

Financial Results of 2nd Quarter for the Year Ending March 31, 2021

November 9, 2020

Sanden Holdings Corporation

1. Performance for the 2nd Quarter Cumulative Period of Fiscal 2020

Main Points of Financial Results for the 1st Half of Fiscal 2020

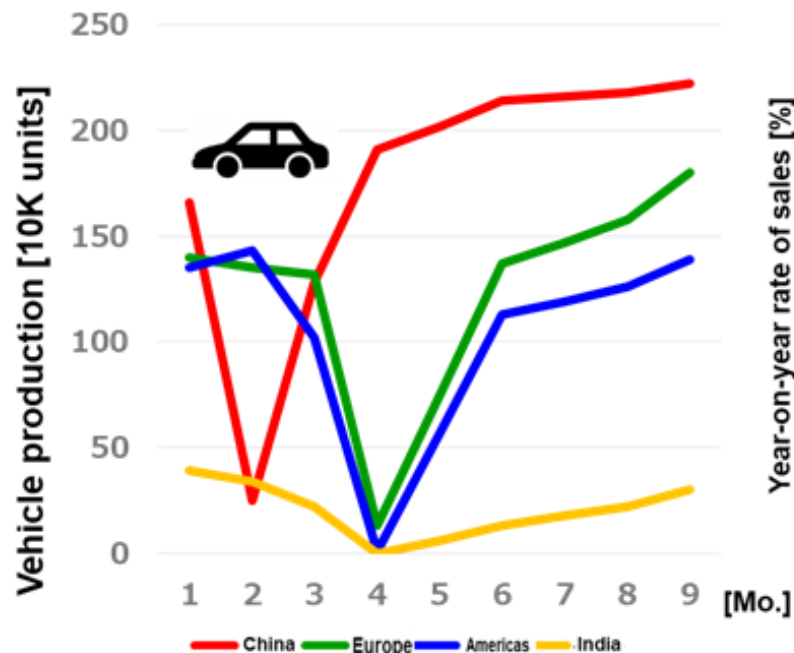
2020/11/9

- 1** Sales from the automotive systems business decreased by 31% year-on-year, mainly due to the global pandemic of COVID-19. The impact of sales decline on business was particularly large in Europe and Asia.
- 2** Operating profit decreased by 8.0 billion yen year-on-year due to the significant impact of a decline in revenue, despite the reduction in expenditures resulting from the structural reform in Fiscal 2019 and the fixed cost improvement in Fiscal 2020.
- 3** It is difficult to make an explicit prediction about full-year performance for Fiscal 2021 because we are in the process of developing a business revitalization plan in accordance with the Turnaround ADR Procedures.

1. Performance for the i2nd Quarter Cumulative Period of Fiscal 2020 Impacts of COVID-19 Pandemic

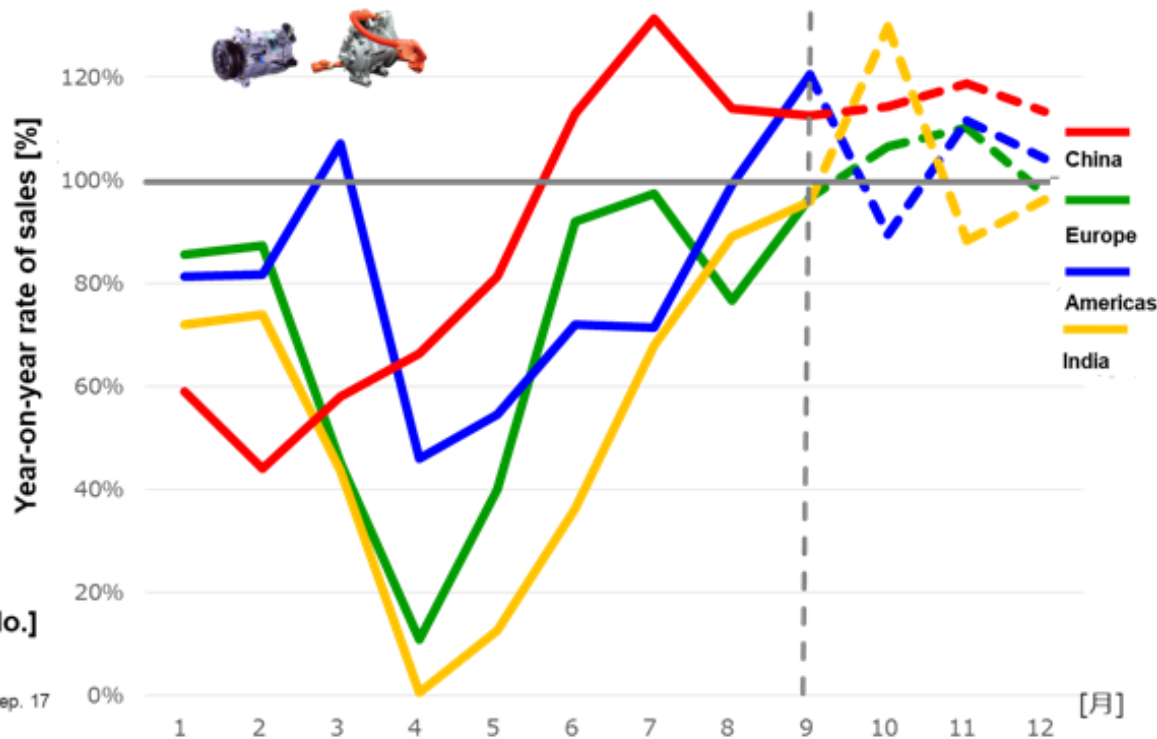
2020/11/9

Trend of regional vehicle production



Adapted from the data of HIS WEB Seminar material as of Sep. 17
(Around the World Global Sales and Production Forecast)
IHS_LV_Production_Base_Global_2020M09.XLS

Trend of regional production of Sanden's compressors



1. Performance for the 2nd Quarter Cumulative Period of Fiscal 2020

Summary of Consolidated Financial Results

2020/11/9

[In 100 million yen]

	Fiscal 2019 1 st Half	Fiscal 2020 1 st Half	Year-on- year Comparison
Net Sales	1,280	554	(726)
Operating Income	2	(78)	(80)
Ordinary Income	(27)	(134)	(107)
Net Income*	18	(140)	(158)

