

June 6, 2013

To whom it may concern

Showa Holdings Co., Ltd.
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Announcement of National Lawsuit for state reparations Filed by our group

About 3 years ago on June 8, 2010, the Securities and Exchange Surveillance Commission (mentioned as SESC below) forced an unfounded criminal investigation on our group companies. We would like to announce that together with 11 plaintiffs, our group filed a national lawsuit against the government at the Tokyo District Court, claiming compensations for the damage caused from the illegal warrant requests.

Description

1. Background that led to the lawsuit

In regards to the third party allocation of new stocks which took place on June 27, 2008, the SESC carried out an investigation with the suspicion of false capital increase on June 8, 2010.

The procedure of the third party allocation, from decision making, payments of increased capital funds, to the issuance of stocks, were done according to the law. We have claimed that the mentioned suspicion is of no basis and needs to be cleared up. Therefore, we have given full cooperation to the investigation.

3 years have passed since the above investigation. With sufficient investigation period, the SESC did not carry out further investigations even though we have conveyed intentions to cooperate. Furthermore, there was no responsible response from the SESC.

From the speech and behavior of the SESC chairman, Mr. Sado and other SESC members, we concluded that the SESC neglected the basic procedures as professional and carried out the above mentioned investigation in violation of law and human rights. The ambition driven SESC, led by Mr. Sado, has arrogantly trampled the law and human rights.

This is a big disgrace of the SESC and Mr. Sado.

The use of criminal investigation is unneeded to judge the lawfulness of the above mentioned third party allocation. If the SESC had inquired, we would gladly offer documents that could prove the integrity of our group on the spot.

The SESC however, did not follow even the most minimal yet simple procedures. At times, we could not help thinking that the SESC did not care even if they 'crushed' our group companies for the sake of their own credit. It is utterly unforgivable for the SESC to abuse national authority by carrying out improper criminal investigations without looking at the enormous consequences and damaged suffered by our group.

Primarily, the SESC is responsible for protecting the law, assisting the autonomy of the market, and providing good environment for market participants. But however, it is now trying to disregard the law, be self-aggrandizement and trample over the law and human rights. We think that the main reason originated from 'the arrogance of the Securities and Exchange Commission led by Mr. Sado (SESC Chairman)' during that time.

To restore the loss of trust due to the above criminal investigation, and hold Mr. Sado and the SESC responsible for their actions, our group filed an administrative lawsuit for the cancellation of the illegal seizure of assets on 6 December 2010. However, not only did the SESC continue to ridicule the legal system by leaving the violations of law and human rights they made out of consideration, but also abandoned the burden of proof and covering up their illegal act with false testimony and claims.

Our group has filed the unavoidable lawsuit by taking the attitude of the SESC into consideration and holding them responsible for the damage caused, including damages caused to our shareholders, business partners and employees.

2. Content of lawsuit

Plaintiff	Showa Holdings Co., Ltd. and more
Defendant	Japanese Government
Submit Date	June 6, 2013
Court	Tokyo District Court,
Content	Claiming compensations for the damage caused from the illegal warrant requests by SESC

3. Future prospects

Though this action is to claim monetary compensation against Japanese government, the influences to our business performance of this year will be petty.

We apologize to our business partners, employees and stockholders for so many worries caused from the investigation by SESC. We evaluate this lawsuit action against SESC not only for regaining our credibility and damages, but also for contributing to normalization of Japanese stock market. We are just eager to concentrate on our businesses as soon as possible.

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

Thank you