

FOR IMMEDIATE RELEASE
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 Sanden Holdings Corporation

Notice of Revisions to Earnings Forecast and Dividends Forecast

Sanden Holdings Corporation has today revised its consolidated forecasts of the financial position, which was announced on May 9, 2018. The details of the revised forecast for the fiscal year ending March 31, 2019 are as below.

1. Revisions to the consolidated earnings forecast

(1) The fiscal year ending March 31, 2019

	Net sales (Millions of ¥ & %)	Operating income (Millions of ¥ & %)	Ordinary income (Millions of ¥ & %)	Net income attributable to owners of the parent (Millions of ¥)	Net income per share basic (¥)
Forecast as published (A)	295,000	7,000	7,000	4,000	144.74
Revised forecast (B)	280,000	3,000	2,000	500	18.08
Changes in amount(B – A)	(15,000)	(4,000)	(5,000)	(3,500)	
Percentage change (%)	(5.1%)	(57.1%)	(71.4%)	(87.5%)	
(Reference) Results of previous fiscal year ended March 2018	287,609	5,469	4,411	4,255	154.00

(2) Reasons for Revisions

The net sales forecast has been revised as above due to the effect of decrease in our main customers' vehicle sales in Asia, China and Europe for automotive systems affected by various changes such as trade policies, mainly of U.S. and China, and change of vehicle regulation. In addition, the earning forecast has been revised effected by the reduction of net sales even though we have been implementing the structural reforms for the purpose of improving the profitability.

From the third quarter and beyond in this forecast, the company has revised the exchange rate assumption to 110 yen from 105 yen to the U.S. dollar. Accordingly, the assumed full-year exchange rates were changed to 110 yen and 130 yen to the US dollar and the euro, respectively.

2. Revisions to the dividends forecast

(1) The fiscal year ending March 31, 2019

Base date	Dividend per share (JPY)		
	End of 2nd quarter	End of fiscal year	Total
Previous forecast (announced on May 9, 2018)		20.00	20.00
Revised forecast		0.00	0.00

(2) Reasons for Revisions

We place one of the most important management policy on the distributing earnings to shareholders. With this policy of making distribution in accordance with consolidated result of performances, our goal is to pay stable and consistent dividends with the payout ratio of 30% approximately. We forecasted to pay dividends of 20 yen per share for the fiscal year ended in March, 2019. However, due to the business performance and the fiscal conditions, we will pay no dividend regrettably for the fiscal year ended March 2019.

[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 as below.

(1) Economic Conditions, (2) Fluctuations in Exchange Rates, (3) Changes in Raw Material and Parts Market Conditions, (4) Natural Disasters, (5) New Product Development, (6) Potential Risks Associated with International Operations and Entry into Overseas Markets(Changes in and revisions to laws and regulations in countries in which the Sanden Group operates, Changes in the economic and political climate, Unstable political situations, including wars, Labor disputes, and Marine transport-related strikes),(7) Price Competition, (8) Reliance on Customer Performance, (9) Limitations on Intellectual Property Protection, (10) Product Liability, (11) Legal and Regulatory Risks