)

	Operating Revenue		Operating Profit		Ordinary Profit	
	Million yen	%	Million yen	%	Million yen	%
FY 2006	27,504	(2.4)	9,650	(△41.2)	10,119	(△37.8)
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)	Return on stock holders equity (annual basis)	Ordinary Profit ratio of Total Capital	Ordinary Profit ratio of Operating Revenue
	Million yen	%	yen	yen	%	%	%
FY 2006	3,779	(△57.5)	1,897 00	1,820 44	8.4	14.6	35.1
FY 2005	8,894	(108.6)	8,994 55	8,412 35	24.1	34.9	61.1

Notes:

1. Profit/Loss from equity method investments:

FY 2006: nil FY 2005: nil

2. Average number of shares (consolidated)

FY 2006: 1,992,550 shares FY 2005: 968,554 shares

3. Changes of Accounting Method: Yes / No

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

5. Stock split (One share split into two as of April 1, 2006.)

(2) Consolidated Financial Position

	Total assets	Shareholder's equity	Shareholder's equity / Total assets	Shareholder's equity per share
	Million yen	Million yen	%	yen
FY 2006	81,215	52,598	60.8	24,699 12
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)

FY 2006: 2,029,740 shares FY 2005: 1,005,170 shares

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(3) Scope of consolidation and application of equity method

Number of consolidated subsidiaries: 21

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

The business of this Company is largely susceptible to changes in market conditions and it is difficult to make a reliable forecast of operation results. Instead, a quarterly report of operation results is presented.

3. Breakdown of Consolidated Operating Revenue

Items	Period	FY 2005		FY 2006		
		Amount	Share	Amount	Share	YoY Change
		Thousand yen	%	Thousand yen	%	%
1. Fee income from investment trust business		6,999,065	26.1	4,746,235	17.3	-32.2
Management fee income		(3,415,284)	(12.7)	(3,660,326)	(13.3)	(7.2)
Performance-based fee income		(3,583,780)	(13.4)	(1,085,909)	(4.0)	(-69.7)
2. Fee income from investment advisory business		19,348,211	72.0	22,066,310	80.2	14.0
Management fee income		(9,167,395)	(34.1)	(13,754,556)	(50.0)	(50.0)
Performance-based fee income		(10,180,816)	(37.9)	(8,311,753)	(30.2)	(-18.4)
Sub – total (1 + 2)		26,347,276	98.1	26,812,545	97.5	1.8
Management fee income		(12,582,679)	(46.8)	(17,414,882)	(63.3)	(38.4)
Performance-based fee income		(13,764,596)	(51.3)	(9,397,663)	(34.2)	(-31.7)
3. Other		516,612	1.9	692,008	2.5	34.0
Total Operating Revenue		26,863,889	100.0	27,504,554	100.0	2.4

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

4. Net Management Fee Rate

Period	FY2005	FY 2006
SPARX Asset Management Net Management Fee Rate	0.81%	<u>0.77%</u>
SPARX Group Net Management Fee Rate	0.76%	<u>0.78%</u>

Note: Net Management Fee Rate = (Management fee – related commissions and charges and minority interests) ÷ average assets under management

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5. Assets Under Management by investment style

(Hundred million yen)

Style \ Month year	June 2006	September 2006	December 2006	March 2007
Long-Short Strategy	3,183	3,153	3,074	2,704
Strategic Investment Strategy	777	683	645	620
Multi-Manager Alternative Investment Strategies	502	721	772	745
Active Strategy	6,176	4,421	4,690	4,247
Mid & Small Cap Strategy	2,810	2,570	2,858	2,821
Value Creation Investment Strategy	1,740	1,708	1,709	1,634
Private Equity Investments	41	42	44	44
TOTAL	15,231	13,303	13,794	12,819

Note:

1. The figures above are market values, rounded off to a hundred million yen, and they include the amount assured by contracts.
2. The portion of figures for assets under management for March 2007 is left as preliminary.

6. Assets under management for funds with performance-based fees

(Hundred million yen)

Company \ Period	FY 2005	FY 2006	
SPARX	Amount	7,503	6,469
	% within AUM total	46.7	50.5
Cosmo	Amount	1,373	2,255
	% within AUM total	80.3	87.2
PMA	Amount	—	2,370
	% within AUM total	—	100.0
TOTAL	Amount	8,876	11,096
	% within AUM total	49.9	62.4

Note:

1. The figures above are market values, rounded off to a hundred million yen, and they include the amount assured by contracts.
2. The portion of figures for assets under management for March 2007 is left as preliminary.
3. The term-end AUM is applied for the calculation of “% within AUM total”.

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7. Average assets under management

(Hundred million yen)

Period	FY 2005	FY 2006
SPARX	11,913	14,176
Cosmo	1,203	2,210
PMA	—	2,535
Total	13,116	18,922

Note:

1. The figures above are simple averages of the assets under management at each month-end.
2. The portion of figures for assets under management for March 2007 is left as preliminary.