* Net income attributable to owners of parent

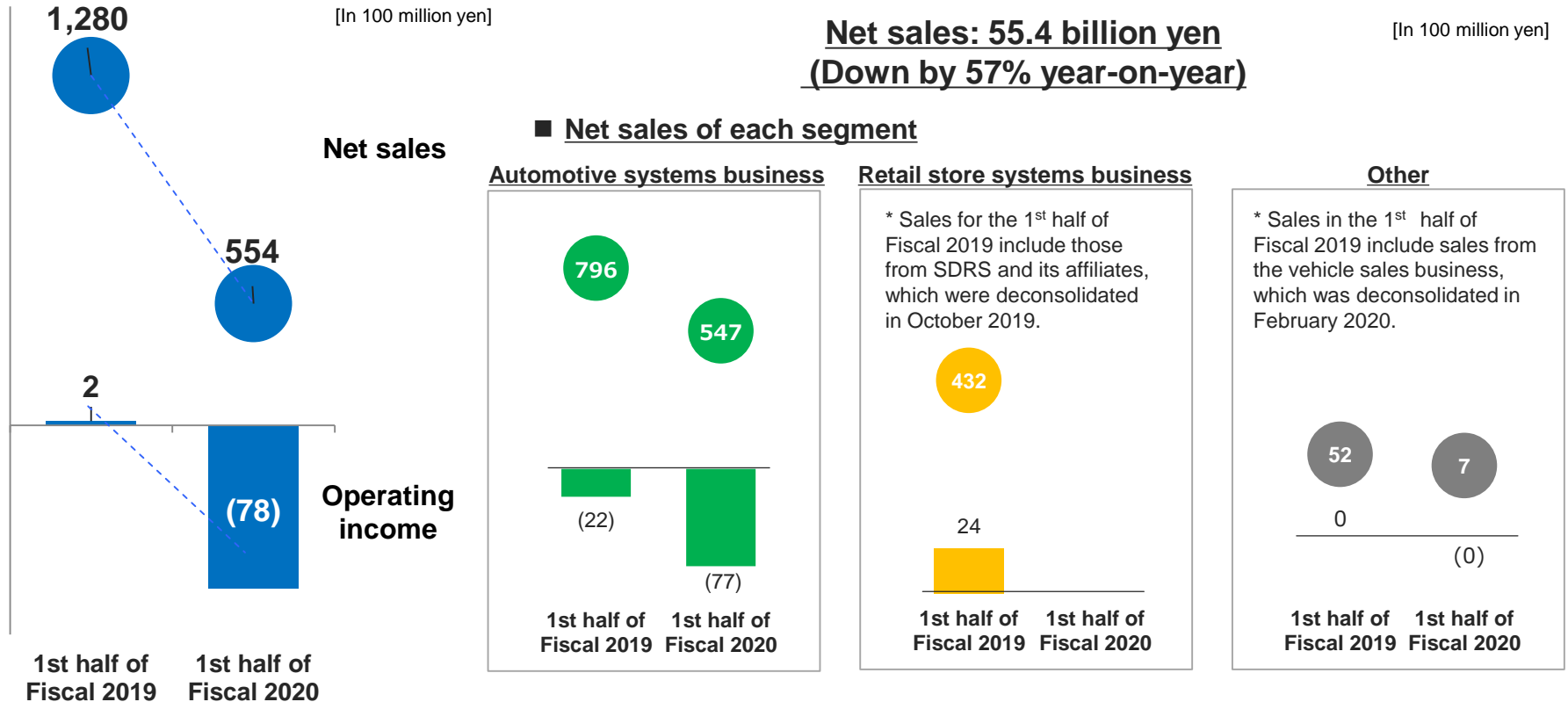
Exchange*	USD	109 yen	107 yen	(2 yen)
	EUR	122 yen	121 yen	(1 yen)

* Exchange: Average market rate

1. Performance for the 2nd Quarter Cumulative Period of Fiscal 2020

Net Sales & Operating Income from Each Segment

2020/11/9



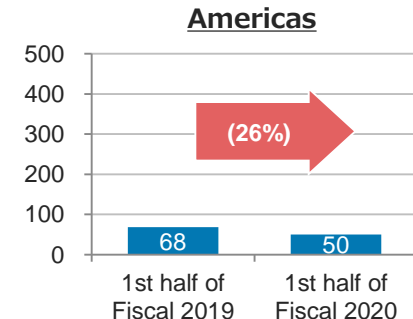
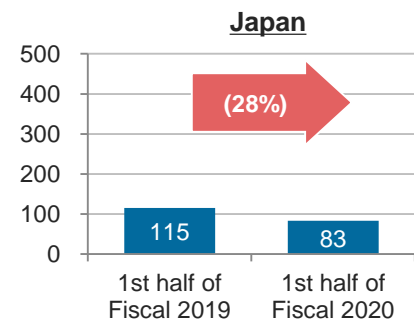
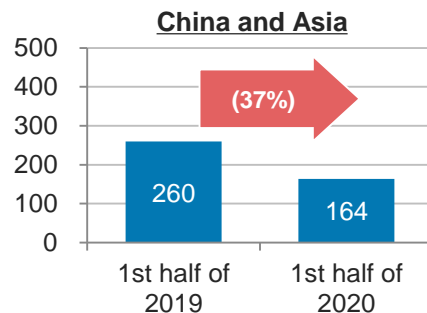
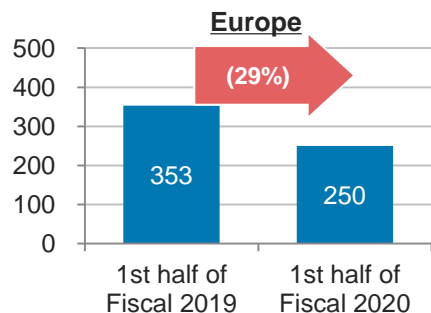
1. Performance for the 2nd Quarter Cumulative Period of Fiscal 2020

Regional Sales - Automotive Systems Business

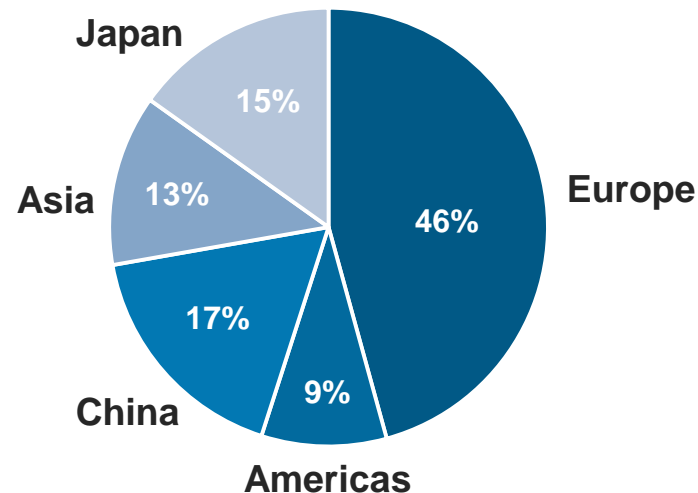
2020/11/9

Net sales: 54.7 billion yen (Down 31% year-on-year)
 (Decrease by 22.7 billion yen decrease was due to COVID-19 pandemic)

■ Regional sales [In 100 million yen]



