

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



August 23, 2007

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

Notice of Capital Increase for Subsidiary

The Board of Directors of SPARX Investment & Research Inc. (SIR) (“SIR”), a subsidiary of SPARX Group Co., Ltd. (the “Company”), resolved at a meeting held on August 20, 2007 to raise additional capital. The Company has decided to fully fund the capital increase requested by SIR. Details are as follows:

1. Reason for Capital Increase

To finance the launch of new mutual fund products in the U.S. market under the management of SPARX Investment & Research, USA, Inc. (SIR). In accordance with the relevant laws in the State of New York, the additional capital will increase SIR’s capital reserves without the issuance of any new stock.

2. Details of Capital Increase

- (1) Amount of payment: 18 million in USD (approximately 2,060 million in JPY)
- (2) Date of payment: August 22, 2007 (Wednesday)
- (3) Increase in capital reserves: 18 million USD (approximately 2,060 million in JPY)

3. Profile of subsidiary

- (1) Trade name: SPARX Investment & Research, USA, Inc.
- (2) Representative: Matthew Kubo
- (3) Head office address: 360 Madison Avenue, 24th Floor, New York, New York 10017, USA
- (4) Date of incorporation: July 7, 1994
- (5) Main business: Investment advisory service in the United States
- (6) Capital: 10 thousand in USD (1,004 thousand in JPY)
- (7) Equity ratio of the Company: 100%

4. Future Outlook

The capital increase of the subsidiary will have little effect on the business performance of the Company or of the Group.

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