

FY2022

Financial results briefing materials

February 22, 2023

Sanden Corporation

GM of Corp. Financial Mgmt. Div.

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Agenda

- 1. Financial results for the fiscal year ending December 2022**
- 2. Forecast for the fiscal year ending December 2023**

Financial results for the fiscal year ending December 2022

1. Points of the financial results
2. Summary of consolidated financial results
3. Sales by region from the automotive systems business segment
4. Operating income (Year-on-year comparison)
5. Consolidated balance sheet(Year-on-year comparison)

1 . Points of the financial results

1

Since FY2021 is a 9-month accounting period from April to December and the current fiscal year is a 12-month accounting period, simple year-on-year comparisons cannot be made.

Therefore, a simple comparison with the same period of the previous year is not possible.

As a rough guide, a 12-month comparison shows that net sales of 175.7 billion yen were up 13.1 billion yen, operating income of -5.7 billion yen was up 15.5 billion yen, and net income of -1.6 billion yen was up 10.9 billion yen.

Although we have been able to continuously reduce the deficit, we are still in the process of improving our business structure.

2

Although net sales were affected by production cutbacks mainly by European customers due to the impact of Ukraine and the shortage of semiconductors, the markets in China, Asia, and the Americas are on a recovery trend, and overall net sales increased both from the previous year and from the forecast.

Operating income remained in the red due to the impact of soaring raw material costs and increased development costs for future commercial rights, although the company made progress in reforming its structure by reducing costs, reflecting part of the impact of soaring raw material and energy costs in prices through customer negotiations, and reducing depreciation costs through structural reforms in the previous year.

3

Non-business dispositions in this fiscal year include impairment losses on fixed assets in Japan and Europe due to the progress of the business revitalization plan and, on the other hand, the reversal of restructuring reserves.

The reversal of the provision was made in light of the current status of the reorganization of bases and optimization of personnel.

In addition, a reversal of allowance for doubtful accounts of ¥2.4 billion was recorded in the consolidated financial statements as a result of the partial recovery of receivables owed by a consolidated subsidiary to the Middle East, which had been in arrears, as a result of continued collection efforts.

2. Summary of consolidated financial results

[In 100 million yen]

		FY2021 Jan~Dec 2021 results	FY 2022 Jan~Dec 2022 results	Ver Previous year		FY 2022 Jan~Dec 2022 Excluding special factors	Ver Previous year	
				Difference	Ratioed		Difference	Ratioed
Sales		1,626	1,757	131	8.0%	1,610	147	9.1%
Operating Profit		(212)	(57)	155	73.0%	(50)	(7)	-14.6%
Ordinary Profit		(190)	(41)	149	78.2%	(35)	(6)	-18.3%
Net income attributable to owners of the parent company Ordinary Profit		(125)	(16)	109	87.1%	(37)	21	56.4%
Excahnge	US\$	110 yen	131 yen	22 yen		110 yen	21 yen	
	EUR	130 yen	138 yen	8 yen		130 yen	8 yen	