■ Composition by regions

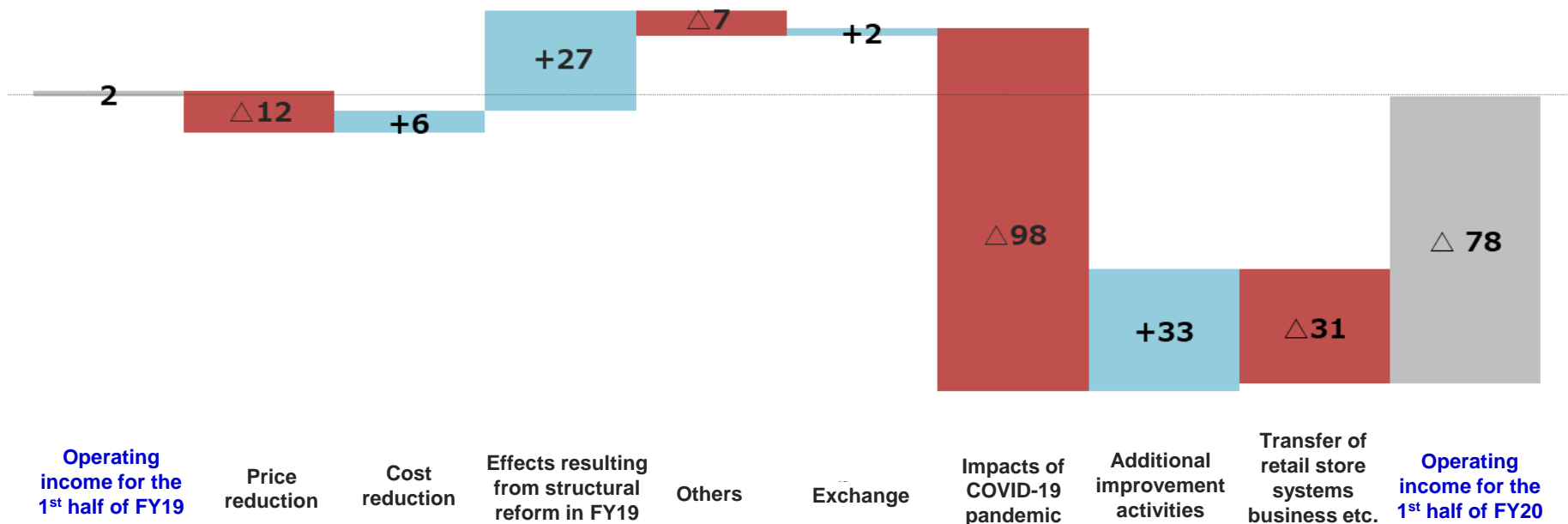


1. Performance for the 2nd Quarter Cumulative Period of Fiscal 2020 Operating Income (Year-on-year Comparison)

2020/11/9

	Previous FY	Current FY	Difference
Net Sales	1,280	554	(726)
Operating Income	2	(78)	(80)

[In 100 million yen]

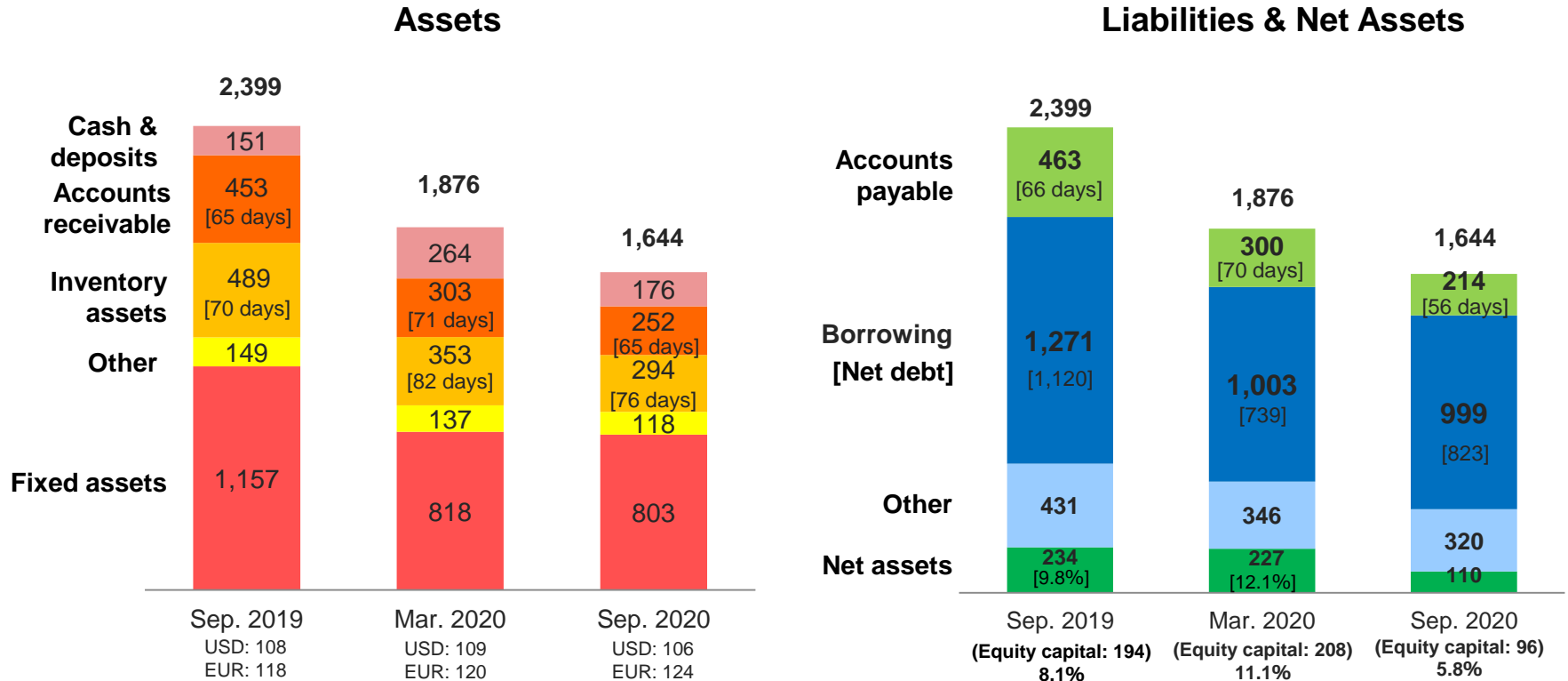


1. Performance for the 2nd Quarter Cumulative Period of Fiscal 2020

Consolidated Balance Sheet

2020/11/9

[In 100 million yen]

