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[Translation]

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For immediate release

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Notice on Elimination of “Notes to going concern assumptions”

Sanden Holdings Corporation (hereinafter referred to as the ‘Company’) hereby announces that the Company eliminated the description “Notes to going concern assumptions” in the “SUMMARY OF QUARTERY CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021” dated today.

In the fiscal years ending March 2020 and March 2021, we recorded operational loss and ordinary loss, and our group’s current liabilities exceeded its current assets as a result of the sale of all shares of Sanden Retail Systems Corp., a major subsidiary that operated the commercial store systems business, the weakened vehicle sales on the automotive systems business primarily in Europe and China, and the global impact of the COVID-19 pandemic. Accordingly, our group added the “Notes to going concern assumptions” because there was a significant uncertainty about the going concern assumption.

In order to address such situation, the Company and certain of its subsidiaries (hereinafter collectively referred to as ‘Our Companies’) had been striving for a business turnaround through the specified certified dispute resolution proceedings under the Act on Strengthening Industrial Competitiveness (i.e., the Turnaround ADR Proceedings). As announced in the notice titled “Notice on the Holding of the Re-Continuation Meeting for Creditors’ Meeting for Resolution on Business Revitalization Plan under Turnaround ADR Proceedings, Completion of Turnaround ADR Proceedings and Financial Support including Debt Forgiveness” dated May 7, 2021, as of the same date, the Turnaround ADR Proceedings were successfully completed by obtaining the unanimous consent of all of the participating financial institutions with respect to the business revitalization plan (hereinafter referred to as the ‘Business Revitalization Plan’). The Business Revitalization Plan includes provisions in respect of the issuance of new shares of common stock of the Company, the aggregate amount to be paid in for which is about 21.4 billion yen, 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 the ‘Capital Increase through Third-Party Allotment’), and financial support mainly consisting of debt forgiveness for the Company’s debt, which amounts to 63 billion yen in total (hereinafter referred to as the ‘Debt Forgiveness’).

After the completion of the Turnaround ADR Proceedings, as announced in the notice titled “Completion of Payment for Issuance of New Shares through Third-Party Allotment and Withdrawal of Shelf Registration” dated May 31, 2021, as of the same date, the payment for the Capital Increase through Third-Party Allotment was completed. Furthermore, as announced in the notice titled “Notice on Submission of “Business Revitalization Plan” to Tokyo Stock Exchange, Inc.” dated May 7, 2021, the Debt Forgiveness was premised on the condition that the payment of the Capital Increase through Third-Party Allotment be completed, and as announced in the notice titled “Recording of Extraordinary Income pertaining to Gain from Debt Forgiveness” dated May 31, 2021, as of the same date, the Debt Forgiveness became effective upon the completion of the payment for the Capital Increase through Third-Party Allotment.

Due to the completion of the Capital Increase through Third-Party Allotment and the Debt Forgiveness becoming effective pursuant to the Business Revitalization Plan, as announced in the notice titled “SUMMARY OF QUARTERY CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021” dated today, as of the first quarter of the fiscal year ended December 31, 2021, the Company has net assets amounting to 26.7 billion yen, eliminating its excessive liabilities. Accordingly, we eliminated the description “Notes to going concern assumptions”.

We would like to express our sincere apologies to our shareholders, financial institutions and any other parties involved for any burden and inconvenience that we may have caused. Our group will proceed with the business restructuring measures under the new management structure. We would greatly appreciate the continued support and cooperation from all of our stakeholders.

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