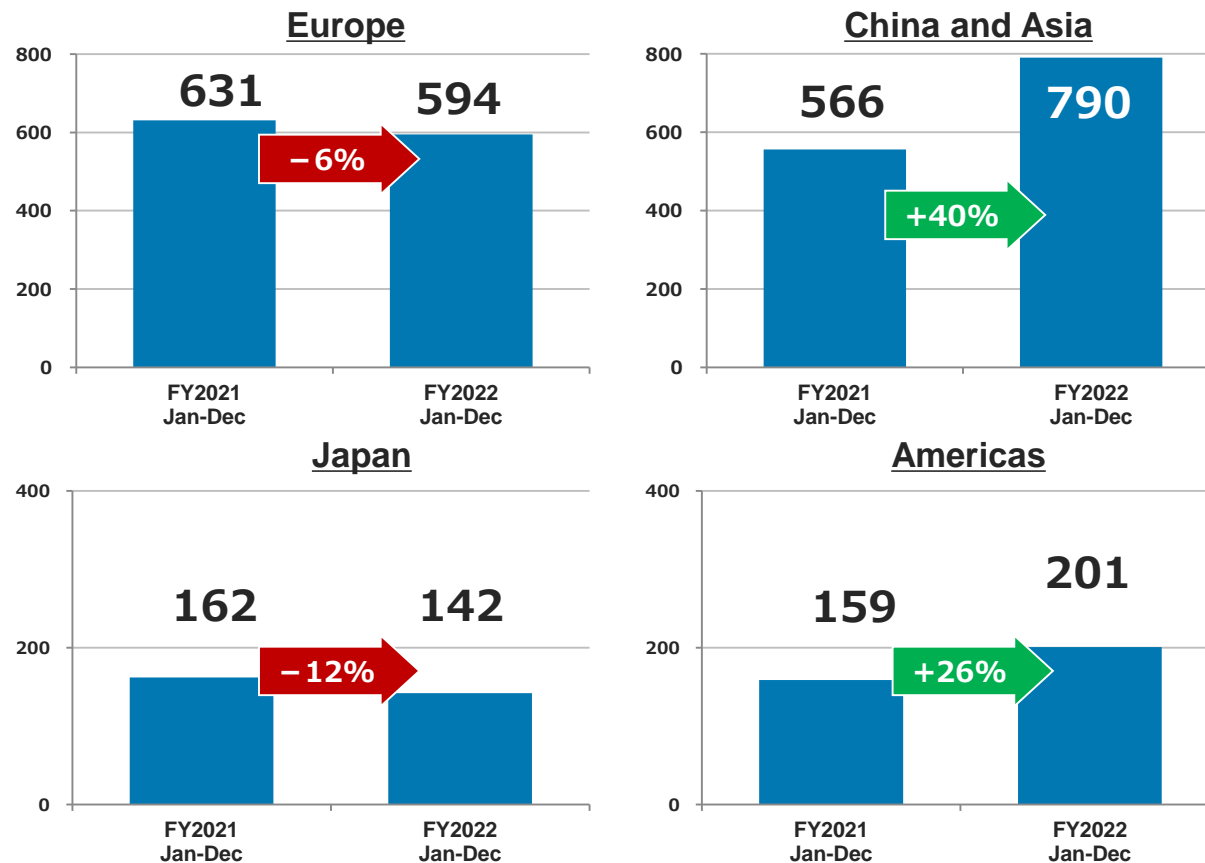
*Exchange rate: Average market rate

3. Sales by region from the automotive systems business segment

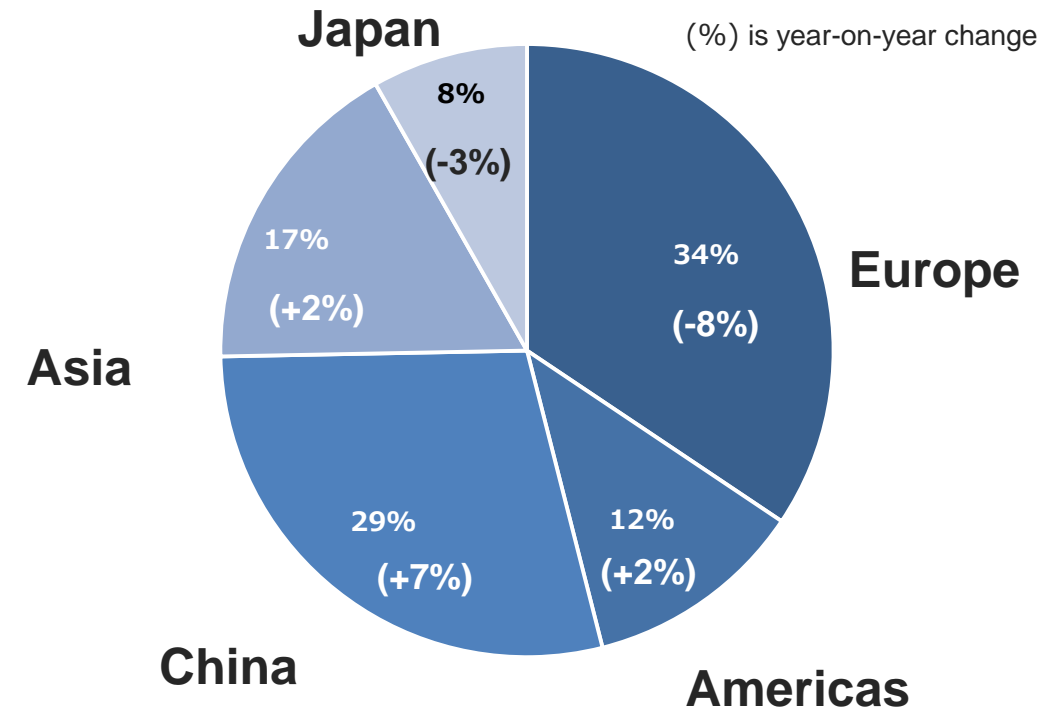
Net sales 172.7 billion yen, Increase 20.9 billion yen