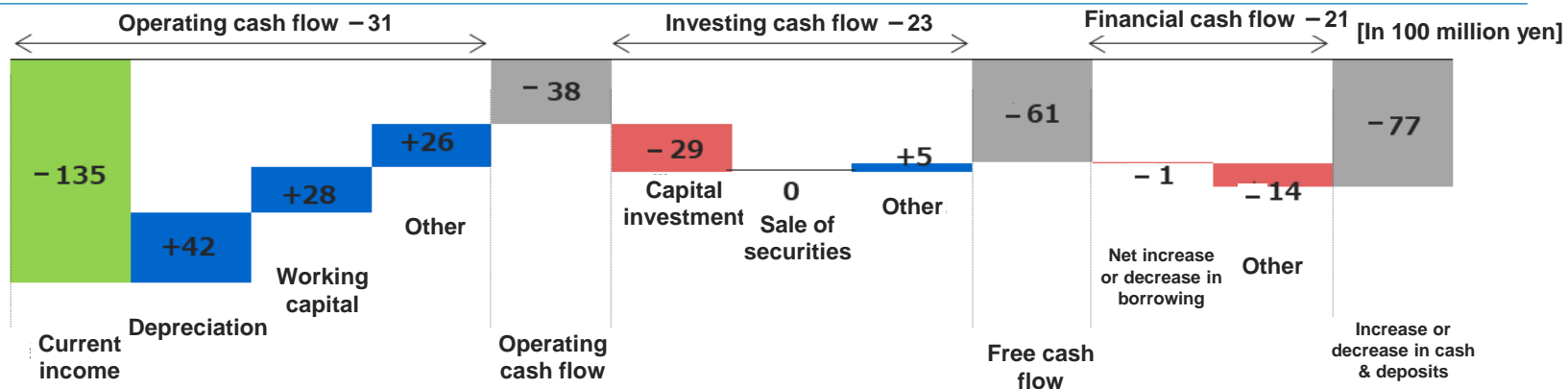


1. Performance for the 2nd Quarter Cumulative Period of Fiscal 2020

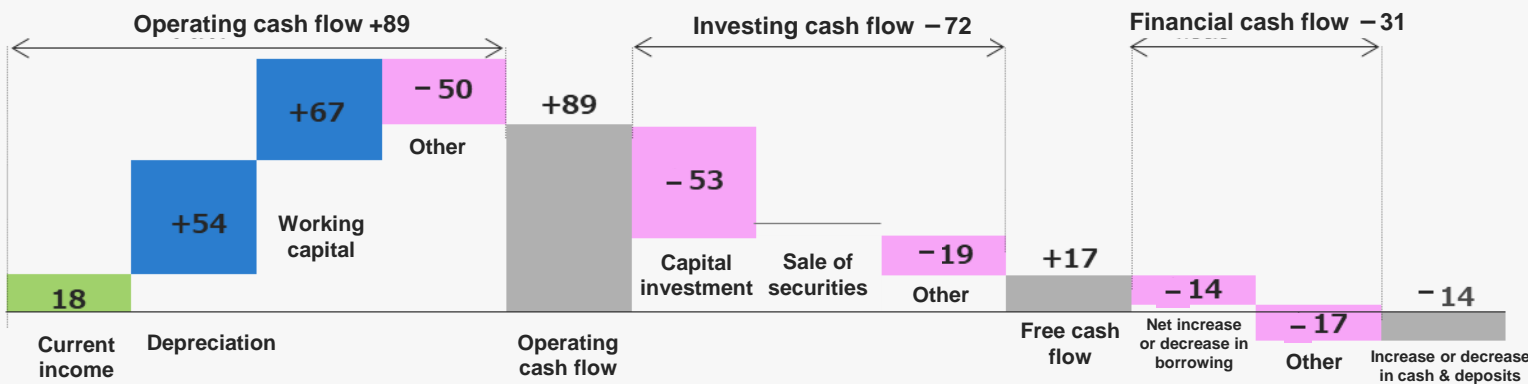
2020/11/9

Consolidated Cash Flow

Results for
1st half of
Fiscal 2020



Actual results
for the
previous FY



2. Earnings Forecast for Fiscal 2020

1

We are anticipating that the automotive industry will move toward moderate recovery; 10% decline in auto sales year-on-year in the 2nd half and 20% decline throughout the year. However, the future impacts of the global pandemic of COVID-19 still remains uncertain.

2

As we are in the process of developing a business revitalization plan, which may affect our group's business performance, the consolidated business forecast is to be yet determined. We will make an announcement as soon as we become able to make a reasonable calculation.

**(Supplement Material)
Fact Data of Performance
for the 2nd Quarter
for the Year Ending March 31, 2021**

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- 1. Trend of Consolidated Performance**
- 2. Automotive Systems Business**

1. Trend of Consolidated Performance

Summary of Financial Indicators

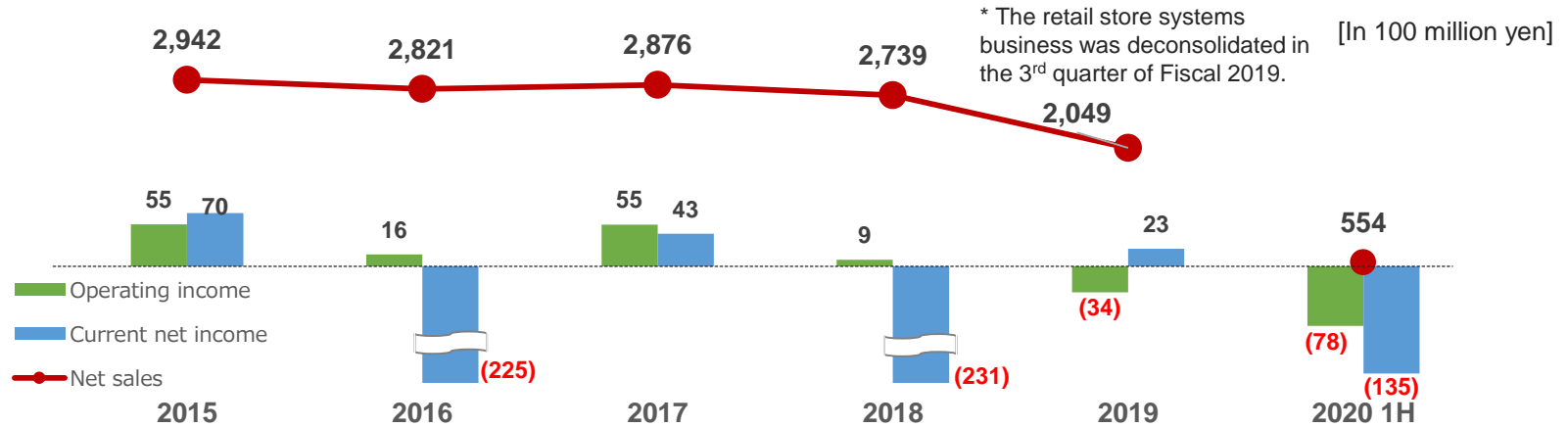
2020/11/9

	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	1st half of Fiscal 2020
Consolidated						
ROA	2.0%	-0.8%	1.6%	0.2%	-5.2%	-7.9%
ROE	8.8%	-5.2%	9.8%	3.0%	-46.4%	-134.5%
Equity capital ratio	23.3%	15.5%	16.4%	7.7%	11.1%	5.8%
Net sales	2942	2821	2876	2739	2049	554
Operating income	55	16	55	9	-34	-78
Operating income to sales	1.9%	0.6%	1.9%	0.3%	-1.7%	-14.0%
Ordinary income	61	-23	44	6	-97	-129
Ordinary income to sales	2.1%	-0.8%	1.5%	0.2%	-4.7%	-23.3%
Current net income	70	-225	43	-231	23	-135
Net income to sales	2.4%	-8.0%	1.5%	-8.4%	1.1%	-24.4%
Receivable turnover period	104	102	93	97	80	65
Inventory turnover period	62	60	59	63	62	76
Payable turnover period	59	57	61	59	53	56
CCC (days)	107	105	91	101	89	85
Borrowing	1289	1285	1261	1305	1003	999
Net Debt	1115	1144	1074	1175	738	823
Free cash flow	-86	-3	112	-84	357	-61
Automotive Systems						
Unit sales of compressors (10K)	1571	1711	1763	1620	1424	579
Net sales	1984	1992	2089	1935	1538	547
Operating income	65	44	66	6	-53	-77
Operating income to sales	3.3%	2.2%	3.1%	0.3%	-3.4%	-14.1%

