The following is a translation (extract) of the official announcement given to the Tokyo Stock Exchange and the media in Tokyo, Japan. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail

Summary Report of Consolidated Financial Results for the Fiscal Year 2025 (April 2025 - March 2026)

May 7, 2026

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
Contact: Hiroshi Minematsu
Director, Group Senior Executive Officer, Group CFO
Tel: +81-3-6711-9100

Scheduled date of the ordinary general shareholder's meeting: June 5, 2026
Scheduled commencing date of dividend payment: June 8, 2026
Scheduled date of filing financial report: May 29, 2026
Supplemental information for financial results: Yes
Presentation materials will be posted on our HP on May 7, 2026
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 FY2025 (April 1, 2025 to March 31, 2026)

(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	%
FY2025	19,578	9.0	9,025	17.0	8,909	14.5	6,384	21.6
FY2024	17,961	8.9	7,717	3.2	7,778	(3.9)	5,252	(19.4)

(Note) Comprehensive Income Apr.2025-Mar.2026: 8,688 million yen (83.1%)
Apr.2024-Mar.2025: 4,744 million yen (-41.9%)

	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	%	%	%
FY2025	161.41	—	17.6	16.6	46.1
FY2024	132.16	—	16.2	16.2	43.0

(Reference) Equity in net income of affiliates: Apr.2025-Mar.2026: 92 million yen Apr.2024-Mar.2025: 61 million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Capital Adequacy Ratio	Net Asset Per Share
	Million yen	Million yen	%	Yen
Mar. 2026	57,600	39,204	68.1	992.03
Mar. 2025	49,939	33,507	67.1	845.64

(Reference) Equity (i.e. "Shareholders' equity" and "Accumulated other comprehensive income")
Mar. 2026: 39,204 million yen Mar. 2025: 33,507 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
FY2025	5,901	(3,880)	(4,018)	19,527
FY2024	5,063	(2,124)	(3,391)	21,385

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	%	%
FY2024	—	0.00	—	68.00	68.00	2,791	51.5	8.3
FY2025	—	0.00	—	90.00	90.00	3,676	55.8	9.8
FY2026 (expected)	—	47.00	—	47.00	94.00		—	

(Note) Since the Company does not disclose the forecast of future operating results, it has not previously disclosed dividend forecasts. However, in light of the increasing proportion of investment strategies that are less susceptible to fluctuations in market conditions, the further stabilization of our business portfolio, our continued stable financial position, and the steady growth in Base Earnings(*)—as well as by further optimizing the level of cash and deposits that has been maintained at an appropriate level—we have determined to clearly demonstrate our commitment to stable and continuous shareholder returns. Accordingly, we have decided at this time to disclose a dividend forecast.

As we do not disclose the forecasts of future operating results, the consolidated dividend payout ratio for the fiscal year ending March 2027 is not disclosed.

Furthermore, while we have previously paid dividends once a year as a year-end dividend, in order to enhance opportunities for shareholder returns, we plan to pay an interim dividend equivalent to one-half of the currently forecast annual dividend amount, with the remaining portion paid as the year-end dividend.

From the fiscal year ending March 2027 onward, 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.

(*)"Base Earnings" indicates the sustained and stable fundamental profitability of the company. It is calculated as follows.

Base Earnings = Management Fee (after the deduction of commission paid) – Ordinary Expenses

Ordinary Expenses are calculated by deducting the sum of i) Commissions paid, ii) Bonuses (including allowance for bonuses, mandatory welfare expenses related to bonuses, and ESOP expenses), and iii) Severance packages for key members, from total operating and general administrative expenses.

3. Forecast of Results for the FY2026

The investment advisory business for investment trusts, which constitutes the core business of the Group, is significantly affected by economic conditions, market trends, as well as the timing of investment execution and divestment opportunities. Accordingly, the Company does not provide earnings forecasts.

