

Note: This Notice of Convocation of the Extraordinary General Meeting of the Shareholders is a translation of a document originally made in the Japanese language. In case of any inconsistency, the original document in Japanese shall prevail.

Securities Code: 3751
February 13, 2012

To the Shareholders:

Tetsuo Yamashita
Chairman and Chief Executive Officer
Japan Asia Group Limited
3-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo

NOTICE OF CONVOCAION OF THE EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS

You are cordially invited to attend the extraordinary general meeting of the shareholders that will be held as described below.

If you are unable to attend the meeting in person, you can exercise your voting rights in writing; please carefully review and consider the “Reference Materials for the General Meeting of the Shareholders” enclosed herein, and exercise your voting rights by returning to us by mail the enclosed form for the exercise of voting rights, indicating your votes cast “For” or “Against” the agenda, which we should receive no later than 5:30 p.m., Japan time, on Monday, February 27, 2012.

1. **Date and time:** 2:00 p.m., Tuesday, February 28, 2012
2. **Place of Meeting:** Orchard Room,
South Wing, Hotel Okura Tokyo
2-10-4 Toranomom, Minato-ku, Tokyo 105-0001, Japan
(The place of meeting and start time differ from those of the preceding 24th annual general meeting of the shareholders. See the attached map for directions when attending the meeting. [*The map is omitted.*])
3. **Objectives of Meeting:**
Matters to be Resolved:
 - Agendum 1:** Matters concerning the Share Exchange Agreement between Kokusai Kogyo Holdings Co., Ltd. and Our Company.
 - Agendum 2:** Matters concerning the Appointment of Three (3) Directors.
 - Agendum 3:** Matters concerning the Appointment of One (1) Company Auditor.

- End -

(Note 1) For those attending the meeting, please present the enclosed “Form for the Exercise of Voting Rights” at the reception desk at the meeting.

(Note 2) If changes are made to the Reference Materials for the Extraordinary General Meeting of the Shareholders, those changes will be reported on our website. (<http://www.japanasiagroup.jp>)

REFERENCE MATERIALS FOR THE EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS

Agendum and Matters for Reference

Agendum 1 Matters concerning the Share Exchange Agreement between Kokusai Kogyo Holdings Co., Ltd. and Our Company

Kokusai Kogyo Holdings Co., Ltd. (“KKHD”) and our company resolved at our respective board of directors’ meetings which were held on January 11, 2012, that both companies will conduct a share exchange (*kabushiki-koukan*) (the “Share Exchange”) with our company as the wholly owning parent company in the Share Exchange and KKHD as the wholly owned subsidiary in the Share Exchange, and the said companies entered into a share exchange agreement (the “Share Exchange Agreement”) as of the same date.

Accordingly, we would like you to approve the Share Exchange Agreement in this agendum.

The effective date of the Share Exchange is set on April 1, 2012.

I. Reasons for the Share Exchange

Japan Asia Holdings (Japan) Limited (“JAHD”), which is currently a wholly owned subsidiary of our company, acquired shares in Kokusai Kogyo Co., Ltd. (“Kokusai Kogyo”) in December 2006 and thus became the largest shareholder of the said company. In addition, through the tender offer bid that was commenced in December 2007, it additionally acquired shares in KKHD, which had been established as a result of the share transfer (*kabushiki-iten*) conducted by Kokusai Kogyo, and thus made the said company a subsidiary. Thereafter in March 2010, our company obtained all of the shares in KKHD held by JAHD, by way of an assignment. These moves were made taking notice of the fact that the three-dimensional geospatial information technology that has been accumulated as a result of the social infrastructure development businesses and preservation businesses conducted by Kokusai Kogyo in over sixty years since the war is globally effective in resolving environmental energy issues of the coming generation.

Since the acquisition by JAHD of the shares in Kokusai Kogyo, through the organizational restructuring by way of the conversion into a holding company as a result of the share transfer (*kabushiki-iten*) in October 2007, Kokusai Kogyo has shifted its focus areas to the geospatial information business and real estate business, reinforced its environmental energy business and, along with capital investment therein, reformed its business structure thereby aiming to develop its contract-type business model into a business model where it can be the main business actor.

Among others, subsequent to the acquisition in August 2009 of 35 % of the shares in Toyo Sekkei Co., Ltd., which positioned itself at home at the highest level in the field of wind power generation consultation, in December of the same year, KKHD made the GEOSOL Group in Germany a subsidiary that made many achievements in developing photovoltaic power plants in Europe. KKHD thus entered into the renewable energy business.

With respect to KKHD group's photovoltaic power plant business in Europe, the financial service business side of our company group created the "Solar Energy Fund," whose subject of investment was development of photovoltaic power plants, and invested in and financed the said business through this fund. This was an initiative where both businesses of our company achieved an optimum synergistic effect.

