

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

To whom it may concern:

May 16, 2025

Company name: T.RAD Co., Ltd.
Representative: Tomio Miyazaki, President & CEO & COO
Code No.: 7236
Tokyo Stock Exchange, Prime Market
Contact: Kaoru Kinoshita, Managing Executive Officer,
In charge of Finance & Accounting
Tel: +81-3-3373-1101

Notice of Material of Financial Results Briefing

T.RAD Co., Ltd. hereby discloses a material of Financial Results Briefing held on May 16, 2025, in the interest of a fair disclosure to all investors.

For details, please refer to the following pages.



Result Briefing for the Fiscal Year Ended March 31, 2025 (May 16, 2025)

T.RAD Co., Ltd.



Result Briefing for the Fiscal Year Ended March 31, 2025

Kaoru Kinoshita, Managing Executive Officer,
In charge of Finance & Accounting

Consolidated Financial Results for FY2024 (Year Ended March 2025)



	FY 2023 (FY24/3) Actual		FY 2024 (FY25/3) Actual				FY 2025 (FY26/3) Full-year Forecast	
	Amount (Millions of Yen)	Net Sales Ratio (%)	Amount (Millions of Yen)	Net Sales Ratio (%)	Year-on-Year		Amount (Millions of Yen)	Net Sales Ratio (%)
					Increase (Millions of yen)	Rate of Change (%)		
Net Sales	158,660	100	159,236	100	576	0.4	140,000	100
Operating Income	4,350	2.7	7,316	4.6	2,966	68.2	3,600	2.6
Ordinary Income	5,339	3.4	8,102	5.1	2,762	51.7	4,200	3.0
Profit Attributable to Owners of the Parent	1,245	0.8	4,250	2.7	3,005	241.4	2,000	1.4
ROE	2.9		9.1				4.3	

[FY2024 Results]

- Domestic business recorded an increase in sales.
- Although sales declined in China and Europe, this was partially offset by higher sales in the U.S. and ASEAN regions due to the depreciation of the yen. As a result, overall overseas sales declined, but consolidated sales increased by 0.4% compared to the previous fiscal year.
- Operating income increased 68.2% year-on-year, principally attributable to successful initiatives in raising selling prices through collaboration with customers, as well as enhanced profitability in our U.S. operations. Profit attributable to owners of the parent rose 241.4% year-on-year, reflecting a reduction in extraordinary losses.

	FY2023	FY2024	FY2025
USD/JPY	141.82	158.17	143.55
THB/JPY	4.13	4.65	4.3
CNY/JPY	19.94	21.67	20.27
CZK/JPY	6.37	6.55	6.35
IDR/JPY	0.0092	0.0097	0.0094
VND/JPY	0.0058	0.0062	0.0058
EUR/JPY	157.09	164.86	159.29

■ Impact of tariffs on earnings forecasts

In formulating our forecasts for FY2025, we have taken into account risks arising from U.S. trade policy, including a resurgence of inflation, the potential for a U.S. recession, and resulting impact on the global economy. We view the current situation as a negative development and have incorporated downside risks into our sales projections, referencing fluctuations in business performance during past events such as the 2008 financial crisis and the COVID-19 pandemic.

In addition, the sales forecast assumes a stronger yen* compared to the previous fiscal year, with the negative impact from exchange rate fluctuations estimated at approximately ¥6.5 billion. *USD/JPY 158.17 \Rightarrow JPY 143.55. For details, please refer to the previous page.

Due to the projected sales decrease of approximately ¥19.2 billion compared to the previous fiscal year, each profit item is expected to decline by approximately ¥3 billion, based on the current marginal profit ratio and other relevant factors.

■ Cost increases due to tariffs

U.S. trade policy continues to evolve, and its future trajectory remain uncertain. Increases in tariffs have a direct impact on our product costs. Given the difficulty of absorbing additional costs within a short timeframe, our policy is to engage in negotiations with each of our business partners to facilitate the pass-through of such cost increases.

At present, we have not estimated the financial impact of cost increases due to tariffs, and such costs are not reflected in the fiscal 2025 forecast.

We will continue to monitor developments closely and disclose information in a timely and appropriate manner once the impact of tariffs on our business results can be reasonably assessed.

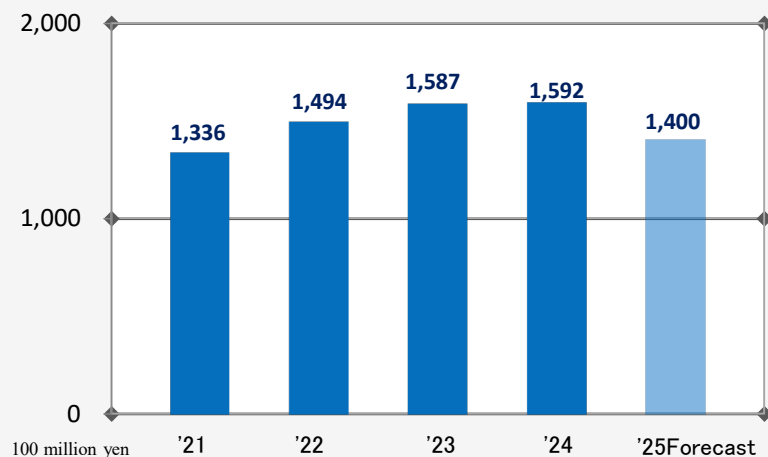
Segment Overview for FY2024 (Year Ended March 2025)



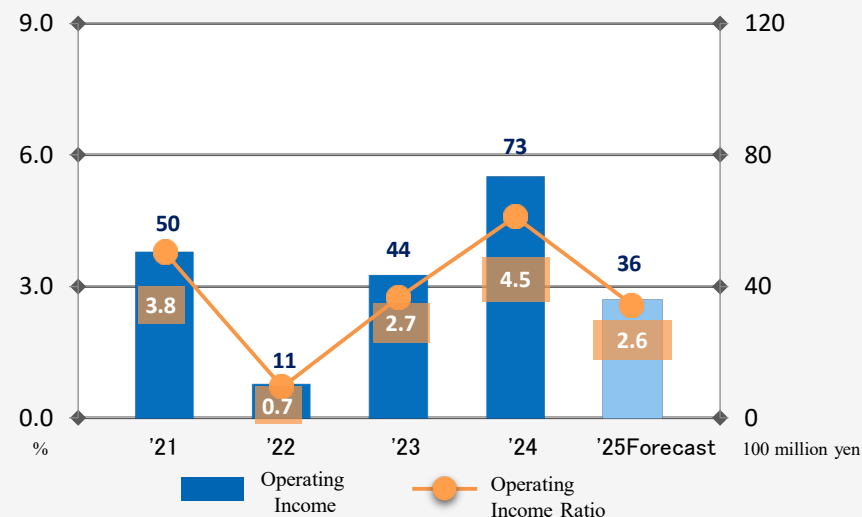
	Net Sales (million)			Operating Income (million)		
	FY2023 Results	FY2024 Results	Year-on-Year	FY2023 Results	FY2024 Results	Year-on-Year
	Amount	Amount	Change	Amount	Amount	Change
Japan	68,784	71,948	3,164	1,505	2,692	1,187
United States	42,127	44,484	2,357	-2,348	-578	1,770
Europe	5,799	4,874	-925	97	46	-51
Asia	21,247	22,087	840	3,470	4,254	784
China	20,379	15,535	-4,844	1,551	654	-897
Others (including eliminations)	321	303	-18	74	246	172
Total	158,660	159,236	576	4,350	7,316	2,966

Japan	<ul style="list-style-type: none"> Sales related to construction machinery declined, but sales for the entire geographic segment increased by approximately ¥3.2 billion year-on-year, driven by growth in automobile-related sales. In addition, profit rose by approximately ¥1.2 billion due to higher selling prices, stable production operations, and cost reduction initiatives.
United States	<ul style="list-style-type: none"> Amid a weaker yen compared to the previous fiscal year, sales increased by approximately ¥2.4 billion, primarily driven by higher automobile-related sales resulting from exchange rate effects. The production transfer project to our Japan and ASEAN sites has entered a full-scale phase. Combined with cost reductions and productivity improvements in the U.S., this contributed to an operating profit increase of approximately ¥1.8 billion in FY2024.
Europe	<ul style="list-style-type: none"> Sales decrease by approximately ¥0.9 billion due to a decline in demand for products for commercial vehicles, which represent our core business in Europe. Profit also declined by about ¥50 million.
Asia	<ul style="list-style-type: none"> Sales related to automobiles remained stable, while orders in Vietnam increased on a foreign currency basis, resulting in an overall sales increase of approximately ¥0.8 billion when converted to yen. Operating profit rose by about ¥0.8 billion, driven by improved selling prices and stable production activities.
China	<ul style="list-style-type: none"> Sales related to automobiles were affected by the continued sluggish performance of our customers in the Chinese market, and sales related to commercial vehicles were also weak. As a result, overall sales declined by approximately ¥4.8 billion. Profit decreased by approximately ¥0.9 billion due to the decline in sales as well as the booking of provision for product warranties and allowances for doubtful accounts.

