This document has been translated from the Japanese original for the convenience of non-Japanese shareholders. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

Securities identification code: 7236
June 5, 2026

To our shareholders:

Tomio Miyazaki
President & CEO & COO
T.RAD Co., Ltd.
3-25-3 Yoyogi, Shibuya-ku, Tokyo

NOTICE OF THE 124TH ORDINARY GENERAL MEETING OF SHAREHOLDERS (FOR THE FISCAL YEAR ENDED MARCH 31, 2026)

We are pleased to inform you of the 124th Ordinary General Meeting of Shareholders (for the fiscal year ended March 31, 2026) of T.RAD Co., Ltd. (the "Company"), which will be held as described below.

Meeting Details

1. **Date and time:** 3:00 p.m., Monday, June 29, 2026 (Japan Standard Time)
2. **Venue:** 3F Conference Room, Aioi Nissay Dowa Insurance Shinjuku Bldg.
   3-25-3 Yoyogi, Shibuya-ku, Tokyo
3. **Purposes:**

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 124th Term (from April 1, 2025 to March 31, 2026) as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-consolidated Financial Statements for the 124th Term (from April 1, 2025 to March 31, 2026)

Items to be resolved:

Proposal 1: Appropriation of surplus
Proposal 2: Election of five (5) Directors
Proposal 3: Election of one (1) Audit & Supervisory Board Member

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the following websites.

Website name and URL	Access method
The Company's website: https://www.trad.co.jp/databox/data.php/ir_doc_ja/code (in Japanese)	Select "Notice of the 124th ordinary general meeting of Shareholders" under FY2025 (ending March 31, 2026) <The 124th Term> in the IR Library.
Tokyo Stock Exchange website (Listed Company Search) https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show (in Japanese)	Enter and search for the issue name (T.RAD) or securities code (7236), then select "Basic information," "Documents for public inspection/PR information," and "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting]."

If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions shall be posted on the above websites.

Special Website and Livestreaming for Shareholders

●Special website

- The Company will receive pre-meeting questions and requests for viewing livestream of the meeting on the day through the special website for shareholders regarding the 124th Ordinary General Meeting of Shareholders.

How to access

- To use the website, please access it via the following URL, and enter the ID and password.
  https://www.trad.co.jp/260629/ (in Japanese)

●Pre-meeting questions

- The Company will receive questions from shareholders in advance through the special website before this Ordinary General Meeting of Shareholders.
- **Reception period:**
  From 10:00 a.m. on Friday, June 5, 2026 to 5:30 p.m. on Monday, June 22, 2026
- Please also refer to the "**Frequently Asked Questions and Answers for the 124th Ordinary General Meeting of Shareholders**" page (in Japanese) posted on the Company's website.
- We plan to answer questions of high interest to shareholders on the day; however, please understand that we cannot give individual answers for each question.

●Livestreaming via the Internet

- **Livestream time:**
  From 3:00 p.m. on Monday, June 29, 2026 until the end of the General Meeting of Shareholders
  *The livestream will be accessible from around 2:30 p.m.
- Please request viewing in advance through the special website.
- Photographing, video recording, sound recording, saving, and publication via social media, etc. of the livestream are strictly prohibited.
- Out of consideration for the privacy of attending shareholders, video recording at the venue for the purpose of livestreaming will focus only on the screen image and the area near the officers' seats. However, please be aware that it may be unavoidable to include attending shareholders in the video livestream.

●On-demand streaming on the Company's website

- A recording of the meeting proceedings will be made available on the Company's website at a later date.

Information on How to Exercise Voting Rights

There are three ways to exercise your voting rights. Please consider these before exercising your voting rights.

[Attending the meeting]
Date and time of the General Meeting of Shareholders:
3:00 p.m., Monday, June 29, 2026 (Japan Standard Time)
Please bring the Voting Right Exercise Form sent with this Notice of the General Meeting of Shareholders with you and submit it at the reception desk.

[Exercising voting rights in writing (by postal mail)]
Deadline for exercising voting rights:
To be received no later than 5:30 p.m., Friday, June 26, 2026 (Japan Standard Time)
Indicate your approval or disapproval on the Voting Right Exercise Form sent with this Notice of the General Meeting of Shareholders and return it by postal mail to reach us no later than the deadline stated above.

[Exercising voting rights electronically (via the Internet, etc.)]
Deadline for exercising voting rights:
To be completed no later than 5:30 p.m., Friday, June 26, 2026 (Japan Standard Time)
Access the website for exercising voting rights, and enter your approval or disapproval no later than the deadline stated above.

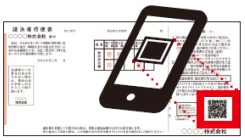
- You will be liable for any fees incurred to access the website for exercising voting rights (such as Internet, etc. connection fees and telephone fees).
- If you exercise your voting rights multiple times with different methods, in writing (by postal mail) and electronically (via the Internet, etc.), those exercised electronically (via the Internet, etc.) will be treated as valid voting rights.
- If you exercise your voting rights multiple times electronically (via the Internet, etc.), the last time that you have exercised your voting rights will be treated as valid voting rights.
- If neither approval nor disapproval of each proposal is indicated on the voting form (by postal mail), the Company will deem that you indicated your approval of the proposal.

Institutional investors can use the electronic voting platform for institutional investors operated by ICJ Inc.

Information on How to Exercise Your Voting Rights Electronically

(i) Method using a smartphone, etc.: Entry of ID and password not required.

1. Please scan the QR Code® shown on the lower right of the Voting Right Exercise Form.



2. The top screen of the "General Meeting of Shareholders Portal" will be displayed. Please press the "Exercise voting rights" button at the top of the page.

3. Next, follow the on-screen entry instructions to enter your approval or disapproval.

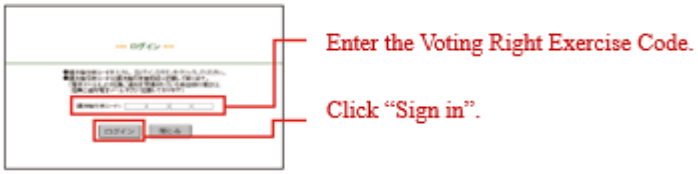
<Important notes> If you wish to change your vote after exercising your voting rights, you will need to enter the "Voting Right Exercise Code/General Meeting Portal Login ID" and "Password" indicated on the Voting Right Exercise Form.

* "QR Code®" is a registered trademark of DENSO WAVE INCORPORATED.

(ii) Method using a computer, etc.:

1. Please check the Voting Right Exercise Code and password indicated on the Voting Right Exercise Form.

2. Please enter your Voting Right Exercise Code and password and access the website at the following URL. After logging in, follow the on-screen instructions to enter your approval or disapproval.
Website for exercising voting rights: **https://www.web54.net** (in Japanese)



If you have any questions concerning how to operate your PC or smartphone when exercising your voting rights electronically, please contact:
Sumitomo Mitsui Trust Bank, Limited Securities agent web support dedicated phone number Toll-free (only from Japan): +81 (0)120-652-031 (Hours of operation: 9:00 a.m. to 9:00 p.m.) Please also see the Q&A (in Japanese).

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Material

Proposal 1: Appropriation of surplus

The Company implements shareholder returns while maintaining financial soundness and executing growth investments.

Taking into account the business performance of the fiscal year and future business development, the Company proposes to pay year-end dividends for the fiscal year as follows.

Matters related to year-end dividends

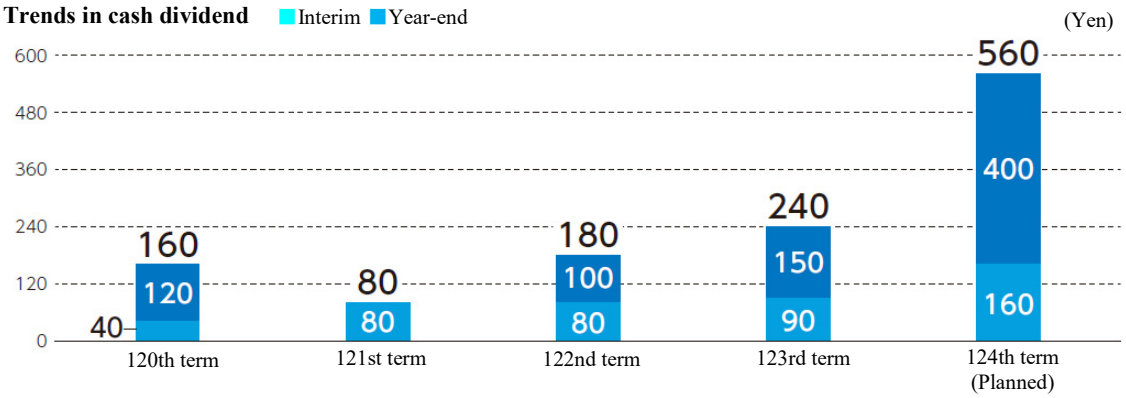
(1) Type of dividend property
Cash

(2) Allocation of dividend property and total amount thereof
¥400 per share of common stock of the Company

Total amount of dividends: ¥2,273,069,200

(3) Effective date of distribution of dividends of surplus
June 30, 2026

Reference



Proposal 2: Election of five (5) Directors

The terms of office of all five (5) Directors will expire at the conclusion of this General Meeting of Shareholders.

In this regard, with the aim of strengthening the governance structure by increasing the number of Outside Directors to form a majority, electing female and foreign Directors to maintain the percentage of female Directors at 20%, and ensuring diversity in terms of gender and internationality as well as an appropriate size, the Company proposes the election of five (5) Directors.

The candidates for Directors are as follows:

No.	Name	Sex	Current positions and assignments at the Company	
1	Tomio Miyazaki	Male	President & CEO & COO	[Reelection]
2	Tatsuya Kikuyama	Male	Director and Managing Executive Officer Supervising Sales/Marketing, Technical, and Quality General Manager of Sales/Marketing Division, General Manager of Technical Division, General Manager of Quality Division	[Reelection]
3	Yoshisada Takahashi	Male	Outside Director	[Reelection] [Outside Director] [Independent officer]
4	Ryuichi Murata	Male	Outside Director	[Reelection] [Outside Director] [Independent officer]
5	Jinning Tu	Female	Outside Director	[Reelection] [Outside Director] [Independent officer]

Reelection: Candidate for Director to be reelected
Outside Director: Candidate for outside Director
Independent officer: Independent officer as defined by the securities exchange

No.	Name (Date of birth)	Brief history, positions and assignments at the Company
1	Tomio Miyazaki (September 16, 1977) (Male) [Number of the Company's shares owned] 32,214 shares [Number of years in office as a Director of the Company] 12 years [Number of attendances at the Board of Directors Meetings] 13/13 [Reelection]	Apr. 2002 Joined Honda Motor Co., Ltd. Aug. 2002 Joined Wako Research Center of Honda R&D Co., Ltd. Oct. 2009 Joined Jinya Co., Ltd. Representative Director and President Apr. 2012 Established Jinya Connect Co., Ltd. President & CEO Jun. 2014 Outside Director of the Company Jun. 2017 Director in charge of Business Planning Department of the Company Apr. 2018 Established T.RAD CONNECT Co., Ltd. Director Jun. 2018 President & COO of the Company Mar. 2019 President and CEO of T.RAD CONNECT Co., Ltd. (current role) Jun. 2022 President & CEO & COO of the Company (current role) Nov. 2023 Director and Owner of Jinya Connect Co., Ltd. (current role)
		[Significant concurrent positions outside the Company] President and CEO of T.RAD CONNECT Co., Ltd. / Director and Owner of Jinya Connect Co., Ltd.
		[Reason for nomination as a candidate for Director] From June 2014, Tomio Miyazaki has actively provided opinions and advice as Outside Director on the basis of his extensive experience and deep knowledge of corporate management. Since June 2018, he has been responsible for execution of business as President & COO of the Company and has been in charge of group-wide management, providing strong leadership. He has been selected as a candidate for Director because we believe he is suited to continue his role in management as the Company seeks to achieve the targets of the medium-term management plan. The Company plans for him to continue to serve in the role of President & CEO (chief executive officer) & COO (chief operating officer) of the Company under the new system following his reelection.