In principle, however, within five business days from the beginning of each month, the Company separately discloses a preliminary figure for assets under management as of the end of the previous month, which is one of the Group's most important management performance indicators. Investors are encouraged to refer to this information as a reference when assessing the Company's performance.

* 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

(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, 2026	41,507,780 shares	As of March 31, 2025	41,705,480 shares
Number of shares of treasury stock at the end of the period	As of March 31, 2026	1,989,042 shares	As of March 31, 2025	2,081,899 shares
Average number of shares during the period	Twelve-month period ended March 31, 2026	39,552,913 shares	Twelve-month period ended March 31, 2025	39,739,752 shares

Note: (1) On June 30, 2025, the Company conducted the cancellation of treasury stock (197,700 shares).

(2) The number of shares of treasury stock above includes shares held in trust accounts (1,327,929 shares as of March 31, 2026 and 1,421,389 shares as of March 31, 2025) 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 trsut account for directors are included in treasury stock subtracted from the calculation of the average number of shares during the period (1,331,514 shares for the twelve-month period ended March 31, 2026 and 1,442,689 shares for the twelve-month period ended March 31, 2025).

(Reference)

Non-consolidated financial results for FY2025 (April 1, 2025 to March 31, 2026)

(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	%
FY2025	2,834	(19.7)	(127)	—	4,377	3.2
FY2024	3,530	17.9	(142)	—	4,242	(2.7)

	Net Income		Net Income per share	Net Income per share (fully diluted)
	Million yen	%	yen	yen
FY2025	4,327	23.6	109.39	—
FY2024	3,501	(31.2)	88.11	—

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Capital Adequacy Ratio	Net Asset Per Share
	Million yen	Million yen	%	Yen
Mar. 2026	39,870	27,842	69.8	704.52
Mar. 2025	35,298	24,275	68.8	612.64

(Reference) Equity (i.e. “Shareholders’ equity” and “Valuation and translation adjustments”)

Mar. 2026: 27,842 million yen Mar. 2025: 24,275 million yen

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

(Table of Contents for the Accompanying Materials)

1． Overview of Consolidated Operating Results

(1) Operating results analysis for the consolidated fiscal year under review

During the consolidated fiscal year under review, the Japanese stock market trended higher overall. Despite external factors such as US trade and monetary policies and the situation in the Middle East, risk appetite improved amid expectations of US interest rate cuts, a weaker yen, strong earnings from Japanese companies, hopes for tariff reductions, and stable monetary policies by the Bank of Japan and the US Federal Reserve (FRB). From the summer onward, progress in US-China and US-Japan trade negotiations, along with gains in high-tech stocks—particularly in the generative AI sector—boosted the market. The Nikkei 225 performed strongly, reaching a record high by early autumn. Following Sanae Takaichi's election as president of the Liberal Democratic Party (LDP), the market reacted positively to her policy platform emphasizing expansionary fiscal policy and growth investment, driving the Nikkei 225 to a historic high above 50,000 points. Meanwhile, profit-taking dominated as concerns about overheating—particularly among AI-related stocks—grew. Ahead of meetings of the US Federal Open Market Committee (FOMC) and the Bank of Japan, the market saw periods of correction amid uncertainty about monetary policy. The Japanese stock market began the new year with the Nikkei 225 posting sharp gains. In the February House of Representatives election, the Liberal Democratic Party (LDP) won 316 seats—the largest number since the end of World War II—and the Japanese stock market rose further on expectations that the Takaichi administration would strengthen its political base and implement fiscal expansion measures. Subsequently, the retreat of expectations for an early interest rate hike by the Bank of Japan provided a tailwind, and the Nikkei 225 set new record highs day after day, maintaining a strong upward trend until the end of February. In March, concerns over turmoil in the Middle East and a sharp rise in crude oil prices, following the launch of attacks on Iran by Israel and the United States, led to a significant correction in the Japanese stock market. However, the Nikkei 225 remained in the 51,000-point range and closed the fiscal year at 51,063.72 points, up 43.4% from the end of the previous fiscal year.

