

Mid-Term Management Plan T.RAD-2026

April 27, 2026

T.RAD Co., Ltd.



**Mid-Term
Management Plan
T.RAD-2026
A G E N D A**

- 01 Business Performance Overview and T.RAD-2026 Targets**
- 02 T.RAD-2026 Basic Strategies and Initiatives**
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- 05 New Business Initiatives**
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- 07 Reference Materials**



Business Performance Overview and T.RAD- 2026 Targets

Management Philosophy

- **Contribute to the realization of an environmentally friendly sustainable society by providing superior thermal energy conversion technologies and services**
- **Pursue the sustainable development of the company and well-being of our customers, shareholders, employees, business partners and local communities**

Corporate Slogan

- **Entrusting our vision to heat energy conversion technology that knows no boundaries**
- **Aiming to become the world's leading heat exchanger manufacturer, contributing to the realization of GX**

Management Strategy [T.RAD-2026 Corporate Vision]

- 1. A company that realizes GX**
- 2. A company that continues to earn satisfaction and preference of customers**
- 3. A company trusted by its stakeholders**
- 4. A company that values its people**
- 5. A company that achieves stable profitability**
- 6. 5C+2S+3R**



(1) Culture that encourages employees to take on new challenges



(2) Changes in the operating environment and Activities that do not fear transforming themselves



(3) Communication and cooperation across all divisions



(4) Activities that emphasize speed



(5) Promotion of 3R

Challenge

Change

Co-Operation

+

Co-Creation

Connect

+

Reuse

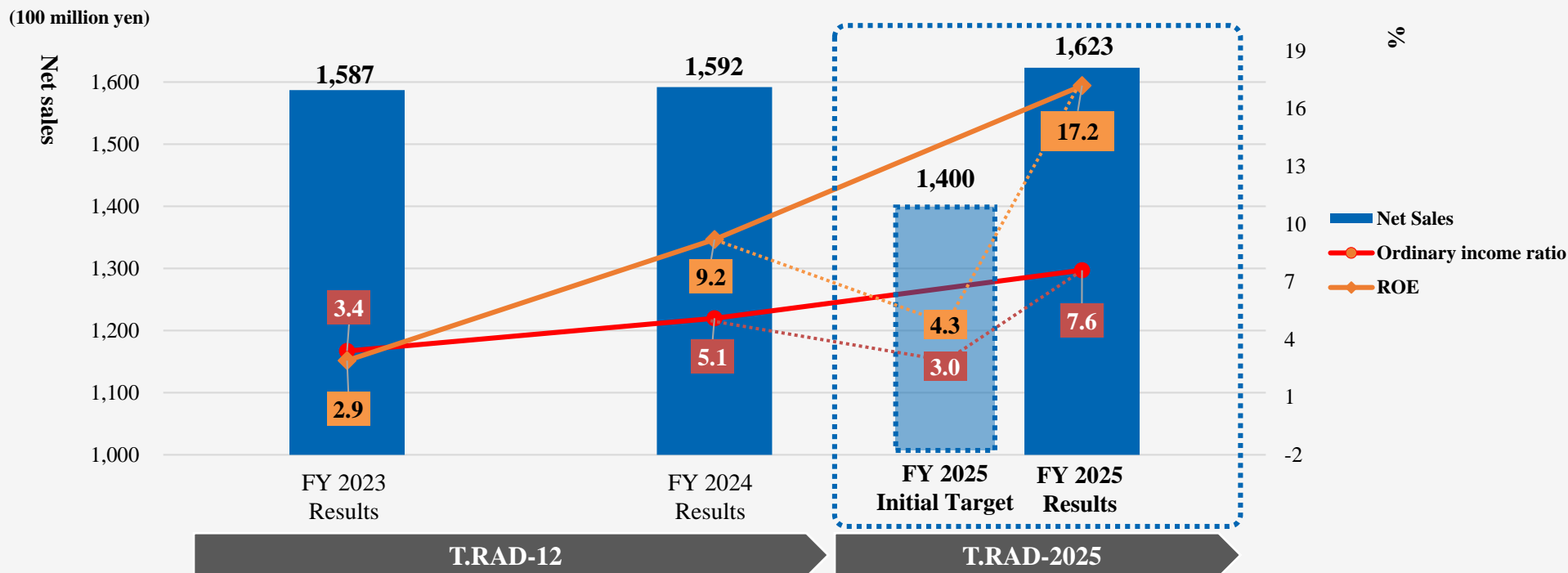
Recycle

Speed

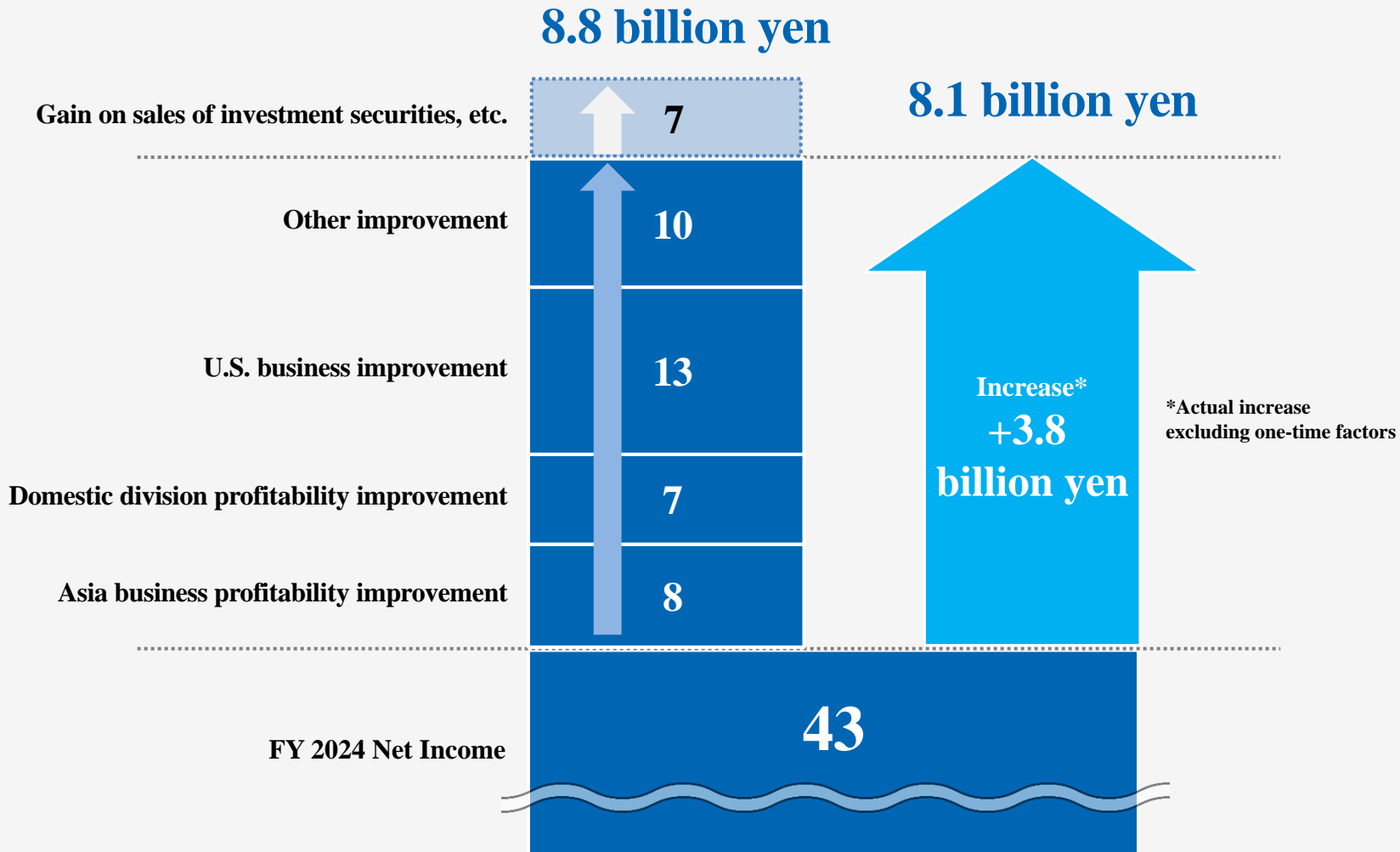
Share

Reduce

	《Initial Target》	《FY 2025 Results》
Net sales	140.0 billion yen	162.3 billion yen
Ordinary income ratio	3.0%	7.6%
ROE	4.3%	17.2%



The initial T.RAD-2025 plan assumed disruption from U.S. tariff policies and a global recession
 → As a result, risk scenarios did not materialize in FY 2025, and initiatives to improve profitability at U.S. subsidiaries and others came to fruition, significantly exceeding targets.



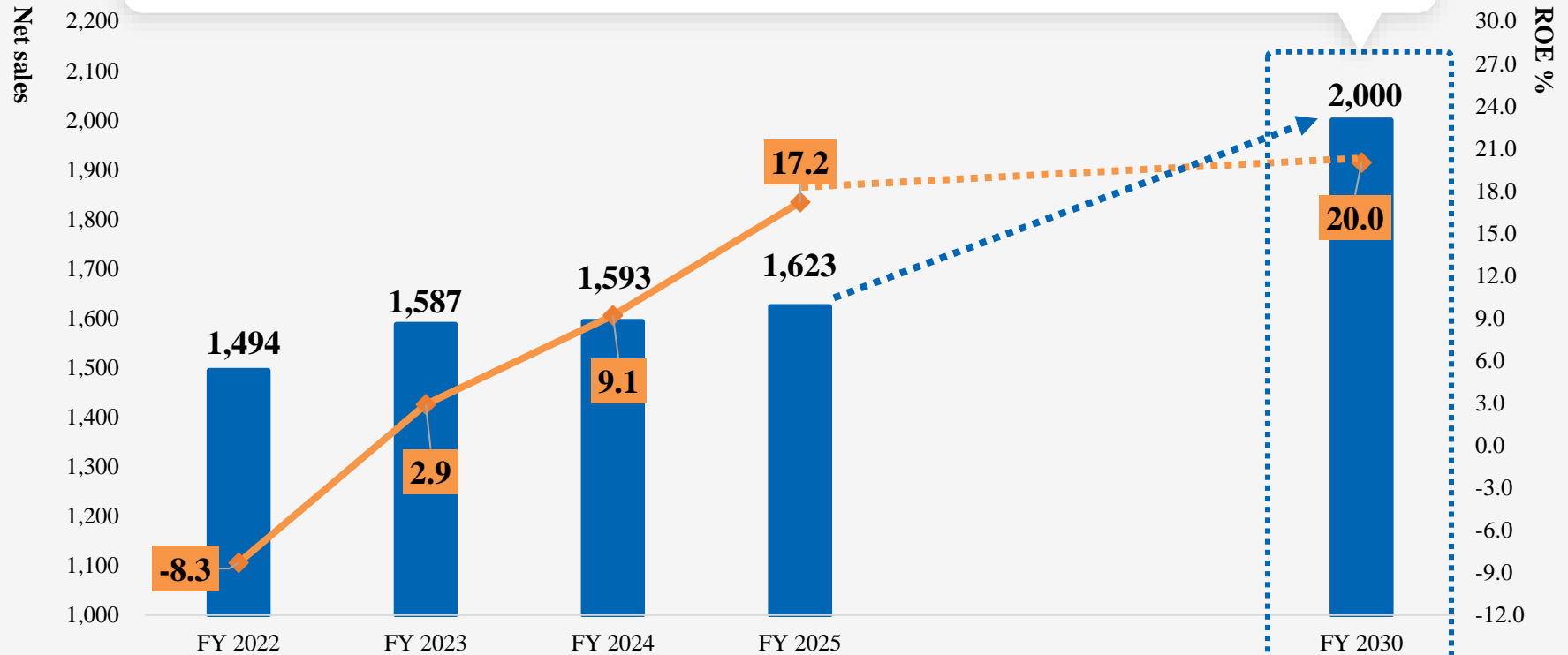
- Improvement of U.S. business and improved profitability in Japan and Asia
- Recording of one-time gains such as gain on sales of investment securities

FY 2030 Target

Net sales
200.0
billion yen

ROE
20.0%

(100 million yen)



T.RAD-2026

T.RAD-12

T.RAD-2025

FY 2026 Forecasts and FY 2030 Performance Image



(100 million yen)

	FY 2025 Results	FY 2026 Forecasts	FY 2030 Image
Net Sales	1,623	1,630	2,000
Operating Income	112	117	200
Operating income ratio	6.9%	7.2%	10.0%
Ordinary Income	124	131	210
Ordinary profit ratio	7.6%	8.0%	10.5%
Net Income	88	90	160
Net income ratio	5.4%	5.5%	8.0%
Net Assets	531	575	800
ROE	17.2%	16.3%	20.0%
(For reference)			
Depreciation and amortization	57	62	80
EBITDA	169	179	280
EBITDA margin	10.4%	11.0%	14.0%



T.RAD-2026 Basic Strategies and Initiatives

**Aiming to achieve leadership in
heat exchanger technology and market share**

Expanding market share by leveraging core strengths
in industry-leading products as a specialized manufacturer
(Performance, weight, and durability)

**Addressing diversified and growing demand
through a multi-pathway approach**

Providing a broad range of heat exchangers
and components for diverse powertrains



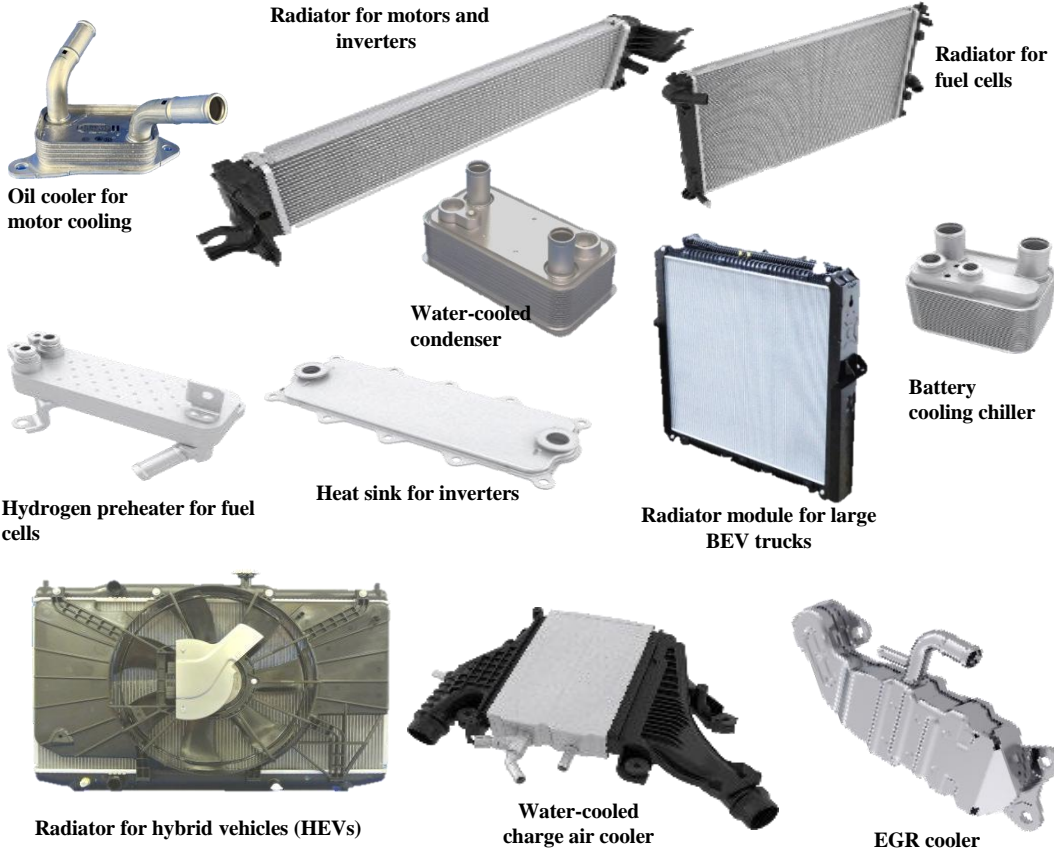
**Achieving best-in-class development speed
and cost competitiveness**

Advancing concurrent development through integrated design
and manufacturing engineering,
leveraging advanced CAE and digital transformation (DX)

**Meeting diverse customer needs
on a global scale**

Optimizing our global footprint and ensuring timely responses
to customer needs and external changes

For Automobiles and Trucks



- **Broad lineup aligned with a multi-pathway approach**
For next-generation HEV/BEV/FCEVs
- **Market-leading technology (High-performance radiator SMART)**

For Construction, Industrial, and Agricultural Equipment



Heat exchanger module for construction machinery (S-ACoM)



Heat exchanger module for hybrid hydraulic excavators

- **Durability and reliability in harsh environments**
- **High market share, mainly among Japanese manufacturers**

