PRESS RELEASE
(Translation)

April 24, 2014

SHOWA CORPORATION
Yoichi Hojo
President and
Representative Director

Plea Agreement with the United States Department of Justice
Concerning Certain Automotive Products

On April 23, 2014 (U.S. Eastern Standard Time), SHO WA CORPORATION (SHOWA) entered into a plea agreement with the U.S. Department of Justice (DOJ), agreeing to pay a fine of $19.9 million (approximately 200 million yen) based on charges that it violated the U.S. antitrust law in connection with a part of sales of certain automotive products (pinion assist type electrical power steering assemblies).

SHOWA fully cooperated with DOJ for its investigation since September 2012, and upon overall consideration of applicable laws, relevant facts and other factors, SHOWA has decided to conclude a plea agreement under the terms set forth above. As per agreement, SHOWA will continue to cooperate with DOJ in its investigation.

SHOWA takes the antitrust law violation charges solemnly and in order to restore the trust and confidence of our stakeholders as well of the public, SHOWA has implemented functional organization changes, enhanced the business auditing system for our corporate group, re-organized executive management line-up, and ensured prevention of recurrence of the violation by adopting more stringent and comprehensive compliance training for antitrust laws, as well as other applicable laws and regulations, to our associates.

Further, to emphasize the graveness of these matters, our directors and operating officers will voluntarily return 10% to 30% of their monthly compensation for three months starting April 2014.

The payment of fine is recorded as an extraordinary loss in the fourth quarter of the fiscal year ending 31 March 2014. The impact on the financial performance for the fiscal year ending March 2014 will be announced at 11:30am today.