



September 20, 2022

Company name **SANDEN CORPORATION**
Name of Representative Director and Zhu Dan
Representative President
(Securities code: 6444; TSE Prime Market)
Contact Division General Manager of Takahiro
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Notice of Change in Consolidated Subsidiary (by Share Transfer)

It is hereby notified that Sanden Corporation (the "Company"), at the meeting of its Board of Directors held on September 19, 2022, determined to transfer all of its consolidated subsidiary, Sanden System Engineering Corporation (hereinafter referred to as "SSE")'s share to EXEO Digital Solutions, Inc. (hereinafter referred to as "EDS"), and executed a share transfer agreement as described below.

Although this matter does not fall under the standards for timely disclosure, it is voluntarily disclosed based on the company's judgment that it is useful information. Therefore, some items and contents of disclosure items are omitted.

1. Reasons for the transfer

SSE has a lot of experience in the development, operation, and maintenance of systems for municipalities and in the sale and build packaged systems, and is also expected to continue to grow steadily with the standardization of information systems for municipalities. Meanwhile, with regard to the automotive equipment business, in addition to strengthening the air conditioning domain, such as electric compressors, heat pumps, and water heating electric heaters, the company aim to become a company that provides "integrated heat management" by expanding into the area of temperature management for equipment such as batteries and motors.

The company have now made a business decision to transfer its shares of SSE to EDS, where many synergies are expected, in order to enhance SSE's growth and corporate value.

2. Outline of the subsidiary to be transferred

Name	Sanden System Engineering Corporation
Location	3450-8 Miyako Town, Isesaki City, Gunma
Name and title of representative	Representative Director, Hitoshi Roppongi
Business Description	Development, operation and maintenance of systems and sales and building of packaged systems
Capital	30 million yen
Established	August 1, 1987

3. Outline of the counterparty

Name	EXEO Digital Solutions, Inc.
Location	Sumitomo Fudosan Mita Twin Building East Tower, 4-2-8 Shibaura, Minato Ward, Tokyo
Name and title of representative	Representative Director and President, Yuji Sato
Business Description	System Solutions Business
Capital	725 million yen
Established	April 1, 2022

4. Future outlook

The impact of this stock transfer on the company's business performance is expected to be minor, but if the impact is deemed to be significant, the company will promptly announce it as soon as it is determined. SSE will be excluded from the scope of our consolidation as a result of this stock transfer.

END