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News release



[Translation]
February 25, 2022

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(Securities code: 6444 TSE First Section)
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Notice Concerning Recording of Non-operating Expenses and Extraordinary Loss

Sanden Corporation (hereinafter referred to as the ‘Company’) would like to announce that we have recorded the following non-operating expenses and extraordinary losses for the fiscal year ended December 31, 2021.

1. Recording of Non-operating Expenses

1) Recording of Non-operating Expenses (provision of allowance for doubtful accounts)

Due to concerns over the collection of loans to some of the Company's consolidated subsidiaries, the Company has recorded a provision for doubtful accounts of 21.3 billion yen as non-operating expenses in the non-consolidated financial statements for the fiscal year ended December 31, 2021.

2. Recording of Extraordinary Losses

1) Recording of Extraordinary Loss (impairment loss)

As some of the Company's consolidated subsidiaries have decided to record impairment losses on fixed assets, etc., an impairment loss of 12.2 billion yen has been recorded in the consolidated financial statements.

2) Recording of Extraordinary Loss (provision for loss on business of subsidiaries and affiliates)

In order to prepare for losses to some of the Company's consolidated subsidiaries, the Company has recorded an extraordinary loss of 2.8 billion yen as provision for loss on business of subsidiaries and affiliates in the non-consolidated financial statements for the fiscal year ended December 31, 2021, which is the amount expected to be borne by the Company in excess of its investment in the subsidiaries and affiliates.

3. Impact on Consolidated Financial Results

The provision of allowance for doubtful accounts for consolidated subsidiaries and provision of allowance for loss on business of subsidiaries and affiliates above-mentioned do not affect the consolidated financial results because those are off set in the consolidated financial statements.

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