



March 30, 2022

News release

Company name: **Sanden Corporation**

Representative: Zhu Dan, Representative Director
& President
(Securities code: 6444 TSE First Section)

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Notice Concerning Disclosure of Matters Relating to Controlling Shareholder

Sanden Corporation (hereinafter referred to as the “Company”) announces the matters relating to the controlling shareholder, etc., as follows.

1. Details including the trade name of the parent company, the controlling shareholder (excluding the parent company), other affiliated companies, or the parent company of other affiliated companies

(as of December 31, 2021)

Trade name	Category	Ownership ratio of voting rights (%)			Listed stock exchanges of the issued shares
		Held directly	Held indirectly	Total	
Hisense Japan Automotive Air-Conditioning Systems Corporation	Parent company	74.9%		74.9%	
Kelon Development Company Limited	Parent company		74.9%	74.9%	
Hisense Home Appliances Group Co., Ltd.	Parent company		74.9%	74.9%	Hong Kong Exchanges and Clearing Shenzhen Stock Exchange
Qingdao Hisense Air-Conditioning Company Limited	Other affiliated company		28.4%	28.4%	
Hisense Group Holdings Co., Ltd.	Other affiliated company		33.3%	33.3%	

2. The trade name of the company among the parent company, etc., recognized to have the largest impact on the listed company and the reason therefor

Trade name	Hisense Home Appliances Group Co., Ltd.
Reason therefor	Hisense Home Appliances Group Co., Ltd. is the ultimate parent company of the Company and its Executive Director serves concurrently as the Representative Director of the Company.

3. Reasons for not disclosing the financial statement information of the non-listed parent company, etc.

Although among the parent company, Hisense Home Appliances Group Co., Ltd., its subsidiary, Kelon Development Company Limited, and the subsidiary of Kelon Development Company Limited, Hisense Japan Automotive Air-Conditioning Systems Corporation, the company with the largest impact on the Company, i.e., Hisense Home Appliances Group Co., Ltd. falls under “parent company, etc.,” as provided in the Securities Listing Regulations, the disclosure of its financial statement information is omitted in accordance with the provisions of the said regulations, as the said company is listed on the Hong Kong Exchanges and Clearing.

4. Relationships of the listed company with the parent company, etc., including the position of the listed company in the corporate group of the parent company, etc.

The parent company, Hisense Home Appliances Group Co., Ltd., holds 100% of the voting rights of Kelon Development Company Limited, and Kelon Development Company Limited holds 100% of the voting rights of Hisense Japan Automotive Air-Conditioning Systems Corporation. Furthermore, Hisense Japan Automotive Air-Conditioning Systems Corporation holds 74.9% of the voting rights of the Company, and the Executive Director of the said companies serves concurrently as the Representative Director of the Company.

However, the Company recognizes that, with regard to the Company's business activities and management decisions, the Company is responsible for its decision-making and business execution, and that a certain level of independence has been ensured.

<Concurrent positions of Directors>

Title at the Company	Name	Title at the parent company, etc.	Reasons for appointment
Representative Director and Chairman	Dai Hui Zhong	Chairman, President, Hisense Home Appliances Group Co., Ltd.	To strengthen the collaboration among the Group
Director	Tang Yeguo	Director, Hisense Group Holdings Co., Ltd.	To strengthen collaboration with the other affiliated company, Hisense Group Holdings Co., Ltd.

5. Transactions with the controlling shareholder, etc.

Category	Trade name of the company, etc. or name of the individual	Address	Stated capital or contributions	Business description or occupation	Ratio of voting rights holding (held) (%)	Relationship with the related party	Details of the transaction	Transaction amount (Million yen)	Account	Year-end balance (Million yen)
Parent company	Hisense Japan Automotive Air-Conditioning Systems Corporation	Kawasaki, Kanagawa	JPY 0 million	Business management of subsidiaries, etc. engaged in business and businesses incidental and related thereto	Voting rights held Directly 74.9%	Subscription to the capital increase Borrowing of funds	Subscription to the capital increase (Note 1)	21,408	—	—
							Borrowing of funds (Note 2)	19,000	Short-term borrowing	19,000
							Payment of interest (Note 2)	96	Accrued interest	96
Parent company	Kelon Development Company Limited	Hong Kong, The People's Republic of China	HKD 10 million	Development, manufacture, and sales of home appliances, telecommunication and information equipment, and other electronic equipment	Voting rights held Indirectly 74.9%	Borrowing of funds	Borrowing of funds (Note 3)	11,000	Short-term borrowing	11,000
							Payment of interest (Note 3)	34	Accrued interest	34

- Notes
- Hisense Japan Automotive Air-Conditioning Systems Corporation subscribed to the capital increase through third-party allotment conducted by the Company at JPY 256 per share.
 - Regarding the borrowing of funds, the borrowing rate is determined reasonably based on market interest rates. The repayment conditions comprise lump-sum payment after a term of 8 months.
 - Regarding the borrowing of funds, the borrowing rate is determined reasonably based on market interest rates. The repayment conditions comprise lump-sum payment after a term of 1 year.

6. Implementation status of measures to protect minority shareholders when conducting transactions with controlling shareholders

As a result of receiving payment related to the capital increase through third-party allotment from Hisense Japan Automotive Air-Conditioning Systems Corporation, which was established by Hisense Home Appliances Group Co., Ltd. on May 31, 2021, the Company now has a controlling shareholder holding approximately 75% of its voting rights.

On February 25, 2022, the Company established a Special Committee to monitor important transactions between the Company and the controlling shareholder and to prevent the controlling shareholder from unjustly violating the interests of minority shareholders. The Company, even when conducting transactions, etc. with the controlling shareholder, basically conducts transactions under appropriate conditions that are equivalent to general terms and conditions and makes efforts to maintain fair and appropriate transactions, in consideration of market prices and based on reasonable judgment.

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