Securities Code: 6444
Start date of electronic provision of materials: March 9, 2026
Date of dispatch: March 13, 2026

Notice of Convocation of the 100th Ordinary General Meeting of Shareholders

Dear Shareholders:

It is our pleasure to announce that the 100th Ordinary General Meeting of Shareholders of Sanden Corporation (hereinafter referred to as "Sanden" or "the Company") will be held as stated below.

For the convocation of this General Meeting of Shareholders, the Company has taken measures for the electronic provision of the information contained in the Reference Materials for the Ordinary General Meeting of Shareholders (matters for electronic provision), and has posted them, as the Notice of Convocation of the 100th Ordinary General Meeting of Shareholders, on the Company's website in accordance with Article 325-3 of the Companies Act. Please access the website below to check the contents of the notice.

Company website: https://www.sanden.co.jp/english/ir/event/meeting.html

In addition to the Company's website, the matters to be provided electronically are also disclosed on the website of the Tokyo Stock Exchange (TSE). Please access the TSE website (Listed Company Search) at the following link, enter the issue name (company name) or securities code and click on Search. Select "Basic information" and "Documents for public inspection/PR information" to confirm the posted information.

TSE website (Listed Company Search):
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

If you will be unable to attend the meeting, you can exercise your voting rights via the Internet or by mail. Please review the Reference Materials for the Ordinary General Meeting of Shareholders and exercise your voting rights no later than 5:30 p.m. on Monday, March 30, 2026 (JST), following the instructions described below.

Sincerely,

Hideyuki Kobayashi
Director & Vice President,
Sanden Corporation
20, Kotobuki-cho, Isesaki City,
Gunma Prefecture

Details of the Meeting

1: Date and time: Tuesday, March 31, 2026, 10:00 a.m. (The reception will start at 9:30 a.m.)

2: Venue: Sanden Communication Plaza
961 Numawada, Honjo-shi, Saitama Prefecture

3: Meeting agenda:

Items to be reported

(1) Business Report and Consolidated Financial Statements for the 100th Fiscal Year (from January 1, 2025 to December 31, 2025) and Reports of the Accounting Auditor and the Audit & Supervisory Board on the Consolidated Financial Statements

(2) Non-Consolidated Financial Statements for the 100th Fiscal Year (from January 1, 2025 to December 31, 2025)

Agenda item to be resolved

Item 1: Election of Eight (8) Directors

Item 2: Election of One (1) Audit & Supervisory Board Member

Item 3: Determination of Compensation for Granting Performance-Linked Restricted Share to Directors (Excluding Outside Directors)

Item 4: Partial Amendments to the Articles of Incorporation

4: About your vote

(1) If you vote both by mail and via the Internet, only the vote placed via the Internet will be effective.

(2) If you submit your vote more than once via the Internet, only the last vote submitted will be effective.

(3) If no indication of approval or disapproval is made on the Voting Right Exercise Form, it will be treated as a vote approving the Company's proposal.

**This English-language translation is an abridged version of the original notice in Japanese. In the event of any discrepancy, the Japanese version shall prevail.*

Information on the Exercise of Voting Rights

If You Will Attend the Ordinary General Meeting of Shareholders

Please bring the enclosed Voting Right Exercise Form and submit it at the reception desk at the place of the Meeting.

Date and Time: Tuesday, March 31, 2026, 10:00 a.m. (The reception desk is scheduled to open at 9:30 a.m.)

If You Will Not Attend the Ordinary General Meeting of Shareholders

[Vote by mail]

Please indicate your approval or disapproval of the agenda item on the Voting Right Exercise Form and return it so that it will arrive by the exercise deadline.

Deadline to Exercise: Arrival by Monday, March 30, 2026, 5:30 p.m.

[Vote by the Internet]

Access from smartphone

Please access the Voting Right Exercise website by scanning the QR Code® on the enclosed Voting Right Exercise Form through your smartphone with its barcode reading function.

(QR code is a registered trademark of Denso Wave Inc.)

Deadline to Exercise: Monday March 30, 2026, 5:30 p.m.

*Voting rights can be exercised using the above method only once.

Access from PC

Please access the Voting Right Exercise website, enter the “Voting Right Exercise Code” and “Password” noted on the enclosed Voting Right Exercise Form, and input your approval or disapproval of the proposal following the on-screen instructions.

Voting Right Exercise website: https://www.web54.net

Deadline to Exercise: Monday March 30, 2026, 5:30 p.m.

For any questions about the exercise of voting rights via the Internet, please contact the following support desk.

Sumitomo Mitsui Trust Bank, Ltd. Stock Transfer Agency Online Support Desk, the administrator of the shareholder register

Dedicated line: 0120-652-031 (Operating hours: 9:00 a.m. to 9:00 p.m.)

[Voting Right Exercise Platform for Institutional Investors]

Institutional investors may also vote by the ICJ platform, a voting platform provided by ICJ, Inc. subject to the application for subscription in advance.

Item 1: Election of Eight (8) Directors

The term of office of all eight (8) directors shall expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, we propose that the following eight (8) director nominees be elected.

The eight (8) director nominees are as follows:

Nominee No.	**Name**		**Current Position and Responsibilities at the Company**	**Attendance at Board of Directors meetings**
1	Re-election Xu Zhan		Representative Director & CEO, Member of Executive Nomination and Compensation Committee	100% 3/3*
2	Re-election Yu Zhitao		Director	58.3% 7/12
3	New nominee Zhang He		–	–
4	New nominee Sun Jiahui		Audit & Supervisory Board Member	83.3% 10/12
5	Re-election Hideyuki Kobayashi		Director & Vice President, In charge of Administration/Legal Affairs/Safety and Health/Environmental Management/Internal Corporate Communications, and General Manager of Business in Australia and Asia	100% 12/12
6	Re-election Ju Dongying	Outside Independent	Outside Director, Member of Executive Nomination and Compensation Committee Chairperson of Special Committee	91.7% 11/12
7	New nominee Tian Changqing	Outside Independent	–	–
8	New nominee Li Ming	Outside Independent	–	–

New nominee: Director nominee for new election　　Re-election: Director nominee for re-election
Outside: Outside Director nominee　　Independent: Independent Director nominee
*The attendance with an asterisk is for the period since the candidate became a Director on October 10, 2025.

(Reference) Expertise and Experience of the Director Nominees (Skill Matrix)

Nominee No.	Name	Expertise and Experience						
		Corporate Planning/ Management Strategy	Technology/ Manufacturing Quality	Finance/ Accounting	Sales/CS	Overseas Business	HR Development/Social Improvements	Internal Control/ Governance
1	Xu Zhan	○	○	○		○	○	○
2	Yu Zhitao	○	○	○	○	○	○	○
3	Zhang He	○	○			○	○	○
4	Sun Jiahui	○		○		○	○	○
5	Hideyuki Kobayashi	○	○		○	○	○	○
6	Ju Dongying	○	○			○	○	
7	Tian Changqing		○			○	○	
8	Li Ming	○	○			○	○	

