–News Release –

7 August 2012 Kokusai Kogyo Company Limited

Tagonishi Eco-Town Selected as Model Project—Energy Management System Under Development

Sendai City has selected a proposal by a joint venture of Kokusai Kogyo, NTT Facilities and NTT East for its Eco Model Town Promotion Project 2012 (Tagonishi Area). The project will also be funded by the internal affairs and communications ministry's IT promotion project targeting areas affected by the 2011 Tohoku earthquake and tsunami.

The Tagonishi Eco-Town development will be spearheaded, due to the need for an overall management approach, by the Association for the Promotion of Green Communities in Sendai City, which is to be jointly established by: Kokusai Kogyo Co., Ltd. (KKC (HQ: Tokyo; President: Osamu Nakahara)), the developer undertaking land readjustment¹ work at Tagonishi; and NTT Facilities (HQ: Tokyo; President: Kiyoshi Tsutsui) and Nippon Telegraph and Telephone (NTT) East Corporation (HQ: Tokyo; President: Masayuki Yamamura), which have abundant experience developing energy management systems utilizing a wealth of information, communications and energy efficiency technologies; the board of which will be headed by KKC.

Tagonishi will be Japan's first ever community to have an energy management and supply system for residential houses. The project is part of Sendai City's disaster reconstruction plan that aims to achieve model eco-towns and is an area where the city is undertaking land readjustment. Moreover, it is to be funded under the city's smart grid communications interface promotion subsidy. The project will aim to establish a 'Sendai model' of both economic feasibility as well as high energy efficiency, emergency energy supply, international standardization and smart grid communications interfaces.

The eco-town will consist of 176 Sendai tsunami relocation apartments (four blocks) and 16 houses to be sold to the general public. The relocation apartments will have solar photovoltaic systems, gas cogeneration systems (CGS)², storage batteries and smart meters, , and each apartment will be equipped with ICT tablets to visualise energy use. Moreover, an energy management system³ (EMS) will be developed to efficiently utilize the diverse energy sources such as solar and CGS. Meanwhile, each house will have solar photovoltaic systems, storage batteries, an electric vehicle recharger (or a fixed storage battery) with two-way inverter, and a home energy management system (HEMS).

All of the abovementioned equipment will be equipped with standardized communications interfaces for two-way communication between the server and each device to optimize

¹ The rezoning of land, under the Japanese Land Readjustment Law, generally conducted in a cooperative manner between public sector and land owners for land development.

² Gas cogeneration is a system for using city gas to produce electricity and for heating.

³ Energy Management System is a system for efficiently managing energy (electricity generation, energy saving, and planned energy distribution).

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management for energy efficiency. The period for the construction phase is one year, to be completed by March 2013, after which the project will enter a management phase—managed by the Kokusai Kogyo lead association—and will last for a maximum of ten years, until March 2023.

Details

About Japan Asia Group

Japan Asia Group became the sole owner of Kokusai Kogyo Holdings on April 1, 2012. This marks the shift to a new management system whereby the Group's three core technical competencies—*geospatial information consulting*, with an established track record that extends over 60 years; *green property*, which has evolved from a conventional real estate business to meet the needs of a new era; and *green energy*, for a sustainable future—will be closely integrated with its *financial services* business, which provides capital to enable industry and society to grow. By further refining the expertise of each group company, the newly created business model will extend beyond existing service areas, and together with the overall strength and cohesion of the entire group, JAG aims to build low-carbon, sustainable green communities that are safe and friendly to people and the environment.

Name:	Japan Asia Group Limited
Stock listing:	TSE (Tokyo Stock Exchange) Mothers Index: 3751
Capital:	3.8 billion yen
Net worth:	261.80 billion yen
Employees:	2,754 (consolidated, as of April 2012)
Group companies	s 69 (as of April 2012)
Established:	March 1988

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