Under such market conditions, the Group’s assets under management at fiscal year-end were JPY 2,242.8 billion (Note 1), an increase of 19.8% YoY. As a result, management fees (Note 2) for the current fiscal year increased 3.8% YoY to JPY 16,467 million. Performance fees (Note 3) increased by 57.4% YoY to JPY 2,986 million, and operating revenue rose 9.0% YoY to JPY 19,578 million.

Operating and general administrative expenses rose by 3.0% YoY to JPY 10,552 million. The increase was primarily due to higher personnel and depreciation expenses associated with expanding the head office's floor space. As a result, operating profit increased by 17.0% YoY to JPY 9,025 million, and ordinary profit increased 14.5% YoY to JPY 8,909 million. Moreover, fiscal year’s profit attributable to owners of parent was JPY 6,384 million, rose by 21.6% YoY , driven by gains on the sale of investmnet securities and other facotrs.

Base earnings (Note 4), an indicator of profitability that provides a sustainable and stable foundation for the business, set a new reocrd, increased by 7.1% YoY to JPY 7,199 million (from JPY 6,722 million the previous year), driven by higher management fees that outpaced rising recurring expenses.

Notes

1. Assets under management for the consolidated fiscal year under review are preliminary figures (as of March 31, 2026).
2. Management fees include administrative fees for the power stations related to our Japanese renewable energy investment strategy.
3. Performance fees include fees generated from equity fund management performance, one-time fees (acquisition fees) received as compensation for formulating power station plans related to our Japanese renewable energy investment strategy, and compensation received when cumulative distributions exceed the contributed capital amount related to the Private Equity Investment Strategy.
4. Base earnings is one of the Group’s most critical management indicators. It represents recurring management fees (after deducting commissions) minus ordinary expenses.

(2) Financial situation analysis for the consolidated fiscal year under review

i) Assets, liabilities and net assets

(Assets)

Total assets at the consolidated fiscal year-end increased by JPY 7,661 million YoY to JPY 57,600 million. The main components of the change were a JPY 1,857 million decrease in cash and deposits, a JPY2,723 million increase in deposits paid, a JPY1,896 million increase in real estate for sale in process and a JPY 4,722 million increase in investment securities.

(Liabilities and net assets)

Total liabilities at the consolidated fiscal year-end increased by JPY 1,964 million YoY to JPY 18,396 million. The main component of the change were a JPY1,061 million increase in deposits received and a JPY1,037 million increase in deferred tax liabilities.

Net assets at the consolidated fiscal year-end increased by JPY 5,696 million YoY to JPY 39,204 million. The main components of the change were a JPY 3,593 million increase in retained earnings, a JPY 335 million decrease in capital surplus, a JPY 134 million decrease in treasury shares, and a JPY 2,231 million increase in valuation difference on AFS securities.

(3) Cash flows analysis for the consolidated fiscal year under review

Cash and cash equivalents (“cash on hand”) at the consolidated fiscal year-end decreased by JPY 1,857 million YoY to JPY 19,527 million (down by 8.7% YoY).

The status of each cash flow and their primary factors during the fiscal year under review are as follows:

(Cash flow from operating activities)

The cash flow from operations in the consolidated fiscal year under review amounted to an income of JPY 5,901 million (compared with an income of JPY 5,063 million in the previous year). This figure is primarily derived from pretax adjusted net income of JPY 9,581 million and payment of income taxes of JPY 2,744 million.

(Cash flow from investing activities)

The cash flow from investments in the consolidated fiscal year under review amounted to an outlay of JPY 3,880 million (compared with an outlay of JPY 2,124 million in the previous year). This figure is primarily derived from an outlay of JPY 4,237 million for purchasing investment securities, income of JPY 3,138 million from selling and redeeming investment securities, payments of deposits paid of JPY 2,712 million.