No.	Name (Date of birth)	Brief history, positions and assignments at the Company
2	Tatsuya Kikuyama (January 29, 1964) (Male) [Number of the Company's shares owned] 13,360 shares [Number of years in office as a Director of the Company] 2 years [Number of attendances at the Board of Directors Meetings] 13/13 [Reelection]	Apr. 1986 Joined Toyo Radiator Co., Ltd. (currently the Company) Apr. 2006 General Manager of Heat Exchanger Designing Dept., Construction & Industrial Machine Group Product Development Center of the Company Apr. 2012 President of T.RAD North America, Inc. Jan. 2015 Deputy General Manager of Sales/Marketing and Technical Division (in charge of Technical) of the Company Jan. 2016 General Manager of Sales/Marketing and Technical Division (in charge of Technical) [supervising Development] of the Company Apr. 2018 Executive Officer Deputy General Manager of Sales/Marketing and Technical Division (in charge of Sales) of the Company Apr. 2020 Managing Executive Officer Supervising Sales/Marketing General Manager of Sales/Marketing Division of the Company Jan. 2024 Managing Executive Officer Supervising Sales/Marketing and Technical General Manager of Sales/Marketing Division, General Manager of Technical Division of the Company Jun. 2024 Director and Managing Executive Officer Supervising Sales/Marketing and Technical General Manager of Sales/Marketing Division, General Manager of Technical Division of the Company (current role) Jun. 2026 Supervising Quality and General Manager of Quality Division of the Company (current role) [Significant concurrent positions outside the Company] – [Reason for nomination as a candidate for Director] Tatsuya Kikuyama has extensive experience in design, technology, R&D, and sales, as well as overseas, and has demonstrated strong leadership as Director and Managing Executive Officer since June 2024. He has been selected as a candidate for Director because we believe he is suited for a role in management as the Company seeks to achieve the targets of the medium-term management plan. The Company plans for him to continue to take on his responsibilities of supervising Sales/Marketing, Technical, and Quality as Director and Managing Executive Officer under the new system following his reelection.

No.	Name (Date of birth)	Brief history and positions at the Company
3	Yoshisada Takahashi (December 8, 1955) (Male) [Number of the Company's shares owned] 484 shares [Number of years in office as a Director of the Company] 7 years [Number of attendances at the Board of Directors Meetings] 13/13 [Reelection] [Outside Director] [Independent officer]	Apr. 1978 Joined Komatsu Ltd. Jun. 1995 Plant Manager of Komatsu Brasil International Ltda. Apr. 2006 Executive Officer and Plant Manager of Awazu Plant, Production Division of Komatsu Ltd. Apr. 2008 Executive Officer and Plant Manager of Osaka Plant, Production Division of Komatsu Ltd. Apr. 2012 Managing Executive Officer, President of Production Division, Supervising Environment of Komatsu Ltd. Apr. 2016 Senior Executive Officer, Chief Information & Innovation Officer, President of Information Strategy Division, Supervising Production and Industrial Machinery Business of Komatsu Ltd. Apr. 2017 Executive Vice President, Chief Information & Innovation Officer, President of Information Strategy Division, Supervising Industrial Machinery Business of Komatsu Ltd. Apr. 2019 Advisor to President of Komatsu Ltd. Jun. 2019 Outside Director of the Company (current role) Jul. 2019 Consultant of Komatsu Ltd. (current role) Sep. 2019 Consultant of Ishikawa Prefecture (in charge of industry promotion) (current role) Jun. 2022 Outside Director of T-Gaia Corporation [Significant concurrent positions outside the Company] Consultant of Komatsu Ltd. / Consultant of Ishikawa Prefecture (in charge of industry promotion) [Reason for nomination as a candidate for Outside Director and expected roles] Yoshisada Takahashi has abundant knowledge of corporate management, and he provides opinions and suggestions for the overall management environment surrounding the Company in particular by leveraging his knowledge. He has been selected as a candidate for reelection as Outside Director because we hope that he will continue to provide advice concerning the corporate activities of the Company and supervise general management matters. If he is reelected, he will serve as a member of the Nomination and Remuneration Committee and will be involved in selecting candidates for Directors, Officers, and Audit & Supervisory Board Members of the Company and deciding their remuneration, etc., from an objective and neutral standpoint.

No.	Name (Date of birth)	Brief history and positions at the Company
4	Ryuichi Murata (April 12, 1948) (Male) [Number of the Company's shares owned] 484 shares [Number of years in office as a Director of the Company] 5 years [Number of attendances at the Board of Directors Meetings] 13/13 [Reelection] [Outside Director] [Independent officer]	Apr. 1971 Joined The Mitsubishi Bank, Limited Jan. 2006 Member of the Board of Directors, Senior Managing Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. May 2006 Deputy President of The Bank of Tokyo-Mitsubishi UFJ, Ltd. Jun. 2009 Director, Deputy President of Mitsubishi UFJ Lease & Finance Company Limited (currently Mitsubishi HC Capital Inc.) Jun. 2010 Representative Director, President & CEO of Mitsubishi UFJ Lease & Finance Company Limited (currently Mitsubishi HC Capital Inc.) Jun. 2012 Representative Director, Chairman of Mitsubishi UFJ Lease & Finance Company Limited (currently Mitsubishi HC Capital Inc.) Jun. 2016 Outside Audit & Supervisory Board Member of NORITAKE CO., LIMITED Jun. 2017 Advisor of Mitsubishi UFJ Lease & Finance Company Limited (currently Mitsubishi HC Capital Inc.) Jun. 2017 External Director of Kintetsu Group Holdings Co., Ltd. Jun. 2018 Outside Director of Eisai Co., Ltd. Jul. 2018 Senior Advisor to Mitsubishi UFJ Lease & Finance Company Limited (currently Mitsubishi HC Capital Inc.) Jun. 2021 Outside Director of the Company (current role) Apr. 2026 Honorary Advisor to Mitsubishi HC Capital Inc. (current role) [Significant concurrent positions outside the Company] Honorary Advisor to Mitsubishi HC Capital Inc. [Reason for nomination as a candidate for Outside Director and expected roles] Ryuichi Murata has abundant knowledge of corporate management across different industries, and he supervises the overall management of the Company by leveraging his knowledge. He has been selected as a candidate for reelection as Outside Director because we hope that he will continue supervise general management matters of the Company. If he is elected, he will serve as a member of the Nomination and Remuneration Committee and will be involved in selecting candidates for Directors, Officers, and Audit & Supervisory Board Members of the Company and deciding their remuneration, etc., from an objective and neutral standpoint.

No.	Name (Date of birth)	Brief history and positions at the Company
5	Jinning Tu (May 6, 1978) (Female) [Number of the Company's shares owned] 484 shares [Number of years in office as a Director of the Company] 3 years [Number of attendances at the Board of Directors Meetings] 13/13 [Reelection] [Outside Director] [Independent officer]	Oct. 2006 Joined Anderson Mori & Tomotsune Jan. 2013 Joined Wintell & CO (Shanghai China) Aug. 2013 Joined Anderson Mori & Tomotsune Jan. 2018 Appointed as Senior Foreign Counsel for Partner Treatment of Anderson Mori & Tomotsune Jan. 2021 Appointed as Partner Anderson Mori & Tomotsune (current role) Jun. 2023 Outside Director of the Company (current role) [Significant concurrent positions outside the Company] Partner of Anderson Mori & Tomotsune [Reason for nomination as a candidate for Outside Director and expected roles] Although Jinning Tu has never in the past been directly involved in the management of a company except as an outside officer, she has abundant experience, expert knowledge and high regulatory compliance spirit as an attorney, and she supervises the overall management of the Company by leveraging her knowledge. She has been selected as a candidate for reelection as Outside Director because we hope that she will continue supervise general management matters of the Company. If she is reelected, she will serve as a member of the Nomination and Remuneration Committee and will be involved in selecting candidates for Directors, Officers, and Audit & Supervisory Board Members of the Company and deciding their remuneration, etc., from an objective and neutral standpoint.

Notes:

1. There is no special interest between the candidates and the Company.
2. The number of the Company's shares owned includes shares of stock in Officer's Shareholding Association.
3. Yoshisada Takahashi, Ryuichi Murata and Jinning Tu are candidates for Outside Director.
4. Yoshisada Takahashi, Ryuichi Murata and Jinning Tu are currently Outside Directors of the Company, and their terms of office as Outside Directors will be seven (7) years for Yoshisada Takahashi, five (5) years for Ryuichi Murata and three (3) years for Jinning Tu at the conclusion of this Ordinary General Meeting of Shareholders.
5. The Company has reported Yoshisada Takahashi, Ryuichi Murata and Jinning Tu to the Tokyo Stock Exchange as independent officers as defined by the Exchange, and if their reelection is approved, they will continue to serve as independent officers.
6. Yoshisada Takahashi was involved in business execution for Komatsu Ltd., a specified associated service provider (an important counterparty) of the Company, within the past ten (10) years. Note that his positions and assignments at that company during the past ten (10) years are as noted in the above "Brief history and positions at the Company."
7. Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Yoshisada Takahashi, Ryuichi Murata and Jinning Tu to limit their liability for damages under Article 423, paragraph 1 of the same Act. Their maximum amount of the liability for damages under these agreements is the amount stipulated by laws and regulations. If their reelection is approved, the Company intends to continue the agreements with them.
8. The Company has entered into a directors and officers liability insurance policy as stipulated in Article 430-3, paragraph 1 of the Companies Act with an insurance company. The policy covers the litigation expenses incurred in third-party litigation, shareholder derivative suits, and corporate litigation for the insureds including the Directors of the Company, and the amount of indemnification arising out of such event. (However, the coverage excludes actions taken with full knowledge of their illegality.) The entire premium for this policy is paid by the Company. If the candidate is elected as Director, the Director is included as an insured under the policy. The Company plans to renew the insurance policy with the same terms at the next renewal.

Proposal 3: Election of one (1) Audit & Supervisory Board Member

As Yasutaka Oba passed away and vacated his position as Audit & Supervisory Board Member in October 2025, we filed a petition with the Tokyo District Court for the election of a provisional Audit & Supervisory Board Member. As a result, Hisashi Fujii was elected and assumed office as provisional Audit & Supervisory Board Member effective January 5, 2026. As the term of office of the provisional Audit & Supervisory Board Member is until the election of an Audit & Supervisory Board Member at this Ordinary General Meeting of Shareholders, the Company proposes his election as Audit & Supervisory Board Member.

The Audit & Supervisory Board has given its consent to this proposal.