For Motorcycles and ATVs



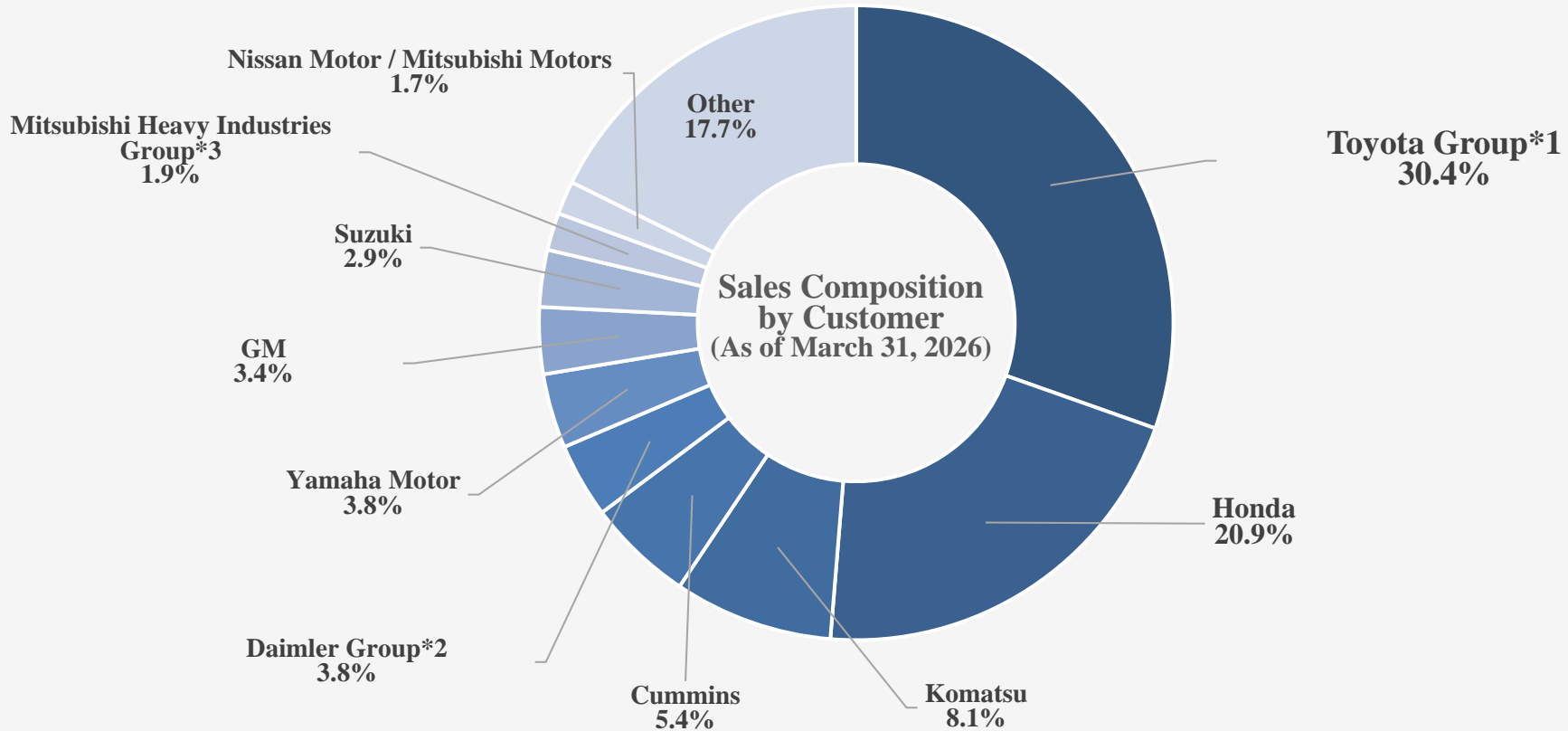
Trapezoidal-shaped curved radiator



Built-in radiator for scooters

- **No. 1 global market share**
- **Leading industry technology trends**

As an independent heat exchanger specialist, we serve a broad range of automobile and industrial equipment manufacturers in Japan and overseas

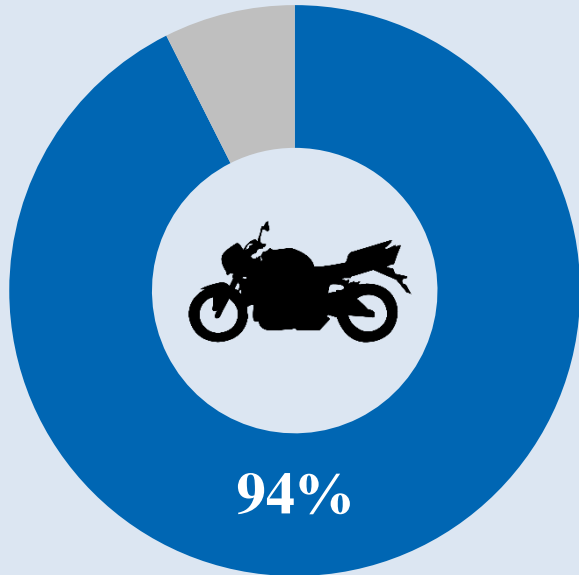


- *1 Toyota Group: TOYOTA MOTOR CORPORATION, DAIHATSU MOTOR CO., LTD., Hino Motors, Ltd., Toyota Industries Corporation, AISIN CORPORATION, etc.
- *2 Daimler Group: Daimler Truck, Mitsubishi Fuso Truck and Bus Corporation, etc.
- *3 Mitsubishi Heavy Industries Group: Mitsubishi Heavy Industries Engine & Turbocharger, Ltd., Mitsubishi Logisnext Co., Ltd., etc.

Our global share among Japanese OEMs in 2025

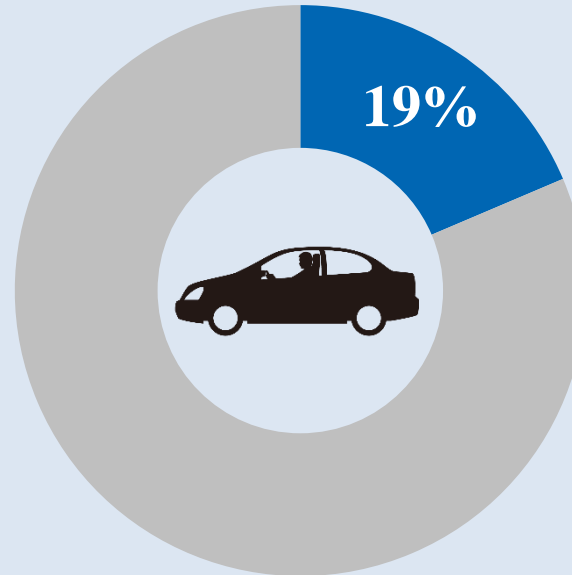
Our company Other companies

WATER-COOLED MOTORCYCLES



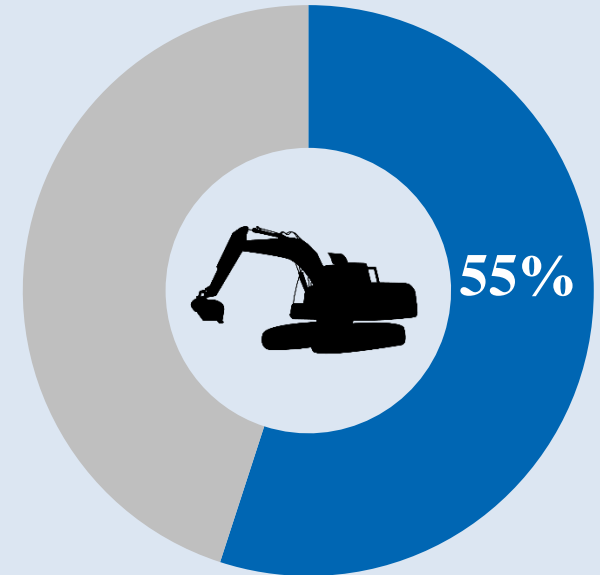
- **No. 1 global market share**
- Adopted by all Japanese OEMs and North American ATV manufacturers
- Expansion of business in India

FOUR-WHEELED VEHICLES

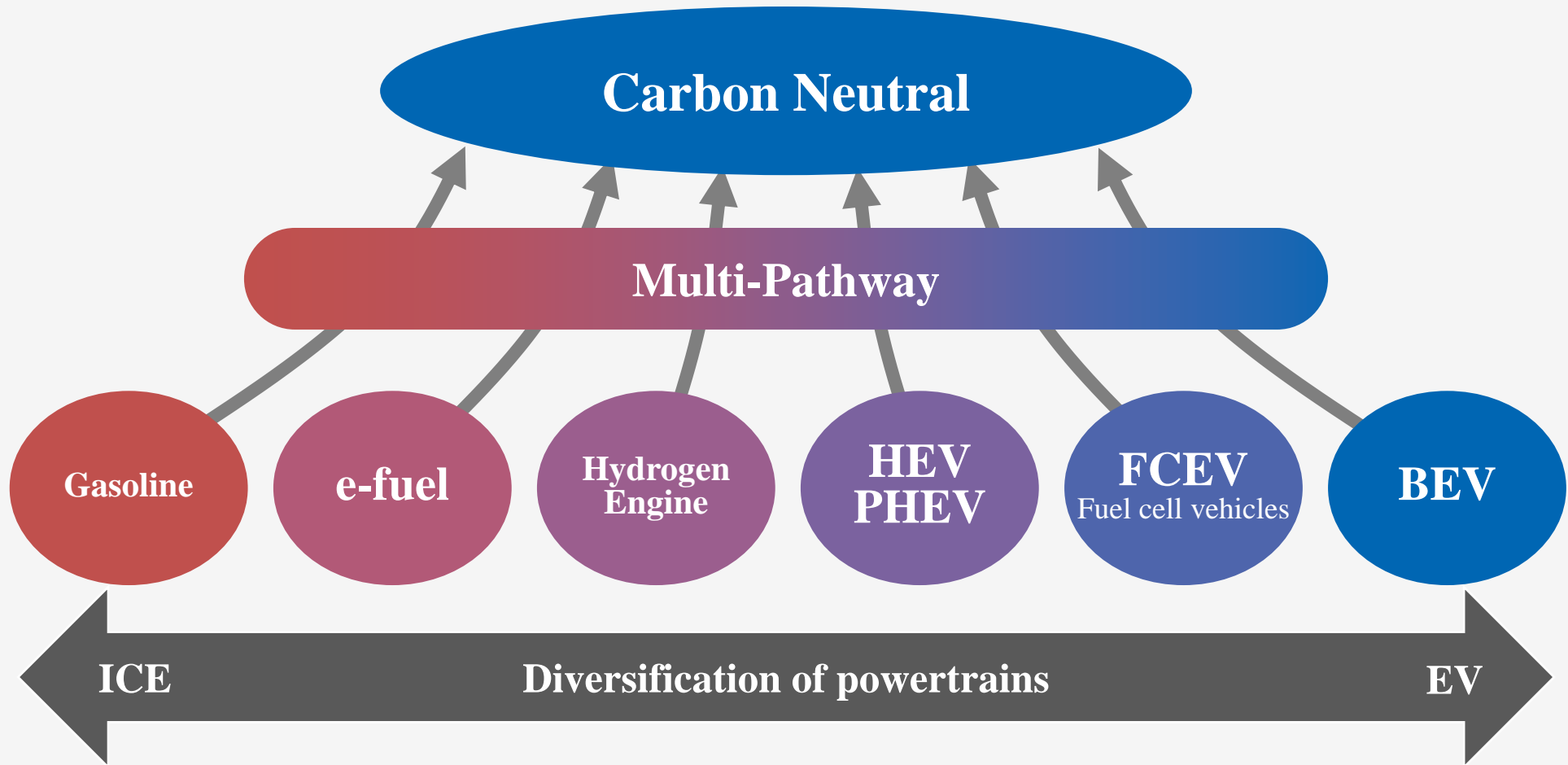


- **Supplying to nearly all Japanese OEMs**
- Expanding global market share
- Expanding production across five global hubs

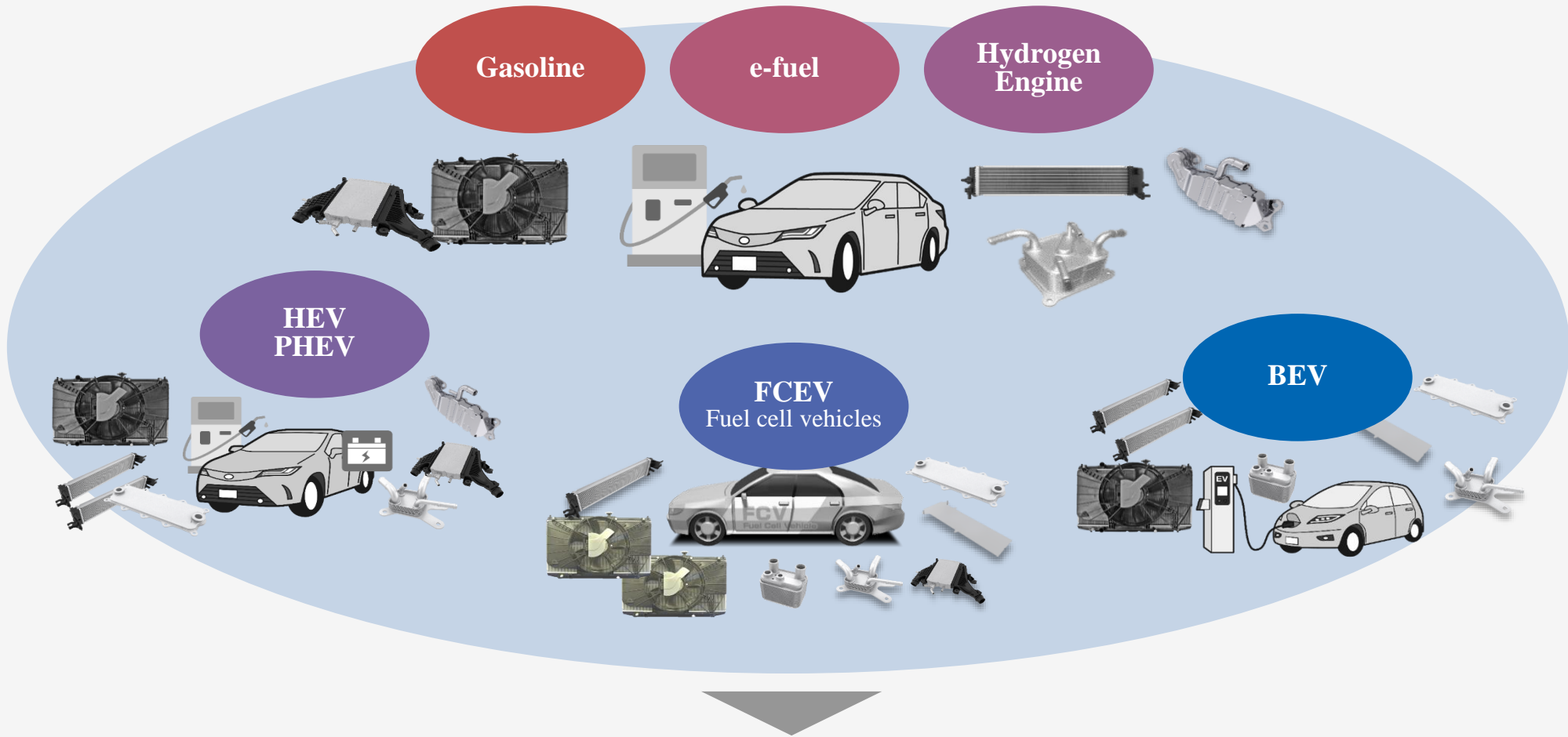
CONSTRUCTION EQUIPMENT



- **High market share, mainly among Japanese manufacturers**
- Expanding into growth markets such as China's ultra-large construction equipment segment and India



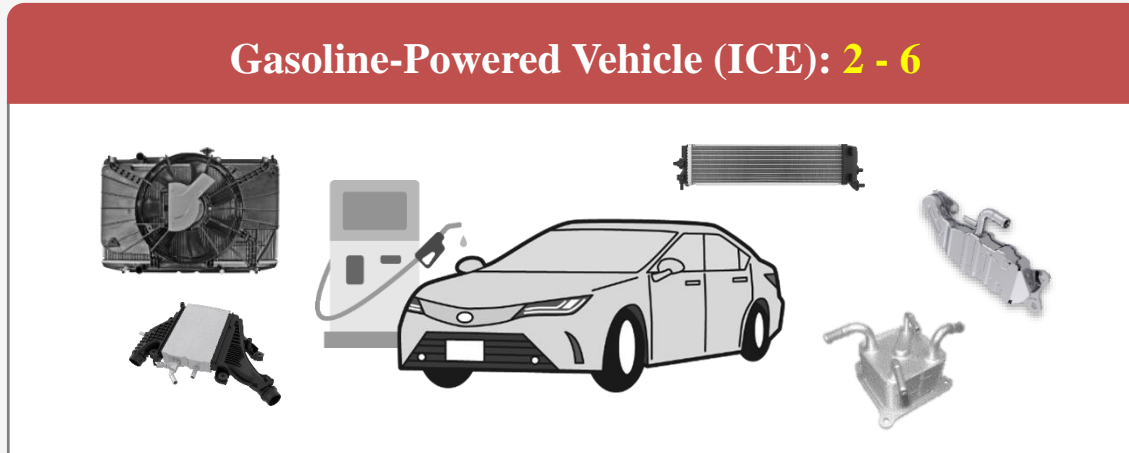
There is a global recognition that **a multi-pathway approach—offering not only BEVs but also a variety of powertrain options—is the quickest route to achieving carbon neutrality.**



**In the era of multi-pathway approaches,
the demand of heat exchanger is increasing and becoming more diverse.**

➔ Significant opportunity for market expansion for T.RAD!