(Cash flow from financing activities)

The cash flow from financing in the consolidated fiscal year under review amounted to an outlay of JPY 4,018 million (compared to an outlay of JPY 3,391 million in the previous year). This figure is primarily derived from a dividend payment of JPY 2,786 million, and repayments of lease obligations JPY 915 million.

(4) Outlook for next fiscal year

We recognize the challenge in forecasting future performance in the Group’s primary business of investment trust management, discretionary investment management and investment advisory, as economic and market conditions heavily influence performance. Therefore, we refrain from making specific announcements regarding the outlook for the next fiscal year.

２． Considerations in the selection of accounting standards

The Group currently prepares its financial statements in accordance with Japanese GAAP and intends to continue applying these standards for the time being. However, in view of possible future developments such as changes in the ratio of foreign shareholders, the expansion of the Group’s business activities, and changes in the financing environment, the Company is continuing to examine the voluntary adoption of International Financial Reporting Standards (IFRS), including the development of internal manuals and guidelines related to IFRS application.

３． Consolidated Financial Statements and significant notes

（１） Consolidated Balance Sheets

(Unit: million yen)

	FY2024 (March 31, 2025)	FY2025 (March 31, 2026)
Assets		
Current assets		
Cash and deposits	21,385	19,527
Prepaid expenses	456	429
Accounts receivable-other	902	1,700
Income taxes refund receivable	9	22
Accrued investment trust management fees	1,571	1,690
Accrued investment advisory fees	1,477	1,814
Deposits paid	203	2,926
Real estate for sale in process	577	2,473
Other	285	74
Allowance for doubtful accounts	(237)	(270)
Total current assets	26,631	30,389
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	578	540
Tools, furniture and fixtures, net	150	111
Machinery and equipment, net	623	552
Vehicles, net	4	2
Land	242	266
Leased assets, net	1,726	1,006
Construction in progress	63	58
Total property, plant and equipment	3,389	2,538
Intangible assets		
Software	12	16
Total intangible assets	12	16
Investments and other assets		
Investment securities	19,468	24,191
Guarantee deposits	181	188
Long-term prepaid expenses	145	158
Retirement benefit asset	13	23
Deferred tax assets	97	94
Total investments and other assets	19,906	24,656
Total non-current assets	23,307	27,211
Total assets	49,939	57,600

(Unit: million yen)

	FY2024 (March 31, 2025)	FY2025 (March 31, 2026)
Liabilities		
Current liabilities		
Short-term borrowings	2,000	2,000
Current portion of long-term borrowings	—	5,000
Lease obligations	1,788	1,026
Unpaid commission	372	358
Accounts payable-other	1,777	1,584
Income taxes payable	1,444	2,006
Deposits received	33	1,094
Provision for share awards	99	42
Provision for long-term incentives	1	0
Provision for shareholder benefit program	—	56
Other	471	620
Total current liabilities	7,988	13,789
Non-current liabilities		
Long-term borrowings	7,000	2,000
Provision for share awards	181	183
Provision for long-term incentives	1	1
Provision for share awards for directors (and other officers)	—	1
Deferred tax liabilities	682	1,719
Other	577	701
Total non-current liabilities	8,443	4,607
Reserve under special laws		
Reserve for financial instruments transaction liabilities	0	0
Total reserves under special laws	0	0
Total liabilities	16,432	18,396
Net assets		
Shareholders' equity		
Capital stock	8,587	8,587
Capital surplus	1,481	1,146
Retained earnings	23,497	27,090
Treasury shares	(3,222)	(3,088)
Total shareholders' equity	30,343	33,735
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,933	4,164
Foreign currency translation adjustment	1,245	1,316
Remeasurements of defined benefit plans	(14)	(12)
Total accumulated other comprehensive income	3,164	5,468
Non-controlling interests	0	0
Total net assets	33,507	39,204
Total liabilities and net assets	49,939	57,600

（２） Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Income)

(Unit: million yen)

