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.

November 18, 2025

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

SPARX Entrusted with Approximately JPY 50 Billion in Additional Assets from a European Public Pension Fund

—Long-term track record in Japanese Equity Mid & Small Cap Strategy recognized, further bolstering relationship with European institutional investors—

TOKYO—November 18, 2025—SPARX Group Co., Ltd. (SPARX; TSE Prime: 8739) today announced that its subsidiary, SPARX Asset Management Co., Ltd. (SAM), commenced management of an additional JPY 50 billion in capital from a European public pension fund ("the Client") under a discretionary investment management agreement ("the Fund") starting November 2025. The capital will be invested in the Japanese Equity Mid & Small Cap Strategy.

SAM's Japanese Equity Mid & Small Cap Strategy has delivered long-term, stable performance to domestic and international investors through its funds since its inception. Japanese equities, particularly small- and mid-cap stocks, have seen a marked rise in interest among overseas institutional investors in recent years. The expertise and experience we have built in this field since our founding have also received recognition. SPARX strives to grow and improve its overall group performance by further bolstering its marketing, especially to European institutional investors.

■ Comments from Takeshi Suzuki
Group Executive Officer (executive in charge), SPARX Group Co, Ltd.

The Client is a public pension fund based in Europe. It has invested in SAM's Japanese Equity Focus All Cap Strategy since 2015, gradually increasing its exposure to Japanese equities while building a long-term relationship with SAM. Its interest has now extended to the Japanese small and mid-cap equity sector. Following rigorous due diligence, it ultimately decided to entrust SAM with the management of its assets. We believe that this significant investment decision stems from the Client's strong belief in SAM's long-standing investment philosophy, along with high acclaim for its consistent, stable long-term performance since its founding, extensive experience with overseas investors, meticulous and precise investor relations, and globally competitive asset management and administrative capabilities.

■ Characteristics of the Japanese Equity Mid & Small Cap Strategy

Since commencing operations on July 1, 1989, SPARX has operated as an independent asset management firm specializing in small- and mid-cap equity investments, primarily in OTC-registered companies (now, companies listed on the emerging equity markets), based on a bottom-up approach

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.

grounded in individual visits to primarily Japanese companies. We have primarily invested in companies that are expected drive the major structural transformation of Japan's economy, based on our belief that the leaders of this transformation will not be large corporations but emerging growth companies represented by OTC equities, especially owner-operated companies whose management maintain a clear management philosophy. We have used this philosophy as the basis for our engagement-focused, bottom-up approach that we have employed since our founding. We believe that theoretical analysis of public information alone is insufficient, but by hearing directly from management and confirming the signs of growth observable only in person, we can reveal the true corporate picture behind the public information. In our visits to individual companies, we carefully examine quality of management, the corporate business model, and the market growth potential. We then forecast future earnings and cash flows, taking into account business risks and other factors, and calculate the stock value from the perspective of the company's actual situation. We view the gap between this intrinsic value and the market share price as an investment opportunity. We make our investment decisions in light of the catalysts (specific triggers and factors) that would close the value gap, which we find through our proprietary research and investment hypotheses.

■ About Discretionary Investment Management Agreements

Discretionary investment management refers to a service in which an investor and an asset management company enter into a "discretionary investment management agreement." Under this agreement, the asset management company manages the investor's assets by investing in securities and other financial instruments (such as stocks and bonds) based on its own investment decisions, which are made through analysis of the value and other characteristics of such securities (including the selection of securities, quantities, prices, and timing of transactions).

In a discretionary investment management agreement, the asset management company is responsible for the entire process—from making investment decisions about which securities to use in managing the investor's assets to actually placing buy and sell orders.

■ Contact Information

SPARX Group Co., Ltd., Finance & Management Control Dept.
TEL : 81-3-6711-9100 / FAX : 81-3-6711-9101

No further entry