

## - News Release -

To whom it may concern:

May 14, 2015

**Japan Asia Group Limited**

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| <p style="text-align: center;"><b><u>Notice of Reduction of Capital Reserve and Appropriation of Surplus</u></b></p> |
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Please be advised that, at a the meeting held on May 14, 2015, our board of directors passed a resolution to propose the reduction of capital reserve and appropriation of surplus at the ordinary general meeting of shareholders to be held in late June of 2015.

1. Purposes of the Reduction of Capital Reserve and Appropriation of Surplus

Based on the result of the consolidated financial settlement, we intend to reduce the non-consolidated capital reserve and make an appropriation of surplus in order for more functional and effective management and to allow distributions to our shareholders in the future.

This disposition is a reduction of the amount of capital reserve only by not changing the total number of issued and outstanding shares of our company, whereat the amount of net assets will not be changed and thus the net asset value per share will remain unchanged.

2. Outline of the Reduction of Capital Reserve

(1) Amount to be reduced

The capital reserve will be fully reduced to nil from 8,629,923,900 Yen.

(2) Method of reduction

The capital reserve will be reduced and the amount of 8,629,923,900 Yen will be transferred to the account of other capital surplus in accordance with the provision of Article 448 of the Companies Act.

3. Details of Appropriation of Surplus (Transferring Other Capital Surplus to Earned Surplus Carried Forward)

Under the condition that the reduction of capital reserve to be in effect, the total amount of capital reserve amounting to 11,367,787,828 Yen will be fully reduced and the deficit will be filled by transferring the other capital to the account of earned surplus carried forward in accordance with the provision of Article 452 of the Companies Act. As a result, the amount of other capital surplus will be nil, and the earned surplus carried forward will be -1,595,342,996 Yen.

4. Time Table of the Reduction of Capital Reserve



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|---|------------------------------|
| (1) Date of Resolution of the Meeting of Board of Directors   | May 14, 2015                 |
| (2) Date of Resolution of the General Meeting of Shareholders | End of June, 2015 (schedule) |
| (3) Deadline for Making Objection by the Creditors            | June 29, 2015 (schedule)     |
| (4) Effective Date  | June 30, 2015 (schedule)     |

## 5. Outlook for the Future

This disposition is a transfer within the items of the net asset section and has no effect on the performance of the Company. Moreover, the effect of the reduction of loss carried forward and the reorganization released today shall allow distributions to shareholders.

**<< About Japan Asia Group Limited >>** <http://www.japanasiagroup.jp/>

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Japan Asia Group aims to achieve a new paradigm in environmentally- and people-friendly urban development, namely *green communities*.

Japan Asia Group is pursuing aggressive growth in Japan, Asia and the world through close cooperation and mutual support amongst its three technical divisions and its **financial services division**, through which it can provide the capital for industrial and social development. **Geospatial Information Consulting**, the first of these technical divisions, is for the development of geospatial data and the formation and use of integrated databases (GIS) as a new form of social infrastructure to support lifestyles and economic activity. Second, its **Green Property division** promotes the development of low-carbon eco towns that are resilient to disasters, and aims to increase property values while also increasing environmental value. The third technical driver of growth is its **Green Energy division**, where it has the capacity to take on entire renewable energy (most solar PV) projects right from planning, due diligence and financing through to construction, operation and maintenance.

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| < Company Name >    | Japan Asia Group Limited                           |
| < Stock Listing >   | TSE (Tokyo Stock Exchange) Mothers (index: 3751)   |
| < Head Office >     | 2 Rokubancho, Chiyoda-ku, Tokyo, Japan             |
| < Capital >         | 3,994 million yen                                  |
| < Employees >       | 2,947 (consolidated, as of the end of March, 2014) |
| < Group Companies > | 79 (as of the end of March, 2014)                  |