Against the backdrop of such initiatives and achievements, in May 2010, KKHD announced a management strategy, the Mid-Term Management Plan 2010, whereby it aimed to reorganize the existing business structure, which was composed of the engineering service business and real estate business, into three (3) business segments, namely, the spatial information consulting business, green energy business and green property business, and to convert itself into a green infrastructure ("Green Infra") enterprise through the reorganization of existing businesses and the investment of management resources into the field of environmental energy through the collaboration with our company.

The photovoltaic power generation business, which KKHD had commercialized, ahead of other areas, in Europe (Germany, Spain, Italy and the Czech Republic) abroad, and in Tsuno, Miyazaki and Tatebayashi, Gunma at home, is now being expected to grow further since the Tohoku Earthquake, which made the importance of renewable energy acknowledged again worldwide. In Japan especially, with the implementation of the "Feed-in Tariff System" as a result of the passing and enactment of the "Act on Special Measures concerning Renewable Energy," expectations for the photovoltaic power generation business are growing in terms of the market growth for large-scale photovoltaic power generation (Megasolar) businesses and contribution to the revival and town planning of disaster stricken areas. Also, at central government agencies and local municipalities, opportunities are ripening and expectation is growing with respect to the scheme of concerted efforts of the public and private sectors based on PPP (Public Private Partnership: public-private cooperation business) and PFI (Private Finance Initiative: privatized business of social infrastructure development) as a means to continually provide its citizens and residents with safe and reliable services within their restricted budgets.

With such changes in the business environment and the customers' needs in the background, the number of opportunities for a business collaboration where the resources and know-how of both of our financial service business and the engineering service business are required to be blended into one and utilized, and the need for large-scale finance to back it up, are growing. Thus, it has become important to perform

flexible business operations and fund raising operations by unifying both groups in order to maintain and enhance our competitive edge in the future.

It is necessary, especially in the photovoltaic power generation business and the town planning and development business which utilizes renewable energy, which entail engineering and financial elements, to expand our business operations, including investment and lending, in a way that promotes speedier management decisions and know-how sharing, which can be achieved by virtue of the unification of both business groups.

Meanwhile, Japan's economy, and the business and management environment have significantly changed as a result of the global economic slowdown and the yen's appreciation, which were triggered by the fiscal problem of Europe. Against the backdrop of such changes in the business environment, with a long-term perspective, we started to consider making KKHD a wholly owned subsidiary from around November 2011 in pursuit of ensured growth, revenue base stabilization, profitability improvement and business expansion. As a result, we have reached the conclusion that it is inevitable to make KKHD a wholly owned subsidiary through the Share Exchange as a means of improving our enterprise value, and thus, we decided to conduct the Share Exchange at this time.

In response to the proposal by our company of the Share Exchange, KKHD has carefully examined it taking into account the protection of the interest of the minority shareholders, and reached a decision to conduct the Share Exchange, considering that, by taking advantage of the restructuring within the group as a result of the Share Exchange, not only can it accelerate the conversion of the existing business structure and provide conventional engineering services, but it can also convert itself into a unique enterprise that is equipped with the facility to provide services and operations which entail a financial structure, and as a result, the enterprise value of KKHD can be expected to rise, and eventually, it can contribute to its current shareholders.

After making KKHD our wholly owned subsidiary, our company will categorize each of the group companies into four core business groups as follows and will actively expand the businesses with a competitive edge. In addition, starting from the town planning for the revival of the Tohoku region, we will endeavour to expand the businesses in environmental energy related fields, which the society of future generations demand, and drive forward our future business operations more speedily at home and abroad. Also, we will actively engage in personnel interchanges, which include officers and employees, between both companies and implement measures whereby, with respect to personnel and organization management, we can strengthen our bond and make our group policy well known. Furthermore, not only will we share values as a whole group and clarify our corporate stance, but we will also strengthen our unifying force, accelerate strategic resource management and realize an organization with a sense of unity and speed. Thus, we will achieve synergistic growth, which will lead us into a Green Infra enterprise.

[Four (4) Core Businesses]

Spatial Information Consulting Business

We will strengthen assistance to local municipalities in terms of financing operations such as asset management of existing public properties, and securitization and privatization of businesses, which could not be covered by the consulting service business that utilized geospatial information technology and land design technology, and thereby provide a total solution. At the same time, we will engage in the formation and realization of a green community by developing communities that are strong against disasters by utilizing disaster prevention and disaster mitigation technology, and reconstructing the social infrastructure making use of renewable energy.

Green Property Business

In addition to the expertise in the real estate business which we have so far gained, we will provide real estate solutions including eco-town development, which is needed in the era of environment and energy through collaboration with the financial services, and thus, create environmental value and enhance property value.