No.	Name (Date of birth) (Age)	Resume, Positions and Areas of Responsibility in the Company and Major Concurrent Positions
1	Re-election Xu Zhan (November 14, 1977) (48) [Period in office as Director] 6 months [No. of Sanden shares held] (No. of shares delivered under the Stock Compensation system) 0 (0) [Attendance at the Board of Directors meeting] 100% (3 out of 3)	Aug. 2007 Manager, Business Management and Administration Department, Hisense KELON (Guangdong) Air Conditioning Company June 2012 General Manager, Shunde Factory, Hisense KELON (Guangdong) Air Conditioning Company Aug. 2015 Assistant General Manager, Hisense (Shandong) Air Conditioning Company; Deputy Manager, Purchasing Management Department, Hisense Group Company Jan. 2016 Deputy General Manager, Hisense (Shandong) Air Conditioning Company; General Manager, Manufacturing Center; Deputy Manager, Purchasing Management Department, Hisense Group Company May 2018 Deputy General Manager, Qingdao Hisense Telecommunications Company; Manager, Purchasing Management Department, Hisense Group Company Oct. 2018 General Manager, Qingdao Hisense Telecommunications Company; Vice President, Hisense Electronics Information Group; Deputy Manager, Management Promotion Department, Hisense Group Company Oct. 2021 Vice President, Hisense Refrigerator Company; General Manager, Manufacturing Center Nov. 2022 Executive Vice President (SCM & Quality and Japan Business Operations), Sanden Aug. 2025 Director & CEO, Sanden Oct. 2025 Representative Director & CEO, Sanden (present), Chairperson of Executive Nomination and Compensation Committee, Sanden (present)
		(Reasons for selection as nominee for Director) Mr. Xu Zhan has bachelor's degrees in mechanical and manufacturing engineering and facilities, and has served as Deputy General Manager of Hisense (Shandong) Air Conditioning Company, General Manager of Qingdao Hisense Telecommunications Company, and Vice President of Hisense Refrigerator Company. In addition, since November 2022, as Executive Vice President in charge of SCM & Quality and Japan Business Operations of the Company, he has worked on cross-functional or cross-organizational coordination within the Company as well as with business partners, and strengthened relationships among them in order to swiftly and accurately promote strategic decision-making. As a result, the Company has been able to successfully streamline and optimize its business operations. He has been involved in corporate management for many years, is highly capable of formulating and executing strategies, and has a great wealth of experience in such fields as strategic management, human resources, purchasing management, plan management, production and manufacturing, and factory management. Furthermore, he is a person who can focus on a company's medium- to long-term development, maintain a scientific approach to produce steady results, and make swift decisions. We have judged that he is a person who can fully utilize the outstanding abilities and experience, ensure that the Group's decisions are made swiftly and accurately, fulfill his supervision responsibilities as a Director, and select and train outstanding talents for corporate growth. Accordingly, we propose his re-election as Director.

<table>
<tr><th>No.</th><th>Name
(Date of birth)
(Age)</th><th colspan="2">Resume, Positions and Areas of Responsibility in the Company and Major Concurrent Positions</th></tr>
<tr><td rowspan="17">2</td><td rowspan="17">Re-election

Yu Zhitao
(April 6, 1976)
(49)

[Period in office as Director]
3 years

[No. of Sanden shares held]
(No. of shares delivered under the Stock Compensation system)
0
(0)

[Attendance at the Board of Directors meeting]
58.3% (7 out of 12)</td><td>July 1998</td><td>Engineer, Research Center, Qingdao Hisense Communication Co., Ltd.</td></tr>
<tr><td>May 2005</td><td>Vice General Manager, Qingdao Hisense Mobile Technology Co., Ltd.</td></tr>
<tr><td>Apr. 2008</td><td>Assistant General Manager, Vice General Manager, Qingdao Hisense Media Network Technology Co., Ltd.</td></tr>
<tr><td>Jan. 2014</td><td>Assistant General Manager, Qingdao Hisense Electric Co., Ltd. (now renamed as Hisense Visual Technology Co., Ltd., “Hisense Visual”)</td></tr>
<tr><td>Apr. 2015</td><td>Executive Vice General Manager, Qingdao Hisense Communication Co., Ltd.</td></tr>
<tr><td>Apr. 2016</td><td>Vice General Manager, Hisense Visual and General Manager, Qingdao Hisense Media Network Technology Co., Ltd.</td></tr>
<tr><td>Mar. 2017</td><td>General Manager, Juhaokan Technology Co., Ltd.</td></tr>
<tr><td>Jan. 2019</td><td>General Manager, Hisense Visual, General Manager, Juhaokan Technology Co., Ltd.</td></tr>
<tr><td>Feb. 2023</td><td>Executive Vice President, Hisense Group Holdings Co., Ltd.
Chairman, Hisense Visual (present)</td></tr>
<tr><td>Mar. 2023</td><td>Director, Sanden (present)</td></tr>
<tr><td>July 2023</td><td>President, Hisense Group Holdings Co., Ltd.</td></tr>
<tr><td>Oct. 2024</td><td>Chief Executive Officer, Hisense Group Holdings Co., Ltd. (present)</td></tr>
<tr><td colspan="2">(Major Concurrent Positions)
Chief Executive Officer, Hisense Group Holdings Co., Ltd.
Chairman, Hisense Visual Technology Co., Ltd.</td></tr>
<tr><td colspan="2">(Reasons for selection as nominee for Director)
Mr. Yu Zhitao has extensive experience in research and development, technology, and business management, and has been involved in those areas since joining a group company in 1998. He has served as general manager of many companies over the years, and is currently engaged in management as Chief Executive Officer of Hisense Group and Chairman of Hisense Visual Technology Co., Ltd.
In terms of corporate management and administration, he has an accurate grasp of the company’s strategy, focuses on markets, products, and technology, and has a strong ability to formulate and implement strategies. As such, he can drive the company’s development through innovative technology and innovative management.
As a director of the company, he would be capable of making full use of his personal abilities and experience, firmly executing decision of the Company and group companies, selecting and developing talent for the Company, and performing excellent supervisory duties. Therefore, we propose his re-election as Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)
(Age)</th><th>Resume, Positions and Areas of Responsibility in the Company and Major Concurrent Positions</th></tr>
<tr><td rowspan="3">3</td><td rowspan="3">New nominee

Zhang He
(January 26, 1985)
(41)

[Period in office as Director]
–

[No. of Sanden shares held]
(No. of shares delivered under the Stock Compensation system)
0
(0)

[Attendance at the Board of Directors meeting]
–</td><td>Aug. 2008 Lead Evaluator, Qingdao Hisense Hitachi Air-conditioning Systems Co., Ltd.
Apr. 2017 General Manager, Finished Goods Quality Department, Qingdao Hisense Hitachi Air-conditioning Systems Co., Ltd.
Aug. 2020 General Manager, Manufacturing Center, Qingdao Hisense Hitachi Air-conditioning Systems Co., Ltd.
Jan. 2021 Vice President, Secretary of the Discipline Inspection Commission, Qingdao Hisense Hitachi Air-conditioning Systems Co., Ltd.
Nov. 2023 Chief Information Officer (CIO), General Manager, Smart Manufacturing Promotion Department, Hisense Group Holdings Co., Ltd.
Jan. 2025 Chief Information Officer (CIO), President of Manufacturing Center, General Manager of Digital Quality Center, Hisense Group Holdings Co., Ltd.
Sep. 2025 Chief Information Officer (CIO), General Manager of Digital Quality Center, Hisense Group Holdings Co., Ltd. (present)</td></tr>
<tr><td>(Major Concurrent Positions)
Chief Information Officer (CIO), General Manager of Digital Quality Center, Hisense Group Holdings Co., Ltd.</td></tr>
<tr><td>(Reasons for selection as nominee for Director)
Mr. Zhang He has a wealth of experience in the fields of IT / information management and smart manufacturing, and has served in a number of important positions at the Hisense Group and its subsidiaries, including Chief Information Officer (CIO), General Manager of Smart Manufacturing Promotion Department, President of Manufacturing Center, and General Manager of Digital Quality Center.
He has accumulated a wealth of practical experience in the areas of corporate IT, manufacturing, and quality control, and is therefore able to provide effective leadership and decision-making support to the company.
In addition, as Chief Information Officer (CIO), he has fully demonstrated his superior supervisory management capabilities and leadership, and has vigorously promoted stable and sustainable corporate growth.
We have judged that he is a person who can fully utilize the outstanding abilities and experience, ensure that the Group’s decisions are made swiftly and accurately, fulfill his supervision responsibilities as a Director, and select and train outstanding talents for corporate growth. Accordingly, we propose his election as Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)
(Age)</th><th>Resume, Positions and Areas of Responsibility in the Company and Major Concurrent Positions</th></tr>
<tr><td rowspan="3">4</td><td rowspan="3">New nominee