	FY2024 (April 1, 2024 - March 31, 2025)	FY2025 (April 1, 2025 - March 31, 2026)
Operating revenue		
Investment trust management fee	9,168	10,917
Investment advisory fee	8,013	7,899
Other operating revenue	779	761
Total operating revenue	17,961	19,578
Operating and general administrative expenses	10,244	10,552
Operating profit	7,717	9,025
Non-operating income		
Interest income	111	77
Dividend income	26	27
Foreign exchange gains	―	55
Share of profit of entities accounted for using equity method	61	92
Reversal of allowance for doubtful accounts	―	45
Miscellaneous income	21	36
Total non-operating income	221	333
Non-operating expenses		
Interest expenses	70	153
Commissions paid	3	16
Foreign exchange losses	2	―
Loss on investments in investment partnerships	69	275
Miscellaneous losses	13	4
Total non-operating expenses	159	450
Ordinary profit	7,778	8,909
Extraordinary income		
Gain on sale of investment securities	178	989
Total extraordinary income	178	989
Extraordinary losses		
Loss on valuation of investment securities	21	318
Total extraordinary losses	21	318
Profit before income taxes	7,935	9,581
Income taxes-current	2,656	3,268
Income taxes-deferred	73	(71)
Total income taxes	2,729	3,196
Profit	5,206	6,384
Profit attributable to non-controlling interests (loss)	(45)	―
Profit attributable to owners of parent	5,252	6,384

(Consolidated Statements of Comprehensive Income)

(Unit: million yen)

	FY2024 (April 1, 2024 - March 31, 2025)	FY2025 (April 1, 2025 - March 31, 2026)
Profit	5,206	6,384
Other comprehensive income:		
Valuation difference on available-for-sale securities	(265)	2,231
Foreign currency translation adjustment	(189)	71
Remeasurements of defined benefit plans, net of tax	(7)	1
Total other comprehensive income	(461)	2,304
Comprehensive income	4,744	8,688
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	4,790	8,688
Comprehensive income attributable to non-controlling interests	(45)	—

（３）Consolidated Statements of Changes in Equity

FY2024 (April 1, 2024 - March 31, 2025)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,587	1,848	20,960	(3,579)	27,815
Changes during period					
Dividends of surplus			(2,722)		(2,722)
Change in scope of consolidation			8		8
Profit attributable to owners of parent			5,252		5,252
Purchase of treasury shares				(293)	(293)
Cancellation of treasury shares		(367)		367	—
Disposal of treasury shares by ESOP Trust				282	282
Net changes in items other than shareholders' equity					
Total changes during period	—	(367)	2,537	357	2,527
Balance at end of period	8,587	1,481	23,497	(3,222)	30,343

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income		
Balance at beginning of period	2,198	1,434	(7)	3,625	(22)	31,419
Changes during period						
Dividends of surplus						(2,722)
Change in scope of consolidation						8
Profit attributable to owners of parent						5,252
Purchase of treasury shares						(293)
Cancellation of treasury shares						—
Disposal of treasury shares by ESOP Trust						282
Net changes in items other than shareholders' equity	(265)	(189)	(7)	(461)	22	(439)
Total changes during period	(265)	(189)	(7)	(461)	22	2,087
Balance at end of period	1,933	1,245	(14)	3,164	0	33,507

FY2025 (April 1, 2025 - March 31, 2026)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,587	1,481	23,497	(3,222)	30,343
Changes during period					
Dividends of surplus			(2,791)		(2,791)
Profit attributable to owners of parent			6,384		6,384
Purchase of treasury shares				(300)	(300)
Cancellation of treasury shares		(335)		335	—
Disposal of treasury shares by ESOP Trust				100	100
Net changes in items other than shareholders' equity					
Total changes during period	—	(335)	3,593	134	3,392
Balance at end of period	8,587	1,146	27,090	(3,088)	33,735

