

The following is a translation (extract) of the official announcement given to the Tokyo Stock Exchange and the media in Tokyo, Japan.

Summary Report of Consolidated Financial Results for the Fiscal Year 2022 (April, 2022 - September, 2022)

October 31, 2022

Company Name: SPARX Group Co., Ltd.
 Stock Code Number: 8739
 (URL <https://www.sparxgroup.com>)
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 President & Representative Director, Group CEO
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Scheduled date of filing quarterly financial report: November 11, 2022

Scheduled commencing date of dividend payment: -

Supplemental information for quarterly financial results: Yes

Presentation materials will be posted on our HP on October 31, 2022.

Earnings announcement for quarterly financial results: Yes

Briefing video will be distributed on our website after disclosing Presentation materials.

(Amount rounded down to million yen)

1. Consolidated Results for FY2022 (April 1, 2022 to September 30, 2022)

(1) Consolidated Operating Results

(Percentage shows the percentage of change from the corresponding period of the previous year)

| | Operating Revenue | | Operating Profit | | Ordinary Profit | |
|---------------------|-------------------|------|------------------|------|-----------------|------|
| | Million yen | % | Million yen | % | Million yen | % |
| Apr.-Sep. FY2022 | 6,710 | △1.1 | 2,907 | △5.6 | 3,450 | 16.0 |
| Apr.-Sep. FY2021 | 6,783 | 12.5 | 3,081 | 32.2 | 2,974 | 24.4 |

(Note) Comprehensive Income Apr.2022-Sep.2022: 2,127 million yen (2.0%)

Apr.2021-Sep.2021: 2,086 million yen (△7.9%)

| | Profit attributable to owners of parent | | Net Income per share | Net Income per share (fully diluted) |
|---------------------|---|------|----------------------|--------------------------------------|
| | Million yen | % | yen | yen |
| Apr.-Sep. FY2022 | 2,275 | 1.5 | 56.97 | — |
| Apr.-Sep. FY2021 | 2,241 | 59.5 | 56.00 | — |

Note: The Company conducted the reverse stock split (which have merged five shares of common stock into one share) with effective date of October 1, 2022. Net Income per share has been calculated based on the assumption that the reverse stock split had been conducted on April 1, 2021.

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Equity Ratio | Net Asset Per Share |
|-----------|--------------|-------------|--------------|---------------------|
| | Million yen | Million yen | % | Yen |
| Sep. 2022 | 37,142 | 24,087 | 64.9 | 603.14 |
| Mar. 2022 | 37,141 | 24,324 | 65.5 | 609.90 |

(Reference) Equity (i.e. “Shareholders’ equity” and “Accumulated other comprehensive income”)

Sep. 2022: 24,087 million yen Mar. 2022: 24,324 million yen

2. Dividends

| | Dividends per share (yen) | | | | Annual Total of Dividend |
|------------------|---------------------------|----------------|---------------|----------------|--------------------------|
| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | |
| FY2021 | — | 0.00 | — | 12.00 | Yen 12.00 |
| FY2022 | — | — | | | |
| FY2022(Expected) | | | — | — | — |

Note: (1) Revisions to the most recently announced dividend forecast: No

(2) The Company conducted the reverse stock split (which have merged five shares of common stock into one share) with effective date of October 1, 2022. If the reverse stock split is accounted for, the interim dividend for the year ending March 31, 2022, would be 60.00 yen.

(3) The expected amount of dividends for the fiscal year ending March 31, 2023 is undecided because the Company does not disclose of the forecast of operating results.

3. Forecast of Results for the FY2022

SPARX Group’s primary business of investment trust management, discretionary investment management and investment advisory is influenced by changes in market conditions which make it difficult to forecast future operating results with accuracy.

In addition, with regards to month-end preliminary figures for assets under management (AUM), we have disclosed separately within five business days of beginning of every following month.

* Notes

(1) Significant changes in subsidiaries during this period (changes in designated subsidiaries resulting in changes in the scope of consolidation): No

Added: ___ company(ies) (name(s): _____) Removed: ___ company(ies) (name(s): _____)

(2) Application of special accounting methods in the preparation of the quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

i. Changes in accounting policies due to revisions in accounting standards and other regulations: Yes

ii. Changes in accounting policies for reasons other than i.: No

iii. Changes in accounting estimates: No

iv. Restatement of prior period financial statements: No

(4) Number of shares issued and outstanding (common stock)

| | | | | |
|---|--|-------------------|---|-------------------|
| Number of shares issued and outstanding at the end of the period (including treasury stock) | As of September 30, 2022 | 41,915,480 shares | As of March 31, 2022 | 41,915,480 shares |
| Number of shares of treasury stock at the end of the period | As of September 30, 2022 | 1,979,662 shares | As of March 31, 2022 | 2,033,222 shares |
| Average number of shares during the period | Three-month period ended June 30, 2022 | 39,931,720 shares | Six-month period ended September 30, 2021 | 40,022,400 shares |

Note: (1) The Company conducted the reverse stock split (which have merged five shares of common stock into one share) with effective date of October 1, 2022. Number of outstanding shares at the end of the periods (including treasury shares), number of treasury stock at the end of the periods and average number of shares during the periods reflected this reverse stock split.

(2) The number of shares of treasury stock above includes shares held in trust accounts (999,820 shares as of September 30, 2022 and 493,380 shares as of March 31, 2022) for the employee stock ownership plan (ESOP) and stock grant trust for directors. Shares of the Company’s own stock held in ESOP trust accounts and stock grant trust account for directors are included in treasury stock subtracted from the calculation of the average number of shares during the period (581,622 shares for the six-month period ended September 30, 2022 and 501,537 shares for the six-month period ended September 30, 2021).

* This summary report of financial statements are not subject to audit review by certified public accountants or auditing firms.

* Explanation concerning the appropriate use of forecasts of business performance and other notes

For the reasons stated in section “3. Forecast of Results for the FY2022 , the forecast of the dividend has not been presented. Once dividend amount are determined, it will be announced promptly.

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