

16 December, 2013

To whom it may concern

Showa Holdings Co., Ltd.
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Notice Regarding the progress of the (Victorious) Administrative Litigation

Regarding the administrative litigation filed by individuals and our shareholders, we would like to announce that the court ruled in favor of our company.

For the plaintiff, who is a private corporation and individual, winning in an administrative litigation against the country is considered almost impossible. Amongst the series of cases where multiple judgments were ruled in our favor, proves the injustice of investigations made by the Securities and Exchange Surveillance Commission (SESC), and the legitimacy of our claims.

Hence, we are much more confident in the legality of our company as well as the legitimacy of our claims.

These lawsuits are a part of the lawsuits filed at the same time by our company as well as other individuals and corporation against the compulsory investigation made by the SESC on our company in June 2010 for suspicion of “fraudulent trades”. Amongst them, the lawsuit filed by the father (stated as “the individual” below) of our company’s Board Chairman, Mitsuji Konoshita and Director and Representative Chief Executive Officer, Tatsuya Konoshita, for the revocation of retention disposition was ruled in his favor (retention disposition was illegal) at the hearing of intermediate appeal.

Other than that, a judgment to revoke the retention disposition has been ordered in the administrative suit filed by A.P.F. Holdings Co., Ltd., our parent company.

The administrative suit filed by the individual was also ruled in his favor to revoke the retention disposition at the Tokyo District Court, as informed in “Announcement of the Judicial Decision of Administrative Lawsuit Filed by Our Company and Our Subsidiary” dated 20 June 2013.

(Please refer to the following URL for details on the timely disclosure dated 20 June 2013.

<http://www.showa-holdings.co.jp/news/doc/news20130621.pdf>)

The country (defendant) was in objection to the judgment and appealed to the Tokyo High Court but was recently judged to dismiss appeal. This proves the legitimacy of the claims by the individual and the retention disposition by the SESC was illegal. The point that the country (appellant) did not appeal the mentioned appealed court decision means that the decision was already final.

In another administrative suit filed by our shareholder, A.P.F. Holdings Co., Ltd., the claims of the mentioned company was partly accepted and a judgment for the revocation of retention disposition was made at the Tokyo District Court. This judgment also clearly shows the illegality of the retention disposition by the SESC. The country (defendant), however, objected the ruling and appealed to Tokyo High Court. The company commented that the actions taken by the SESC to justify their illegal investigations which neglected the law and human rights are absolutely unforgivable, and will continue to fully support its claims at the hearing of intermediate appeal to not only restore trust and innocence of the company itself, but also those of related parties who have been troubled and worried by the matter.

Description

1. Judgment

(The Individual)

1. Dismissal of appeal.
2. Cost of appeal shall be borne by the appellant.

(A.P.F. Holdings Co., Ltd.)

1. Government Agency of Disposition to revoke the retention dispositions of items listed in attachment 4-1 "Inventory of personal effects for this case" of the plaintiff by 8 June 2010.
2. Dismissal of all remaining charge on the plaintiff.
3. Legal costs shall be divided by 3 and 2/3 shall be borne by the plaintiff and the remaining shall be borne by the defendant.

2. Details of Lawsuit

(The Individual)

Plaintiff	The Individual
Government Agency of Disposition	Securities Exchange Surveillance Commission, Stock Exchange Special Investigator
Date of Judgment	21 November 2013
Court	Tokyo High Court
Complaint	Dismissal of decision by Tokyo District Court relating to request for the revocation of retention disposition from investigations made by Government Agency of disposition

(A.P.F. Holdings Co., Ltd.)

Plaintiff	A.P.F. Holdings Co., Ltd.)
Government Agency of Disposition	Securities Exchange Surveillance Commission, Stock Exchange Special Investigator
Date of Judgment	18 October 2013
Court	Tokyo District Court
Complaint	Request for the revocation of retention disposition from investigations made by Government Agency of disposition

3. Future Prospects

The decision of the administrative suit is an individual case and has no effect on the results of our business.

However, the details of the judgment only prove the illegality of the investigations made by the SESC. For our company, 3 years has passed since the investigation was made with continued silence in terms of accusations or contacts for cooperative investigations from the SESC and the limitation of the administrative monetary penalty has expired. We believe that this further proves the legality of the capital increase we implemented in June 2008.

We will continue to aim to justify the legality of our company and the normalization of Japan's Securities Market through the National Lawsuit filed on 6 June 2013 for the recovery of our company's lost and trust damaged by the investigations.

(Please refer to the following URL for details on the National Lawsuit.

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

We will continue to aim for the improvement of our corporate values by advancing with our main business and realization our midterm business plan. Therefore, we deeply ask for your understanding and support.

Thank you.