FY2025

1st Quarter Earnings Presentation (Apr.2025 – Jun.2025)

SPARX Group Co., Ltd.

July 31, 2025

Securities code: 8739

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01.

Company Profile

Company Profile

We provide investment management services based on a bottom-up approach for mainly domestic and overseas investors. Pursuing unchanging value that is not affected by the times and people since our inception through a consistent innovative investment methods based on a thorough bottom-up approach that follows the unique investment philosophy.

Corporate Profile

Company name	SPARX Group Co., Ltd.
Address	1-2-70 Konan, Minato-ku, Tokyo, Japan
Founded	July 1, 1989
Capitalization	JPY 8,587 million (as of Jun 30, 2025)
Exchange:	Tokyo Stock Exchange Prime Market (Securities code: 8739)
Employees	187(as of Jun 30, 2025)
Description of Businesses	■ Investment Management ■ Investment Advisory and Agency ■ Type I Financial Instruments & Type II Financial Instruments



President and Group CEO

Shuhei Abe

Born in Sapporo in 1954. After graduating from the Faculty of Economics at Sophia University, he received his MBA from Babson College. He has also completed the AMP at Harvard Business School. After graduating Babson College and returning to Japan, hired by Nomura Research Institute, Ltd. He worked as a corporate research analyst evaluating individual companies listed on Japanese stock markets and engaged in Japanese equity sales. He then established Abe Capital Research and engaged in Japanese equity investment management and advisory services for European and U.S. funds. He founded in 1989 as SPARX Asset Management Co., Ltd. (now SPARX Group Co., Ltd.). He had also appointed a member of the Japanese government's Energy and Environmental Council etc.

SPARX's Investment Philosophy

Macro is the aggregate of the Micro

Selection of individual stocks through micro (visiting individual company) research by experienced analysts. Other several analysts then verify the value gap and pursue the actual value of the company

※ Reference Information (our website) https://www.sparxgroup.com/growth/

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Corporate Philosophy

Purpose

To make the world wealthier, healthier, and happier

Vision

To be the most trusted and respected investment company in the world

Mission

Bring ever-better investments to the world

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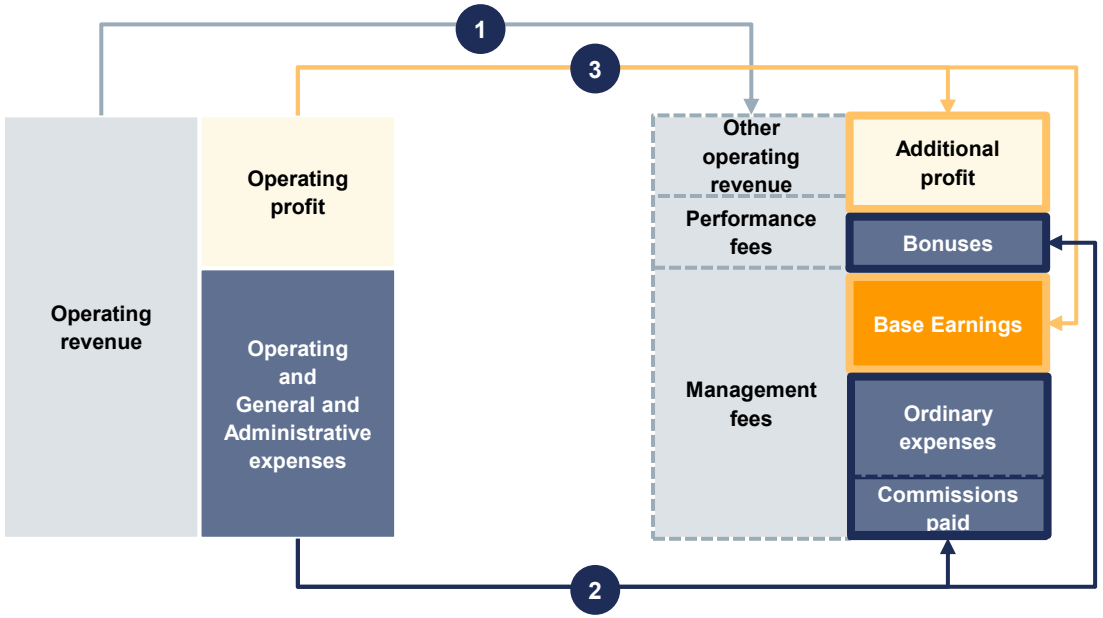
02.

Financial Results for FY2025 Q1

Status of key management indicators

In this material, we explain the business performance and current business conditions of our group by providing managerial accounting details rather than financial accounting.
Use four key management indicators not included in the consolidated financial statements.

Points to note when viewing this materials



1. Operating revenue is classified into management fees, performance fees, and other operating revenue.
2. Operating and general/administrative expenses are classified into commissions paid, ordinary expenses, and bonuses.
3. Operating profit is classified into Base Earnings and additional profit.

Key management indicators

Indicator of the profitability that forms a sustainable and stable foundation for the business

■ **Base Earnings**

Base Earnings = Management Fees − Commissions paid − Ordinary expenses

Management fees after deducting commissions

※Indicators that do not include temporary or additional performance fees, such as operating income for financial accounting purposes, and are not affected by market trends or progress in real asset investments.

Indicators Affecting Two Major Earnings (Balance Fee, Incentive Fee)

■ **Assets under management (AUM)** ■ **Management fee rate** ■ **% of AUM eligible to earn performance fee**

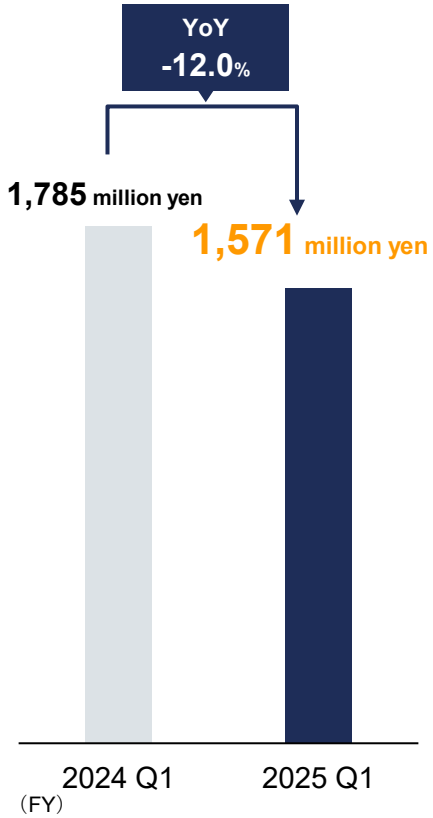
Management Fees = AUM × Management fee rate

Performance Fees = AUM × Performance fee rate × % of AUM eligible to earn performance fee

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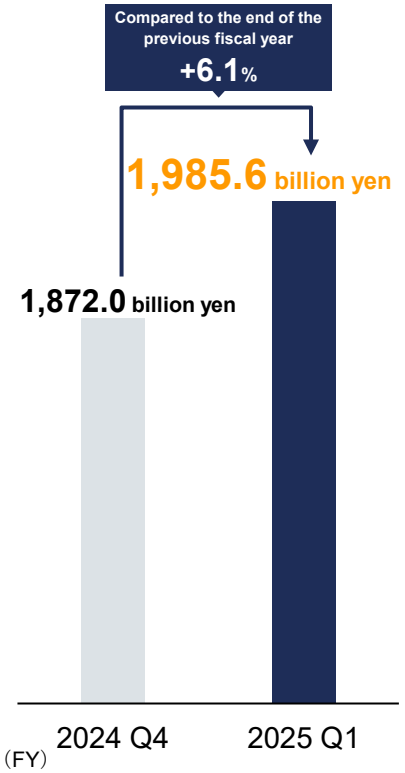
FY2025 Q1 Status of key management indicators

Base Earnings



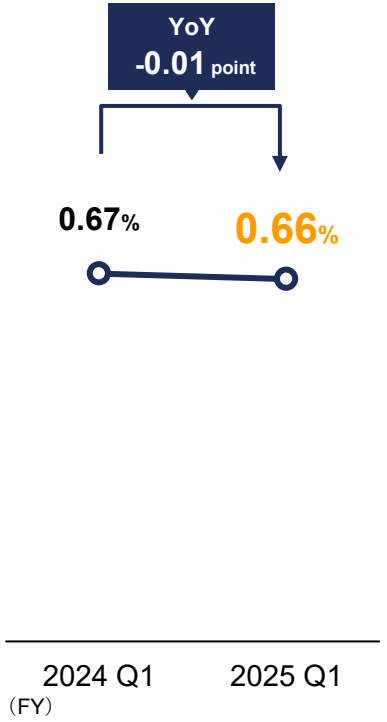
Decreased by 12.0% YoY due to a decrease in management fees (after deducting commissions) and an increase in ordinary expenses.

Assets Under Management



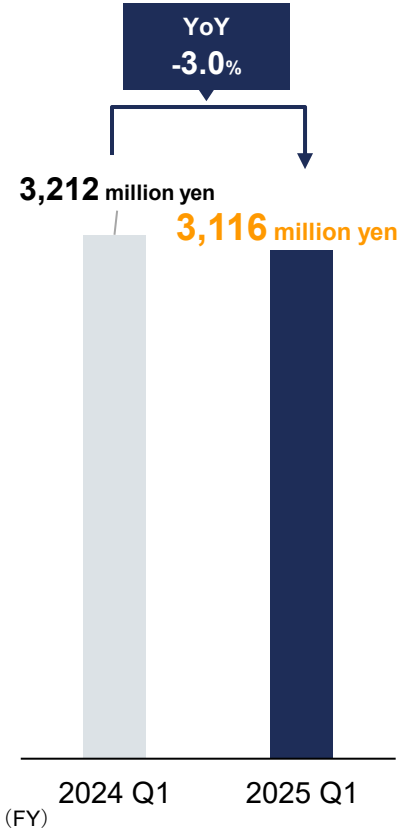
Increased by 6.1% compared to the end of the previous fiscal year was influenced by the Nikkei Stock Average reaching a year to date high

Management fee rate (after deducting commissions)



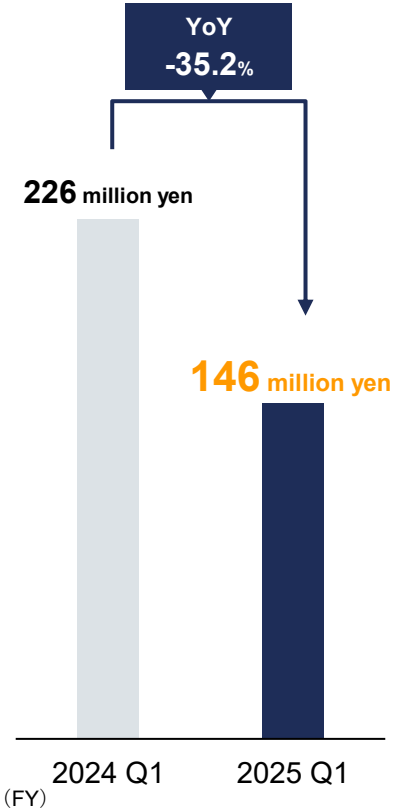
Slightly decreased 1bp mainly due to a decrease in AUM of private equity with higher fee rate.