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income		
Balance at beginning of period	1,933	1,245	(14)	3,164	0	33,507
Changes during period						
Dividends of surplus						(2,791)
Profit attributable to owners of parent						6,384
Purchase of treasury shares						(300)
Cancellation of treasury shares						—
Disposal of treasury shares by ESOP Trust						100
Net changes in items other than shareholders' equity	2,231	71	1	2,304	—	2,304
Total changes during period	2,231	71	1	2,304	—	5,696
Balance at end of period	4,164	1,316	(12)	5,468	0	39,204

（4）Consolidated Statements of Cash Flows

(Unit: million yen)

	FY2024 (April 1, 2024 - March 31, 2025)	FY2025 (April 1, 2025 - March 31, 2026)
Cash flows from operating activities		
Profit before income taxes	7,935	9,581
Depreciation	237	331
Amortization of goodwill	27	―
Increase (decrease) in provision for share awards	52	43
Increase (decrease) in provision for long-term incentives	(0)	1
Increase (decrease) in provision for share awards for directors (and other officers)	―	1
Increase (decrease) in allowance for doubtful accounts	237	32
Increase (decrease) in provision for shareholder benefit program	―	56
Interest and dividend income	(138)	(104)
Interest expenses	70	153
Commission expenses	3	16
Foreign exchange losses (gains)	(5)	(74)
Share of loss (profit) of entities accounted for using equity method	(61)	(92)
Loss (gain) on sales of short-term and long-term investment securities	(178)	(989)
Loss (gain) on valuation of short-term and long-term investment securities	21	318
Loss (gain) on investments in investment partnerships	69	275
Decrease (increase) in accounts receivable – other	69	(69)
Decrease (increase) in accrued investment trust management fees and investment advisory fees	(59)	(454)
Decrease (increase) in real estate for sale in process	(438)	(1,896)
Increase (decrease) in accounts payable – other, and accrued expenses	(8)	(214)
Increase (decrease) in deposits received	(46)	1,061
Others, net	(323)	651
Subtotal	7,464	8,627
Interest and dividends received	177	172
Interest paid	(71)	(153)
Income taxes refund (paid)	(2,506)	(2,744)
Net cash provided by (used in) operating activities	5,063	5,901
Cash flows from investing activities		
Purchase of property, plant and equipment	(667)	(194)
Purchase of intangible assets	(1)	(10)
Purchase of investment securities	(3,847)	(4,237)
Proceeds from sale and redemption of investment securities	2,039	3,138
Proceeds from withdrawal of investments in investment partnerships, etc.	0	0
Proceeds from distributions from investment partnerships	245	139
Subsidies received	186	87
Payments of deposits paid	―	(2,712)
Others, net	(79)	(92)
Net cash provided by (used in) investing activities	(2,124)	(3,880)

(Unit: million yen)

	FY2024 (April 1, 2024 - March 31, 2025)	FY2025 (April 1, 2025 - March 31, 2026)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(132)	—
Repayments of lease obligations	(244)	(915)
Dividends paid	(2,718)	(2,786)
Purchase of treasury shares	(293)	(303)
Others, net	(3)	(12)
Net cash provided by (used in) financing activities	(3,391)	(4,018)
Effect of exchange rate change on cash and cash equivalents	(175)	139
Net increase (decrease) in cash and cash equivalents	(627)	(1,857)
Cash and cash equivalents at beginning of period	22,066	21,385
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	(54)	—
Cash and cash equivalents at end of period	21,385	19,527

（５） Notes to Consolidated Financial Statements

(Going concern assumption)

There are no relevant matters.

(Additional information)

(Stock-granting ESOP trust)

The Company has introduced a stock-granting ESOP trust program (hereinafter the “Program”) for Group employees (employees of the Company and 4 of its subsidiaries (SPARX Asset Management Co. Ltd., SPARX Green Energy & Technology Co., Ltd., SPARX Asset Trust & Management Co., Ltd., and SPARX Investment Co., Ltd. (Note); hereinafter referred to as “Group subsidiaries”), with the objective of enhancing the medium- to long-term corporate value by increasing their motivation toward the improvement of business performance and share value gain. The Company accounts for the trust according to the guidance in the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts” (ASBJ PITF No. 30, March 26, 2015).