Green Energy Business

Taking advantage of the achievements we have made so far in Japan and Europe and the total power of our group, we will find suitable sites for the development of power plants, which use renewable energy, and plan and implement such projects completely by ourselves, starting from the fund raising throughout the programme making, designing, construction and operation. In this way, we will lead Japan's renewable energy business, which is estimated to grow rapidly.

Financial Service Business

This business plays a role in the fund raising for investment and lending to support the planning, execution and expansion of the three core businesses above. It will especially assume the role of fund raising through the utilization of capital markets at home and abroad and through cooperation and tie-ups with other financial institutions, manufacturers, etc., to achieve large-scale financing in order to fulfil the mission of our whole group, which is to foster a renewable energy industry that revolves around photovoltaic power generation, and to provide coordination for and assistance in building a Green Infra. In addition, we will continue to provide financial services to investors and companies outside our group and fulfil our social mission as a "risk capital provider."

Through the Share Exchange, we will achieve the following effects.

[Effects to be Achieved]

1. With the cessation of an overlapping parent-child listing as a result of the Share Exchange, we will strengthen the group's strategic function and pursue efficient management, optimization of scale and further acceleration of management decision making through clear and swift management judgement as a mechanism to unify the group.
2. As a result of the building of an effective business operation system through 1. above, each of the operational companies in the group will have its speciality, play its own role and assume operational responsibility, and thus, responsibilities will become clearer towards the goal of enhancing performance. Plus, by strengthening the cooperation between group companies, we will be able to maximize our total power.
3. By bringing together the overlapping organizations held by our company, KKHD and JAHD, which are holding companies, to our company, we aim to integrate and trim down business operations through an expansion of shared services, and at the same time, we aim to substantially reduce the cost needed for the functions of the headquarters through further rationalization such as the unification of office systems.
4. Taking advantage of the Share Exchange, we see that this will create a new corporate group, and we will introduce a new corporate brand and share management policies and visions of a more unified, whole group. Thus, we will share one course of action and increase synergy, and by doing so, we will strive for the enhancement of our enterprise value and the common benefit of stakeholders.

Through the measures stated above, not only will our company bring the potential ability of the KKHD Group to light and improve the profitability thereof as a “playmaker,” we will also reinforce differentiation and monetization of the financial services business, which will maximize the added value of the group. Through the Share Exchange, our company will continuously endeavour to sustainably enhance our enterprise value so that we can live up to the expectations of the shareholders of KKHD who are to become shareholders of our company as well as those of our existing shareholders.

II. Summary of the Share Exchange Agreement:

The details of the Share Exchange Agreement are as follows.

SHARE EXCHANGE AGREEMENT (COPY)

Japan Asia Group Limited (“JAG”) and Kokusai Kogyo Holdings Co., Ltd. (“KKHD”) have entered into a share exchange agreement (“Agreement”) as set out below.

Article 1. Share Exchange

JAG and KKHD shall conduct a share exchange (“Share Exchange”) pursuant to the terms and conditions hereof in order for JAG to become the wholly owning parent company in the Share Exchange and for KKHD to become the wholly owned subsidiary in the Share Exchange.

Article 2. Trade Names and Addresses of the Wholly Owning Parent Company in the Share Exchange and the Wholly Owned Subsidiary in the Share Exchange

The trade names and addresses of JAG and KKHD are as follows.

- (1) JAG (the wholly owning parent company in the Share Exchange)

Trade Name: Japan Asia Group Limited

Address: 3-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo

- (2) KKHD (the wholly owned subsidiary in the Share Exchange)

Trade Name: Kokusai Kogyo Holdings Co., Ltd.

Address: 2, Rokubancho, Chiyoda-ku, Tokyo

Article 3. Shares to be Issued in the Share Exchange and Allotment Thereof

1. In the Share Exchange, JAG shall issue to the shareholders of KKHD (excluding JAG), as of the time (“Base Time”) immediately prior to the point of time when JAG acquires all of the issued shares in KKHD (excluding the shares in KKHD held by JAG) as a result of the Share Exchange, common shares in JAG and the number thereof shall be that obtained by multiplying the aggregate number of the common shares in KKHD held by such shareholders by 0.0653, as money, etc., in lieu of the common shares in KKHD held by such shareholders.
2. With respect to the allotment of common shares in JAG that are to be issued pursuant to the preceding paragraph, 0.0653 common share in JAG shall be issued per one (1) common share in KKHD to the shareholders (excluding JAG) of KKHD as of the Base Time.
3. If there is a fraction of less than one (1) share to the number of common shares in JAG that are to be allotted to each of the shareholders of KKHD pursuant to the preceding paragraph, JAG shall make an adjustment in accordance with the provisions under article 234 of the Companies Act.

Article 4. Matters concerning the Amount of Stated Capital and Reserve of the Wholly Owning Parent Company in the Share Exchange

The amount of increase of JAG’s stated capital and reserve as a result of the Share Exchange shall be as follows.