Management fees (after deducting commissions)



Decreased by 3.0%, mainly due to a decline in investment trust management fee affected by the market downturn in April 2025.

Performance fees



Decreased due to market condition although strong performance has been maintained.

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FY2025 Q1 Summary for Consolidated Financial Statements

Summary of Financial Results

- While operating revenue, operating profit, and ordinary profit experienced a decline compared to the same period last year, the recognition of extraordinary gains contributed to increase in net profit.

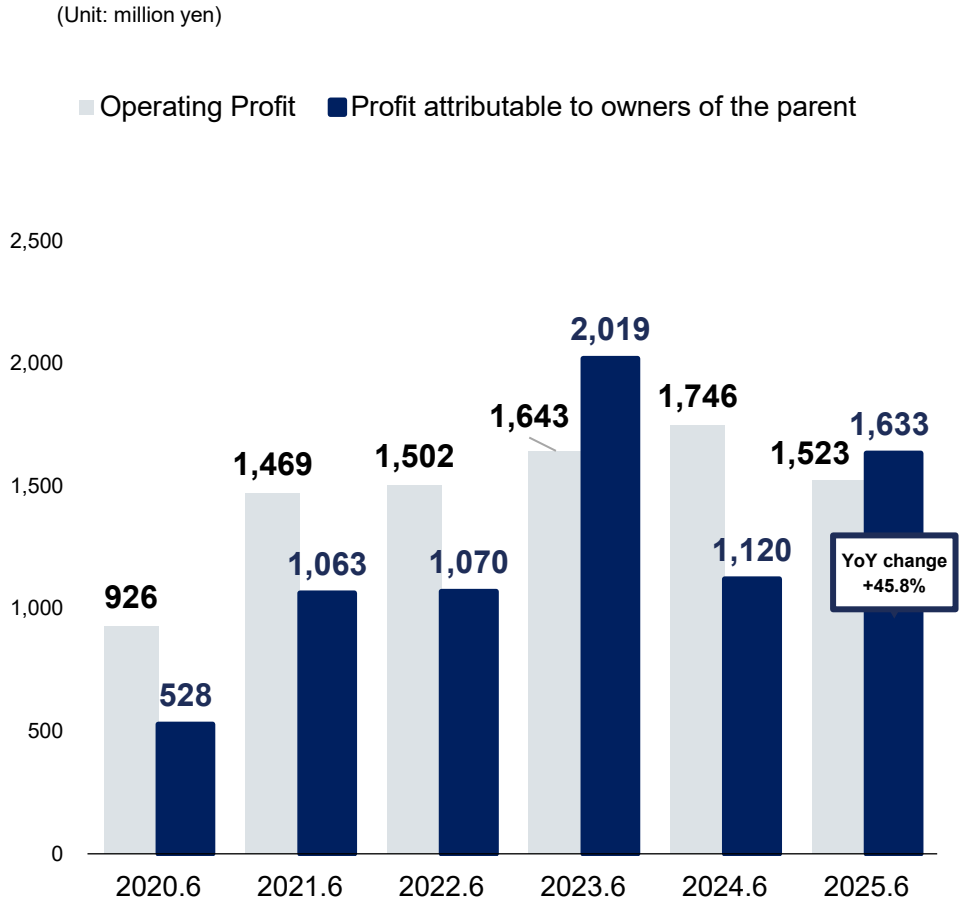
  - Operating revenue 3,981 million yen (decrease by 6.4%)
  - Operating profit 1,523 million yen (decrease by 12.8%)
  - Ordinary profit 1,564 million yen (decrease by 13.4%)
  - Profit attributable to owners of parent 1,633 million yen (increase by 45.8%)

- 775 million yen was recorded from the sale of investment securities as an extraordinary gain.

- Operating profit margin is 38.3% (decreased by 2.7 points)

  ROE is 19.7% (increased by 5.3 points)

FY2025 Q1 Trends in Operating Profit and Net Profit

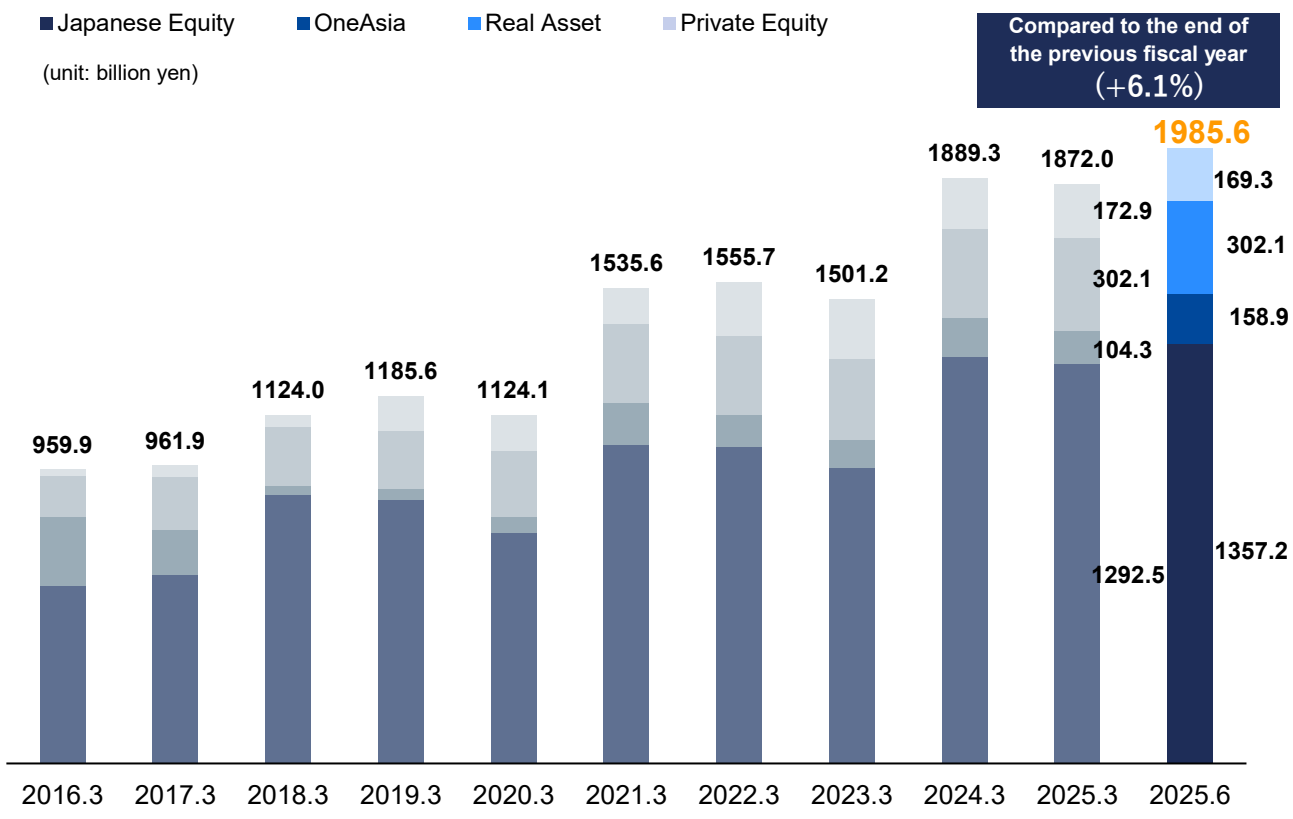


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FY2025 Q1 Trends in AUM

AUM at quarter-end increased by 6.1% compared to the previous fiscal year-end, reflecting the rise in the Nikkei Stock Average to a year-to-date high. AUM for Japanese equity investment strategy and OneAsia investment strategies have increased and AUM for private equity investment strategies has decreased compared to the last fiscal year-end.

AUM trends



Average AUM

(unit: billion yen)	FY2024 Q1	FY2025 Q1	Rate of change
AUM（for three months）※	1,929.5	1,927.8	-0.1%

※AUM (for 3 months) ＝FY 2025 Q1 (April to June 2025) Total AUM ÷ 3 months

(Reference) Various Market Indexes

	Year-ended March 31, 2025	Quarter-ended June 30, 2025	Rate of change
Nikkei 225	35,617	40,487	+13.7%
TOPIX	2,658	2,852	+7.3%
KOSPI Index	2,481	3,071	+23.8%
KOSDAQ Index	672	781	+16.2%
HK Hang Seng Index	23,119	24,072	+4.1%

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Focus in Alternative Investment Strategy

AUM grew 1.6x for traditional strategy, 5.8x for alternative strategy. Strengthening our alternative strategy to make it one of the pillars of our business.

AUM for alternative strategy

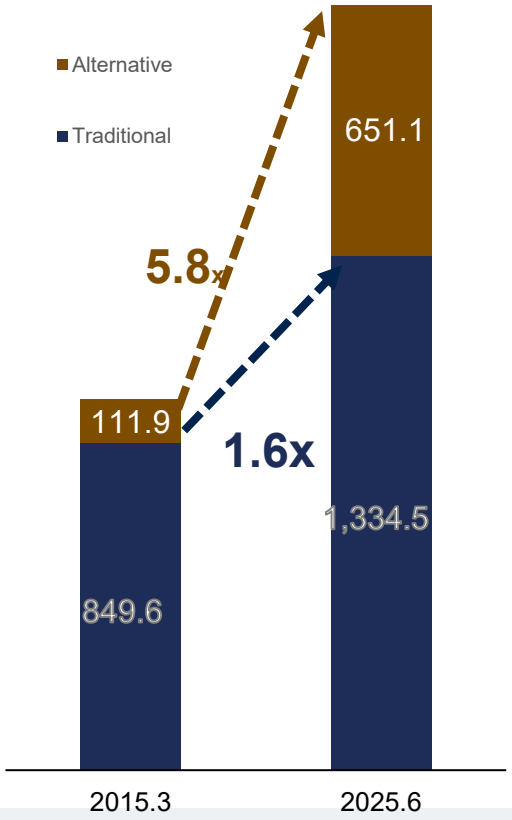
111.9billion yen (March 2015) ▶ **651.1**billion yen (Jun 2025)

