

KOKUSAI KOGYO GROUP's Solar Solution to Current Power Crisis
 —Proposed Practical Solution to Cutting Peak Demand by 25% or More with
 Electricity from Remote Locations—

The Kokusai Kogyo Group (Kokusai Kogyo Holdings Co., Ltd.; Securities code: 9234; Head Office: Chiyoda-ku, Tokyo, Japan; President and Chief Executive Officer: Sandra Wu, Wen-Hsiu), a leader in green infrastructure, will greatly reduce its electricity demand by employing a renewable energy solution in which electricity generated at a remotely installed photovoltaic power generation system (hereafter “the solar park”) is sent to its center of operations through a transmission network via a “wheeling system¹.” With concern growing over the current shortfall in electrical generating capacity resulting from the Great East Japan Earthquake, the Kokusai Kogyo Group, a developer of large-scale solar projects, hopes to raise awareness of this new renewable energy solution. The company proposes that the solution be used as a means to achieve the goal advocated by the government and numerous companies of cutting peak electricity demand by 15% to 25% from that of last summer.

The Kokusai Kogyo Group will power its Tokyo office (contracted power of approximately 1,000 kW) through a system in which electricity generated by a remotely installed 500 kW-class solar park is first sent to a power producer and supplier (PPS²), which then uses a wheeling system to send the electricity through Tokyo Electric Power Company's transmission network to the Group's Tokyo office. This system will supply around 50% of the office's electricity needs during peak hours, with power not covered by the solar park to be procured from the PPS.

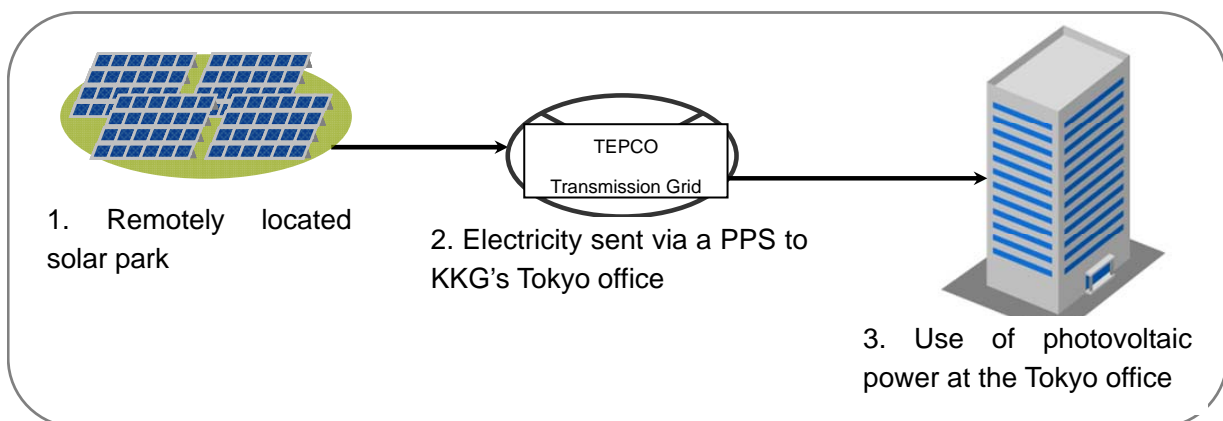


Figure 1: A rapidly deployable solution to the current crisis using a wheeling system

¹ A system that provides non-utility companies (independent power producers) with full or partial access to use electrical transmission lines to transmit their electricity to customers

² PPS (Power Producer and Supplier): A non-utility or independent power producer of a specified scale that serves the market of customers requiring 50 kW or more of high-voltage electricity.

Photovoltaic power generation systems can be installed practically anywhere and in minimal time, and enable maximum electricity generation during peak consumption periods. As a distributed power source in an emergency and as a power generating facility that can independently supply steady power, particularly in situations where distribution functions for supplying fuel or other lifelines have been disrupted, this solution has potential as an effective disaster relief measure. (Note: Current restrictions apply in accordance with the Electricity Business Act.)

Kokusai Kogyo Co., Ltd., a Kokusai Kogyo Group company, will contribute to local CO₂ reductions and help revitalize communities by issuing green power certificates for the environmental value of the power generated by the solar park.