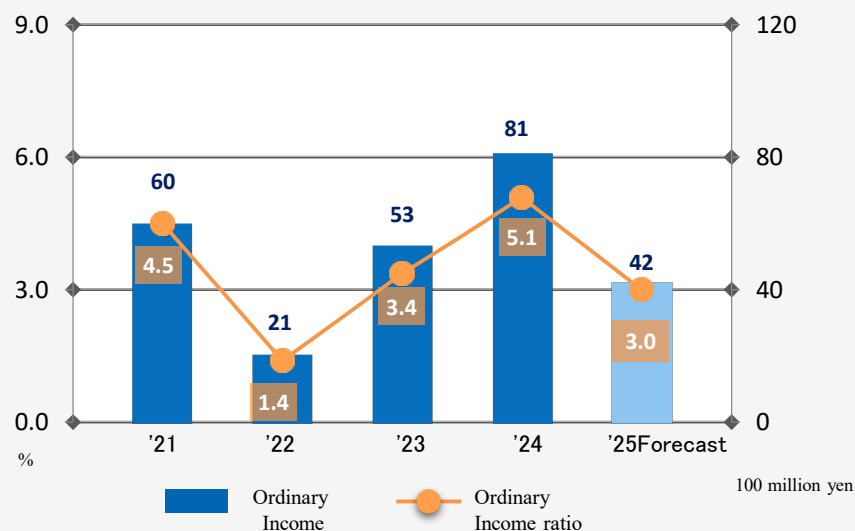
■ Net sales



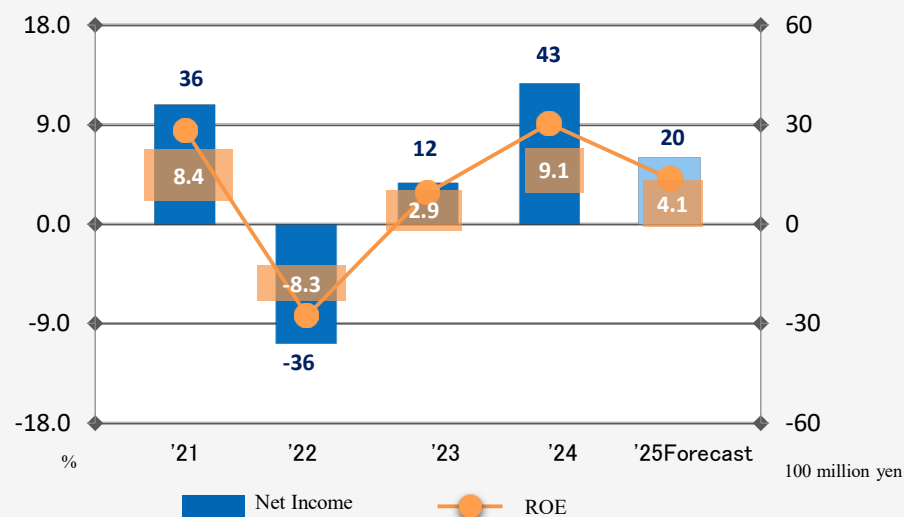
■ Operating Income



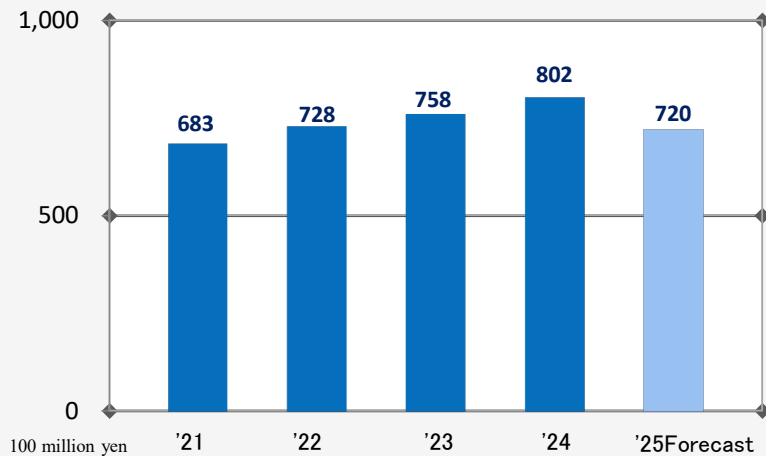
■ Ordinary Income



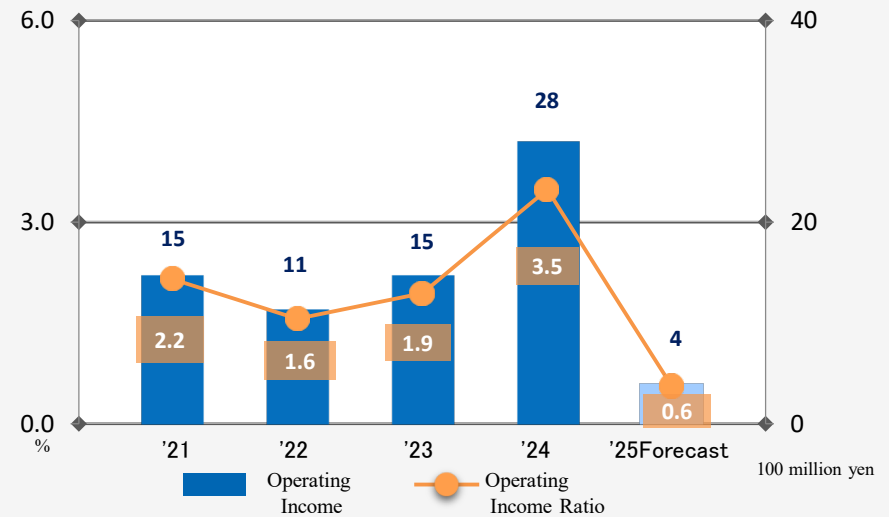
■ Net Income



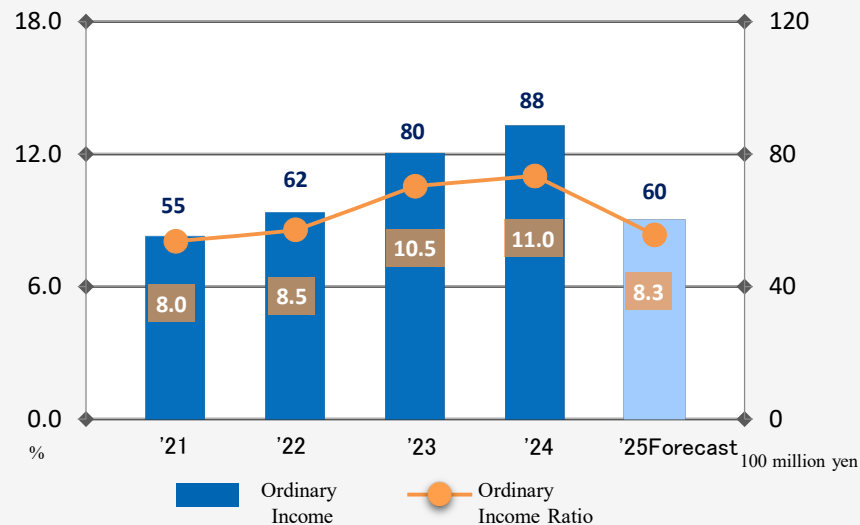
■ Net sales



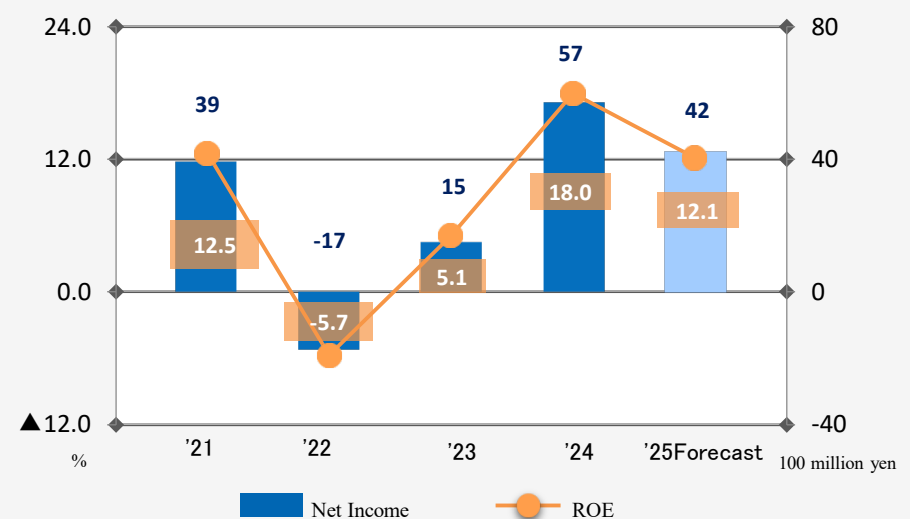
■ Operating Income



■ Ordinary Income



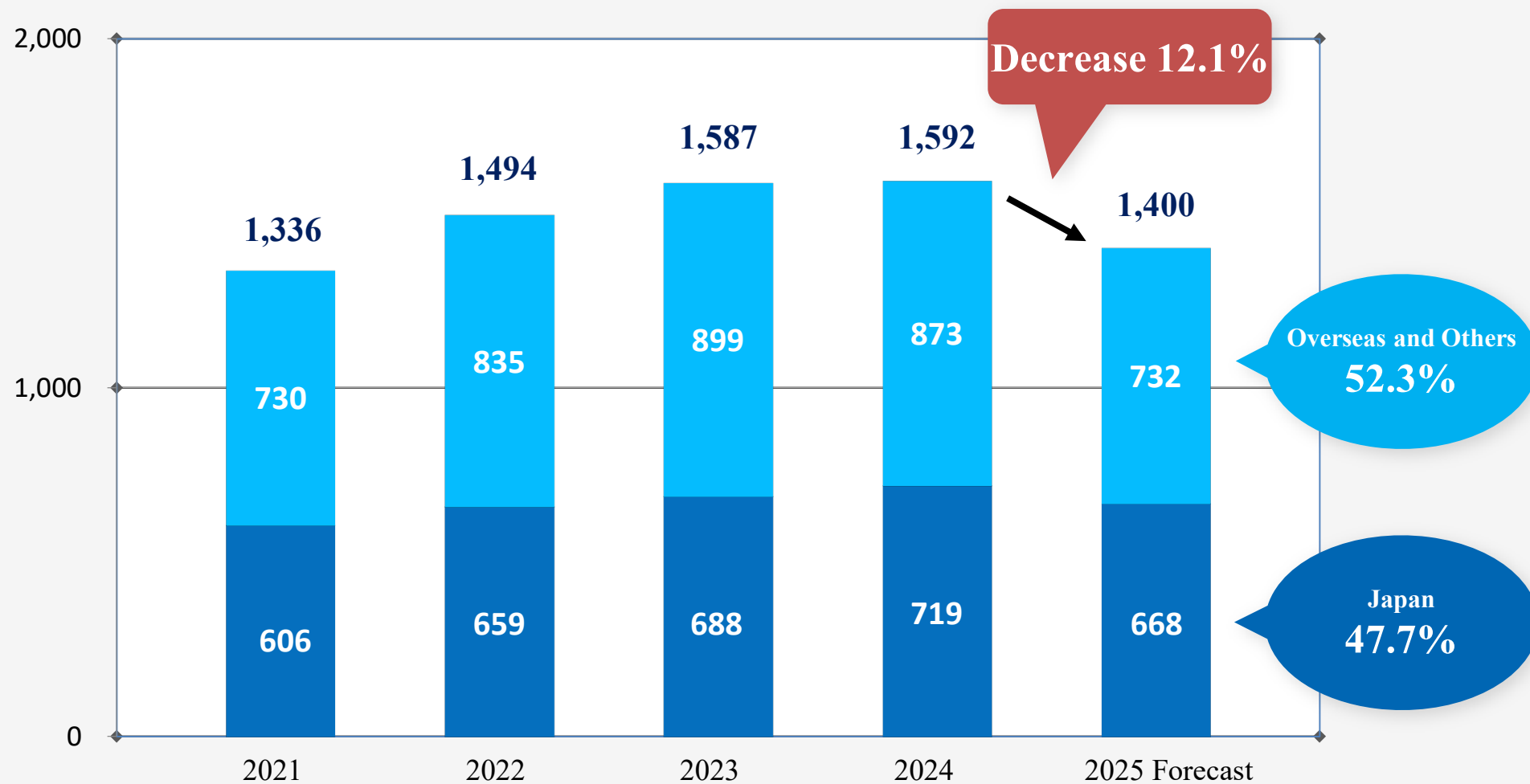
■ Net Income



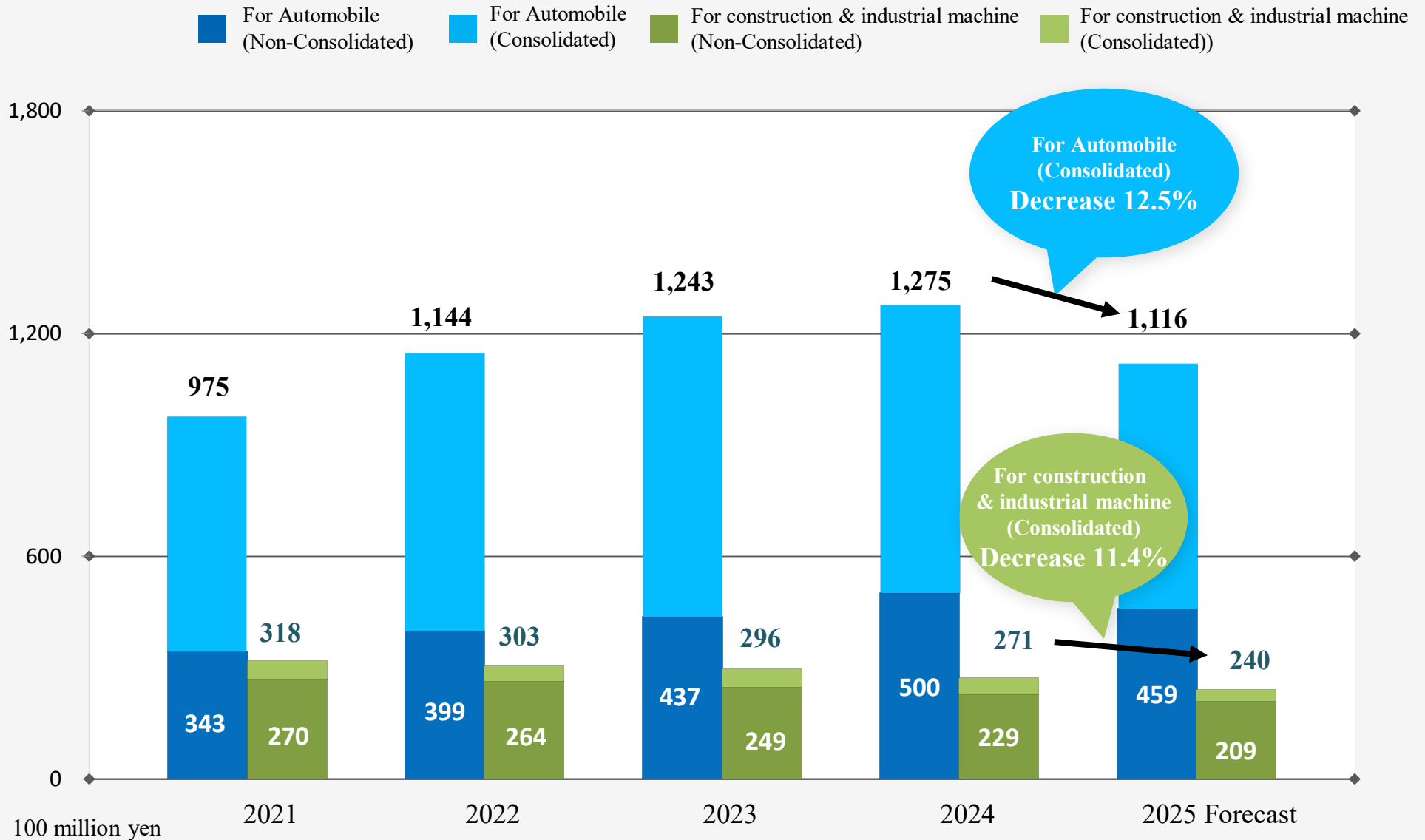
(100 million yen)

		FY2024 Results		FY2025 Forecast		Increase, Decrease (-)	
		Amount	%	Amount	%	Amount	%
Net sales	Consolidated	1,592	100.0	1,400	100.0	-192	-12.1
	Non-Consolidated	802	100.0	720	100.0	-82	-10.2
Operating Income	Consolidated	73	4.5	36	2.6	-37	-50.8
	Non-Consolidated	28	3.5	4	0.6	-24	-85.7
Ordinary Income	Consolidated	81	5.1	42	3.0	-39	-48.2
	Non-Consolidated	88	11.0	60	8.3	-28	-32.0
Profit attributable to owners of parent	Consolidated	43	2.7	20	1.4	-23	-52.9
	Non-Consolidated	57	7.1	42	5.8	-15	-26.0
ROE (%)	Consolidated	9.1		4.1		-5.0	

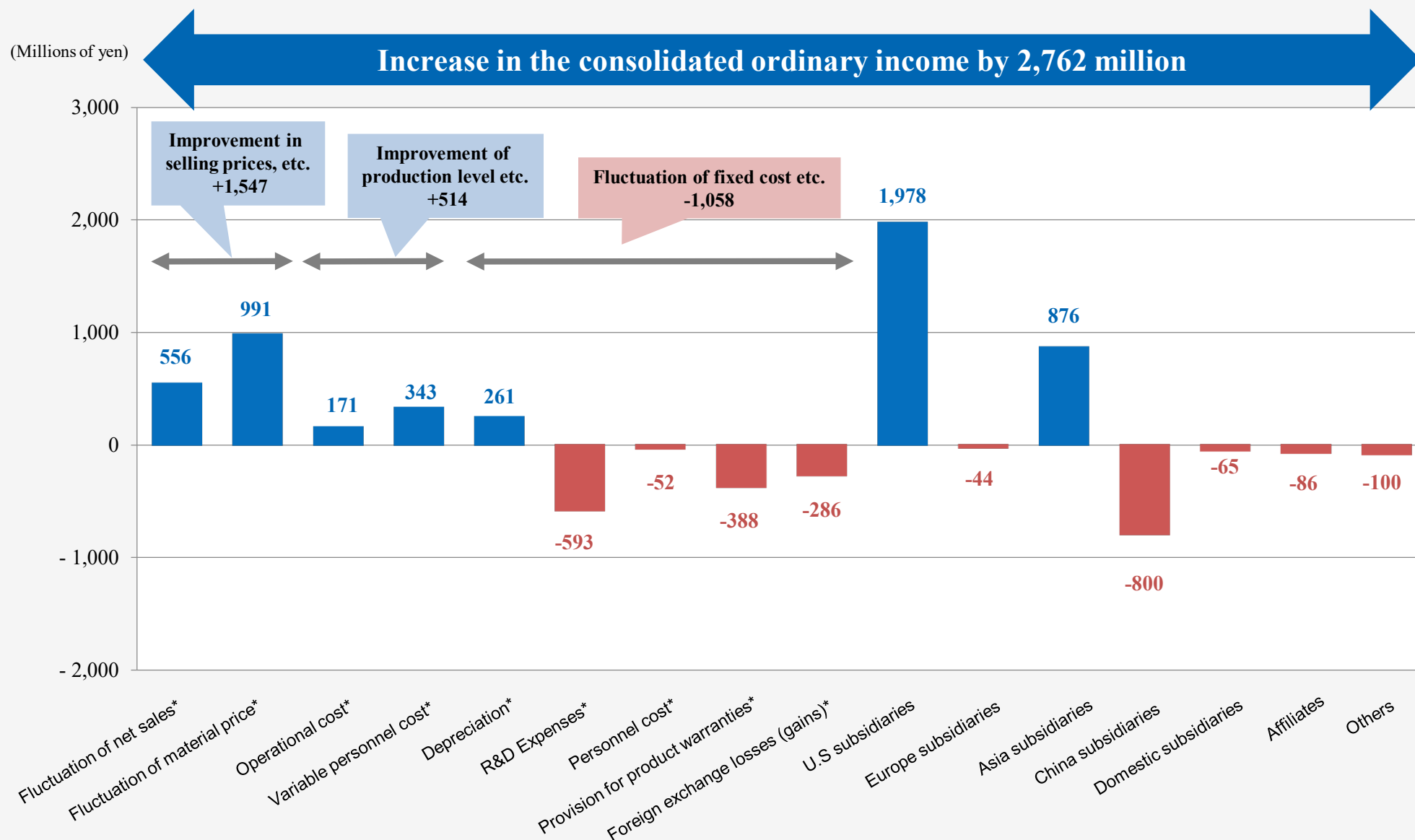
100 million yen



Sales by Application

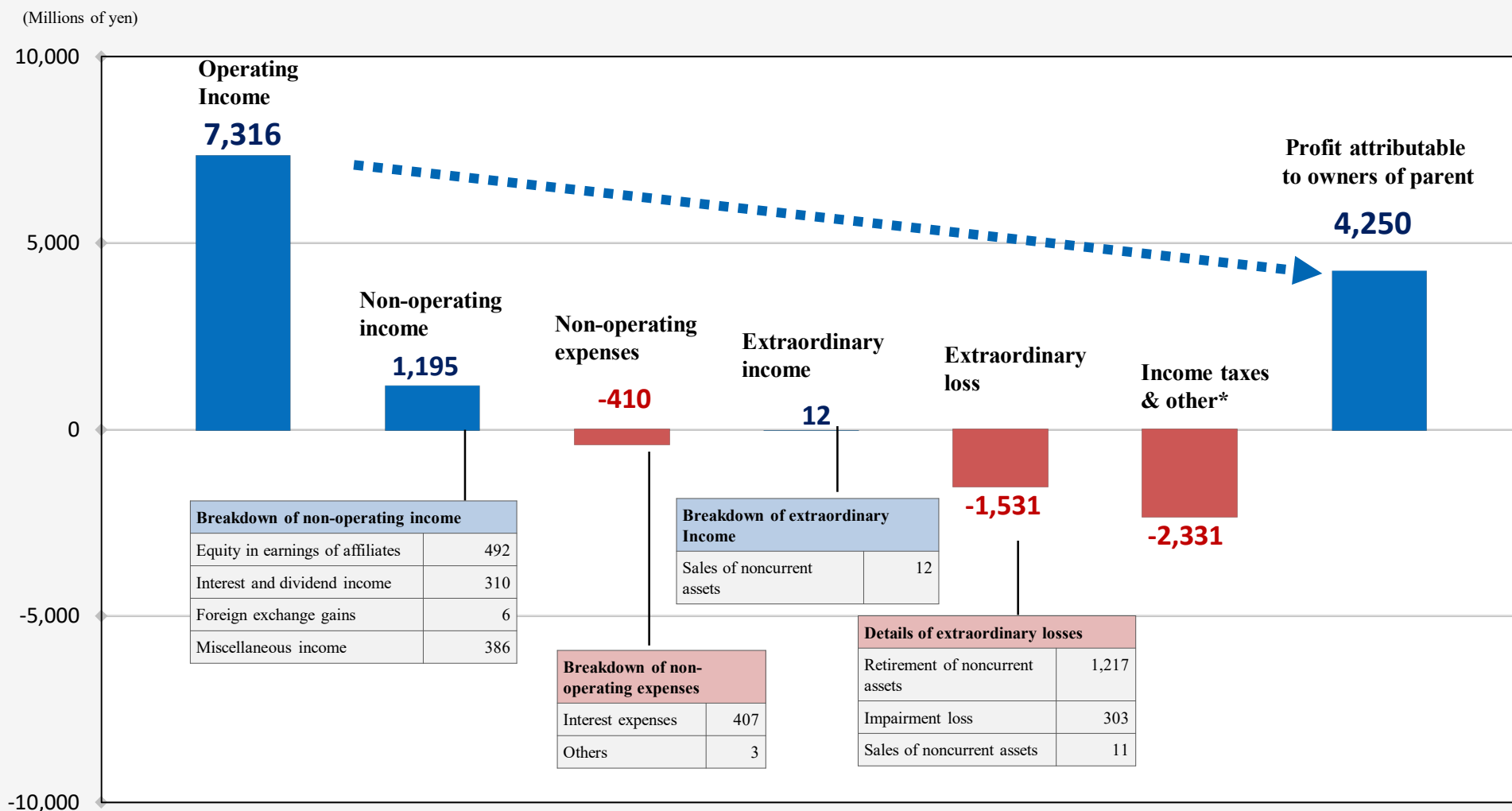


Analysis of Increase Factor of the Consolidated Ordinary Income (FY2024 vs. FY2023)