Gasoline-Powered Vehicle (ICE): 2 - 6



HEV / PHEV: 4 - 9



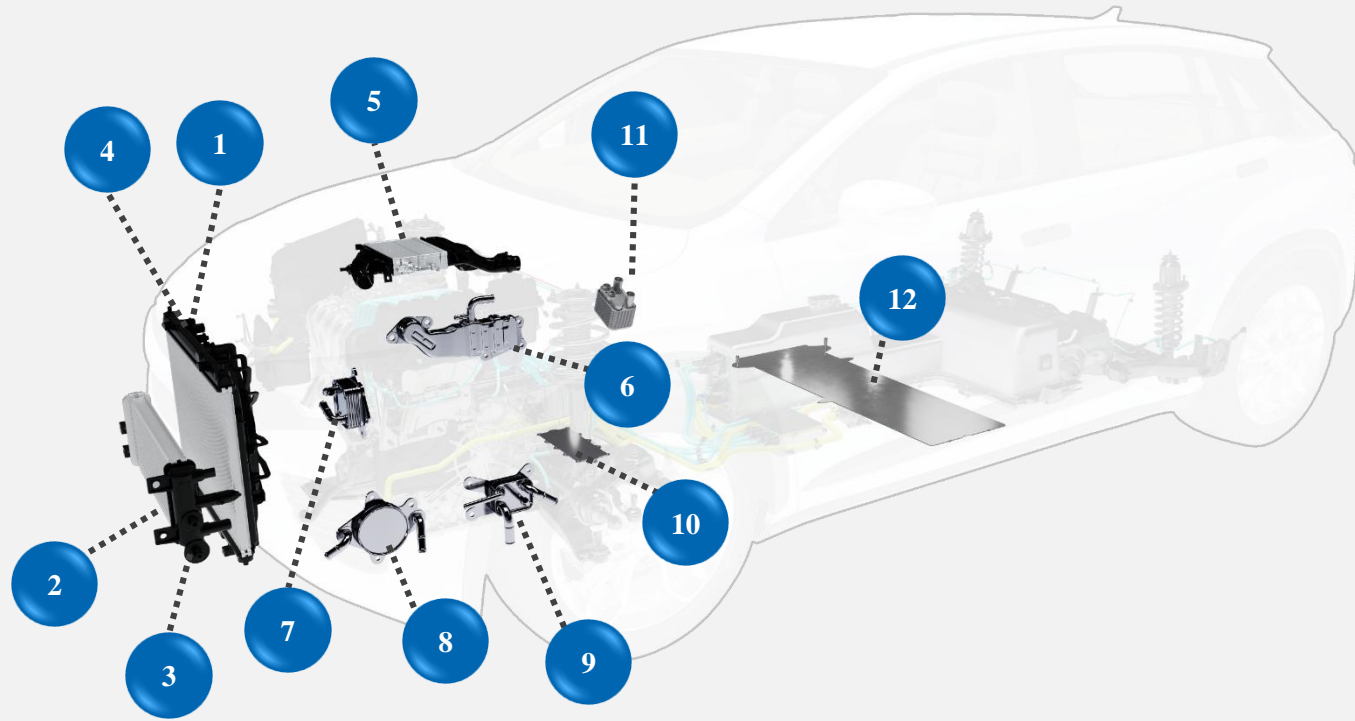
FCEV: 5 - 7



BEV: 3 - 7



The number of heat exchangers tends to increase as vehicle electrification progresses.



	Heat Exchanger Type	Engine	HEV/ PHEV	BEV	FCEV		Heat Exchanger Type	Engine	HEV/ PHEV	BEV	FCEV
1	HT radiator	○	○			7	Engine oil cooler	○	○		
2	LT radiator	○	○	○	○	8	ATF / CVTF cooler / warmer	○	○		
3	Battery cooling radiator			○		9	Motor oil cooler		○	○	○
4	FC stack radiator				○	10	Heat sink for inverter cooling		○	○	○
5	Charge air cooler	○	○		○	11	Chiller		○	○	
6	EGR cooler	○	○			12	Battery heat sink		○	○	

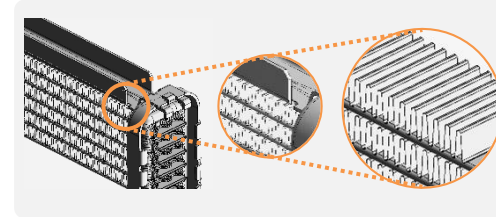
Mastery in design technology

Overcomes trade-offs between performance, durability, weight reduction, and cost through proprietary technologies



World-class manufacturing technology

Industry-leading ultra-thin-wall forming technology

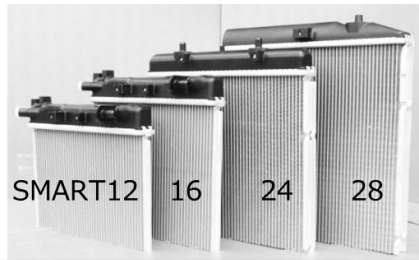


As a heat exchanger manufacturer, we possess world-class expertise and technological capabilities

(1) High-performance radiator (SMART)

Industry-leading high performance and lightweight design

Industry-leading performance achieved through optimized fin and tube design and ultra-thin-wall forming technology

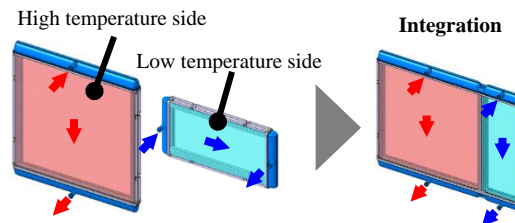


SMART: Slim & Advanced Radiator Technology

(2) Multi-function radiator

Integration of two radiator systems

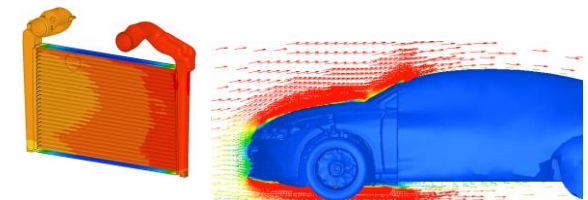
Reduced parts and weight, with a proprietary structure that mitigates failure risk due to thermal differences



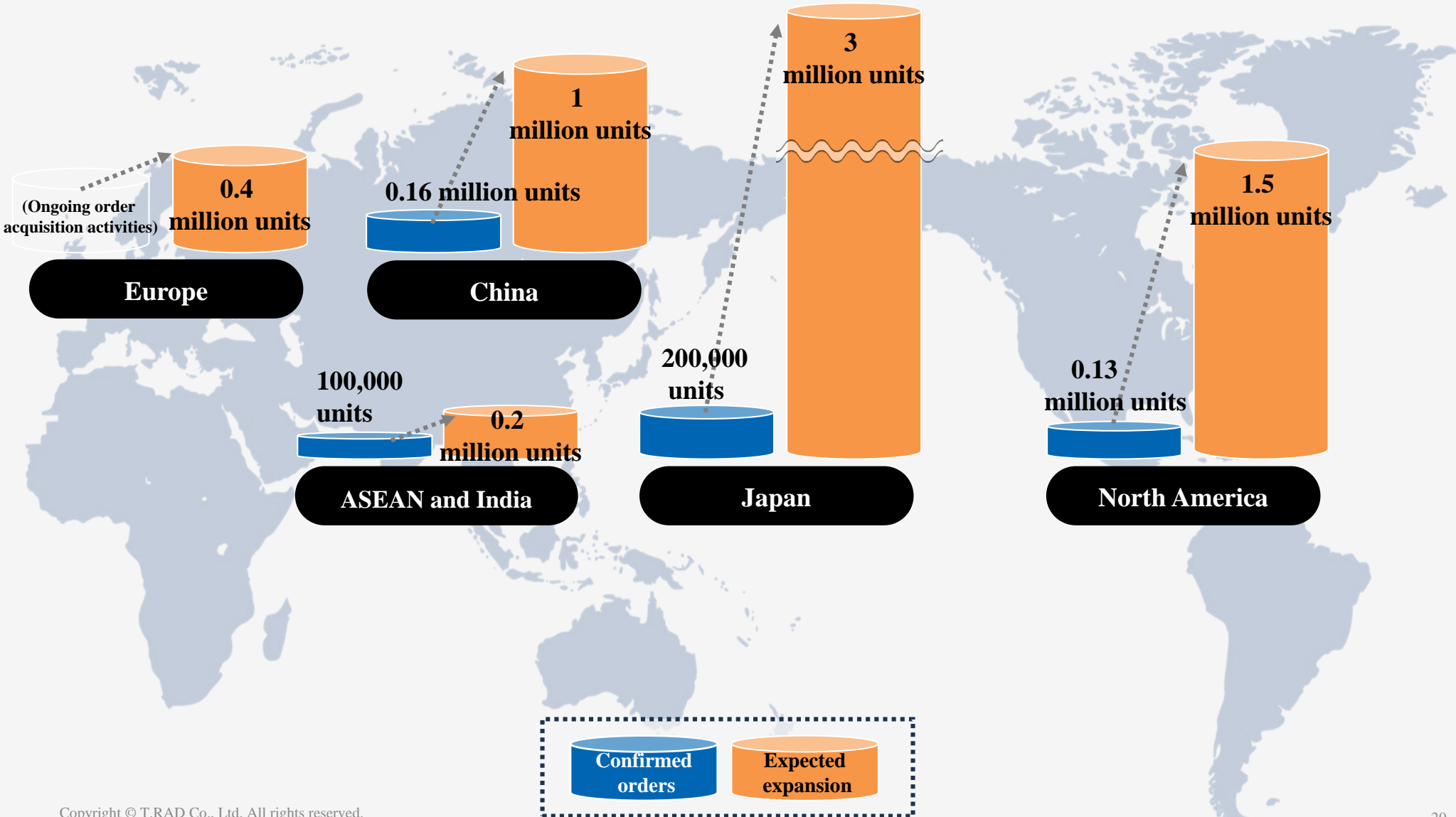
(3) Utilization of CAE technology

Accelerated development speed

Non-prototype development enabled through thermal-fluid analysis, structural analysis, and vehicle-level analysis

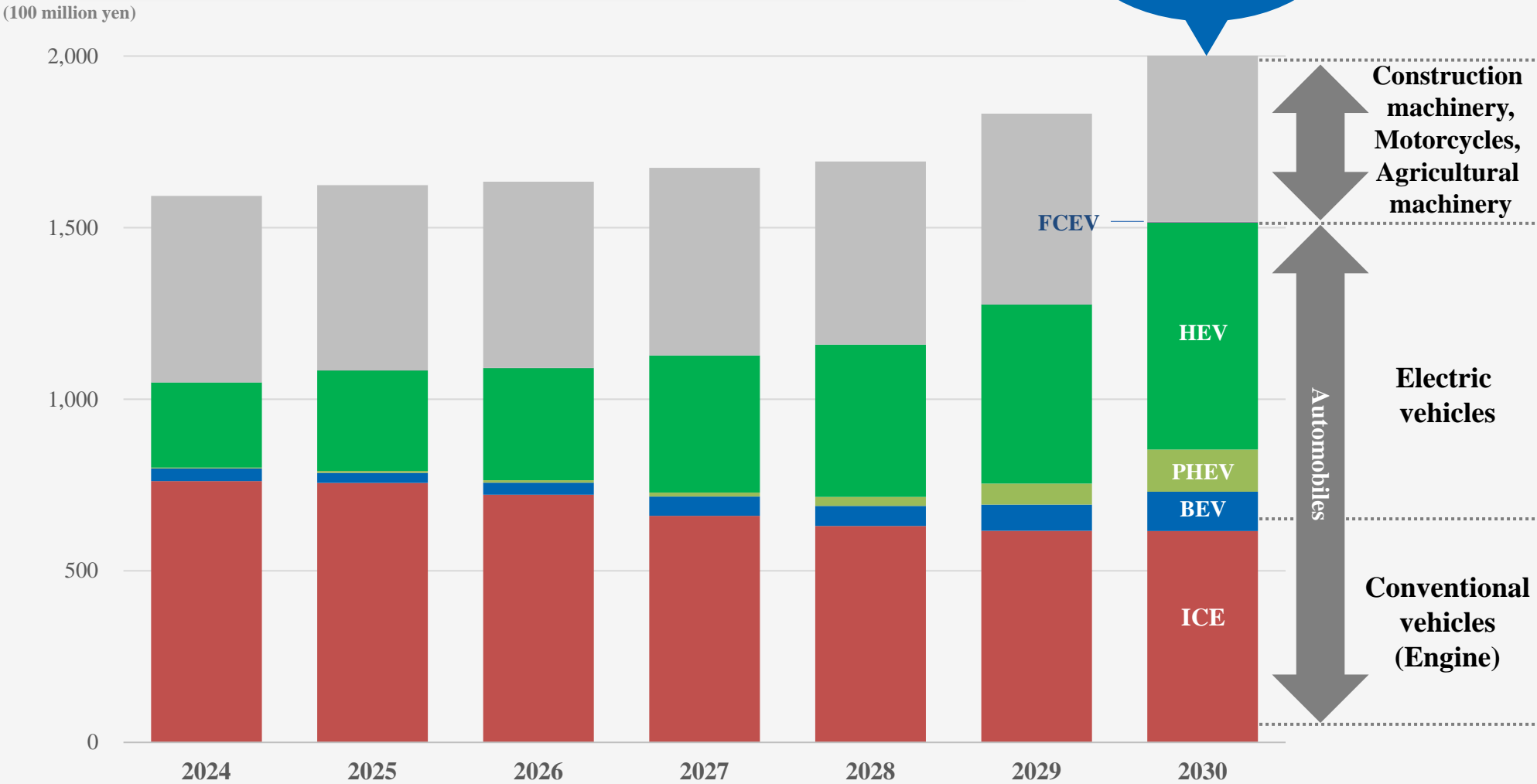


Our multi-function radiator has secured major orders from leading global automakers



Increased sales plans for HEV/PHEV
→ Opportunity to expand market share has arrived

FY2030
200
 billion yen



Promoting Local-for-Local Production

Strategic placement of R&D and production facilities near customer locations



- Accelerated response to customers
- Enhanced capability to meet customer requirements
- Expanded business opportunities
- Reduction of currency and tariff risks



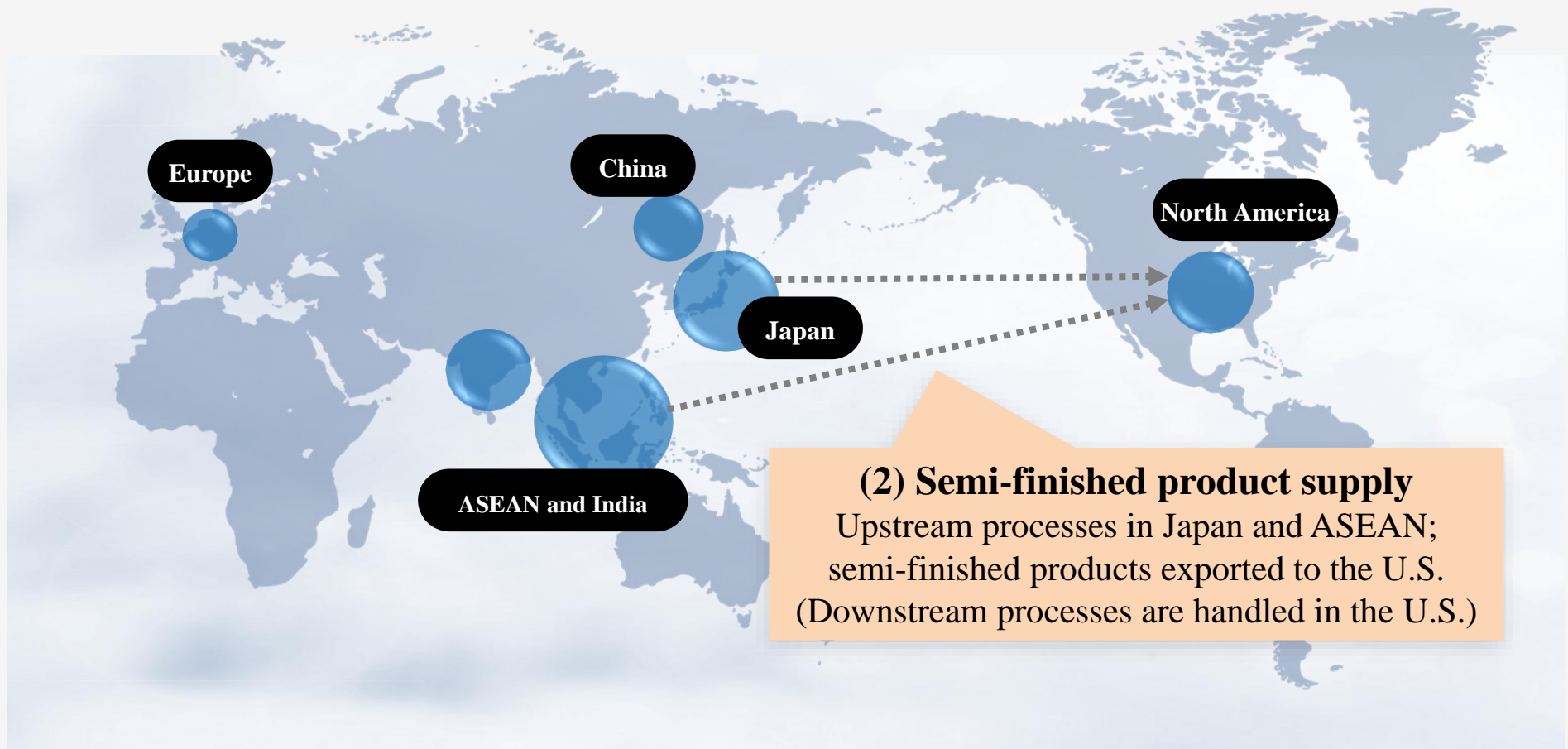
**Responding more quickly to customer needs
through a global customer-proximity structure**

(1) Promoting production transfer for selected products

Transferring production to the most efficient sites based on product characteristics