(Note) SPARX AI & Technologies Investment Co., Ltd. changed its name to SPARX Investment Co., Ltd. on April 1, 2025.

1) Transaction summary

The Program is an arrangement for issuing shares of the Company to Group employees who meet certain conditions, based on share distribution regulations predetermined by the Group subsidiaries. The Group subsidiaries will grant points to employees based on the Group’s performance and employees’ individual contributions and award shares corresponding to the granted points to employees who are eligible to receive benefits under certain conditions. The shares to be awarded, including future awards, will be acquired, using money in a previously established trust fund and separately managed as a trust asset.

As Group employees are able to receive an economic benefit from increases in the Company’s share price, it may be expected that the introduction of the Program will encourage them to perform their duties with an awareness of the share price and raise their motivation toward their work. Furthermore, the exercise of voting rights pertaining to the Company’s shares held in the ESOP trust is a mechanism that reflects the will of Group employees as potential beneficiaries and is effective as a corporate value improvement plan that promotes their participation in management.

2) The Company’s shares remaining in the trust

The Company’s shares remaining in the trust are recorded as treasury shares under net assets, based on the book value in the trust (excluding associated expenses). The book value and number of the relevant treasury shares were 1,338 million yen and 938,020 shares in FY2024 and 1,238 million yen and 844,560 shares in FY2025, respectively.

(ESOP trust for directors)

The Company has introduced a performance-linked share remuneration scheme using a trust for its Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors; hereinafter “Directors”).

1) Summary of scheme

This scheme is a share remuneration scheme in which a trust established through a monetary contribution by the Company acquires shares of the Company, and the number of shares corresponding to the number of points granted to individual Directors by the Company is delivered to the individual Directors through the trust.

The delivery of the Company’s shares under this scheme will be made to Directors of the Company who are in office during the nine fiscal years from the fiscal year ended March 31, 2023 to the fiscal year ending March 31, 2031. In principle, the Directors will take delivery of the Company’s shares three years after the granting of points.

The objective of the introduction of this scheme is to raise awareness of contributing to the medium- to long-term improvement of business performance and increase of corporate value by clarifying the link between Directors’ remuneration and the Company’s business performance and share value and by the Directors’ sharing the benefits and risks of share price fluctuations with shareholders.

2) The Company’s shares remaining in the trust

The Company’s shares remaining in the trust are recorded as treasury shares under net assets, based on the book value in the trust (excluding associated expenses). The book value and number of the relevant treasury shares were 729 million yen and 483,369 shares in FY2024 and 729 million yen and 483,369 shares in FY2025.

(Segment information)

Segment information

i) FY2024 (April 1, 2024 - March 31, 2025)

This information is omitted as the Group is a single segment business of investment trust management, discretionary investment management and investment advisory.

ii) FY2025 (April 1, 2025 - March 31, 2026)

This information is omitted as the Group is a single segment business of investment trust management, discretionary investment management and investment advisory.

Related information

FY2024 (April 1, 2024 - March 31, 2025)

1. By service

This information is omitted as revenues from external clients related to business of investment trust management, discretionary investment management and investment advisory as well as its related services account for over 90% of operating revenue in the consolidated statements of income.

2. By region

(1) Operating revenue

Unit: million yen

Japan	Cayman Islands	Ireland	South Korea	Other	Total
14,573	126	1,401	105	1,753	17,961

Note: Classification by region is based on contract counterpart's location (place of composition in the case of funds).

(2) Property, plant and equipment

Unit: million yen

Japan	South Korea	Hong Kong	Total
3,304	22	62	3,389

3. By major client

Unit: million yen

Client name	Operating revenue	Related segment
SPARX New Global Blue Chip Japanese Equity Fund	3,729	Business of investment trust management, discretionary investment management and investment advisory

Note: As investments may be made via sales companies and other funds, etc. the ultimate beneficiary is difficult to ascertain.