(*Fluctuation factor of non-consolidated)

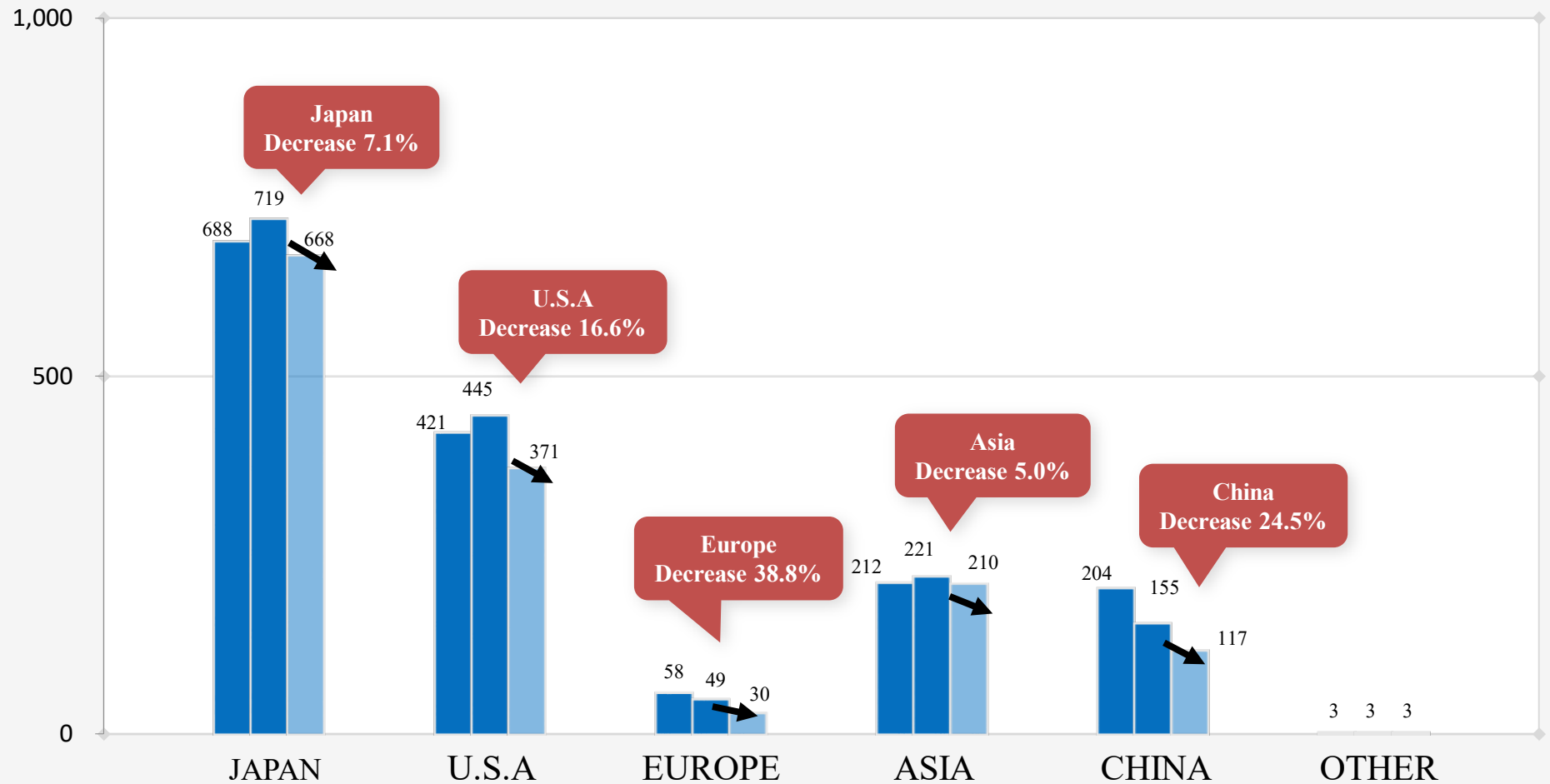
Non-operating Income/Expenses and Extraordinary Income / Loss for FY2024(Consolidated)



Sales by Region



100 million yen



Exchange Rate(Dec. 2024⇒Dec. 2025 forecast)

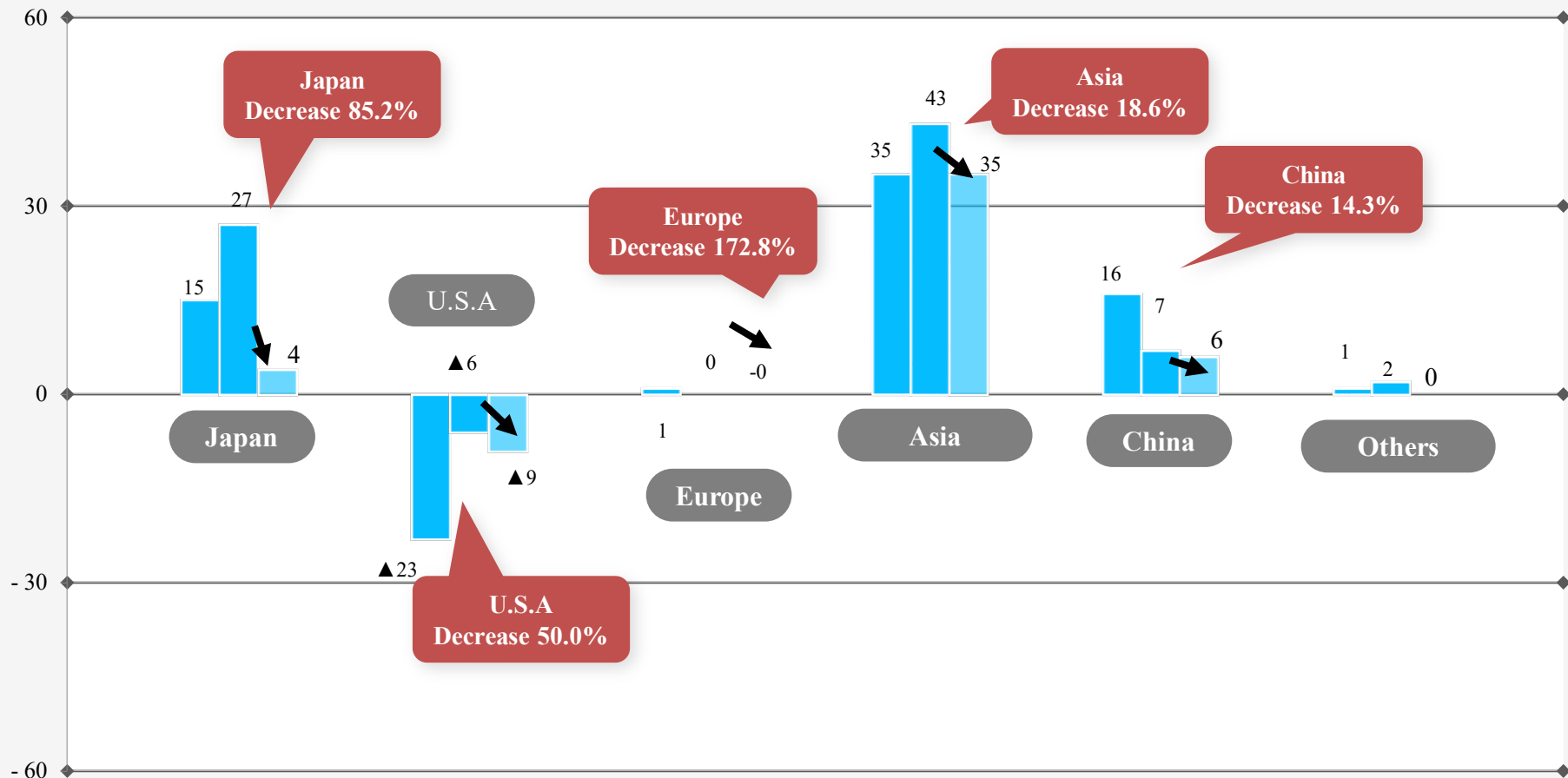
USD: 158.17⇒143.55, THB: 4.65⇒4.3, CNY: 21.67⇒20.27, CZK: 6.55⇒6.35,

IDR: 0.0097⇒0.0094, VND: 0.0062⇒0.0058, EUR: 164.86⇒159.29

Operating Income by Region



FY2023 FY2024 FY2025 Forecast



100 million yen

Exchange Rate(Dec. 2024⇒Dec. 2025 forecast)

USD: 158.17⇒143.55, THB: 4.65⇒4.3, CNY: 21.67⇒20.27, CZK: 6.55⇒6.35,

IDR: 0.0097⇒0.0094, VND: 0.0062⇒0.0058, EUR: 164.86⇒159.29

Performance Trends by Region



100 million yen

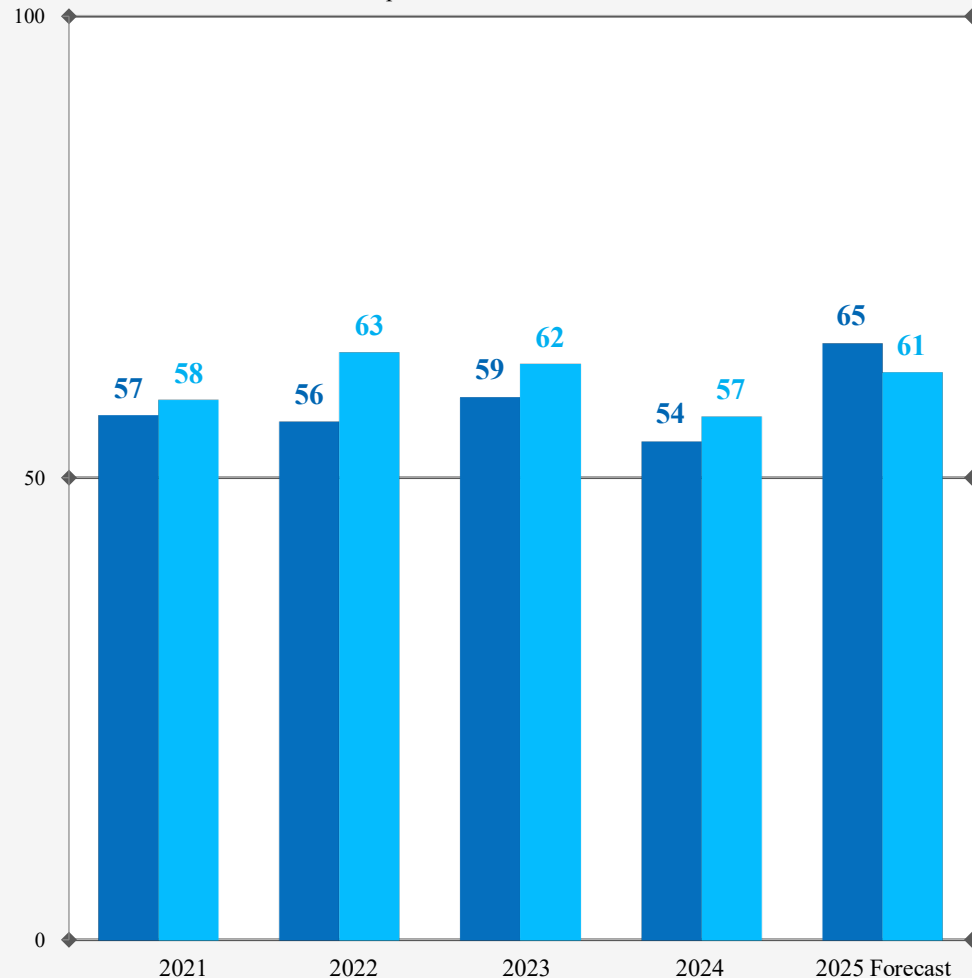
		2023					2024					2025 Forecast
	Item	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	Total
Japan	Sales	168	178	180	162	688	168	173	190	189	719	668
	Operating Income	3	6	2	3	15	6	1	2	18	27	4
	Operating income Ratio (%)	1.6	3.7	1.3	2.1	2.2	3.8	0.3	1.0	9.6	3.7	0.6
United States	Sales	97	116	119	89	421	112	127	70	135	445	371
	Operating Income	-7	-8	-7	-1	-23	-3	-3	-3	3	-6	-9
	Operating income Ratio (%)	-7.0	-7.3	-5.8	-1.4	-5.6	-2.6	-2.0	-4.5	2.1	-1.3	-2.4
Europe	Sales	14	17	13	13	58	13	13	8	15	49	30
	Operating Income	1	-0	0	0	1	-0	-1	-1	2	0	-0
	Operating income Ratio (%)	5.1	-2.5	1.7	3.4	1.7	-1.1	-4.3	-11.0	13.9	0.9	-1.1
Asia	Sales	56	53	54	49	212	51	52	51	67	221	210
	Operating Income	10	8	9	8	35	9	10	11	12	43	35
	Operating income Ratio (%)	17.0	15.1	16.5	16.8	16.3	18.1	19.4	21.9	18.1	19.3	16.7
China	Sales	50	52	52	51	204	38	41	29	47	155	117
	Operating Income	4	4	4	3	16	4	-1	-1	4	7	6
	Operating income Ratio (%)	8.7	8.5	8.1	5.2	7.6	9.6	-1.5	-1.9	8.5	4.2	4.8
Others	Sales	1	1	1	1	3	1	1	0	1	3	3
	Operating Income	0	1	2	-2	1	-1	3	-3	3	2	0
	Operating income Ratio (%)	33.8	64.6	202.5	-175.0	23.1	-102.7	431.6	—	229.1	81.2	0.9
Total	Sales	386	417	419	365	1,587	383	407	348	454	1,592	1,400
	Operating Income	11	11	10	12	44	15	10	5	42	73	36
	Operating income Ratio (%)	2.8	2.5	2.5	3.3	2.7	4.0	2.5	1.6	9.3	4.5	2.6

Capital Expenditures & Depreciation (Consolidated)



(100 Millions of Yen)