Sun Jiahui
(September 11, 1988)
(37)

[Period in office as Director]
–

[No. of Sanden shares held]
(No. of shares delivered under the Stock Compensation system)
0
(0)

[Attendance at the Board of Directors meeting]
83.3% (10 out of 12)</td><td>Feb. 2012 Assistant Accountant, TMF GROUP
Oct. 2012 Auditor, Tianzhi International Accounting Firm
Sep. 2014 Auditor, Audit Department, Hisense Group Co., Ltd.
Aug. 2017 Business Analysis Manager, Management and Finance Administration Department, Hisense Group Co., Ltd.
July 2018 Business Analysis Manager, Management and Finance Administration Department, Hisense Electronic Information Group
Jan. 2019 Deputy General Manager, Management and Finance Administration Department, Hisense Visual Technology Co., Ltd.
June 2020 General Manager, Management and Finance Administration Department and Business Management Department, Hisense Group Holdings Co., Ltd.
Jan. 2021 Deputy General Manager, Management and Finance Administration Department, Hisense Group Holdings Co., Ltd.
June 2021 Audit & Supervisory Board Member, Sanden* Scheduled to resign on March 30, 2026
Nov. 2024 Financial Administration Manager, Management and Finance Administration Department, Hisense Group Holdings Co., Ltd.
May 2025 Chief Financial Officer (CFO), General Manager of Finance Center, Hisense Group Holdings Co., Ltd. (present)</td></tr>
<tr><td>(Major Concurrent Positions)
Chief Financial Officer (CFO), General Manager of Finance Center, Hisense Group Holdings Co., Ltd.</td></tr>
<tr><td>(Reasons for selection as nominee for Director)
Ms. Sun Jiahui has been engaged in the operation of auditing, finance and business analysis for many years and has extensive knowledge and experience in various areas. She joined Hisense Group in 2014, assumed office of Deputy General Manager, Management and Finance Administration Department, Hisense Visual Technology Co., Ltd. in 2019, served in the position of Deputy General Manager, Management and Finance Administration Department, Hisense Group Holdings Co., Ltd. in 2021, and since June 2021, has served as Audit & Supervisory Board Member. She has contributed to the auditing and corporate management from the perspective of finance.
We have judged that she is a person who can fully utilize the outstanding abilities and experience, ensure that the Group’s decisions are made accurately, fulfill her supervision responsibilities as a Director, and engage in business management to achieve sustainable corporate growth. Accordingly, we propose her election as Director.

*Ms. Sun Jiahui is scheduled to resign as Audit & Supervisory Board Member on March 30, 2026, due to internal personnel reassignments within the Hisense Group, the parent company group.</td></tr>
</table>

No.	Name (Date of birth) (Age)	Resume, Positions and Areas of Responsibility in the Company and Major Concurrent Positions
5	Re-election Hideyuki Kobayashi (April 26, 1967) (58) [Period in office as Director] 6 years and 9 months [No. of Sanden shares held] (No. of shares delivered under the Stock Compensation system) 15,411 (9,411) [Attendance at the Board of Directors meeting] 100% (12 out of 12)	Apr. 1991 Joined Sanden Sep. 2012 Plant Manager, Compressor Business Plant June 2013 Deputy Division General Manager, Compressor Division Apr. 2015 General Manager, Product Strategy Department, Business Division, Sanden Automotive Components Corporation Jan. 2016 General Manager, Business Strategy Department, Corporate Planning Office June 2017 Corporate Officer General Manager, Corporate Planning Office June 2019 Director & Executive Corporate Officer, Division General Manager of Management Strategy Division in charge of Business Development Apr. 2020 Director & Executive Corporate Officer in charge of Corporate Strategy and Corporate Communications/SDGs, General Manager of Corporate Planning Office June 2021 Director & Executive Vice President (present) Nov. 2021 In charge of Administration/Legal Affairs/Strategic Management/Business Innovation, Sanden Mar. 2022 Member of Special Committee, Sanden Nov. 2022 In charge of Administration/Legal Affairs/Internal Corporate Communications, and General Manager of Business in Australia and Asia, Sanden Mar. 2025 In charge of Administration/Legal Affairs/Safety and Health/Environmental Management/Internal Corporate Communications, and General Manager of Business in Australia and Asia, Sanden (present)
		(Reasons for selection as nominee for Director) Mr. Hideyuki Kobayashi led the initiatives in the fields of technical development and production management of compressors for automotive air conditioners, one of the Company's core products, for many years and has extensive knowledge and experience in those fields. He has contributed to expansion of global business by supporting manufacturing and technical development on a global scale as a Plant Manager in 2012 and being engaged in business management as a Deputy Division General Manager in 2013. As a Corporate Officer and General Manager of the Corporate Planning Office from 2017, and Director since 2019, he played a central role in supervising management with an emphasis on strategic and technical perspectives. We expect him, in the current drastically changing market environment, to drive the tangible promotion of the management strategy, especially with his experience and capabilities in the technical development field, as a person responsible for planning and implementing the Medium-term Management Plan based on the new concept of management. We also have judged that as a Director, he is an appropriate person to provide the Group with appropriate decision-making and supervision. Accordingly, we propose his re-election as Director.

<table>
<tr><th>No.</th><th>Name
(Date of birth)
(Age)</th><th>Resume, Positions and Areas of Responsibility in the Company and Major Concurrent Positions</th></tr>
<tr><td rowspan="3">6</td><td rowspan="3">Re-election
Outside
Independent

Ju Dongying
(July 17, 1954)
(71)

[Period in office as Director]
4 years and 9 months

[No. of Sanden shares held]
(No. of shares delivered under the Stock Compensation system)
0
(0)

