

1. Japan is in B4. Start there.

	japan		

2. Germany demands one of four central positions. France can't be in the same row as Germany or Italy, due to France and Palau demands, so Switzerland needs to be flanked by Germany and Italy, per Switzerland demand. Switzerland cannot be in B3, thanks to Tunisia demand. It gives you possibilities shown below.

ita?	swi?	ger?	
	japan		

	ger?	swi?	ita?
	japan		

	ger?	swi?	ita?
	japan		

3. Bahrain flag can't be in the row 4 per their request, and Belgium is in the same row as other 'B' countries, so they can't be in row 4 either. France can't be in row 4 per their request, and Italy is already in either row 2 or 3, leaving Nigeria as the only vertically striped flag to be placed in Japan row. It can't be fitted to A4 per their own demand.

	japan	nig?	

	japan		nig?

4. Sierra Leone demand leads to conclusion that it must be placed above Nigeria, and since Tunisia can't be placed next to Japan (Tunisia demand) the only possible positioning is this:

		sierra leone	
	japan	nigeria	tunisia

5. Switzerland, Germany and Italy need to be placed in row 2, and since Switzerland is the only one with two-colored flag, you get this position:

	germany	switzerland	italy
		sierra leone	
	japan	nigeria	tunisia

6. Only remaining 2-colored, non red-white flags that could fit in the column C are Bangladesh and Palau. Since neither 'B' country can be fitted to B3 (Bahrain-Japan color conflict, Belgium-Germany color conflict, Bangladesh-Japan 'sun' conflict), 'B' countries are in row 1. If Palau would be in C1, it would force Laos to A2 (Italy demand), Yemen to A4 (Yemen demand), Bangladesh to D4 (Bangladesh demand), Belgium to A1 (Tunisia demand) and Bahrain to A2 (only left position in the row). This scenario is pictured below:

bel?	bah?	pal?	ban?
lao?	germany	switzerland	italy
		sierra leone	
yem?	japan	nigeria	tunisia

This would leave you no position for France (Laos colors conflict, Germany and Bangladesh population conflict). Thus, Palau is not in C1, Bangladesh is.

		bangladesh	
	germany	switzerland	italy
		sierra leone	
	japan	nigeria	tunisia

7. Next, decide on A2 flag - there are two options: Laos, and Palau. Placing Laos there would force France to D3 and Palau to D1, Belgium to A1, Bahrain to A2, Yemen to A4, Lithuania to B3 and Tonga to A3. There, Laos and Tonga would be in conflict with Laos demand. Therefore, Palau goes to A2.

		bangladesh	
palau	germany	switzerland	italy
		sierra leone	
	japan	nigeria	tunisia

8. Lithuania is destined to column B for their own demand. Placing them to B1 would leave no remaining country eligible for B3 position, so Lithuania needs to be placed there.

		bangladesh	
palau	germany	switzerland	italy
	lithuania	sierra leone	
	japan	nigeria	tunisia

9. Tonga cannot be placed next to Palau (continent conflict from Tonga demand), nor to A4 (name length conflict, same demand), nor to D3 (Tunisia color conflict), so it's certain in the row 1, along with Bahrain and Belgium. This results in Yemen going to A4.

		bangladesh	
palau	germany	switzerland	italy
	lithuania	sierra leone	
yemen	japan	nigeria	tunisia

10. Since Laos won't go next to Palau, France and Laos take row 3 positions:

		bangladesh	
palau	germany	switzerland	italy
france	lithuania	sierra leone	laos
yemen	japan	nigeria	tunisia

11. Bahrain and Tonga can't go one next to another (color conflict), and Belgium can't go to B1 (color conflict with Germany), forcing Belgium to A1.

belgium		bangladesh	
palau	germany	switzerland	italy
france	lithuania	sierra leone	laos
yemen	japan	nigeria	tunisia

12. Tonga can't go to B1 (Lithuania demand), bringing the final solution:

belgium	bahrain	bangladesh	tonga
palau	germany	switzerland	italy
france	lithuania	sierra leone	laos
yemen	japan	nigeria	tunisia