- (1) The increase in the amount of the stated capital shall be zero (0) yen.
- (2) The increase in the amount of the capital reserve shall be the minimum amount of increase required by applicable laws.
- (3) The increase in the amount of retained earnings reserve shall be zero (0) yen.

Article 5. Effective Date

The date on which the Share Exchange takes effect (“Effective Date”) shall be April 1, 2012; provided, however, that JAG and KKHD may change the date as necessary if an agreement is reached upon mutual consultation.

Article 6. The General Meeting of the Shareholders to Approve the Share Exchange Agreement

JAG and KKHD shall request, by the day prior to the Effective Date, that a resolution be passed at their respective general meeting of the shareholders with respect to the approval of the Agreement and any other matter necessary for the Share Exchange.

Article 7. Management of Company Property, etc.

1. During the period from the execution of the Agreement to the Effective Date, JAG and KKHD shall each conduct its business and manage and administer its properties with the due care of a prudent manager, and except as otherwise set forth herein, if it is to take an action that would materially affect its properties or rights and obligations, it may do so upon an agreement reached upon mutual consultation.
2. KKHD shall, by a resolution of a board of directors’ meeting, which will be held by the day prior to the Effective Date, cancel, as of the Base Time, all of the treasury shares held by KKHD as of the Base Time (including the treasury shares which will be acquired by the share purchase as a result of dissenting shareholders’ share purchase demands, which may be exercised with respect to the Share Exchange).
3. KKHD shall, by a resolution of a board of directors’ meeting, which will be held by the day prior to the Effective Date, acquire all of the share options granted in the first and second rounds of the share options of KKHD by the Base Time (excluding those which have already been exercised and those which are held by KKHD) at a price that does not exceed the issue price of one (1) share option in each of the rounds of the share options, and shall cancel all of such share options pursuant to the provisions set forth in the Companies Act and the details of the first and second rounds of the share options.

Article 8. Amendment of the Articles of Incorporation of KKHD

KKHD shall, at its general meeting of the shareholders provided in Article 6, request for the approval of a resolution on the amendment of its articles of incorporation to the effect that the provision in its articles of incorporation with respect to the reference date for the determination of the shareholders who may exercise their rights at its annual general meeting of the shareholders be deleted as of March 30, 2012 on the condition that the Agreement does not lose its validity and the Share Exchange is not suspended by March 30, 2012 (inclusive).

Article 9. Amendment of Conditions for the Share Exchange and Suspension of the Share Exchange

1. During the period from the execution of the Agreement to the Effective Date, if a material change occurs in JAG's or KKHD's financial or business conditions, or a situation that is a material hindrance to the execution of the Share Exchange occurs or becomes clear, or achieving the purpose of the Agreement has otherwise become substantially hard, JAG and KKHD may amend the conditions for the Share Exchange or any other detail of the Agreement or suspend the Share Exchange if an agreement is reached upon mutual consultation.
2. If the resolution on the amendment of the articles of incorporation set forth in the preceding Article is not passed at the general meeting of the shareholders of KKHD as provided in Article 6, then JAG may suspend the Share Exchange.

Article 10. Validity of the Agreement

If the approval of the Agreement by a resolution of the general meeting of the shareholders of JAG or KKHD as set forth in Article 6 or the approvals of the relevant government agencies as required by laws and which are necessary for the Share Exchange have not been obtained by the day before the Effective Date, then the Agreement shall lose its validity.

Article 11. Matters for Consultation

Matters not set forth in the Agreement or any other matter necessary for the Share Exchange shall be determined in accordance with the purpose of the Agreement by agreement between JAG and KKHD upon separate mutual consultation.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate with their names and seals affixed thereto, retaining one (1) copy thereof respectively.

January 11, 2012

JAG: Tetsuo Yamashita
Chairman and Chief Executive Officer
Japan Asia Group Limited
3-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo

KKHD: Sandra Wu
President and Chief Executive Officer
Kokusai Kogyo Holdings Co., Ltd.
2, Rokubancho, Chiyoda-ku, Tokyo

III. Outline of the matters listed in each of the items of Article 193 of the Companies Act:

1. Matters concerning the appropriateness of the matters provided pursuant to the items 2 and 3 of Paragraph 1, Article 768 of the Companies Act (Item 1, Article 193 of the Ordinance for Enforcement of the Companies Act)
 - (1) Number of shares to be delivered upon the Share Exchange or the method of its calculation and matters concerning the appropriateness of the allotment of those shares
 - (i) Substance of the allotment relating to the Share Exchange

	Our Company (Wholly Owning Parent Company in the Share Exchange)	KKHD (Wholly Owned Subsidiary in the Share Exchange)
Substance of the allotment relating to the Share Exchange	1	0.0653
Number of shares to be delivered in the Share Exchange	Common Shares: 1,019,976 shares (prospective number)	

(Note 1) Allotment Ratio of Shares

0.0653 shares of the common shares of our company shall be delivered in exchange for one (1) share of the common shares of KKHD. Upon such allotment, the shares to be delivered shall be appropriated from the treasury shares held by our company and, for the remaining number, common shares shall be newly issued; provided, the allotment of shares under the Share Exchange shall not be made against 21,540,000 shares of common shares of KKHD held by our company. In case of any material change in the conditions used as the basis for the calculation, the above share exchange ratio may be amended upon mutual consultation and an agreement thereon between both companies.

