



18 November 2025

To Whom It May Concern

Company Name: Showa Holdings Co., Ltd.

Representative: Tatsuya Konoshita
Representative Director
President and Chief Executive Officer
(Code Number: 5103 Standard Market)

Contact: Tomohiko Shoji, Director,
Representative Director
Chief Operating Officer and Chief
Financial Officer
(TEL: 04-7131-0181)

**Notice Regarding the Judgment in the Shareholder Derivative Lawsuit
(Plaintiff Shareholders Prevail)**

Our company hereby announces that, in relation to the judgment in the shareholder derivative lawsuit dated 19 May 2025, , we had previously reported in the ‘Notice Regarding Shareholder Derivative Action’ dated 21 July 2021* that Mr. Tatsuya Konoshita, a shareholder of the Company and its Representative Director and President, had filed a shareholder derivative action against Mr. Nicholas James Gronow, a Director of the Company. The action alleged breaches of the fiduciary duty of care and the fiduciary duty of loyalty in his capacity as a director. As stated in the ‘Notice Regarding the Company’s Response to the Shareholder Derivative Action’ dated 30 July 2021, the Company has intervened on the plaintiff’s side. We had previously informed you that a judgment had been rendered in this shareholder derivative action.

In the first instance at the Matsudo Branch of the Chiba District Court, the plaintiff’s claim was dismissed. Subsequently, the shareholder derivative lawsuit continued following an appeal lodged by the plaintiff shareholder, Mr. Tatsuya Konoshita. We hereby report that the judgment of the appeal court (in favour of the plaintiff shareholder) was served on 17 November 2025.

※① For the contents of ‘Notice Regarding the Judgment in the Shareholder Derivative Action’ , ② ‘Notice Regarding the

Shareholder Derivative Action’ , and ③ ‘Notice Regarding the Company’s Response to the Shareholder Derivative Action’ , please refer to the respective URLs below.

- ① <https://www.showa-holdings.co.jp/ir/irfile/sh20250519.pdf>
- ② <https://www.showa-holdings.co.jp/ir/irfile/sh20210721.pdf>
- ③ <https://www.showa-holdings.co.jp/ir/irfile/sh20210730.pdf>

Note

1. Court and Date of Judgment

Tokyo High Court, Civil Division
14 November 2025 (Friday)

2. Content of Appeal

The Court of Appeal modified the judgment of the court of first instance and ordered Mr. Nicholas James Gronow, a director of the Company, to pay damages in the amount of ¥3,815,468.

3. Background leading up to the appeal court judgment

This shareholder derivative action concerns legal fees, translation costs, and expenses incurred by the Company for the operation of a third-party committee approved by a board resolution, all relating to litigation brought by Mr Nicholas James Gronow, a director of the Company, before the courts of the British Virgin Islands. These expenses were incurred to defend against litigation brought on unfounded grounds and constituted actions contrary to the Company’s board resolution. In the aforementioned lawsuit, shareholder Mr. Tatsuya Koshita sought damages from Mr. Nicholas James Gronow in the amount of ¥154.4 million, equivalent to the total expenditure described above. The Company intervened as a plaintiff in this lawsuit.

In the first instance, the plaintiff’s claim was dismissed.

The judgment of the court of first instance found that, regarding the establishment of the investigation committee as reported in the ‘Notice Concerning the Establishment of an Investigation Committee’ dated 11 June 2021, the directors of the Company other than Mr. Nicholas James Gronow and Mr Atsushi Hosono had previously been reluctant to establish the investigation committee. However, the position of the plaintiff and the Company is that the directors other than Mr. Nicholas James Gronow and Mr. Atsushi Hosono had been attempting to proceed with establishing the

Investigation Committee, but that Mr. Nicholas James Gronow had obstructed its establishment. This was the exact opposite of the situation presented in the original judgment's findings. Consequently, the litigation continued following the plaintiff's appeal.

※ For the content of the 'Notice Regarding the Establishment of an Investigation Committee', please refer to the URL below.

<https://www.showa-holdings.co.jp/ir/irfile/sh20210611.pdf>

We are now reporting this development as the judgment of the appeal court was served on 17 November 2025.

4. Outlook

While we have not yet conducted a detailed analysis of the judgment at this stage, it does establish a breach of the duty of care by the defendant directors. Although the lawsuit is expected to continue due to the defendant's appeal, given the extreme importance of this case in which our directors' liability for damages has been recognized, we will carefully examine the judgment. Following consideration of its content and future response by our Audit and Supervisory Committee, we will report again.

We sincerely apologize for the considerable concern this has caused our shareholders and investors, and we kindly request your understanding.

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