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[Translation]

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For immediate release

Company name: Sanden Holdings Corporation
Representative: Zhu Dan, Representative Director & President
(Securities code: 6444 TSE First Section)
Inquiries: Junya Takahashi, Corporate Officer,
General Manager of Corporate
Management Division
Tel: (03)-5209-3296

Progress on Efforts for Excessive Liabilities Elimination

As announced in the notice titled “SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2021” dated May 13, 2021, Sanden Holdings Corporation (hereinafter referred to as the ‘Company’) incurred excessive liabilities as of the fiscal year ended March 31, 2021, and therefore, the Company announced the efforts for eliminating the Company’s excessive liabilities in the notice titled “Notice on Submission of “Business Revitalization Plan” to Tokyo Stock Exchange, Inc.” dated May 7, 2021.

Accordingly, the Company hereby announces the progress on efforts for eliminating the excessive liabilities during the period of the first quarter of the fiscal year ended December 31, 2021 as follows.

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. In accordance with the Business Revitalization Plan, our group has been striving to achieve five objectives for restructuring: “Fundamental Changes to Production Structure”, “Improvement on Core Profitability”, “Growth through Proactive ‘Co-Creation’”, “Strengthening Cash Flow Generation Measures” and “Reorganization of Corporate Structure for Execution”. In this first quarter, the Company gave concrete shape to the global production structure based on the market environment and needs of clients, and in September 2021, the Company will establish a research and development center in China, the largest automobile market, and accelerate its cooperation with the Hisense Group for the joint development of electric vehicles, which is a collaborative creation strategy, and strengthen our efforts to expand our business area with integrated thermal management systems as the cornerstone. The Company expects to maintain its net assets by proceeding with such measures for providing new and better technologies and services to clients and the market promptly.

In order to ensure the fulfillment of the Business Revitalization Plan and achieve a turnaround of the Company’s business and the sustainable growth of the Company, all of our officers and employees will work together with unwavering resolve to realize a drastic turnaround of the Company’s business.

We would appreciate the continued support and cooperation of all of our stakeholders.

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