



February 13, 2026

Company name	Sanden Corporation
Name of representative	Xu Zhan Representative Director & President (Securities code: 6444; TSE Standard Market)
Inquiries	Toshiyuki Ota, Division General Manager of Human Resources Division TEL (0270) 32-1321

## **Notice Regarding the Introduction of a Performance-Linked Restricted Share Compensation Plan**

Sanden Corporation (the “Company”) hereby announces that, at its meeting of the Board of Directors held today, the Company has reviewed its compensation plan for directors and corporate officers, and that a resolution was passed for the introduction of a performance-linked restricted share Compensation Plan (the “Plan”) for certain directors of the Company (excluding outside directors, the same applies hereinafter) to propose this Plan at its 100<sup>th</sup> Ordinary General Shareholders Meeting to be held on March 31, 2026 (the “General Meeting of Shareholders”).

### **1. Purpose, etc. of introduction of the Plan**

#### **(1) Purpose of introduction**

The Company will introduce the Plan to provide an incentive for directors to improve the Company’s corporate value in the medium- to long-term by making the linkage between directors’ compensation and the performance and the Company’s share value more explicit, while also with the aim of further advancing value sharing between directors and the shareholders of the Company.

#### **(2) Conditions of introduction**

The Plan involves the Company providing monetary compensation claims to certain directors as consideration for performance-linked restricted shares. Consequently, the introduction of the Plan is conditional upon obtaining shareholders’ approval at the General Meeting of Shareholders for the payment of such compensation.

The total compensation of the directors of the Company, excluding salaries for directors who also hold positions as employees, was approved by shareholders at the Company’s 81<sup>st</sup> Ordinary General Shareholders Meeting held on June 22, 2007, as being up to JPY 500 million per annum. However, at this General Meeting of Shareholders, the Company intends to seek shareholders’ approval for: (i) introduction of this Plan for certain directors, as described in 2 below and (ii) setting the total amount of Performance-Linked Restricted Share Compensation for directors, separate from the above compensation limit, at up to JPY 300 million per annum, after comprehensively considering various factors including the contribution of directors to the Company.

Furthermore, if the proposal is approved, the Company intends to extend a compensation plan similar to the Plan to executive officers who do not concurrently serve as directors and certain employees.

### **2. Detail of the Plan**

The Company shall, based on a resolution of the Board of Directors (the “Compensation Claims Payment Resolution”), grant monetary compensation claims to directors residing in Japan and engaging in the business execution, who have received an allotment of the Company’s common stock from its third-party allotment under a resolution of the Board of Directors of the Company held on February 13, 2026 (the “Initial Allotment”) using their own funds (the “Eligible

Directors”). Such compensation claims shall be granted within the scope of the compensation amounts mentioned above, in proportion to the number of the Company’s common stock allotted to each Eligible Director, using their own funds, through the Initial Allotment and any subsequent third-party allotment conducted by the Company between the date of the Initial Allotment and the date of the Compensation Claims Payment Resolution, and held by each Eligible Director at the time of the Compensation Claims Payment Resolution, to serve as consideration for performance-linked restricted shares (the “Performance-Linked Restricted Shares”). Each Eligible Director shall receive, from the parent company of the Company, Hisense Japan Automotive Air-Conditioning Systems Corporation (the “Parent Company”), the Company’s common stock held by the Parent Company, subject to transfer restrictions (the “Share Transfer”), as consideration for such monetary compensation claims, by assigning all of the monetary compensation claims to the parent company. Such restriction on transfer shall be lifted in accordance with the level of achievement of performance evaluation criteria such as performance indicators (the “Performance Evaluation Criteria”) for a period of one year from January 1 to December 31 of each year from 2026 to 2028 (the “Performance Evaluation Period”) (for details, see (4) below).

The monetary compensation claims mentioned above shall be provided on the conditions that the directors have made payment for the third-party allotment conducted by the Company based on a resolution of the Board of Directors of the Company held on February 13, 2026, using their own funds and have been allotted the Company’s common stock, have consented to the Share Transfer above and (1) and (2) below, and have executed a share transfer agreement with the Parent Company containing the contents of (3) through (6) below.

The transfer price per share of the Company’s common stock in this Share Transfer shall be the closing price of the Company’s common stock on the Tokyo Stock Exchange on the day preceding the execution date of this Share Transfer (if no trading took place on that day, the closing price on the immediately preceding day on which trading occurred).

#### (1) Total number of shares to be acquired by the Eligible Director under the Plan

The total number of the Company’s common stock to be acquired by the Eligible Director under the Plan shall be limited to 1,750,000 shares.

If the Company’s shares increase or decrease as a result of a stock split, stock consolidation or other similar event, the Company shall, within a reasonable scope and in proportion to such increase or decrease, adjust (i) the amount of monetary compensation claims to be paid to the Eligible Director, (ii) the number of the Company’s shares to be transferred by the Parent Company to the Eligible Director, and (iii) the Post-Evaluation Share Count (as defined in (2) below).

