

4 December, 2013

To whom it may concern

Showa Holdings Co., Ltd.
Mamoru Shigeta,
Representative Executive Officer and Managing Director
(Code 5103 Tokyo Stock Exchange)
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**Notice for the Entry into Business Alliance Agreement Between
Showa Rubber Co., Ltd., Our Subsidiary Company, and Tokiwa Rubber Co., Ltd.**

We here by inform that Showa Rubber Co., Ltd., our subsidiary company, has performed a business alliance with Tokiwa Rubber Co., Ltd., a sales agency for industrial rubber products, for the recovery of the rubber business.

Description

1. Background of the Business Alliance

Business between Showa Rubber Co., Ltd and Tokiwa Rubber Co., Ltd. has lasted for more than 50 years, with Tokiwa Rubber Co., Ltd. functioning as a sales agent for Showa Rubber Co., Ltd in a cooperative structure.

However, business transactions with Tokiwa Rubber Co., Ltd. have decreased continuously with the contraction in our rubber business which began 15 years ago.

With the trusts built up between the top management of both companies through interactions for the past 6 years, Tokiwa Rubber Co., Ltd. has deeply sympathized and understood our group's initiatives and mid-term management plans.

With new trust relationship, both Showa Rubber Co., Ltd. and Tokiwa Rubber Co., Ltd., reconciled to develop the rubber business by working together again in the future. And it led to the entry into the Business Alliance Agreement now.

2. Major Outline of the Business Alliance

The following 6 items are the major outline of the Business Alliance.

- 1) Consideration for cost reduction through joint procurement of raw material products.
- 2) Consideration for sales increment through mutual customers.

- 3) Joint pioneer in overseas markets and overseas suppliers.
- 4) Joint development for new products.
- 5) Dispatch of necessary human resources from our company to Tokiwa Rubber Co., Ltd.
- 6) Cooperate for the financial stability of Tokiwa Rubber Co., Ltd.

The above items will also boost the profitability of our subsidiary company, Showa Rubber Co., Ltd. Therefore, plans shall be made from this month to put possible plans into concrete action.

In order to accelerate the business alliance and make sure concrete actions are taken, Mr. Yamaguchi, Director of Showa Rubber Co., Ltd., is appointed as Director of Tokiwa Rubber Co., Ltd. beginning this month.

Mr. Yamaguchi has supported the Eastern Japan Sales Division of Showa Rubber Co., Ltd. up to the present, and will continue to devote to the continuation and development of Tokiwa Rubber Co., Ltd from now on. We look forward to his contributions to the restoration of the rubber business in both companies.

3. Future Prospects

We highly evaluate and fully agree with the business alliance as it is a contribution to the restoration of our group's rubber business.

We hope that the concrete advancement of the business alliance will achieve profitability for Showa Rubber Co., Ltd. and will expand, as well as develop the business of both Showa Rubber Co., Ltd. and Tokiwa Rubber Co., Ltd. We will give our best support to the business alliance.

Any matters concerning the developments of the business alliance in the future that should be reported will be announced accordingly.

We will continue to do our best towards the realization of our mid-term management plan and would humbly ask for your understanding and support.

Thank you.