■ Capital Expenditures ■ Depreciation



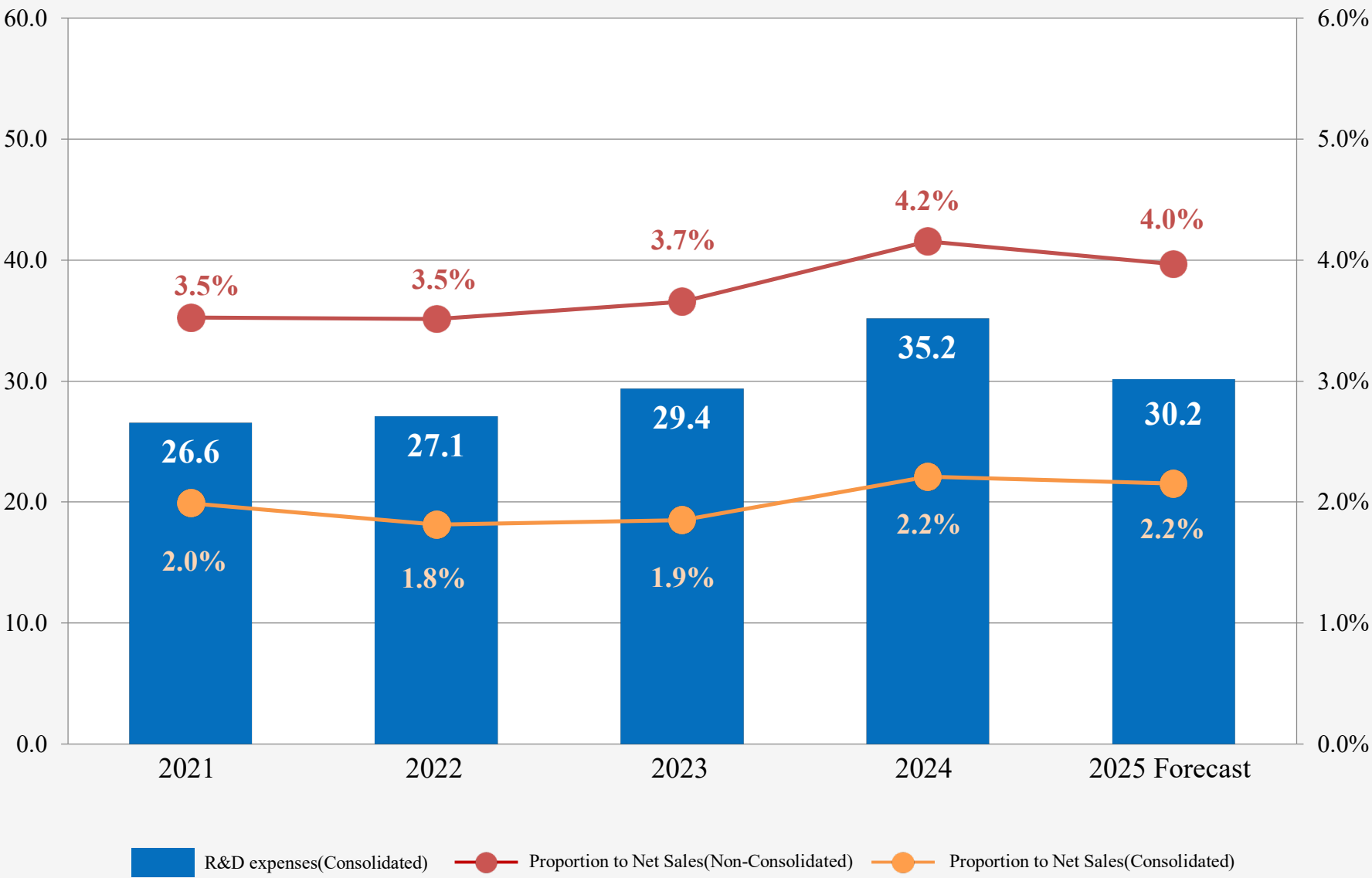
Capital Expenditures by Region (Millions of yen)

	FY2024		FY2025 Forecast	
	Capital Expenditures	Share	Capital Expenditures	Share
Japan	3,524	65.3%	4,466	69.2%
U.S.A	409	7.6%	730	11.3%
Europe	90	1.7%	198	3.1%
China	346	6.4%	315	4.9%
Thailand	768	14.2%	341	5.3%
Indonesia	228	4.2%	307	4.8%
Vietnam	29	0.6%	97	1.4%
Total	5,394	100.0%	6,454	100.0%

Breakdown of Depreciation by Region (Millions of yen)

	FY2024		FY2025 Forecast	
	Depreciation	Share	Depreciation	Share
Japan	3,132	55.4%	3,769	61.5%
U.S.A	864	15.3%	788	12.9%
Europe	125	2.2%	173	2.8%
China	796	14.1%	731	11.9%
Thailand	265	4.7%	257	4.2%
Indonesia	311	5.5%	263	4.3%
Vietnam	163	2.8%	151	2.4%
Total	5,656	100.0%	6,132	100.0%

(100 Millions of Yen)



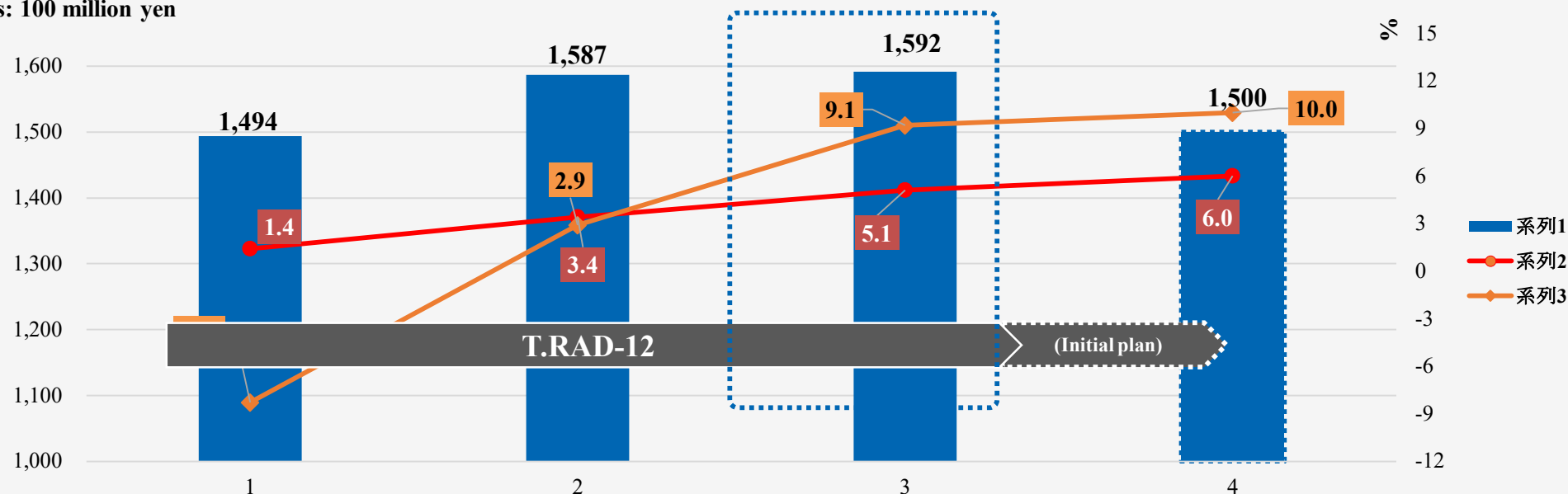
Mid-Term Management Plan T.RAD-2025

Tomio Miyazaki, President & CEO & COO



	<FY2024 Results>	<T.RAD-12 Initial Target>
Net sales	159.2 bn yen	150 bn yen
Ordinary income ratio	5.1%	6.0%
ROE	9.1%	10.0%

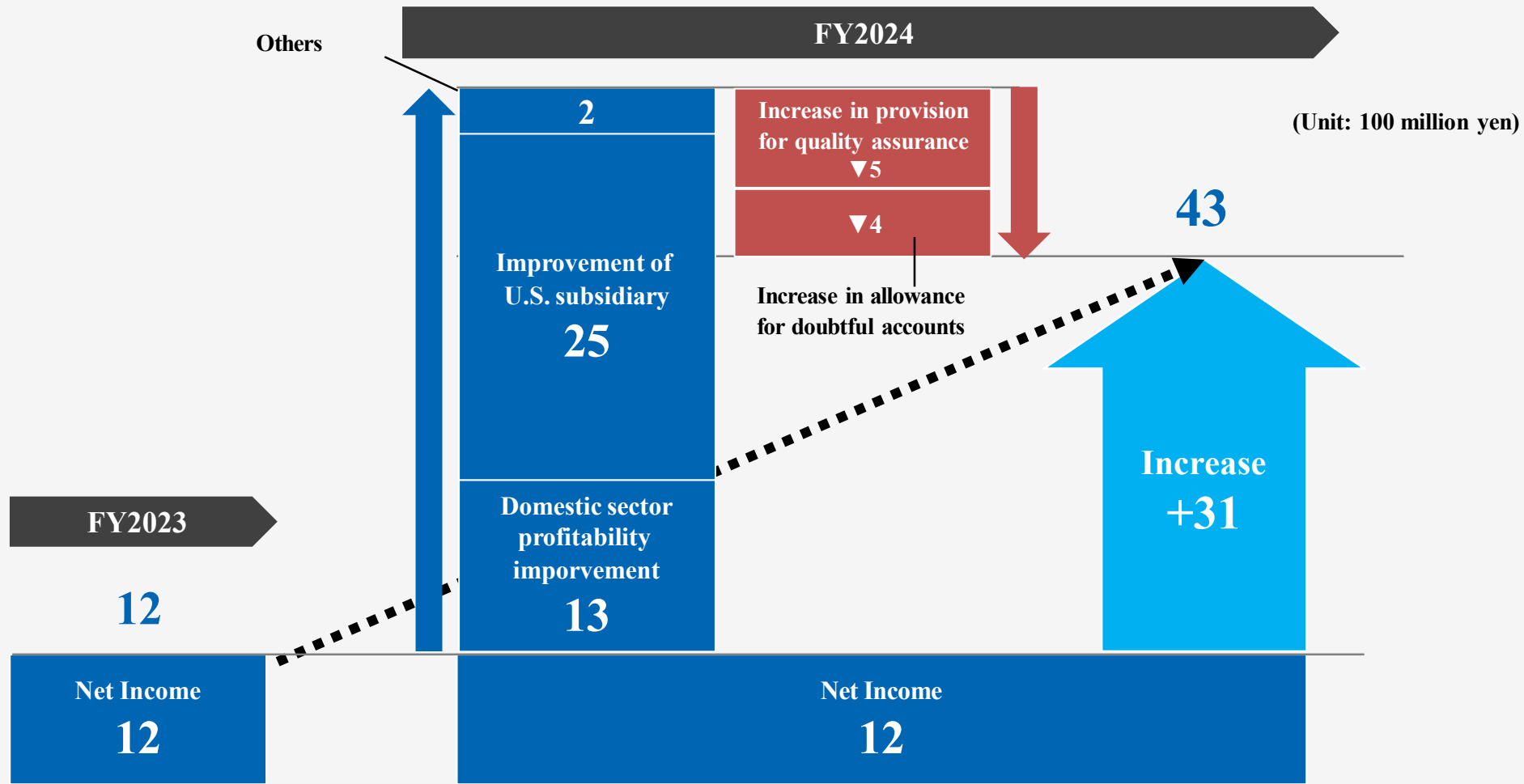
Sales: 100 million yen



T.RAD-12 results remained stable, in line with initial forecasts

**Sales exceed the target, while ordinary income and ROE are approaching their respective targets.
(Details will be provided later)**

Net Income for T.RAD-12 2024 Fiscal Year



- The improvement of our U.S. subsidiary significantly contributed to overall profit improvement.
- Profit levels that would have reached the target if not for one-time expenses*.

*Includes allowance for doubtful accounts related to customers in China, and provisions for quality assurance in response to market claims, and other related expenses.

Production efficiency improved due to product transfers and operational support from the parent company

Marked reduction in scrap, back orders, and special deliveries

Substantial year-on-year increase in profitability



T.RAD North America
T.RAD North America, Inc.

Total investment 25.1 bn yen

Growth investment

17.9 bn yen

- Electrification
- New orders and increased production
- Renewal and maintenance of facilities
- Environmental /DX/ Human Resources

Strategic investment

3.1 bn yen

- New plant
- M&A
- New businesses

Shareholder Returns

4.1 bn yen

- Dividends
- Share buyback



G Factory

Construction of new Hadano plant

(scheduled for completion in fall 2025)



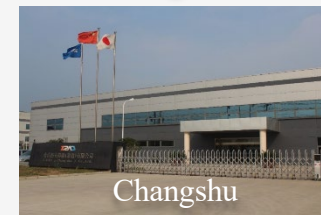
Increased shareholding in
TATA TOYO RADIATOR
(40.25% → 49%), our Indian joint venture



Zhongshan



Qingdao



Changshu



Indonesia

Conversion of subsidiaries
in China and Indonesia to
wholly owned entities

To keep pace with the rapid changes in the global automotive industry, we will revise the approach to formulating our medium-to long-term management plan.

~FY2024 (Current Status)

- Formulation of medium-term management plan every 4 years
- ※ Planning based on the accumulation method

2018	2019	2020	2021	2022	2023	2024
T.RAD-11				T.RAD-12		

<Issues>

- Due to the rapid changes in the industry and environment, there is a gap between the assumptions of the medium-term plan and the actual conditions over the four years.

<New policy> T.RAD-2025 (~FY2030)

- T.RAD-12 concluded in FY2024 (ahead of schedule)
- ➔ Going forward, we will formulate management targets annually.

2025	2026	2027	2028	2029	2030
T.RAD 2025	T.RAD 2026	T.RAD 2027	T.RAD 2028	T.RAD 2029	T.RAD 2030
Our management strategy for FY2030 and the annual review of management target figures					

<Aim>

- Swiftly address and respond to changes in the industry and environment
 - Align with the current business environment and conditions
- Formulate management strategies and set numerical targets accordingly**

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-2025 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