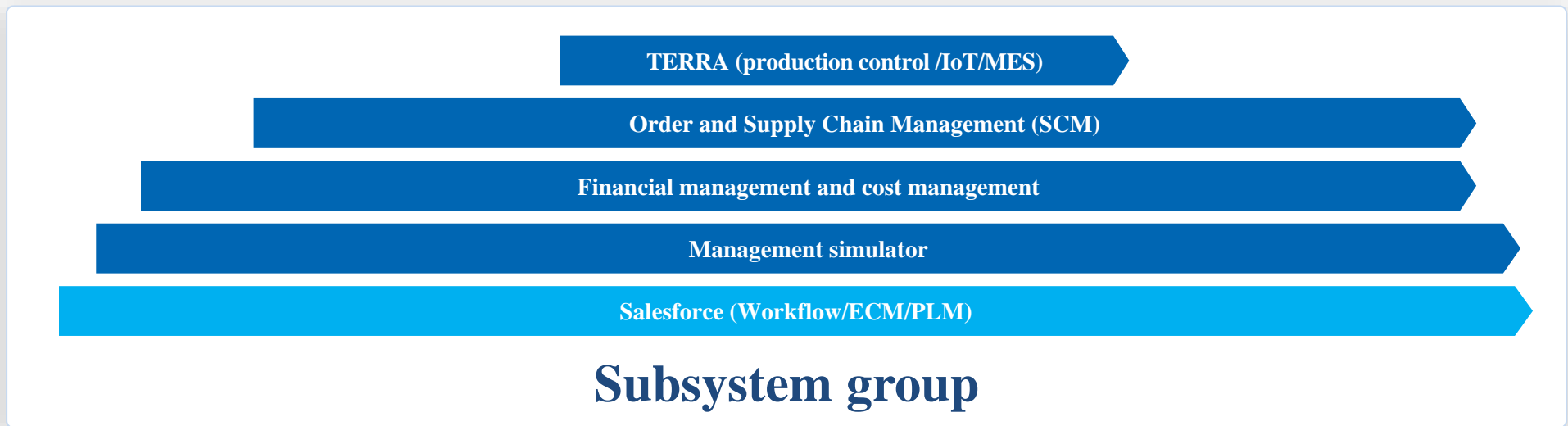
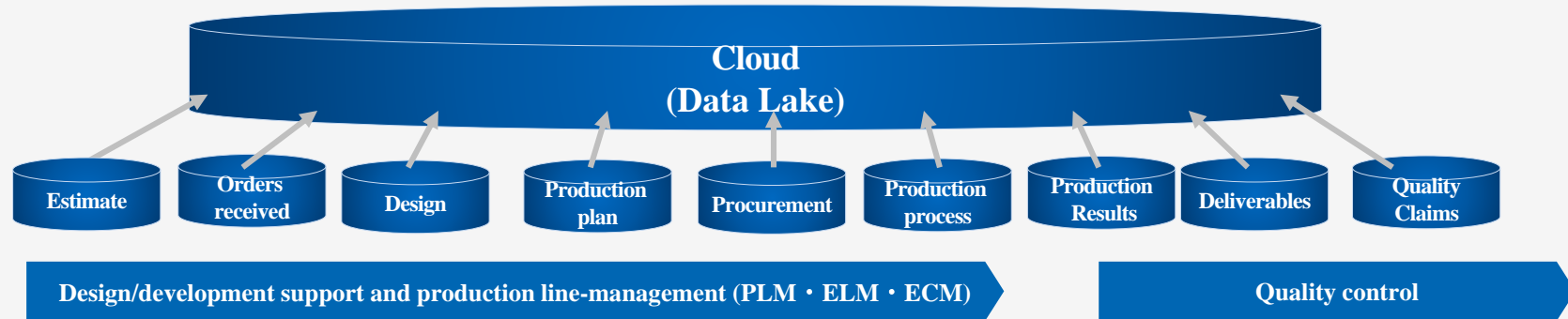


Optimizing production allocation by leveraging the strengths of each global site **has achieved significant productivity improvements in our U.S. operations**



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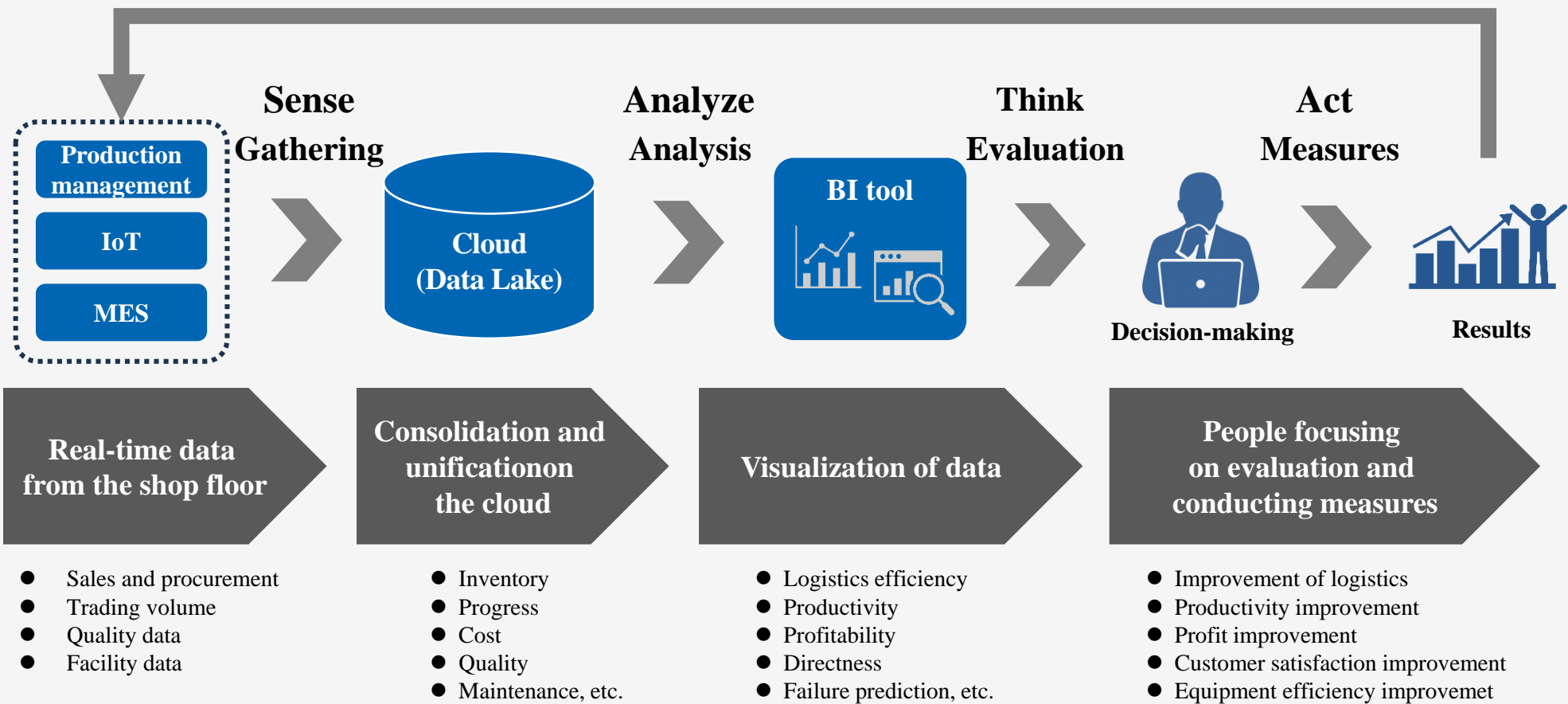
Company-wide DX system planned and developed in-house



PLM : Product Life Management
ELM : Equipment & Asset Life Management
ECM : Engineering Chain Management
MES : Manufacturing Execution System
SCM : Supply Chain Management



Standardize business processes globally through global integration of production management and accounting systems



Accelerate decision-making at all levels
 —from frontline workers and staff to managers and executives.

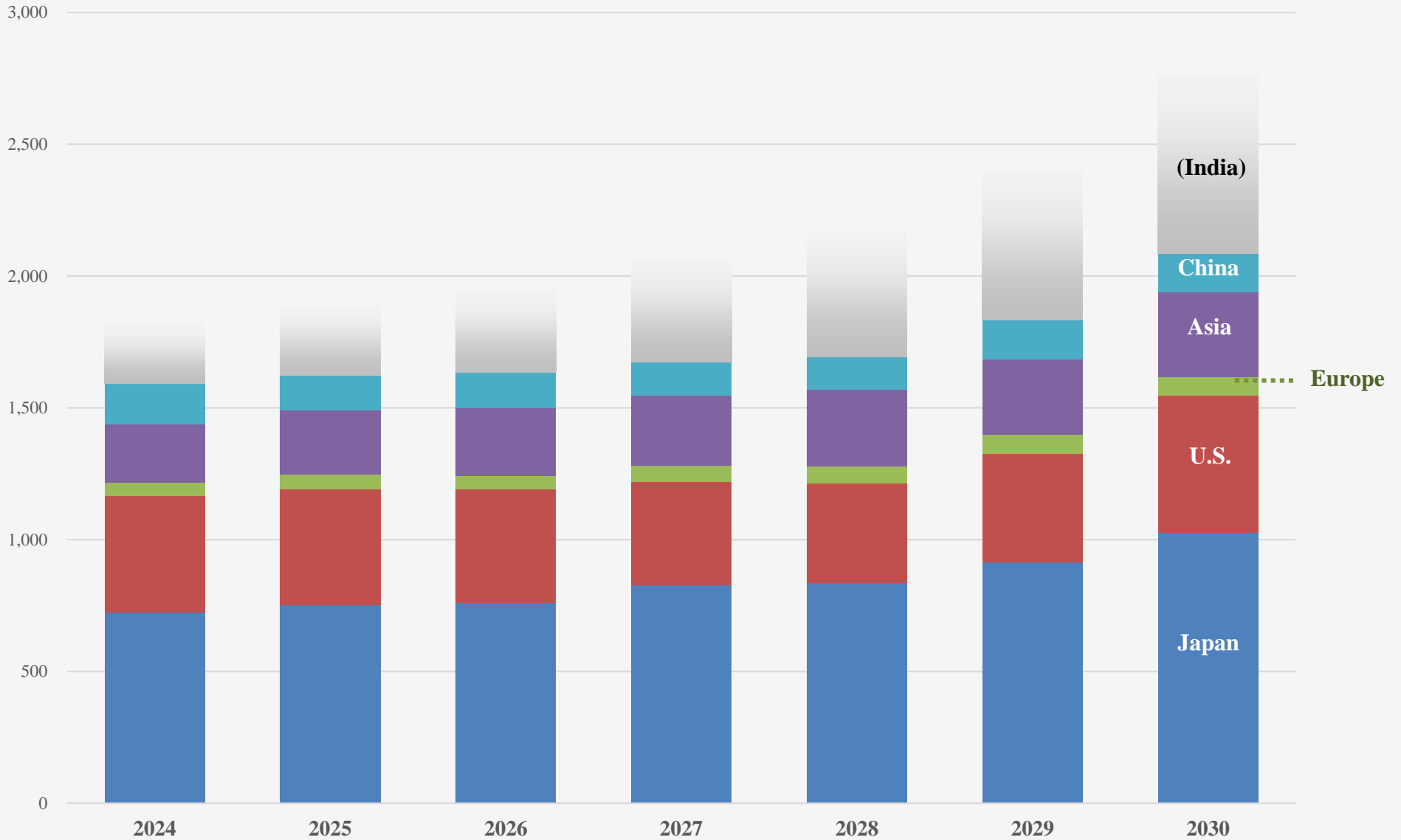


Global Expansion Strategy

Sales Forecast by Region *Company forecast



(100 million yen)



*Figures for India (TATA Toyo Radiator Ltd.) are for reference only as it is not included in consolidation

Global Expansion Strategy

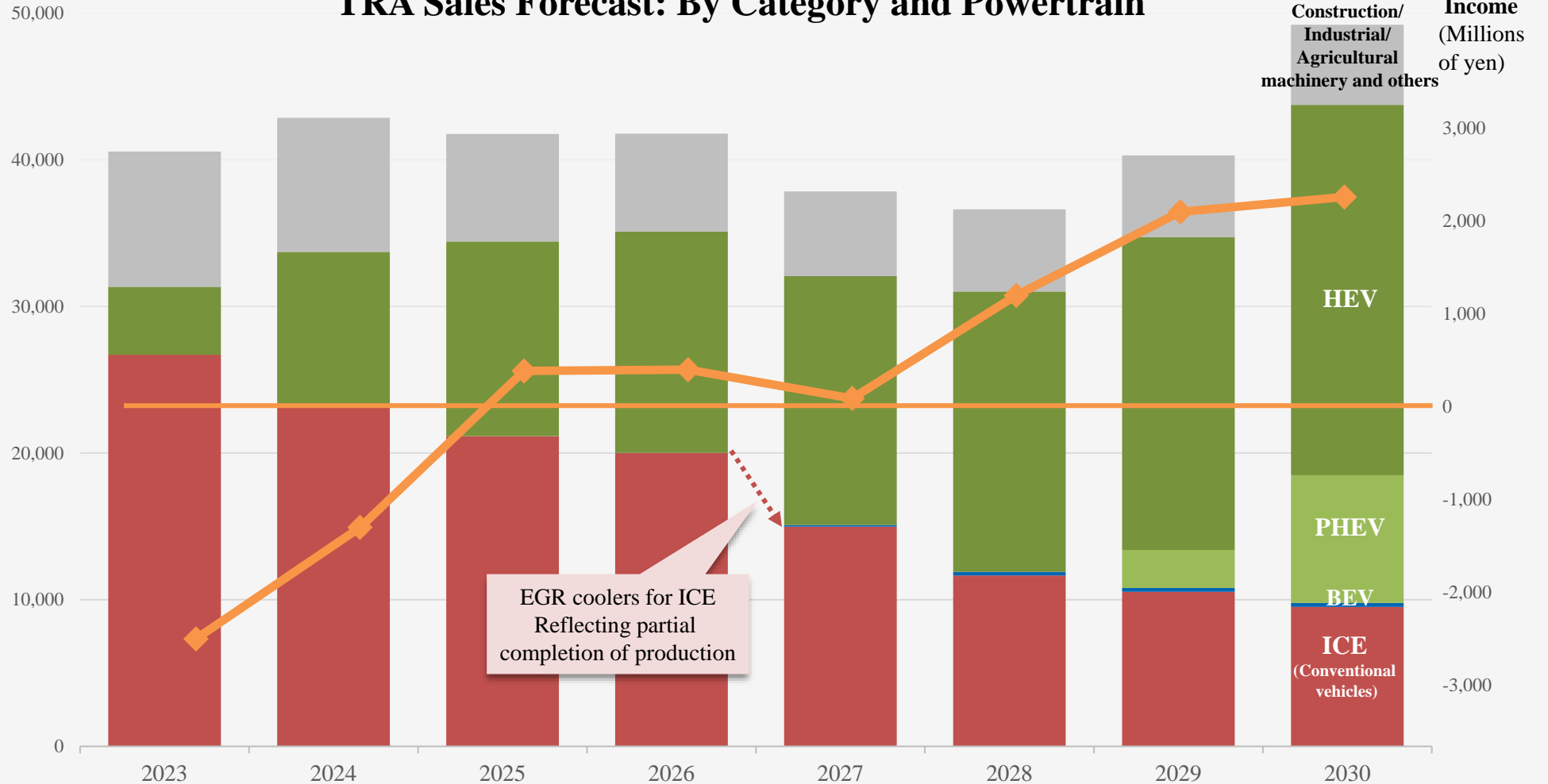
(1) U.S. and Europe

Global expansion strategy driven by increasing orders for multi-function radiators



Net sales (Millions of yen)

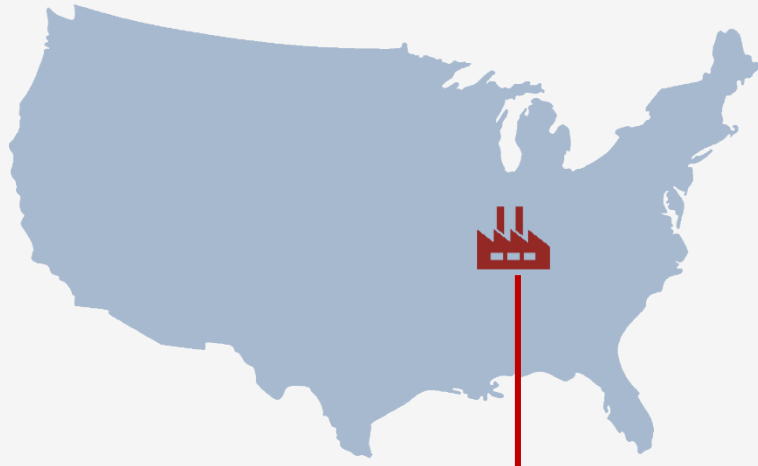
TRA Sales Forecast: By Category and Powertrain



Promotion of production transfer projects
Significant improvement in U.S. business profitability

Start of multi-function radiator production
Expansion of production bases due to increased demand

North American Manufacturing Base

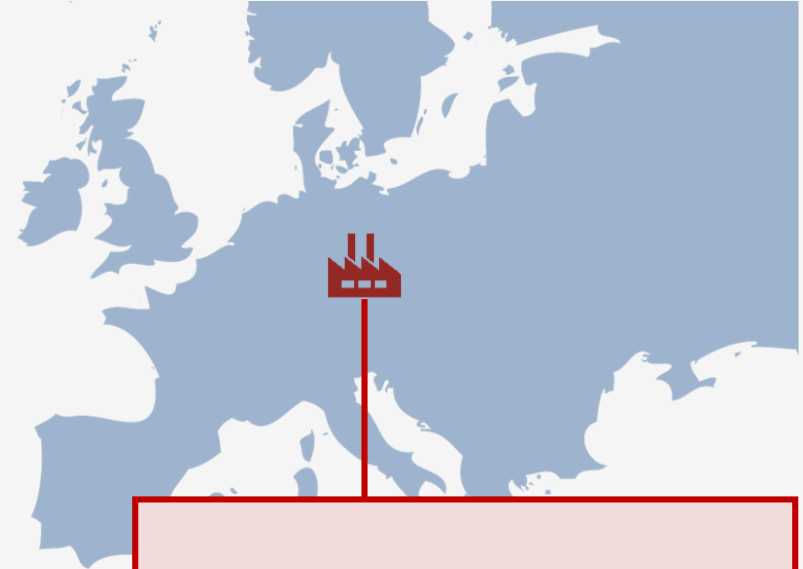


T.RAD North America, Inc.
Kentucky, USA

<<Planned Plant Expansion>>

- **Start of operations: Target FY2028**
- **Investment: ¥1.0-4.0 billion (land + building)**

European Manufacturing Base



T.RAD Czech s.r.o.
Prague, Czech Republic

<<Planned Plant Expansion>>

- **Expansion of existing plant**

We are expanding production capacity to capture market share growth opportunities

The above figures are based on current assumptions and have not been formally approved. Appropriate disclosure will be made as internal processes progress.