Composition for Alternative AUM

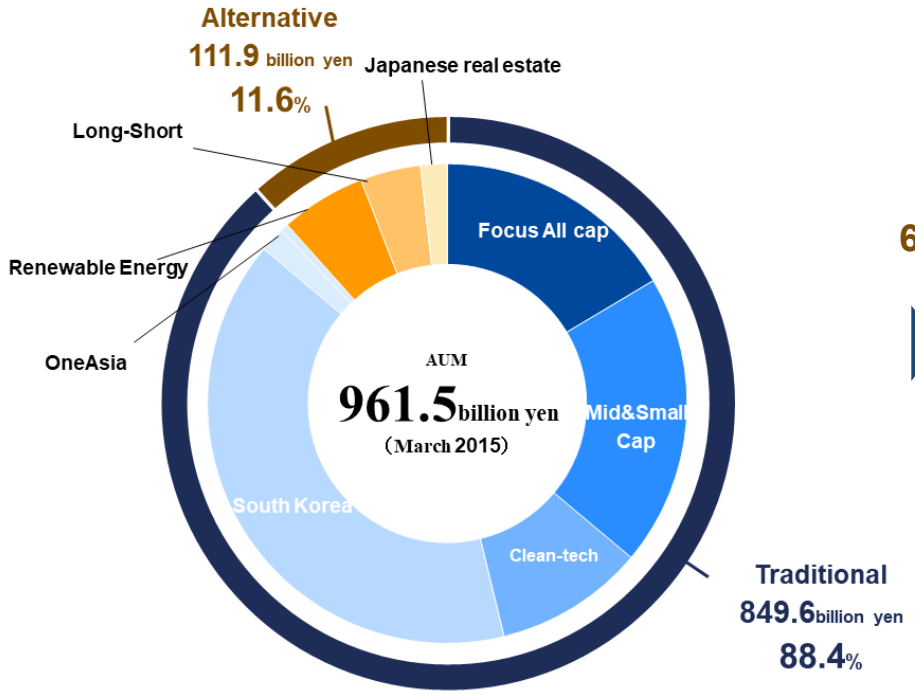
11.6% (March 2015) ▶ **32.8%** (Jun 2025)

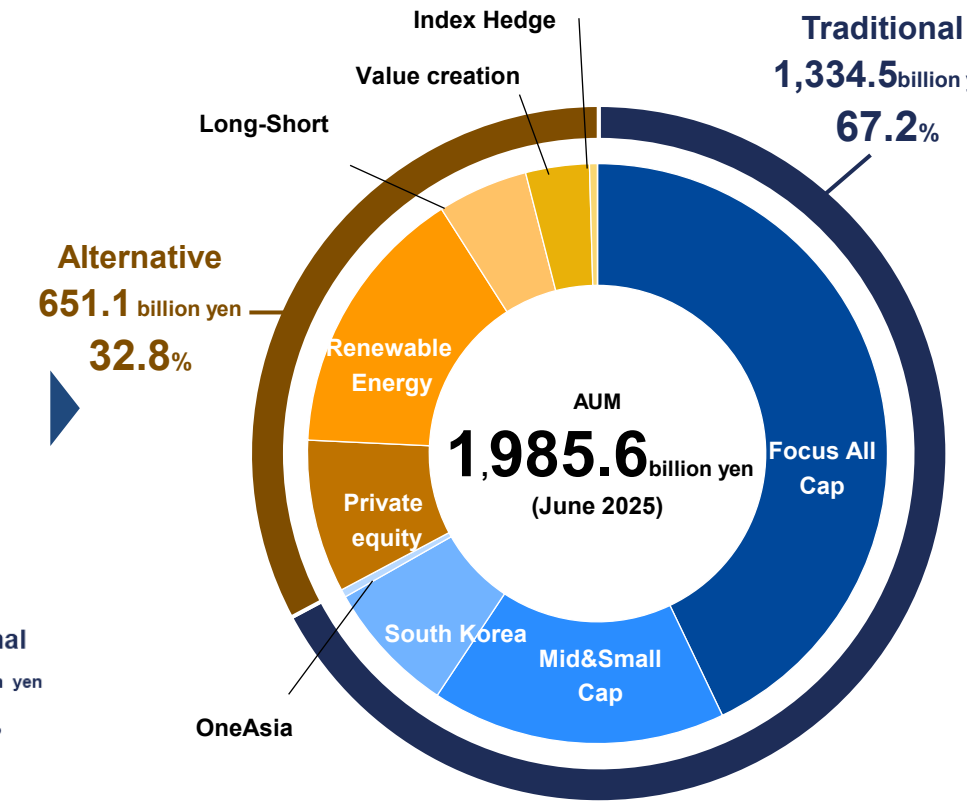
AUM expansion and strategic diversification

AUM Unit: billion yen



AUM breakdown (by strategy)





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FY2025 Q1 Consolidated Financial Highlights

Operating revenue, operating profit, and ordinary profit decreased due to a decrease in management fees and performance fees on YoY. Profit attributable to owners of parent increased due to extraordinary gains from the sales of investment securities, resulting ROE of 19.7%.

(Unit: million yen)	FY2024 Q1	FY2025 Q1	YoY change
Operating Revenue	4,254	**3,981**	-272 (-6.4%)
Operating and general administrative expenses	2,508	**2,458**	-49 (-2.0%)
Operating profit	1,746	**1,523**	-222 (-12.8%)
Ordinary profit	1,807	**1,564**	-242 (-13.4%)
Profit attributable to owners of parent	1,120	**1,633**	+512 (+45.8%)
ROE	14.4	**19.7**	+5.3pt

Due to the temporary market decline in April 2025, mainly resulting in a decrease in investment trust management fees, investment management fees (before deduction of commissions paid) decreased by 172 million yen to 3,805 million yen. Performance fees were recorded at 146 million yen (compared to 226 million yen in the previous period)

Operating and general administrative expenses decreased by 2.0%, mainly due to a reduction in commission paid for publicly offered investment trusts.

Profit attributable to owners of parent have significantly increased due to the realization of extraordinary gain of 775 million yen from the sales of our investment holdings.
ROE is 19.7%.

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FY2025 Q1 Consolidated Balance Sheet

The industry the Company belongs to is significantly influenced by economic and market conditions. Thus, the balance is kept as few years' worth of ordinary expenses level which calculated by "cash and cash equivalent" plus highly liquidity such as "investment securities." Equity ratio is maintained at a high level while aiming for further growth by expanding our seed money investments and new projects.

(Unit: million yen)

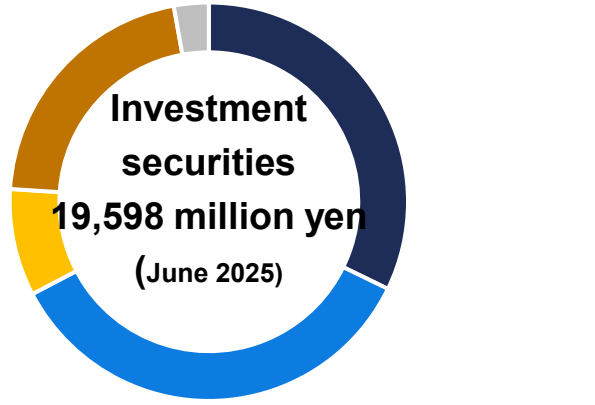
	FY2024 (March 31, 2024)	FY2025 (Jun30, 2025)	YoY Change
Current assets	26,631	24,953	(1,677)
Cash and cash equivalent	21,385	17,879	(3,505)
Non-current assets	23,307	23,429	＋121
Investment securities	19,468	19,598	＋130
Total assets	**49,939**	**48,383**	(1,555)
Current liabilities	7,988	6,664	(1,324)
Non-current liabilities	8,443	8,895	＋451
Net assets	33,507	32,824	(682)
Total liabilities and net assets	**49,939**	**48,383**	(1,555)
Equity ratio	**67.1%**	**67.8%**	＋0.7 pt

Decreased mainly due to the payment of dividend and bonuses

Decreased mainly due to the payment of accrued bonuses and corporate income tax payable

Of which, includes total shareholder's equity of 28,985 million yen

Mainly payment of dividend: ▲JPY 2,791million, profit attributable to owners of parent of +JPY 1,633 million, valuation difference on available-for-sales securities +JPY 613 million.



(Note) High liquidity investment securities are mainly consist of Japanese equity and OneAsia.

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03.

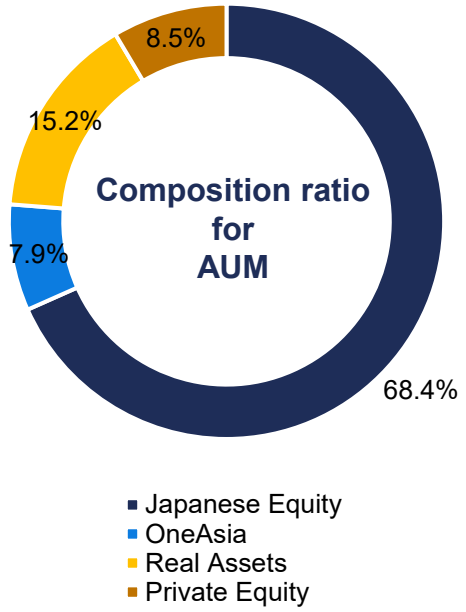
Overview of Four Pillars

Four Pillars of Growth

We have set "Japanese Equities," "OneAsia," “Real Assets," and “Private Equity" as focus areas so called “four pillars”. Achieve both high profitability and stability by expanding each of the four pillars based on strengths of thorough individual company research and the uniqueness of selecting investment targets.

Focus Areas	Features	Description of Businesses	AUM(as of Jun 30, 2025)
Japanese Equity	High profitability In addition to management fees, fund performance generates **Performance fees**	Various investment strategies ※ in Japanese equities ※ Long-Short/Mid&Small Cap/Value Creation/Focus All Cap/Index Hedge (note1)	JPY 1,357.2 billion
OneAsia		Investment and management in equity in South Korea and Pan-Asia. Utilizing our model of reproducibility obtained in Japanese equities	JPY 156.8 billion
Real Assets	Stability Ongoing long-term contract without being affected by market conditions **Generate stable income**	Investment by funds in renewable energy power generation business. Development, management, and operation of energy infrastructure.	JPY 302.1 billion
Private Equity		Establishment and operation of funds aimed at private equities investments and buyout investments.	JPY 169.3 billion

JPY 1,985.6 billion



(note1)The name of investment strategy has changed to Index Hedge Strategy. This used to be disclosed as Market Neutral investment strategy.

Please be sure to read the appendix attached at the end of this document.

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Overview of Japanese Equity Investment Strategy (1)

AUM for Japanese equity investment strategy increased by 5.0% compared to the end of the previous fiscal year although it underperformed the Nikkei Stock Average. Overseas institutional investors' expectations for Japanese equities remain high and we anticipate a cash inflow in the near future.

(Unit: 100 million yen)	AUM			
	March 31, 2025	June 30, 2025	YoY change	
Long-Short Strategy	1,061	1,002	-58 (-5.5%)	Decreased due to net outflow of funds.
Focus All Cap Strategy	8,040	8,519	＋478 (＋6.0%)	AUM increased for both investment strategies due to a rise in market value. Additionally, the focus all cap investment strategy has been consistently recognized for its performance by external evaluation agencies. Please refer to the next page for further detail.
Mid & Small Cap Strategy	3,021	3,257	+235 (+7.8%)	
Index Hedge Strategy*	90	88	-2 (－2.3%)	
Value Creation Strategy	711	704	-7 (－1.0%)	A new fund was established -newly established a fund targeting qualified institutional investors -Promoting marketing to overseas institutional investors
Total	**12,925**	**13,572**	+646 (**+5.0%**)	
Nikkei 225	**35,617**	**40,487**	**+13.7%**	

*The name of investment strategy has changed to Index Hedge Strategy. This used to be disclosed as Market Neutral investment strategy.