(Up 10% year-on-year) (Increase by 13.4 billion yen due to currency effects)

■ Regional sales [In 100 million yen]



■ Composition by regions

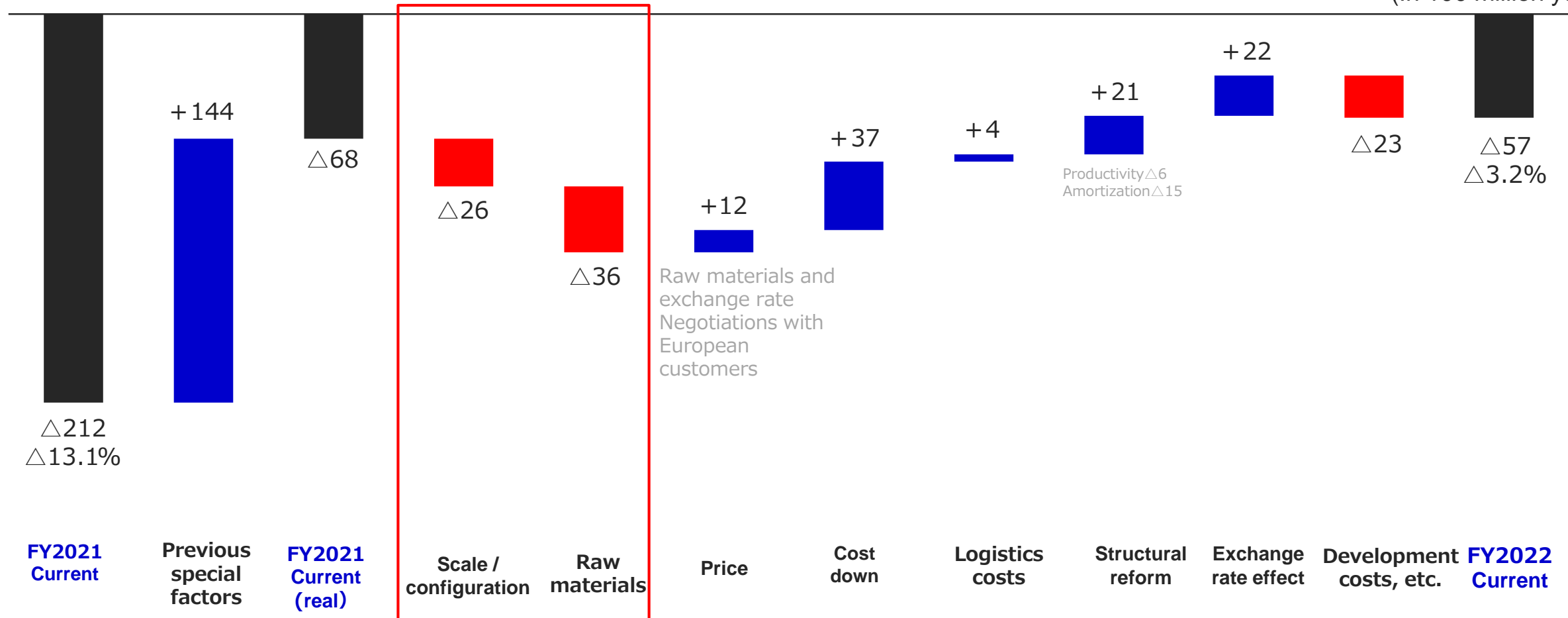


4. Operating income (Year-on-year comparison)

	Previous FY	Current FY	Difference
Net Sales	1,626	1,757	+131
Operating Income	(212)	(57)	+155

- ✓ External environmental changes such as customers' production