



February 13, 2026

Company Name	Sanden Corporation
Name of Representative	Xu Zhan Representative Director & President (Securities code: 6444; TSE Standard Market)
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Notice of Issuance of New Shares through Third-Party Allotment

Sanden Corporation (the “Company”) hereby announces that it has resolved, at its meeting of the Board of Directors held on February 13, 2026, the issuance of new shares through third-party allotment (the “Third-Party Allotment”, and such shares issued through the Third-Party Allotment shall be referred to as the “Shares”).

1. Overview of the offering

(1) Payment date	March 23, 2026
(2) Number of new shares to be issued	500,000 shares of the Company’s common stock (※1)
(3) Issue price	JPY 143 per share If the closing price of the Company’s common stock on the Tokyo Stock Exchange (the “TSE Closing Price”) on the trading day immediately preceding February 24, 2026 (the “Pricing Date”) exceeds the amount set forth above, the TSE Closing Price on the trading day immediately preceding the Pricing Date shall apply. (※2)
(4) Amounts of proceeds	JPY 71,500,000 The amount set forth above is an estimate as of today, and the amount of proceeds shall be the amount obtained by multiplying the issue price stated in above (3) by the number of new shares to be issued.
(5) Method of offering or allotment (the Scheduled Allottee)	All the Shares will be allotted to the allottees listed below through the third - party allotment. 3 directors of the Company 50,000 shares (※1)
(6) Others	With respect to the Third-Party Allotment, a Securities Notification subject to the Financial Instruments and Exchange Act has been filed.

※1 Number of new shares to be issued

The number of shares stated in above (2) and (5) represents the maximum and the actual number of new shares to be issued may decrease depending on the application from each scheduled allottee, of which the issue price determined on the Pricing Date will be taken into account.

※2 Method of determining the issue price of the Shares (the reason for setting a certain period from the issuance resolution

date to the Pricing Date)

Normally, when issuing shares through a third-party allotment, as in the Third-Party Allotment all conditions are determined on the issuance resolution date. However, in the present case, the Company has released “SUMMARY OF CONSOLIDATED FINANCIAL RESULTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025 (Under Japanese GAAP)” (collectively, the “Financial Announcements”) today. Depending on how the stock market reacts to the Financial Announcements, there may be some impact on the Company’s stock price on and after today (the issuance resolution date). As for the Company, in the event that the stock price rises as a result of the Financial Announcements, to determine the conditions of issuance of the Shares without reflecting such rise in the stock price may create a discrepancy between such conditions of issuance and the actual value of the Shares at issuance, and may damage the interests of the existing shareholders, and from the perspective of determining fair conditions of issuance that takes the interests of the existing shareholders into account and from the perspective of eliminating arbitrariness, the Company believes that it is more appropriate to determine the conditions of issuance of the Shares upon reflecting the rise in the stock price. Therefore, the Company has set the date after a certain period has elapsed from today (the issuance resolution date) as the pricing date, to reflect the impact of the Financial Announcements on the stock price.

Furthermore, since the issue price of the Shares shall be determined based on whichever is the higher of the value of the Shares as of the issuance resolution date or the value of the Shares as of the Pricing Date, there shall be no change in the issue price of the Shares, that may be adverse to the Company.

2. Purpose and reason for the offering

Since the ADR (Alternative Dispute Resolution) proceedings in 2021, the Company has been engaged in pursuing business restructuring and strengthening revenue base, steadily realizing improved business performance. On the other hand, the Company’s stock price continues to trend at low level, and it is necessary to further intensify the approach to recover and improve its corporate value. Furthermore, while the Corporate Governance Code requires the directors to share value with the shareholders, the shareholding ratio of the Company’s executives is not sufficient, and to strengthen their shareholdings to commit management from a medium- to long-term perspective stands as an issue.

In light of such circumstances, and aiming to increase the shareholding ratio of the core management personnel such as the directors and the executive officers, the Company has determined to adopt a share compensation plan as described in the “Notice Regarding the Introduction of a Performance-Linked Restricted Share Compensation Plan” released today, and to implement the Third-Party Allotment to the directors of the Company who are executive officers as well. The Third-Party Allotment is not a share compensation plan granting monetary compensation claims to the target individuals, but is a plan in which the management acquires the Company’s stock at a fair value using their own funds, and by the management sharing the risks and returns with the shareholders, it aims to commit the improvement of corporate value even more vigorously over a medium- to long-term.

