### -News Release-

December 18, 2014

Japan Asia Group Limited

## JAG takes controlling stake in small hydro leader

Japan Asia Group (JAG) has taken a controlling equity stake in a world-leading small hydroelectric generation system—that enables power to be extracted from free-flowing currents—developer, Seabell International. Seabell has a global presence in the small hydro market, particularly in Japan, Asia and Africa.

#### 1. Renewable energy as a second mainstay business

JAG made a major strategic shift into the renewable energy sector in 2009, from before the start of Japan's feed-in-tariff (FIT) system, and now has completed 23 solar photovoltaic power plants throughout Japan. JAG has now embarked on a growth strategy centered on small hydro as its second renewable energy mainstay. It plans to expand this business in Japan, the rest of Asia and the world. JAG will combine its extensive technical knowhow with its financial expertise to create safe and secure communities, and to meet the particular needs of each area such as by ensuring energy independence. To fulfill these goals, JAG will expand and strengthen its range of renewable energy-related consulting services, enter new fields and new initiatives such as becoming an original equipment manufacturer (OEM), and seek new partner companies to fortify our production system and grow our sales network. We will expand our business to meet our vision of *Save the Earth, Make Communities Green*.

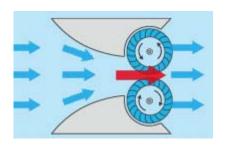
#### 2. Small hydro system: Stream

This system developed by Seabell is a small hydro generation system that efficiently harnesses the inherent power in a water current. This differs from conventional systems, typically dam-based, that need a drop in ground height to create water head to generate electricity. This system can optimize electricity output from waterways with little or no head, namely drops of three meters or less.

#### Features

- •Can be used in low head waterways that are difficult for conventional (dam-based) hydroelectric generation systems (irrigation canals, sewers, industrial drains)
- •No changes to existing water ways necessary; engineering and installation done easily and affordably with the construction period only about three days.
- •Can function as a distributed energy system. It can also be used as backup power in times of disaster or other emergencies.
- •Cost has been reduced greatly by extensive standardization and unification of the parts into a single unit. This is a simple machine that can even be maintained by local industry.

# ₹ JAPAN ASIA GROUP



The micro-hydro system, *Stream*, is a simple system that can be installed in almost any waterway. It doesn't need a dam-based reservoir or an aqueduct. Therefore it requires no additional civil construction work, meaning a massive saving in both cost and time compared to traditional (dam based, etc.) hydroelectric systems.

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

At Japan Asia Group we are forging a solid future for Japan and the world by building *green communities* that are at one with nature and loved by residents. We are pursuing aggressive growth in Japan, Asia and the world through close cooperation and mutual support amongst our three technical divisions and our financial services division, through which we 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 (mostly solar PV) projects right from planning, due diligence and financing through to construction, operation and maintenance.

< Company Name > Japan Asia Group Limited

< Stock Listing> TSE (Tokyo Stock Exchange) Mothers (index: 3751) < Head Office > 2 Rokubancho, Chiyoda-ku, Tokyo, Japan 102-0085

< 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)

#### <<About Seabell International Co., Ltd. >> http://www.seabell-i.com/en/

Seabell International's history started in 2004 when it began research and development in earnest to create an new and innovative small hydropower generation system. In 2007 it was granted a patent for its hydroelectric generation turbine, the predecessor of the current small hydro *Stream*. Subsequent research and development won Seabell the New Energy Foundation Chairman's Award for innovative new energy in 2012 as it developed world-first technology with its ultra-low head turbine and electricity generation system.

Seabell will double its efforts to provide society with clean energy solutions under its corporate philosophy of "Technology and manufacturing are our pride and glory".

<Company Name > Seabell International Co., Ltd.

<Head Office > 2-8-11, Mansan Building, Higashi-Kanda, Chiyoda-ku, Tokyo, Japan

<Capital > 214.9 million yen

<Business description > Renewable energy business (small hydro specialized company)

(1) Research and development, (2) Manufacture and sales,(3) Consulting, designing and drawing, and (4) Technical cooperation and technology transfer

#### << Contact Information >>

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