decline and raw material price hikes due to semiconductor shortages continue, but the impact of these changes is decreasing.
- ✓ Compensate for price declines through persistent negotiations on the impact of soaring raw material prices, etc.
- ✓ Increased investment for growth and development in line with vehicle electrification

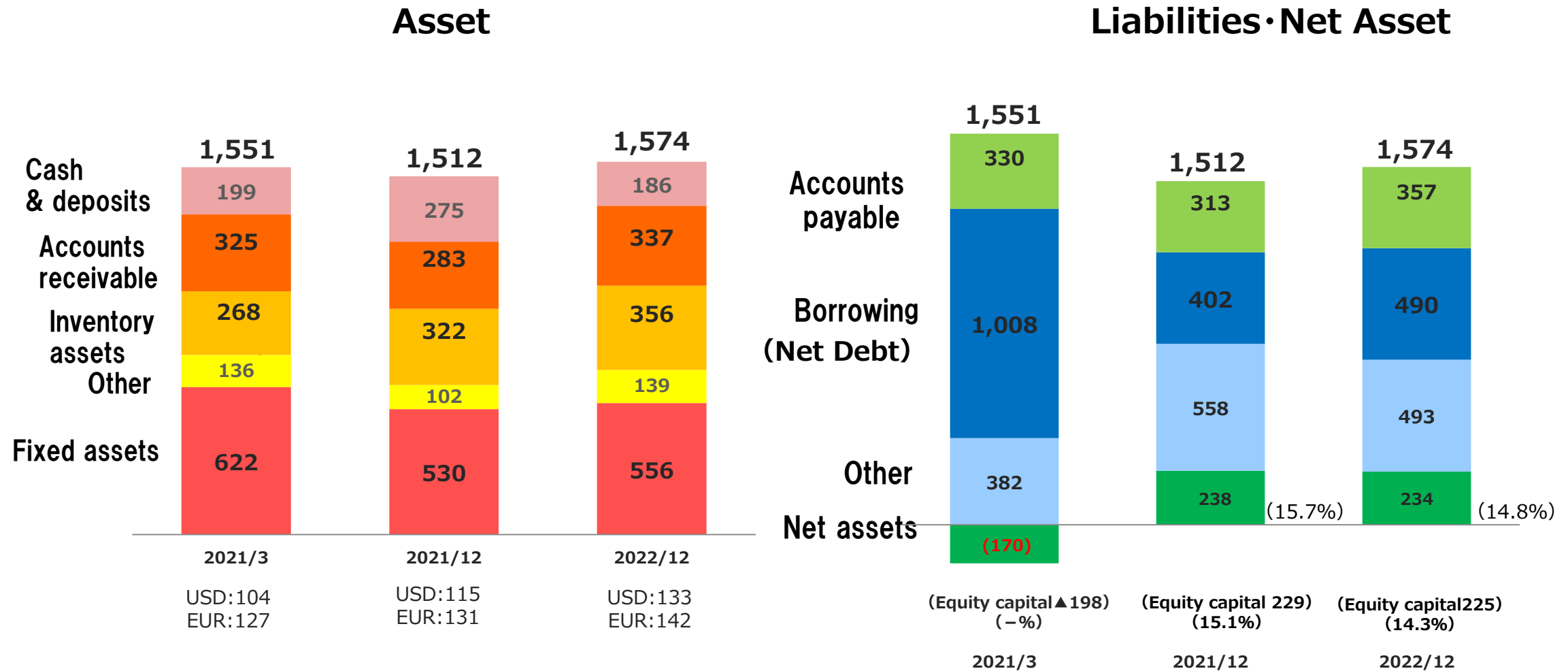
(In 100 million yen)