(Note 2) Number of shares of our company to be delivered in the Share Exchange

To the shareholders of KKHD (excluding our company) at the time immediately before our acquisition (“Base Time”) of all of the issued and outstanding shares of KKHD (excluding those held by us) by the Share Exchange, our company shall allot and deliver the shares of our company in the amount of the total shares of KKHD held by each shareholder multiplied by 0.0653.

Meanwhile, at the Base Time, KKHD shall cancel all of its treasury shares (including the treasury shares to be acquired through the share purchase demands by the shareholders objecting to the Share Exchange) held as of the Base Time subject to the resolution at the meeting of its board of directors to be held by the day immediately preceding the effective date of the Share Exchange. The number of shares to be allotted and delivered under the Share Exchange may be amended in the

future due to the cancellation of treasury shares of KKHD or for other reasons.

(Note 3) Fraction less than one share

To the shareholders of KKHD to be allotted any fraction of our share less than one share upon the Share Exchange, we shall sell the common shares of our company equivalent to the total number of such fractions (any fraction of such total number less than one shall be rounded down) and shall pay the proceeds thereof to the relevant shareholders pursuant to the provision of Article 234 of the Companies Act.

(ii) Basis, etc., of calculation for the allotment to be made under the Stock Exchange

(a) Basis of calculation

In order to ensure the fairness of the share exchange ratio under the Share Exchange, our company and KKHD each decided to consign the calculation of the share exchange ratio to a third party calculation agent, which is independent from both companies, and we selected Kabushikigaisha Proggest (“Proggest”) and KKHD selected Kabushikigaisha Plutus Consulting (“Plutus”) to act as third party calculation agents for the calculation of the share exchange ratio.

Since both our company and KKHD are listed on financial instrument exchanges and there exist market prices for our respective shares, Proggest adopted the Analysis based on Value of Shares on the Market for the calculation (taking into consideration the relevant conditions and on the assumption that the record date is January 6, 2012, which is the base date for the calculation (“Record Date”), the analysis was made; as for our company, based on the average closing price of the shares of our company quoted in the Mothers market of the Tokyo Stock Exchange, Inc. (“TSE Mothers”) for each of the periods of one, three and six months on and before the Record Date and the closing price from the next business day of August 25, 2011 when KKHD disclosed the issuance of share options subject to an exercise price revision clause and the execution of a third party allotment agreement with a commitment clause, and, as for KKHD, based on the average closing price of the shares of KKHD quoted in the 1st section of the TSE market (“TSE 1st Section”) for each of the periods of one, three and six months on and before the Record Date and the closing price on the next business day of August 25, 2011 when the issuance of share options subject to an exercise price revision clause, and the execution of a third party allotment agreement with a commitment clause were disclosed).

For this calculation, the discounted cash flow method (“DCF Method”) was not adopted because it cannot ensure the objectivity of the calculation results

based on the profit plan of our company under ongoing circumstances where it is difficult to predict precisely the future results of our business activities in financial services, which is among our businesses, due to impacts such as the Lehman shock in 2008 and the European sovereign debt crises from 2009.

The valuation range on the assumption that the value per share of our company is one (1) is as follows:

Method adopted	Calculation result of Share Exchange Ratio
Analysis based on Value of Shares on the Market	0.0590 to 0.0745

Proggest used the information provided by our company and KKHD as well as publicly disclosed information, etc., for the calculation of the share exchange ratio on the assumption that all of those materials and information are accurate and complete, and that it has not independently examined any of the accuracy or completeness thereof. It has also not independently conducted any evaluation, appraisal or assessment including analysis and evaluation of each of the assets and liabilities (including contingent liabilities) of our company, KKHD and their affiliates, and has not consigned any appraisal or assessment to a third party agent. With respect to the financial forecasts of our company and KKHD, Proggest relied on the assumption that the same were reasonably reviewed or prepared based on the best projection and judgment currently available.

Proggest has, as a third party calculation agent, prepared the calculation results of the share exchange ratio solely for the submission thereof to the meeting of the board of directors of our company to be used as a reference by the board of directors to determine the share exchange ratio, and such calculation results do not express any opinion of Proggest regarding the fairness of the share exchange ratio under the Share Exchange.

