

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



January 18, 2004

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

Notice Regarding the Establishment of Subsidiaries of the Company

At a meeting of the Board of Directors of SPARX Asset Management Co., Ltd (the "Company") held on January 18, 2005, the establishment of subsidiaries and commencement of operations were reported as follows:

1. Reason for the establishment of subsidiaries

The overseas subsidiaries have been established in order to make the management of the operations concerned more efficient and to expand business opportunities in the United States.

2. Outline of the subsidiaries

(1) New subsidiary

- 1. Trade name: SPARX International Limited
- 2. Location: London, UK
- 3. Date of foundation: December 29, 2004
- 4. Representative: Kenzo Kosuda
- 5. Purpose of business: Investment in overseas subsidiaries (other than those in USA), etc.
- 6. Capital: One (1) pound sterling (initial)
- 7. Accounting term: December 31
- 8. Shareholder: 100% owned by SPARX Asset Management Co., Ltd.

9. Number of directors and employees:

Five (5)

The directors and employees of the Company shall concurrently hold posts as the directors and employees of the subsidiary.

(2) New sub-sub-subsidiary

- 1. Trade name: SPARX Securities, USA, LLC
- 2. Location: State of Delaware, US
- 3. Date of foundation: June 15, 2004

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4. Date of Commencement of Operation:

The subsidiary concerned was registered at the local supervisory organization (NASD) as of December 27, 2004.

5. Representative: Mikiro Shimizu

6. Purpose of business: Sale in USA of funds created and managed by the Company group

7. Capital: Five thousand (5000) US Dollars

8. Accounting term: December 31

9. Shareholders:

100% owned by SPARX Investment & Research, USA, Inc. (note: SPARX Investment & Research, USA, Inc. is a wholly-owned subsidiary of SPARX Asset Management Co., Ltd.)

10. Number of directors and employees:

Eleven (11)

The director and employees of SPARX Investment & Research, USA, Inc shall concurrently hold posts as the directors and employees of the subsidiary.

3. Influence on Company's future business performance

The establishment of these new subsidiaries will not have significant impact on the Company's near-term earnings. We will continue to make organizational changes from time to time so as to strengthen the corporate structure of the group companies.