5. Consolidated balance sheet (Year-on-year comparison)

*Days are based on ending balance (sales in the last 3 months/90)

[In 100 million yen]



Agenda

Forecast for the fiscal year ending December 2023

1. Summary of consolidated financial forecast
2. Sales by region from the automotive systems business segment
3. Operating income

1 . Summary of consolidated financial forecast

[In 100 million yen]

		FY 2022 Jan~Dec 2022 results	FY 2023 Jan~Dec 2023 Forecast	Ver Previous year	
				Difference	Ratioed
Sales		1,757	1,830	73	4.2%
Operating Profit		(57)	(57)	0	0.0%
Ordinary Profit		(41)	(37)	4	10.6%
Net income attributable to owners of the parent company Ordinary Profit		(16)	(16)	0	0.0%
Excahnge	US\$	131 yen	130 yen	(1) yen	
	EUR	138 yen	139 yen	1 yen	

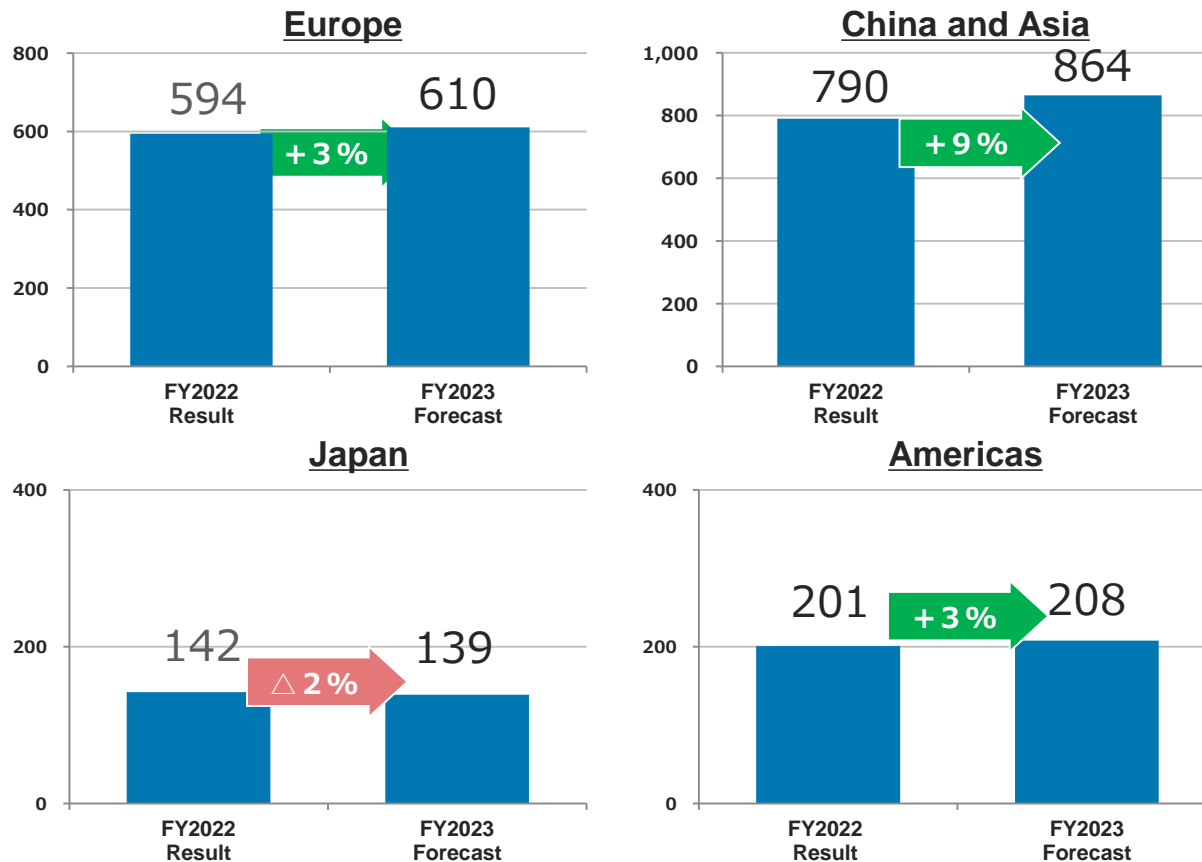
※Exchange: Results : Average market rate

