The following is an English version of the official Japanese announcement, which has been given to the JASDAQ and the media in Tokyo, Japan.

February 24, 2016

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

SPARX Group Co., Ltd. Announces Rating Affirmation

Rating outlook maintained "BBB－(positive)"

TOKYO (February 24, 2016) - SPARX Group Co., Ltd. would like to announce that our issuer rating and outlook of "BBB－(positive)" on February 24, 2016 has been affirmed to be maintained by a rating agency, the Rating and Investment Information Inc. (R&I). For rating definitions, please refer to the website of R&I.

（Reference）

Reasons of the rating outlook to have been maintained

During the period of stock market decline through 2012, the AUM balance fell sharply and earnings deteriorated. To address the situation, the company worked to improve its earnings structure by reducing expenses such as personnel and office-related costs. While annualized fixed expenses have increased to the 3.6 billion yen level because SPARX is now in the phase of expanding its business platform, the earnings structure is improving, with annualized net management fee revenues increasing. SPARX adheres to a conservative financial management policy.

Since its business model usually does not require own funds except seed money and expenses, debt is low. Being effectively debt free, it maintains a sound debt-equity structure. While seed money is increasing owing to growth in real asset investment, the amount has been held below a certain level relative to shareholders' equity.

The strengthening of the earnings base is underway. However, investors are taking a more risk-averse stance, as the financial market is growing uncertain. It requires more time to ascertain whether the upward trend in AUM through fund inflows will continue. Accordingly, R&I has affirmed the rating with a Positive Rating Outlook.

Rating and Investment Information, Inc. homepage;
http://www.r-i.co.jp/eng/

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■ For inquiry

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No further entry