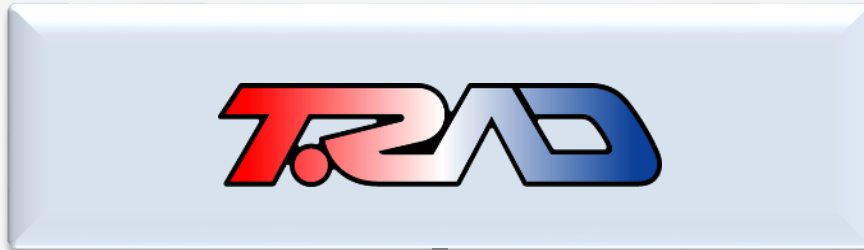
Global Expansion Strategy

(2) India

**A joint venture with the TATA Group,
India's largest conglomerate,
has driven our India business for 28 years**

- India's largest conglomerate as a single group
- Founded in 1868, approximately ₹17 trillion in revenue

TATA Group



- Product Development
- Production Facilities
- Production Technology
- Quality Control

Ownership: 49%



- Provision of Production Resources
- Procurement
- Finance, HR, and Legal
- Overall Business Management

Ownership: 51%

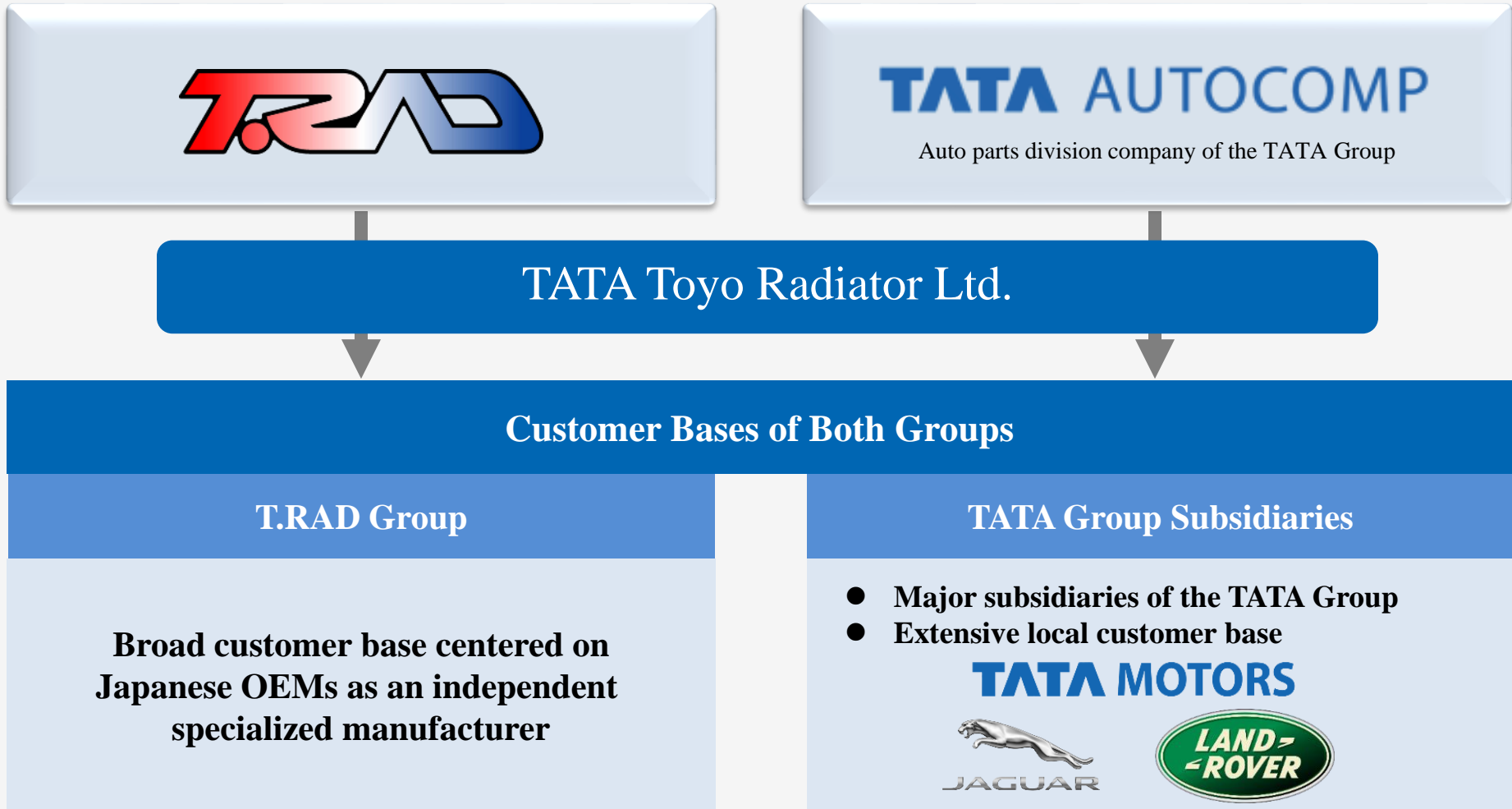
TATA Toyo Radiator Ltd.

Established in 1997 (28 years in business)

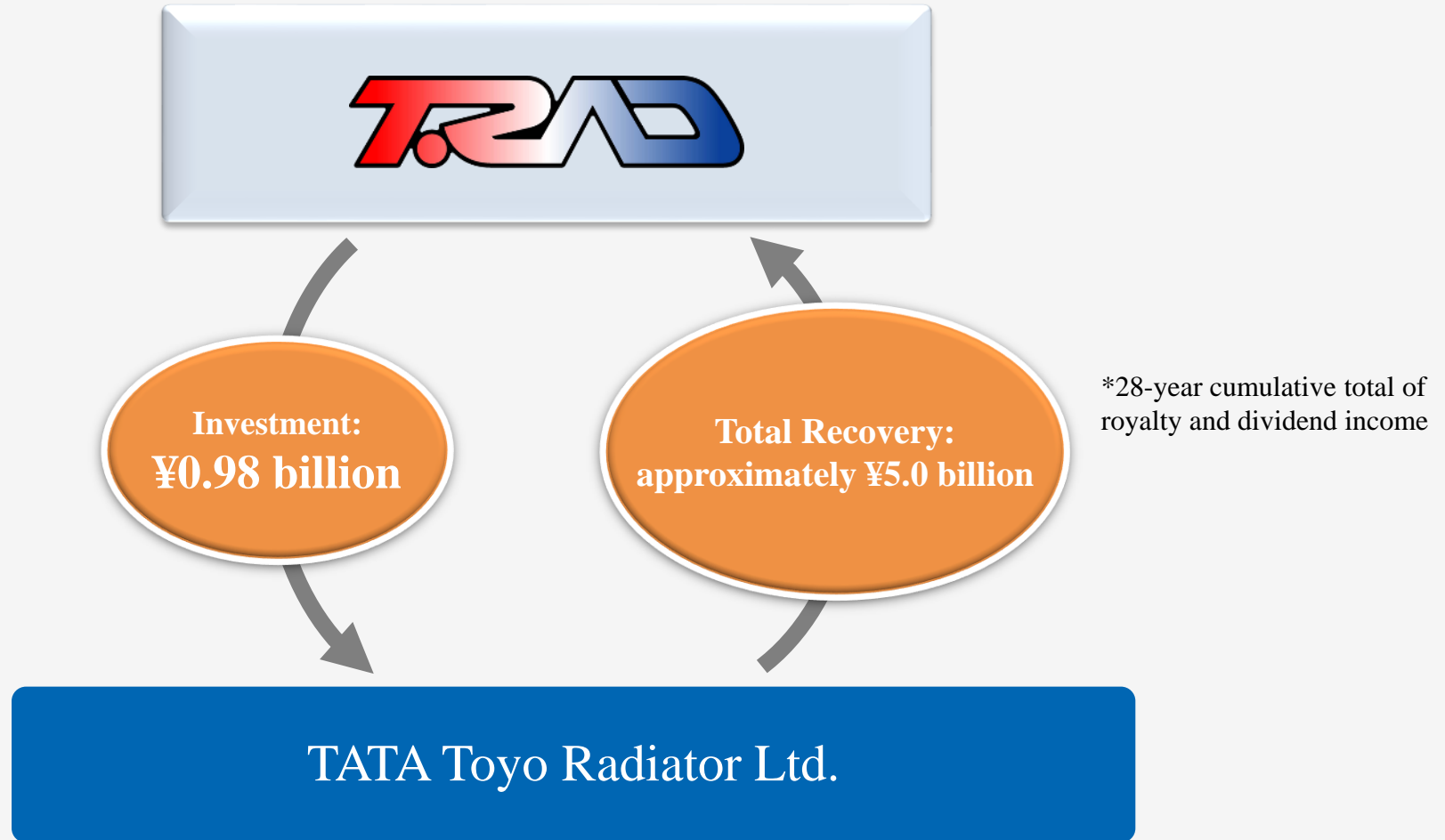
Business development leveraging the resources and expertise of both the T.RAD Group and the TATA Group

Robust Business Pipeline at TATA Toyo Radiator Ltd.

- Synergies from customer bases across Japan, India, and Europe



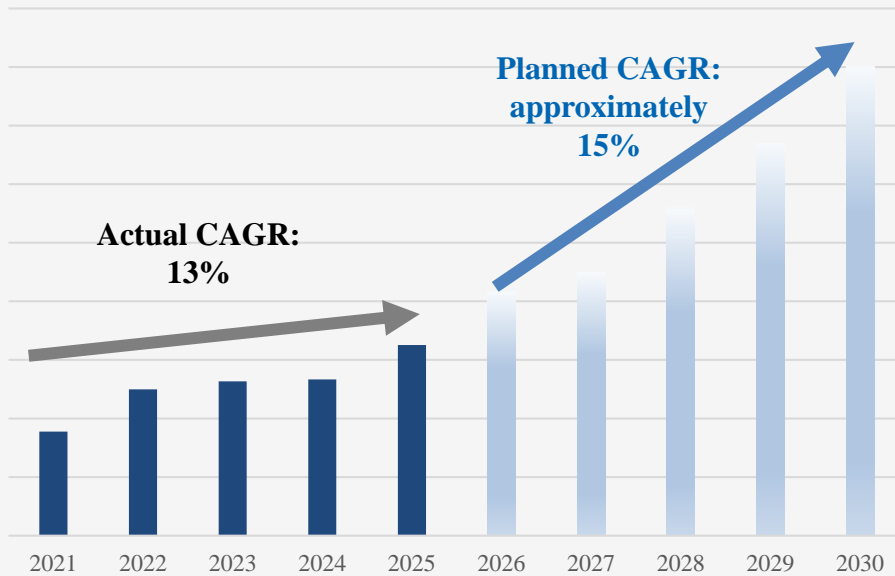
Investment Recovery of TATA Toyo Radiator Ltd.



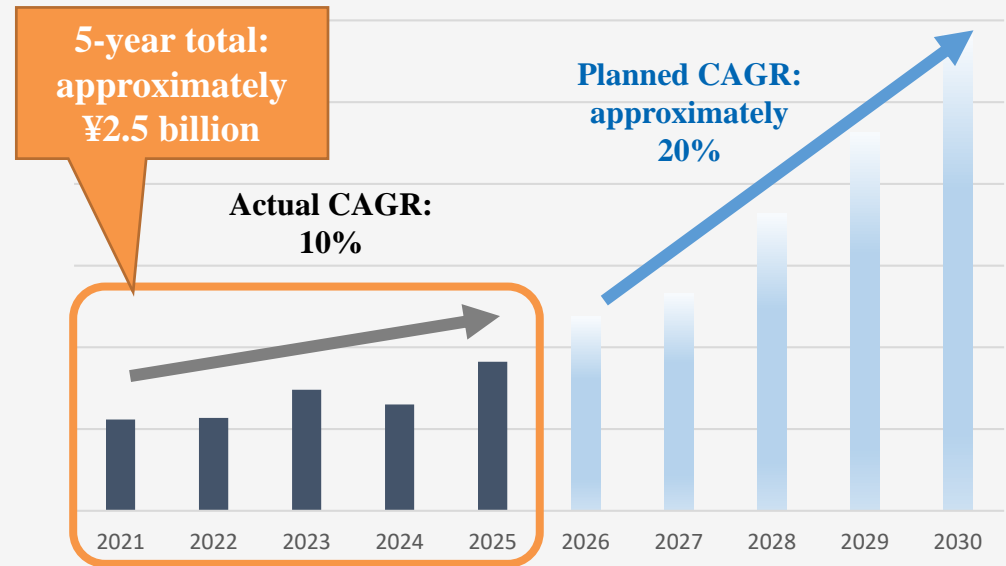
Achieved more than 5x return on investment over 28 years since establishment

Performance Trends and Future Growth Outlook of TATA Toyo Radiator Ltd.

Sales Growth Trend and Outlook



Profit Trend and Outlook (Equity in Earnings of Affiliates)



Growth from FY2026 onward underpinned by a robust business pipeline



Global Expansion Strategy

(3) Japan

Strategic placement of R&D and production facilities near customer locations

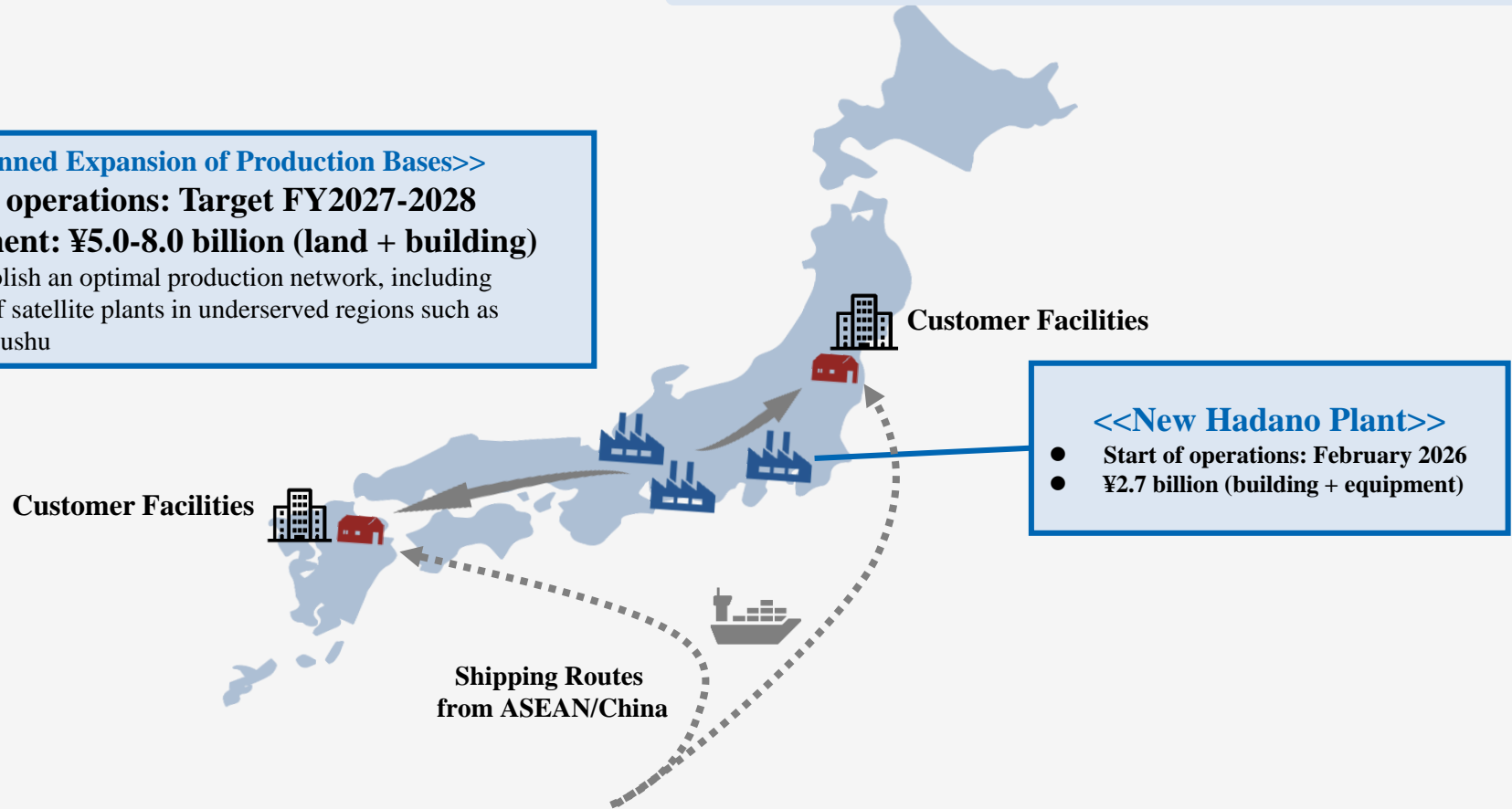


- Cost reduction through lower transportation costs
- Faster response to customer requirements

<<Planned Expansion of Production Bases>>

- Start of operations: Target FY2027-2028
- Investment: ¥5.0-8.0 billion (land + building)

Aiming to establish an optimal production network, including consideration of satellite plants in underserved regions such as Tohoku and Kyushu



<<New Hadano Plant>>

- Start of operations: February 2026
- ¥2.7 billion (building + equipment)

We are expanding production capacity to capture market share growth opportunities

The above figures are based on current assumptions and have not been formally approved. Appropriate disclosure will be made as internal processes progress.

