

FOR IMMEDIATE RELEASE
August 5, 2016

Notice of Implementation of Structure Reform in Sanden Group

Sanden Holdings Corporation today announced that the company has determined at its Board of Directors meeting, held on August 5, 2016, to implement measures for structure reform in the group.

1. Purpose of Structure Reform

The group has been proactively working toward three core strategic goals: “sales growth centered on environmental technologies,” “strengthening business competitiveness based on reform of the corporate constitution,” and “management reforms based on the reform of management systems.”

Combined with decreased domestic market primarily because of lower demand in Japan, fluctuation of exchange rates, as well as decreased domestic production due to accelerated transfer and localization of production to overseas in these several years, there is a pressing need to conduct thorough review of its production system and sales system in Japan, while reinforcement of overseas operations are also required. Accordingly, the group will focus on the drastic structure reform which will further strengthen its global business competitiveness.

2. Measures for Structure Reform

- 1) Focus of investment for growth driver through extensive review of overall business portfolio
- 2) Rationalization through integration and consolidation of operations and organizations
- 3) Vitalization of organizations through optimization of personal structure
- 4) Strengthening of global competitiveness through consolidated sources of procurement
- 5) Improvement of investment efficiency through selection and concentration
- 6) Improvement of efficiency through drastic review of expenditures
- 7) Enhancement of cash generation through financial structure reform

3. Future Outlook

The company will announce the details of above mentioned structure reform measures as well as the impact on full-year consolidated results for the year ending March 31, 2017, as soon as determined.

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