#### (2) Method for calculating the number of shares subject to lifting of the Restriction on Transfer

Based on the achievement level of the Performance Evaluation Criteria for each Performance Evaluation Period, the Company shall determine, for each Eligible Director, the number of shares that may become subject to lifting of the transfer restrictions (fractions of a share shall be rounded up; hereinafter the “Post-Evaluation Share Count”) (for details, see (4) below). The specific Performance Evaluation Criteria shall be determined by the Board of Directors of the Company.

#### Reference: Contents of the Performance Evaluation Criteria

##### [Performance Indicators]

- The amount of “Net income attributable to owners of parent” as stated in the Company’s financial statements will be used.

##### [Performance Evaluation Criteria other than Performance Indicators]

- In addition to the foregoing performance indicator, the annual performance evaluation result of the Eligible Director will also be taken into account.

#### (3) Content of the Restriction on Transfer

An Eligible Director who receives Performance-Linked Restricted Shares shall not, directly or indirectly, during the Plan Period (defined as the period from the date of acquisition of the Performance-Linked Restricted Shares until the date on which the Post-Evaluation Share Count for the 2028 Performance Evaluation Period is determined) (hereinafter, the “Plan Period”), transfer, assign, create a pledge or other security interest in, sell, exchange, gift or otherwise dispose of such shares (collectively, the “Restriction on Transfer”). The Restriction on Transfer shall be lifted only with respect to the

Post-Evaluation Share Count, in accordance with the achievement level of the Performance Evaluation Criteria for each Performance Evaluation Period as set forth in (4) below. For shares for which the Restriction on Transfer remains in effect immediately after the expiration of the Plan Period, see (5) below.

#### (4) Lifting of the Restriction on Transfer

The Company shall determine the Post-Evaluation Share Count based on the achievement level of the Performance Evaluation Criteria for each Performance Evaluation Period, and the Parent Company shall lift the Restriction on Transfer with respect to such Post-Evaluation Share Count. However, for each Performance Evaluation Period, the Post-Evaluation Share Count eligible for lifting of the Restriction on Transfer shall be capped at the following percentages of the total number of Performance-Linked Restricted Share: 20% for the first Performance Evaluation Period, 30% for the second Performance Evaluation Period, and 50% for the third Performance Evaluation Period.

Notwithstanding the foregoing, if the achievement level of the Performance Evaluation Criteria for any Performance Evaluation Period other than the first exceeds 100%, the Company may determine the Post-Evaluation Share Count for that year to include all or part of the Performance-Linked Restricted Share whose Restriction on Transfer were not lifted in prior Performance Evaluation Periods, and the Parent Company may lift the Restriction on Transfer with respect to such shares. The method for calculating the number of Performance-Linked Restricted Share to be lifted from the Restriction on Transfer in such case shall be determined by the Board of Directors of the Company.

#### (5) Acquisition of Performance-Linked Restricted Shares without consideration

If an Eligible Director who has received Performance-Linked Restricted Shares retires from the position as a director of the Company or any other position designated by the Board of Directors of the Company by the expiration date of the Plan Period, the Parent Company shall acquire all such Performance-Linked Restricted Shares without consideration, except where there is a reason deemed legitimate by the Board of Directors of the Company.

If an Eligible Director who has received Performance-Linked Restricted Shares retires from the position as a director of the Company or any other position designated by the Board of Directors of the Company by the expiration date of the Plan Period for any reason deemed legitimate by the Board of Directors of the Company, the Parent Company shall acquire, without consideration, any Performance-Linked Restricted Shares held by such Eligible Director, for which the Restriction on Transfer have not been lifted.

Furthermore, if any Performance-Linked Restricted Shares remain subject to Restriction on Transfer immediately after the expiration date of the Plan Period, the Parent Company shall acquire such shares without consideration.

If, during the Plan Period, certain events specified by the Board of Directors of the Company occur, such as the Eligible Director being sentenced to imprisonment or heavier punishment, the Parent Company shall acquire all the Performance-Linked Restricted Shares without consideration.

The date of acquisition without consideration of the Performance-Linked Restricted Shares shall be within one year from the expiration date of the Plan Period.

Furthermore, if certain events specified by the Board of Directors of the Company occur, such as the Eligible Director being sentenced to imprisonment or heavier punishment, during a certain period specified by the Board of Directors of the Company after the Restriction on Transfer was lifted, the Eligible Director shall return to the Parent Company any profits that he/she obtained from the lifting of the Restriction on Transfer, to the extent permitted by applicable laws and regulations.

#### (6) Treatment of Performance-Linked Restricted Shares in the event of organizational restructuring, etc.

If, during the Plan Period, a merger agreement under which the Company will be the dissolved company, a share exchange agreement or share transfer plan under which the Company will become a wholly-owned subsidiary, or any other proposal concerning organizational restructuring is approved at the General Meeting of Shareholders of the Company (or upon an approval by the Board of Directors of the Company in cases where an approval by the General Meeting of Shareholders of the Company is not required for such organizational restructuring or where any demand for share cash-out for the Company's common stock is made), the Parent Company shall, in accordance with the provisions of the share transfer agreement between the Parent Company and the Eligible Director, lift the Restriction on Transfer on a portion of

the Performance-Linked Restricted Shares prior to the effective date of such organizational restructuring and shall automatically acquire the remaining Performance-Linked Restricted Shares without consideration.

End of Document