Global Expansion Strategy

(4) China

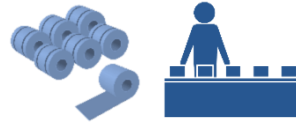
Challenges in Japan



Addressing growing global demands



Labor shortages and wage increases
High prices



Shortage of resources for equipment and mold manufacturing

Potential of China Operations

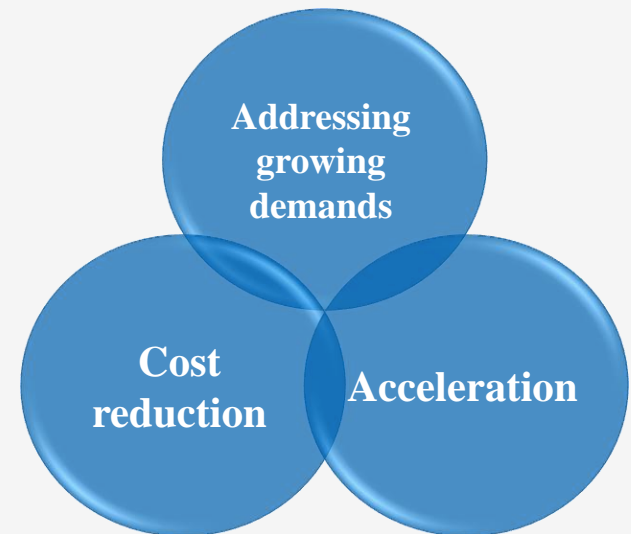
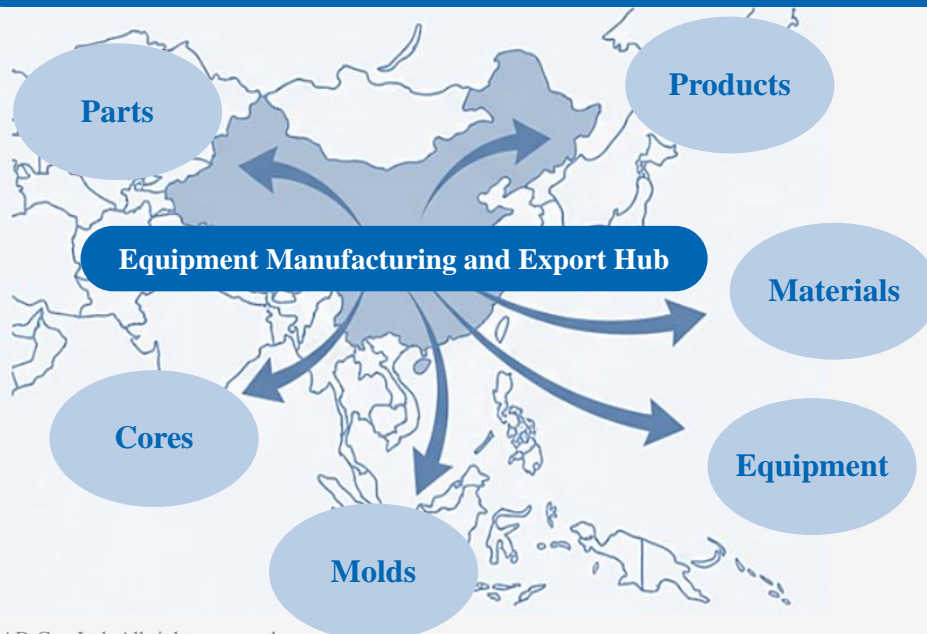


High competitiveness



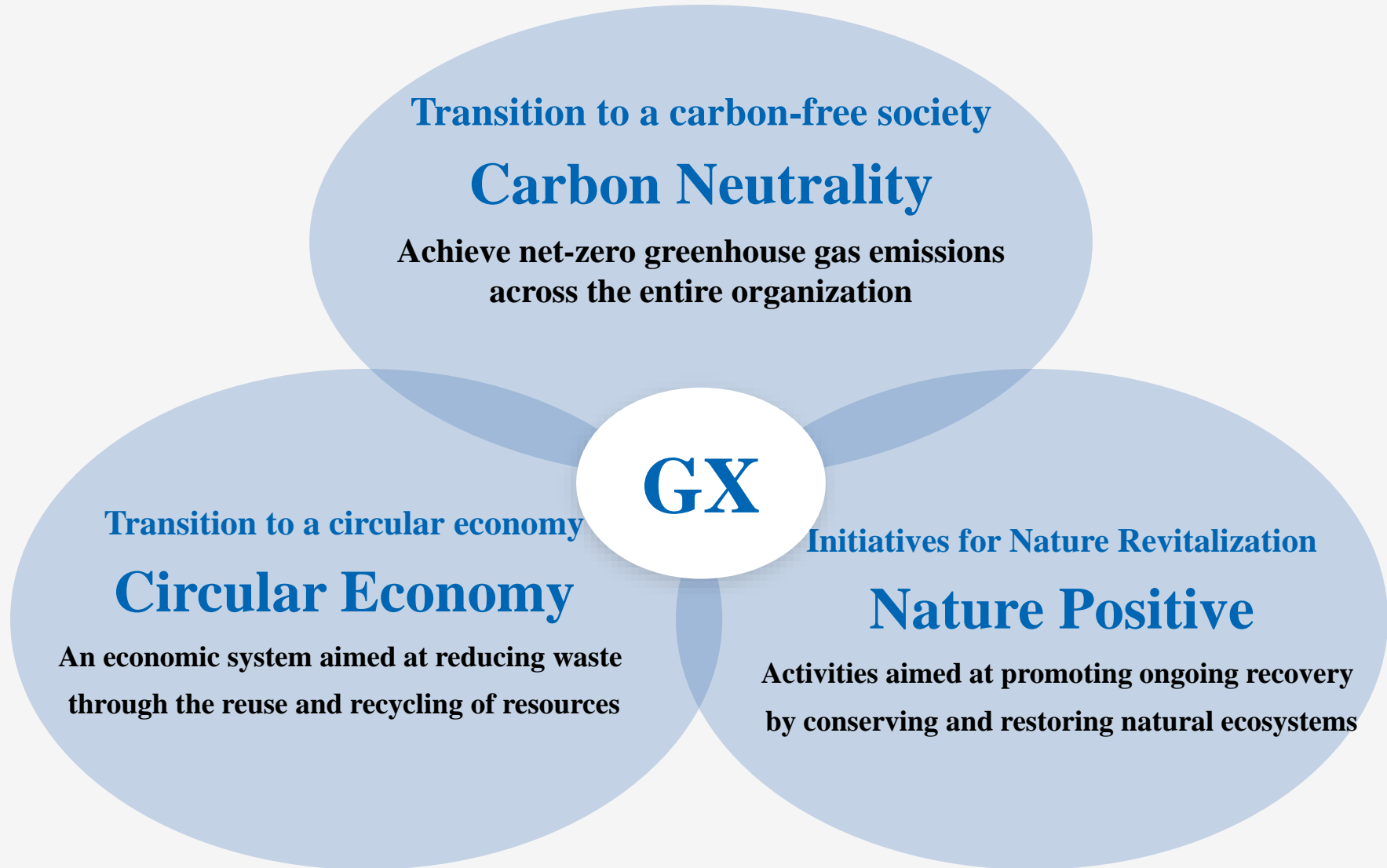
Deep talent pool

Leveraging our China operations as a hub for manufacturing and exporting general-purpose equipment
Expanding in-house production and local sourcing in China for equipment design and equipment / mold manufacturing





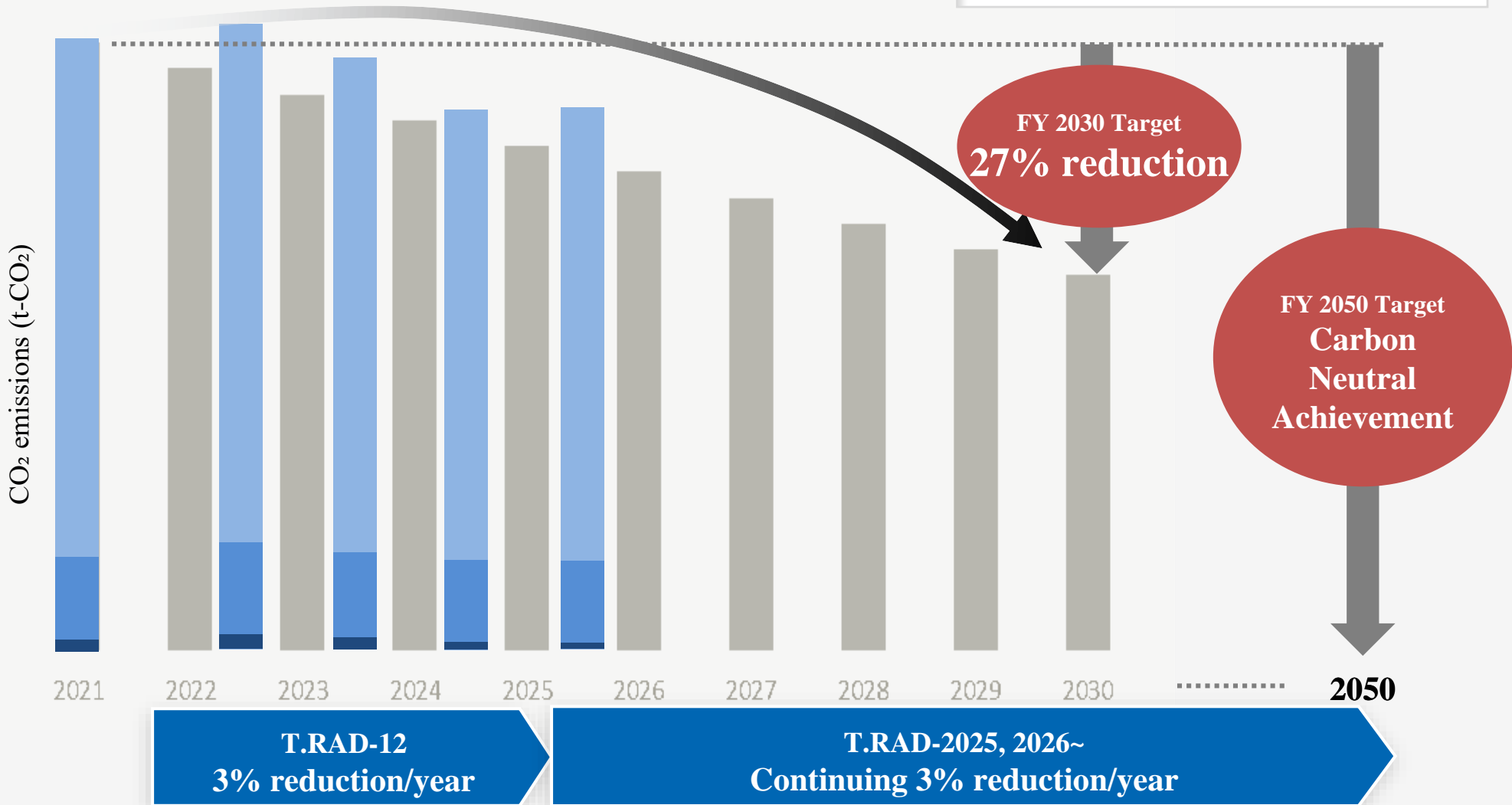
GX Initiatives



Develop and expand sales of heat exchangers that can contribute to GX

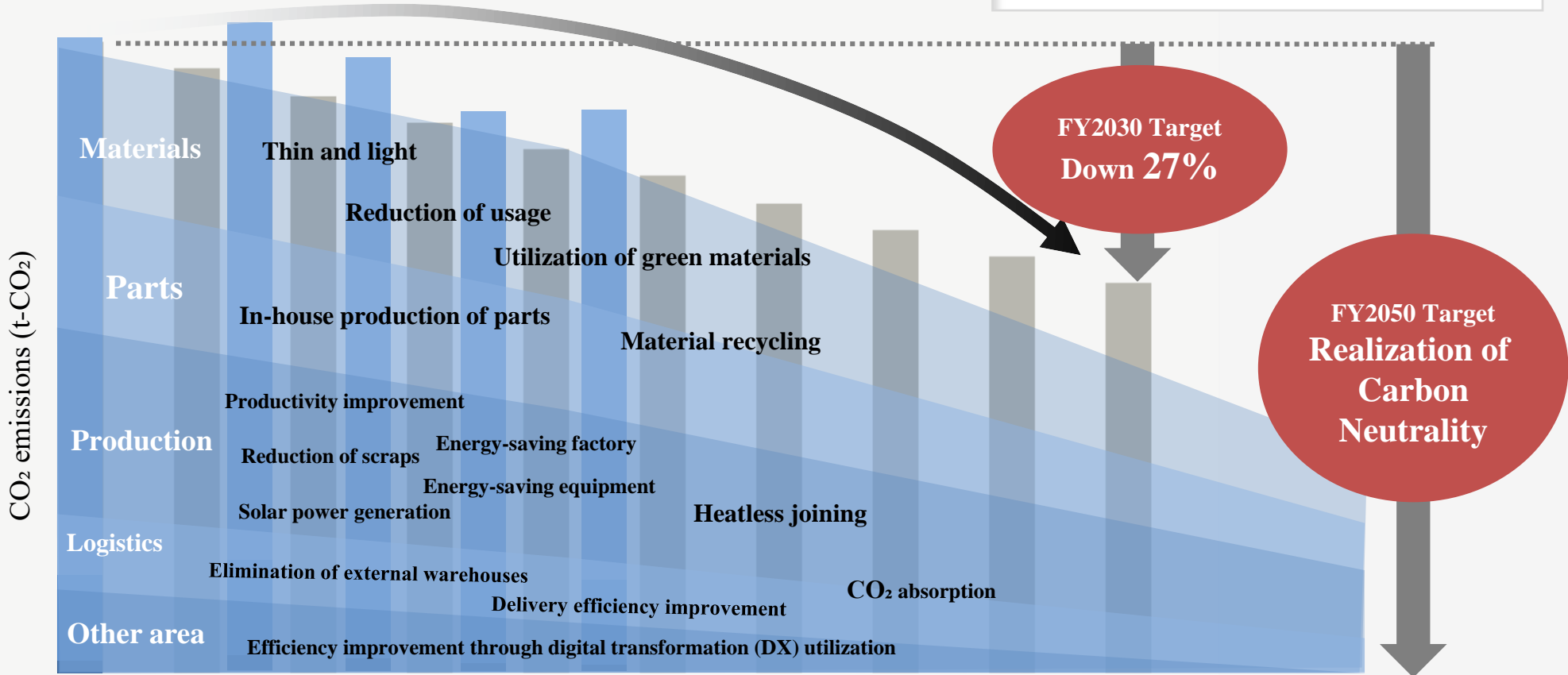
Target Results

- Scope 1: Emissions from combustion
- Scope 2: Emissions from electricity consumption
- Scope 3: Emissions from raw material production, etc.



Target Results

- Scope 1: Emissions from combustion
- Scope 2: Emissions from electricity consumption
- Scope 3: Emissions from raw material production, etc.



2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2050

T.RAD-12
3% annual reduction

T.RAD-2025, 2026 onward
Continuing a 3% annual reduction

China

*Operation to start in Aug 2025



T.RAD (Qingdao) CO., Ltd.



T.RAD (Changshu) Co., Ltd.



T.RAD (Zhongshan) Co., Ltd.

Japan



Hadano Works



Shiga Works



Technical Division (Kasadera)



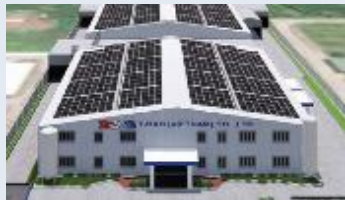
Nagoya Works to begin operation in Jan 2026

CO₂ reduction from solar power generation

▲ 6,400 t-CO₂ / year

ASEAN and India

(Yellow frame: expansion areas)



T.RAD (VIETNAM) CO., LTD



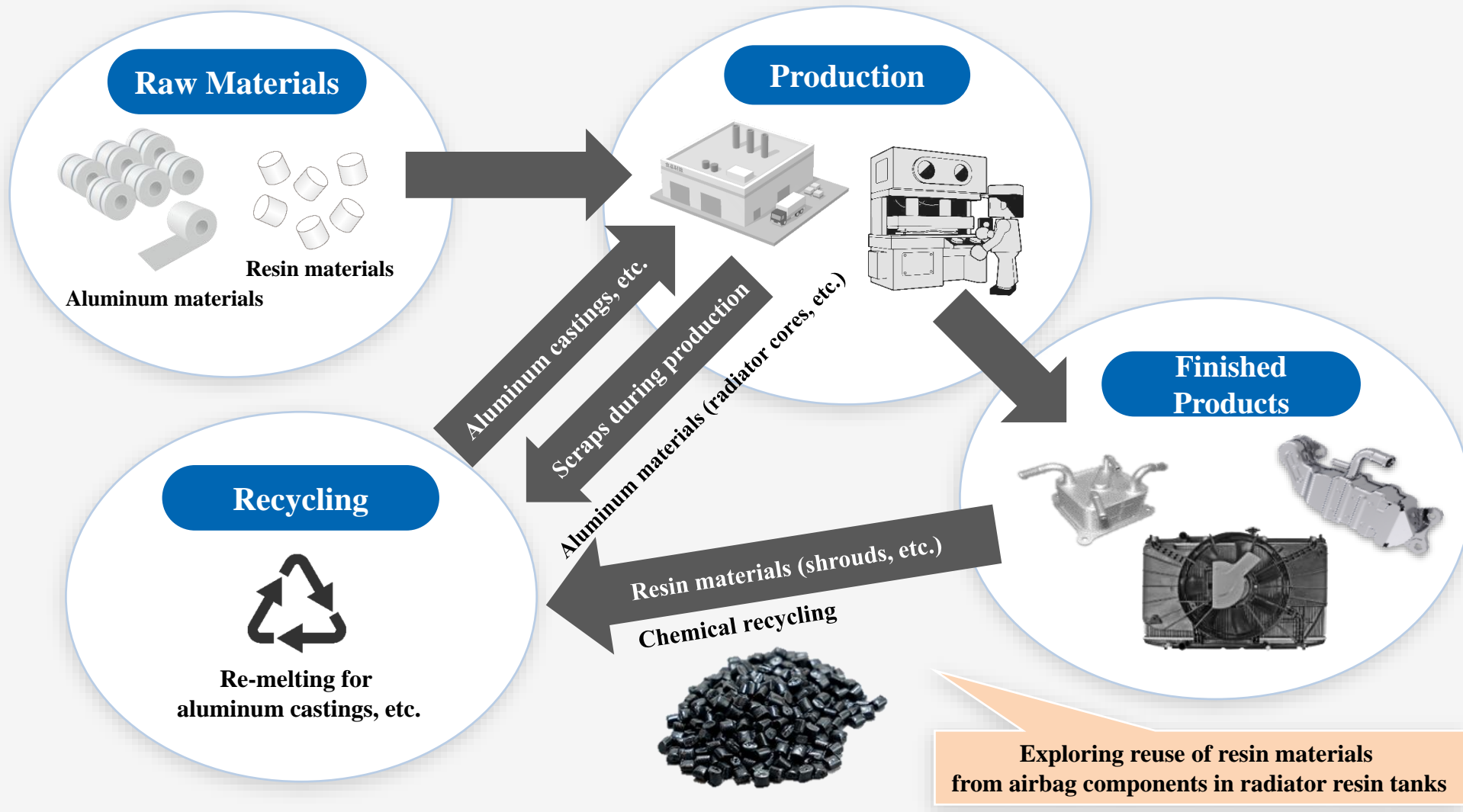
T.RAD (Thailand) Co., Ltd.



