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News release

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	(Securities code: 6444 TSE Standard Market)	
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Notice Concerning the difference between the Consolidated Earnings Forecast and the actual results and the recognition of Non-operating Income, Extraordinary Incomes and Losses

Sanden Corporation (hereinafter referred to as the ‘Company’) announces the difference between the earnings forecast for Fiscal 2024 announced on February 14th, 2024, and the actual results released today as below.

1. The difference between consolidated earnings forecast for Fiscal 2024 and the actual result

	Net sales	Operating income	Ordinary income	Net Income	Net income per share basic
Forecast as announced (A)	(Millions of ¥) 180,000	(Millions of ¥) (6,800)	(Millions of ¥) (2,800)	(Millions of ¥) (1,600)	(¥) (14.36)
Actual results (B)	183,848	(6,446)	(176)	(777)	(6.98)
Changes (B-A)	3,848	353	2,623	822	—
Changes (%)	2.1%	—	—	—	—

2. Reasons for the difference

The net sales increased mainly due to the depreciation of the yen, although declining in customer vehicle sales in China and Europe.

The operating income and the ordinary income increased due to the impact of foreign exchange rates and gains on the valuation of loans, despite a deterioration in productivity due to a decrease in the scale of sales.

The net income attributable to owners of parent exceeded forecast, mainly due to the impact of the above results.

3. Recognition of non-operating Income

1) Recognition of Non-operating Income (Exchange gain)

Company has made foreign currency revaluation on foreign currency loans to subsidiaries and other foreign currency items. Foreign exchange gains of JPY 1,320 million have been recorded as non-operating expenses for the Three months ended December 31, 2024. As a result, foreign exchange gains of JPY 1,722 million have been recorded as non-operating income for the Twelve months ended December 31, 2024.

4. Recognition of extraordinary Income

1) Recognition of Extraordinary income (Reversal of allowance for doubtful accounts on Business of Subsidiaries and Associates on a Non-consolidated Basis)

In order to prepare for losses to some consolidated subsidiaries of the Company, we had posted provision for doubtful accounts of subsidiaries and associates. Due to the capital increase to the consolidated subsidiaries and they repaid loans and other expenses, as a result, the amount of reversal of provision for doubtful accounts of subsidiaries and

associates amounted to JPY7,046 million in the non-consolidated financial statements was recorded.

5. Recognition of Extraordinary Losses

1) Extraordinary loss on support to subsidiaries and affiliates

The Company discharged one of its consolidated subsidiaries from a debt so that the subsidiary could restore the soundness of net assets. The Company recorded the loss on support to subsidiaries and affiliates of 3,713 million yen in the non-consolidated financial statements for Fiscal 2024 as the extraordinary loss.

6. Impact on Financial Results

Non-operating income and Extraordinary Incomes and Losses above are reflected in “Summary of Consolidated Financial Statement as of December 31st, 2024” released today. At present, the above Reversal of allowance for doubtful accounts on a Non-consolidated Basis, Extraordinary loss on support to subsidiaries and affiliates are eliminated from the consolidated financial statements, and therefore have no impact on the consolidated financial results.

End