

(NOTE) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

[Translation]
Date: May 27, 2021

For immediate release

Company name: Sanden Holdings Corporation
Representative: Katsuya Nishi, Representative
Director & President
(Securities code: 6444 TSE First Section)
Inquiries: Toru Akima, Director & Corporate
Officer, Division General Manager
of Finance & Accounting Division
Tel: (03)-5209-3296

Change in Fiscal Period and Partial Amendments to the Articles of Incorporation

Sanden Holdings Corporation (hereinafter referred to as the ‘Company’) hereby announces that the board of directors of the Company resolved, at its meeting held today, that the Company would propose to the 95th ordinary general meeting of shareholders scheduled to be held on June 25, 2021, an agenda item regarding the partial amendments to the Article of Incorporation (hereinafter referred to as the ‘Amendments to the Article of Incorporation’) relating to the change in the Company’s fiscal period.

The agenda item regarding the Amendments to the Article of Incorporation will be put to a vote at the 95th ordinary general meeting of shareholders on the condition that the payment for the issuance of shares of common stock of the Company through third-party allotment (hereinafter referred to as the ‘Capital Increase through Third-Party Allotment’) to Hisense Japan Automotive Air-Conditioning Systems Corporation, which is a special purpose company incorporated by Hisense Home Appliances Group Co., Ltd. (hereinafter referred to as ‘Hisense Home Appliances Group’) will have been completed on or before the date immediately preceding the date of such meeting (scheduled for June 25, 2021).

1. Reasons for Change in Fiscal Period

Upon the completion of the payment for the Capital Increase through Third-Party Allotment, the Company will become an affiliate company of Hisense Group to which Hisense Home Appliances Group belongs and whose ultimate parent company is Hisense Group Holdings Co., Ltd. While the fiscal term of the Company is currently a one-year term commencing on April 1 of each year and ending on March 31 of the following year, the Company decided to change the fiscal period (hereinafter referred to as the ‘Change in Fiscal Period’) after the completion of the payment for the Capital Increase through Third-Party Allotment for the purpose of strengthening and streamlining its system for accounting and management by aligning its fiscal period with that of Hisense Group.

Please note that the agenda item regarding the Amendments to the Article of Incorporation will be put to a vote at the 95th ordinary general meeting of shareholders only if the payment for the Capital Increase through Third-Party Allotment has been completed on or before the date immediately preceding the date of such meeting (scheduled for June 25, 2021). Such agenda item will be withdrawn and will not be put to a vote at such meeting if the payment for the Capital Increase through Third-Party Allotment has not been completed by such date.

2. Details of Change in Fiscal Period

| | |
|------------------------------|--------------------------|
| Current fiscal year-end | March 31 of each year |
| Fiscal year-end after change | December 31 of each year |

(Note) As a transitional period to implement the Change in Fiscal Period, the 96th fiscal term will be a 9-month fiscal period commencing on April 1, 2021, and ending on December 31, 2021.

3. Future Prospect

As for the Company's future prospect, the Company did not disclose its forecast for the consolidated business results for the fiscal year ending March 2022 in the "Summary of Consolidated Financial Statements as of March 31, 2021" disclosed on May 13, 2021. The Company does not make forecast for the consolidated business results for the 96th fiscal term, the transitional period to implement the Change in Fiscal Period, as there are uncertainties that make it difficult to reasonably calculate the forecast. The Company will disclose the forecast for the 96th fiscal term promptly after it becomes possible.

4. Amendments to the Articles of Incorporation

The details of the amendments are as follows:

(Underlines indicate the portions that are to be amended.)

| Current Articles of Incorporation | Proposed Amendments |
|--|---|
| <p>(Record Date) Article 12 The Company shall deem those shareholders recorded on the register of shareholders as of the 31st of <u>March</u> every year to be shareholders who are entitled to exercise their voting rights at the ordinary meeting of shareholders.</p> | <p>(Record Date) Article 12 The Company shall deem those shareholders recorded on the register of shareholders as of the 31st of <u>December</u> every year to be shareholders who are entitled to exercise their voting rights at the ordinary meeting of shareholders.</p> |
| <p>(Convocation) Article 13 The ordinary general meeting of shareholders of the Company is convened in <u>June</u> each year.</p> | <p>(Convocation) Article 13 The ordinary general meeting of shareholders of the Company is convened in <u>March</u> each year.</p> |
| <p>(Business Term) Article 32 The business term of the Company shall be a one-year term commencing on <u>April</u> 1 of each year and ending on <u>March</u> 31 of <u>the following</u> year.</p> | <p>(Business Term) Article 32 The business term of the Company shall be a one-year term commencing on <u>January</u> 1 of each year and ending on <u>December</u> 31 of <u>each</u> year.</p> |
| <p>(Dividends of Retained Earnings) Article 33 The year-end dividends of the Company shall be paid, by a resolution of the General Meeting of Shareholders, to the shareholders or registered pledges recorded in the register of shareholders as of the accounts closing date. In addition to the preceding paragraph, the interim dividends of the Company shall be paid, by a resolution of the Board of Directors, to the shareholders or registered pledges recorded in the register of shareholders as of the end of <u>September</u> each year.</p> | <p>(Dividends of Retained Earnings) Article 33 The year-end dividends of the Company shall be paid, by a resolution of the General Meeting of Shareholders, to the shareholders or registered pledges recorded in the register of shareholders as of the accounts closing date. In addition to the preceding paragraph, the interim dividends of the Company shall be paid, by a resolution of the Board of Directors, to the shareholders or registered pledges recorded in the register of shareholders as of the end of <u>June</u> each year.</p> |

| Current Articles of Incorporation | Proposed Amendments |
|-----------------------------------|--|
| (Newly established) | <p style="text-align: center;"><u>Supplementary Provisions</u></p> <p><u>Article 1 Notwithstanding the provision of Article 32 (Business Term), the 96th business term shall be a nine-month term commencing on April 1, 2021 and ending on December 31, 2021.</u></p> |
| (Newly established) | <p><u>Article 2 Notwithstanding the provision of Paragraph 2 of Article 33 (Dividends of Retained Earnings), the record date of interim dividend for the 96th business term shall be September 30, 2021.</u></p> |
| (Newly established) | <p><u>Article 3 The preceding two Articles and this Article shall be deleted upon the ending of the 96th business term.</u></p> |

5. Schedule

- | | |
|---|---------------------------|
| (1) Date of ordinary general meeting of shareholders for the Amendments to the Article of Incorporation | June 25, 2021 (Scheduled) |
| (2) Effective date of the Amendments to the Article of Incorporation | June 25, 2021 (Scheduled) |

End of Document