1. Trend of Consolidated Performance

Trend of Consolidated Profit and Loss

2020/11/9

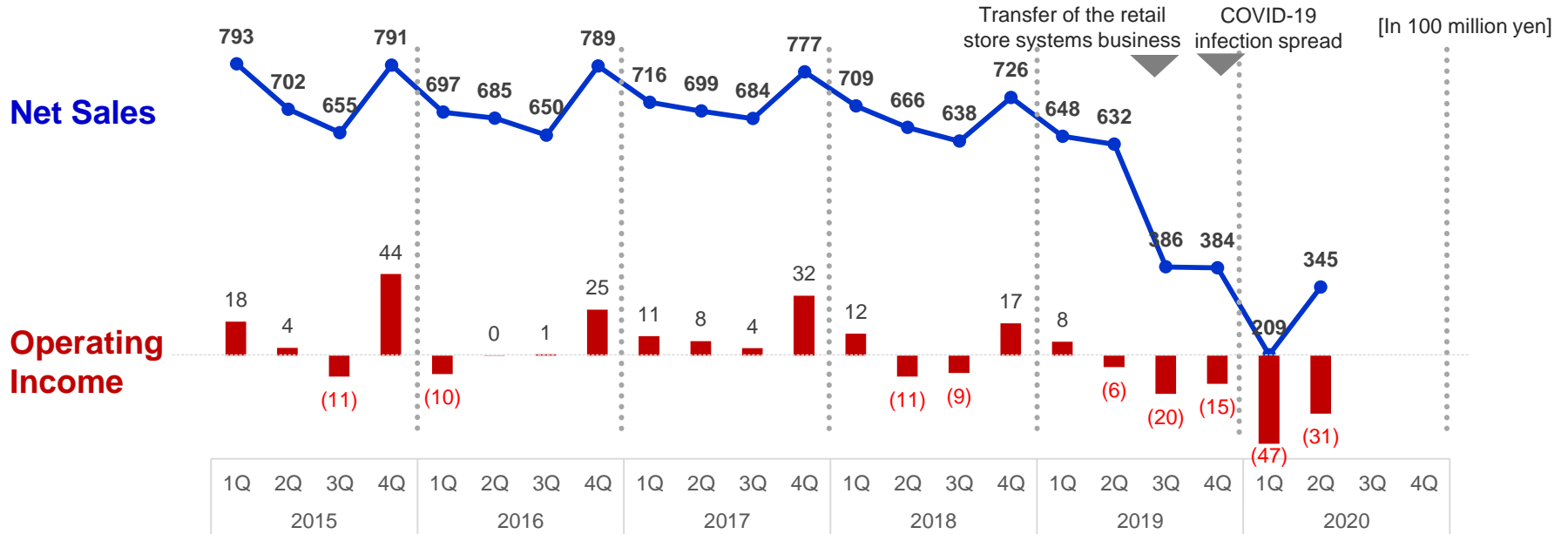


	2015		2016		2017		2018		2019		2020 1H	
Net sales	2,942		2,821		2,876		2,739		2,049		554	
Cost of sales	2,409	81.9%	2,327	82.5%	2,350	81.7%	2,270	82.9%	1,730	84.4%	523	94.4%
Gross operating income	533	18.1%	493	17.5%	527	18.3%	469	17.1%	319	15.6%	31	5.6%
Selling and general administrative expenses	478	16.3%	477	16.9%	472	16.4%	460	16.8%	353	17.2%	109	19.7%
Operating income	55	1.9%	16	0.6%	55	1.9%	9	0.3%	-34	-1.7%	-78	-14.1%
Ordinary income	61	2.1%	-23	-0.8%	44	1.5%	6	0.2%	-97	-4.8%	-129	-23.3%
Current net income	70	2.4%	-225	-8.0%	43	1.5%	-231	-8.4%	23	1.1%	-135	-24.4%
Exchange	USD	120	108	110	111	109	107					
	EUR	133	119	129	128	121	121					

1. Trend of Consolidated Performance

Net Sales and Operating Income in Each of the Quarters

2020/11/9

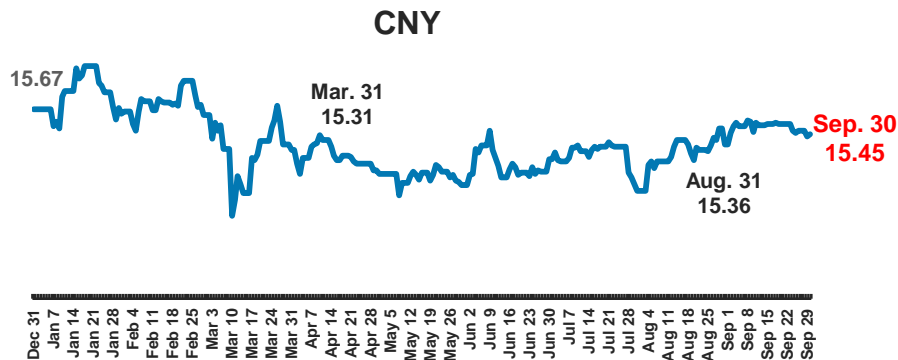
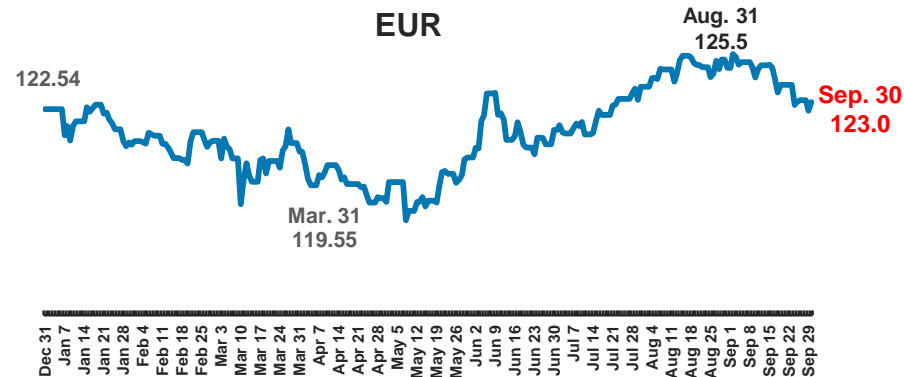
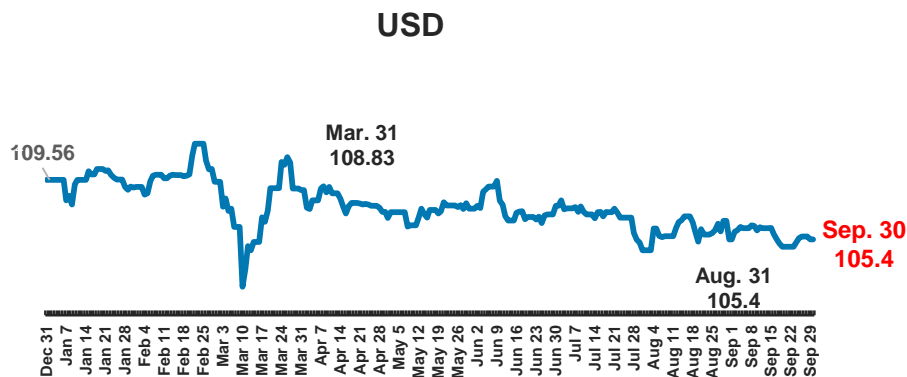


	2015				2016				2017				2018				2019				2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Ordinary income	33	0	(5)	33	(30)	(1)	19	(10)	17	9	6	12	23	(27)	(8)	19	(18)	(9)	(24)	(47)	(75)	(61)		
Current net income	29	(5)	(5)	52	(21)	(51)	36	(189)	13	11	(4)	22	16	(28)	(7)	(212)	(20)	37	104	(98)	(68)	(61)		

