

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



April 26, 2006

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

Notice Regarding Purchase of Shares in PMA Capital Management Limited

The Board of Directors of SPARX Asset Management Co., Ltd. ("SPARX") today decided to enter into an agreement to acquire a 100% stake in PMA Capital Management Limited ("PMA"), through SPARX Asset Management Co., Ltd. and its wholly-owned SPARX UK subsidiary, SPARX International Ltd. We give notice of the following:

1. Reason for the Stock Acquisition

The transaction provides SPARX with a top-level institutional platform in Asian markets outside of Japan and a deeper, more diversified global investor client base. The move will allow SPARX to establish a dominant position to capture future growth potential in Asian markets. In line with this objective, SPARX recently acquired a majority share of Cosmo Investment Management Co., Ltd., a Korean investment company.

PMA is a Hong Kong-headquartered alternative investment advisory and management services firm founded in 2002 with offices in Dubai and London and investments in most Asian markets outside of Japan. It is the single largest alternative investment firm in Asia outside of Japan by assets under management.

SPARX believes its partnership with PMA is a significant step forward to building upon our combined business platform in Asia to establish the SPARX Group as the Center for Asia Investment Intelligence.

2. PMA Capital Management Limited : Company overview

(1)	Corporate name:	PMA Capital Management Limited
(2)	Representative :	Farhat Malik
(3)	Head office:	Cayman
(4)	Establishment date :	April 29, 2002
(5)	Description of principal business :	Providing investment management and advisory services to a number of investment funds
(6)	Accounting term :	December 31
(7)	Number of employees :	46, as of December 31, 2005 group as a whole
(8)	Main office:	Hong Kong
(9)	Capital :	USD 536,309.23, as of April 13, 2006

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(10)	Issued number of shares	595,237 shares (common stock: 535,714 shares, subordinated stock: 59,523 shares)				
(11)	Shareholders and the Percentage of the Ownership (%) :	<table> <tr> <td>Employees</td> <td>52.5%</td> </tr> <tr> <td>Outside shareholders</td> <td>47.5%</td> </tr> </table>	Employees	52.5%	Outside shareholders	47.5%
Employees	52.5%					
Outside shareholders	47.5%					
(12)	Performance in most recent fiscal year (Period to December 31, 2005) group as a whole					
	Operating revenue	USD 36.8 million				
	Recurring profit	USD 8.5 million				
	Net income	USD 8.3 million				
(13)	Assets Under Management (AUM) :	USD 2.1 billion (as of March 31, 2006) group as a whole				

3. Transaction contents

PMA stock held by outside shareholders will be acquired for cash, while PMA employee-shareholders will receive SPARX stock and/or cash. SPARX expects to partially finance the transaction with bank loans, for which it has prior approval from one or more of its main banks.

4. Transaction overview

- (1) Ownership of shares before transaction: none (ownership -%)
- (2) Acquisition shares: 595,237 shares (acquisition price: USD 226 million)
- (3) Ownership of shares after transaction: 595,237 shares (ownership 100%)

5. Transaction schedule

- (1) April 26, 2006 Signing of Basic Agreement
- (2) By the end of June or May, 2006 (planned) Transfer of shares

6. Influence on SPARX's Future Business Performance

The business of SPARX is largely susceptible to changes in market conditions and it is difficult to make a reliable forecast of operational results. PMA will be included in the SPARX group's consolidated financial statement after the date of stock transfer.

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