Through the Third-Party Allotment, it is expected that the management’s incentives and the shareholders’ interests will align at a higher level, and that initiatives such as pursuit of business growth strategies, strengthening of financial base and improvement in efficiency will be promoted more vigorously. The Company determines that this plan, which involves risk-taking by the management itself, is the optimal approach in order to place its business performance on a solid path of recovery and growth, and to realize the improvement of the shareholders’ value.

The Company believes that the dilution resulting from the Third-Party Allotment is limited and that the impact on existing shareholders will be minimal.

3. Amounts and use of proceeds and estimated period of disbursement

(1) Amounts of proceeds

(i) Total Payment Amount	JPY 71,500,000
(ii) Estimated Cost of Issuance	JPY 7,000,000
(iii) Estimated Net Proceeds	JPY 64,500,000

(Notes) 1. Total payment amount is an estimate as of today. The actual total payment amount will be determined at the Pricing Date.

2. Estimated cost of issuance does not include consumption tax and other taxes.
3. Estimated cost of issuance is the sum of the amount equivalent to the registration tax, fees for attorney and other administrative expenses.

(2) Specific use of proceeds

The purpose of the Third-Party Allotment is not to procure funds, but to grant incentive to the directors of the Company who are the scheduled allottees to enhance their motivation and morale in achieving the Group's business performance targets and increasing corporate value. The above estimated net proceeds of JPY 64,500,000 is planned to be applied toward working capital. Until the actual disbursement, the procured fund is planned to be retained in a bank account.

4. Point of view regarding the rationality of use of proceeds

The purpose of the Third-Party Allotment is not to procure funds, but to commit the improvement of corporate value even more vigorously over a medium- to long-term, by having the directors of the Company who are the scheduled allottees, acquire the Company's stock, and share the risks and returns with the shareholders. However, the Company determines that, since the procured funds will be applied toward working capital, it will contribute to improving corporate value over a medium- to long-term, and ultimately to improving shareholders' interests and that it is sufficiently rational.

5. Rationality of the conditions of issuance, etc.

(1) Calculation basis of the amount to be paid and the details thereof

As described in “※2 Method of determining the issue price of the Shares (the reason for setting a certain period from the issuance resolution date to the Pricing Date)” of “1. Overview of the offering” above, the Company released the Financial Announcements on the same day the Third-Party Allotment was announced, and it is difficult to predict the fluctuations of the Company's stock price following such release of the Financial Announcements. In order to incorporate the impact of such release on the stock price, the Company plans to determine the amount to be paid per share for the Shares, as whichever is the higher of JPY 143 which is the TSE Closing Price on February 12, 2026 or the TSE Closing Price on the trading day immediately preceding the Pricing Date. The reason for adopting such method of determination for the amount to be paid and using the closing price on the immediately preceding trading date, instead of the stock price during a certain period up to today or the Pricing Date as the reference stock price for the amount to be paid is that the Company has determined that the most recent stock price properly reflects the objective corporate value as of this point in time. The Company believes that the aforementioned method of determining the amount to be paid is a reasonable method taking into account the interests of the existing shareholders, and is a method that will set the amount of payment equivalent to the market stock price, and therefore the amount to be paid for the Shares to be determined on the Pricing Date will not constitute a specially favorable price for the scheduled allottees. Furthermore, since Xu Zhan, Hideyuki Kobayashi and Wang Zhigang, the scheduled allottees, are persons with a special interest in the allotment of the Shares, they did not participate in the deliberation and resolution of the Board of Directors regarding the Third-Party Allotment.

Moreover, out of the four (4) Audit & Supervisory members of the Company (two (2) of whom are outside Audit & Supervisory members) have represented an opinion that the determination of the Board of Directors that the issuance of the Shares does not constitute a specially favorable issuance, is lawful and within the scope that can be deemed lawful, as a result of their audits conducted in accordance with their duties and responsibilities under the Companies Act.

(2) Reasons for determining the rationality of the number of issuance and the scale of dilution of shares

The total number of shares to be newly issued through the Third-Party Allotment is 500,000 shares (5,000 voting rights), and the dilution rates against the Company's total outstanding shares of 111,693,313 shares (1,115,015 total voting rights) as of December 31, 2025 is 0.45% (0.45% of dilution ratio based on voting rights).