1. Trend of Consolidated Performance

Trend of Exchange Rate of Major Currencies

2020/11/9



1. Trend of Consolidated Performance

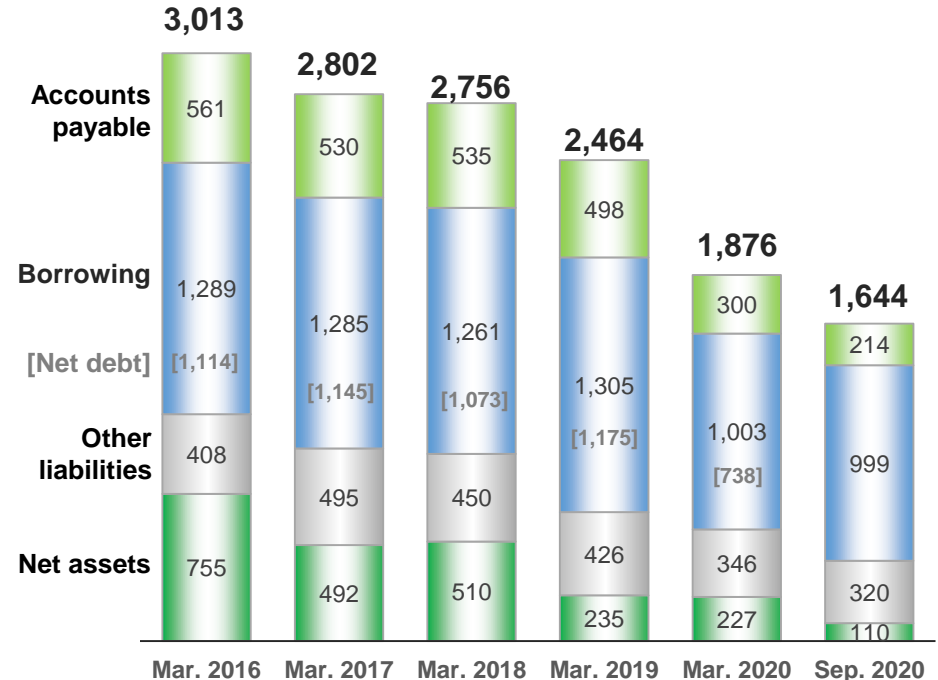
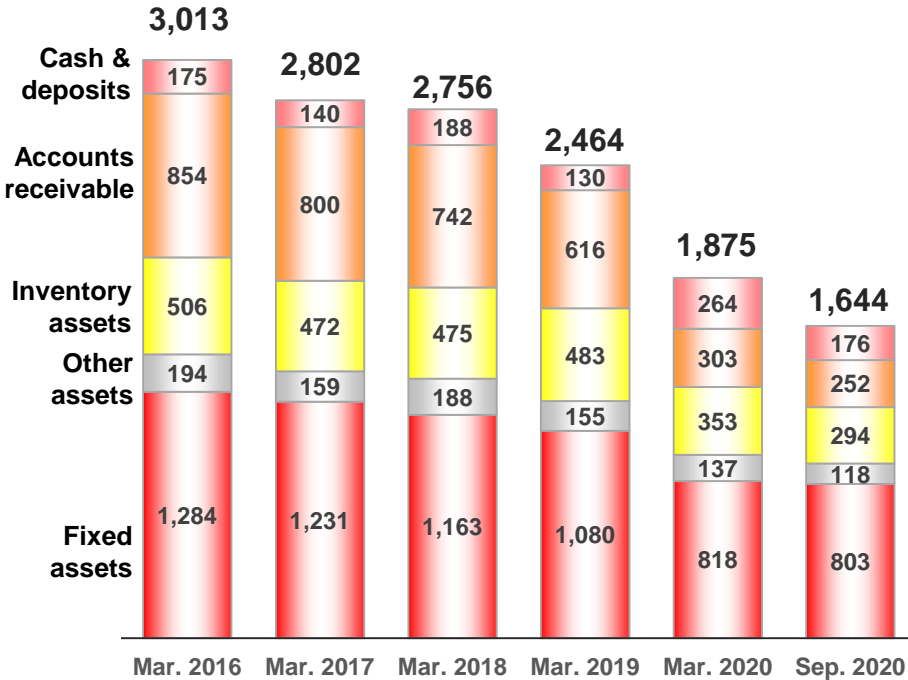
Trend of Assets and Liabilities

2020/11/9

[In 100 million yen]

Assets

Liabilities & Net Assets



Period	Equity capital	[Equity capital ratio]
Mar. 2016	702	[23%]
Mar. 2017	434	[16%]
Mar. 2018	452	[16%]
Mar. 2019	190	[8%]
Mar. 2020	209	[11%]
Sep. 2020	96	[5.8%]

1. Trend of Consolidated Performance

Trend of Consolidated Cash Flow

2020/11/9

	2015	2016	2017	2018	2019	1 st half of 2020
Net Income before Taxes	79	(190)	59	(206)	23	(135)
Depreciation	126	124	112	110	101	42
Working Capital	(60)	(0)	59	(50)	81	28
Others	(89)	167	(158)	177	(133)	26
Operating Cash Flow	57	100	71	30	72	(39)
Capital Investment	(121)	(137)	(92)	(149)	(98)	(29)
Sales of Securities	32	1	98	8	356	0
Others	(67)	32	35	27	27	5
Investing Cash Flow	(156)	(104)	41	(114)	285	(23)
Free Cash Flow	(99)	(3)	112	(83)	357	(61)
Net Increase or Decrease in Borrowing	102	14	(43)	54	(214)	(1)
Others	(34)	(45)	(22)	(29)	(36)	(14)
Increase or Decrease in Cash and Deposits	(31)	(34)	47	(57)	107	(77)

[In 100 million yen]

1. Trend of Consolidated Performance

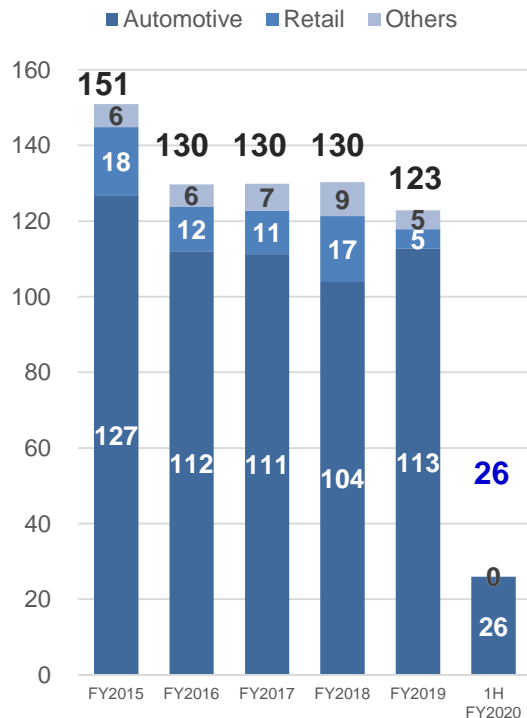
Capital Investment, Depreciation, and R&D Expenses

2020/11/9

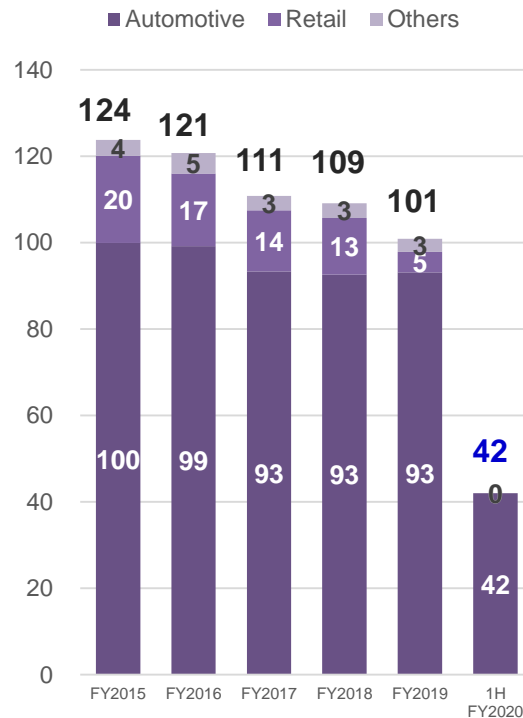
Annual amount for FY15 to 19, and amount for 1st half for FY20