[Attendance at the Board of Directors meeting]
91.7% (11 out of 12)</td><td>Apr. 1992 Specific Researcher, Kyoto University
Nov. 1992 Lecturer, Saitama Institute of Technology
Dec. 1996 Associate Professor, Saitama Institute of Technology
Apr. 2002 Professor, Saitama Institute of Technology
Apr. 2011 Vice President, Saitama Institute of Technology
Apr. 2014 Senior Researcher of High-tech Research center, Saitama Institute of Technology
June 2017 Representative Director, Japan China Science, Technology and Culture Center (present)
Apr. 2020 Foreign member, The Engineering Academy of Japan (present)
June 2021 Outside Director, (present),
Member of Executive Nomination and Compensation Committee, Sanden (present)
Mar. 2022 Chairperson of Special Committee, Sanden (present)</td></tr>
<tr><td>(Major Concurrent Positions)
Representative Director, Japan China Science, Technology and Culture Center
Foreign member, The Engineering Academy of Japan</td></tr>
<tr><td>(Reasons for selection as nominee for Outside Director and roles expected as Outside Director)
Mr. Ju Dongying enrolled in the Department of Engineering Mechanics, Tsinghua University in 1985, received a master’s degree from Kyoto University in 1989, and received a doctor’s degree from Kyoto University in 1992. After that, he became a specific researcher at Kyoto University and, between November 1992 and March 2020, served as a lecturer, associate professor, professor, and vice president of Saitama Institute of Technology, as well as director of the institute’s Advanced Science Research Laboratory. In April 2020, the institute gave him the title of professor emeritus.
In addition, he serves as Representative Director of the Japan China Science, Technology and Culture Center, as a member of IMS Research Committee of the Ministry of Economy, Trade and Industry, as Director of the China Society for Heat Treatment, as a member of the editorial committee of “Journal of the Japan Society for Heat Treatment,” as Vice President of the Materials Calculation and Simulation Committee of The Chinese Society for Metals, Materials Science Society, and as a member of the International Exchange Committee of the Japan Society for Heat Treatment. He also serves as a Doctoral Professor at Shanghai Jiao Tong University and University of Science and Technology Liaoning. His research results in the field of materials, including heat treatment, surface treatment, and functional materials, have been applied to the automotive field, and he has a high level of expertise in this field.
We have judged that he is an appropriate person who can utilize his specialized technical abilities and experience, contribute to making the Group’s management transparent, and supervise the management to improve, in a sustainable manner, the corporate value. Accordingly, we propose his re-election as Outside Director.

(Independence)
There is no business relationship between the Company and Mr. Ju Dongying. He meets the Independence Criteria for Outside Directors established by the Company and is thus considered independent. The Company has notified the Tokyo Stock Exchange of his appointment as an Independent Director as provided for by the aforementioned exchange. If he is re-elected, he will continue to be an Independent Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)
(Age)</th><th>Resume, Positions and Areas of Responsibility in the Company and Major Concurrent Positions</th></tr>
<tr><td rowspan="3">7</td><td rowspan="3">New nominee
Outside
Independent

Tian Changqing
(April 10, 1965)
(60)

[Period in office as Director]
–

[No. of Sanden shares held]
(No. of shares delivered under the Stock Compensation system)
0
(0)

[Attendance at the Board of Directors meeting]
–</td><td>May 1990 Associate Professor, Heating and Air Conditioning Engineering Laboratory, Zhengzhou Institute of Textile Technology
May 1999 Completed a Doctoral Program in Heating, Gas Supply, Ventilation, and Air Conditioning Engineering at Tsinghua University.
Aug. 2003 Postdoctoral Research Fellow in Thermal Energy and Power Engineering at Tsinghua University
July 2005 Associate Researcher, Technical Institute of Physics and Chemistry, Chinese Academy of Sciences
Feb. 2007 Researcher, Technical Institute of Physics and Chemistry, Chinese Academy of Sciences (present)</td></tr>
<tr><td>(Major Concurrent Position)
Researcher, Technical Institute of Physics and Chemistry, Chinese Academy of Sciences</td></tr>
<tr><td>(Reasons for selection as nominee for Outside Director and roles expected as Outside Director)
At the Technical Institute of Physics and Chemistry, Chinese Academy of Sciences, Mr. Tian Changqing has served as a researcher, doctoral advisor, and head of a research group. In addition, he has been engaged in research and development for many years in areas such as refrigeration and air conditioning technologies, thermal management for electric vehicles, and new energy technologies, and is a researcher who has received high recognition internationally. After receiving a Ph.D. in Heat Supply and Air Conditioning Engineering from Tsinghua University, he served as a postdoctoral researcher at the same university before joining the Chinese Academy of Sciences. Since 2007, he has led numerous national projects, including the 863 Program and the National Key R&D Program, as a researcher. He has research record in a wide range of fields, including food freezing and refrigeration technologies, thermal systems for new energy vehicles, and artificial environmental technologies. He has published numerous articles in international academic journals and has held key positions in both industry and academia, such as Chief Committee Member of the Thermal Systems Subcommittee of the China Society of Automotive Engineering and Chairman of the Refrigeration Subcommittee of the China Refrigeration and Air-Conditioning Industry Association. He also places importance on the social implementation of new technologies, and has long been involved in joint research with companies and in industrialization projects related to equipment and component technologies. He possesses comprehensive knowledge that spans from technology development to industrial application. We have judged that he is an appropriate person who can utilize his specialized technical abilities and experience, contribute to making the Group’s management transparent, and supervise the management to improve, in a sustainable manner, the corporate value. Accordingly, we propose his election as Outside Director.

(Independence)
There is no business relationship between the Company and Mr. Tian Changqing. He meets the Independence Criteria for Outside Directors established by the Company and is thus considered independent.
If his election is approved, the Company will notify the Tokyo Stock Exchange of his appointment as an Independent Director as provided for by the aforementioned exchange.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)
(Age)</th><th colspan="2">Resume, Positions and Areas of Responsibility in the Company and Major Concurrent Positions</th></tr>
<tr><td rowspan="3">8</td><td rowspan="3">New nominee
Outside
Independent

Li Ming
(December 26, 1976)
(49)

[Period in office as Director]
–

[No. of Sanden shares held]
(No. of shares delivered under the Stock Compensation system)
0
(0)

[Attendance at the Board of Directors meeting]
–</td><td colspan="2">Dec. 2006 Lecturer, College of Automotive Engineering, Jilin University
Sep. 2009 Associate Professor, College of Automotive Engineering, Jilin University
Aug. 2010 Visiting Researcher, University of Colorado
Dec. 2010 Laboratory Director, College of Automotive Engineering, Jilin University
Sep. 2012 Department CPC Secretary and Deputy Dean, College of Automotive Engineering, Jilin University
Aug. 2013 Jiangsu Provincial Delegation of Township Leaders for Science and Technology, Deputy Head of Jiepai Town, Danyang City (seconded), Deputy Director of Yunyang Subdistrict (seconded), Head of the Human Resources Office, Xinbei District, Changzhou (seconded)
Sep. 2018 Department Head, College of Automotive Engineering, Jilin University
Oct. 2018 Entrepreneurship and Innovation Talent at Jiangsu Chaoli Electric Manufacture Co., Ltd.
Sep. 2020 Professor, College of Automotive Engineering, Jilin University (present)
June 2023 Independent Director, Changchun Jetty Automotive Technology Co., Ltd.
Jan. 2025 Vice President, College of Automotive Engineering, Jilin University (in charge of graduate school education, academic program development, and faculty recruitment) (present)</td></tr>
<tr><td colspan="2">(Major Concurrent Positions)
Professor, College of Automotive Engineering, Jilin University
Vice President, College of Automotive Engineering, Jilin University (in charge of graduate school education, academic program development, and faculty recruitment)</td></tr>
<tr><td colspan="2">(Reasons for selection as nominee for Outside Director and roles expected as Outside Director)
Mr. Li Ming is a professor and doctoral advisor at the College of Automotive Engineering, Jilin University. In addition to overseeing research operations as Vice President, he is also a leading researcher specializing in thermal management, an essential field for vehicle electrification, including thermal management of new energy vehicles, thermal safety of batteries, CO_2 heat pumps, and integrated thermal management systems. After receiving his Ph.D., he has been engaged in research and education at the university for many years. He has led and participated in numerous national, provincial, and industry-academia joint projects related to vehicle thermal management technologies, next-generation refrigerants, and battery thermal management, and has published extensively in international academic journals.
In addition, through joint research with many companies, he has been deeply involved in the practical application of research outcomes, including vehicle thermal management devices, battery cooling systems, and low-temperature heat pump technologies. He also has experience serving as a technical advisor and independent director. Based on his academic expertise and practical experience in industry-academia collaboration, we have judged that he is a person who can provide guidance on technology strategies in the field of electrification, enhance management transparency, and contribute to the sustainable</td></tr>
</table>

		growth of corporate value. Accordingly, we propose his election as Outside Director. (Independence) There is no business relationship between the Company and Mr. Li Ming. He meets the Independence Criteria for Outside Directors established by the Company and is thus considered independent. If his election is approved, the Company will notify the Tokyo Stock Exchange of his appointment as an Independent Director as provided for by the aforementioned exchange.

