

10 March 2014

To whom it may concern

Showa Holdings Co., Ltd.
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Judgement of the Administrative Lawsuit
(Prevailing in the Appeal Court)

Regarding the judgments of administrative lawsuit reported on 16 December 2013 concerning the partial acknowledgement of claims and cancellation of detained properties by our shareholder, APF Holdings Co., Ltd., we would like to announce that the government has appealed the judgment but claims by APF Holdings Co., Ltd. was also acknowledged by the appeal court and the appeal made by the government was dismissed.

Wining against the government in an administrative lawsuit is almost impossible for plaintiffs which are private entities or individuals. Amongst them, continued rulings in our favor in several appeal trials prove the illegality of detention procedures made by the Securities Exchange Surveillance Commission (SESC) and the legality of our claims.

We believe that the results of these judgments have enforced our confidence towards our legality and the legitimacy of our claims.

We assume that the government (defendant) will bring a final appeal to the Supreme Court, but APF Holdings Co., Ltd. commented that they could not forgive the actions of the SESC for trying to justify investigations which neglects the law and human rights and will correspondence with every effort not only to reclaim the innocence and trust of themselves, but also for the troubles and worries caused to our concerned parties.

Description

1. Judicial Decision

1. The appeal is to be rejected.
2. Appeal costs shall be borne by the appellant.

2. Details of the appeal

Appellant	Japanese Government
Executing Administrative Agency	Securities and Exchange Surveillance Commission, Securities and Exchange Special Investigator.
Judgment Date	5 March 2014
Court	Tokyo High Court
Details	Regarding the investigation by Executing Administrative Agency, cancellation of detention cancellation in the first ruling etc.

3. Future prospects

The judgment of this lawsuit is a case related to our shareholders and does not have any effect on our business results whatsoever.

Nevertheless, details of the judgment after the first hearing proves illegality of the investigation made by the SESC.

It has been 3.5 years since the investigation on our company but we have not received any accusation or any notice for cooperation on the investigation with the statutes of limitations of penalties passed. We believe that this further proves the legality of the capital increase implemented in June 2008.

From our company's point of view, the Japanese capital markets are not normal since the regulator itself, the SESC, is implementing illegal procedures. We are trying to set the capital market in japan back to a little more normal and proper order with these court cases, including the National Lawsuit. (Please refer to the following URL for details on the National Lawsuit.

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

From now on also, we will work towards earning growth and improvement of our corporate value by accomplishment of our mid-term business plan, and we would like to ask for your understanding on this matter.

Thank you