In 100 million yen

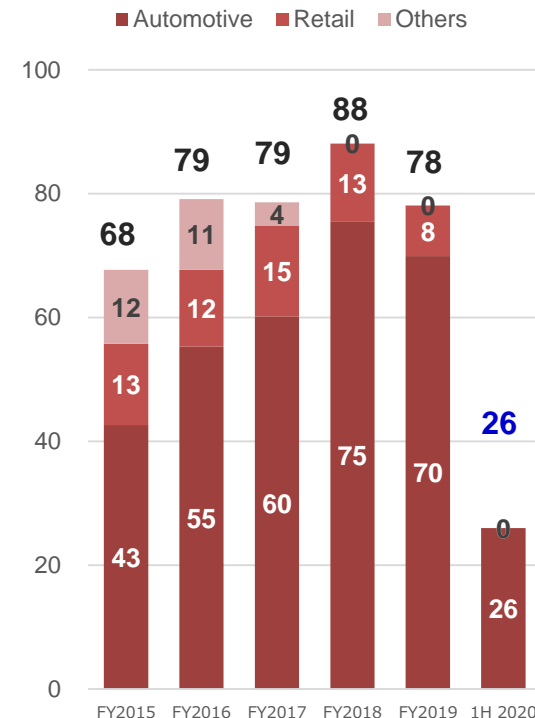
■ Capital Investment



■ Depreciation



■ R&D Expenses



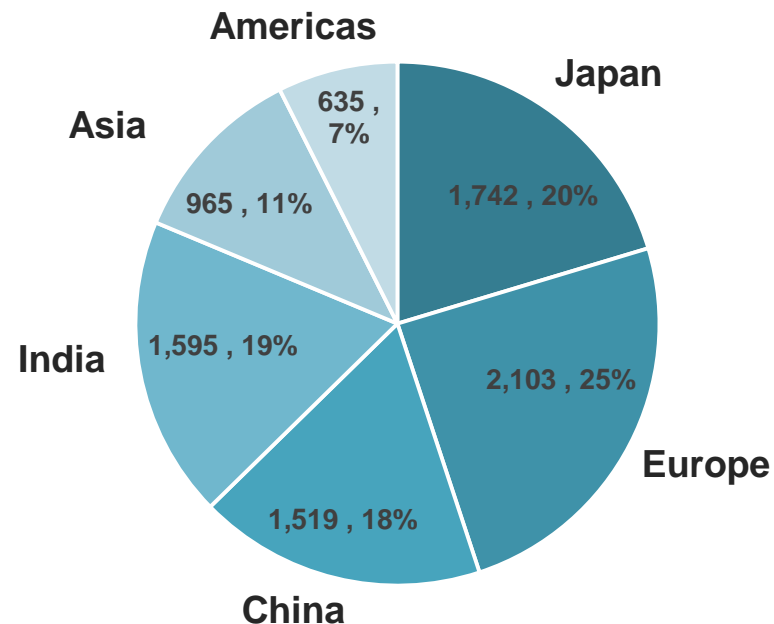
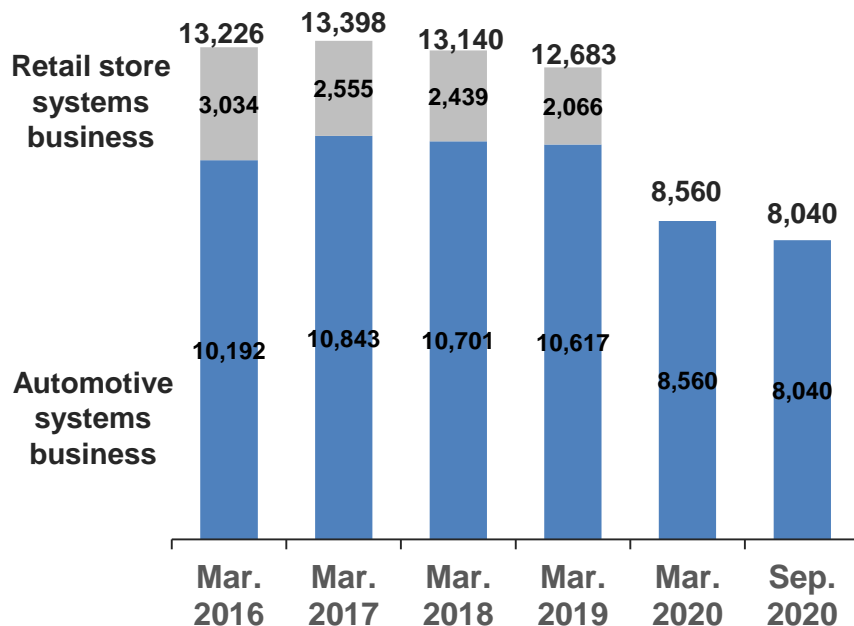
1. Trend of Consolidated Performance

Number of Employees

2020/11/9

■ Number of employees of consolidated companies

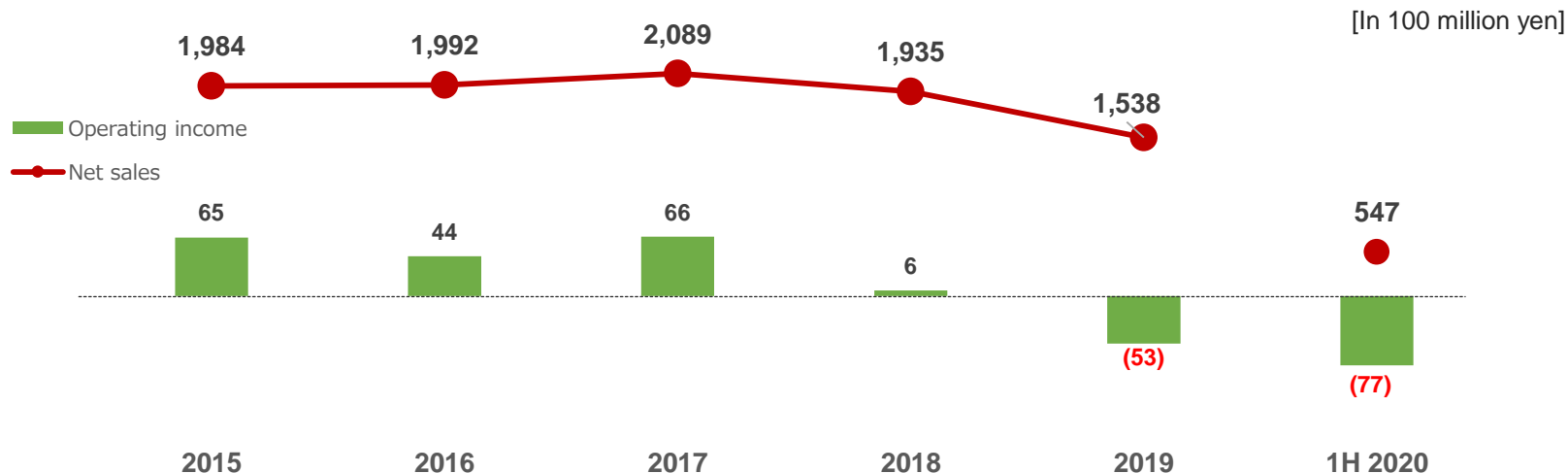
■ Number of employees of consolidated companies in each of the regions as of the end of September 2020
8,040 employees