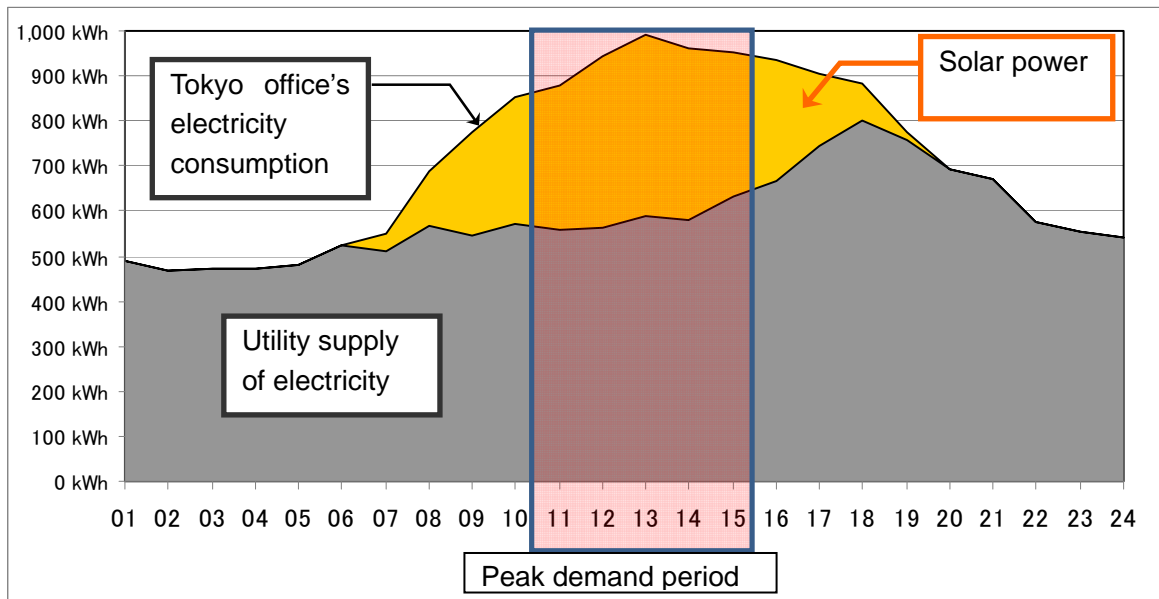


Figure 2: Energy saved by using a renewable energy solution

The Kokusai Kogyo Group believes that efforts based on a renewable energy solution are an effective means for solving Japan's electricity shortage in the wake of the Great East Japan Earthquake, while also curbing CO₂ emissions. As we consider what each of us can do to rebuild and restore Japan after the disaster, the Kokusai Kogyo Group believes that it has a social responsibility to take action aimed at solving power supply vulnerability, since it is the only corporation in Japan with experience as a photovoltaic independent power producer in Japan and overseas.

Reference

About the Kokusai Kogyo Group

(<http://www.kk-grp.jp/english/>)

Since its founding, the Kokusai Kogyo Group has contributed to the construction and management of social infrastructure "from an aerial perspective" based on aerial photography surveying and satellite images. The spatial data acquired with advanced measurement technologies vary widely in form and content. The Kokusai Kogyo Group uses geographic information systems capable of advanced analysis to provide services for administration support, national land use, urban and regional design, disaster risk reduction, and post-disaster reconstruction.

The Kokusai Kogyo Group is also a leader in green infrastructure, which it defines as "environmentally friendly social infrastructure and social capital that utilizes renewable energy." Building on the technologies and expertise it has cultivated over the years in developing social infrastructure in Japan and overseas and its experience in deploying renewable energies, the Kokusai Kogyo Group will help meet the emerging need for green cities through its work in developing safe, secure communities and low-carbon societies.

- Company name: Kokusai Kogyo Holdings Co., Ltd.
- Stock exchange listing: First Section of the Tokyo Stock Exchange (Securities code: 9234)
- Head Office: 2 Rokubancho, Chiyoda-ku, Tokyo 102-0085, Japan
- Capital: 16.939 billion yen
- President & CEO: Sandra Wu, Wen-Hsiu
- Number of employees: 2,034 (consolidated)
- Number of subsidiaries: 24 domestic companies, 41 foreign companies

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