

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



September 28, 2009

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

Announcement Concerning Dissolution of Subsidiaries

Tokyo (September 28, 2009) – SPARX Group Co., Ltd. (hereafter “SPARX”) is pleased to announce today that the Board approved resolutions for its three subsidiaries, SPARX Investment & Research, USA, Inc. (hereafter “SIR”), SPARX Asset Management International Ltd. (hereafter “SAMI”) and SPARX International Ltd. (hereafter “SIL”) to proceed with their dissolution and liquidation.

1. Background for the dissolution:

SIR and SAMI, which were established in July 1994 and February 2004, were responsible for SPARX’s marketing activities in the USA and Europe, respectively. Established in December 2004, SIL has served as the holding company for SPARX Group’s overseas subsidiaries.

SPARX has decided to wind up SIR, SAMI and SIL to achieve significant cost savings while maintaining the quality of its products and client service to its non-Japanese institutional investors. Therefore, the wind up of SIR, SAMI and SIL marks the near completion of SPARX’s streamlining initiatives for its overseas business operations.

Since the end of 2008, SPARX Asset Management Co., Ltd. (hereafter “SAM”) has been responsible for marketing activities to institutional investors in the USA and Europe. Regarding the Group’s mutual fund business in the USA, Hennessey Advisors, Inc. (hereafter “Hennessey”) will manage and distribute SPARX’s mutual fund products and SAM will remain as the funds’ sub-advisor for discretionary management, making day-to-day investment management decisions for the portfolios. (SPARX announced its partnership with Hennessey on September 18, 2009.)

The shares of four other overseas subsidiaries (SPARX International (Hong Kong) Limited, PMA Capital Management Limited, SPARX Overseas Ltd. and Cosmo Investment

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Management Co., Ltd.) that had been owned by SIL were transferred to SPARX as of September 3, 2009.

(Note) The related press release is posted on SPARX home page.

2. Dissolution of SPARX Investment & Research, USA, Inc.

(1) Outline of the subsidiary

- 1) Corporate name SPARX Investment & Research, USA, Inc.
- 2) Head Office 330 Madison Avenue, 9th Floor, New York, NY 10017, USA
- 3) Representative Evan Gartenlaub
- 4) Business Arrange investment advisory services of SPARX Group to US investors, etc.
- 5) Capital USD 10,000 (as of March 31, 2009)
- 6) Establishment July 8, 1994
- 7) Major shareholder SPARX Group Co., Ltd. (100%)
(ratio)
- 8) Relationship etc. Capital ties: SPARX Group Co., Ltd. (100%)
Personnel relationship: N/A
Business connection: consignment of business activities etc.

9) Financial Results (thousand in USD, consolidated, unaudited)

	FY2006	FY2007	FY2008
Total Asset	35,865	39,112	30,080
Net Asset	14,749	35,515	29,439
Operating Revenue	27,348	20,819	8,463
Net Income	1,214	▲564	▲3,215

(Note) The above-mentioned figure is the figure for provisional settlement of account in the consolidated financial statements.

(2) Schedule

- | | |
|--------------------|---|
| September 28, 2009 | Resolution of the approval by SPARX |
| September 30, 2009 | Enter the dissolution/liquidation process (planned) |
| January 2010 | Completion of liquidation of SIR (planned) |

(3) Expected impact on financial results

The dissolution of the subsidiary is not expected to have a material impact on the Group's financial results (consolidated).

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3. Dissolution of SPARX Asset Management International Ltd.

(1) Outline of the subsidiary

- 1) Corporate name SPARX Asset Management International Ltd.
- 2) Head Office Unit 48, Evans House, 107 Marsh Road,
Pinner, Middlesex, HA5 5PA, United Kingdom
- 3) Representative N/A (due to the provision of UK domestic law)
- 4) Business Provide client service to existing/new investors in
Europe
- 5) Capital GBP 1,000,000 (as of March 31, 2009)
- 6) Establishment February 2, 2004
- 7) Major shareholder SPARX Group Co., Ltd. (100%)
(ratio)
- 8) Relationship etc. Capital ties: SPARX Group Co., Ltd. (100%)
Personnel relationship: N/A
Business connection: N/A
- 9) Financial Results (thousand in GBP, non-consolidated, unaudited)

	FY2006	FY2007	FY2008
Total Asset	5,228	4,901	3,947
Net Asset	4,673	4,469	3,849
Operating Revenue	5,628	2,907	1,790
Net Income	1,975	▲317	▲682

(Note) The above-mentioned figure is the figure for provisional settlement of account in the consolidated financial statements.

(2) Schedule

- | | |
|--------------------|---|
| September 28, 2009 | Resolution of the approval by SPARX |
| September 30, 2009 | Enter the dissolution/liquidation process (planned) |
| January 2011 | Completion of liquidation of SIR (planned) |

(3) Expected impact on financial results

Its financial results have been excluded from SPARX Group's consolidated financial results since the 3rd quarter of FY2008, due to the materiality of its financial impact.

4. Dissolution of SPARX International Ltd.

(1) Outline of the subsidiary

- 1) Corporate name SPARX International Ltd.

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- 2) Head Office Unit 48, Evans House, 107 Marsh Road,
Pinner, Middlesex, HA5 5PA, United Kingdom
- 3) Representative N/A (due to the provision of UK domestic law)
- 4) Business Holding company
- 5) Capital GBP 8,508,798 (as of September 27, 2009)
- 6) Establishment December 29, 2004
- 7) Major shareholder SPARX Group Co., Ltd. (100%)
(ratio)
- 8) Relationship etc. Capital ties: SPARX Group Co., Ltd. (100%)
Personnel relationship: one Director
Business connection: consignment of business activities
etc.
- 9) Financial Results (thousand in GBP, non-consolidated, unaudited)

	FY2006	FY2007	FY2008
Total Asset	148,586	197,571	136,485
Net Asset	144,412	145,745	106,570
Operating Revenue	-	-	-
Net Income	9,644	1,598	▲ 37,060

(Note) The above-mentioned figure is the figure for provisional settlement of account in the consolidated financial statements.

(2) Schedule

- September 28, 2009 Resolution of the approval by SPARX
- September 30, 2009 Enter to the dissolution/liquidation process (planned)
- January 2011 Completion of liquidation of SIR (planned)

(3) Expected impact on financial results

The dissolution of the subsidiary is not expected to have a material impact on the Group's financial results (consolidated).

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