

May 30, 2013

To Whom It May Concern:

Showa Holdings Co., Ltd.
Mamoru Shigeta,
Representative Executive Officer and President
(Code 5103 Tokyo Stock Exchange)
Contact: Tomohiko Shoji, Executive Officer
(Tel: 03-6225-2207)

Announcement for Establishment of Subsidiaries in Thailand by group companies and
Commencement of Group's ASEAN Business Development.

This is to announce that our consolidated subsidiary, Showa Rubber Co., Ltd. and affiliated company, Asuka Foods Co., Ltd. have each established their subsidiary in Thailand.

A representative office has been established in Tsingtao in November 2012, prior to the establishment of subsidiaries of our group companies in Thailand. It is a part of our 3-year management plan "Acceleration Plan 2012" to make efficient use of these offices for expanding our corporate business throughout Asia and to strengthen our competitive edge in Japan.

Description

1. Details of establishment

Presently, our group possesses subsidiaries in Japan, Thailand, Cambodia, Malaysia, Singapore and has established a representative office in Tsingtao since November last year. At the same time, our group's five main businesses (Finance Business, Rubber Business, Food Business, Sports Business and Contents Business) are aiming to develop businesses throughout Asia respectively.

The ASEAN region has achieved rapid development while future economic development can be anticipated; therefore it has become the center of the world's economic development. Above all, Thailand, where our group subsidiaries are located, lies in the crossroad of ASEAN countries. It is the most appropriate location for establishing our hub for expansion throughout Asia and is expected to be the center of our group's development. Furthermore, since each business has respectively expanded their domain into Thailand, therefore, it can be concluded that this move enables consolidation with low risk and low costing subsidiary management.

2. Purpose of Establishment

Our group subsidiary in Thailand plays the following roles as stated below.

- ① Local recruitments for business development in Asia
- ② Reinforcing procurement
- ③ Development of group businesses locally
- ④ Information gathering, negotiations and other activities for the purpose of M&A

① Local recruitments for business development in Asia

Local human resource is considered an essential element for the interest of our 3-year management plan 'Acceleration Plan 2012' to expand our business throughout Asia. Our group has deliberately recruited employees from China, Thailand and Malaysia within a few years' time. The mentioned personnel have contributed greatly to the establishment of our representative office in Tsingtao and the mentioned ongoing establishment of our corporate group's subsidiaries. We have been recruiting, training and educating local staffs in Thailand in relation to each of our group businesses as a foothold for our full-scale development throughout Asia.

② Reinforcing procurement

Thailand lies in a geopolitical land also known as "Asia's Crossroad." Many Japanese Companies have relocated or expanded, and even more are planning to establish their production facilities in Thailand. In addition, Thailand is also one of the world's leading foods exporting country.

The above mentioned subsidiaries in Thailand realizes direct transaction by researching and negotiating for new materials and production contractors and planning for continual and close cooperation therefore increasing the quality of services and products, reinforcing price competitiveness, and at the same time diversifying our products leading to the cultivation of existing markets and pioneering of new markets while expanding our business. Other than that, Thailand also functions as a hub for simultaneous activities in the neighboring countries.

③ Development of group businesses locally

The population of Asia is a gigantic market which makes up 60% of the world population while ASEAN and China has remarkable growth and is emerging as the world's biggest markets. Each business in our group is aiming to expand domains throughout Asia and the mentioned subsidiaries in Thailand acts as an accelerator for the ongoing expansion.

Our group has dispatched members, including our CEO, and recruited outstanding personnel for continuous market research and talks with partnership candidates. From now onwards, our subsidiaries in Thailand shall support the expansion of each business throughout Asia.

④ Information gathering, negotiations and other activities for the purpose of M&A

Considering in terms of macroeconomics, with the expansion of our business throughout Asia, we intend to implement superior M&A deals and investments. It is considered that the information related to the mentioned deals are easily attainable with the rooting of local business activities.

To further develop our company, other than deals involving our 5 main businesses, we shall be always on the lookout for information on deals that are beneficial and be crucial about the details.

3. Future Perspective

Recently, our company has established a subsidiary company of the group based on the aforementioned.

The expansion of group businesses throughout Asia is an execution specifically highlighted in our 3-year management plan therefore Tatsuya Konoshita, Company Representative Executive Officer and CEO, Kazuhito Oshima, Director of Asuka Foods Co., Ltd. and Hanawa, local staff manager are the main members for the preparation up until now. We will be even further constantly on the move around Asia with all possible efforts from now onwards.



Mr.Hanawa

Our group has officially announced our 3-year management plan “Acceleration Plan 2012” on the 27th of June 2012. The recent establishment of a representative office in China and subsidiaries in Thailand is the center of expansion throughout Asia; therefore, we will realize our 3-year management plan and further contribute to our clients, stakeholders and staffs by further advancing forward with our plans.

(For further information on our 3-year management plan, please visit the following URL.
<http://www.showa-holdings.co.jp/ir/file/sh20120627.pdf>)

4. Outline of Subsidiary

Below is the outline of our recently established subsidiaries.

Foods Business	Asuka Foods Co., Ltd. Thailand subsidiary
① Name	ASUKA FOODS (THAILAND) Co.,Ltd.
② Address	5th Floor, 63 Thetsabannimitai Road, Ladyao, Chatuchak, Bangkok
③ Representatives	Tatsuya Konoshita (Company Representative Executive Officer and CEO) Kazuhito Oshima (Managing Director of Asuka Foods Co., Ltd.)
④ Business Description	Expansion of foods business throughout ASEAN
⑤ Registered Capital	1,000,000.00 baht

- ⑥ Date of Establishment 10th of April 2013
- ⑦ Major Shareholder Asuka Foods Co., Ltd.

Rubber Business

- ① Name Showa Rubber Co., Ltd. Thailand subsidiary
SHOWA RUBBER (THAILAND) Co.,Ltd.
- ② Address 5th Floor, 63 Thetsabannimitai Road, Ladyao, Chatuchak, Bangkok
- ③ Representatives Tatsuya Konoshita (Company Representative Executive Officer and CEO)
Kazuhito Oshima
- ④ Business Description Expansion of rubber business throughout ASEAN
- ⑤ Registered Capital 1,000,000.00 baht
- ⑥ Date of Establishment 10th of April 2013
- ⑦ Major Shareholder Showa Rubber Co., Ltd.

Thank you.