The candidate for Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Brief history and positions at the Company	
Hisashi Fujii (December 18, 1980) (Male) [Number of the Company's shares owned] 0 shares [Number of months in office as a provisional Audit & Supervisory Board Member of the Company] 5 months [Number of attendances at the Audit & Supervisory Board Meetings] 3/3 [New election] [Outside Audit & Supervisory Board Member] [Independent officer]	Apr. 2003	Joined Shin Nihon & Co. (currently Ernst & Young ShinNihon LLC)
	Apr. 2006	Registered as a certified public accountant
	Dec. 2011	Registered as an attorney at law
	Dec. 2011	Joined Shibadaimon Law Office
	Oct. 2015	Reemployment Surveillance Inspector, Ministry of Defense (part-time) (current role)
	Aug. 2017	Joined Link Partners Law Firm (current role)
	Jul. 2019	Outside Audit & Supervisory Board Member of YOSHIDUMI HOLDINGS, Inc. (current role)
	Apr. 2022	Outside Audit & Supervisory Board Member of Think-Lands Co., Ltd. (current role)
	Oct. 2023	Outside Audit & Supervisory Board Member of CareRitz Technologies Inc. (current role)
	Dec. 2023	Outside Director of Linc'well Inc. (current role)
	Jun. 2024	Auditor of Sasaki Taiju Scholarship Foundation (current role)
	Aug. 2024	Outside Director of M.D.B Corporation (current role)
	Jun. 2025	Outside Director of REDCLIFF, Inc. (current role)
	Jan. 2026	Provisional Audit & Supervisory Board Member of the Company (current role)
	[Significant concurrent positions outside the Company] Partner of Link Partners Law Firm Reemployment Surveillance Inspector, Ministry of Defense (part-time) Outside Audit & Supervisory Board Member of YOSHIDUMI HOLDINGS, Inc. Outside Audit & Supervisory Board Member of Think-Lands Co., Ltd. Outside Audit & Supervisory Board Member of CareRitz Technologies Inc. Outside Director of Linc'well Inc. Auditor of Sasaki Taiju Scholarship Foundation Outside Director of M.D.B Corporation Outside Director of REDCLIFF, Inc.	

	[Reason for Nomination as a Candidate for Outside Audit & Supervisory Board Member] Since his appointment to the position of provisional Audit & Supervisory Board Member of the Company in January 2026, Hisashi Fujii has satisfactorily fulfilled his duties by providing opinions and recommendations at meetings of the Board of Directors and the Audit & Supervisory Board on the basis of his extensive experience and expertise as a certified public accountant and attorney at law, as well as his strong spirit of compliance with laws and regulations. He has never in the past been involved in the management of a company except as an outside officer. However, the Company judges he will continue to appropriately fulfill his duties based on this expertise, and therefore has nominated him as a candidate for outside Audit & Supervisory Board Member.

Notes:

1. There is no special interest between the candidate and the Company.
2. Hisashi Fujii is a candidate for Outside Audit & Supervisory Board Member.
3. Hisashi Fujii is currently a provisional Audit & Supervisory Board Member of the Company, and his term of office as a provisional Audit & Supervisory Board Member will be five (5) months at the conclusion of this Ordinary General Meeting of Shareholders.
4. The Company has reported Hisashi Fujii to the Tokyo Stock Exchange as an independent officer as defined by the Exchange, and if his election is approved, he will continue to serve as an independent officer.
5. Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Hisashi Fujii to limit his liability for damages under Article 423, paragraph 1 of the same Act. His maximum amount of the liability for damages under these agreements is the amount stipulated by laws and regulations, and the Company intends to continue the agreements with him if his election is approved.
6. The Company has entered into a directors and officers liability insurance policy as stipulated in Article 430-3, paragraph 1 of the Companies Act with an insurance company. The policy covers the expenses incurred in third-party litigation, shareholder derivative suits, and corporate litigation for the insureds including the Audit & Supervisory Board Members of the Company, and the amount of indemnification arising out of such event. (However, the coverage excludes actions taken with full knowledge of their illegality.) The entire premium for this policy is paid by the Company. If the candidate is elected as an Audit & Supervisory Board Member, he will be included as an insured under the policy. The Company plans to renew the insurance policy with the same terms at the next renewal.

Reference

Composition of Officers

If Proposal 2 is approved and adopted in its original form, the Company's Board of Directors will be composed of five Directors, of which three will be Outside Directors. The percentage of Directors who are female will be 20% (one out of five Directors) and the percentage of Directors who are foreign nationals will be 20% (one out of five Directors).

In addition, in conjunction with business expansion, the Company has introduced an executive officer system in order to separate the management supervision function from the business execution function. After the conclusion of this General Meeting of Shareholders, the seven Executive Officers will be as follows.

President & CEO & COO	Tomio Miyazaki	
Director and Managing Executive Officer	Tatsuya Kikuyama	Supervising Sales/Marketing, Technical, and Quality General Manager of Sales/Marketing Div., General Manager of Technical Div., General Manager of Quality Div.
Managing Executive Officer	Yasushi Hotta	Supervising Business Planning & Administration and Human Resources and General Affairs, and General Manager of Business Planning & Administration Div.
Managing Executive Officer	Hirokazu Urano	Supervising Production & Purchasing and General Manager of Production Div., and General Manager of Purchasing Div.
Managing Executive Officer	Kaoru Kinoshita	Supervising Accounting and Financial and Cost Planning
Executive Officer	Seiichi Furuya	Deputy General Manager of Quality Div.
Executive Officer	Shu Zheng Yu	Supervising Chinese Business

Skills Matrix

If Proposal 2 and Proposal 3 are approved and adopted in their original form, the composition of officers and skills of each officer will be as listed below.

		Corporate Manage-ment	Finance & Accounting /Internal Control	Engineer-ing/R&D	Production/ Plant Engineer-ing	IT/DX	Global Business/ Sales	Legal Affairs	Sustain-ability
Director	Tomio Miyazaki	○		○		○			○
	Tatsuya Kikuyama	○		○	○		○		○
	Yoshisada Takahashi	○			○	○	○		
	Ryuichi Murata	○	○						
	Jinning Tu						○	○	
Audit & Supervisory Board Member	Kosei Tamura						○		
	Satoshi Iwasaki				○				
	Mikio Endo	○							
	Hisashi Fujii		○					○	

[Reasons for Adopting Items in Skills Matrix]

Skill Items	Reasons for Adoption
Corporate Management	While the entire industry is being transformed, in order to make appropriate management decisions and to embody the T.RAD Management Philosophy, we need members of the Board of Directors with management experience and track records, the skills to formulate sustainable growth strategies, as well as experience and skills in other industries.
Finance & Accounting/Internal Control	In order to maximize corporate value through the efficient management of the Company's capital, we need members of the Board of Directors with the skills and knowledge for conducting accurate financial reporting, building a strong financial base, and formulating financial and capital strategies that enable growth investments and shareholder returns for sustainably raising corporate value, as well as internal control skills to establish an appropriate governance system.
Engineering/R&D	As the world moves significantly toward carbon neutrality, it is necessary to continue to create and provide value-added products that respond to the rapidly advancing electrification of automobiles, as well as to further improve the performance of existing products. For this purpose, we need members of the Board of Directors who are skilled in advanced technologies, and have track records in promoting various innovations as well as the skills and experience to proactively address issues in the global environment field from a management perspective.
Production/Plant Engineering	In order for the Company to continuously provide products which are safe and secure as well as high-performance and high-quality, it is essential to improve and promote safe and highly efficient production facilities and manufacturing technology capabilities that incorporate advanced technologies. Therefore, we need members of the Board of Directors with high skills and experience in the areas of manufacturing and production engineering.
IT/DX	With the speed of digitalization accelerating at customers and competitors, in order for the Company to ensure a higher level of competitiveness, it is essential to promote business reform and DX through the use of IT and to improve productivity through the use of IoT and AI. In order to do so, we need members of the Board of Directors with track records in promoting various innovations and with skills and knowledge in the field of digital technology.
Global Business/Sales	Amidst a rapidly changing global economic environment, in order to further solidify our global structure, which is our growth area, and to maximize results, we need members of the Board of Directors with extensive skills and experience in business management, business environment, lifestyle, and sales strategies overseas.
Legal Affairs	The foundation for the Company's continued global expansion is the establishment of an appropriate governance system, and also in order to improve the effectiveness of management supervision on a global basis, members of the Board of Directors having legal knowledge and having skills and knowledge in the fields of corporate governance and risk management are required.
Sustainability	The perspective of sustainability management is essential to embody the Company's management philosophy. In order to balance contributions to a sustainable society and long-term sustainable growth, and to contribute to the sustainable development of society through business activities, members of the Board of Directors with experience, insight, expertise, etc. in sustainability are needed.

124th Term

Annual Shareholders Meeting

Proposals, Business Report, etc.

Date and Time

Monday, June 29, 2026

3:00 p.m.

Venue

3-25-3 Yoyogi, Shibuya-ku, Tokyo

Aioi Nissay Dowa Insurance Shinjuku Building, 3rd Floor Conference Room

Proposals

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Five (5) Directors

Proposal No. 3: Election of One (1) Audit & Supervisory Board Member

T.RAD Co., Ltd.

株式会社ティラド

Securities Code: 7236

Disclaimer

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

TOP MESSAGE

Message from the Representative

We would like to express our sincere gratitude to our shareholders for your continued support.

We hereby deliver this notice of convocation for the 124th Annual Shareholders Meeting to be held on June 29.

Representative Director, CEO and COO

President and Executive Officer

Tomio Miyazaki

Fiscal year 2025 was marked by the need to respond to U.S. tariff policies. At the same time, geopolitical risks intensified in various regions around the world, including Ukraine and the Middle East, making the outlook for the global economy increasingly uncertain. The automotive industry also experienced significant changes in its business environment, including a slowing pace of electrification, the rise of Chinese manufacturers, and the emergence of supply chain risks.

Despite these challenges, we achieved net sales of ¥162.3 billion, operating profit of ¥11.2 billion, ordinary profit of ¥12.4 billion, and net income attributable to owners of the parent of ¥8.8 billion in fiscal year 2025, reaching record-high sales and profits for the second consecutive year. In addition, our U.S. operations returned to profitability for the first time in eight years as a result of progress in our production transfer project. We believe these achievements reflect our ability to respond effectively to changes in the business environment, as well as our steady efforts to enhance productivity, strengthen quality management, and improve overall operational performance as an automotive parts manufacturer.

On April 27, we announced our new medium-term management plan, "T.RAD-2026." As a specialized manufacturer of heat exchangers, we will further advance our multi-pathway strategy to address the diverse needs of all powertrain types. We will focus on expanding sales of our multi-function radiator, for which we have already secured orders, while further strengthening our presence in the automotive parts market. Looking ahead, we also see significant opportunities for heat exchanger technologies beyond the automotive sector. Over the medium to long term, we will pursue growth opportunities in data centers, humanoid robots, and space-related applications.

In fiscal year 2025, our ROE reached 17.2%, exceeding our initial target of 15%. Under the new medium-term management plan, we will further advance growth investments and capital-efficient management, aiming to achieve net sales of ¥200 billion or more and ROE of 20% or more in fiscal year 2030. With regard to dividends, we have set a target of progressive dividends with a payout ratio of 50% or more and DOE of 5% or more. We will also continue to steadily strengthen shareholder returns.

In 2026, we will celebrate the 90th anniversary of our founding. Under our management philosophy of contributing to the realization of a sustainable society that is friendly to the global environment through the provision of superior thermal energy conversion technologies and services, we will continue to build upon the world-class technologies and expertise we have cultivated over the years and strive to achieve the next stage of growth.

We respectfully ask for your continued understanding and support.

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For this shareholders meeting, shareholders who have requested delivery of documents will be sent documents containing the matters for electronic provision. Among the matters for electronic provision, the following matters are not included in the documents to be sent, pursuant to laws and regulations and the provisions of our Articles of Incorporation.
The company auditors and accounting auditors have audited the documents subject to audit, including the following matters.

■Business Report
- Matters relating to the current status of the corporate group
  - Issues to be addressed
  - Changes in financial position and results of operations
  - Principal business activities
  - Principal offices and plants
  - Status of employees
  - Status of major lenders
- Matters relating to shares of the Company
- Matters relating to share options, etc.
- Matters relating to company officers
  - Matters relating to outside officers
- Status of Accounting Auditors
- Matters relating to the development of systems to ensure the appropriateness of operations

■Consolidated Financial Statements
- Consolidated Statement of Changes in Equity
- Notes to Consolidated Financial Statements

■Financial Statements
- Balance Sheet (Non-consolidated)
- Statement of Income (Non-consolidated)
- Statement of Changes in Equity
- Notes to Non-consolidated Financial Statements

■Audit Report
- Accounting audit report pertaining to the financial statements
- Audit report of the Board of Company Auditors

Reference Documents for Shareholders Meetings

Proposals and Matters for Reference

Proposal No. 1 Appropriation of Surplus

The Company returns profits to shareholders while maintaining financial soundness and making growth investments.

