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

January 31, 2025
SPARX Group Co., Ltd.
President and Group CEO Shuhei Abe
(Code: 8739, TSE Prime Market)

Notice Regarding Revision to an Expected Dividend for Fiscal Year Ending on March 31, 2025

Ordinary dividend per share scheduled to be 68.0 yen which increases by 2.00 yen from the previous fiscal year.

TOKYO (January 31, 2025) - SPARX Group Co., Ltd. (“SPARX”) hereby notify you that the Board of Directors has resolved at its meeting held on January 31, 2025 to revise a year-end expected dividend per share for the fiscal year ending on March 31, 2025.

■ Reasons for the revision to an expected dividend

SPARX has positioned return of profits to the shareholders to be one of the most important tasks of our business management, while enhancing continued growth and mid- to long-term increase of corporate value. We decide shareholder return by comprehensively examining the business performance, financial condition and return ratio, as well as the timing and method, among others, while considering stability and continuity of our company from a mid- to long-term perspective.

As for the dividend for the year ending March 2025, we previously maintained the dividend forecast to be yet determined; however, upon careful consideration of the appropriate capital allocation, including the Company's financial position of the appropriate level of cash and deposits, investment plans for further growth, and acquisition of treasury stock conducted during the fiscal year etc., SPARX has decided that a year-end expected ordinary dividend to be 68.00 yen per share for this fiscal year, which represents an increase of 2.00 yen from the previous fiscal year’s ordinary dividend of 66.00 yen per share, considering the financial condition remains stable, with an increase in the Base Earnings(*), furthermore expecting an increase in base earnings for next fiscal year at this point.

We will continue to strive to expand stable and continuous shareholder returns, achieve sustainable growth, and increase corporate value over the mid-to-long term based on the constant growth of base earnings, which is one of the most important management indicators.

This matter shall be officially determined and the dividends will be paid out subject to the approval of the resolution of the 36th general shareholders’ meeting that is scheduled to be held in June 2025.

■ Reference for the revision to an expected dividend

	Annual dividend amount				
	Q1-end	Q2-end	Q3-end	Year-end	Total
Previously expected dividend (announced on October 31, 2024)				Undetermined	Undetermined
Revised expected dividend by this notice				¥68.00	¥68.00
Actual dividend for fiscal year ending on March 31, 2025	-	¥0.00	-		
Actual dividend for fiscal year ended on March 31, 2024	-	¥0.00	-	¥66.00	¥66.00

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(*) SPARX identifies “Base Earnings” as the most important financial indicator. The term “Base Earnings” indicates the sustained and stable fundamental profitability of the company.

Base Earnings = Management Fee(After the deduction of commission paid)－Ordinary Expenses

The Ordinary Expenses is calculated by deducting the sum of (1) Commissions paid, (2) Bonuses (including allowance for bonuses, mandatory welfare expenses related to bonuses, and ESOP expenses) and (3) Severances package for officers and employees, from the total operating and general administrative expenses.

The operating profit for financial accounting purposes includes one-off/ additional performance fees, which can be affected by trends of the equity market and progress of real assets investment business. For this reason, we regard the Base Earnings, which indicates the sustained and stable fundamental profitability, as one of the most important financial indicators.

No further entry

■ Contact Information
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