T.RAD-2025 Performance Targets



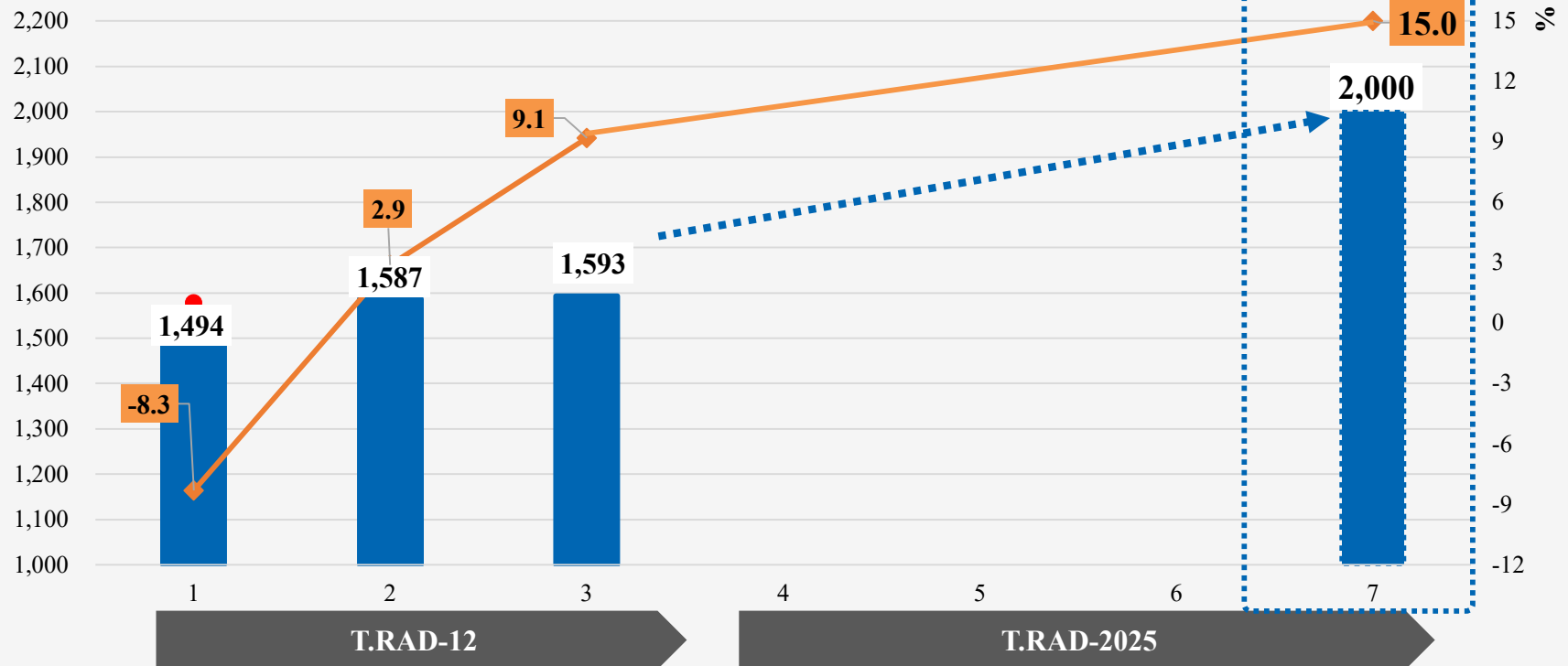
Net sales

200 bn yen

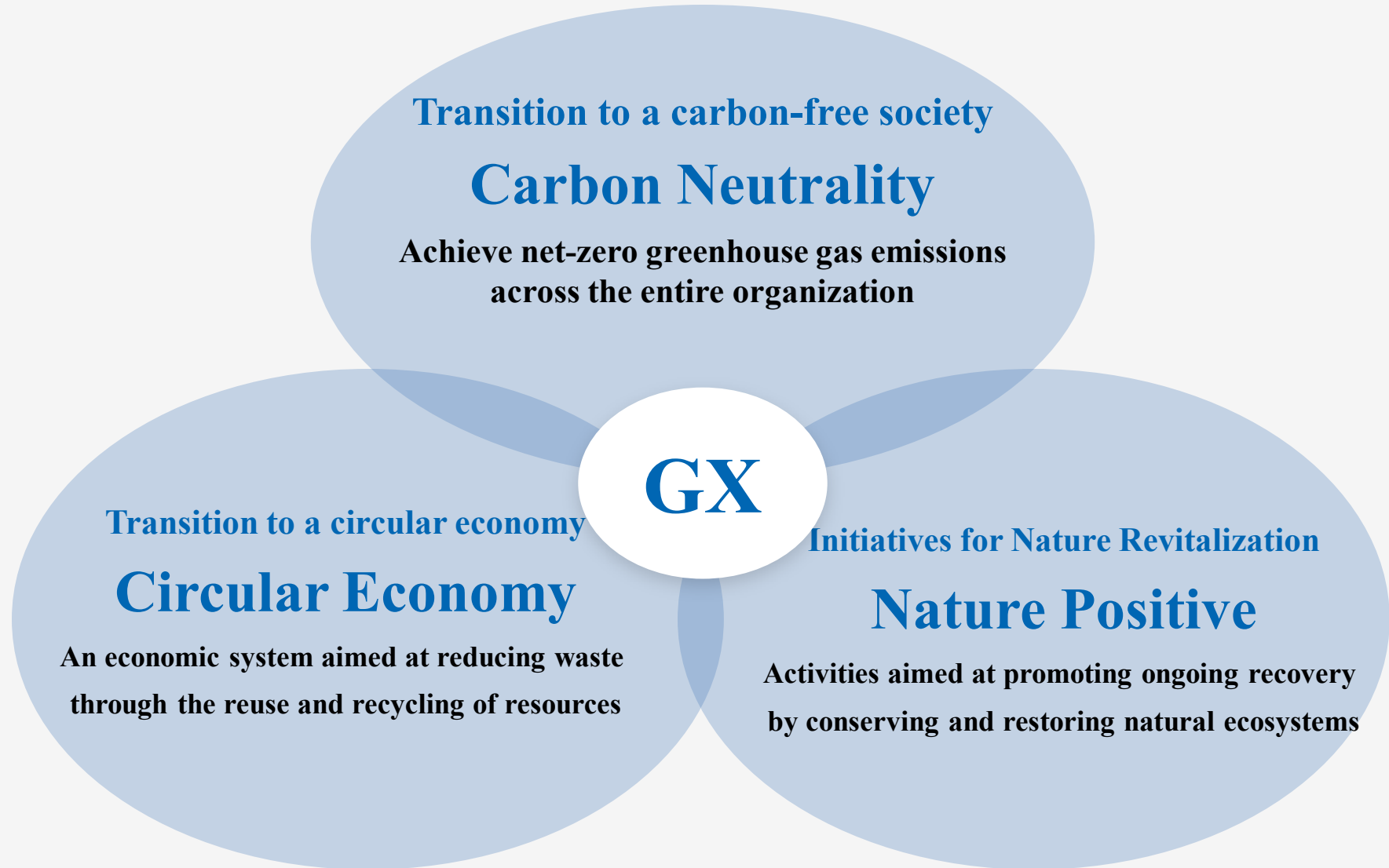
ROE

15.0%

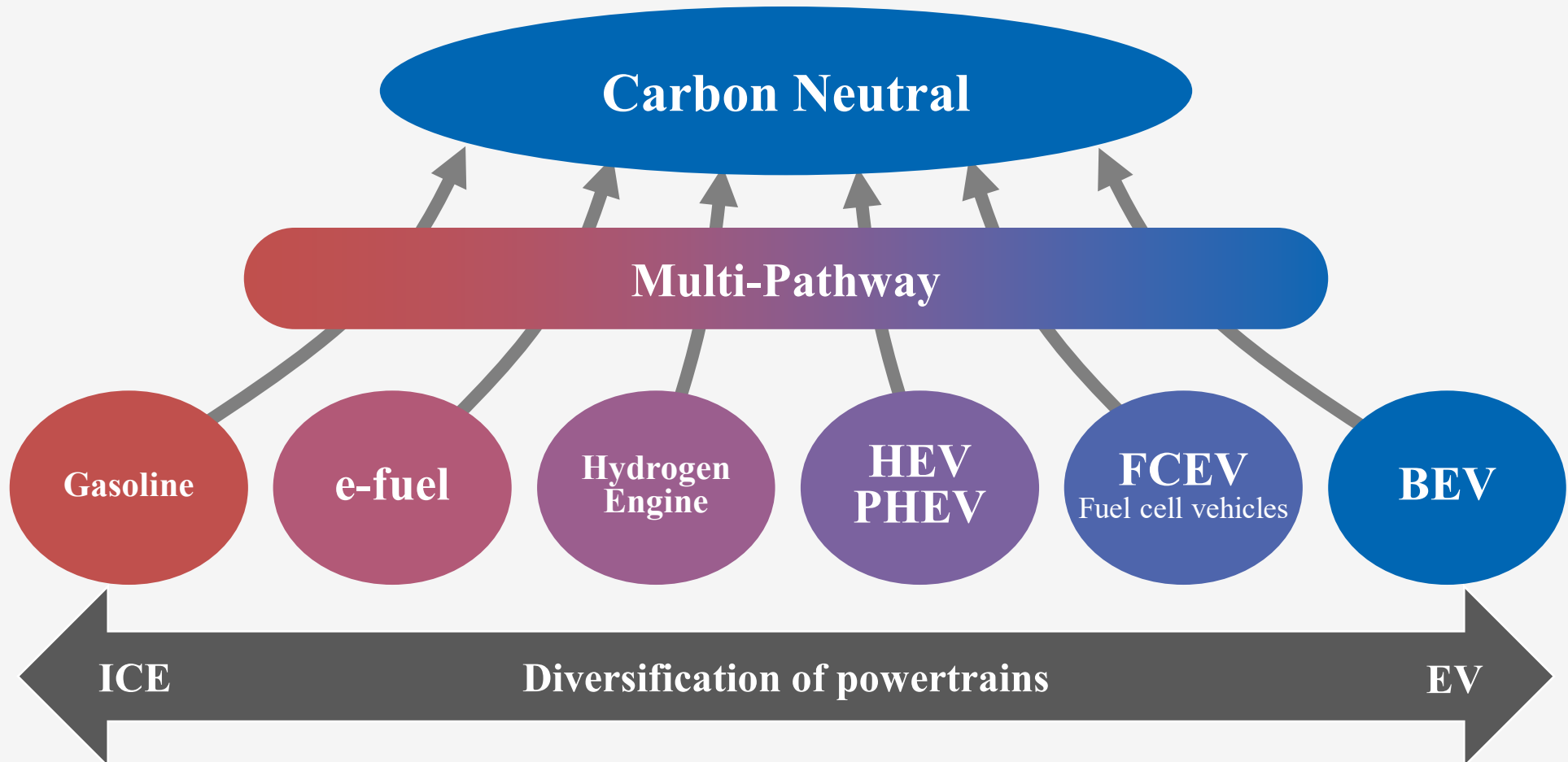
Sales: 100 million yen



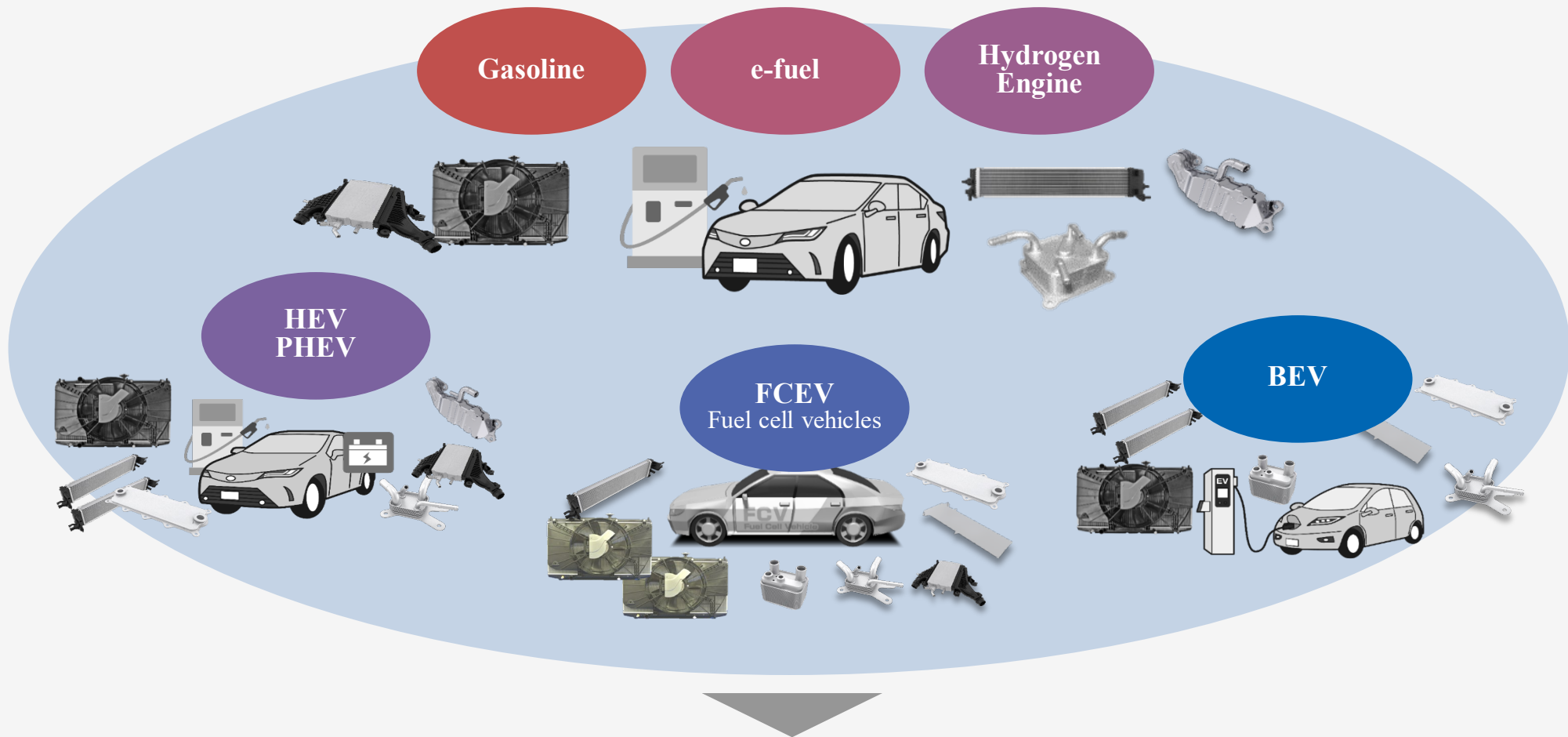
Initiatives to Become a Company that Realizes GX



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

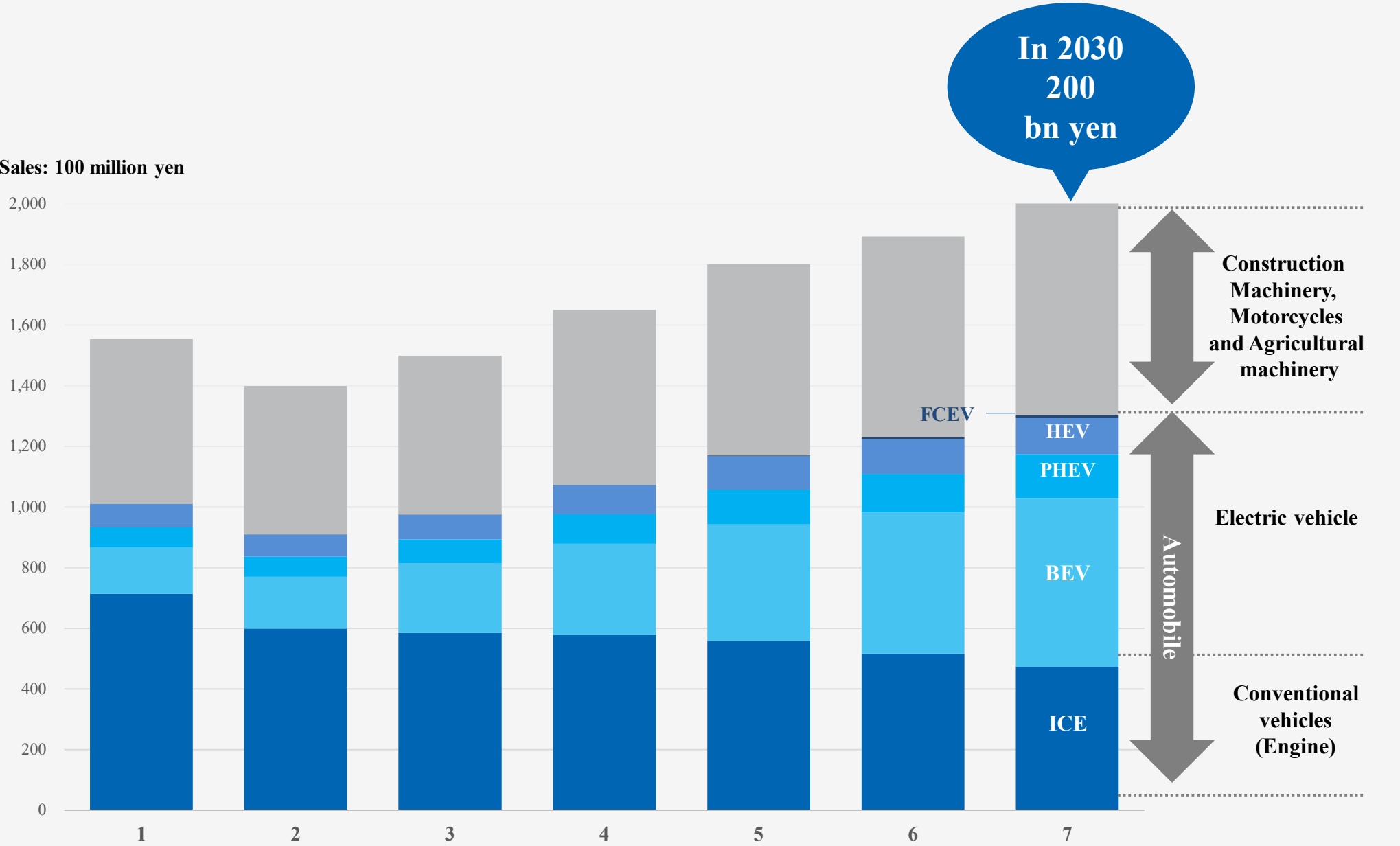


There is a global recognition that **a multi-pathway approach**—offering not only BEVs but also a variety of powertrain options—is the quickest route to achieving carbon neutrality.

