

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



March 27, 2007

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

**SPARX Group Co. Ltd. Announces Asset Management Unit's Policy
on Opening Dialogues with Management at Targeted Investments
in Line with New Regulatory Guidelines**

TOKYO (March 27, 2007) -- SPARX Group Co., Ltd. ("SPARX Group") today announced its disclosure policy of "proposed material activities" (*juyo teiann koi*) as detailed in filings (*taiyo hoyu hokokusho*) to the Kanto Local Finance Bureau, regarding the change of filing rules as stated in a Cabinet order that partially changes enforcement guidelines under the Securities Exchange Law (the changes relate to proposed material activities and were executed as of December 13, 2006). SPARX Group will make every effort to submit relevant reports to the Kanto Local Finance Bureau in a suitable and timely manner as deemed appropriate and subject to specific guidance from the relevant financial authorities.

Note:

1. Background

- (i) The asset management company ("Company"), a subsidiary of SPARX Group, invests in Japanese equities through several investment strategies. Among these are its Strategic Investment Strategy and Value Creation Investment Strategy through which the Company may acquire 5% or more of the outstanding shares of a targeted investment with the intention of improving its share price performance by various means, including direct communications with the targeted investment's management.
- (ii) Under current laws and regulations, SPARX Group concluded that such efforts could potentially be deemed as "proposed material activities", although this should in no way be construed to infer the Company has in fact detailed any specific stock names in relation to "proposed material activities" (as defined by relevant laws and regulations) regarding a target investment at the current time. Since the Company, as a major shareholder, may acquire 5% or more of the outstanding shares of a targeted investment with the intention of improving its share price performance by various means, including constructive communications with the targeted investment's management, SPARX Group has concluded that such efforts could potentially be deemed as "proposed material activities."

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2. Policy

In consultation with outside parties, SPARX Group has decided to file supplementary information (“Proposed material activities: Whereas the filer plans to take proposed material activities” and/or “Shareholding objectives: the filer’s investment strategy will be explained.”) in reports (known as *taiyo hoyu hokokusho*) to the Kanto Local Finance Bureau regarding any equity stakes held by the Company’s Strategic Investment Strategy or Value Creation Investment Strategy which are equal to or greater than 5% of outstanding shares in an investment. The details of the envisioned “Shareholding objectives” at the current time are outlined as follows.

“Shareholding objectives (*hoyu mokuteki*)”:

The Company holds stocks, seeks to earn a profit through the purchase and sale of stocks and will buy/sell the stock(s) of a targeted investment inside or outside the market at a time and under conditions deemed appropriate. The investment strategy which the filer employs includes those strategies (hereinafter referred to “the Strategies”) on which the filer acquires not less than 5% of outstanding shares and aims to improve the investment performance through constructive discussions with the management of the stock issuer. The filer may acquire the outstanding shares based on the Strategies and may also reexamine the investment continuously, and may take appropriate actions by taking account of the target investment’s financial conditions, including, but not limited to, the target’s stock price, the overall stock market environment, the macro-economic outlook and the business climate in the relevant industry. While these filer’s actions may be taken through constructive and friendly (in principle) communications with the stock issuer’s management, such efforts could potentially be deemed as “proposed material activities.” In addition, the filer may or may not pursue the above-mentioned objectives via its holdings of a target investment’s stocks in other unspecified investment strategies and vehicles.

(Note:)

The Company or any other subsidiary or affiliate of SPARX Group that operates a consulting business reserves the right to take “proposed material activities” as deemed appropriate.

3. Schedule

The above-mentioned points will be announced in due order, regarding the equity stakes held by the Company’s Strategic Investment Strategy or Value Creation Investment Strategy. However, there is some possibility that the specific wording of the reports may differ depending on each stock holding disclosure. As the need arises, the contents of report that the Company actually submits should be checked.

4. Other investment strategies

It should further be noted that for some investment strategies and vehicles, excepting the Company’s

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Strategic Investment Strategy and Value Creation Investment Strategy, the above-mentioned treatment will not be applied for (should the Company not have any specific reasons to do so) if the filer has no particular plans to engage in any “proposed material activities.” Investment professionals for such passive investment strategies and vehicles may engage in discussions with the management of a targeted investment for the purpose of research and investment activities, etc. Wherein the filer acquires not less than 5% of outstanding shares, any such questioning or commentary should not be construed as being intended to exert influence, solicited or otherwise, upon the targeted investment. However, in the case of a filing, reports will be submitted based on the consolidated equity stake of one or more investment strategies. For example, if the Company holds 1% of a target’s total outstanding shares through its Strategies and 4.9% through other unspecified investment strategies, a report may be filed showing that the Strategies hold 5.9% of outstanding shares as a practical matter, even though the filer may not necessarily pursue the above-mentioned objectives via its holdings through its other unspecified investment strategies and vehicles.

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