

June 28, 2013

To whom it may concern

Showa Holdings Co., Ltd.
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Announcement of the Expiration of Statute of Limitation for the
Third Party Allocation of New Shares

With regards to the third party allocation of new shares implemented by our company on 27th June 2008, a compulsory investigation was carried out by Securities and Exchange Surveillance Commission (SESC), damaging the reputation of our company. The statute of limitations of the mentioned allocation of new shares expired yesterday on 27th June 2013. Thereby, we would like to announce the elimination of possibilities of surcharges from the SESC and the Financial Services Agency (FSA).

Description

1. Statute of Limitation Expiry Date

27th June 2013

*The third party allocation of new shares by our company was executed on 27th June 2008, according to section 178 article 22 of the Financial Instruments and Exchange Act, the statute of limitation expires after 5 years on 27th June 2013. **A statute of limitations is an enactment that sets the maximum time after an event that legal proceedings based on that event may be initiated (section 178 article 3-9 of the Financial Instruments and Exchange Act), and represents the statute of limitation of the criminal suit. Therefore, representing the elimination of possible penalties on the same day in regards to the allocation of new shares by our company.**

2. Background

As described, the Securities and Exchange Surveillance Commission SESC carried out a criminal investigation on our company with the suspicion of fictitious capital increase on June 8, 2010. Our company has fully cooperated with the SESC on the investigation as the suspicion must be clarified.

More than 3 years have passed since the above investigation. Although with sufficient investigation period, particulars of the investigation remained unclear. In addition, the SESC did not carry out further investigations even though the company has conveyed intentions to cooperate.

Until now, the situation still remains unchanged. The statute of limitation has expired on 27th June 2013 and it is confirmed that the third party allocation of shares which had been the subject of investigation will not be penalized.

3. Future Prospects

We sincerely apologize to our business partners, employees and shareholders for the worries caused from the investigation by the SESC. We would also like to express our gratitude for the understanding and support given to us.

Even though a compulsory investigation was carried out, the statute of limitation expired without any execution towards our company, proving that the third party allocation of new shares of our company was done legally and appropriately which our company believes to be very welcoming.

Our company also filed a national compensation lawsuit against the Japanese government on the aforementioned compulsory investigation on 6th June 2013. We believe that by pursuing the liability of the SESC, not only do we reclaim our company's loss and reputation, but also contribute to the normalization of Japan's securities market although influence is little.

(Please refer to the following URL for details.

<http://www.showa-holdings.co.jp/news/doc/news20130606e.pdf>

We will continue pioneer by expanding our business, and increasing our corporate values in aims to realize our mid-term management plan. We humbly ask for the understanding of the above mentioned case.

In addition, the charges made by SESC and the FSA levy system are as listed below and we are confident that our company's allocation of new shares does not fall into any of the category.

- (1) Unfair Trade (insider trading, market manipulation (fabrication, cozy trade, illegal stabilizing transaction etc.), spreading of rumors or committing fraudulent schemes).
- (2) Not submitting securities registration statement, etc. or providing false statements (violation of disclosure duty).

- (3) Not submitting securities report, etc. or providing false statements (violation of continued disclosure duty).
- (4) Not noticing the commencement of open tender, no submission of open tender statement, etc. or providing false statements.
- (5) Not submitting large shareholding reports, etc. or providing false statements.
- (6) Not providing specific securities information for professional markets, etc. or providing false statements or false information of issuer.

Thank you