Notes:

1: There is no special interest between any of the director nominees and the Company.

2: The Resumes, Positions and Areas of Responsibility in the Company and Major Concurrent Positions of Yu Zhitao, Zhang He, and Sun Jiahui include the positions and areas of responsibility as executive officers in each of the following companies of Hisense Group, whose ultimate parent company is Hisense Group Holdings Co., Ltd., to which Hisense Home Appliances Group Co., Ltd., the parent company of the Company belongs.

   Hisense Group Holdings Co., Ltd., Qingdao Hisense Electric Co., Ltd., Hisense Visual Technology Co., Ltd., Hisense Group Co., Ltd., Qingdao Hisense Communication Co., Ltd. Research Center, Qingdao Hisense Mobile Technology Co., Ltd., Qingdao Hisense Media Network Technology Co., Ltd., Qingdao Hisense Communication Co., Ltd., Juhaokan Technology Co., Ltd., Qingdao Hisense Hitachi Air-conditioning Systems Co., Ltd.

3: The Company has entered into a "Liability Limitation Agreement" with Ju Dongying that limits the liability under Paragraph 1 of Article 423 of the Companies Act to the ceiling amount under laws and regulations. If he is elected as proposed, the Company will renew the agreement. Furthermore, the Company will enter into the Liability Limitation Agreement with Tian Changqing and Li Ming if they are elected as proposed.

4: The number of the Company's shares held by Hideyuki Kobayashi among the above nominees, includes the number of shares scheduled to be delivered at his resignation as of this Ordinary General Meeting of Shareholders under the Performance-Linked Stock Compensation system. The relative number of shares is shown in the brackets under the total number of shares held by such nominee.

   [Explanation about the number of shares to be delivered under the Performance-Linked Stock Compensation System]

   From the 90th (2015) fiscal year to the expiration of the trust period on August 31, 2021, the Company introduced the Performance-Linked Stock Compensation System (the "System") for directors and corporate officers and senior general managers with whom the Company has entered into an engagement agreement (excluding foreign residents, outside directors, and part-time directors; hereinafter "Directors, Etc.").

   The System is a stock compensation system where the Directors, Etc. will be awarded a certain number of points according to the attainment level of performance targets of each fiscal year and position on June 1 immediately after the end of the fiscal year. Upon retirement, the shares of the Company and money equivalent to the amount for the conversion to cash of the shares of the Company ("Company Shares, Etc.") with five points as one share of the Company according to the accumulated points will be delivered or paid ("Delivery, Etc.") to the Directors, Etc. who satisfy the beneficiary terms. The number of shares shown for each nominee above as the shares delivered under this system is the number equivalent to the accumulated points by the end of the System. No voting rights shall be exercised on the Company shares prior to their actual future delivery to the above nominees. The shares accounting for 10% of the shares to be delivered will be sold in the market and the proceeds will be delivered.

5: The Company has entered into a directors and officers liability insurance contract with an insurance company, as set forth in Paragraph 1 of Article 430-3 of the Companies Act. If, during the insurance period, a claim for damages is made against the insured due to an act conducted by the insured in connection with his/her duties as a director or an officer of the Company, the Company shall indemnify the insured from any legal damages and disputes and litigation expenses, provided, however, that the insurance company will be exempted from liability for certain damages, including but not limited to those arising from an act conducted by the insured while recognizing that such act is in violation of laws and regulations. In addition, the insured under such directors and officers liability insurance contract is a director, auditor, executive officer or management employee of the Company and its subsidiaries, and the Company shall bear all insurance premiums for all insureds.

   The director nominees will be included in the insureds under such insurance contract. The Company plans to renew such insurance contract under the same terms at the next contract-renewal time.

6: The age of each director nominee described is as of this Ordinary General Meeting of Shareholders.

7: The attendance at the Board of Directors meetings of each director nominee described is for FY2025.

Item 2: Election of One (1) Audit & Supervisory Board Member

As Audit & Supervisory Board Member Ms. Sun Jiahui will resign from her position as of March 30, 2026, we propose the election of one (1) Audit & Supervisory Board Member as a substitute.
The term of office of the newly elected Audit & Supervisory Board Member shall be until the expiration of the term of office of the resigning member, pursuant to the provisions of the Articles of Incorporation of the Company. We have obtained the consent of the Audit & Supervisory Board in connection with this Item.

The one (1) Audit & Supervisory Board Member nominee is as follows:

<table>
<tr><th>Name
(Date of birth)
(Age)</th><th colspan="2">Resume, Positions in the Company and Major Concurrent Positions</th></tr>
<tr><td rowspan="12">New nominee

Li Jia
(December 8, 1987)
(38)

[Period in office as Audit & Supervisory Board Member]
–

[No. of Sanden shares held]
0

[Attendance at the Board of Directors meeting]
–

[Attendance at the Audit & Supervisory Board meeting]
–</td><td>July 2010</td><td>In charge of Finance, Marketing Company, Hisense Kelon (Guangdong) Air Conditioning Co., Ltd.</td></tr>
<tr><td>June 2015</td><td>In charge of Financial Management, Hisense Kelon Electrical Holdings Company Limited</td></tr>
<tr><td>June 2016</td><td>In charge of Financial Management, Hisense Group Co., Ltd.</td></tr>
<tr><td>Feb. 2018</td><td>Deputy Manager, Financial Management Division, Guangdong Hisense Refrigerator Marketing Co., Ltd.</td></tr>
<tr><td>July 2019</td><td>General Manager, Finance Department, China Region Marketing Division, General Manager, Finance Department</td></tr>
<tr><td>Mar. 2021</td><td>General Manager, Finance Department, Hisense Visual Technology Co., Ltd.</td></tr>
<tr><td>Oct. 2022</td><td>Deputy General Manager, Finance Department, Hisense Home Appliances Group Co., Ltd.</td></tr>
<tr><td>Apr. 2024</td><td>Deputy General Manager, Internal Control Management Department, Hisense Group Holdings Co., Ltd. (in charge of operation)</td></tr>
<tr><td>Nov. 2024</td><td>General Manager, Audit Department, Hisense Group Holdings Co., Ltd. (present)</td></tr>
<tr><td colspan="2">(Major Concurrent Position)
General Manager, Audit Department, Hisense Group Holdings Co., Ltd.</td></tr>
<tr><td colspan="2">(Reasons for selection as nominee for Audit & Supervisory Board Member)
Ms. Li Jia has been engaged in the operation of auditing, finance and business analysis for many years and has extensive knowledge and experience in various areas. She joined Hisense Group in 2010, assumed office of General Manager, Finance Department, China Region Marketing Division in 2019, served as General Manager, Finance Department, Hisense Visual Technology Co., Ltd. in 2021, and has served as General Manager, Audit Department, Hisense Group Holdings Co., Ltd. since 2024. She has contributed to the auditing and corporate management from the perspective of finance.
We have judged that she is a person who can utilize her specialized abilities and experience and appropriately execute the duties of an Audit & Supervisory Board Member in order to make the corporate management transparent and to improve, in a sustained manner, the corporate value. Accordingly, we propose her election as Audit & Supervisory Board Member.</td></tr>
</table>

Notes:

1: There is no special interest between the Audit & Supervisory Board Member nominee Ms. Li Jia and the Company.

