

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 2023 (April 2023 - March 2024)

May 7, 2024

Company Name: SPARX Group Co., Ltd.
 Stock Code Number: 8739
 (URL <https://www.sparxgroup.com>)
 Representative: Shuhei Abe
 President & Representative Director, Group CEO, Group CIO
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 Group Executive Officer, Group CFO
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Scheduled date of the ordinary general shareholder's meeting: June 7, 2024

Scheduled commencing date of dividend payment: June 10, 2024

Scheduled date of filing financial report: June 24, 2024

Supplemental information for financial results: Yes

Presentation materials will be posted on our HP on May 10, 2024

Earnings announcement for financial results: Yes

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

(Amount rounded down to million yen)

1. Consolidated Financial Results for FY2023 (April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results

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

	Operating Revenue		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2023	16,498	23.5	7,476	31.1	8,090	28.6	6,519	44.2
FY2022	13,360	(4.9)	5,704	(11.8)	6,289	0.8	4,521	11.1

(Note) Comprehensive Income Apr.2023-Mar.2024: 8,167 million yen (85.8%)

Apr.2022-Mar.2023: 4,396 million yen (22.7%)

	Net Income per share	Net Income per share (fully diluted)	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to operating revenue
	yen	yen	%	%	%
FY2023	163.79	—	22.7	18.9	45.3
FY2022	113.37	—	18.0	16.4	42.7

(Reference) Equity in net income of affiliates: Apr.2023-Mar.2024: 9 million yen Apr.2022-Mar.2023: 20 million yen

(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, 2022.

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(2) Consolidated Financial Position

	Total Assets	Net Assets	Capital Adequacy Ratio	Net Asset Per Share
	Million yen	Million yen	%	Yen
Mar. 2024	46,112	31,419	68.2	794.32
Mar. 2023	39,382	26,047	66.1	655.21

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

Mar. 2024: 31,441 million yen Mar. 2023: 26,046 million yen

(3) Consolidated Cash Flow

	Operating Cash Flow	Investment Cash Flow	Financing Cash Flow	Cash & Cash Equivalent
	Million yen	Million yen	Million yen	Million yen
FY2023	5,994	(3,126)	(3,292)	22,066
FY2022	3,105	2,001	(2,408)	22,028

2. Dividends

	Dividends per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2022	—	0.00	—	60.00	60.00	2,445	52.9	9.5
FY2023	—	0.00	—	66.00	66.00	2,722	40.3	9.1
FY2024 (expected)	—	—	—	—	—		—	

(Note) The Company does not disclose expected dividend amount because we do not disclose the forecasts of future operating results.

3. Forecast of Results for the FY2024

The business of SPARX Group 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 figures for asset 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) 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: No

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

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(3) 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 March 31, 2024	41,915,480 shares	As of March 31, 2023	41,915,480 shares
Number of shares of treasury stock at the end of the period	As of March 31, 2024	2,332,303 shares	As of March 31, 2023	2,162,528 shares
Average number of shares during the period	Twelve-month period ended March 31, 2024	39,799,898 shares	Twelve-month period ended March 31, 2023	39,877,028 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. The figures has been calculated based on the assumption that the reverse stock split had been conducted on April 1, 2022 for number of outstanding shares at the end of the periods (including treasury stock), number of share of treasury stock at the end of the period 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 (1,671,993 shares as of March 31, 2024 and 999,820 shares as of March 31, 2023) 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 (1,346,535 shares for the twelve-month period ended March 31, 2024 and 790,148 shares for the twelve-month period ended March 31, 2023).

(Reference)

Non-consolidated financial results for FY2023 (April 1, 2023 to March 31, 2024)

(1) Non-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	%
FY2023	2,994	(3.2)	(133)	—	4,362	(9.6)
FY2022	3,094	(8.6)	(79)	—	4,826	23.8

	Net Income		Net Income per share		Net Income per share (fully diluted)	
	Million yen	%	yen		yen	
FY2023	5,089	(2.0)	127.88		—	
FY2022	5,191	63.8	130.19		—	

(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, 2022.

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Capital Adequacy Ratio	Net Asset Per Share
	Million yen	Million yen	%	Yen
Mar. 2024	34,545	23,771	68.8	600.55
Mar. 2023	30,362	19,965	65.8	502.23

(Reference) Equity (i.e. "Shareholders' equity")

Mar. 2024: 23,771 million yen Mar. 2023: 19,965 million yen

* 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 FY2024, the forecast of the dividend has not been presented. Once dividend amount are determined, it will be announced promptly.