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Overview of Japanese Equity Investment Strategy (2)

Winning of the「R&I Fund Award 2025」

SPARX New Global Blue Chip Japanese Equity Fund (“Gensentoshi”) and Japanese Equity Focus All Cap Strategy managed by SPARX Asset Management Co., Ltd. have won awards given by Ratings and Investment Information, Inc.

R&I Fund Award 2025

Have won 7 Consecutive years

Investment Trusts 10-Year / Japanese equity Core Fund category

The Second Prize

SPARX New Global Blue Chip Japanese Equity Fund (“Gensentoshi”)



https://ssl4.eir-parts.net/doc/8739/tdnet/2598235/00.pdf

R&I Fund Award 2025

Defined Benefit Pension / Japanese Growth Equity Category

Japanese Equity Focus All Cap Strategy

https://ssl4.eir-parts.net/doc/8739/tdnet/2635263/00.pdf

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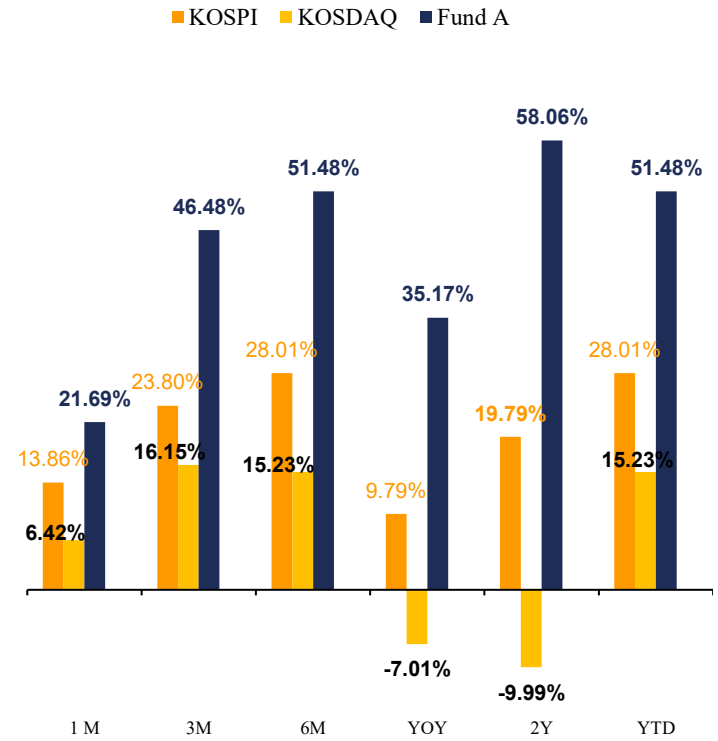
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Overview of OneAsia Investment Strategy

AUM for South Korea increased by 55.8% due to strong performance.
Overall AUM increased by 50.4%.
We will strive to maintain strong performance and aim to further expand our AUM.

(Unit: 100 million yen)	AUM		
	March 31, 2025	June 30, 2025	YoY change
South Korea	950	1,481	+530 (+55.8%)
Pan-Asia	92	87	- 4 (-5.0%)
Total	**1,043**	**1,568**	**+525 (+50.4%)**
KOSPI Index	2,481	3,071	+23.8%
KOSDAQ Index	672	781	+16.2%
HK Hang Seng Index	23,119	24,072	+4.1%

Fund performance for South Korea-domiciled funds※ (Up to Jun 2025)



※Performance data of the fund ranked second in AUM. The fund with the highest AUM also has the top performance, but it cannot be disclosed due to contractual agreements with clients.

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Overview of Real Asset Investment Strategy (1)

Promote investing in renewable power generation businesses, including solar power generation, at 348 locations※1 in Japan.

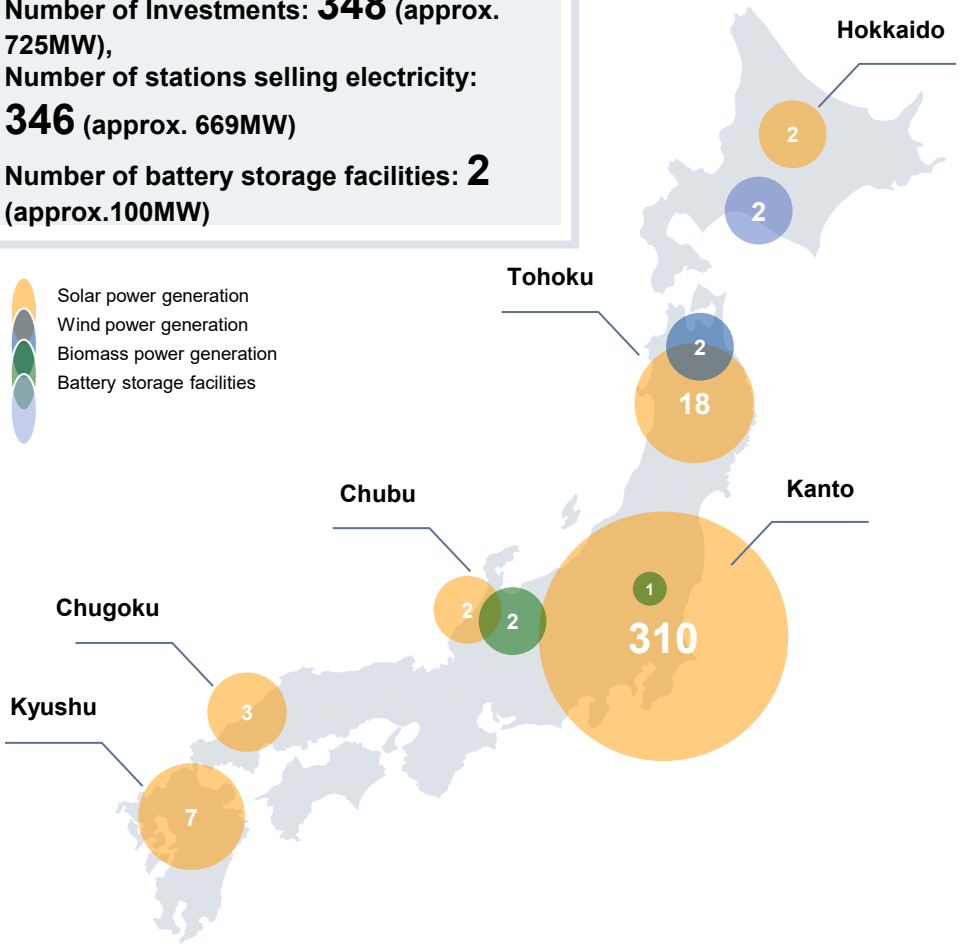
(Unit: 100 million yen)	AUM		
	March 31, 2025	June 30, 2025	YoY change
Renewable Energy Power Station Investment	3,021	3,021	- (-%)
Total	**3,021**	**3,021**	- (-%)

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Overview of Real Asset Investment Strategy (2)

Renewable energy power generation facilities

Number of Investments: 348 ※1 **(approx. 725MW),**
Number of stations selling electricity: 346 (approx. 669MW)
Number of battery storage facilities: 2 (approx.100MW)



※1 as of Juen 30, 2025

(Note) the above number of investments does not include the number of power generation plants owned by consolidated subsidiaries.

Battery Storage Facilities Project has been certified as Sapporo City's GX Promotion Tax Program

The battery storage facility, which was developed in Sapporo City, Hokkaido in collaboration with Kansai Electric Power Co., Inc. and JA Mitsui Leasing, Ltd., has been certified as the first designated project under Sapporo City's GX Promotion Tax Program. The GX Promotion Tax Program was launched starting April 1, 2025, as a special local tax exemption scheme targeting GX (Green Transformation) projects and financial businesses. This initiative is a joint effort by Sapporo City and Hokkaido prefecture following Sapporo's designation as a "GX Finance and Asset Management Special Zone," aiming to promote the concentration of GX industries and strengthen financial functions, thereby establishing Sapporo as a supply base for renewable energy in Japan.



Location	Shin-Kotoni, Kita-ku, Sapporo, Hokkaido
Rated outputs	50MW each (Totaling 100MW)
Rated capacities	175.5MWｈeach (Totaling 351MWｈ)
Date for commercial operations	April 2028 (scheduled)
Investors	Kansai Electric Power Co., Inc./JA Mitsui Leasing, Ltd./SPARX Group Co., Ltd.
AUM	21.0 billion yen（10.5 billion yen ×2 locations）

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Overview of Private Equity Investment Strategy (1)

Investor distributions progressed for Mirai Creation Fund I and Space Frontier Fund I.
Investment execution is progressing and preparations for launching subsequent funds are being accelerated.

(Unit: 100 million yen)	AUM		
	March 31, 2025	June 30, 2025	YoY change
Mirai Creation Funds	1,052	1,051	-1 (-0.1%)
Space Frontier Funds	223	189	-33 (-15.2%)
Japan Monozukuri Mirai Fund	168	168	- (-%)
Others	286	284	-1 (-0.5.%)
Total	**1,729**	**1,693**	**-36 (-2.1%)**

Decreased due to a decrease in investment of the Mirai Creation Fund I & II.
Mirai Creation Fund III is making its progress smoothly. During this 1Q, 2 new investments were made.

Next series of the Fund is under discussion

Decreased due to a decline in Frontier Fund I. During this 1Q, 3 new investments were made by Fund II.

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Overview of Private Equity Investment Strategy (2) AUM for this strategy

The private equity investment strategy manages multiple funds. Our dual-tracking approach allows us to address the ongoing decline in AUM caused by the exit of portfolio companies from induvial funds during the investment return period by establishing new funds, thereby facilitating the growth of our overall AUM.