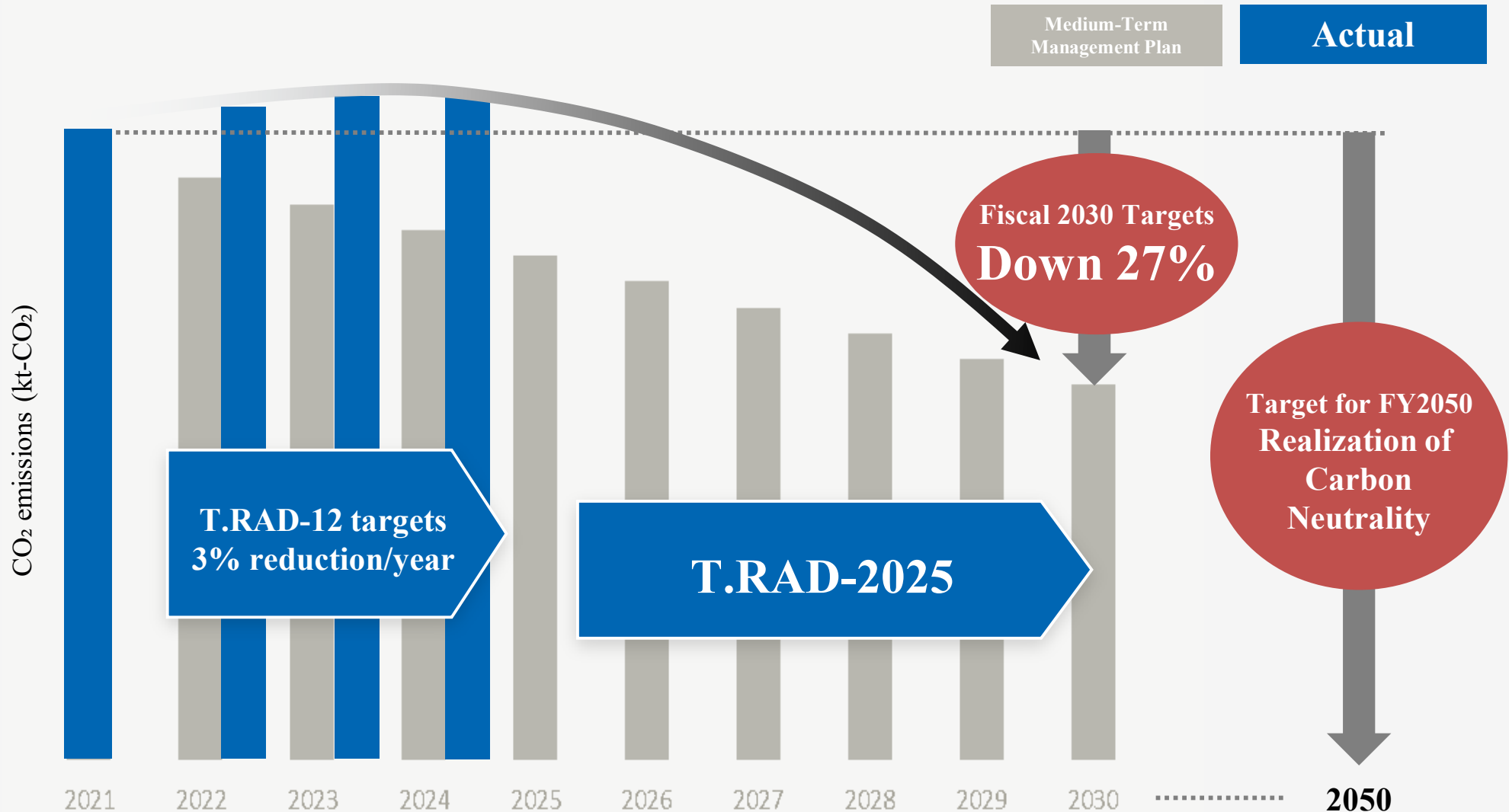


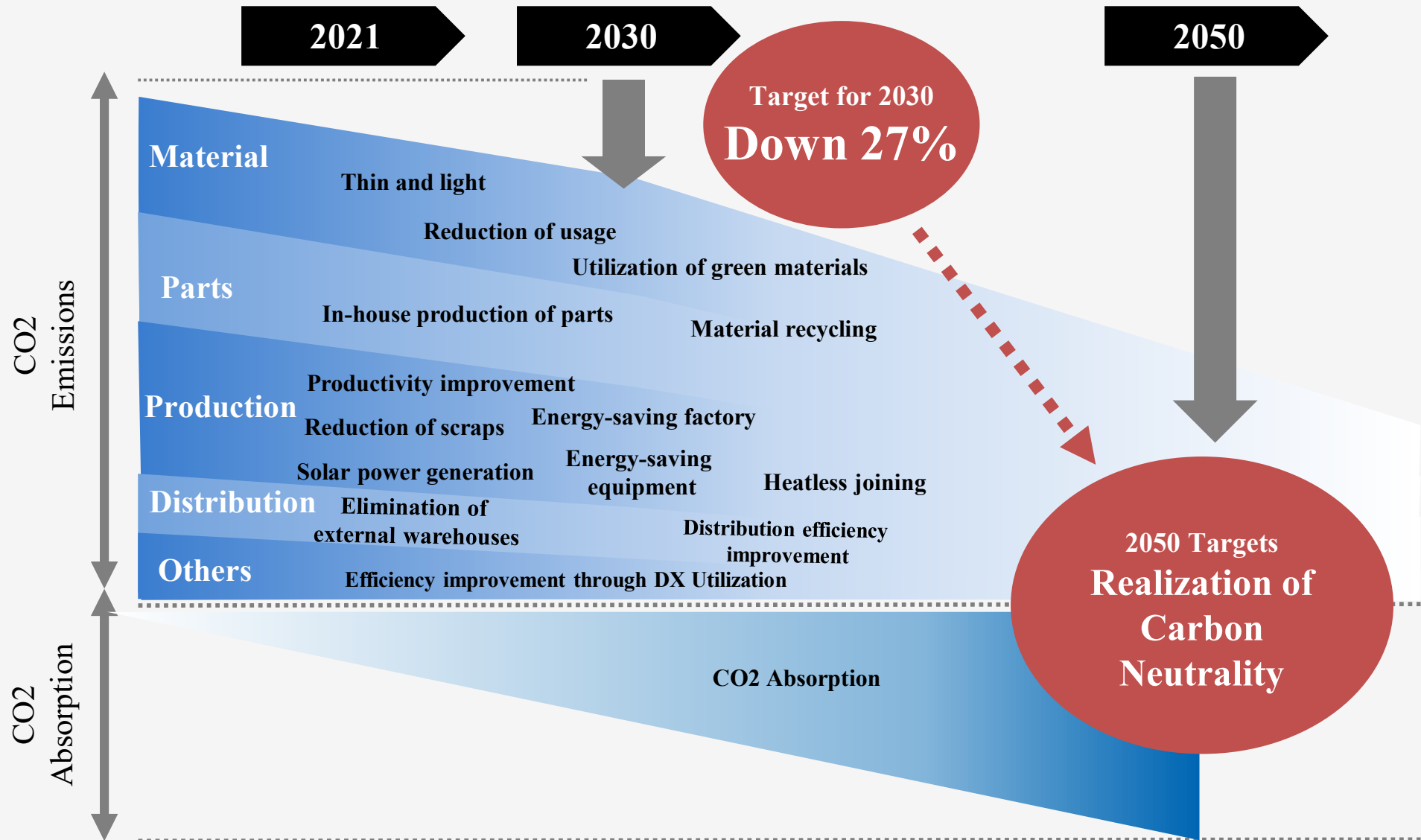
**In the era of multi-pathway approaches,
the demand of heat exchanger is increasing and becoming more diverse.**

➔ Significant opportunity for market expansion for T.RAD!



※Figures are Scope1+2





By utilizing solar power generation, nitrogen generation equipment, and eco-friendly air conditioning systems, we aim to achieve energy-efficient plants and make continuous investments in leading electric companies that are CO₂-free.



TATA TOYO Radiator Ltd.



T.RAD Qingdao Co., Ltd.
Began operation from June 2024



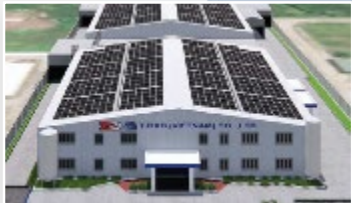
T.RAD(Changshu) Co., Ltd.



Hadano Works



Technology Division (Nagoya)



T.RAD (Vietnam) CO.,LTD



T.RAD(Thailand) Co.,Ltd.
From March 2024 to operation



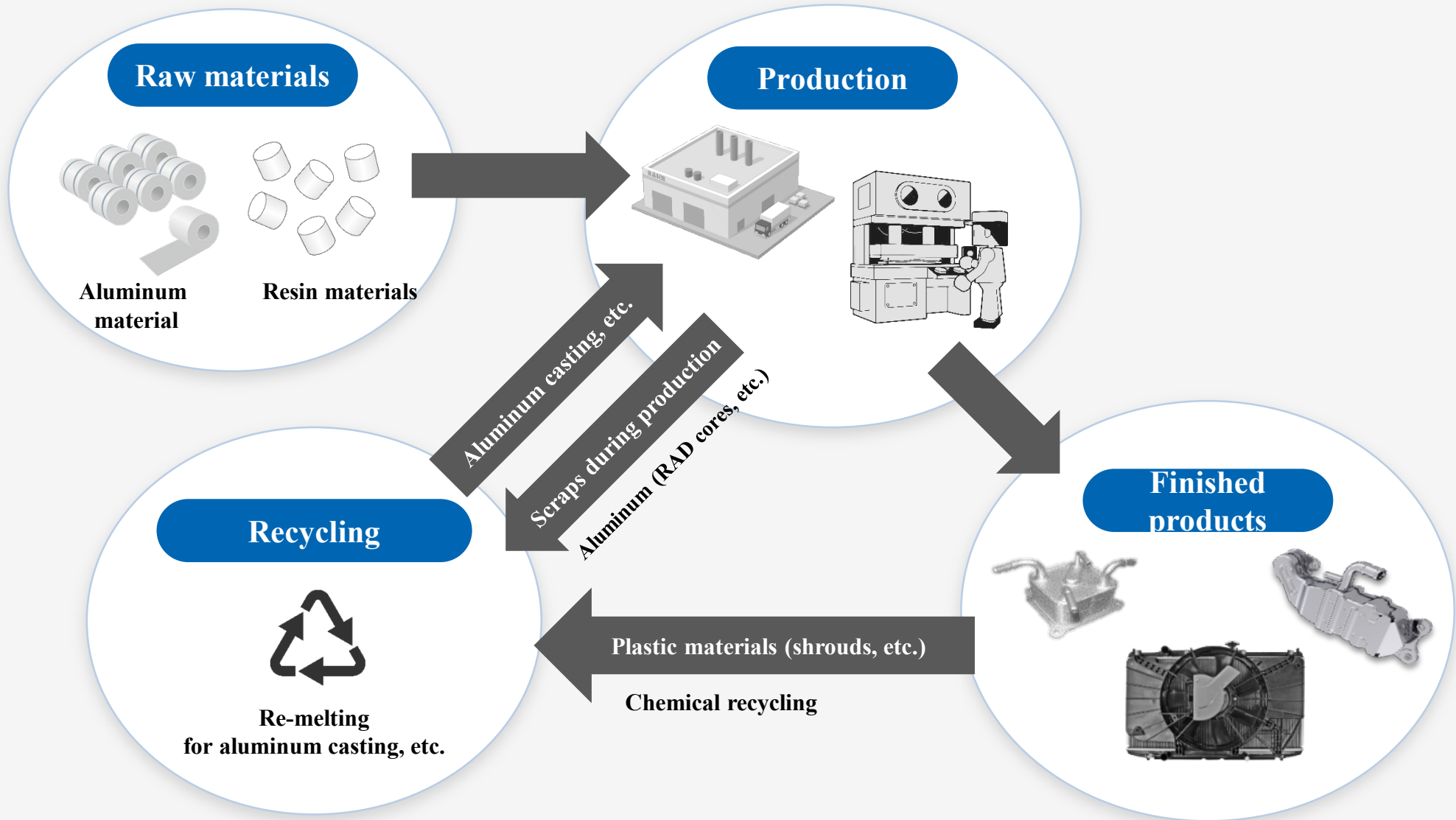
PT.T.RAD INDONESIA
From July 2024 to operation



Shiga Works

Utilization of solar
power generation

▲ **4,512** t CO₂/year



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

Initiatives to Become a Company that Continues to Earn Satisfaction and Preference of Customers

Respond to the development of various heat exchangers and develop competitive products which are essential in the multi-pathway era.

Establish "T-RAD's unique strengths" that cannot be replicated by other companies

**①
Speed up**

- Improve development efficiency (front loading development and concurrent engineering)
- Improvement of analysis technology to eliminate prototypes and tests
- Preparation for manufacturing with less reprocessing using digital twin
- Accelerate decision-making using DX

**②
Enhancing price competitiveness and added value**

- Innovative technology for heat exchangers that outperforms competitors
- Development of highly functional and high-performance products
- Cost reduction activities
- Increase in trading volume and reduction in scraps
- Promotion of labor saving and automation
- High cost competitiveness and optimum quality achievable as a specialized manufacturer
- Increase ratio of in-house production of major parts

**③
Business reform activities**

- Strengthen and globalize TPS utilization, TPM activities, QC circle activities, activities to improve staff operations, and activities to reduce expenses
- Promote DX in all divisions (sales, engineering, production, procurement, accounting and finance, human resources and general affairs, and overseas production sites)

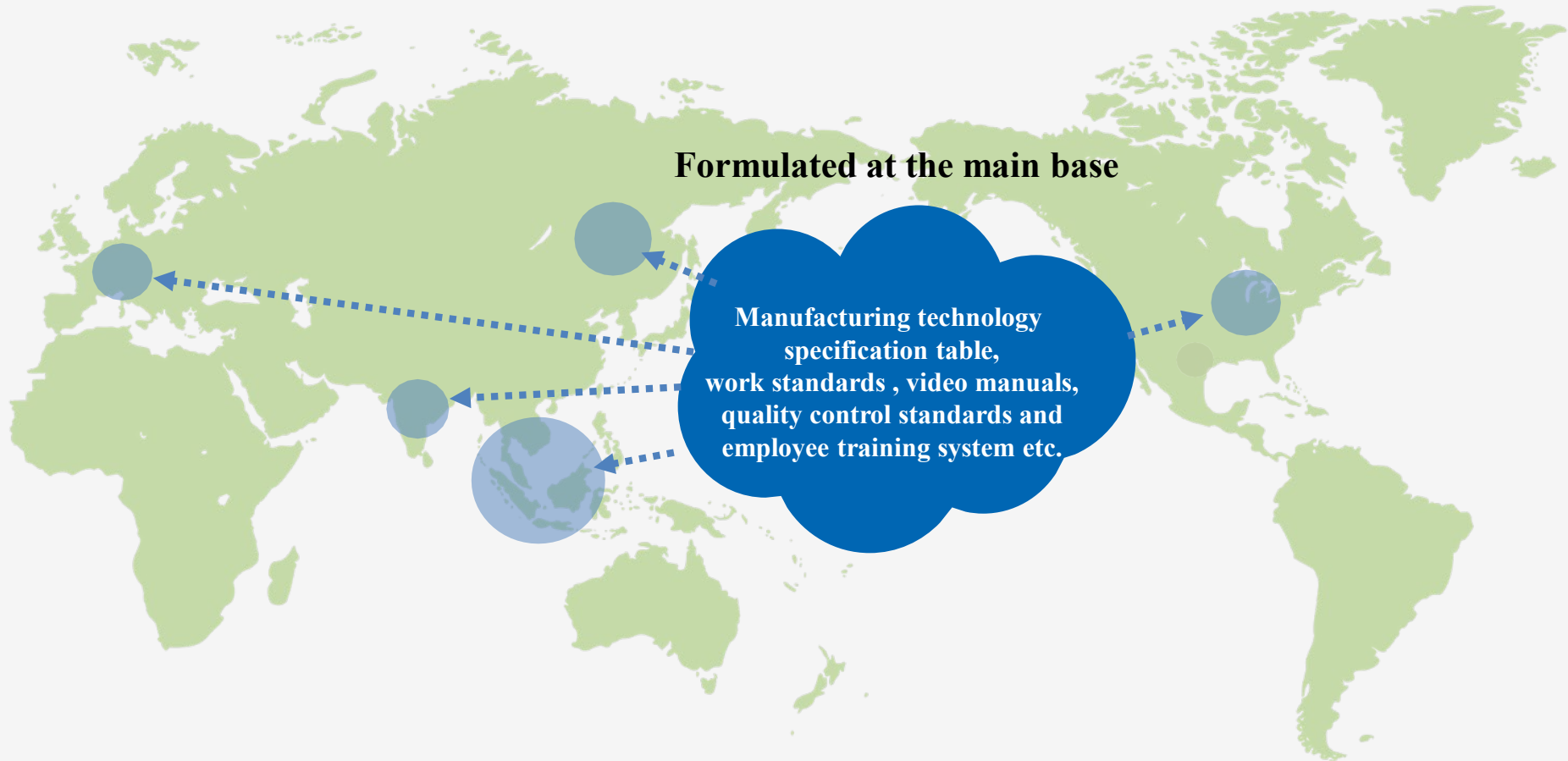
Product development and
production by the main base
(Japan)



Localization at overseas R&D sites
Promotion of "local production for local
consumption" through overseas production

