



[Translation]  
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News release

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(Securities code: 6444, TSE First Section)  
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### **Impact of the Spread of COVID-19 on the Financial Results etc.**

We notify you of the impacts of the global pandemic of COVID-19 on the financial results for Fiscal 2019, started April 1, 2019 and ended March 31, 2020, announcement thereof, and holding of a general shareholders' meeting.

#### **1. Financial results forecast for Fiscal 2019**

Sanden Holdings Corporation (hereinafter referred to as the 'Company') announced its full-year financial results forecast for Fiscal 2019 on November 6, 2019. After that, however, the auto sales declined more than expected especially in China and Europe, and our sales consequently declined. We are expecting that such sales decline will reduce the effects of our cost reduction efforts. In addition, with the global pandemic of COVID-19, the Company's main production bases in Europe, North America, China, India etc. have been being forced to decrease their operation capacity, or much worse, temporarily shut down due to shut-down or production adjustment at our customers' factories. We are expecting that further reduction in our net sales will adversely effect on our operating income.

Regarding ordinary income, in addition to the aforementioned negative impacts on financial settlement, we are anticipating that the exchange loss of foreign-currency-dominated ordinary deposit and the decline in revenue of equity method affiliates will cause additional losses. Regarding net income for the period attributable for owners of parent, part of our subsidiaries may post impairment loss on fixed assets due to deterioration of their business environment.

#### **2. Date for announcement of financial results and general shareholders' meeting**

Some of the Company's overseas subsidiaries, especially located in India and other countries in Asia region, are expecting delay in their account settlement because of regulatory tightening due to spread of the infection with the new coronavirus. Therefore, we may probably delay the date of announcement of financial results and holding of a general shareholders' meeting. We are now scrutinizing the progress of account settlement at the respective overseas subsidiaries.

### **3. Future prospects**

Putting priority on health, safety of the customers, employees, and all other stakeholders, and prevention of spread of infection, the domestic Sanden group will continue its business operation according to the policies of the Japanese Government and the relevant local public entities.

The business performance under the business environment mentioned in this notification and the impacts of the aforementioned delays on the dates of announcement of financial results and holding of a general shareholders' meeting remain under scrutiny. We will promptly disclose information related thereto when timely disclosure is required.

We would like to express our sincere apologies for any inconvenience caused to our customers, investors, and all other stakeholders. We would appreciate it if you would understand our difficult situation.

[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

End