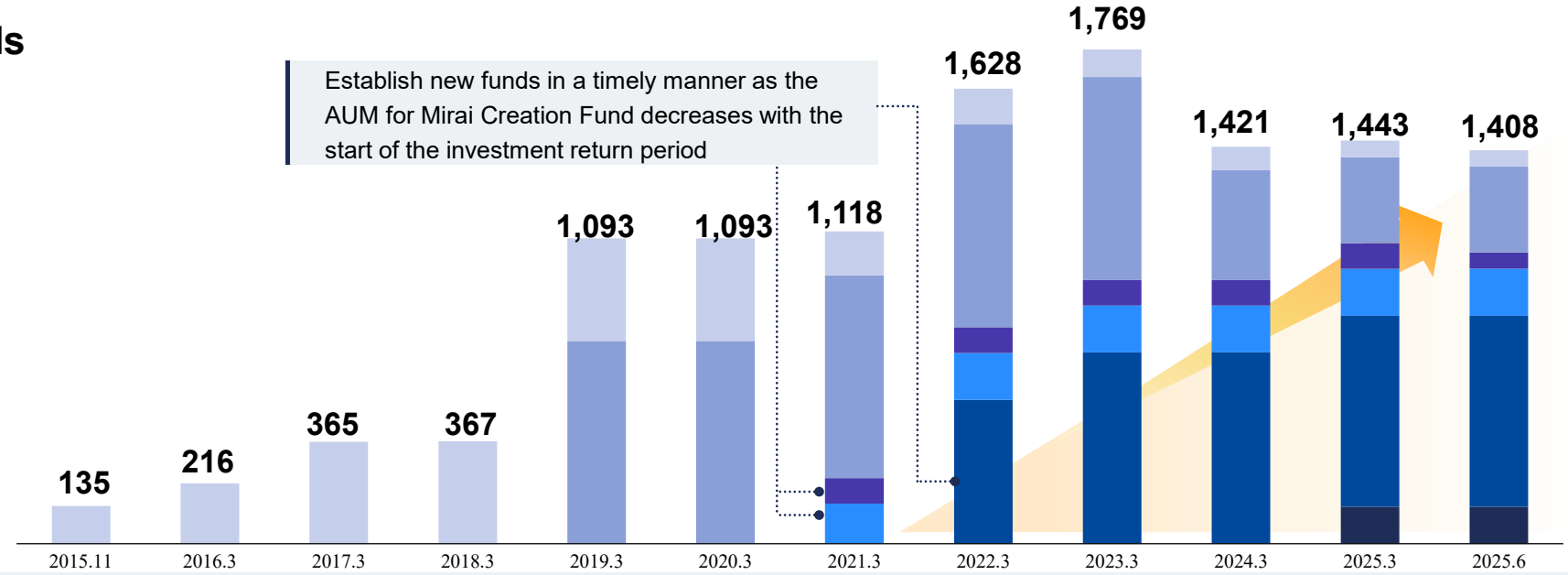
(Unit:100 million yen)

Name of Funds	Investment Commitment Amount	Investment Period・Return on Investment Period
Mirai Creation Fund I	367	Investment period（2015.11～） / Return on investment period
Mirai Creation Fund II	726	Investment period（2018.10～） / Return on investment period
Space Frontier Fund I	92	Investment period（2020.05～）
Japan Monozukuri Mirai Fund	168	Investment period（2020.12～）
Mirai Creation Fund III	685	Investment period（2021.11～）
Space Frontier Fund II	131	Investment period（2024.6～）

AUM for Private Equity Funds

(Unit:100 million yen)

Establish new funds in a timely manner as the AUM for Mirai Creation Fund decreases with the start of the investment return period

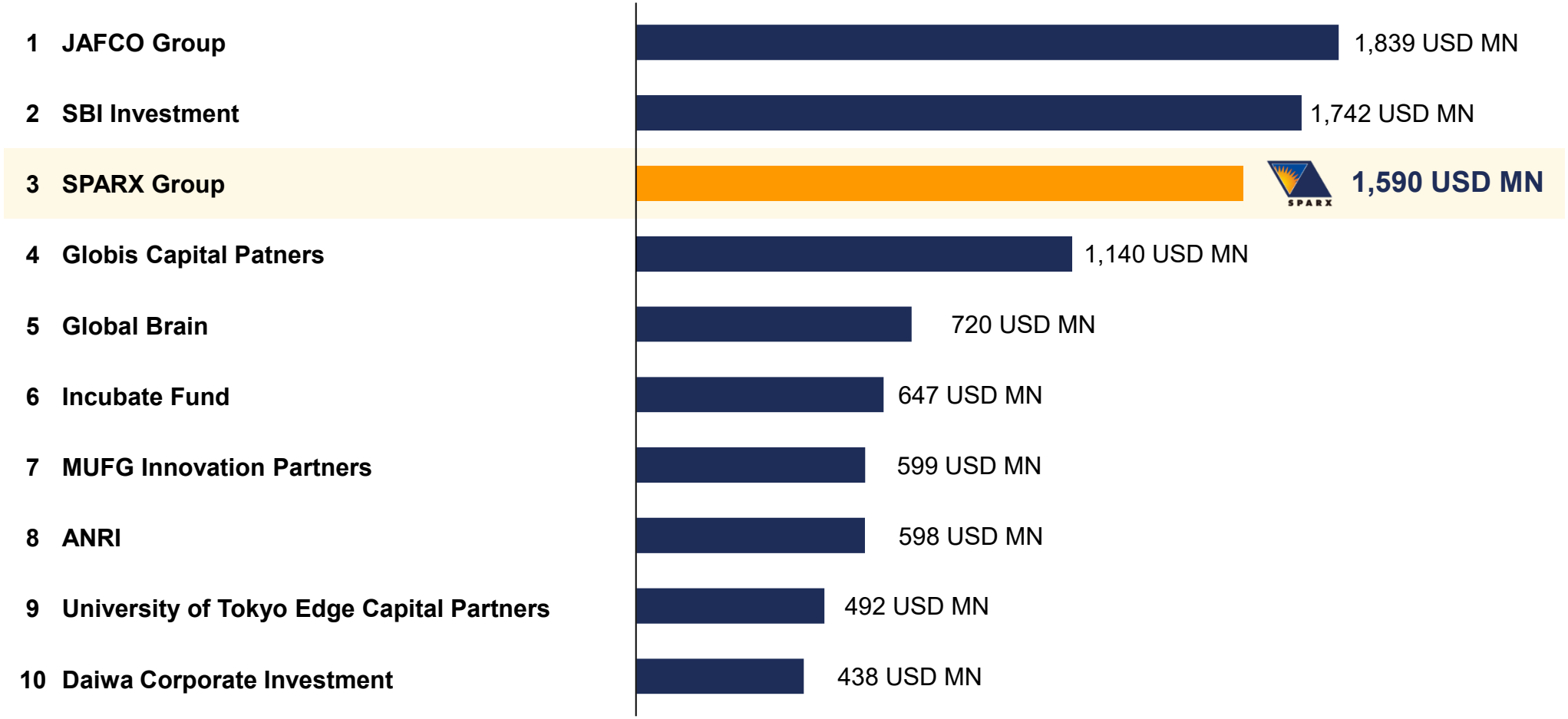


Note: AUM for PKSHA SPARX Algorithm I limited investment partnership and Japan growth capital investment corporation are not included.
Note: The investment return period is five years from the beginning of the investment period.

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Overview of Private Equity Investment Strategy (3)

Ranking for domestic venture capital procurement scale



(Source) Preqin Database and created by SPARX (as of January 27, 2025)
※Amount of funding for the past 10 years to those venture capital with headquarters in Japan

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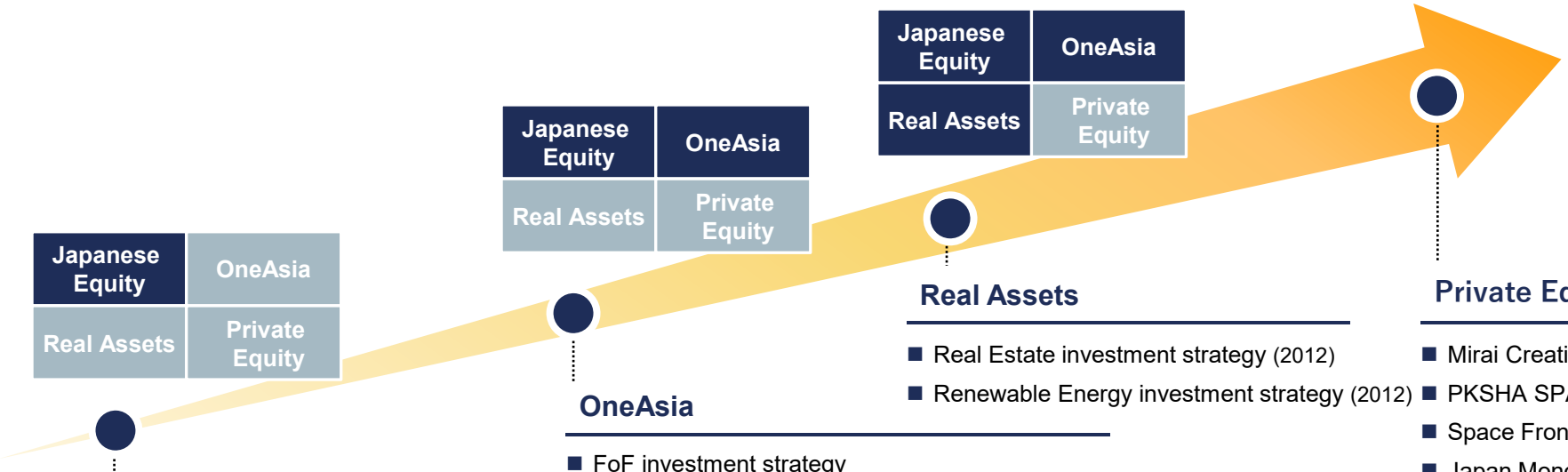
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Appendix

A hybrid model that combines our traditional strategy of investing in highly profitable listed stocks with the stable strategy of financing Real Assets/Private Equity

AUM as of June-end 2025

Japanese Equity	OneAsia
1,357.2bn	156.8bn
Real Assets	**Private Equity**
302.1bn	169.3bn



Japanese Equity

- Japanese Mid&Small Cap strategy (1989)
- Japanese Equity Long-Short All Cap strategy (1997)
- Japanese Equity Focus All Cap strategy (1998)
- Japanese Equity Focus strategy (1999)
- Japanese Equity Value Creation strategy (2002)

OneAsia

- FoF investment strategy
  (1997, specialized in Asia-Pacific from 2002)
- Korean Equity investment strategy (2005)
- Pan-Asia (excluding Japan and Korea) Equity investment strategy (2006)

Real Assets

- Real Estate investment strategy (2012)
- Renewable Energy investment strategy (2012)

Private Equity

- Mirai Creation Fund (2015)
- PKSHA SPARX Algorithm Fund (2019)
- Space Frontier Fund (2020)
- Japan Monozukuri Mirai Fund (2020)
- Investment corporation (the Fund)
  (managed by Nomura SPARX investment, Inc.,
  a joint venture with Nomura Holdings Co., Ltd.(2021)

Market swings have a significant impact → **Diversified strategies lead to increased stability**