Meanwhile, since our company is listed on a financial instrument exchange and there exists a market price for its shares, Plutus adopted the Analysis based on Value of Shares on the Market for the calculation (taking into consideration the relevant conditions, the analysis was made based on the closing price of the shares of our company quoted in the TSE Mothers on the Record Date and the closing price from the next business day of December 7, 2011 when our company disclosed the amendment of our earning forecast). However, the DCF Method was not adopted because it cannot ensure the objectivity of the calculation results because there may be a substantial plus or minus discrepancy between the actual results and the future earning plans.

As for KKHD, since it is listed on a financial instrument exchange and there exists a market price for its shares, the calculation was made by adopting the Analysis based on Value of Shares on the Market (taking into

consideration the relevant conditions, the analysis was made based on the closing price of the shares of KKHD quoted in the TSE 1st Section on the Record Date and the closing price on the next business day of December 7, 2011 when our company disclosed the amendment of our earning forecast). However, though the DCF Method enables us to calculate using future earning plans, such method was not adopted because, since the said method was not adopted for our company, the share exchange ratio cannot be calculated using calculation results derived from using the DCF Method.

The valuation range on the assumption that the value per share of our company is one (1) is as follows:

Method adopted	Calculation result of Share Exchange Ratio
Analysis based on Value of Shares on the Market	0.0580 to 0.0768

In general, Plutus directly used the information provided by both companies, information gained from hearings, publicly disclosed information, etc., for the calculation of the share exchange ratio on the assumption that all of those materials and information are accurate and complete, and that it has not independently examined any of the accuracy or completeness thereof. It has also not independently conducted any evaluation, appraisal or assessment of the assets and liabilities of both companies, their subsidiaries and affiliates (including off-balance-sheet liabilities and contingent liabilities), and has not consigned any appraisal or assessment to a third party agent. In addition, with respect to the financial forecasts of both companies, Plutus relied on the assumption that the same were prepared based on the best projection and judgment currently available to the management teams of both companies.

The calculation results submitted by Plutus do not express any opinion regarding the fairness of the share exchange ratio under the Share Exchange.

(b) Background of the calculation

Our company and KKHD have carefully reviewed the calculation using the calculation results of the share exchange ratio provided from our respective third party calculation agents, and have thoroughly negotiated and consulted each other. As a result, since our company and KKHD found that each of the above stated share exchange ratios is reasonable and will not impair any interest of the shareholders of our respective companies, our company and KKHD entered into the Share Exchange Agreement with respect to the Share Exchange with such share exchange ratio in accordance with the resolutions at the meetings of the respective boards of directors of both companies held on January 11, 2012.

(c) Relationship with the calculation agent

Our third party calculation agent, Proggest, does not qualify as a relevant party of our company or KKHD, and it has no material interest with respect to the Share Exchange to be stated herein.

Moreover, KKHD's third party calculation agent, Plutus, does not qualify as a relevant party of our company or KKHD, and it has no material interest with respect to the Share Exchange to be stated herein.

(d) Measures taken to ensure fairness

As our company already owns 56.42% of the issued and outstanding shares of KKHD (as of September 30, 2011), our company has requested our third party calculation agent, Proggest, to calculate the share exchange ratio to ensure the fairness of the share exchange ratio under the Share Exchange, and has negotiated and consulted with KKHD using the calculation results as a reference.

Meanwhile, for the implementation of the Share Exchange, KKHD has requested its third party calculation agent, Plutus, to calculate the share exchange ratio to ensure the fairness of the share exchange ratio under the Share Exchange, and has negotiated and consulted with our company using the calculation results as a reference.

As a result of such negotiations and consultations, both companies have decided on the Share Exchange with the above stated share exchange ratio at their respective boards of directors' meetings held on January 11, 2012.

None of the companies have obtained any opinion (fairness opinion) concerning the fairness of the share exchange ratio from their respective third party calculation agents.

Furthermore, our company appointed Anderson Mori & Tomotsune as our legal advisor, and KKHD appointed Oh-Ebashi LPC & Partners as its legal advisor and Akasaka International Accounting Co., Ltd. as its financial advisor, and both received advices on the appropriate procedures, measures, etc., for the Share Exchange from the standpoints of legal or financial professionals.

(e) Measures taken to avoid any conflict of interest

Among the directors of KKHD, Tetsuo Yamashita and Sandra Wu hold concurrent posts as directors of our company. To avoid any conflict of interest, they did not participate in any discussion or resolution at the meeting of the board of KKHD held on January 11, 2012 concerning the Share Exchange, and they have not participated in any negotiation or consultation with our company regarding the Share Exchange.

Moreover, Kazuo Kobayashi, one of the external company auditors from among the auditors of KKHD, holds the concurrent post as a company auditor

of our company. To avoid any conflict of interest, he did not participate in any discussion at the meeting of the board of KKHD held on January 11, 2012 concerning the Share Exchange, and has neither expressed any opinion, nor participated in any negotiation or consultation with our company regarding the Share Exchange.

