

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



February 22, 2006

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

Notice Regarding Establishment of SPARX Spin-off Preparation Co., Ltd.

SPARX Asset Management Co., Ltd. ("SPARX") is pleased to announce that the meeting of Board of Directors held on February 22, 2006 approved to enter the procedure to establish a wholly-owned subsidiary, "SPARX Spin-off Preparation Co., Ltd." that will take over discretionary investment management business activities, investment advisory business activities, and investment trust management activities.

Details of Subsidiary

- | | | |
|------------------------|---|--|
| (1) Trade name | SPARX Spin-off Preparation Co., Ltd. | |
| (2) Date of foundation | April 1, 2006 (planned) | |
| (3) Location | Gate City Ohsaki, 1-11-2 Ohsaki, Shinagawa-ku, Tokyo, Japan | |
| (4) Capital | JPY 50 million | |
| (5) Shareholder | 100% owned by SPARX Asset Management Co., Ltd. | |
| (6) Board member | President & CEO | Shuhei Abe |
| | Director | Jitsuo Tatsuno
Shoichi Miyasaka
Takeshi Suzuki
Masaki Taniguchi |
| | Auditor | Kenzo Kosuda |
| (7) Business outline | Implement business procedures necessary for taking over the current SPARX business (discretionary investment management business activities, investment advisory business activities, and investment trust management activities) by applying corporate separation method | |

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Implementation date

SPARX Spin-off Preparation Co., Ltd. plans to take over the SPARX current business (discretionary investment management business activities, investment advisory business activities, and investment trust management activities) and to start their commercial operations as of October 1, 2006, after taking necessary actions, including a investment advisor business registration, a discretionary investment management business license, a securities investment trust management business authorization in Japan, a extraordinary resolution at shareholders meeting and other necessary procedures of corporate separation.

End of press release