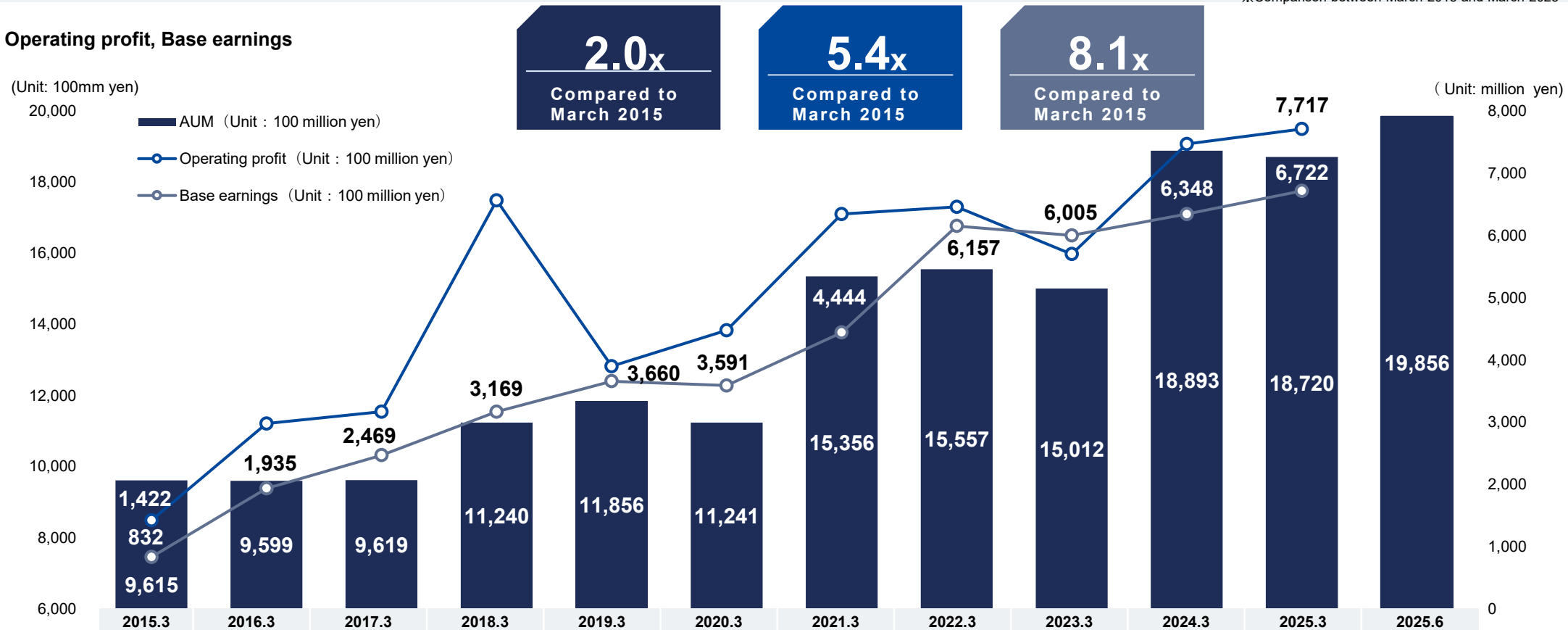
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10 years trajectory

Achieving significant growth over past 10 years from FY3/2015, AUM grew 2.0x※, operating profit grew5.4x※ Base earnings grew 8.1x.※

※Comparison between March 2015 and March 2025

Trends in AUM, Operating profit, Base earnings



	2015.3	2016.3	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3	2024.3	2025.3	2025.6
AUM（100 million yen）	9,615	9,599	9,619	11,240	11,856	11,241	15,356	15,557	15,012	18,893	18,720	19,856
Operating profit（million yen）	1,422	2,978	3,169	6,569	3,901	4,479	6,349	6,464	5,704	7,476	7,717	-
Base Earnings（million yen）	832	1,935	2,469	3,169	3,660	3,591	4,444	6,157	6,005	6,348	6,722	-

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What is the Buffet Club?

Through studying and discussing the investment philosophies of noted investor Warren Buffett and other capitalists, SPARX employees learn and share the value of wanting to make clients wealthier, healthier, and happier as a part of "the most trusted and respected investment company in the world."

We have regularly held these study sessions

since our founding as a way to convey

SPARX's investment philosophy

to the next generation



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Consolidated Earnings Summary (based on management indicators)

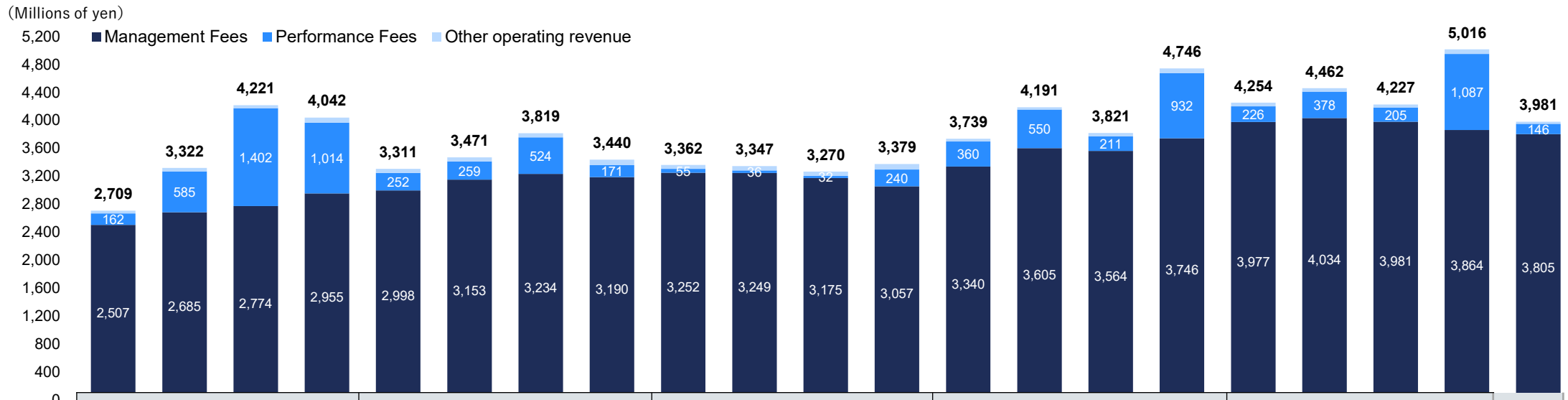
		FY2024		FY2025	
		Q1	Full year	Q1	YoY change
Average AUM	(Billions of yen)	1,929.5	1,912.2	1,927.8	-0.1%
Management fee rate (After deducting commissions)	(%)	0.67%	0.67%	0.66%	-0.01
Management fees (After deducting commissions)	(Millions of yen)	3,212	12,867	3,116	-3.0%
- Ordinary expenses	(Millions of yen)	1,426	6,144	1,545	+8.3%
Base earnings	(Millions of yen)	1,785	6,722	1,571	-12.1%
Performance fees	(Millions of yen)	226	1,897	146	-35.2%
Percentage of AUM eligible to earn performance fees	(%)	33.9%	35.1%	32.7%	-1.2
Other operating revenue	(Millions of yen)	50	205	29	-40.5%
- Bonuses (including ESOP Expense)	(Millions of yen)	285	1,068	223	-21.7%
- Amortization of goodwill	(Millions of yen)	27	27	-	-
Operating profit	(Millions of yen)	1,746	7,717	1,523	-12.8%
Profit attributable to owners of parent	(Millions of yen)	1,120	5,252	1,633	+45.8%
Return on equity	(%)	14.4%	16.2%	19.7%	+5.3

(Note 1) Management fees include administrative fees for the power stations related to our Japanese Renewable Energy Investment Strategy. This note applies throughout this presentation.
(Note 2) Performance fees include one-time fees (acquisition fees) received as compensation for formulating power station plans related to our Japanese Renewable Energy Investment Strategy. This note applies throughout this presentation.
(Note 3) Percentage of AUM eligible to earn performance fees show the ratio of AUM with performance fee to the total AUM at the end of the specified period.

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Quarterly Trends in Operating Revenue

Management fees have remained steady due to a stable AUM. Management fee rate and % of AUM eligible to earn performance fees continue to be challenging.

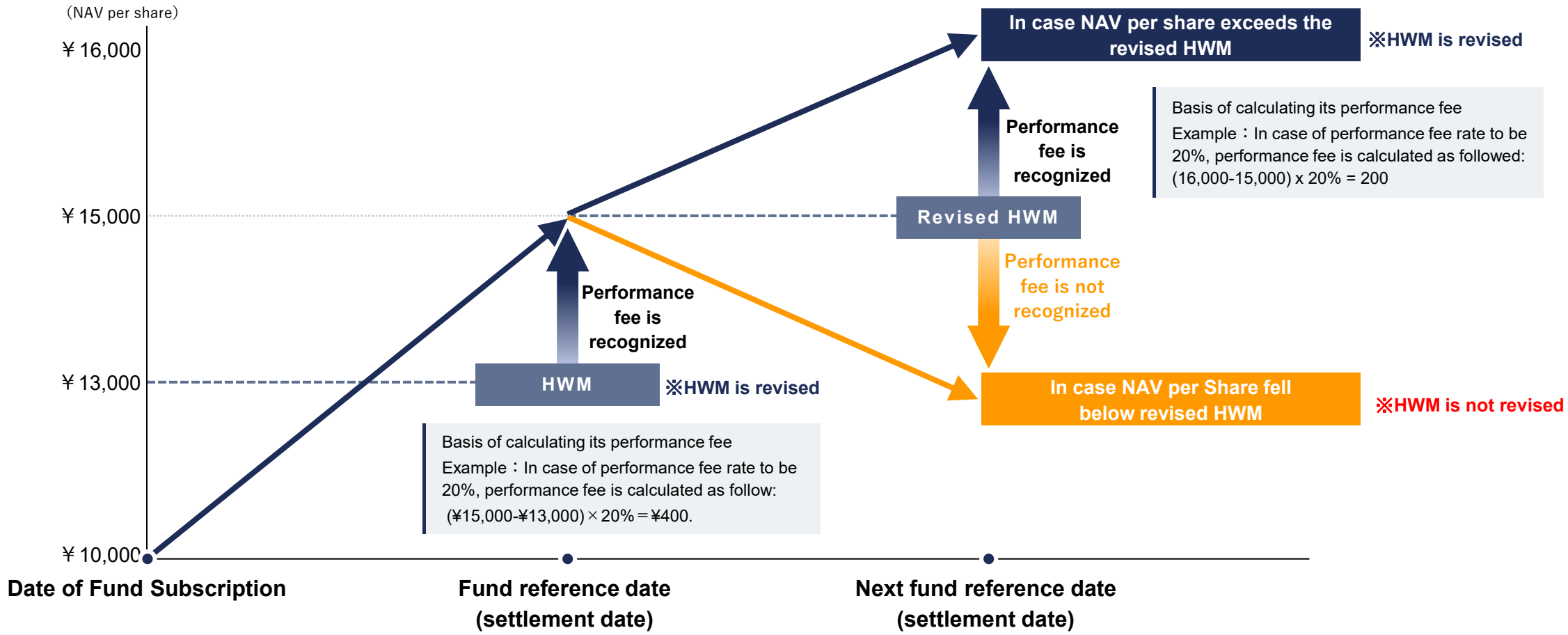


	FY2020				FY2021				FY2022				FY2023				FY2024				FY2025
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Management Fees	2,507	2,685	2,774	2,955	2,998	3,153	3,234	3,190	3,252	3,249	3,175	3,057	3,340	3,605	3,564	3,746	3,977	4,034	3,981	3,864	3,805
Performance Fees	162	585	1,402	1,014	252	259	524	171	55	36	32	240	360	550	211	932	226	378	205	1,087	146
Other operating revenue	39	51	43	72	59	59	60	78	55	61	62	81	37	35	46	67	50	48	41	65	29
Operating Revenue	**2,709**	**3,322**	**4,221**	**4,042**	**3,311**	**3,471**	**3,819**	**3,440**	**3,362**	**3,347**	**3,270**	**3,379**	**3,739**	**4,191**	**3,821**	**4,746**	**4,254**	**4,462**	**4,227**	**5,016**	**3,981**
(Reference)																					
Average AUM (100 millions of yen) (3months average)	12,157	12,783	13,884	14,929	15,306	15,825	16,361	15,381	15,065	15,298	15,187	14,955	15,912	16,613	16,406	18,042	19,295	19,173	19,066	19,056	19,278
Management fee rate (3months average) (After deducting commissions)	0.70%	0.72%	0.68%	0.67%	0.68%	0.69%	0.68%	0.72%	0.76%	0.74%	0.72%	0.71%	0.72%	0.71%	0.70%	0.69%	0.67%	0.68%	0.68%	0.67%	0.66%
Percentage of AUM eligible to earn performance fees	33.5%	34.1%	31.1%	32.5%	33.2%	32.4%	32.1%	36.7%	39.2%	38.7%	38.5%	37.9%	38.7%	38.5%	39.1%	35.3%	33.9%	34.8%	33.5%	35.1%	32.7%
NIKKEI stock average (Record date)	22,288	23,185	27,444	29,178	28,791	29,452	28,791	27,821	26,393	25,937	26,094	28,041	33,189	31,857	33,464	40,369	39,583	37,919	39,894	35,617	40,487

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Structure of Performance Fees (Related to Equity Investment Fund)

Performance Fees are recognized for NAV per share exceeding HWM as of record date for fund



(Note 1)The structure described above is only informational purpose on performance fee structure. It is not intended to explain exactly how the performance fee is calculated based on fund's NAV.
(Note 2)Above uses performance fee rate of 20% for informational purpose only. In addition, "HWM" an abbreviation of High-Water Mark.
(Note 3)In case performance fee recognized on record date for fund, "HWM" is revised.