2: If the Audit & Supervisory Board Member nominee Ms. Li Jia is elected as proposed, the Company will enter into a "Liability Limitation Agreement" with her that limits the liability under Paragraph 1 of Article 423 of the Companies Act to the ceiling amount under laws and regulations.

3: The Company has entered into a directors and officers liability insurance contract with an insurance company, as set forth in Paragraph 1 of Article 430-3 of the Companies Act. If, during the insurance period, a claim for damages is made against the insured due to an act conducted by the insured in connection with his/her duties as a director or an officer of the Company, the Company shall indemnify the insured from any legal damages and disputes and litigation expenses, provided, however, that the insurance company will be exempted from liability for certain damages, including but not limited to those arising from an act conducted by the insured while recognizing that such act is in violation of laws and regulations. In addition, the insured under such directors and officers liability insurance contract is a director, auditor, executive officer or management employee of the Company and its subsidiaries, and the Company shall bear all insurance premiums for all insureds.

   The Audit & Supervisory Board Member nominee Ms. Li Jia will be included in the insureds under such insurance contract. The Company plans to renew such insurance contract under the same terms at the next contract-renewal time.

4: The age of Audit & Supervisory Board Member nominee Ms. Li Jia described is as of this Ordinary General Meeting of Shareholders.

5: The attendance at the Board of Directors meetings and the Audit & Supervisory Board meetings of Audit & Supervisory Board Member nominee Ms. Li Jia described is for FY2025.

Item 3: Determination of Compensation for Granting Performance-Linked Restricted Share to Directors (Excluding Outside Directors)

1. Reason for the proposal and the reason such compensation is appropriate

The total amount of compensation, etc. for Directors of the Company was approved at the 81st Ordinary General Meeting of Shareholders of the Company held on June 22, 2007, as an amount not to exceed 500 million yen per year (excluding the employee's salaries for directors who serve concurrently as employees).

In order to further clarify the linkage between the compensation of the Company's Directors (excluding Outside Directors; hereinafter the same shall apply) and the Company's business performance and share value, thereby providing Directors with incentives to enhance the Company's corporate value over the medium- to long- term and promoting greater value sharing between Directors and the shareholders, the Company seeks the approval of its shareholders for the following:

(i) the introduction of a new performance-linked restricted stock compensation system (the "System") for certain Directors, as described in item 2 below; and

(ii) the establishment of a separate compensation framework, independent of the above-mentioned compensation limit, under which the total amount of compensation, etc. related to performance-linked restricted stock to be granted to Directors shall be set at an amount not to exceed 300 million yen per year, taking into comprehensive consideration various factors including the level of contribution of Directors to the Company.

If this Item is approved, the Company intends, at a meeting of the Board of Directors to be held after the conclusion of this General Meeting of Shareholders, to revise the policy regarding the details of individual compensation, etc. for Directors so that it aligns with the content approved, generally as described at the end of this Item. This Item is consistent with the revised policy, and we consider it appropriate as it constitutes the necessary and reasonable framework for granting individual compensation, etc. to Directors. Furthermore, with respect to the introduction of the System and the policy regarding the details of individual compensation, etc. for Directors after the revision, deliberation and recommendations have been obtained from the voluntary Executive Nomination and Compensation Committee, which consists of five (5) Directors including three (3) Independent Outside Directors, in order to ensure transparency and objectivity in the compensation-determination process.

The number of Directors eligible under the System will be up to two (2), assuming that Item 1, "Election of Eight (8) Directors," is approved as originally proposed. The amount of compensation, etc. for Directors shall not include employee's salaries for directors who serve concurrently as employees.

In addition, if this Item is approved, the Company intends to make Executive Officers who do not concurrently serve as Directors, as well as certain employees, eligible for a compensation system similar to the System.

2. Overview of the System

The Company will, for Directors residing in Japan who are engaged in the execution of business and who, pursuant to the resolution of the Board of Directors of the Company held on February 13, 2026, subscribe to a third-party allotment conducted by the Company (the "Initial Allotment") and, using their own funds, receive an allotment of the Company's common shares in accordance with the Initial Allotment (the "Eligible Directors"), grant, within the above-mentioned compensation limit and based on a resolution of the Board of Directors concerning the granting of monetary compensation claims (the "Compensation Claim Granting Resolution"), monetary compensation claims to be used as consideration for performance-linked restricted stock, in proportion to the number of the Company's common shares that each Eligible Director holds at the time of the Compensation Claim Granting Resolution, which were subscribed using their own funds in accordance with the Initial Allotment and any third-party allotments conducted by the Company until the time of the Compensation Claim Granting Resolution from the Initial Allotment, to each Eligible Director. Each Eligible Director shall transfer the entire amount of such monetary compensation claim to Hisense Japan Automotive Air-Conditioning Systems Corporation, the Company's parent company (the "Parent Company"), and, in exchange for such monetary compensation claim, shall receive from the Parent Company, on a restricted-transfer basis, the

Company's common shares held by the Parent Company (such transfer of shares, the "Share Transfer"). The transfer restrictions will be lifted in accordance with the attainment level of the performance indicators and other evaluation metrics (the "Evaluation Indicators") for each one-year period from January 1 to December 31 of each year from 2026 to 2028 (the "Performance Evaluation Period"). For details, please refer to item (4) below.

The above monetary compensation claims will be granted on the condition that the Directors have subscribed to the third-party allotment conducted by the Company pursuant to the resolution of the Board of Directors of the Company held on February 13, 2026 and have paid in the subscription price with their own funds to receive an allotment of the Company's common shares, that they consent to the Share Transfer described above and to items (1) and (2) below, and that they have entered into a Share Transfer agreement with the Parent Company containing the provisions set forth in items (3) through (6) below.
The per-share transfer price of the Company's common shares in the Share Transfer shall be the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the execution date of the Share Transfer (or, if no trade is executed on that day, the closing price on the most recent prior trading day).

(1) Total number of shares to be delivered to the Eligible Directors under the System

The maximum total number of the Company's common shares to be delivered to the Eligible Directors under the System shall be 1,750,000 shares.
If the number of the Company's shares increases or decreases as a result of a stock split, reverse stock split, or similar corporate action, the Company shall make reasonable adjustments, in proportion to such increase or decrease, to the amount of the monetary compensation claims granted to the Eligible Directors, the number of the Company's shares to be transferred by the Parent Company to the Eligible Directors, and the number of shares determined after the performance evaluation (as defined in item (2) below).

(2) Method for calculating the number of shares subject to the lifting of transfer restrictions

The Company will determine, for each Eligible Director, the number of shares that may become subject to the lifting of transfer restrictions, as described in item (4) below (such number, rounded up to the nearest whole share if a fractional share arises, the "Number of Shares Determined After the Performance Evaluation"), based on the attainment level of the Evaluation Indicators during the Performance Evaluation Period. For details, please refer to item (4) below. The specific details of the Evaluation Indicators will be determined by the Board of Directors of the Company.

(For Reference) Contents of the Evaluation Indicators

[Performance Indicators]

• The amount of net income attributable to owners of parent as stated in the Company's financial statements will be used.

[Evaluation Indicators Other Than Performance Indicators]

• In addition to the Performance Indicators described above, the annual performance evaluation results of each Eligible Director will also be taken into account.

