



April 4, 2016

PRESS RELEASE  
(Translation)

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President and Representative Director  
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#### Fine Payment for Violation of the Canadian Competition Act

On April 1, 2016 (Canada Eastern Standard Time), SHOWA CORPORATION (SHOWA) was ordered to pay a fine of CA\$ 13 million (approximately 1.1 billion yen) by the Ontario Superior Court of Justice in Canada for violation of the Canadian Competition Act in connection with a part of sales of certain automotive parts (pinion-assist type electronic power steering products) in Canada.

On April 23, 2014, SHOWA agreed to pay a fine in the U.S. in connection with the same conduct. SHOWA group companies fully cooperated with the Canadian and U.S. authorities in connection with their investigations. In order to ensure thorough compliance of the antimonopoly law, 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 antimonopoly law, as well as other applicable laws and regulations. SHOWA will continue our efforts to ensure thorough compliance to prevent recurrence and to restore trust and confidence of our stakeholders as well of the public.

We sincerely apologize to our business partners, stakeholders, and all related parties for causing great concern.

The impact this issue gives on the financial performance of SHOWA is minimal.