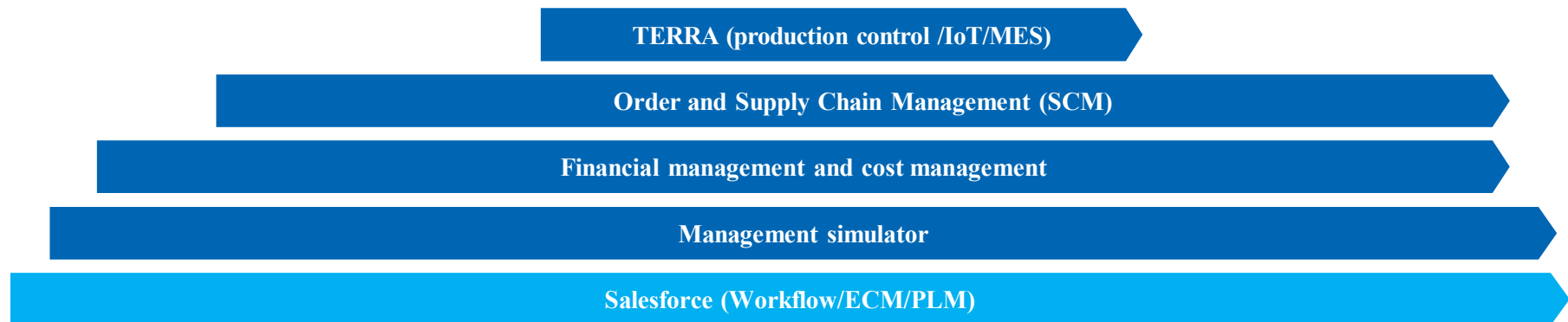
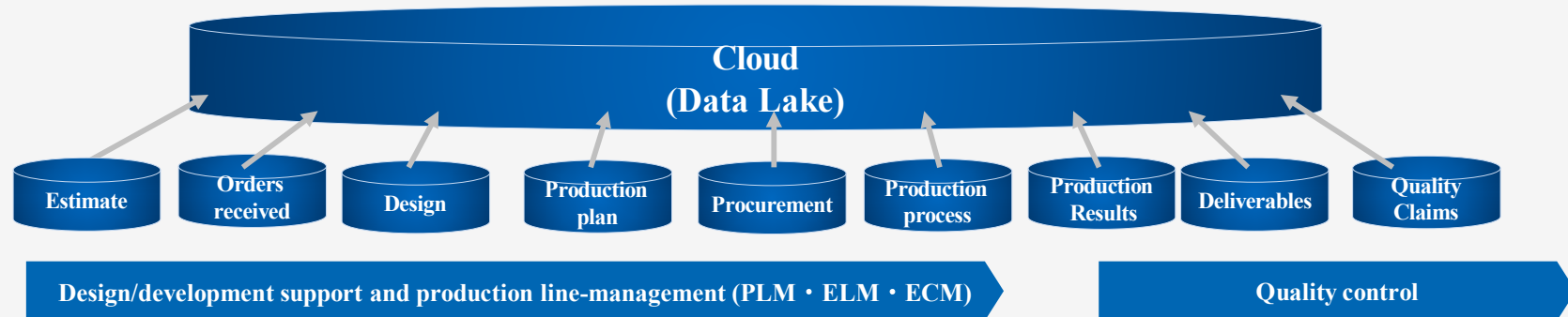


Optimize global development and production allocation by leveraging the unique
characteristics of each site



Quickly deploy manufacturing technology specification tables, work standards, and video manuals to global sites using a cloud database.

Company-wide DX system planned and developed in-house

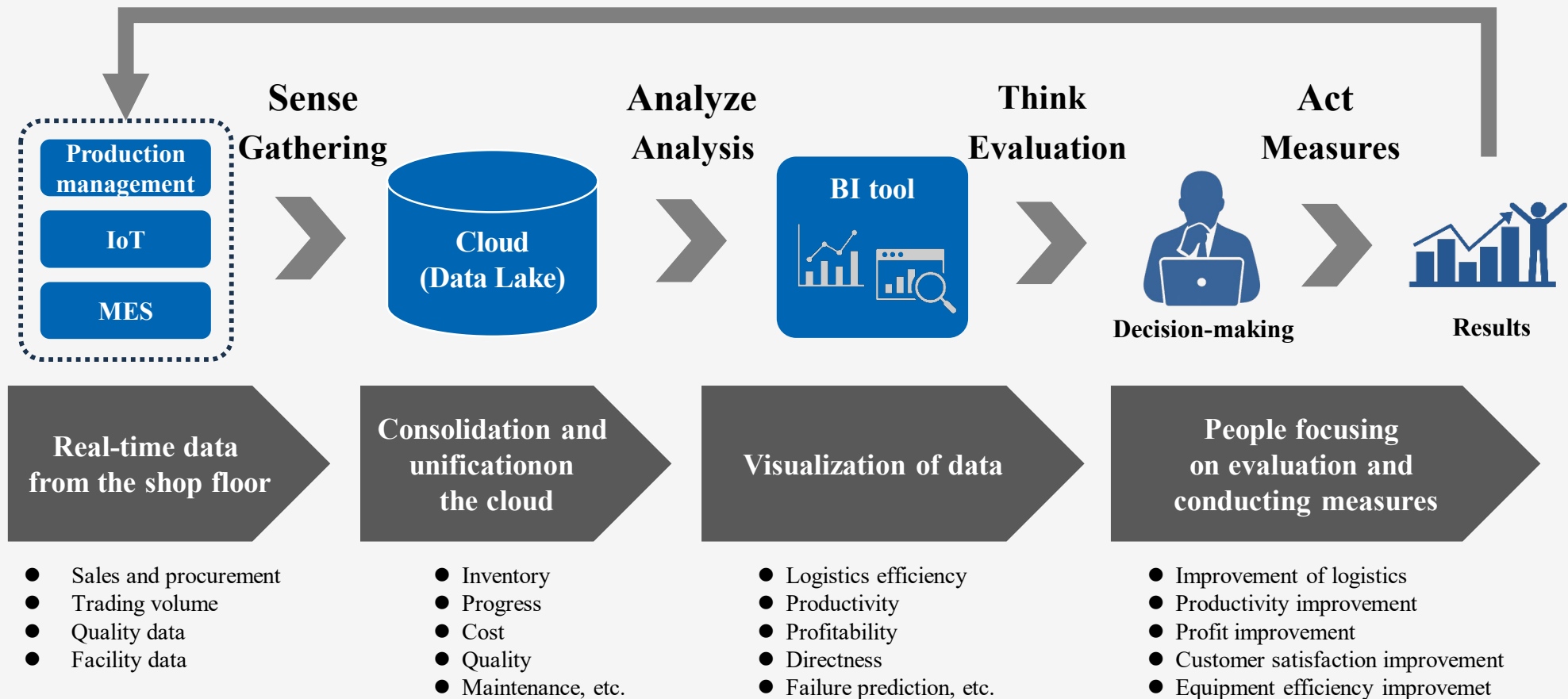


Subsystem group

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.



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**

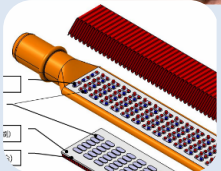
**Trial production and testing
of thermoelectric radiator**

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



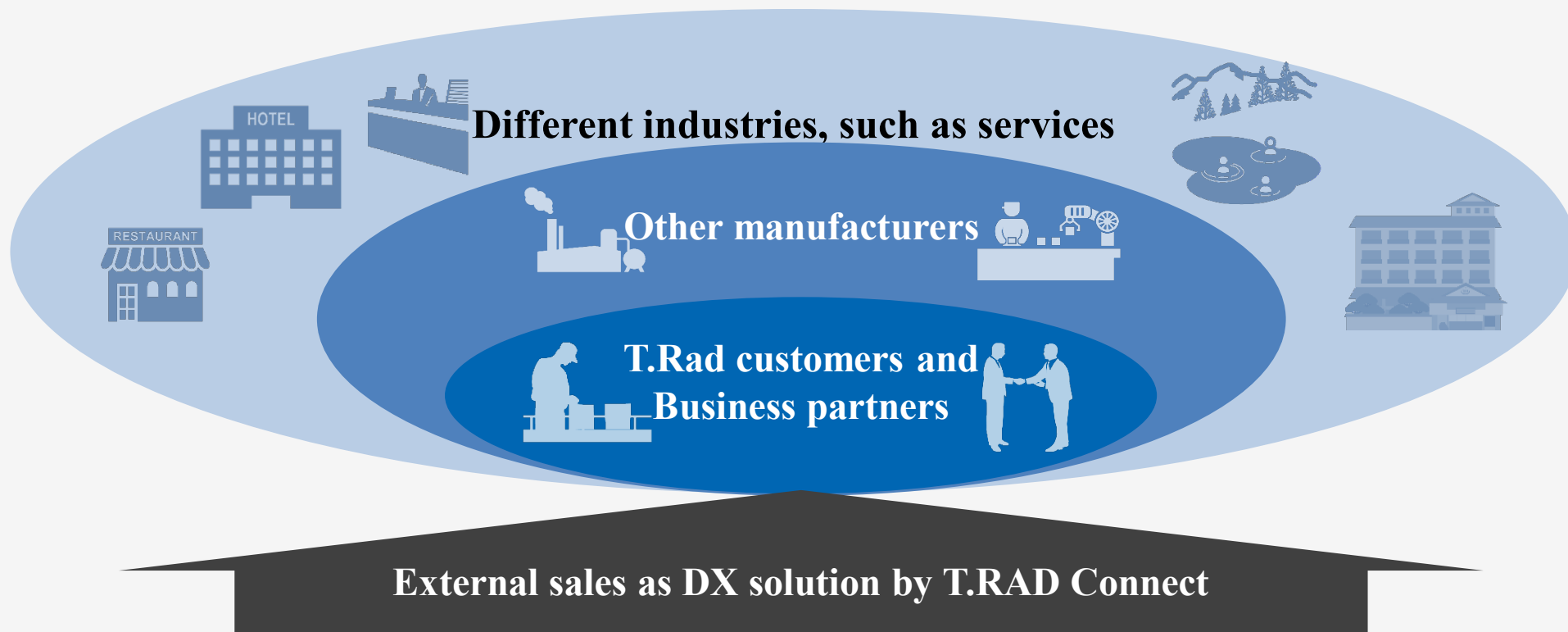
**Thermoelectric power generation using temperature
difference of few hundred degrees
in brazing furnace and cooling water**

**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**

**Aim to
commercialize
by 2030**



T.RAD CONNECT



**Production
management
System(ERP)**



Salesforce



**IoT
AI
Data analysis**

Packaging the DX expertise cultivated by T.RAD

A company that Achieves Stable Profitability

Initiatives to Become a Company Trusted by Stakeholders

Operating cash flow + Borrowed funds

100 to 15 bn yen/year

Growth investment

Strengthening Existing Businesses

- Heat exchanger development for multi-pathway approach
- Introduction of labor-saving, automation, and productivity-enhancing facilities
- DX investment/environmental investment
- Investment in human resources

Strategic investment

Investing in the future

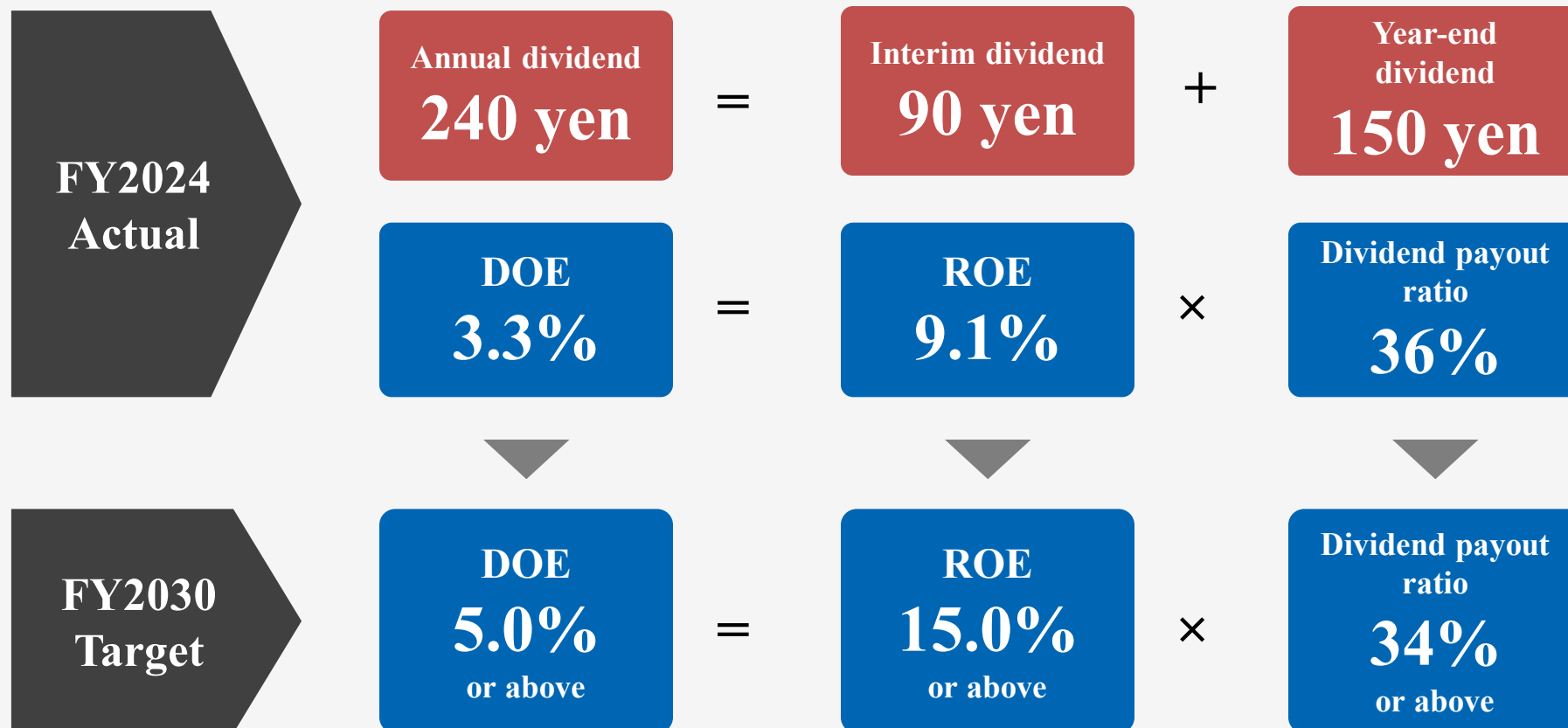
- Expansion of production resources and promotion of global production reallocation
- Consideration of second production base in the U.S.
- Expansion of investment in India
- Considering M&A
- New Business Initiatives

Shareholder Returns

Becoming a company that is valued by the market

- Achieving stable dividends and flexible share buybacks through DOE
- Achieving both capital efficiency and soundness (equity ratio)
- Pursuing ROE targets and PBR 1.0x targets

- Allocate cash to investments 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



- Since FY2024, we have been using the consolidated dividends on equity (DOE) as a new indicator to improve capital efficiency and realize stable long-term returns to shareholders.
- The definition of equity* in DOE computation was **changed** from consolidated total equity to **consolidated total net assets**.