Regarding the year-end dividend for this fiscal year, taking into consideration the performance for this fiscal year and future business development, we propose the following.

Matters related to the year-end dividend

(1) Type of property for distribution

Cash

(2) Matters relating to the allocation of the property for distribution and the total amount thereof

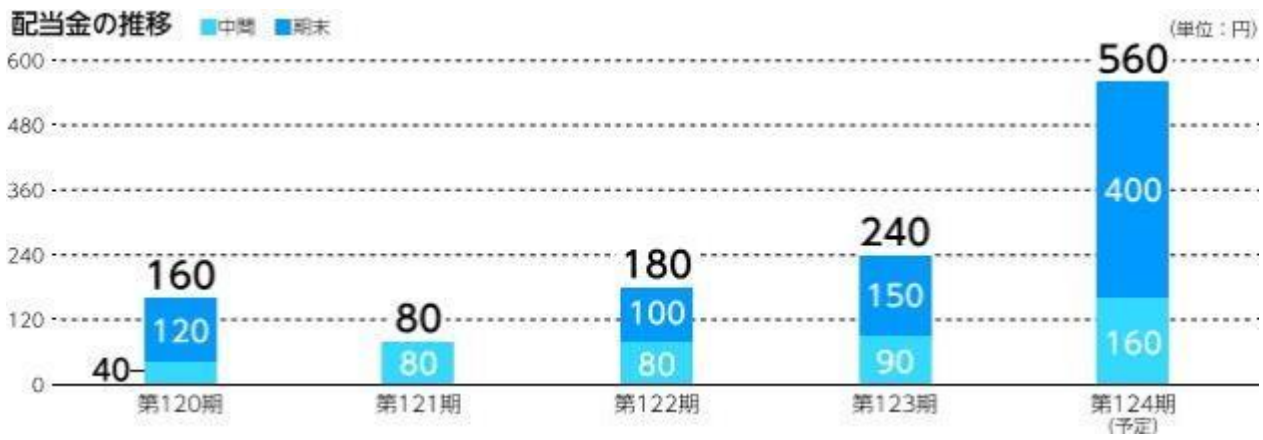
We propose 400 yen per share of common stock of the Company.

In this case, the total dividend amount will be 2,273,069,200 yen.

(3) Effective date of the distribution of surplus

We propose June 30, 2026.

<Reference>



Proposal No. 2 Election of Five (5) Directors

The terms of office of all directors (5) will expire at the conclusion of this general meeting.

Accordingly, in order to establish a robust governance structure by having a majority of outside directors, and to elect female and foreign directors to maintain a female director ratio of 20% and achieve both diversity in gender and internationality and an appropriate size, we request the election of five (5) directors.

The candidates for directors are as follows.

Candidate Number	Name	Gender	Position and Responsibilities at the Company	
1	Tomio Miyazaki	Male	Representative Director, CEO and COO, President and Executive Officer	Reappointment
2	Tatsuya Kikuyama	Male	Director, Senior Managing Executive Officer In charge of Sales, Technology, and Quality General Manager of Sales Division, General Manager of Technology Division, General Manager of Quality Division	Reappointment
3	Yoshisada Takahashi	Male	Outside Director	Reappointment Outside Independent
4	Ryuichi Murata	Male	Outside Director	Reappointment Outside Independent
5	Jinning Tu	Female	Outside Director	Reappointment Outside Independent

Reappointment: Candidate for reappointment as director
Outside: Candidate for outside director
Independent: Independent officer as defined by the stock exchange

Number of shares of the Company held

32,214 shares

Years in office

12 years

Attendance at Board of Directors meetings

13/13 meetings

Candidate Number

1

Tomio Miyazaki (Born September 16, 1977) (Male)

Reappointment

[Career summary, position and responsibilities at the Company]

2002Year/Month 4	Joined Honda Motor Co., Ltd.	2018Year/Month 4	Established T.RAD Connect Co., Ltd., Director
2002Year/Month 8	Honda R&D Co., Ltd. Joined Wako Fundamental Technology Research Center	2018Year/Month 6	Representative Director, COO, President and Executive Officer of the Company
2009Year/Month10	Joined Jinya Co., Ltd. Representative Director and President	2019Year/Month 3	T.RAD Connect Co., Ltd. Representative Director and President (current position)
2012Year/Month 4	Established Jinya Connect Co., Ltd., Representative Director and CEO	2022Year/Month 6	Representative Director, CEO and COO of the Company President and Executive Officer (current position)
2014Year/Month 6	Outside Director of the Company	2023Year/Month11	Jinya Connect Co., Ltd.
2017Year/Month 6	Director in charge of Corporate Planning		Director and Owner (current position)

[Significant concurrent positions]

Representative Director and President, T.RAD Connect Co., Ltd. / Director and Owner, Jinya Connect Co., Ltd.

Reasons for nomination as director candidate

Mr. Tomio Miyazaki has actively provided opinions and recommendations as an outside director since June 2014, based on his extensive experience and deep insight in corporate management. Since June 2018, as Representative Director, President and Executive Officer, he has been responsible for all business execution and has led the management of the entire Group with strong leadership. He has been nominated as a director candidate as he is suitable to continue his role as a manager toward achieving the medium-term management plan. Under the new structure following reappointment, he is expected to continue serving as Representative Director, CEO (Chief Executive Officer) and COO (Chief Operating Officer), President and Executive Officer.

Number of shares of the Company held

13,360 shares

Years in office

2 years

Attendance at Board of Directors meetings

13/13 meetings

Candidate Number

2

Tatsuya Kikuyama (Born January 29, 1964) (Male)

Reappointment

[Career summary, position and responsibilities at the Company]

1986Year/Month 4	Joined the Company	2018Year/Month 4	Executive Officer, Deputy General Manager (Sales), Sales and Technology Division
2006Year/Month 4	General Manager, Construction and Industrial Machinery, Heat Exchanger Design Department, Product Development Center	2020Year/Month 4	Senior Managing Executive Officer, in charge of Sales, General Manager of Sales Division
2012Year/Month 4	Director and President, T.RAD North America, Inc.	2024Year/Month 1	Senior Managing Executive Officer, in charge of Sales and Technology, General Manager of Sales Division, General Manager of Technology Division
2015Year/Month 1	Attached to Deputy General Manager (Technology), Sales and Technology Division of the Company		
2016Year/Month 1	Chief Officer, Development Supervision, Sales and Technology Division (Technology)	2024Year/Month 6	Director, Senior Managing Executive Officer, in charge of Sales and Technology, General Manager of Sales Division, General Manager of Technology Division (current position)
		2026Year/Month 6	In charge of Quality, General Manager of Quality Division (current position)

[Significant concurrent positions]

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Reasons for nomination as director candidate

Mr. Tatsuya Kikuyama has extensive experience in design, technology, research and development, sales, and overseas operations, and has demonstrated strong leadership as Director, Senior Managing Executive Officer since June 2024. He has been nominated as a director candidate as he is suitable to serve in a management role toward achieving the medium-term management plan. Under the new structure following reappointment, he is expected to continue serving as Director, Senior Managing Executive Officer in charge of Sales, Technology, and Quality.

Number of shares of the Company held

484 shares

Years in office

7 years

Attendance at Board of Directors meetings

13/13 meetings

Candidate Number

3

Yoshisada Takahashi (Born December 8, 1955) (Male)

Reappointment | Outside | Independent

[Career summary, position at the Company]

1978Year/Month 4	Joined Komatsu Ltd.
1995Year/Month 6	Plant Manager, Komatsu Brazil Ltd.
2006Year/Month 4	Executive Officer, Production Division, Plant Manager of Awazu Plant, Komatsu Ltd.
2008Year/Month 4	Executive Officer, Production Division, Plant Manager of Osaka Plant
2012Year/Month 4	Senior Executive Officer General Manager of Production Division, in charge of Environment
2016Year/Month 4	Managing Executive Officer CIO and General Manager of IT Strategy Division In charge of Production and Industrial Machinery Business
2017Year/Month 4	Executive Vice President CIO and General Manager of IT Strategy Division In charge of Industrial Machinery Business
2019Year/Month 4	Advisor to President
2019Year/Month 6	Outside Director of the Company (current position)
2019Year/Month 7	Advisor, Komatsu Ltd. (current position)
2019Year/Month 9	Advisor to Ishikawa Prefecture (in charge of industrial promotion) (current position)
2022Year/Month 6	Outside Director, T-Gaia Corporation

[Significant concurrent positions]

Advisor, Komatsu Ltd. / Advisor to Ishikawa Prefecture (in charge of industrial promotion)

Reasons for Nomination as Outside Director Candidate and Summary of Expected Roles

Mr. Yoshisada Takahashi possesses extensive knowledge of corporate management and has provided opinions and recommendations regarding the overall management environment surrounding the Company, utilizing such knowledge. He has been nominated as an outside director candidate to continue providing advice on the Company's corporate activities and supervising overall management. In addition, if he is reappointed, he is expected to be involved as a member of the Nomination and Remuneration Committee in the selection of officer candidates and determination of officer remuneration, etc. from an objective and neutral standpoint.

Number of shares of the Company held

484 shares

Years in office

5 years

Attendance at Board of Directors meetings

13/13 meetings

Candidate Number

4

Ryuichi Murata (Born April 12, 1948) (Male)

Reappointment | Outside | Independent

[Career summary, position at the Company]

1971Year/Month 4	Joined The Mitsubishi Bank, Ltd.
2006Year/Month 1	Senior Managing Director, The Bank of Tokyo-Mitsubishi UFJ, Ltd.
2006Year/Month 5	Deputy President, same bank
2009Year/Month 6	Vice President and Director, Mitsubishi UFJ Lease & Finance Company Limited (currently Mitsubishi HC Capital Inc.)
2010Year/Month 6	President and Representative Director, same company
2012Year/Month 6	Chairman and Representative Director, same company
2016Year/Month 6	Outside Company Auditor, Noritake Co., Limited
2017Year/Month 6	Senior Advisor, Mitsubishi UFJ Lease & Finance Company Limited (currently Mitsubishi HC Capital Inc.)
2017Year/Month 6	Outside Director, Kintetsu Group Holdings Co., Ltd.
2018Year/Month 6	Outside Director, Eisai Co., Ltd.
2018Year/Month 7	Special Advisor, Mitsubishi UFJ Lease & Finance Company Limited (currently Mitsubishi HC Capital Inc.)
2021Year/Month 6	Outside Director of the Company (current position)
2026Year/Month 4	Honorary Advisor, Mitsubishi HC Capital Inc. (current position)

[Significant concurrent positions]

Honorary Advisor, Mitsubishi HC Capital Inc.

Reasons for Nomination as Outside Director Candidate and Summary of Expected Roles

Mr. Ryuichi Murata possesses extensive knowledge of corporate management, including in different industries, and has been supervising the overall management of the Company utilizing such knowledge. He has been nominated as an outside director candidate to continue supervising the overall management of the Company. In addition, if he is elected, he is expected to be involved as a member of the Nomination and Remuneration Committee in the selection of officer candidates and determination of officer remuneration, etc. from an objective and neutral standpoint.

