May 14, 2026

Company name	Sanden Corporation
Name of representative	Xu Zhan Representative Director & President (Securities code: 6444; TSE Standard Market)
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Notice Regarding the Introduction of a Performance-Linked Restricted Share Compensation Plan for Executive Officers and Employees

Sanden Corporation (the "Company") hereby announces that, at a meeting of its Board of Directors held today, the Company resolved to introduce a performance-linked restricted share compensation plan (the "Plan") for certain executive officers who do not concurrently serve as directors and employees of the Company (collectively, the "Employees"), as described below.

1. Purpose, etc. of Introduction of the Plan

The purpose of introducing the Plan is to provide Employees with incentives to improve the Company's corporate value in the medium- to long-term by making the linkage between their compensation, the Company's performance, and the Company's share value more explicit, while also further promoting value sharing between the Company's Employees and shareholders. The Plan is different from the design of ordinary share compensation plans in that it uses the Company's shares which are held by the Company's parent company. However, in light of the economic circumstances surrounding the Company in recent years, the Company has decided to introduce the Plan which uses the issued shares of the Company as a measure to improve its corporate value by enhancing value sharing between the Employees and the Company's shareholders. As a result, the Company will be able to improve the tradable share ratio while limiting the impact of dilution on existing shareholders, and grant the Company's shares to a larger number of Employees than would be possible under ordinary shared compensation plans through the issuance of new shares or disposal of treasury shares. By implementing the Plan, the Company will further enhance value sharing between the Company's Employees and shareholders and continue to make efforts to improve its corporate value.

As previously announced in the Company's press release dated February 13, 2026, titled "Notice Regarding the Introduction of a Performance-Linked Restricted Share Compensation Plan", and its press release dated March 31, 2026, titled "Notice Regarding Approval of the Introduction of a Performance-Linked Restricted Share Compensation Plan", the Company has already introduced a compensation plan similar to the Plan for certain directors of the Company (excluding outside directors).

2. Outline 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 certain executive officers who do not concurrently serve as directors and employees, who have been allotted shares of the Company's common stock through a third-party allotment conducted by the Company under resolutions of the Board of Directors of the Company held on February 13, 2026 and today, as well as any future resolutions of the Board of Directors of the Company (the "Initial Allotment") using their own funds (the "Eligible Employees"). Such compensation claims shall be granted in the same number as the number of shares of the Company's common stock that each Eligible Employee continues to hold at the time of the Compensation Claims Payment Resolution among the shares acquired through the Initial Allotment and any subsequent third-party allotment conducted by the

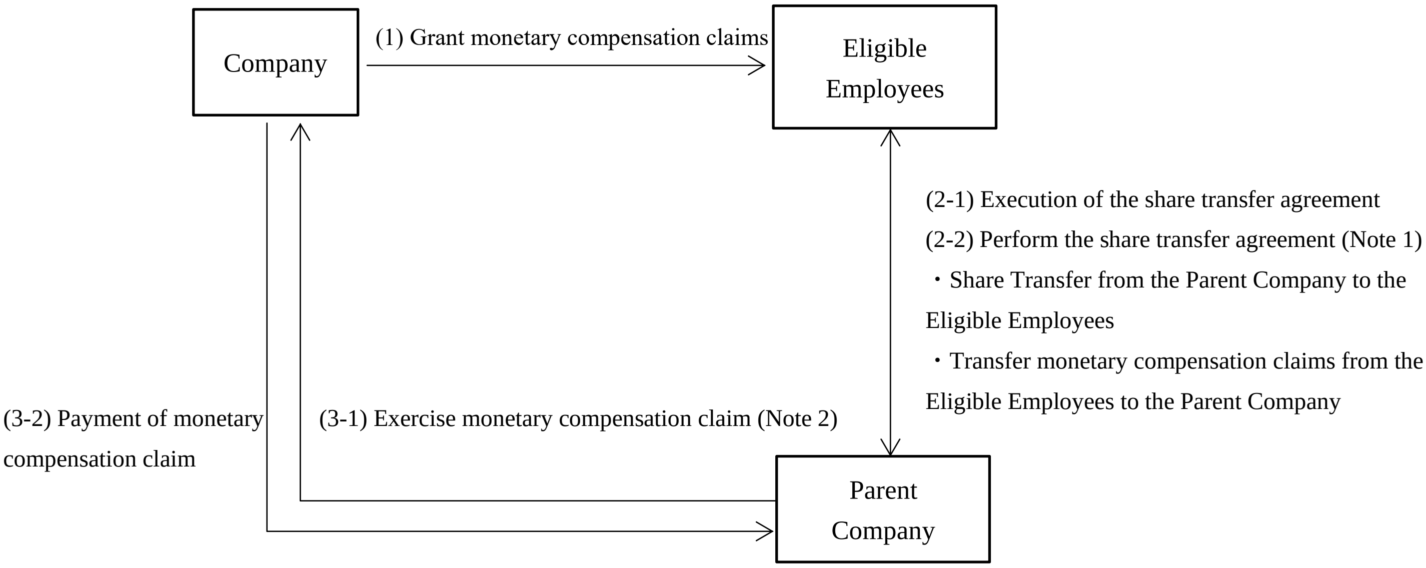
Company between the date of the Initial Allotment and the date of the Compensation Claims Payment Resolution. Each Eligible Employee shall assign all of such monetary compensation claims to Hisense Japan Automotive Air-Conditioning Systems Corporation, the parent company of the Company (the “Parent Company”), and as consideration for such monetary compensation claims, each Eligible Employee shall receive from the Parent Company the Company’s common stock held by the Parent Company (the “Share Transfer”), subject to transfer restrictions, as performance-linked restricted shares.

The granting of the monetary compensation claims described above shall be conditional upon, among other things, the Eligible Employee having subscribed to the Initial Allotment using his or her own funds and having been allotted the Company’s common stock.

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

The total number of the Company's common stock to be acquired by the Eligible Employees under the Plan is expected to be 840,000 shares.

The chart below shows an overview of the Plan.



Note 1: The Company's shares are managed in a special account at securities companies. The Eligible Employees include Employees who are overseas residents. For such Employees, the shares transferred from the Parent Company will be kept by a third party stock compensation plan administrator through custodians, etc. in a special account with a securities company (omnibus account) , and after the restrictions on transfer of shares are lifted, equity ownership pertaining to those shares will be allocated to the accounts of individual overseas resident Employees, on the platform provided by the stock compensation plan administrator.

Note 2: If the Parent Company acquires without consideration the Company’s common stock granted to the Employees in accordance with the share transfer agreement, the Parent Company shall waive its monetary compensation claim against the Company with respect to those shares.

Other details of the Plan are the same as those described in the Company’s press release dated February 13, 2026, titled “Notice Regarding the Introduction of a Performance-Linked Restricted Share Compensation Plan”.

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