Forecast : Our assumption

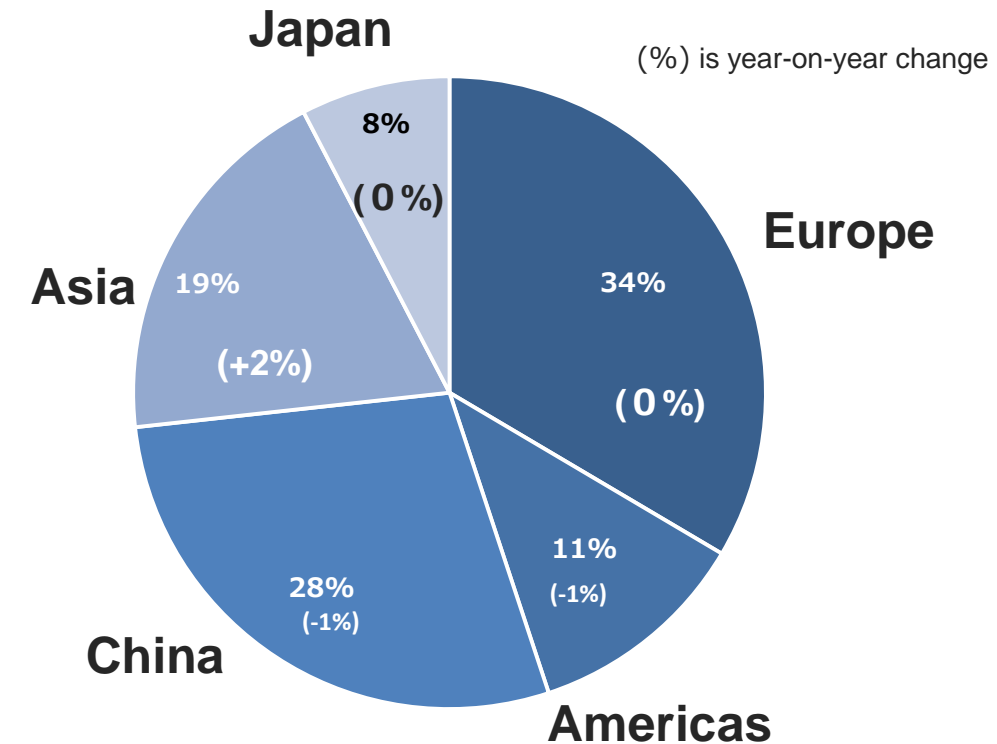
2. Sales by region from the automotive systems business segment

Net sales 182.1 billion yen Increase 9.4 billion yen
(Up 5% year-on-year)

■ Regional sales [In 100 million yen]



■ Composition by regions



3. Operating income (Year-on-year comparison)

[In 100 million yen]

	Previous FY	Forecast	Difference
Net sales	1,757	1,830	+73
Operating income	(57)	(57)	±0

- ✓ Raw material prices have settled down and no further impact is expected.
- ✓ Improvement of the structure compared to the previous year due to increase in scale and promotion of cost reduction
- ✓ Expect YoY level due to increased investment in growth to strengthen competitiveness in order to acquire commercial rights