Candidate Number

5

Jinning Tu

(Date of Birth: May 6, 1978) (Female)

Reappointment | Outside | Independent

Number of shares of the Company held

484 shares

Years in office

3 years

Attendance at Board of Directors meetings

13/13 meetings

[Career summary, position at the Company]

2006Year/Month10	Joined Anderson Mori & Tomotsune
2013Year/Month 1	Joined Wintell & Co. Law Firm (Shanghai, China)
2013Year/Month 8	Joined Anderson Mori & Tomotsune
2018Year/Month 1	Appointed Senior Foreign Counsel with Partner Treatment, same firm
2021Year/Month 1	Appointed Partner, same firm (current position)
2023Year/Month 6	Outside Director of the Company (current position)

[Significant concurrent positions]

Partner, Anderson Mori & Tomotsune

Reasons for Nomination as Outside Director Candidate and Summary of Expected Roles

Ms. Jinning Tu has no experience directly involved in corporate management other than serving as an outside officer, but she possesses extensive experience and expertise as an attorney as well as a strong spirit of legal compliance, and has been supervising the overall management of the Company utilizing such knowledge. She has been nominated as an outside director candidate to continue supervising the overall management of the Company. In addition, if she is elected, she is expected to be involved as a member of the Nomination and Remuneration Committee in the selection of officer candidates and determination of officer remuneration, etc. from an objective and neutral standpoint.

(Notes)

1. There are no special interests between any of the candidates and the Company.
2. The number of the Company's shares held includes shares held through the Officers' Shareholding Association.
3. Mr. Yoshisada Takahashi, Mr. Ryuichi Murata, and Ms. Jinning Tu are outside director candidates.
4. Mr. Yoshisada Takahashi, Mr. Ryuichi Murata, and Ms. Jinning Tu are currently outside directors of the Company, and their terms of office as outside directors will be 7 years for Mr. Yoshisada Takahashi, 5 years for Mr. Ryuichi Murata, and 3 years for Ms. Jinning Tu at the conclusion of this General Meeting of Shareholders.
5. The Company has registered Mr. Yoshisada Takahashi, Mr. Ryuichi Murata, and Ms. Jinning Tu as independent officers as defined by the Tokyo Stock Exchange, and if the reappointment of Mr. Yoshisada Takahashi, Mr. Ryuichi Murata, and Ms. Jinning Tu is approved, they will continue to serve as independent officers.
6. Mr. Yoshisada Takahashi was an executive of Komatsu Ltd., a specified related business operator (major business partner) of the Company, within the past 10 years. His positions and responsibilities at the company over the past 10 years are as stated in the ""Career Summary, Position at the Company"" section above.
7. The Company has entered into agreements with Mr. Yoshisada Takahashi, Mr. Ryuichi Murata, and Ms. Jinning Tu to limit the liability for damages as provided in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the same Act. The maximum amount of liability for damages under such agreements is the amount stipulated by laws and regulations, and if the reappointment of the three individuals is approved, the Company intends to continue such agreements.
8. The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, which covers litigation expenses and damages, etc. incurred in third-party lawsuits, shareholder derivative lawsuits, and company lawsuits involving insured persons including the Company's directors (excluding cases where acts were committed with knowledge of violations of laws and regulations, etc.). The Company bears the entire cost of premiums for such insurance contract. If each candidate is elected as a director, he or she will become an insured person under such insurance contract. The Company plans to renew such insurance contract with the same terms at the next renewal.

Proposal No. 3

Election of One (1) Company Auditor

Mr. Yasutaka Oba resigned as Company Auditor due to his passing in October 2025, and the Company filed a petition with the Tokyo District Court for the appointment of a temporary company auditor. As a result, Mr. Hisashi Fujii was appointed and assumed office as a temporary company auditor as of January 5, 2026. Since the term of office of a temporary company auditor is until a company auditor is elected at this Annual General Meeting of Shareholders, we request the election of Mr. Fujii as a Company Auditor.

This proposal has been approved by the Board of Company Auditors.

The Company Auditor candidate is as follows.

Number of shares of the Company held

0 shares

Months in Office as Temporary Company Auditor

5 months

Board of Company Auditors Meeting Attendance

3/3 meetings

Hisashi Fujii (Born December 18, 1980) (Male)

New Appointment | Outside | Independent

[Career summary, position at the Company]

2003Year/Month 4	Joined Shin Nihon & Co. (currently Ernst & Young ShinNihon LLC)
2006Year/Month 4	Registered as Certified Public Accountant
2011Year/Month12	Registered as Attorney at law
2011Year/Month12	Joined Shibadaimon Law Office
2015Year/Month10	Reemployment Surveillance Inspector, Ministry of Defense (part-time) (current role)
2017Year/Month 8	Joined Link Partners Law Firm (current role)
2019Year/Month 7	Outside Company Auditor, YOSIDUMI HOLDINGS,Inc.(current role)
2022Year/Month 4	Think-lands Co., Ltd. Outside Company Auditor (current role)
2023Year/Month10	Outside Company Auditor, CareRitz Technologies Inc. (current role)
2023Year/Month12	Outside Director, Linc'well Inc. (current role)
2024Year/Month 6	Auditor, Sasaki Taiju Scholarship Foundation (current role)
2024Year/Month 8	Outside Director, M.D.B. Corporation (current role)
2025Year/Month 6	Outside Director, REDCLIFF, Inc. (current role)
2026Year/Month 1	Temporary Company Auditor of the Company (current role)

[Significant concurrent positions]

Partner, Link Partners Law Firm / Reemployment Surveillance Inspector, Ministry of Defense (part-time) / Outside Company Auditor, YOSHIDUMI HOLDINGS Inc. / Outside Company Auditor, Think-lands Co., Ltd. / Outside Company Auditor, CareRitz Technologies Inc. / Outside Director, Linc'well Inc. / Auditor, Sasaki Taiju Scholarship Foundation / Outside Director, M.D.B Corporation / Outside Director, REDCLIFF, Inc.

Reasons for Nomination as Outside Company Auditor Candidate

Mr. Hisashi Fujii has served as a temporary company auditor of the Company since January 2026, and has provided opinions and recommendations at Board of Directors and Board of Company Auditors meetings based on his extensive experience and expertise as a certified public accountant and attorney, as well as his strong spirit of legal compliance, fully fulfilling his duties. Although he has no experience directly involved in corporate management other than serving as an outside officer, we have determined that he will be able to appropriately fulfill his duties based on this knowledge, and have nominated him as an outside company auditor candidate.

(Note) 1. There are no special interests between the candidate and the Company.

2. Mr. Hisashi Fujii is an outside company auditor candidate.
3. Mr. Hisashi Fujii is currently a temporary company auditor of the Company, and his term of office as a temporary company auditor will be 5 months at the conclusion of this General Meeting of Shareholders.
4. The Company has registered Mr. Hisashi Fujii as an independent officer as defined by the Tokyo Stock Exchange, and if the election of Mr. Hisashi Fujii is approved, he will continue to serve as an independent officer.
5. The Company has entered into an agreement with Mr. Hisashi Fujii to limit the liability for damages as provided in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the same Act.
   The maximum amount of liability for damages under such agreement is the amount stipulated by laws and regulations, and if the election of Mr. Hisashi Fujii is approved, the Company intends to continue such agreement.
6. The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, which covers insured persons including the Company's company auditors
   for litigation expenses and damages, etc. incurred in third-party lawsuits, shareholder derivative lawsuits, and company lawsuits (excluding cases where acts were committed with knowledge of violations of laws and regulations, etc.). The Company bears the entire cost of premiums for such insurance contract. If the candidate is elected, he will become an insured person under such insurance contract. The Company plans to renew such insurance contract with the same terms at the next renewal.

Reference

Composition of Officers

If Proposal No. 2 is approved as originally proposed, the Board of Directors of the Company will consist of 5 directors, of which 3 will be outside directors, with a female ratio of 20% (1 out of 5) and a foreign national ratio of 20% (1 out of 5).

In addition, the Company has introduced an executive officer system to separate the management supervision function from the business execution function in line with the expansion of its business. After the conclusion of this General Meeting of Shareholders, there will be 7 executive officers as follows.

Representative Director, CEO and COO, President and Executive Officer	Tomio Miyazaki	
Director, Senior Managing Executive Officer	Tatsuya Kikuyama	In charge of Sales, Technology, and Quality and General Manager of Sales Division, General Manager of Technology Division, and General Manager of Quality Division
Senior Managing Executive Officer	Yasushi Hotta	In charge of Business Administration and Human Resources & General Affairs, and General Manager of Business Administration Division
Senior Managing Executive Officer	Hirokazu Urano	In charge of Production and Procurement, General Manager of Production Division, and General Manager of Procurement Division
Senior Managing Executive Officer	Kaoru Kinoshita	In charge of Accounting, Finance, and Cost Planning
Executive Officer	Seiichi Furuya	Deputy General Manager of Quality Division
Executive Officer	Masau Tsuka	In charge of China Business

Skill Matrix

If Proposals No. 2 and No. 3 are approved as originally proposed, the composition of officers and the skills possessed by each individual will be as follows.

		Corporate Management	Financial Accounting/ Internal Control	Technology/ Research and Development	Manufacturing/ Equipment Technology	IT/DX	Global Business/Sales	Legal Affairs	Sustainability
Directors	Tomio Miyazaki	○		○		○			○
	Tatsuya Kikuyama	○		○	○		○		○
	Yoshisada Takahashi	○			○	○	○		
	Ryuichi Murata	○	○						
	Jinning Tu						○	○	
Company Auditors	Kosei Tamura						○		
	Satoshi Iwasaki				○				
	Mikio Endo	○							
	Hisashi Fujii		○					○	

[Reasons for Adopting Skill Matrix Items]

Skill Item	Reason for Adoption
Corporate Management	As the entire industry is undergoing transformation, in order to make appropriate management decisions and embody the ""Corporate Philosophy,"" it is necessary to have Board members who possess management experience and business achievements, skills to formulate sustainable growth strategies, as well as experience and skills in different industries.
Financial Accounting/Internal Control	To maximize corporate value through efficient utilization of the Company's capital, it is necessary to have Board members who possess skills and knowledge in formulating financial and capital strategies to achieve accurate financial reporting, building a solid financial foundation, growth investments, and shareholder returns aimed at sustainable enhancement of corporate value, as well as internal control skills to establish an appropriate governance structure.
Technology/Research and Development	As the world is making significant strides toward carbon neutrality, it is necessary to continue creating and providing value-added products that respond to the rapidly advancing electrification of automobiles, along with further enhancing the performance of existing products. To achieve this, it is necessary to have Board members who excel in advanced technology with a track record of promoting various innovations, and who possess skills and experience enabling proactive engagement from a management perspective on issues in the global environmental field.
Manufacturing/Equipment Technology	For the Company to sustainably provide safe, reliable, high-performance, and high-quality products, it is essential to improve and promote safe and highly efficient production facilities incorporating advanced technology as well as manufacturing technology capabilities. To achieve this, it is necessary to have Board members with high skills and experience in the manufacturing and production technology fields.
IT/DX	As the pace of digitalization among customers and competitors accelerates, for the Company to secure higher competitiveness, business reform through the utilization of IT technology, DX promotion, and productivity improvement utilizing IoT and AI are essential. To achieve this, it is necessary to have Board members with a track record of promoting various innovations and skills and knowledge in the digital technology field.
Global Business/Sales	As the global economic environment undergoes rapid changes, to further solidify the global structure, which is the Company's growth area, and to maximize results, it is necessary to have Board members with abundant skills and experience in overseas business management, business environment, living culture, and sales strategies.
Legal Affairs	The foundation for the Company to continue its global expansion is the establishment of an appropriate governance structure, and to improve the effectiveness of management supervision on a global scale, it is necessary to have Board members with legal knowledge and skills and knowledge in the fields of corporate governance and risk management.
Sustainability	To embody the Company's corporate philosophy, the perspective of sustainability management is essential. To achieve both contribution to a sustainable society and long-term sustainable growth, and to contribute to the sustainable development of society through business activities, it is necessary to have Board members with experience, insight, and expertise in sustainability.

