



For immediate release
February 7, 2018

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Sanden Holdings Corporation

Notice regarding Posting Extraordinary Income and Extraordinary Loss

Sanden Holdings Corporation (herein after “Sanden”) hereby announces that it has posted the following Extraordinary income and Extraordinary loss from the first quarter to the third quarter (April 1, 2017 through December 31, 2017) of the fiscal year ending March 31, 2018.

1. Extraordinary income

Consistent with four(4) key Corporate Mid Term Plan initiatives announced May 11, 2017, Sanden has sold a portion of its investment securities and recognized extraordinary gain as follows.

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| 1) Securities sold: | Sixteen(16) listed investment securities |
| 2) Period of recognition on sales of securities: | April 1, 2017 through December 31, 2017 |
| 3) Gain on sale: | Approx. 2.2 billion yen |

2. Extraordinary loss

After taking into account violations of competition laws, Sanden decided to establish a provision for extraordinary loss to cover potential claims for damages.

Progress of such activities is confidential due to non-disclosure agreements, etc.

Amount of provision for damage compensations: Approx. 1.9 billion yen

3. Future outlook

Financial forecast for the fiscal year ending March 31, 2018 remain unchanged from those announced on November 7, 2017. However, Sanden will provide prompt disclosure in the event that a forecast revision is required.

Sanden will continue to strengthen its corporate governance system and rebuild trust from stakeholders, by reviewing organizations, reinforcing internal controls, conducting compliance training for employees and performing periodical audits.