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Breakdown of Operating and General Administrative Expenses

- **Commission fee expenses decreased for publicly offered investment trusts.**
- **Personnel expenses has decreased due to decrease in personnel allowance and so forth.**

(Unit: Millions of yen)	FY2024		FY2025	
	Q1	Full Year	Q1	YoY change
Commissions paid	769	3,003	690	-10.3%
Personnel exp.	904	3,498	853	-5.7%
Travel exp.	77	282	98	+26.8%
Property rent	77	323	86	+11.1%
Entrusted business expenses	277	1,225	277	-0.1%
Depreciation on fixed assets	48	237	81	+68.7%
Advertising exp.	32	163	46	+40.4%
Research exp.	106	443	117	+10.6%
Other expenses	214	1,065	207	-3.0%
Total: Operating and general administrative expenses	2,508	10,244	2,458	-2.0%
Ordinary expenses	1,426	6,144	1,545	+8.3%

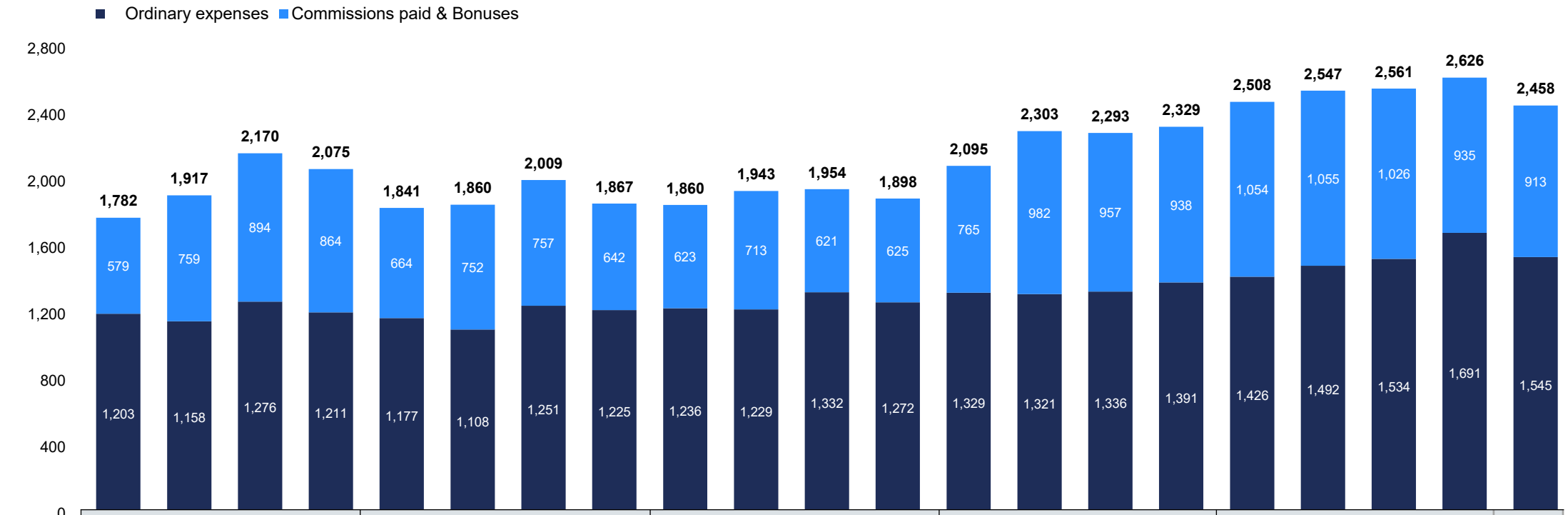
(Note1) The figures above, excluding "YoY change" are truncated. "YoY change" is rounded to the nearest tenth of a percent.
(Note2) The "Personnel expenses" data includes payments for legal welfare, bonus and temporary staff, etc. other than salary.
(Note3) The "Ordinary expenses" is calculated by deducting (1) Commissions paid, (2) Bonuses (including allowance for bonuses, legal welfare expenses related to bonuses, and ESOP expense) and (3) Severances package for key members, from total operating and general administrative expenses; hereinafter the same applies in this document.

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Quarterly Operating and General Administrative Expenses

Ordinary expenses are trending upward due to increasing marketing expenses for future growth and higher office related costs. Cost-control measures will continue to be implemented.

(Unit: million yen)



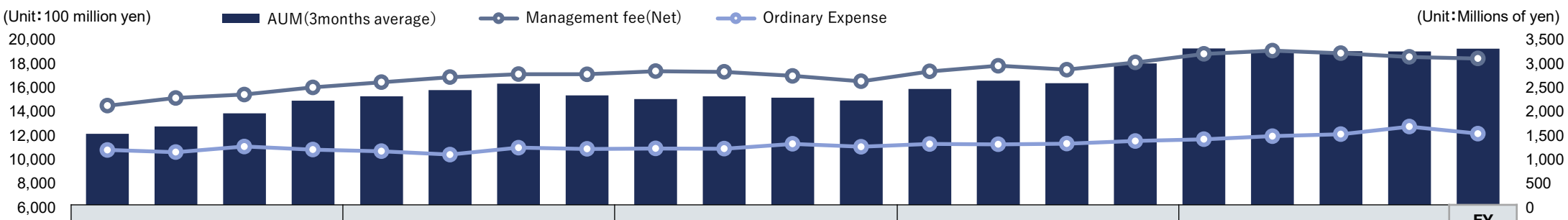
	FY2020				FY2021				FY2022				FY2023				FY2024				FY 2025
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Ordinary expenses	1,203	1,158	1,276	1,211	1,177	1,108	1,251	1,225	1,236	1,229	1,332	1,272	1,329	1,321	1,336	1,391	1,426	1,492	1,534	1,691	1,545
Commissions paid & Bonuses etc.	579	759	894	864	664	752	757	642	623	713	621	625	765	982	957	938	1,081	1,055	1,026	935	913
Operating and general administrative expenses	**1,782**	**1,917**	**2,170**	**2,075**	**1,841**	**1,860**	**2,009**	**1,867**	**1,860**	**1,943**	**1,954**	**1,898**	**2,095**	**2,303**	**2,293**	**2,329**	**2,508**	**2,547**	**2,561**	**2,626**	**2,458**

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Quarterly Base Earnings

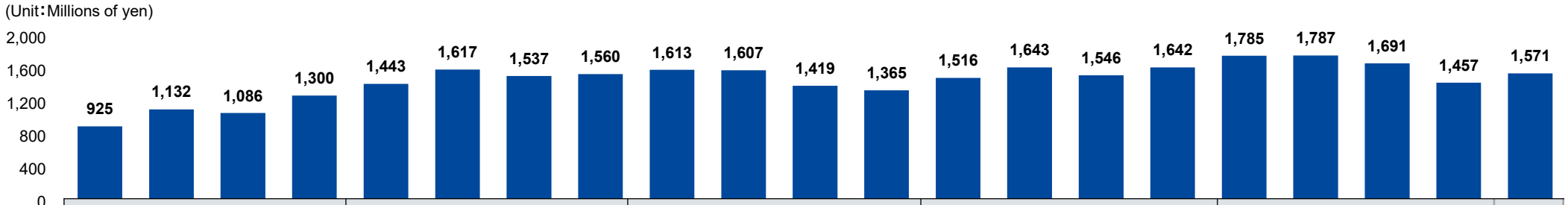
Base earnings remain at a high level while management fees are declining and ordinary expenses are increasing.

Average AUM



	FY2020				FY2021				FY2022				FY2023				FY2024				FY 2025
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
AUM(3months average) (Unit: 100mllion yen)	12,157	12,783	13,884	14,929	15,306	15,825	16,361	15,381	15,065	15,298	15,187	14,955	15,912	16,613	16,406	18,042	19,295	19,173	19,066	19,056	19,278
Management fee(Net)	2,128	2,290	2,362	2,511	2,620	2,725	2,789	2,785	2,850	2,837	2,751	2,638	2,845	2,964	2,882	3,034	3,212	3,280	3,226	3,148	3,116
Ordinary Expense	1,203	1,158	1,276	1,211	1,177	1,108	1,251	1,225	1,236	1,229	1,332	1,272	1,329	1,321	1,336	1,391	1,426	1,492	1,534	1,691	1,545

Base Earnings



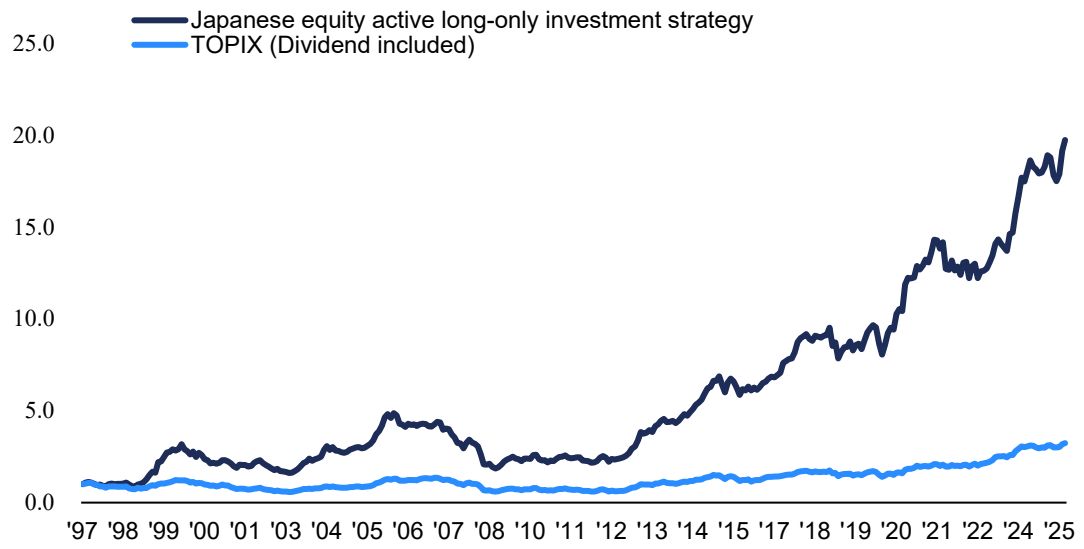
	FY2020				FY2021				FY2022				FY2023				FY2024				FY2025
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Base Earnings	925	1,132	1,086	1,300	1,443	1,617	1,537	1,560	1,613	1,607	1,419	1,365	1,516	1,643	1,546	1,642	1,785	1,787	1,691	1,457	1,571

(Note) As preliminary figures, the 「Management fee (Net)」 is calculated by multiplying the management fee rate (after the deduction of commission paid) and the average AUM for the period.