End

Business Report

(From April 1, 2025 to March 31, 2026)

1 Matters relating to the current status of the corporate group

(1) Business Progress and Results

① General Overview

The economic environment during this consolidated fiscal year was dominated by U.S. tariff policies, making it a year consumed by responses to rising trade costs. Due to the soft landing of mutual tariffs between Japan and the U.S. as well as between various countries, and increased understanding by customers regarding the tariff burden, the initially anticipated downward pressure on business performance ultimately had only a limited impact. The global interest rate environment has remained higher than expected in the U.S., Europe, ASEAN, and other regions, and recently there have been whispers of the risk of inflation rekindling. Additionally, the Chinese economy continues to show a trend of slowing growth rates. Turning to geopolitical risks, international tensions have become particularly pronounced in the Middle East region, and the impact on the business environment is increasing, including effects on resource prices, supply chain disruptions, and the continuation of the weak yen trend.

Under these circumstances, the net sales of the corporate group (on a foreign currency basis) increased year-on-year in Japan, Europe, and Asia regions, while decreasing year-on-year in the U.S. and China regions. Operating profit increased year-on-year due to improved profitability in Japan and the U.S. regions, among other factors.

As a result, net sales for this consolidated fiscal year increased by 3,042 million yen compared to the previous period to 162,278 million yen (an increase of 1.9%), operating profit increased by 3,932 million yen to 11,249 million yen (an increase of 53.8%), and ordinary profit increased by 4,277 million yen to 12,378 million yen (an increase of 52.8%). Net profit attributable to owners of the parent increased by 4,514 million yen to 8,765 million yen (an increase of 106.2%).

Net Sales

1,622 hundred million 78 million yen

Year-on-year comparison

1.9% increase

Operating Profit

112 hundred million 49 million yen

Year-on-year comparison

53.8% increase

Ordinary Profit

123 hundred million 78 million yen

Year-on-year comparison

52.8% increase

Net Profit Attributable to Owners of the Parent

87 hundred million 65 million yen

Year-on-year comparison

106.2% increase

② Segment Overview

Japan Net Sales 74,712million yen	Both automotive sales and construction and industrial machinery sales increased year-on-year due to increased orders, among other factors. As a result, net sales for this segment increased by 2,763 million yen compared to the previous period to 74,712 million yen. Operating profit increased by 1,264 million yen year-on-year to 3,957 million yen due to increased sales, among other factors.
United States Net Sales 43,946million yen	Automotive sales increased year-on-year due to increased orders, among other factors, while construction and industrial machinery sales decreased year-on-year due to decreased orders, among other factors. As a result, net sales for this segment decreased by 538 million yen compared to the previous period to 43,946 million yen. On a foreign currency basis, this represented a decrease of 0.2%. Operating profit improved due to increased productivity resulting from progress on the production transfer project, showing an improvement of 1,169 million yen year-on-year to 591 million yen.

Europe Net Sales 5,667 million yen	Automotive sales increased year-on-year due to increased orders, among other factors. As a result, net sales for this segment increased by 792 million yen compared to the previous period to 5,667 million yen. On a foreign currency basis, this represented an increase of 0.2%. Operating profit decreased by 11 million yen year-on-year to 35 million yen due to cost increases.
Asia Net Sales 24,299 million yen	Automotive sales increased year-on-year due to increased orders, among other factors. As a result, net sales for this segment increased by 2,211 million yen compared to the previous period to 24,299 million yen. On a foreign currency basis, this represented an increase of 8.1%. Operating profit increased by 790 million yen year-on-year to 5,044 million yen due to increased sales, among other factors.

China Net Sales 13,330 million yen	Automotive sales decreased year-on-year due to decreased orders, among other factors, while construction and industrial machinery sales increased year-on-year due to increased orders, among other factors. As a result, net sales for this segment decreased by 2,205 million yen compared to the previous period to 13,330 million yen. On a foreign currency basis, this represented a decrease of 17.4%. Operating profit increased by 747 million yen year-on-year to 1,402 million yen due to a decrease in market claim expenses, among other factors.

(2) Status of Capital Investments, etc.

Capital investment for this consolidated fiscal year was 7.3 billion yen (5.3 billion yen in the previous period).

(3) Status of Fund Procurement

Interest-bearing debt for this consolidated fiscal year increased by 345 million yen compared to the previous period.

Short-term borrowings	200 million yen
Long-term borrowings due within one year	3,130 million yen
Lease payables	1,170 million yen
Long-term borrowings	16,170 million yen
Long-term lease payables	1,186 million yen
Total	21,856 million yen

(4) Status of Significant Parent Company, Subsidiaries, and Equity-Method Affiliates

① Status of Parent Company

There is no parent company.

② Status of Significant Subsidiaries

Company Name	Capital and Investment	Voting Rights Ratio	Principal business activities
T.RAD North America, Inc.	204,000 Thousand U.S. dollars	100.0%	Manufacture and sale of heat exchangers (U.S.A.)
T.RAD (THAILAND) Co., Ltd.	390,500 Thousand THB	100.0%	Manufacture and sale of heat exchangers (Thailand)
Toyo Radiator (Zhongshan) Co., Ltd.	107,601 Thousand yuan	100.0%	Manufacture and sale of heat exchangers (China)
T.RAD Czech s.r.o.	624,000 Thousand CZK	100.0%	Manufacture and sale of heat exchangers (Czech Republic)
PT. T.RAD INDONESIA	74,561 Million IDR	100.0%	Manufacture and sale of heat exchangers (Indonesia)
Jining Toyo Radiator Co., Ltd.	3,000 Thousand yuan	100.0%	Manufacture and sale of heat exchangers (China)
Toyo Radiator (Changshu) Co., Ltd.	106,537 Thousand yuan	100.0%	Manufacture and sale of heat exchangers (China)
T.RAD (VIETNAM) CO., LTD	131,228 Million VND	100.0%	Manufacture and sale of heat exchangers (Vietnam)
Tripac International Inc.	4,166 Thousand U.S. dollars	95.3%	Manufacture and sale of heat exchangers (U.S.A.)
T.RAD Sales Europe GmbH	25,000 EUR	100.0%	T.RAD sales operations in the European region
Qingdao Toyo Radiator Co., Ltd.	241,928 Thousand yuan	100.0%	Manufacture and sale of heat exchangers (China)
T.RAD Logistics Co., Ltd.	48,900 Thousand yen	100.0%	Trucking and transportation (Japan)
T.RAD Connect Co., Ltd.	50,000 Thousand yen	100.0%	Software development and sales (Japan)

③ Status of Significant Equity-Method Affiliates

Company Name	Capital and Investment	Voting Rights Ratio	Principal business activities
TATA TOYO RADIATOR Ltd.	320,000 Thousand INR	49.0%	Manufacture and sale of heat exchangers (India)

2 Matters relating to company officers

(1) Names, etc. of Directors and Company Auditors (As of March 31, 2026)

Position in the Company	Name	Responsibilities and Important Concurrent Positions
Representative Director, CEO and COO President and Executive Officer	Tomio Miyazaki	Representative Director and President, TRAD CONNECT Co., Ltd. Director and Owner, Jinya Connect Co., Ltd.
Director, Senior Managing Executive Officer	Tatsuya Kikuyama	In charge of Sales and Technology, General Manager of Sales Division, General Manager of Technology Division
Directors	Yoshisada Takahashi	Advisor, Komatsu Ltd. Advisor, Ishikawa Prefecture (Industrial Promotion)
Directors	Ryuichi Murata	Special Advisor, Mitsubishi HC Capital Inc.
Directors	Jinning Tu	Partner, Anderson Mori & Tomotsune
Full-time Company Auditor	Kosei Tamura	
Full-time Company Auditor	Satoshi Iwasaki	
Company Auditors	Mikio Endo	
Temporary Company Auditor	Hisashi Fujii	Partner, Link Partners Law Firm Reemployment Surveillance Inspector, Ministry of Defense (Part-time) Outside Company Auditor, YOSHIDUMI HOLDINGS Inc. Outside Company Auditor, Think-lands Co., Ltd. Outside Company Auditor, CareRitz Technologies Inc. Outside Director, Linc'well Inc. Auditor, Sasaki Taiju Scholarship Foundation Outside Director, M.D.B Corporation Outside Director, REDCLIFF, Inc.

(Notes)
1. Director Yoshisada Takahashi, Director Ryuichi Murata, Director Tu Jinning, Company Auditor Mikio Endo, and Temporary Company Auditor Hisashi Fujii have been registered with the Tokyo Stock Exchange as independent officers as stipulated in the rules of the Tokyo Stock Exchange.
2. Company Auditor Mikio Endo and Temporary Company Auditor Hisashi Fujii are Outside Company Auditors.
3. Director Yoshisada Takahashi, Director Ryuichi Murata, and Director Tu Jinning are Outside Directors.
4. Temporary Company Auditor Hisashi Fujii is a certified public accountant and possesses considerable knowledge of finance and accounting.
5. Mr. Norio Kanai resigned as Company Auditor at the conclusion of the 123rd Ordinary General Meeting of Shareholders held on June 24, 2025.
6. Company Auditor Yasutaka Oba retired due to his passing on October 31, 2025. His important concurrent positions at the time of retirement were Director of Oba Certified Public Accountant Office and Representative Director of Oba Management Consultants Co., Ltd.

(2) Summary of Limited Liability Agreements

The Company has entered into contracts with each Outside Director and each Outside Company Auditor to limit their liability for damages as provided in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the same Act, and the maximum amount of liability for damages under such contracts is the amount stipulated by laws and regulations.

(3) Summary of Directors and Officers Liability Insurance Contract

The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, which covers litigation expenses and damages, etc. incurred by the insured in third-party lawsuits, shareholder derivative lawsuits, and company lawsuits (excluding, however, cases involving acts committed with the knowledge that they violate laws and regulations). The scope of the insured under this insurance includes directors, company auditors, executive officers, etc. of the Company and its subsidiaries, and the insured do not bear the insurance premiums.

(4) Amount of Remuneration, etc. for Directors and Company Auditors

① Policies, etc. Concerning the Determination of the Content of Officer Remuneration, etc.

The Company has resolved the policy on decisions on the content of the remuneration, etc. for each individual director at the Board of Directors after consultation with the Nomination and Remuneration Committee.

In addition, the Board of Directors has confirmed that the method for determining the content of remuneration, etc. and the determined content of remuneration, etc. for each individual director for the current business year are consistent with the decision policy resolved by the Board of Directors, and has determined that they are in accordance with such decision policy.

The content of the policy on decisions on the content of the remuneration, etc. for each individual director is as follows.

(a) Policy for determining the amount or calculation method of remuneration, etc. for each individual director (excluding (c) and (d). Fixed remuneration)

a. Remuneration, etc. for directors shall be determined by resolution of the Board of Directors within the limits resolved at the shareholders meeting. The content shall be structured to reflect both single-year and medium- to long-term performance by combining monthly remuneration, performance-linked remuneration, and stock remuneration.

b. Remuneration for directors (excluding outside directors) consists of monthly remuneration (fixed remuneration) according to their position and responsibilities, performance-linked remuneration as a short-term incentive based on the performance of the previous business year (performance-linked compensation as stipulated in Article 34, Paragraph 1, Item 3 of the Corporate Tax Act), and stock remuneration (restricted stock remuneration) as a medium- to long-term incentive linked to the Company's stock price trends.

c. Outside directors receive monthly remuneration (fixed remuneration) and stock remuneration (restricted stock remuneration) for the purpose of enhancing motivation.

(b) Policy for determining the amount of monthly remuneration (fixed remuneration)

a. All directors shall be paid monthly remuneration (fixed remuneration) each month as compensation for fulfilling their duties.

b. The amount of monthly remuneration in the preceding paragraph shall be determined for each director taking into consideration the reasonableness as compensation for the execution of duties, the necessity of securing human resources, etc.

c. The determination of monthly remuneration is delegated by the Board of Directors to the Representative Director and President, and the Representative Director and President determines it based on officer classification, position, and whether full-time or part-time, after deliberation by the Nomination and Remuneration Committee, a majority of which is composed of independent outside officers.