2. Automotive Systems Business

Breakdown of Operating Income - Automotive Systems Business

2020/11/9



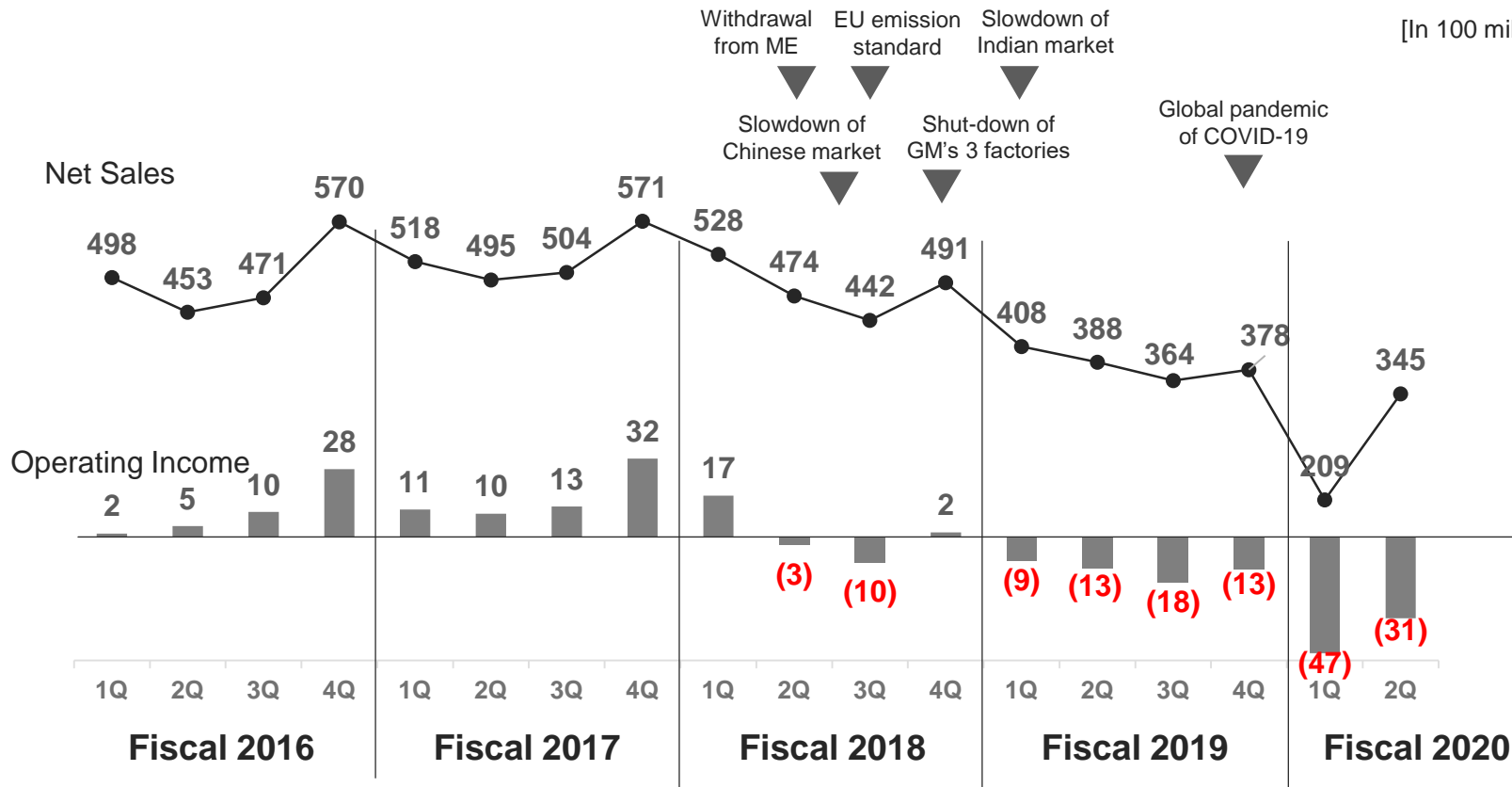
	2015		2016		2017		2018		2019		1H 2020	
Net sales	1,984		1,992		2,089		1,935		1,538		547	
Cost of sales	1,693	57.5%	1,634	57.9%	1,709	59.4%	1,627	59.4%	1,330	64.9%	516	93.2%
Gross operating income	291	9.9%	358	12.7%	379	13.2%	308	11.2%	208	10.1%	31	5.6%
Selling and general administrative expenses	226	7.7%	314	11.1%	313	10.9%	302	11.0%	261	12.7%	108	19.5%
Operating income	65	2.2%	44	1.6%	66	2.3%	6	0.2%	-53	-2.6%	-77	-14.0%
Exchange	USD	120	108	110	111	109	107					
	EUR	133	119	129	128	121	121					

2. Automotive Systems Business

Trend of Performance - Automotive Systems Business

2020/11/9

[In 100 million yen]



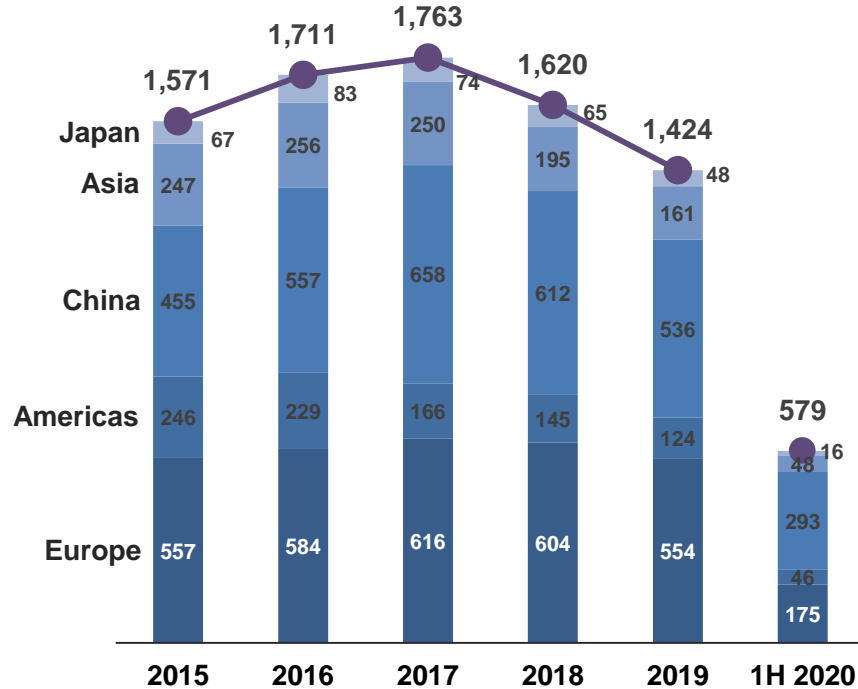
2. Automotive Systems Business

Trend of Unit Sales of Compressors - By Region/SBU

2020/11/9

■ By Region

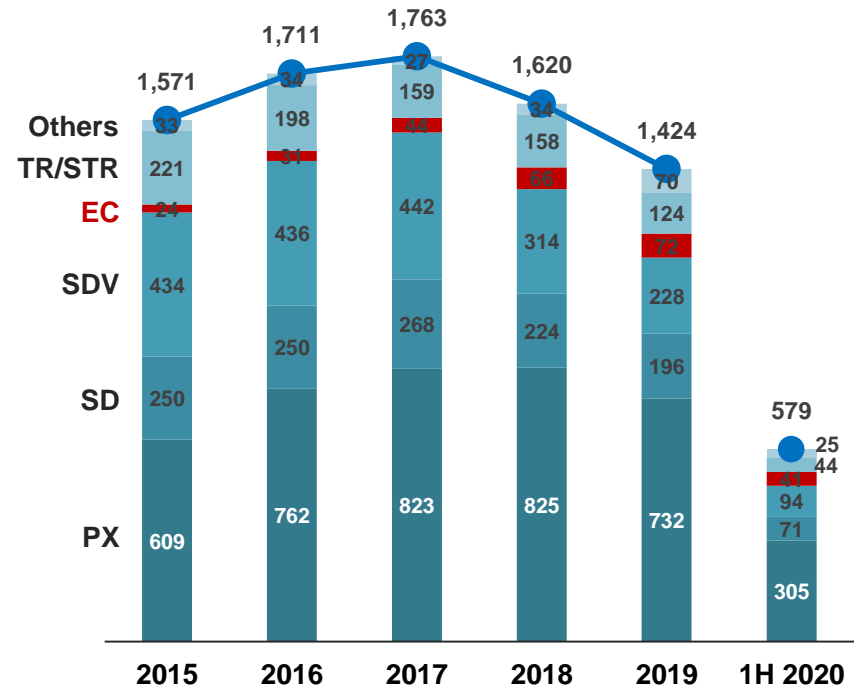
[In 10K units]



* Total of sales of Sanden group companies

■ By SBU

[In 10K units]



* Total of sales of Sanden group companies

