

FOR IMMEDIATE RELEASE
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Media Inquiries:
Corporate Communication and CSR Dept.
+81-3-5209-3296
Sanden Holdings Corporation

Notice of Revisions to Earnings Forecast, Record of Non-operating Expense and Extraordinary Losses

Sanden Holdings Corporation has today revised its consolidated forecasts of the financial position, which was announced on March 9, 2017. The details of the revised forecast for the fiscal year ending March 31, 2017 are as below.

1. Revisions to the consolidated earnings forecast for the fiscal year ending March 31, 2017 (1) April 1, 2016 - March 31, 2017

	Sales (Millions of ¥ & %)	Operating Income (Millions of ¥ & %)	Income before extraordinary items (Millions of ¥ & %)	Net income (Millions of ¥)	Net income per share basic (¥)
Forecast as published (A)	280,000	5,000	3,500	(10,800)	(78.19)
Revised forecast (B)	281,000	1,500	(3,000)	(23,000)	(166.52)
Changes in amount(B – A)	1,000	(3,500)	(6,500)	(12,200)	
Percentage change (%)	0.4%	(70.0%)	-	-	
(Reference) Results of previous fiscal year ended March 2016	294,237	5,494	6,138	6,965	50.43

(2) Reasons for Revisions

Sales forecast is expected to be generally in line with the previous forecast while domestic sales in Commercial Store Systems business decreased, overseas sales in Automotive Systems business increased.

Operating income forecast decreased mainly owing to decreased domestic sales in Commercial Store Systems business, as well as delay in productivity improvement including start-up of in-house parts production investment at the overseas production bases in Automotive Systems business.

Income before extraordinary items/ Net income forecast decreased owing to the above factors as well as the impact from foreign exchange rate fluctuations, and the extraordinary losses for the implementation of drastic structural reforms additionally recorded for future growth.

2. Record of non-operating expense and extraordinary losses

The Company expects to record non-operating expenses and extraordinary losses in the consolidated fiscal year ended March 31, 2017 (April 1, 2016 – March 31, 2017). Details are as follows.

(1) Non-operating expense (foreign exchange loss) /approximately 3 billion yen

The Company recorded a loss as a non-operating expense due to foreign exchange loss related to transactions in foreign currency denominated assets and liabilities held at the end of the current fiscal year.

(2) Extraordinary losses

- Structural reforms expenses/approximately 7.6 billion yen

The Company expects to record impairment loss and expenses for integration and consolidation of operations, etc., in addition to loss of 1.9 billion yen to cover costs for the implementation of the voluntary retirement program, by third quarter of the fiscal year ended March 31, 2017.

- Market-related measures expenses/ approximately 3.4 billion yen

The Company expects to record market-related measures expenses for Automotive Systems business in addition to loss of 1.4 billion yen recorded by third quarter of the fiscal year ended March 31, 2017.

[NOTE]

The above forecast of earnings has been compiled based on information currently available to us, and the actual results might differ from the currently forecasted figures due to various factors.

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