TATA TOYO RADIATOR LIMITED



PT.T.RAD INDONESIA
Expansion starting in Aug 2025



Contributing to a recycling-oriented society by promoting recycling, including aluminum materials and plastics

Collaboration with Local Communities

Active participation in local meetings and community clean-up activities



Participation in decarbonization consortium

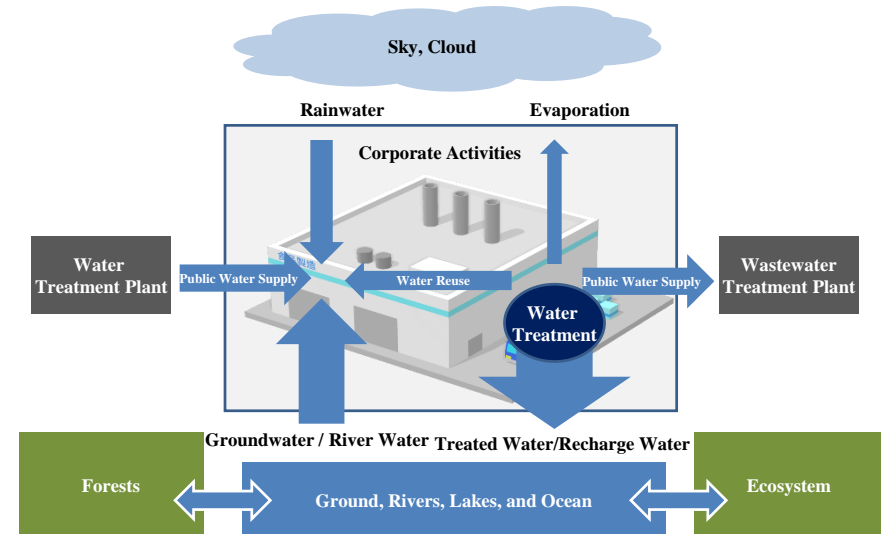
Source: Hadano City website "Hadano Decarbonization Consortium 'Second Regular Council Meeting'" <https://www.city.hadano.kanagawa.jp/soshiki/7/1044/1/6/2369.html>
(As of April 1, 2026)



Participation in river clean-up activities

Water Risk and Conservation Initiatives

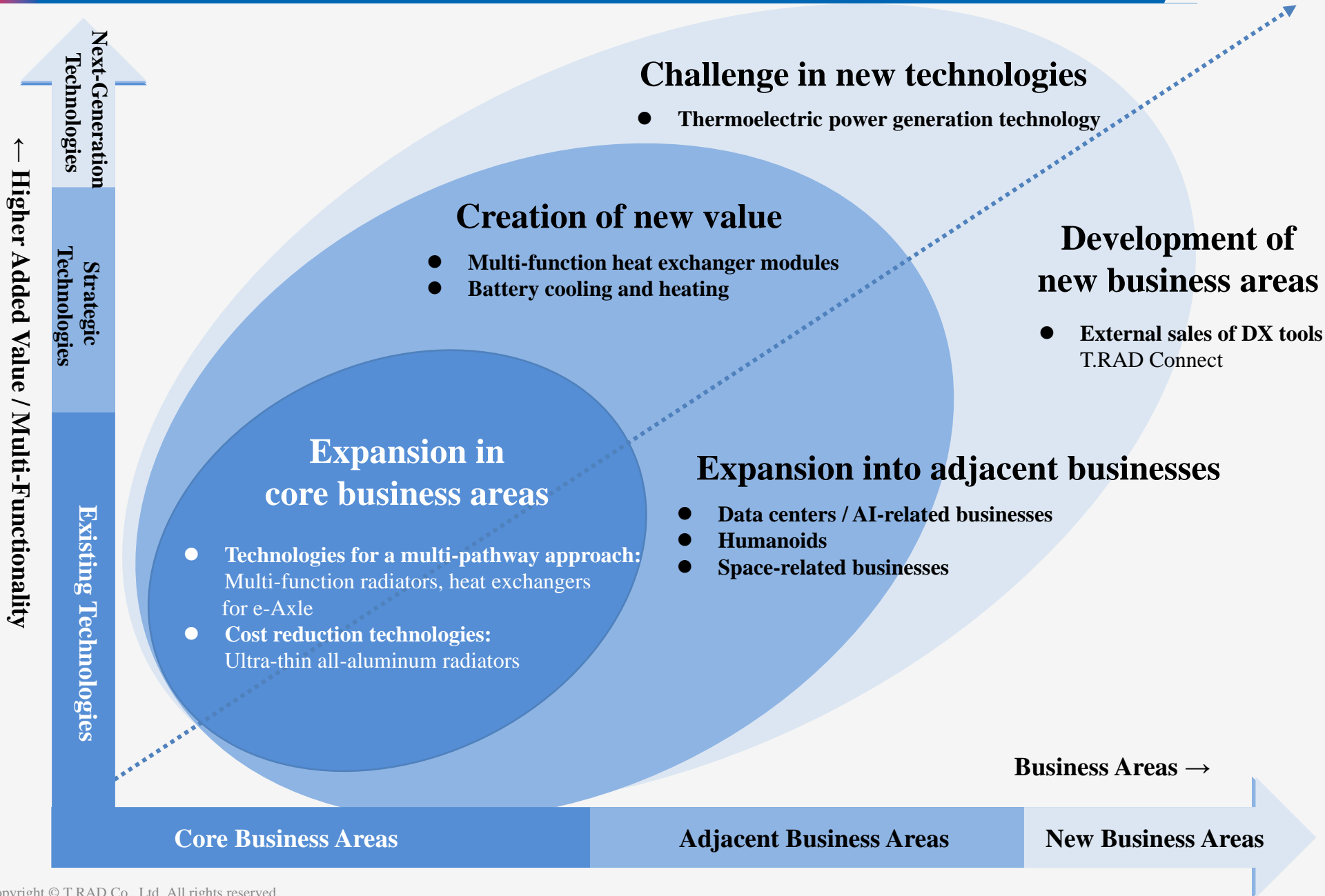
Water resource risk management and conservation initiatives



- **Reducing reliance on public water supply**
Increasing the use of natural water sources and reducing dependence on public water supply
- **Groundwater recharge**
Replenishing more water than the amount drawn
- **Wastewater management and conservation**
Maintaining wastewater quality well below standard values
- **Biodiversity**
River clean-up and forest restoration activities



New Business Initiatives



**Taking on the challenge of developing technology
to convert waste heat into electricity for effective utilization**

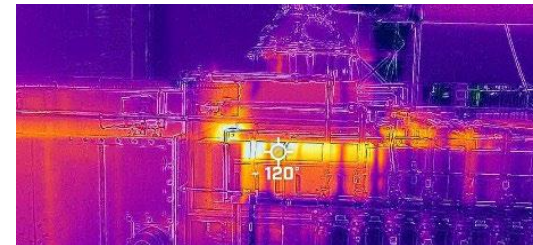
① Thermoelectric radiator



**With radiator + thermoelement
contribute to parts reduction
and fuel efficiency improvement**

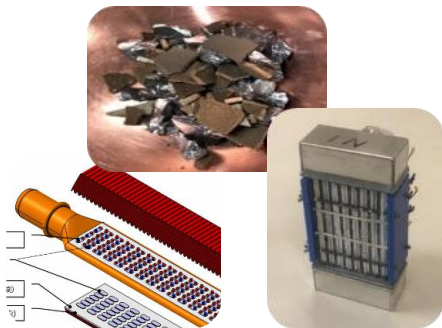
**Trial production and testing
of thermoelectric radiator**

**② Thermoelectric power generation
using waste heat from furnaces**



**Thermoelectric power generation using temperature
difference of few hundred degrees
in brazing furnace and cooling water**

**Currently considering introduction
into brazing furnaces**



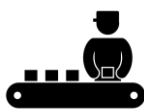
- **High-performance, low-cost thermoelement materials**
R&D (joint research with Tohoku University)
- **Development of production technology for in-house production of thermoelectric elements and modules**



2025 Results
 Customers: 3 companies
 Inquiries: 3 companies



Automotive
Manufacturers

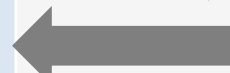


Manufacturing
Companies

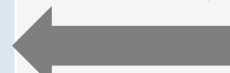


Equipment
Manufacturers

Knowledge &
Case-Based
Solutions



Recurring
License
Revenue



Productizing T.RAD's internal success and
improvement cases as solution offerings

Implementation & Improvement Success Cases

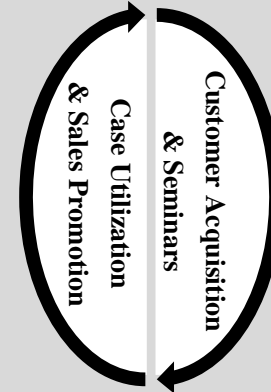


Leveraging DX within T.RAD



Entered into a distributor agreement in September 2025

Sales & Proposals → Implementation & Customization → User Adoption Support



End Users:
Approx. 2,500 companies



- External sales of DX solutions
- Stock-based business model leveraging DENTSU SOKEN's sales network and consulting capabilities



Company Profile (As of December 31, 2025)

Company Name	DENTSU SOKEN INC.
Corporate Representative	Hirohisa Iwamoto, President, CEO & COO
Head Office	2-17-1 Konan, Minato-ku, Tokyo
Offices	Central Region Branch Office / Kansai Region Branch Office / Hiroshima Branch Office / Toyota Branch Office
Date of Incorporation	December 11, 1975
Capitalization	¥8,180.5 million
Operating Revenues	¥164,865 million (Fiscal Year ended December 2025)
Consolidated Employees	4,618 (As of December 31, 2025)
Business Activities	Providing solutions that support the societal and corporate transformation by bringing together system integration, consulting, and think tank functions
Website	Corporate Website www.dentsusoken.com

Business Domains

Financial Solutions (¥)

We provide solutions that support business transformation within the financial industry and the utilization of financial service functions within general business companies.



Business Solutions

We provide solutions that support the enhancement of corporate management operations, focused on the human resources and accounting fields.

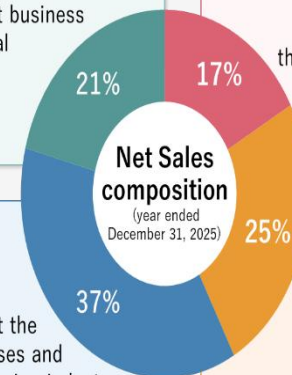
Manufacturing Solutions

We provide solutions that support the enhancement of business processes and value chains within the manufacturing industry.

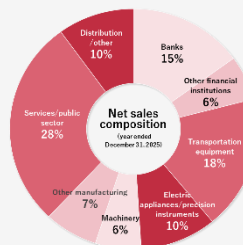


Communication IT

We provide solutions that support marketing transformation for companies and the digitalization endeavors of government agencies and municipal governments.



Customer Base



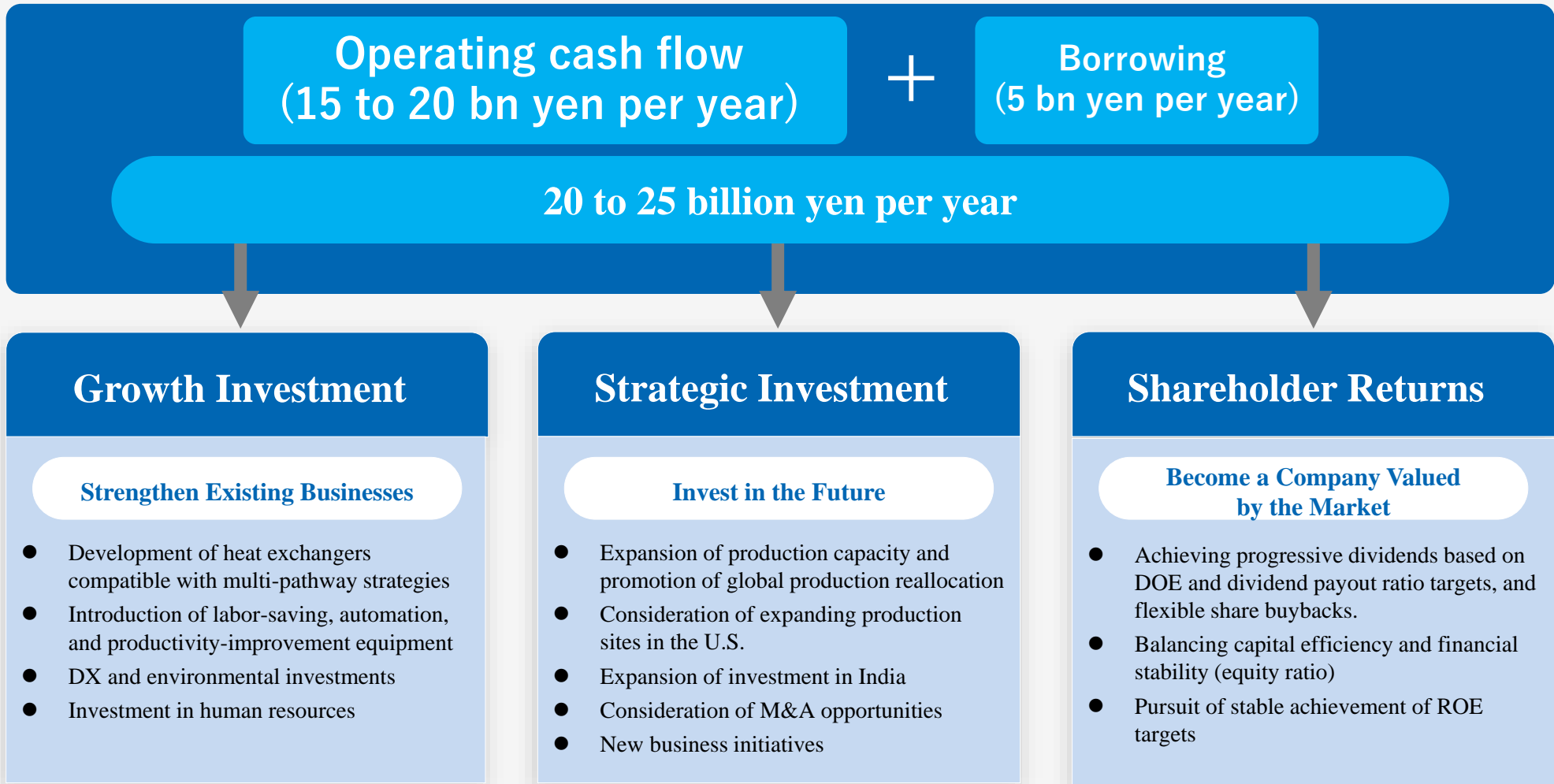
As a prime contractor,
providing a wide range of services to approximately
2,500 customers



Initiatives Toward Stable Profitability

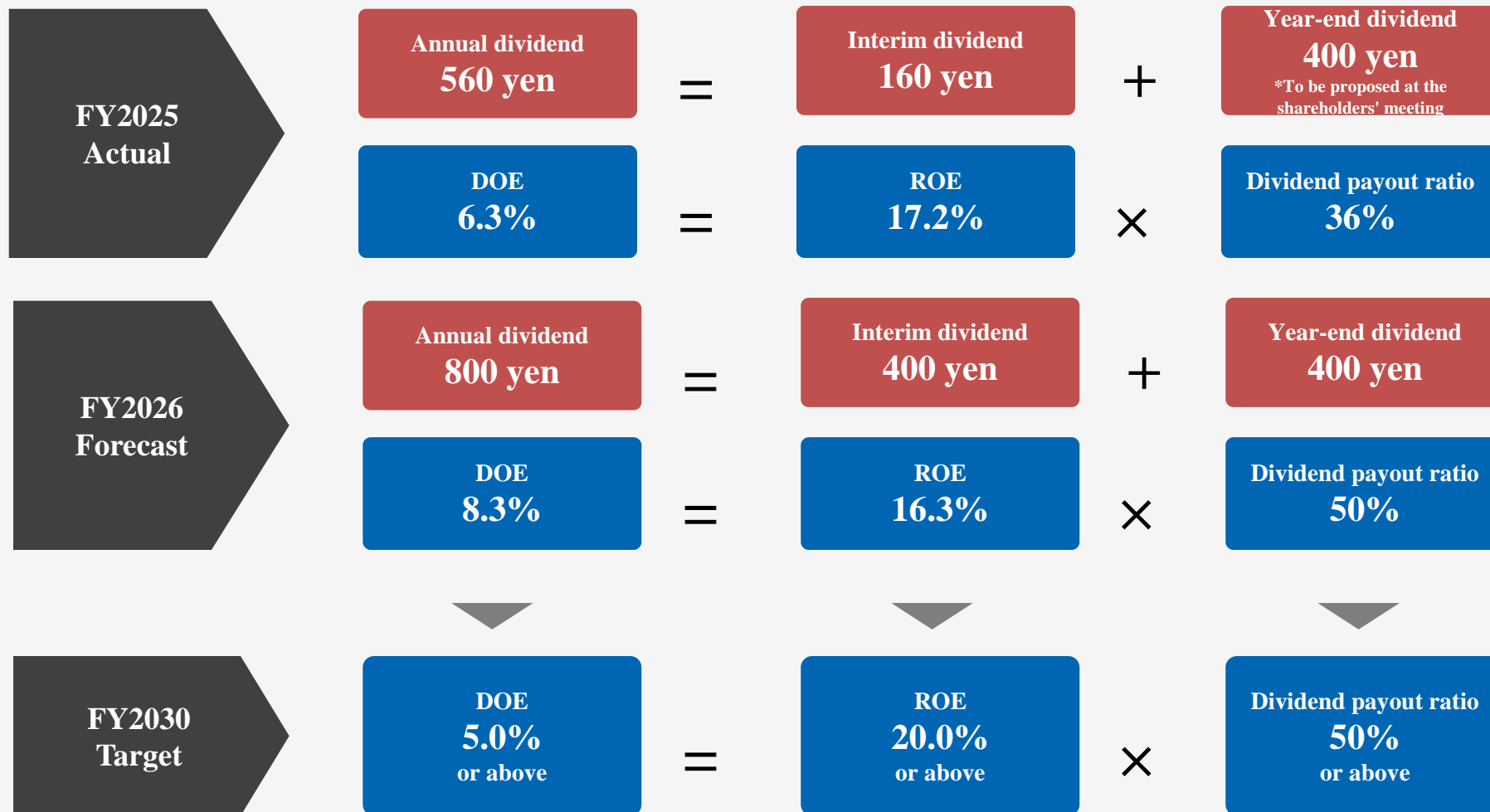
Initiatives to Become a Trusted Company for Stakeholders

*Assuming an equity ratio of 40% or higher



- Allocate Cash to investment in a timely manner, premised on achieving returns above the WACC (6%)
- Aim to become a top-runner in heat exchanger manufacturer with unmatched capabilities

T.RAD-2026 Shareholder Return Targets



Since FY2024, we have been using **consolidated dividends on equity (DOE)** as a new indicator to improve capital efficiency and realize stable long-term returns to shareholders.