At the meeting of the board of directors of KKHD held on January 11, 2012, all of the six remaining directors of the eight directors, excluding Tetsuo Yamashita and Sandra Wu, and both of the two remaining company auditors, among the three company auditors (including two external company auditors), excluding Kazuo Kobayashi, were present, and it was resolved therein by the unanimous consent of all of the participating directors to enter into the Share Exchange Agreement, and then all of the participating company auditors expressed their opinions that they had no objection to the resolution to enter into the Share Exchange Agreement.

Furthermore, to prevent to the extent possible the Share Exchange from being conducted under unfavourable conditions for the minority shareholders of KKHD, the board of directors of KKHD established a third-party panel (“Third-Party Panel”) on December 6, 2011, which consists of three independent external professionals who have no interest with our company as a controlling shareholder, and who are Keita Yasuda (attorney-at-law, belonging to Momo-o, Matsuo & Namba), Toru Nakamura (CPA, Representative Director of Corporate Advisors Accounting Co., Ltd.) and Koji Tanabe (External Director of KKHD (appointed and registered as an independent officer pursuant to the regulations of the TSE), and to review the Share Exchange, the board consulted the Third-Party Panel about whether or not the Share Exchange is an unfavourable transaction for the minority shareholders of KKHD with respect to issues such as (i) reasonability of the purpose of the Share Exchange, (ii) fairness of the share exchange ratio and other terms of the Share Exchange, and (iii) appropriateness of the procedures for the Share Exchange.

The Third-Party Panel held meetings six times in total from December 8, 2011 to January 10, 2012, where information on the matter submitted by the board of directors of KKHD was collected and carefully consulted and reviewed. For the review thereof, the Third-Party Panel received an explanation from KKHD regarding the substance of the proposals from our company to KKHD, the background of the Share Exchange, the vision of KKHD for the Share Exchange, and the history of the negotiations and process in determining other terms of the Share Exchange including the share exchange ratio, and exchanged opinions on the fairness of the determination of the share exchange ratio and the Share Exchange and the concern for the interests of the shareholders of KKHD.

In addition, the Third-Party Panel reviewed the Share Exchange based on the calculation report on the share exchange ratio, the legal due diligence report and the financial investigation report provided by Plutus, Oh-Ebashi LPC & Partners and Akasaka International Accounting Co., Ltd., respectively.

In the course of such process, after careful consultation and review of the matter submitted, the Third-Party Panel provided to the board of directors of KKHD on January 10, 2012 a report to the effect that it concluded that the decision by KKHD on the Share Exchange with the said terms is not unfavourable to the minority shareholders of KKHD on the grounds that (i) the purpose of the Share Exchange can be considered justifiable because it was reviewed in light of the improvement of the business value of KKHD, and none of the synergies that are expected to be created by the Share Exchange is unreasonable in light of such improvement of the business value, (ii) KKHD obtained the calculation report on the share exchange ratio from Plutus, which is a third party calculation agent having no material interest in either KKHD and our company, it submitted a counter proposal prepared on the basis of such calculation report against the proposal of the share exchange ratio submitted by our company, and based thereon, determined its share exchange ratio; therefore the terms thereof can be considered to be fair, and (iii) since the processes of negotiation and determination at KKHD concerning the Share Exchange are considered appropriate, the procedures relating to the Share Exchange can be considered appropriate.

(2) Matters concerning the appropriateness of the amount of the stated capital and reserves

The amounts of the increase in the stated capital and reserves upon the Share Exchange are as follows:

Amount of increase in the stated capital: 0 yen

Amount of increase in capital reserve: the minimum amount of increase required under the provisions of applicable laws and regulations

Amount of increase in retained earnings reserve: 0 yen

The above amounts of increase in the stated capital and reserves were determined based on the overall review of our financial status, capital policy and other conditions, and therefore, they are considered appropriate.

[The rest of the part in Agendum 1 is omitted.]

Agendum 2 Appointment of Three (3) Directors

On condition that the agendum concerning the share exchange agreement between KKHD and our company (Agendum 1) is approved and passed, it is proposed that the following three (3) directors be appointed in order to consolidate and enhance our management system.

If this agendum is approved and passed in its original form, then the three (3) candidates for directors will assume office at the conclusion of this general meeting of the shareholders, and Yusuke Masuda, director, will resign at the conclusion of this general meeting of the shareholders.

Pursuant to the provisions of our company's articles of incorporation, the term of office of a director who is appointed at this general meeting of the shareholders shall end when the term of office of other existing directors will expire.

The candidates for directors are as follows.