(c) Policy for determining the content of performance indicators and the calculation method for the amount or number of performance-linked remuneration, etc.

a. The calculation method and payment timing of performance-linked remuneration (profit-linked officer bonuses) shall be determined by the Board of Directors as compensation for generating profits, which is one of the Company's objectives, and for growing and developing the Company. The current specific calculation method is as described in b. below. is as follows.

b. The total amount of performance-linked remuneration to be paid to directors shall be 1.2% of the Company's consolidated ordinary income with the introduction of the stock remuneration system, and shall not exceed 100 million yen.

c. Individual remuneration to each director shall be calculated based on the total amount calculated in accordance with b. above, using a proportional value according to the director's position (rounded to the nearest 1,000 yen). shall be the amount calculated based on the pro-rata value corresponding to each director's position from the total amount calculated pursuant to the above (rounded to the nearest 1,000 yen).

(d) Policy for determining the content, amount or number, or calculation method of non-monetary remuneration, etc.

a. Restricted stock remuneration shall be granted to directors (excluding outside directors) as an incentive for medium- to long-term enhancement of corporate value, and to outside directors for the purpose of preventing damage to corporate value and enhancing the willingness to contribute to maintaining credibility.

b. The amount of monetary remuneration claims for granting the Company's common shares to directors shall be no more than 100 million yen per year (of which no more than 5 million yen per year for outside directors), and the total number of the Company's common shares to be issued or disposed of under this system shall be no more than 80,000 shares per year (of which no more than 4,000 shares per year for outside directors). The specific allocation and timing of payment of this stock remuneration to each director shall be determined by the Board of Directors in accordance with the above objectives.

(e) Policy for determining the ratio of fixed remuneration, etc., performance-linked remuneration, or non-monetary remuneration, etc. to the total amount of remuneration, etc. for each individual director

For directors other than outside directors, the ratio of fixed remuneration to total remuneration (at standard time) shall be approximately 60%, performance-linked remuneration approximately 20%, and stock remuneration approximately 20%. Remuneration for outside directors shall be based on fixed remuneration, with the amount of stock remuneration determined in accordance with the purpose of introducing stock remuneration.

At the Board of Directors meeting held on April 27, 2026, it was resolved that the ratio of fixed remuneration to total remuneration (at standard time) for directors other than outside directors shall be designed with approximately 40% for fixed remuneration, approximately 40% for performance-linked remuneration, and approximately 20% for stock remuneration.

② Total Amount of Remuneration, etc. for the Current Business Year

Category	Total Remuneration, etc.	Total Remuneration, etc. by Type			Number of Eligible Officers
		Fixed Remuneration	Performance-linked Remuneration, etc.	Non-monetary Remuneration, etc.	
Directors (of which Outside Directors)	190 million yen (21 million yen)	84 million yen (18 million yen)	81 million yen (-)	24 million yen (3 million yen)	5 (3)
Company Auditors (of which Outside Company Auditors)	39 million yen (11 million yen)	33 million yen (9 million yen)	-	5 million yen (1 million yen)	5 (2)
Total (of which Outside Officers)	230 million yen (32 million yen)	118 million yen (27 million yen)	81 million yen (-)	30 million yen (4 million yen)	10 (5)

(Notes) 1. The above includes one Company Auditor who resigned on June 24, 2025 and one Company Auditor who retired due to passing on October 31, 2025. The number of company officers as of the end of the current business year is 5 directors (of which 3 are outside directors) and 4 company auditors (of which 2 are outside company auditors).

2. The amount of remuneration, etc. for directors does not include the employee portion of salary for directors who concurrently serve as employees.

3. The performance indicator for performance-linked remuneration, etc. is consolidated ordinary income, and the actual result was 12,378 million yen. The reason for selecting this indicator is that the Company's target value in the medium-term management plan is the consolidated ordinary income ratio, and this was selected in consideration of the linkage with such target value. The Company's performance-linked remuneration is calculated in accordance with ""2. (4) ① Policies, etc. Concerning the Determination of the Content of Officer Remuneration, etc.""

4. The content of non-monetary remuneration, etc. is the Company's shares, and the conditions for allocation, etc. are as stated in ""2. (4) ① Policies, etc. Concerning the Determination of the Content of Officer Remuneration, etc."" In addition, the status of delivery in the current business year is described in ""Matters Concerning the Company's Shares (5) Status of Shares Delivered to Officers of the Company as Compensation for Execution of Duties During the Current Business Year"" in the items not stated in the delivery document.

5. The total amount of the above non-monetary remuneration, etc. is the amount of expenses recorded for the grant of restricted stock to 5 directors and 5 company auditors.

6. The maximum amount of remuneration for directors was resolved at the 115th Ordinary General Meeting of Shareholders held on June 28, 2017 to be no more than 350 million yen per year (of which no more than 20 million yen for outside directors; however, this does not include employee salaries). The number of directors at the conclusion of said shareholders meeting was 7 (of which 2 were outside directors). In addition, separately from monetary remuneration, at the 118th Ordinary General Meeting of Shareholders held on June 25, 2020, it was resolved that the amount of stock remuneration for directors (excluding outside directors) shall be no more than 100 million yen per year, and the maximum number of shares shall be no more than 80,000 shares per year (provided, however, that in the event of a stock split (including gratis allotment of shares) or reverse stock split of the Company's common shares, such total number shall be adjusted within a reasonable range). The number of directors (excluding outside directors) at the conclusion of said shareholders meeting was 5. In addition, at the 122nd Ordinary General Meeting of Shareholders held on June 25, 2024, it was resolved that the amount of stock-based compensation for Outside Directors shall be within the framework of stock-based compensation for Directors, with an annual limit of 5 million yen or less and an upper limit of 4,000 shares per year (combined with the stock-based compensation for Directors (excluding Outside Directors), 80,000 shares or less (provided, however, that if the total number of issued shares increases or decreases due to share consolidation or share split (including gratis allotment of shares), the upper limit shall be adjusted in accordance with such ratio)). The number of directors at the conclusion of said shareholders meeting was 5 (of which 3 were outside directors).

7. The maximum amount of compensation for Audit & Supervisory Board Members was resolved to be 50 million yen or less per year at the 104th Ordinary General Meeting of Shareholders held on June 29, 2006. The number of Audit & Supervisory Board Members at the conclusion of the relevant General Meeting of Shareholders was 4. In addition, separate from monetary compensation, at the 122nd Ordinary General Meeting of Shareholders held on June 25, 2024, it was resolved that the amount of stock-based compensation shall be 10 million yen or less per year, with an upper limit of 8,000 shares per year (provided, however, that if the total number of issued shares increases or decreases due to share consolidation or share split (including gratis allotment of shares), the upper limit shall be adjusted in accordance with such ratio). The number of Audit & Supervisory Board Members at the conclusion of the relevant General Meeting of Shareholders was 4.

8. The Board of Directors has delegated to Mr. Tomio Miyazaki, Representative Director, CEO, COO and President Executive Officer, the authority to determine the amount of basic compensation for each Director. The reason for this delegation is that the Representative Director, President Executive Officer was deemed appropriate to evaluate the reasonableness of compensation for the execution of duties by each Director and the necessity of securing human resources. In determining the matters delegated, the Nomination and Compensation Committee confirms the appropriateness thereof in advance.

Consolidated Financial Statements

Consolidated Balance Sheet (As of March 31, 2026)

(Millions of yen)

Item	Current fiscal year	(Reference) Previous fiscal year
(Assets)		
Current assets	58,790	61,419
Cash and deposits	16,441	16,926
Notes receivable	480	575
Electronically recorded monetary claims	2,209	2,151
Accounts receivable - trade	23,501	24,677
Merchandise and finished goods	3,397	3,563
Work in process	972	1,090
Raw materials and supplies	9,824	10,130
Other	2,442	2,799
Allowance for doubtful accounts	△479	△494
Non-current assets	40,934	36,067
Property, plant and equipment	30,394	28,331
Buildings and structures	7,436	6,248
Machinery, equipment and vehicles	13,844	12,266
Land	2,568	2,568
Construction in progress	3,024	4,044
Other	3,520	3,202
Intangible assets	1,788	1,883
Investments and other assets	8,752	5,851
Investment securities	3,275	2,841
Net defined benefit asset	4,347	2,300
Deferred tax assets	248	225
Other	881	484
Total assets	99,725	97,486

Item	Current fiscal year	(Reference) Previous fiscal year
(Liabilities)		
Current liabilities	26,343	32,003
Notes and accounts payable - trade	11,773	12,550
Electronically recorded obligations	935	3,623
Short-term borrowings	200	2,170
Long-term borrowings due within one year	3,130	3,870
Accrued expenses	3,410	3,687
Income taxes payable	1,734	849
Provision for bonuses	1,760	1,696
Provision for directors' bonuses	81	54
Provision for product warranties	626	1,209
Provision for loss on order received	249	214
Non-operating electronically recorded obligations	204	241
Other	2,237	1,835
Non-current liabilities	20,310	16,738
Long-term borrowings	16,170	12,590
Net defined benefit liability	524	404
Deferred tax liabilities	1,746	1,017
Other	1,869	2,727
Total liabilities	46,654	48,742
(Net assets)		
Shareholders' equity	42,683	40,059
Share capital	8,570	8,570
Capital surplus	6,863	6,877
Retained earnings	28,815	25,512
Treasury shares	△1,565	△901
Accumulated other comprehensive income	10,323	8,630
Valuation difference on available-for-sale securities	28	18
Foreign currency translation adjustment	7,594	6,976
Remeasurements of defined benefit plans	2,700	1,635
Non-controlling interests	63	54
Total net assets	53,070	48,744
Total liabilities and net assets	99,725	97,486

Amounts are rounded down to the nearest million yen.

Consolidated Statement of Income

(From April 1, 2025 to March 31, 2026)

(Millions of yen)

Item	Current fiscal year	(Reference) Previous fiscal year
Net Sales	162,278	159,235
Cost of sales	139,134	139,108
Gross profit	23,144	20,127
Selling, general and administrative expenses	11,894	12,810
Operating Profit	11,249	7,316
Non-operating income	1,408	1,195
Interest and dividend income	280	310
Share of profit of entities accounted for using equity method	665	492
Foreign exchange gains	58	6
Other	403	386
Non-operating expenses	278	410
Interest expenses	247	407
Other	31	3
Ordinary Profit	12,378	8,101
Extraordinary income	494	12
Gain on sale of non-current assets	33	12
Gain on sale of investment securities	460	-
Extraordinary losses	268	1,531
Loss on sale of non-current assets	37	11
Loss on retirement of non-current assets	56	1,217
Impairment losses	174	303
Profit before income taxes	12,604	6,582
Income taxes - current	3,641	2,423
Income taxes - deferred	188	△102
Profit	8,774	4,261
Profit attributable to non-controlling interests	9	11
Net Profit Attributable to Owners of the Parent	8,765	4,250

Amounts are rounded down to the nearest million yen.

Audit Report

Accounting Audit Report on Consolidated Financial Statements

Independent Auditor's Report

May 25, 2026

TRAD Corporation

To the Board of Directors

ARK Limited Liability Audit Corporation

Tokyo Office

Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Kazuhiro Shinozaki
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Tomonori Koizumi

Audit Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements of TRAD Corporation for the consolidated fiscal year from April 1, 2025 to March 31, 2026, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and the notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of the corporate group consisting of TRAD Corporation and its consolidated subsidiaries for the period covered by the consolidated financial statements, in conformity with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are described in the ""Auditor's Responsibilities for the Audit of the Consolidated Financial Statements"" section. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions of professional ethics in Japan (including the provisions applicable to audits of financial statements of entities with high social impact), and have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties in the development and operation of the reporting process for the other information.