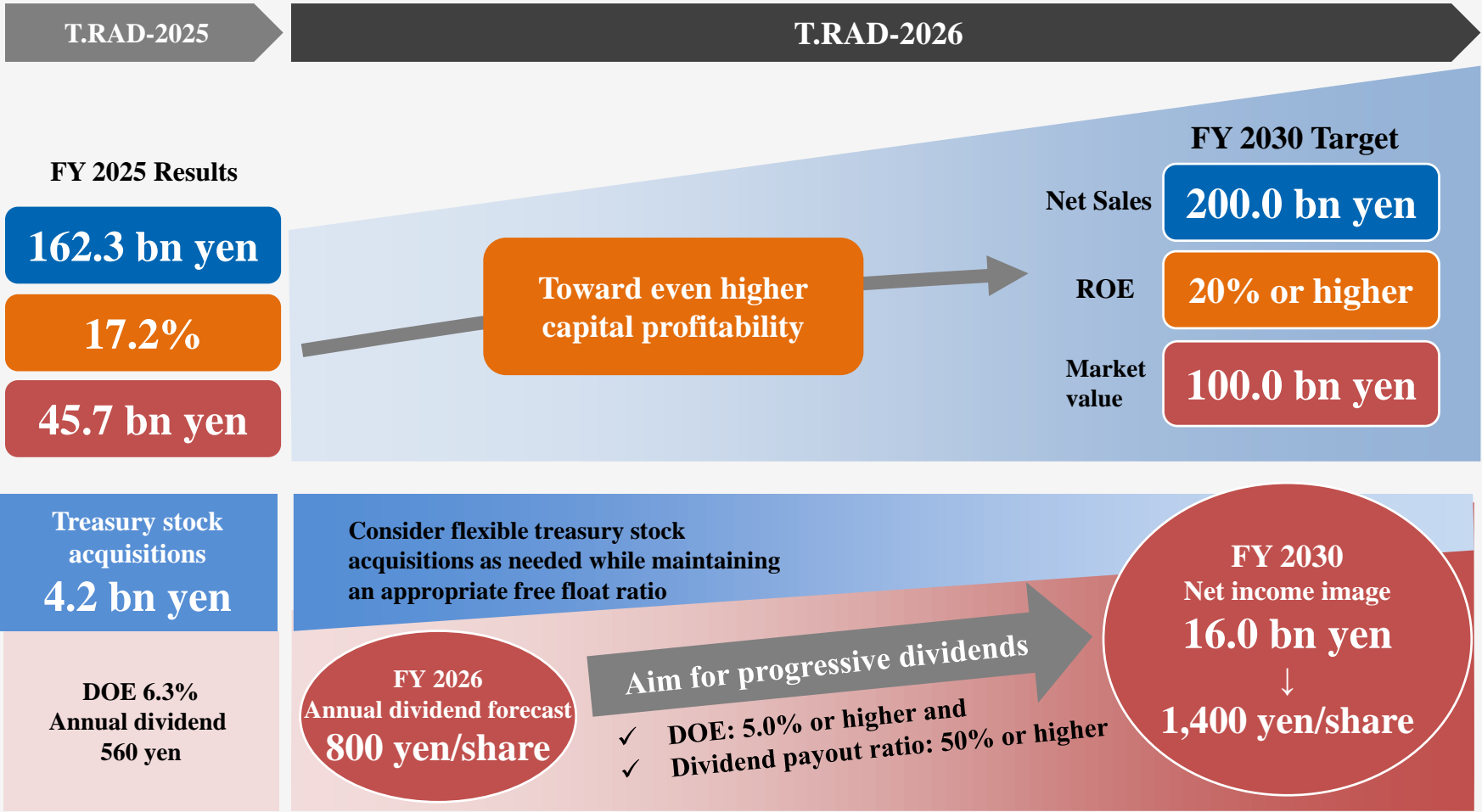
*DOE = Annual total dividends ÷ Averages of consolidated net assets (excluding non-controlling interests) at the end of the previous fiscal year and the end of the current fiscal year. Effective from FY2024

T.RAD-2026 Management Targets and Shareholder Return Measures



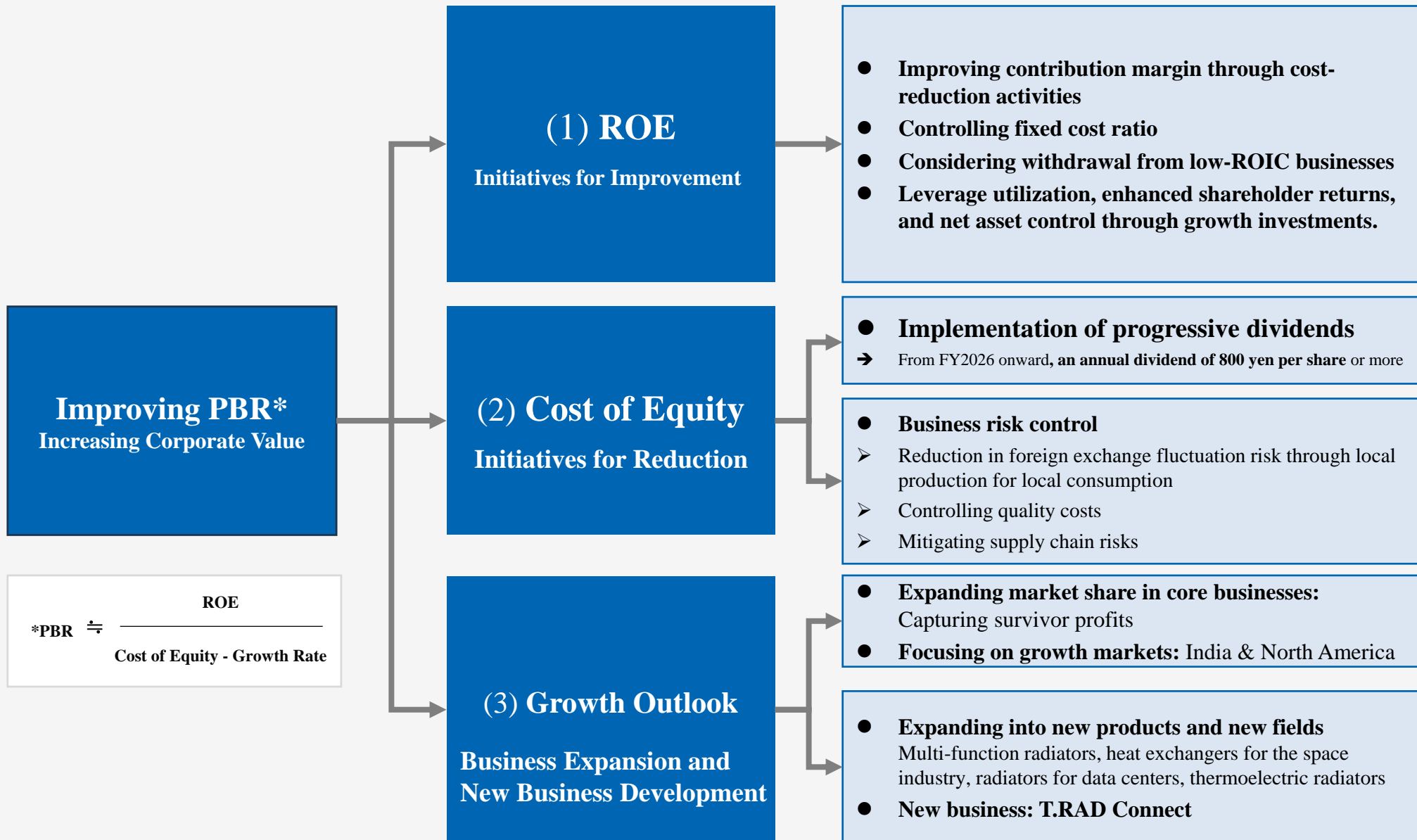
Management Targets

Shareholder Returns



- Increase sales through further market share acquisition and improve ROE
- Appropriately and timely allocate operating cash flows generated to investments and shareholder returns

Practice management with awareness of capital efficiency and stock price



To increase corporate value, it's essential to establish a system where employees and directors who are most closely involved with the company can significantly benefit from shareholder returns by dedicating a substantial amount of their time to their work

Stock Benefit Trust Plan (J-ESOP)



- Payment of a fixed annual stock point to all employees
- Managing with compounding including dividends

- ① Dividend income from stockholdings (income gain)
- ② Capital gains from the sale of shares after retirement, resulting from stock price increase

T.RAD Corp. Stock investment association

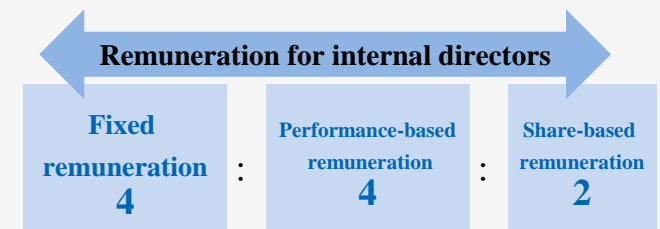


- Employees reserve for purchase of T.RAD shares

Restricted Stock-based compensation plan RS



- Part of the compensation is paid in stock



→ When corporate value increases, employees will benefit

Enhancing Dialogue with Investors

Increasing opportunities for dialogue with investors



- Simultaneous in-person and online financial results briefings
- Extension of IR response period (redefinition of quiet period)

Enhancing Information Disclosure and Content

Expanding and Deepening Engagement with Investors



- Official X account communications and investment platform communications
- Archived financial results briefing videos
- IR meeting FAQ disclosure

Response to government policies

Early provision of information to investors



- To enable shareholders to exercise their voting rights at the general meeting based on complete information,
- Earlier announcement of full-year financial results
 - Planned simultaneous disclosure of notice of general meeting and securities report

Effects of Initiatives (Year-on-Year Comparison)

IR meetings, interviews, and inquiries

11x increase

Financial results briefing participants

+48%

Trading volume (shares)

+83%

Earlier announcement of full-year financial results

Last year → This year
5/12 → 4/27

We will continue to enhance information disclosure and IR activities, including earlier announcement of full-year financial results and distribution of English translations

A great opportunity for market expansion has arrived!

Market Environment



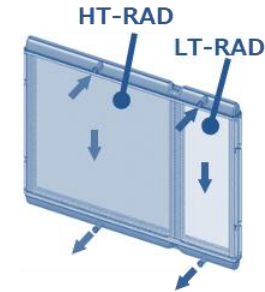
Higher sales forecasts for HEVs/PHEVs, supported by multi-pathway strategies

Competitive Environment



Growing inquiries driven by strategic changes among domestic competitors

Competitive Position of Products

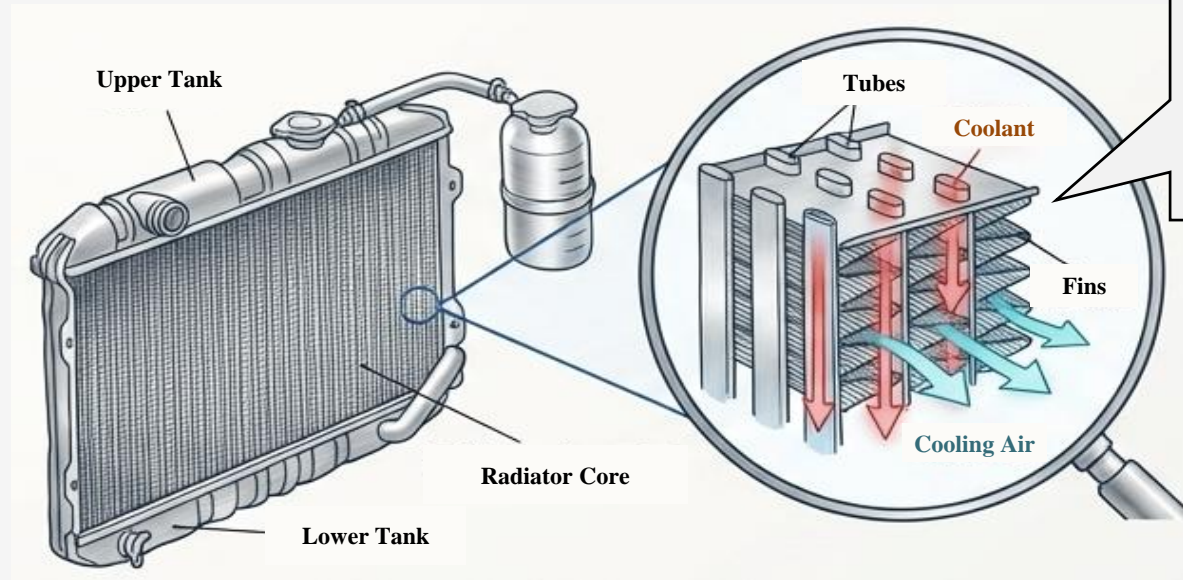


Flagship multi-function radiator
Increased orders from major automakers

To achieve the **FY2030 sales target of 200 billion yen**, now is an excellent opportunity **to expand market share by increasing production capacity.**

07 Appendix

Radiator Fundamentals



To improve cooling performance...

Increase fin surface area (air flow path)

- Higher aluminum usage
- Increased cost and weight

To reduce cost, weight, and size...

**Reduce aluminum usage
Make fins thinner and smaller**

- Reduced cooling performance
- Reduced durability

Resolving conflicting requirements

■ Company Overview (As of the End of March 2026)

Company Name	T.RAD CO., LTD.
Founded on	November 11, 1936
Paid-in Capital	8.57 billion yen
Market	Tokyo Stock Exchange Prime Market (Security Code: 7236)
Number of Employees	4,087 (Consolidated)
Main Products	Radiators, oil coolers, EGR coolers, charge air coolers, fin coils for air conditioning equipment, and other various heat exchangers

■ Share Status (As of the End of March 2026)

Total Number of Authorized Shares	15,000,000 shares
Total Number of Issued Shares	5,661,173 shares *Excluding 217,327 treasury shares and 21,500 shares held as trust assets for stock benefit trust
Number of Shareholders with Voting Rights	3,503

Major Shareholders (Top 10)	Number of Shares	Shareholding Ratio
Jinya Connect Co., Ltd.	2,200,000	38.86
The Master Trust Bank of Japan, Ltd. (Trust Account)	452,000	7.98
YAMAKIN (JAPAN) CO., LTD.	134,000	2.37
T.RAD Employee Stock Ownership Association	103,516	1.83
Nippon Life Insurance Company	99,746	1.76
Custody Bank of Japan, Ltd. (Trust Account)	97,900	1.73
State Street Bank and Trust Company (Account No. 505103)	63,407	1.12
Hiroshi Tanaka	52,800	0.93
Morgan Stanley MUFG Securities Co., Ltd.	48,786	0.86
Hiromi Kano	47,003	0.83

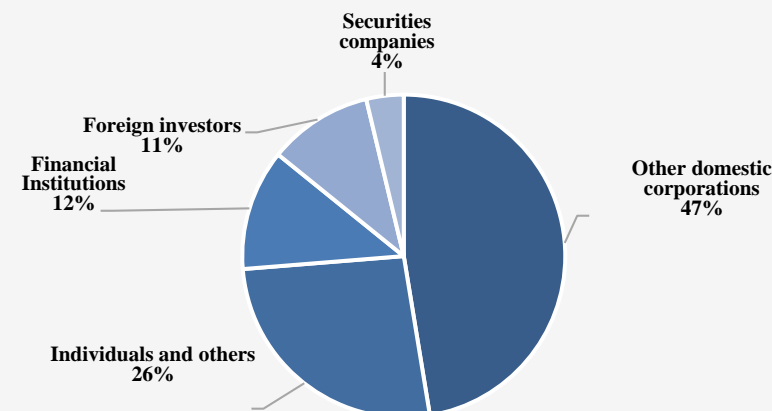
- ※ The Company holds 217,327 treasury shares and 21,500 shares as trust assets for stock benefit trust, which are excluded from the major shareholders listed above
- ※ Shareholding ratio is calculated excluding the above shares

■ Executive Status (As of the End of March 2026)

Representative Director, CEO & COO President & Executive Officer	Tomio Miyazaki
Director and Managing Executive Officer	Tatsuya Kikuyama
Director (Outside)	Yoshisada Takahashi
Director (Outside)	Ryuichi Murata
Director (Outside)	Jinning Tu
Corporate Auditors	Kosei Tamura
Corporate Auditors	Satoshi Iwasaki
Corporate Auditor (Outside)	Mikio Endo
Temporary Corporate Auditor* (Outside)	Hisashi Fujii
Managing Executive Officers	Yasushi Hotta
Managing Executive Officers	Hirokazu Urano
Managing Executive Officers	Seiichi Furuya
Managing Executive Officers	Kaoru Kinoshita

*Election proposal to be submitted at the General Meeting of Shareholders scheduled for June 2026

■ Shareholding Ratio by Owner Type (As of the End of March 2026)





T.RAD Co., Ltd.

<https://www.trad.co.jp/>