Candidate's No.	Name (Date of Birth)	Brief Personal History, Position, Areas of Responsibility and Significant Concurrent Positions	Number of Our Company's Shares Held
1.	Koichi Yonemura (August 30, 1961)	<p>June 1993 Entered Kokusai Kogyo Co., Ltd.</p> <p>April 2005 Manger of Accounting Department in Administration Headquarters, the said company</p> <p>October 2007 Manager of Finance Department in Management Headquarters, Kokusai Kogyo Holdings Co., Ltd.</p> <p>June 2008 Director and Manger of Finance Department in Management Headquarters , the said company</p> <p>February 2009 Director, General Manger of Administration Headquarters and Manger of Finance Department in charge of Risk Management, the said company</p> <p>April 2010 Director and General Manger of Administration Headquarters in charge of Risk Management, the said company (present)</p> <p>(Significant Concurrent Positions) Director and General Manger of Administration Headquarters in charge of Risk Management, Kokusai Kogyo Holdings Co., Ltd.</p>	-
2.	Kazunobu Watanabe (October 4, 1966)	<p>April 1991 Entered The Nippon Credit Bank, Limited (currently Aozora Bank, Ltd.)</p> <p>January 2007 Entered Kokusai Kogyo Co., Ltd. Manger in charge of Business Planning in Business Promotion Headquarters</p> <p>October 2007 Chief of Planning Group in Management Planning Headquarters, Kokusai Kogyo Holdings Co., Ltd.</p> <p>June 2008 Manager of Planning Department in</p>	-

		<p>February 2009 Management Headquarters, the said company General Manger of Planning Headquarters, the said company</p> <p>June 2009 Director and General Manger of Planning Headquarters, the said company (present)</p> <p>(Significant Concurrent Positions) Director and General Manager of Planning Headquarters, Kokusai Kogyo Holdings Co., Ltd.</p>	
3.	Koji Tanabe (February 1, 1952)	<p>April 1975 Entered Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry (METI))</p> <p>April 2001 Visiting Professor of Waseda University</p> <p>July 2001 Director-General, Chugoku Bureau of Economy, Trade and Industry, METI</p> <p>July 2002 Director-General, Research and Statistics Department, Economic and Industrial Policy Bureau, METI</p> <p>June 2004 Director, J Contents Co., Ltd.</p> <p>April 2005 Professor of Graduate School of Innovation Management, Tokyo Institute of Technology (present)</p> <p>June 2008 Director, Kokusai Kogyo Holdings Co., Ltd. (present)</p> <p>(Significant Concurrent Positions) Director, Kokusai Kogyo Holdings Co., Ltd.</p>	-

(Notes) 1. There are no special interests between the candidates for directors and our company.

2. Koji Tanabe is a candidate for an outside director.

i. The reason for having Koji Tanabe as a candidate for an outside director

Koji Tanabe holds relevant expertise as a person who worked as a public officer and has academic background, and has already provided the management of our group company with beneficial opinions as an outside director of Kokusai Kogyo Holdings Co., Ltd. Therefore, we assume that we can expect appropriate advice with respect to the decision-making of our company's board of directors, and thus decided to have him as a candidate for an outside director.

ii. Contract for limitation of liability

If Koji Tanabe is appointed as an outside director, our company will enter into a contract for limitation of liability with Koji Tanabe, whereby the amount of limit of liability for damages under paragraph 1, article 423 of the Companies Act shall be the minimum amount stipulated in paragraph 1, article 425 of the Companies Act.

Agendum 3 Appointment of One (1) Company Auditor

Satoshi Yasugi, company auditor, will resign at the conclusion of this general meeting of the shareholders. Accordingly, it is proposed that one (1) company auditor be

appointed.

Pursuant to the provisions of our company's articles of incorporation, the term of office of a company auditor who is appointed at this general meeting of the shareholders shall end when the term of office of the resigning company auditor will expire.

Approval of the board of company auditors has been obtained in advance with respect to the submission of this agenda.

A candidate for a company auditor is as follows.

Name (Date of Birth)	Brief Personal History, Position, Areas of Responsibility and Significant Concurrent Positions		Number of Our Company's Shares Held
Tatsuo Udo (February 20, 1952)	April 1974	Entered Dai-Ichi Kangyo Bank, Ltd. (currently Mizuho Bank, Ltd.)	-
	April 2003	Manager with respect to Management Planning Headquarters, Kokusai Kogyo Co., Ltd.	
	April 2004	Operating Officer, Deputy General Manger of Management Planning Headquarters and Manger of Management Planning Department in Management Planning Headquarters, the said company	
	April 2005	Operating Officer and General Manger of Administration Headquarters, the said company	
	April 2006	Operating Officer and Head of Compliance Supervision Office, the said company	
	April 2006	Operating Officer and Head of Internal Audit Office, the said company	
	November 2006	Company Auditor, the said company	
	June 2007	Company Auditor, Kokusai Kogyo Holdings Co., Ltd. (present)	
	October 2007	Ltd. (present)	

(Notes) 1. There are no special interests between the candidate for a company auditor and our company.

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