*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-2025 Shareholder Return Policy



T.RAD-12

T.RAD-2025

Management Targets

FY2024 Results

Net sales

159.2 bn yen

ROE

9.1%

PBR

0.5 times

FY2030 Targets

Net sales

200 bn yen

ROE

15.0%

PBR

1.0 times

Shareholder Returns

Share buyback
0.82 bn yen

DOE 3.3%
Annual dividend
240 yen

Share buyback
2 bn yen or more

DOE 3.3% or more
Annual dividend 240 yen or
more

Scheduled to buy back 2 bn yen
of treasury stock in FY2025

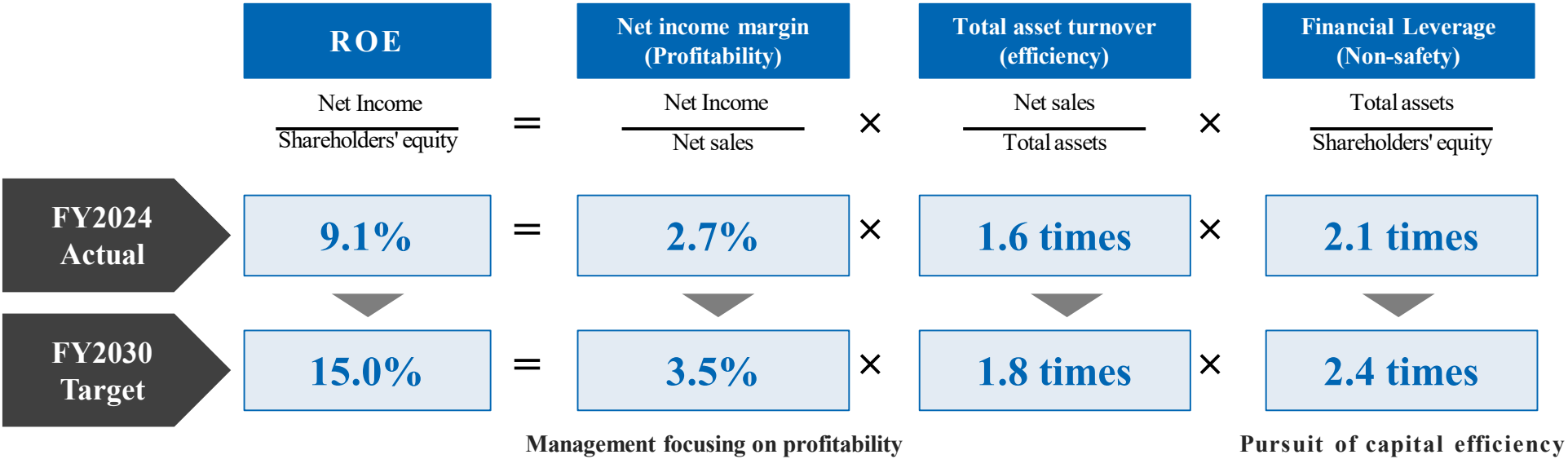
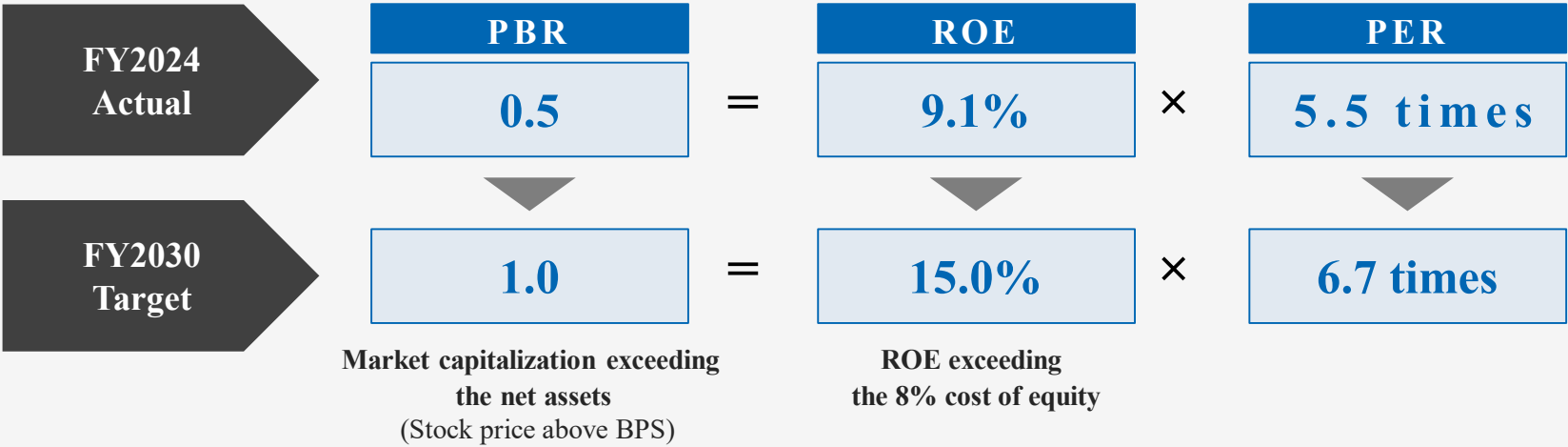
Consider buying back shares in
consideration of market liquidity
going forward

Strengthen DOE levels while
improving ROE

**DOE
5.0% or more**

- Increase in sales and ROE improvement by further acquiring market-share
- Timely appropriate investment and shareholder returns enabled by operating cash flows generation

**Implementing management
with awareness on 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

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

- ① Dividend income from stockholdings (income gain)
 - ② Capital gains from the sale of shares after retirement, resulting from stock price increase
- ➔ When corporate value increases, employees will benefit

Disclosing information to shareholders and investors in a timely and appropriate manner

Management policies, financial conditions, business activities, etc.

IR presentations



- **Financial Results Briefing**
- **Distribution of financial results briefings on websites and social media through videos and summarized articles**

General Meeting of Shareholders



- **Distribution of general meeting of shareholders through videos on the website**
- **Conducting preliminary questioning at the general meeting of shareholders**

Disseminating Information for International Investors



- **Disclosure of financial results and notice of convocation of the General Meeting of Shareholders in both English and Japanese**

Forecast for FY2025

Net sales

140 bn yen

**Ordinary
income**

4.2 bn yen

**Share
buyback**

**2 bn yen or
more**

Net income

2 bn yen

**Annual
dividend**

**240 yen or
more**

ROE

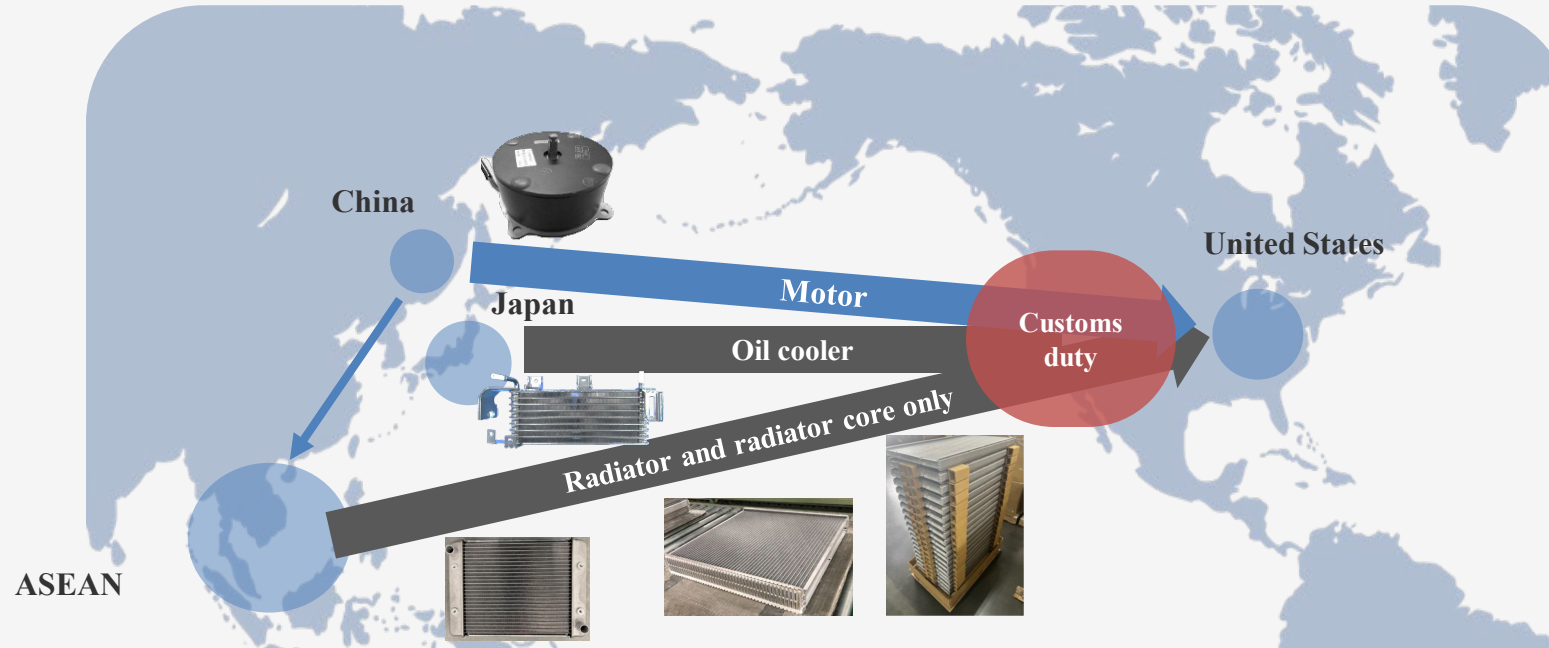
4.3%

DOE

3.3% or more

*Based on the latest sales forecasts obtained from business partners, the forecast is presented taking into account the impact of U.S. tariff policies and exchange rate fluctuations to the extent possible.

Respond flexibly in a timely manner while ascertaining trends in the Trump administration's customs policy



Response ① Efforts to maintain profitability

- **Restructuring of procurement routes for materials and parts**
 - Consideration of shifting suppliers from China to ASEAN, etc.
- **Cooperation and negotiation with business partners**
 - Discussion on passing on tariff cost increases

Response② Efforts to Optimize Production System

- **Strengthening local production and securing human resources**
 - Strengthen local production by introducing automated equipment
 - Considering U.S. domestic production outside Kentucky
- **Reconsideration of global production allocation**
 - Temporary freeze of the new Shiga plant plan

Q & A Session

Answers to questions received in advance

Q What is your company's market share? What are the future prospects?



- As there are no third-party surveys or analyses available, we have not been able to determine our exact market share.
- While the share may vary depending on the product, we estimate our position based on the proportion of radiator orders received from each customer. This provides us with a general understanding of our market share by customer segment.
- We estimate that our market share for products related to Honda's passenger cars exceeds 50%. Based on the current order trends, we expect our market share to continue increasing.
- For products related to Toyota vehicles, our current market share is estimated at approximately 10%, with expectations of growth to around 20% in the future. Our domestic market share for products related to Daihatsu and Suzuki vehicles is also significant, exceeding 90% and 60%, respectively. We anticipate further growth in these shares going forward.
- In industrial machinery applications, we estimate that our market share for products related to Komatsu exceeds 90% for excavators and over 80% overall. This forms the foundation of our heat exchanger product lineup.
- We estimate that our global market share for water-cooled two-wheeled vehicles exceeds 70%.
- In recent years, customer inquiries for upcoming models have increased significantly, primarily due to strategic shifts among domestic competitors. While we expect our sales and market share to continue growing, this is contingent upon making timely and appropriate investments.

Q What is your company's M&A strategy?

Are there any plans to participate in peer acquisitions or industry restructuring?

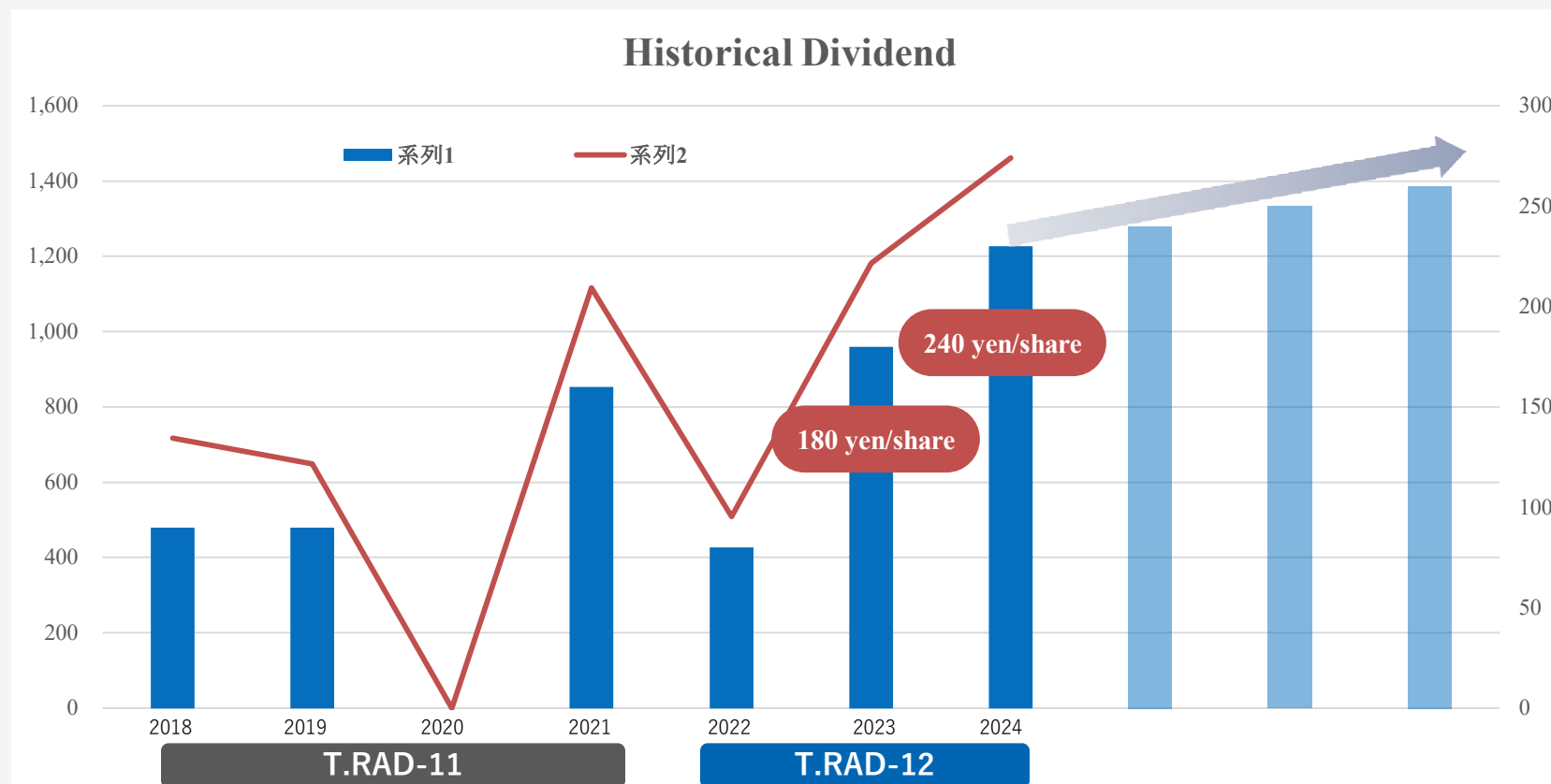


- We recognize that business integration and acquisitions within the industry present significant challenges. This is largely due to the need to assume responsibility for both the target company's legacy operations and its ongoing business activities. Additionally, there is no guarantee that the anticipated synergies will be realized as expected.
- Due to the necessity of inheriting legacy operations, any integration would also require a phased transfer of our own business, in coordination with our customers and based on their intentions. We recognize that one of the objectives of M&A—'buying time'—may require us to accept a discounted valuation.
- In addition, we are aware that, given the limited number of players in the industry, many cases will require clearance under antitrust laws.
- Nevertheless, as a specialized manufacturer of heat exchangers, we remain committed to the market and are intent on expanding our market share. We also intend to consider M&A opportunities with flexibility and openness.

- We recognize several domestic as our competitors, including DENSO and Marelli for passenger car-related products, as well as TOKYO RADIATOR MFG and DENSO SANKYO for commercial vehicle-related products. Our international competitors include Germany's MAHLE and France's Valeo, China's Zhejiang Yinlun Machinery and Korea's HANON SYSTEMS. We understand that this industry typically does not see the emergence of prominent new entrants; rather, it is characterized by a gradual consolidation and a decreasing number of key players over time.

- We hold a unique position as a specialized manufacturer of heat exchangers and intend to leverage our advanced expertise to expand our market share. Throughout this process, we remain mindful of profitability as enduring participants in the industry.

Appendix



	FY2018	FY2019	Fiscal 2020	FY2021	FY2022	FY2023	FY2024	FY2025
Dividend per share(yen)	90	90	0	160	80	180	240	240
Treasury Stock Buyback (million yen)	1	1,356	0	2,159	116	0	819	2,000
Dividend Ratio(%)	41%	45%	0%	31%	Net profit loss	95%	33%	76%
Total Return Ratio(%)	41%	140%	0%	91%	Net profit loss	95%	55%	176.2%
DOE(%)	1.6%	1.5%	0.0%	2.6%	1.2%	2.7%	3.3%	3.3%
PBR(times)	0.4	0.20	0.40	0.40	0.40	0.60	0.50	

Thank you for your attention



T.RAD Co., Ltd.

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