FY2025 (April 1, 2025 - March 31, 2026)

1. By service

This information is omitted as revenues from external clients related to business of investment trust management, discretionary investment management and investment advisory as well as its related services account for over 90% of operating revenue in the consolidated statements of income.

2. By region

(1) Operating revenue

Unit: million yen

Japan	Cayman Islands	Ireland	South Korea	Other	Total
15,609	171	1,541	248	2,007	19,578

Note: Classification by region is based on contract counterpart's location (place of composition in the case of funds).

(2) Property, plant and equipment

Unit: million yen

Japan	South Korea	Hong Kong	Total
2,403	90	44	2,538

3. By major client

Unit: million yen

Client name	Operating revenue	Related segment
SPARX New Global Blue Chip Japanese Equity Fund	4,082	Business of investment trust management, discretionary investment management and investment advisory

Note: As investments may be made via sales companies and other funds, etc. the ultimate beneficiary is difficult to ascertain.

Impairment losses on non-current assets by reportable segment

FY2024 (April 1, 2024 - March 31, 2025)

There are no relevant matters.

FY2025 (April 1, 2025 - March 31, 2026)

There are no relevant matters.

Amortization of goodwill and unamortized balance by reportable segment

FY2024 (April 1, 2024 - March 31, 2025)

This information is omitted as the Group is a single segment business of investment trust management, discretionary investment management and investment advisory.

FY2025(April 1, 2025 - March 31, 2026)

There are no relevant matters.

Gain on negative goodwill by reportable segment

FY2024 (April 1, 2024 - March 31, 2025)

There are no relevant matters.

FY2025 (April 1, 2025 - March 31, 2026)

There are no relevant matters.

(Per-share information)

	FY2024 (April 1, 2024 - March 31, 2025)	FY2025 (April 1, 2025 - March 31, 2026)
Net assets per share	845.64 yen	992.03 yen
Net income per share	132.16 yen	161.41 yen

Notes: 1. For the calculation of net income per share, the Company's shares remaining in the stock-granting ESOP trust and the ESOP trust for directors (recorded as treasury shares in shareholders' equity) are included in the treasury shares deducted from the calculation of average number of common shares across the period. The average number of common shares in treasury shares so deducted was 1,442,689 for FY2024 and 1,331,514 for FY2025.

2. For the calculation of net assets per share, the Company's shares remaining in the stock-granting ESOP trust and the ESOP trust for directors (recorded as treasury shares in shareholders' equity) are included in the treasury shares deducted from the number of shares issued at the end of the period. The number of treasury shares so deducted was 1,421,389 for FY2024 and 1,327,929 for FY2025.

3. Diluted net income per share is not stated as there are no diluted shares.

4. Basis for calculating net income per share is as follows.

	FY2024 (April 1, 2024 - March 31, 2025)	FY2025 (April 1, 2025 – March 31, 2026)
Net income per share		
Profit attributable to owners of parent (million yen)	5,252	6,384
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent related to common shares (million yen)	5,252	6,384
Average number of common shares (shares)	39,739,752	39,552,913

5. Basis for calculating net assets per share is as follows.

	FY2024 (March 31, 2025)	FY2025 (March 31, 2026)
Total net assets (million yen)	33,507	39,204
Deductions from total net assets (million yen)	0	0
(of which, share acquisition rights (million yen))	[−]	[−]
(of which, non-controlling interests (million yen))	[0]	[0]
Net assets related to common shares at end of period (million yen)	33,507	39,204
Number of common shares used for calculating net assets per share at end of period (shares)	39,623,581	39,518,738

(Significant subsequent events)

(Sale of Investment Security)

In April 2026, the Company sold one of the investment securities owned by the Company, and the sale was conducted in connection with a change in the structure of an investment fund managed by the group company. As a result, the Company expects to record a gain on sale of investment security of JPY 1,528 million as extraordinary income in the consolidated financial results for the first quarter of the fiscal year ending March 31, 2027.