

- News Release -

To whom it may concern:

February 26, 2015

Name of Company: Japan Asia Group Limited
Name of Representative: Tetsuo Yamashita
(TSE (Tokyo Stock Exchange) Mothers (index: 3751))
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Tel: (03)4476-8000 (Main Telephone Number)

Notice of Cancellation (Postponement) of Reorganization of the Group(Company Split (Simplified Absorption-Type Split) with Consolidated Subsidiaries)

Japan Asia Group Limited (our “Company”) notifies that, at the Meeting of the Board of Directors of our Company held on February 26, 2015, it resolved to cancel (suspend) the Reorganization of the Group, in part, that was announced on January 20, 2015 as the Notice of Reorganization of the Group (Company Split (Simplified Absorption-Type Split) with Consolidated Subsidiaries). Please take note of the following.

1. Reason for Cancellation (Postponement)

In accordance with the resolution at the Meeting of our Board of Directors on January 20, 2015 of the reorganization of the Group by (i) dissolution of two (2) intermediate holding companies (Kokusai Kogyo Holdings Co., Ltd. and Japan Asia Holdings (Japan) Limited) and (ii) rearrangement of businesses/assets among the group companies in line with their business environments for the purpose of accelerating growth and earlier return to shareholders (the “Reorganization”), our Company has been preparing for the same.

However, it became apparent at the last minute of the effective date of the Reorganization that capital maintenance of our Company (non-consolidated basis) is not able to be achieved sufficiently, which is the premise of the earlier return to shareholders, one of the main purpose of the Reorganization, by the scheduled means for the implementation of the Reorganization. Hence, our Company has resolved to cancel (postponed) the implementation of the Reorganization in part for now. An effective means to realize the purpose of the Reorganization is currently reexamined, and our Company will give a separate notice as soon as the details thereof are decided.

Outline

(i) Dissolution of the Intermediate Holding companies

The split of the subsidiaries management business of each of two (2) intermediate holding companies (Kokusai Kogyo Holdings Co., Ltd. and Japan Asia Holdings (Japan) Limited) and the transfer thereof to our company will be cancelled. In addition, with respect to other businesses of such intermediate holding companies, the absorption-type merger, whereby two (2) major subsidiaries (Kokusai Kogyo Co., Ltd. and Japan Asia Securities Co., Ltd.) will respectively absorb such intermediate holding companies, will be cancelled.

(ii) Transfer of Subsidiaries Management Business and Investment Management Business relating to Photovoltaic Power Generation Business

The split of the subsidiaries management business and investment management business of JAG Energy Co., Ltd. and the transfer thereof to our company will be cancelled.

(iii) Transfer of Real Estate Holding Business relating to Green Property Business

The split of the real property holding business of Kokusai Land & Development Co., Ltd. and the transfer thereof to our company will be cancelled.

(iv) Strengthening Geospatial Information Consulting Business

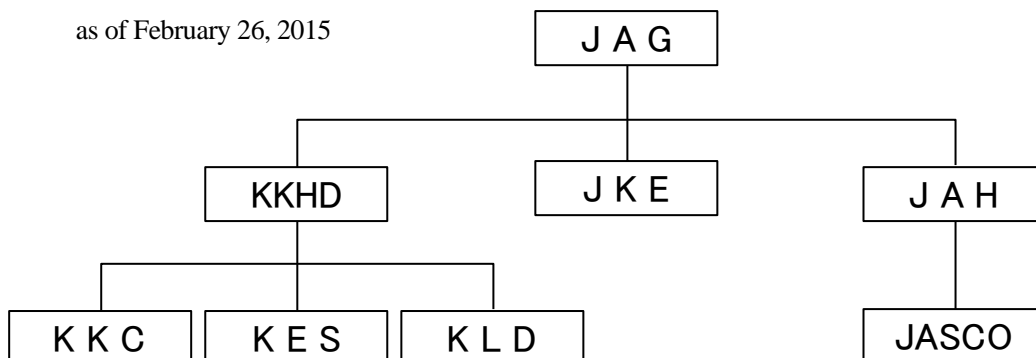
The merge of the soil contamination related service of Kokusai Environmental Solutions Co., Ltd. and the environment, disaster prevention and town planning service of Kokusai Kogyo Holdings Co., Ltd. will be implemented as originally planned to expand solution menu and to strengthen the engagement with the private sector and sustainable urban development related market.

(v) Building a Reformation of Financial Service Division

The consolidation of all the subsidiaries of the financial service division to Japan Asia Securities Co., Ltd. will be cancelled.

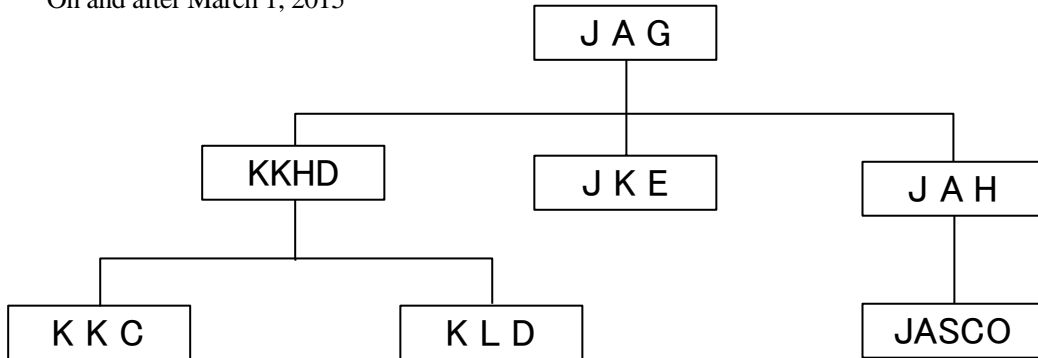
Organization Chart

as of February 26, 2015





On and after March 1, 2015



(Note) The chart lists only the main companies in relation to the Reorganization.

(Reference: abbreviated company names)

Japan Asia Group Limited (JAG), Kokusai Kogyo Holdings Co., Ltd. (KKHD), Japan Asia Holdings Limited (JAH), JAG Energy Co., Ltd. (JKE), Kokusai Kogyo Co., Ltd. (KKC), Kokusai Environmental Solutions Co., Ltd. (KES), Kokusai Land & Development Co., Ltd. (KLD), Japan Asia Securities Co., Ltd. (JASCO)

2. Impact on Our Business Results

Since the parties of the Reorganization are limited to our company and our wholly owned subsidiaries, and therefore the impact on our business results would be very minor, no amendment will be made to our forecast of consolidated business results for the year ending March 31, 2015.

3. Policy on Shareholders Returns

Our policy on shareholders returns will be reexamined because it was based on the Reorganization. The renewed policy on shareholders returns will be separately notified as that for the next period as soon as the details of new reorganization plan are established.

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