(3) Contents of the transfer restrictions

Eligible Directors who receive performance-linked restricted stock shall, from the date of receipt of such stock until the date on which the Number of Shares Determined After the Performance Evaluation for the Performance Evaluation Period for 2028 is determined (the "Applicable Period of the System"), be prohibited, whether directly or indirectly, from transferring, assigning, pledging, creating a security interest over, selling, exchanging, gifting, or otherwise disposing of the performance-linked restricted stock (the "Transfer Restrictions"). In accordance with item (4) below, the Transfer Restrictions will be lifted only with respect to the Number of Shares Determined After the Performance Evaluation, based on the attainment level of the Evaluation Indicators for each Performance Evaluation Period. If, immediately after the expiration of the Applicable Period of the System, there remain any shares for which the Transfer Restrictions have not been lifted, please refer to item (5) below.

(4) Lifting of transfer restrictions

The Company will determine the Number of Shares Determined After the Performance Evaluation based on the attainment level of the Evaluation Indicators for each Performance Evaluation Period, and the Parent Company will lift the Transfer Restrictions with respect to such number of shares. However, the number of shares for which the Transfer Restrictions may be lifted for each Performance Evaluation Period shall be capped, respectively, at a number equal to 20% of the total number of performance-linked restricted shares granted for the first Performance Evaluation Period, 30% for the second Performance Evaluation Period, and 50% for the third Performance Evaluation Period.

Notwithstanding the above, if the attainment level of the Evaluation Indicators for any Performance Evaluation Period other than the first exceeds 100%, the Company may determine the Number of Shares Determined After the Performance Evaluation for such year by including all or part of the performance-linked restricted shares for which the Transfer Restrictions were not lifted in prior Performance Evaluation Periods, and the Parent Company may lift the Transfer Restrictions with respect to such shares. The method for calculating the number of performance-linked restricted shares for which the Transfer Restrictions will be lifted in such cases shall be determined by the Board of Directors of the Company.

(5) Acquisition without consideration of performance-linked restricted stock

If an Eligible Director who received performance-linked restricted shares resigns from the position of Director of the Company or any other position designated by the Board of Directors of the Company before the end of the Applicable Period of the System, the Parent Company shall acquire all of such performance-linked restricted shares without consideration, unless the Board of Directors of the Company determines that there is a legitimate reason otherwise.

Furthermore, if an Eligible Director who has received performance-linked restricted shares resigns from the position of Director of the Company or any other position designated by the Board of Directors of the Company before the end of the Applicable Period of the System for a reason deemed legitimate by the Board of Directors of the Company, the Parent Company shall acquire without consideration the performance-linked restricted shares held by such Eligible Director that remain subject to the Transfer Restrictions.

In addition, if, immediately after the expiration of the Applicable Period of the System, there remain any performance-linked restricted shares for which the Transfer Restrictions have not been lifted, the Parent Company shall acquire such shares without consideration.

If, during the Applicable Period of the System, any event specified by the Board of Directors of the Company occurs, such as the Eligible Director who received performance-linked restricted stock being sentenced to imprisonment or a more severe penalty, the Parent Company shall acquire all of such performance-linked restricted shares without consideration.

The date on which the Parent Company acquires the performance-linked restricted stock without consideration pursuant to the above shall be a date within one (1) year from the expiration of the Applicable Period of the System.

In addition, if, during a certain period specified by the Board of Directors of the Company after the lifting of the Transfer Restrictions, any event specified by the Board of Directors of the Company occurs, such as the Eligible Director who has received performance-linked restricted shares being sentenced to imprisonment or a more severe penalty, the Eligible Director shall, to the extent permitted under applicable laws and regulations, return to the Parent Company the benefits obtained as a result of the lifting of the Transfer Restrictions.

(6) Treatment of performance-linked restricted stock in the event of organizational restructuring

If, during the Applicable Period of the System, a proposal relating to a merger agreement under which the Company will be the dissolving company, a share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary, or any other organizational restructuring is approved at a general meeting of shareholders of the Company (or, if approval by the general meeting of shareholders of the Company is not required for such organizational restructuring or if a demand for the sale of shares of the Company's common stock has been made, by the Board of Directors of the Company), then, in accordance with the provisions of the share transfer agreement between the Parent Company and the Eligible Director, the Parent Company shall lift the Transfer Restrictions with respect to 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.

(Reference) Policy on the Structure of Compensation, etc. for Individual Directors (Summary)

(i) Basic policy

Compensation and compositional ratios reflect the role and annual performance of the Company and motivate the officers to increase medium- to long-term corporate value.

(ii) Policy for determining compensation

Compensation for Directors comprises basic compensation and performance-linked compensation (bonus), and performance-linked compensation (stock compensation) to better clarify its link to the Company's performance and shareholder values.

(iii) Basic compensation (fixed)

The amount of basic compensation for Directors shall be commensurate with their positions and duties, with reference to industry standards and the results of surveys on executive compensation by external research organizations.

(iv) Performance-linked compensation (bonus)

Performance-linked compensation (bonus) for Directors is determined based on consolidated business results to provide an incentive to improve the Company's business results. It consists of compensation reflecting year-on-year increases in sales and profits and compensation reflecting the achievement of management indicators, and is allocated according to positions, duties, and evaluations. These indicators have been selected because they are the most appropriate indicators of the Company's performance.

(v) Performance-linked compensation (stock compensation)

Performance-linked compensation (stock compensation) for Directors is determined based on consolidated business results to provide an incentive to improve the Company's medium- to long-term performance. Stock compensation that corresponds to the attainment level of the performance indicators for each fiscal year, including net income attributable to owners of parent (the "Evaluation Indicators"), is allocated in accordance with positions, duties, evaluations, and other relevant factors. These indicators have been selected because they are the most appropriate indicators of the Company's medium- to long-term growth.

With respect to stock compensation, performance linked restricted stock that is granted in advance to all or certain Directors is used, and for the one (1) year period from January 1 to December 31 of each year as the Performance Evaluation Period, the transfer restrictions on the number of shares of the Company that is calculated based on the attainment level of the Evaluation Indicators established by the Board of Directors of the Company for the Performance Evaluation Period are lifted. Furthermore, if the attainment level of the Evaluation Indicators for any Performance Evaluation Period other than the first exceeds 100%, the Company may lift the Transfer Restriction on the performance-linked restricted stock for which the Transfer Restrictions were not lifted in prior Performance Evaluation Periods, in accordance with the provisions determined by the Board of Directors of the Company. However, if certain circumstances arise, such as when a Director is sentenced to imprisonment or a more severe penalty, the Company may acquire all of the shares that have been granted without compensation.

(vi) Ratio of compensation for each Director

Composition ratios of Directors' compensation are determined with the aim of enhancing the Company's medium- to long- term corporate value and are set in consideration of their roles and duties.

(vii) Procedure for determining remuneration

To ensure the transparency of the decision-making process and the objectivity of decisions concerning Directors' compensation, the Executive Nomination and Compensation Committee (chaired by an Independent Outside Director), consisting of five Directors including three Independent Outside Directors, has been established, and the Board of Directors deliberates and decides on Directors' compensation based on the Committee's deliberations and recommendations. The compensation of the Audit & Supervisory Board Members is determined by the decision of the Audit & Supervisory Board.

(viii) Scope of decision-making authority and discretion and activities

The Executive Nomination and Compensation Committee, in consultation with the Board of Directors, shall discuss and advise and make recommendations to the Board of Directors on the following matters.