However, taking into account that the Third-Party Allotment is anticipated to contribute to improving the Company's corporate value and shareholders' value in a mid-term to long-term perspective, the Company believes that the number of issuance and the scale of dilution of shares are not particularly excessive and is rational for achieving the objectives.

6. Reason for selecting the Scheduled Allottee, etc.

(1) Summary of the Scheduled Allottees

(i) Name	Xu Zhan
(ii) Address	Isesaki city, Gunma
(iii) Title	Director of the Company
(iv) Relationship between the listed company and above individual	Not applicable

(i) Name	Hideyuki Kobayashi
(ii) Address	Ota city, Gunma
(iii) Title	Director of the Company
(iv) Relationship between the listed company and above individual	Holds 6,000 shares of common stock of the Company. ※ Apart from this, 9,411 shares corresponding to points granted under the share compensation plan are currently held in the share compensation trust under the name of the trust administrator and are not included in the shares directly held by above individual at this time.

(i) Name	Wang Zhigang
(ii) Address	Isesaki city, Gunma
(iii) Title	Director of the Company
(iv) Relationship between the listed company and above individual	Not applicable

Note: The Company confirmed that the scheduled allottees, the director of the Company, had no relationship with Antisocial Forces at the time of joining the Company. Moreover, upon implementing the Third-Party Allotment, the Company confirmed again in writing that the scheduled allottees do not have any relationship with Antisocial Forces, and by such investigations, the Company judges that the scheduled allottees are not an Antisocial Forces. Considering the above, the Company has determined that the scheduled allottees do not have any relationship with Antisocial Forces, and submitted the corresponding confirmation letter to the Tokyo Stock Exchange.

(2) Reasons for selecting the Scheduled Allottees

The scheduled allottees of the Third-Party Allotment are the three directors responsible for the Company's business execution. These directors play a central role in formulating and executing the Company's management strategy and bear direct responsibility for enhancing corporate value.

The Corporate Governance Code recommends that directors appropriately hold their own company' shares and commit to enhancing corporate value in the medium- to long-term through sharing value with shareholders. The Company has determined that, to advance its governance, it is necessary to promptly improve an environment for directors to hold shares in line with this intent.

Through the Third-Party Allotment, directors responsible for the Company's business execution will acquire the Company's shares using their own funds, and this strengthens their incentive to work toward enhancing corporate value from the same perspective as its shareholders. Furthermore, the Company believes this will heighten their sense of ownership in critical management decisions, leading to a clearer sense of responsibility and commitment toward executing its sustainable growth strategy.

Based on the above considerations, the Company has determined that selecting the three executive directors who play the most direct role in enhancing its corporate value as the scheduled allottees contribute to the benefits of both the Company and its shareholders.

(3) The Scheduled Allottee's policies on holding the shares

The primary objective is to enhance participation awareness and motivation through long-term holding of the Company's shares. While the Company has confirmed that the scheduled allottees intend to continue holding the Company's shares, the Company has not imposed conditions such as lock-up for a certain period or restrictions on transfer as the acquisition is made with their own funds.

The Company has obtained a commitment letter from each scheduled allottee on which it is agreed that the scheduled allottee reports to the Company in writing when he transfers all or a part of the Shares that are issued through the Third-Party Allotment within 2 years from the payment date, the Company reports to the Tokyo Stock Exchange such report, and such report shall be publicly disclosed.

(4) Verification of properties of the Scheduled Allottees required for payment

With respect to the payment of the payment amount for the issuance of the Shares, the Company has confirmed verbally with each scheduled allottee that there are no impediments to securing the properties required for the payment. The number of shares to be allotted to each scheduled allottee has been determined after confirming their respective financial backgrounds, including compensation and the number of the Company's shares they hold. Therefore, the Company has determined that the funds are sufficient for the payment of the payment amount for the issuance of the Shares.

