

For immediate release March 23, 2018

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Sanden Holdings Corporation

## Notice regarding Posting Extraordinary Income and Extraordinary Loss associated with structural reforms

Sanden Holdings Corporation (herein after "Sanden") hereby announces that it will post the following Extraordinary income and Extraordinary loss for the fourth quarter (January 1, 2018 through March 31, 2018) of the fiscal year ending March 31, 2018.

## 1. Extraordinary income

Consistent with four (4) key Corporate Mid Term Plan initiatives announced May 11, 2017, Sanden has sold a portion of its investment securities and recognized extraordinary gain as follows:

1) Securities sold: Fifteen (15) listed investment securities

2) Period of recognition on sales of securities: February 21, 2018 through March 22, 2018

3) Gain on sale: Approx. 2.6 billion yen

4) Total amount of gain on sale of above and sixteen (16) securities sold from the first quarter to the third quarter (April 1, 2017 through December 31, 2017) of the fiscal year ending March 31, 2018 will be approximately 4.8 billion.

## 2. Extraordinary loss (in association with structural reforms)

In the context of above mentioned initiatives, Sanden is currently promoting "optimization of business portfolio to create corporate value" through reallocating resources to growing business segment and intends to recover to growth phase with profitability.

As a result, Sanden decided to discontinue manufacturing products of Living & Environmental Business and other related business and post fundamental structural reform expenses of approximately 3.0 billion yen as extraordinary loss including a loss of approximately 0.8 billion yen on impairment of tangible fixed assets for the fourth quarter (January 1, 2018 through March 31, 2018) of the fiscal year ending March 31, 2018.

## 3. Future outlook

Financial results for the fiscal year ending March 31, 2018 remain unchanged from those announced on November 7, 2017. However, Sanden will provide prompt disclosure in the event that a forecast revision is required.