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Primary Investment Strategies: Composite Returns Since Valuation Began ①

Japanese Equity Active Long-Only investment strategy



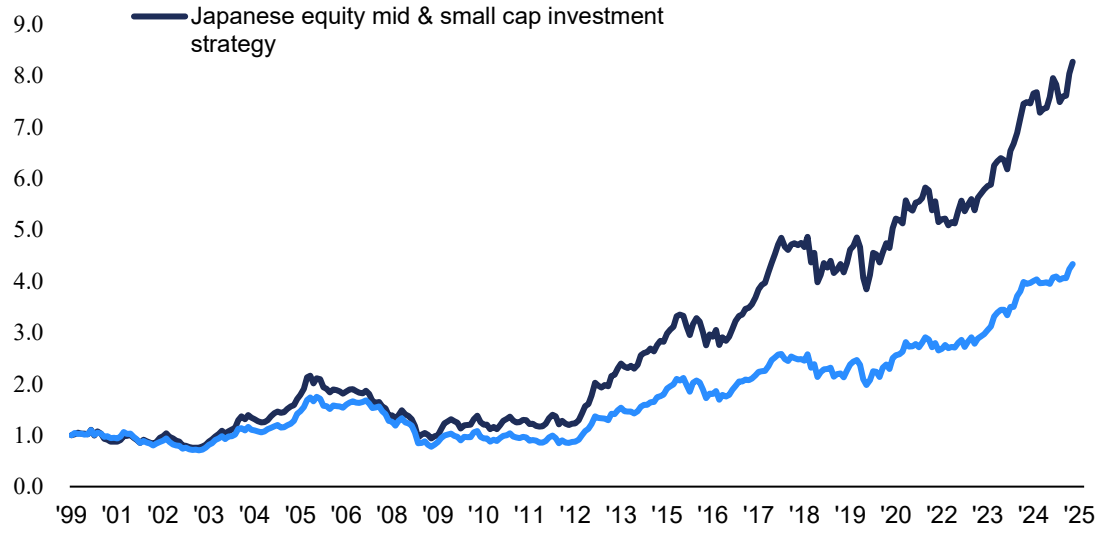
(Annualized Return)

Japanese equity active long-only investment strategy	11.17%
Reference Index	4.26%
Excess Return	6.91%

Reference Index	TOPIX (Dividend included)
Measurement Period	1997/5 ～2025/6
Volatility of Composite Return (Annualized)	19.34%

※Performance is shown gross of fees.
※The base currency is the Japanese Yen.

Japanese Equity Mid & Small Cap investment strategy



(Annualized Return)

Japanese equity mid & small cap investment strategy	8.64%
Reference Index	5.92%
Excess Return	2.72%

Reference Index	Russell/Nomura Mid-Small Cap Index
Measurement Period	2000/1 ～2025/6
Volatility of Composite Return (Annualized)	16.85%

※Performance is shown gross of fees.
※The base currency is the Japanese Yen.

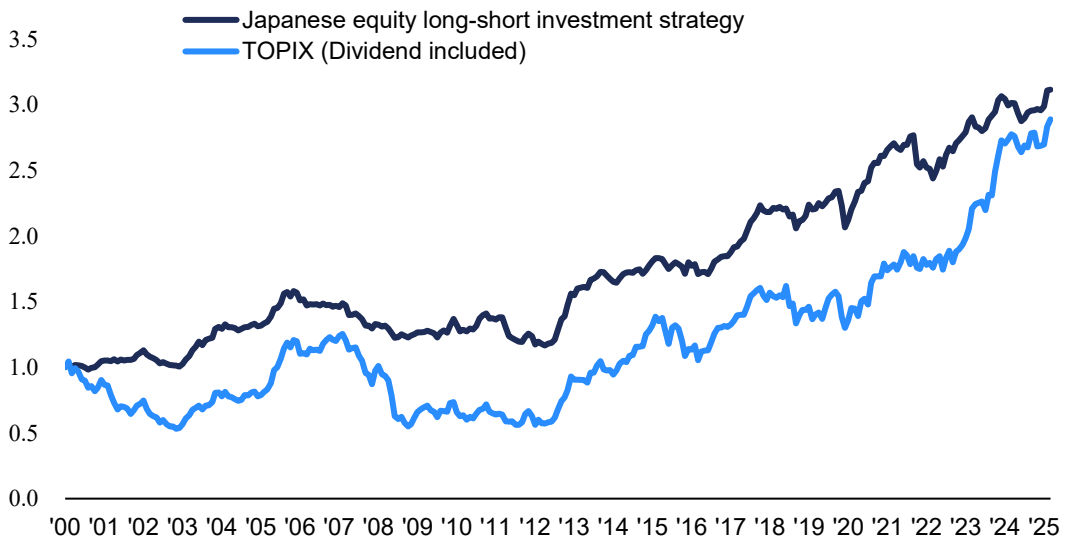
Source: SPARX Asset Management Co., Ltd. (as of Jun 30, 2025)

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Primary Investment Strategies: Composite Returns Since Valuation Began ②

Japanese Equity Long-Short investment strategy



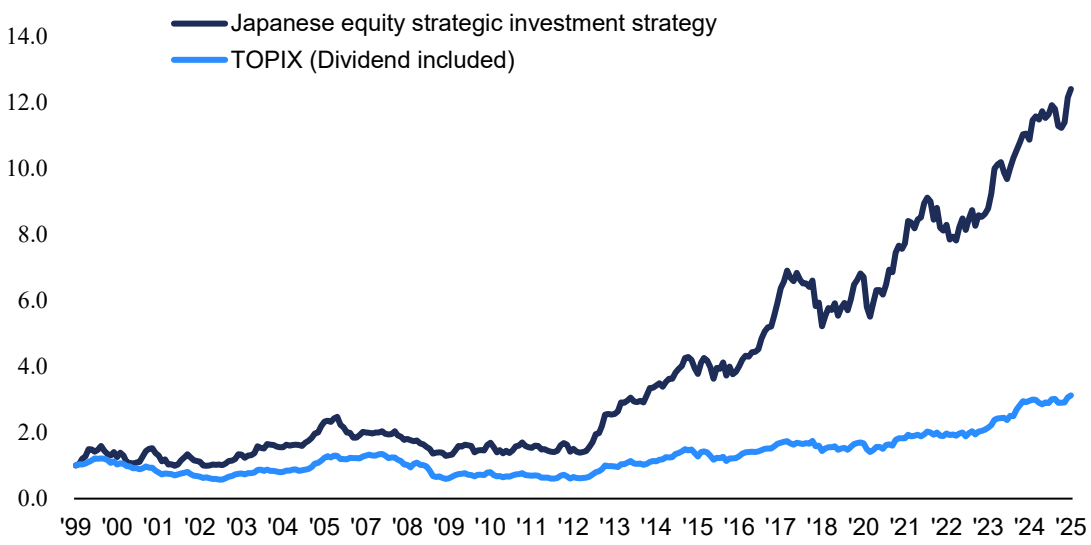
(Annualized Return)

Japanese equity long-short investment strategy	4.63%
Reference Index	4.32%
Excess Return	0.31%

Reference Index	TOPIX (Dividend included)
Measurement Period	2000/6～2025/6
Volatility of Composite Return (Annualized)	7.41%

※Performance is shown gross of fees.
※The base currency is the Japanese Yen.

Japanese Equity Strategic investment strategy



(Annualized Return)

Japanese equity strategic investment strategy	10.17%
Reference Index	4.48%
Excess Return	5.69%

Reference Index	TOPIX (Dividend included)
Measurement Period	1999/7 ～2025/6
Volatility of Composite Return (Annualized)	18.88%

※Performance is shown gross of fees.
※The base currency is the Japanese Yen.

Source: SPARX Asset Management Co., Ltd. (as of Jun 30, 2025)

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Composite details

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- Investment trusts invest mainly in stocks, public bonds, and real estate investment securities of fluctuating value (assets in foreign currencies also include exchange risks), so their net asset values (NAV) will fluctuate. Therefore, the investment trusts do not guarantee returns on invested capital, and they may incur losses due to declines in NAVs, primarily attributable to transaction price and currency fluctuations in relevant markets, resulting in balances dropping below originally invested amounts. These management-caused losses wholly belong to all beneficiaries.
- Specialized funds differ from diversified general investment trusts in that they manage a narrower scope of stocks. Thus, they are much more likely to experience NAV fluctuations, regardless of market trends.
- Long-short strategy funds operate from a short position, meaning that when shorted stocks see share price growth, fund NAVs will fall. Moreover, situations in which both long and short positions incur losses significantly raise the possibility of loss to investors, compared to that for normal funds.
- These risks include only a portion of the risks related to investment trusts, and the details and nature of the risks differ according to the type of assets targeted, investment restrictions, transaction exchange, and countries targeted for each investment trust.

About Risks related to Investment Trusts (Publicly Offered Investment Trusts)

The maximum expenses (fees) for SPARX's investment trusts (publicly offered investment trusts) are as follows:

- Direct costs

Fees at the time of purchase	Up to 3.3% (tax included)
Liquidation fees	None
Investment trust asset reserves	Up to 0.5%

- Indirect costs during investment in investment trusts

Management fee	Up to 2.057% (tax included)
Performance fee※	Some investment trusts may require performance fees

※ The amount of performance fees varies per the NAV level, so it is not possible to indicate a maximum amount in advance.

- Other costs and fees: Auditing costs, sales commissions generated by composite marketable securities (including funds) transactions, which include costs for creating prospectuses or investment reports, costs required for futures or options transactions, and custodial costs for assets in foreign currencies. When composite marketable securities are funds, they may charge for other expenses, including fiduciary trust company and custodial firm fees. These fees vary per management conditions, so it is not possible to indicate their maximum amounts in advance.
- The total cost of fees differs according to the period of ownership, so these fees cannot be shown. They also differ according to investment trust, so contact your distributor for more details.

〔 Asset Management Company 〕

SPARX Asset Management Co., Ltd.

Financial Services Provider Registration Number: Director of Kanto Local Finance Bureau, No. 346

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