

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



May 31, 2006

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

NOTICE ABOUT DISPOSAL OF TREASURY STOCK

Please be advised that our company resolved, at a Board of Directors meeting held on May 31, 2006, to implement disposal of its treasury stock (total number of related shares: 33,316 shares) as shown below. We would also like to inform you on this occasion that our company will acquire all shares outstanding of PMA Capital Management Limited, and complete conversion of that company into a subsidiary, by paying in cash and providing treasury shares on the following supply date.

Details of Treasury Stock Disposal

1. Purposes of disposal

On April 26, 2006, our company concluded an agreement with PMA Capital Management Limited (hereinafter, "PMA") on the acquisition of all shares outstanding of PMA, thereby making it our subsidiary. On the occasion of PMA share acquisition, our company will dispose of its treasury shares, to provide PMA with consideration for PMA's shares.

2. Contents of shares to be disposed of (in the case in which ordinary shares will be the objective of capital contribution)

(1) Class and number of shares to be disposed of: Ordinary shares, 26,996 shares

(2) Disposal price: ¥145,013 per share

(3) Non-monetary assets to be made the objective of capital contribution:

Ordinary shares of PMA Capital Management Limited, totaling 89,860 shares (valued at ¥3,914,770,948), shall be made the assets that are the objective of capital contribution.

(4) Date of supply: June 19, 2006.

(5) Parties to which the treasury shares will be supplied: Four (4) shareholders of PMA Capital Management Limited.

3. Contents of shares to be disposed of (in the case in which deferred shares shall be the objective of capital contribution)

(1) Class and number of shares to be disposed of: Ordinary shares, 6,320 shares

(2) Disposal price: ¥145,013 per share

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(3) Non-monetary assets to be made the objective of capital contribution:

Deferred shares of PMA Capital Management Limited, totaling 21,040 shares (valued at ¥916,482,160), shall be made the assets that are the objective of capital contribution.

(4) Date of supply: June 19, 2006.

(5) Parties to which the deferred shares will be supplied: Nine (9) shareholders of PMA Capital Management Limited.

4. Matters of arrangements for continued possession of the shares to be disposed of

There are no arrangements between our company and the parties to which the aforementioned disposal shares are allotted as to continued possession or deposit of the said shares to be allotted. However, we intend to obtain firm promises from the said parties that, if all or part of the shares are transferred within two (2) years from the issuance of the said disposed/allotted shares, the parties concerned will immediately report to our company, in writing, the names and addresses of the parties to which the shares are newly transferred, as well as the contents of the transferred shares.

[End]