7. Major shareholders and their shareholding ratio after the offering

Before the Offering (As of December 31, 2025)		After the Offering	
Hisense Japan Automotive Air-Conditioning Systems Corporation	73.16%	Hisense Japan Automotive Air-Conditioning Systems Corporation	72.83%
BBH(LUX) FOR FIDELITY FUNDS PACIFIC POOL (Standing Agent: MUFG Bank, Ltd.)	2.34%	BBH(LUX) FOR FIDELITY FUNDS PACIFIC POOL (Standing Agent: MUFG Bank, Ltd.)	2.33%
Ho Nagayoshi	1.80%	Ho Nagayoshi	1.79%
Sanden Business Partner Stock Ownership Association	1.56%	Sanden Business Partner Stock Ownership Association	1.56%
Li Xiuli	1.19%	Li Xiuli	1.18%
CACEIS BANK, LUXEMBOURG BRANCH / UCITS CLIENTS ASSETS (Standing Agent: The Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch)	0.80%	CACEIS BANK, LUXEMBOURG BRANCH / UCITS CLIENTS ASSETS (Standing Agent: The Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch)	0.80%
INTERACTIVE BROKERS LLC (Standing Agent: Interactive Brokers Securities Japan Inc.)	0.80%	INTERACTIVE BROKERS LLC (Standing Agent: Interactive Brokers Securities Japan Inc.)	0.79%
CLEARSTREAM BANKING S.A. (Standing Agent: The Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch)	0.54%	CLEARSTREAM BANKING S.A. (Standing Agent: The Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch)	0.54%
Sanden Employees Stock Ownership Association	0.34%	Sanden Employees Stock Ownership Association	0.34%
Rakuten Securities, Inc. Joint Account	0.31%	Rakuten Securities, Inc. Joint Account	0.31%

(Notes) 1. Major shareholders and their shareholding ratio are based on the number of shares (excluding treasury stock) on the shareholders registry as of December 31, 2025.

2. Shareholding ratio after the offering is calculated based on the number of shares on the shareholders registry as of December 31, 2025 with consideration of the number of the Shares.
3. The ratio above is rounded off to the second decimal place.

8. Prospects

The Third-Party Allotment may lead to its long-term growth and expanding of corporate value but in the short term, it gives a minor influence on the performance of the current fiscal period. The Company will disclose necessary information once any matter required to be disclosed takes place hereafter.

9. Matters relating to the procedures pursuant to the corporate code of conduct

Receipt of the opinion from an independent third party or confirmation of the intent of shareholders as set out in Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange are not required since (i) the rate of dilution to be caused by the Third-Party Allotment shall be less than 25%, and (ii) a change of a controlling shareholder due to the Third-Party Allotment is not expected.

10. Performance and equity finance for the past 3 years

(1) Performance for the past 3 years (consolidated) (JPY million except for otherwise indicated)

	Fiscal year ended in December 2023	Fiscal year ended in December 2024	Fiscal year ended in December 2025
Net sales	179,279	183,848	190,875
Operating income (loss)	△11,018	△6,446	△1,507
Ordinary income (loss)	△8,382	△176	1,774
Net income (loss) attributable to owners of parent	△3,359	△777	274
Net income (loss) per share (JPY)	△30.15	△6.98	2.46
Dividend per share (of which, interim dividend) (JPY)	- (-)	- (-)	- (-)
Net assets per share (JPY)	181.18	203.03	239.68

(Note) Figures of fiscal year ended in December 2025 are not under the audit by the auditing firm as set out in Article 193-

2 Paragraph 1 of the Financial Instruments and Exchange Act.

(2) Number of outstanding and potential shares to date (As of February 13, 2026)

	Number of shares	Ratio to number of outstanding shares
Number of outstanding shares	111,693,313 shares	100.00%
Number of potential shares calculated at the current conversion (exercise) price	-	-

(3) Current price of shares

a. Share prices for the past 3 years

	Fiscal year ended in December 2023	Fiscal year ended in December 2024	Fiscal year ended in December 2025
Opening price	JPY 196	JPY 235	JPY 148
High price	JPY 232	JPY 242	JPY 198
Low price	JPY 145	JPY 131	JPY 106
Closing price	JPY 199	JPY 148	JPY 135

b. Share prices for the past 6 months

	September 2025	October	November	December	January 2026	February
Opening price	JPY 154	JPY 145	JPY 144	JPY 133	JPY 135	JPY 140
High price	JPY 169	JPY 159	JPY 146	JPY 138	JPY 149	JPY 145
Low price	JPY 140	JPY 134	JPY 133	JPY 118	JPY 133	JPY 136
Closing price	JPY 144	JPY 144	JPY 136	JPY 135	JPY 137	JPY 143

(Note) The stock prices of February 2026 are the figures as of February 12, 2026.

c. Share prices as of the business day preceding the resolution on issuance

	As of February 12, 2026
Opening price	JPY 143
High price	JPY 144
Low price	JPY 141
Closing price	JPY 143

(4) Equity finances for the past 3 years

Not applicable

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