- Establishment, revision or abolition of the basic policy and standards for determining directors' compensation, etc.
- Details of the amount of compensation for each director
- Other matters deemed necessary by the Executive Nomination and Compensation Committee in relation to the compensation of directors

The Board of Directors deliberates and decides on director compensation based on the advice and recommendations of the Executive Nomination and Compensation Committee.

Item 4: Partial Amendments to the Articles of Incorporation

1. Reason for the Amendments

This amendment to Article 6 (Total Number of Authorized Shares) is made in preparation for potential future issuances of new shares.

2. Details of the Amendments

The details of the amendments are as follows:

(Underlines indicate the portions that are to be amended.)

Current Articles of Incorporation	Proposed Amendments
(Total Number of Authorized Shares) Article 6 The total number of authorized shares to be issued by the Company shall be <u>one hundred twelve million two hundred thousand (112,200,000) shares</u>.	(Total Number of Authorized Shares) Article 6 The total number of authorized shares to be issued by the Company shall be <u>one hundred thirteen million four hundred fifty thousand (113,450,000) shares</u>.

Consolidated Balance Sheet

(As of December 31, 2025)

(In millions of yen)

Item	Amount	Item	Amount
[Assets]		**[Liabilities]**	
Current assets:	**103,859**	**Current liabilities:**	**142,312**
Cash and deposits	18,130	Notes and accounts payable – trade	42,032
Notes and accounts receivable – trade, and contract assets	56,870	Short-term borrowings	70,927
Merchandise and finished goods	13,987	Current portion of long-term borrowings	492
Work in process	10,960	Accounts payable – other	9,698
Raw materials	7,334	Lease obligations	1,398
Other inventories	1,178	Income taxes payable	743
Accounts receivable – other	1,571	Provision for bonuses	2,530
Consumption taxes receivable	3,165	Provision for product warranties	4,562
Other	7,957	Provision for business restructuring	286
Allowance for doubtful accounts	(17,296)	Other	9,641
		Noncurrent liabilities:	**15,194**
Noncurrent assets:	**81,774**	Long-term borrowings	6,265
Property, plant and equipment	**54,072**	Lease obligations	2,616
Buildings and structures	13,771	Deferred tax liabilities	2,231
Machinery, equipment and vehicles	15,598	Net defined benefit liability	1,749
Tools, furniture and fixtures	3,658	Provision for environmental measures	423
Land	6,439	Other	1,907
Lease assets	2,521	**Total liabilities**	**157,507**
Construction in progress	12,082	**[Net assets]**	
Intangible assets	**1,666**	**Shareholders' equity:**	**14,619**
Other	1,666	Capital	21,741
Investments and other assets	**26,035**	Capital surplus	14,039
Investment securities	23,808	Retained earnings	(20,629)
Retirement benefit assets	95	Treasury stock	(532)
Deferred tax assets	1,349	**Accumulated other comprehensive income:**	**12,092**
Other	3,393	Valuation difference on available-for-sale securities	76
Allowance for doubtful accounts	(2,611)	Deferred gains or losses on hedges	(11)
		Foreign currency translation adjustment	10,438
		Remeasurements of defined benefit plans	1,588
		Non-controlling interests	**1,414**
		Total net assets	**28,126**
Total assets	**185,633**	**Total liabilities and net assets**	**185,633**

Consolidated Statement of Income

(From January 1, 2025 to December 31, 2025)

(In millions of yen)

Item	Amount	
Net sales		**190,875**
Cost of sales		**162,675**
Gross profit		**28,200**
Selling, general and administrative expenses		**29,708**
Operating loss		**1,507**
Non-operating income		
Interest income	234	
Dividends income	33	
Equity in net income of affiliates	5,392	
Rental income	862	
Other	1,014	7,536
Non-operating expenses		
Interest expenses	2,330	
Foreign exchange losses	880	
Provision of allowance for doubtful accounts	14	
Other	1,029	4,254
Ordinary income		**1,774**
Extraordinary income		
Gain on sales of noncurrent assets	526	
Reversal of allowance for doubtful accounts	230	
Reversal of provision for business restructuring	1,792	
Other	165	2,715
Extraordinary loss		
Impairment loss	227	
Loss on disposal of noncurrent assets	211	
Business restructuring expenses	2,771	
Other	29	3,240
Net income (loss) before income taxes		**1,249**
Income taxes – current		837
Income taxes – deferred		(349)
Net income		**760**
Net income attributable to non-controlling interest		486
Net income attributable to owners of parent		**274**

Non-Consolidated Balance Sheet

(As of December 31, 2025)

(In millions of yen)

Item	Amount	Item	Amount
[Assets]		**[Liabilities]**	
Current assets:	**25,074**	**Current liabilities:**	**85,760**
Cash and deposits	1,736	Electronically recorded obligations	8,248
Accounts receivable - trade	12,425	Accounts payable - trade	4,903
Electronically recorded claims	1,699	Short-term borrowings	60,855
Merchandise and finished goods	833	Lease obligations	566
Work in process	3,601	Accounts payable – other	5,092
Supplies	190	Accrued expenses	1,297
Accounts receivable – other	1,636	Provision for product warranties	3,152
Prepaid expenses	739	Provision for bonuses	1,232
Short-term borrowings receivable from subsidiaries and affiliates	2,989	Other	410
Other	1,142	**Noncurrent liabilities:**	**7,880**
Allowance for doubtful accounts	(1,919)	Long-term borrowings	4,331
Noncurrent assets:	**77,043**	Lease obligations	814
Property, plant and equipment	**13,542**	Deferred tax liabilities	761
Buildings	5,477	Provision for loss on business of subsidiaries and affiliates	1,944
Structures	521	Other	28
Machinery and equipment	815		
Vehicles	0	**Total liabilities**	**93,640**
Tools, furniture and fixtures	798	**[Net assets]**	
Land	5,031	**Shareholders' equity:**	**8,412**
Lease assets	3	Capital	21,741
Construction in progress	894	Capital surplus	15,158
Intangible assets	**198**	Legal capital surplus	15,158
Investments and other assets	**63,302**	Retained earnings	(28,144)
Investment securities	542	Other retained earnings	(28,144)
Shares of subsidiaries and affiliates	44,820	Retained earnings brought forward	(28,144)
Investments in capital of subsidiaries and affiliates	13,493	Treasury stock	(342)
Long-term borrowings from subsidiaries and affiliates	4,265	**Valuation and translation adjustments:**	**65**
Prepaid pension costs	95	Valuation difference on available-for-sale securities	65
Other	137		
Allowance for doubtful accounts	(51)	**Total net assets**	**8,477**
Total assets	**102,118**	**Total liabilities and net assets**	**102,118**

<u>**Non-Consolidated Statement of Income**</u>

(From January 1, 2025 to December 31, 2025)

(In millions of yen)

Item	Amount	
Net sales		**59,476**
Cost of sales		**52,134**
Gross profit		**7,342**
Selling, general and administrative expenses		**11,799**
Operating loss		**4,457**
Non-operating income		
Interest income	892	
Dividends income	5,248	
Rental income	764	
Miscellaneous income	180	7,085
Non-operating expenses		
Interest expenses	1,510	
Taxes and dues	154	
Foreign exchange losses	921	
Provision of allowance for doubtful accounts	233	
Miscellaneous loss	695	3,514
Ordinary loss		**886**
Extraordinary income		
Gain on sales of non-current assets	510	
Reversal of allowance for doubtful accounts	1,531	
Other	499	2,540
Extraordinary loss		
Impairment loss	217	
Business restructuring expenses	1,846	
Other	78	2,141
Net loss before income taxes		**487**
Income taxes – current		469
Income taxes – deferred		15
Net loss		**972**