Our audit opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion on the other information.

Our responsibility in the audit of the consolidated financial statements is to read through the other information and, in doing so, consider whether there are any material inconsistencies between the other information and the consolidated financial statements or the knowledge we obtained in the audit, and to pay attention to whether there are any indications of material misstatement in the other information other than such material inconsistencies.

Based on the work performed, we are required to report the fact if we determine that there is a material misstatement in the other information.

We have nothing to report with respect to the other information.

Responsibilities of Management and the Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in conformity with accounting principles generally accepted in Japan. This includes establishing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements on a going concern basis, and disclosing matters related to going concern when it is necessary to disclose such matters based on accounting principles generally accepted in Japan.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties in the development and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

The auditor's responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, based on the audit performed by the auditor, and to express an opinion on the consolidated financial statements from an independent standpoint in the audit report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of the consolidated financial statements.

The auditor exercises professional judgment and maintains professional skepticism throughout the audit in accordance with auditing standards generally accepted in Japan, and performs the following:

・Identify and assess the risks of material misstatement, whether due to fraud or error. Design and perform audit procedures responsive to the risks of material misstatement. The selection and application of audit procedures is at the auditor's judgment. Furthermore, obtain sufficient and appropriate audit evidence to provide a basis for the opinion.

・Although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of internal control, the auditor considers internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances when performing risk assessment.

・Evaluate the appropriateness of accounting policies adopted by management and their method of application, as well as the reasonableness of accounting estimates made by management and the adequacy of related note disclosures.

・Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements, and based on the audit evidence obtained, conclude whether there is material uncertainty related to events or conditions that may cast significant doubt on the going concern assumption. If material uncertainty related to going concern is identified, the auditor is required to draw attention in the audit report to the related note disclosures in the consolidated financial statements, or if such note disclosures are inadequate, to express a qualified opinion on the consolidated financial statements. The auditor's conclusions are based on the audit evidence obtained up to the date of the audit report; however, future events or conditions may cause the entity to cease to continue as a going concern.

・Evaluate whether the presentation and note disclosures of the consolidated financial statements are in conformity with accounting principles generally accepted in Japan, and evaluate the presentation, structure and content of the consolidated financial statements, including the related note disclosures, as well as whether the consolidated financial statements fairly present the underlying transactions and accounting events.

・Plan and perform the audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for the opinion on the consolidated financial statements. The auditor is responsible for the direction, supervision and review of the audit of the consolidated financial statements. The auditor is solely responsible for the audit opinion.

The auditor reports to the Audit & Supervisory Board Members and the Audit & Supervisory Board on the planned scope and timing of the audit, significant audit findings including material deficiencies in internal control identified during the audit, and other matters required by auditing standards.

The auditor reports to the Audit & Supervisory Board Members and the Audit & Supervisory Board on compliance with the provisions of professional ethics in Japan regarding independence, as well as matters reasonably considered to affect the auditor's independence, and the details of any actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest

Our firm and engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

End

Materials for the 124th Annual Shareholders Meeting

(Matters not included in documents delivered upon request for delivery of documents in writing pursuant to laws and regulations and the Articles of Incorporation among matters for electronic provision)

■ Business Report

Matters relating to the current state of the corporate group

Issues to be addressed

Changes in financial position and results of operations

Principal business activities

Principal offices and plants

Status of employees

Status of principal lenders

Matters relating to shares of the Company

Matters relating to share options, etc.

Matters relating to Company officers

Matters relating to outside officers

Status of Accounting Auditors

Matters relating to development of systems to ensure the appropriateness of operations

■ Consolidated Financial Statements

Consolidated Statement of Changes in Shareholders' Equity

Notes to Consolidated Financial Statements

■ Financial Statements

Balance Sheet (Non-consolidated)

Statement of Income (Non-consolidated)

Statement of Changes in Shareholders' Equity

Notes to Non-consolidated Financial Statements

■ Audit Reports

Accounting Audit Report on Financial Statements

Audit Report of the Board of Company Auditors

(From April 1, 2025 to March 31, 2026)

Disclaimer

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

Business Report

Matters relating to the current state of the corporate group

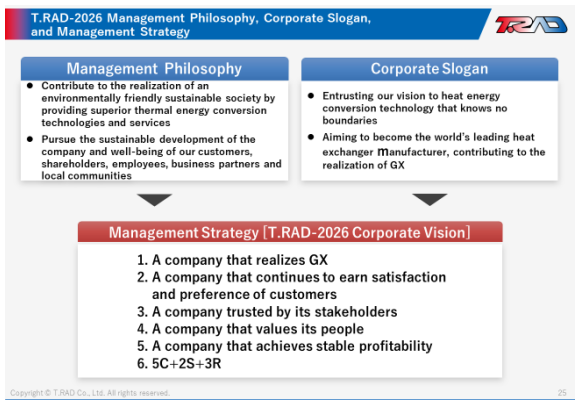
(1) Issues to be addressed

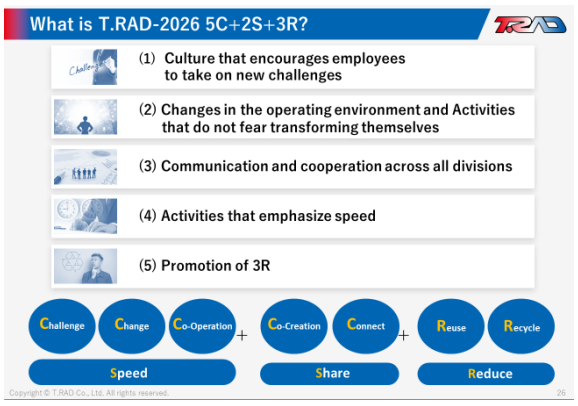
Our Group aims for sustainable growth and medium- to long-term enhancement of corporate value, based on the technological capabilities we have cultivated as a specialized heat exchanger manufacturer. In recent years, the business environment in the automotive industry has undergone significant changes, including the advancement of electrification and multi-pathway approaches, and the performance and applications required of heat exchangers have also become more diverse.

To flexibly respond to such environmental changes, our Group has decided to formulate a so-called rolling medium-term management plan from fiscal year 2025, in which targets are reviewed annually according to the environment. For fiscal year 2026, we have formulated a new medium-term management plan ""T.RAD-2026.""

Medium-term Management Plan T.RAD-2026

① Management Philosophy, Corporate Slogan, Corporate Vision





② Basic Strategy

Based on achieving an ROE of 17.2% in fiscal year 2025, we have revised our performance targets for fiscal year 2030 to net sales of 200 billion yen and ROE of 20.0%.

As basic strategies for achieving our targets, we have set forth four points: ""Pursuit of number one heat exchange technology and market share,"" ""Response to diversification and increase in demand accompanying multi-pathway approaches,"" ""Pursuit of development speed and cost competitiveness,"" and ""Global response to diverse customer needs.""

③ Global Expansion Strategy

Toward achieving our fiscal year 2030 management targets of net sales of 200 billion yen and ROE of 20%, we are advancing initiatives to expand production capacity in North America, Europe, and Japan.

Additionally, we are working to strengthen resource allocation to the Indian market, where rapid growth is expected, through joint ventures, and to strengthen general-purpose equipment manufacturing and export base functions by leveraging high cost competitiveness and abundant human resources in China.

④ Initiatives for GX

Our Company advocates being a company that contributes to GX through three axes: carbon neutrality, circular economy, and nature positive.

Toward achieving carbon neutrality by 2050, we are promoting various measures to reduce environmental impact in each of Scope 1 to 3, and working toward the goals of a 27% reduction in emissions by fiscal year 2030 and achievement of carbon neutrality by fiscal year 2050, based on fiscal year 2021 CO_2 emissions.

⑤ Initiatives for New Business

As a specialized heat exchanger manufacturer, our Company is drawing a growth story through initiatives on two axes: adding higher value and expanding business domains.

We will also consider strengthening business in existing areas centered on expanding sales of multi-functional radiators, as well as entering peripheral areas such as data centers, humanoids, and space-related fields.

As future new technologies and new businesses, we will also work on the development of thermoelectric radiators, waste heat power generation, and ultra-energy-saving furnaces, as well as providing DX solutions for the manufacturing industry.

⑥ Initiatives for Achieving Stable Profitability

To achieve continuous enhancement of corporate value, our Company will work on: (1) improving ROE, (2) reducing capital costs, and (3) realizing growth expectations. We will allocate the assumed annual capital of 20 to 25 billion yen in a timely and appropriate manner to growth investments, strategic investments, and shareholder returns, promoting management that achieves stable profitability and high capital efficiency.

Additionally, we will further strengthen the ""Working Shareholders"" initiatives and IR activities that are already underway.

(2) Changes in financial position and results of operations

① Changes in Financial Position and Results of Operations of the Corporate Group

Category		Fiscal Year 2022 121st Term	Fiscal Year 2023 122nd Term	Fiscal Year 2024 123rd Term	Fiscal Year 2025 124th Term
Net Sales	(Millions of yen)	149,413	158,659	159,235	162,278
Operating Income	(Millions of yen)	1,050	4,350	7,316	11,249
Ordinary Income	(Millions of yen)	2,083	5,339	8,101	12,378
Net income (loss) attributable to shareholders of the parent company	(Millions of yen)	△3,595	1,245	4,250	8,765
Total Amount of Assets	(Millions of yen)	94,098	103,087	97,486	99,725
Net Assets	(Millions of yen)	43,851	45,286	48,744	53,070
The amount of net assets per share.	(yen)	6,479.13	6,860.31	7,689.22	9,363.27
Net Income (Loss) per Share	(Yen)	△550.88	190.52	653.84	1,477.51
Shareholders' Equity Ratio	(%)	44.9	43.5	49.9	53.2
ROE (Return on Equity)	(%)	△8.3	2.9	9.1	17.2

② Changes in Financial Position and Results of Operations of the Company

Category		Fiscal Year 2022 121st Term	Fiscal Year 2023 122nd Term	Fiscal Year 2024 123rd Term	Fiscal Year 2025 124th Term
Net Sales	(Millions of yen)	72,783	75,848	80,196	83,676
Operating Income	(Millions of yen)	1,136	1,472	2,795	3,953
Ordinary Income	(Millions of yen)	6,220	7,988	8,827	11,377
Net Income or Net Loss	(Millions of yen)	△1,731	1,490	5,675	9,461
Total Amount of Assets	(Millions of yen)	56,790	64,150	66,707	70,243
Net Assets	(Millions of yen)	28,797	29,797	33,451	36,781
The amount of net assets per share.	(Yen)	4,414.83	4,553.78	5,282.66	6,497.13
Net Income (Loss) per Share	(Yen)	△265.23	228.09	873.08	1,594.83
Shareholders' Equity Ratio	(%)	50.7	46.4	50.1	52.4

(3) Principal business activities(As of March 31, 2026)

Our Group conducts research and development, manufacturing, and sales of heat exchanger products used in various mobility applications such as automobiles, construction and industrial machinery, as well as generators and air conditioning equipment.

Our Major Products - Environmentally Friendly Products -

(4) Principal offices and plants (As of March 31, 2026)

Principal Offices and Plants of the Corporate Group

(The Company)

Head Office	3-25-3 Yoyogi, Shibuya-ku, Tokyo
Production Bases	
Hadano Plant	Hadano City, Kanagawa Prefecture
Nagoya Plant	Higashiura Town, Chita District, Aichi Prefecture
Shiga Plant	Higashiomi City, Shiga Prefecture
Development Bases	
Technology Division	Hadano City, Kanagawa Prefecture; Nagoya City, Aichi Prefecture; Higashiomi City, Shiga Prefecture
Sales Bases	
Sales Division	Shibuya-ku, Tokyo; Utsunomiya City, Tochigi Prefecture; Hadano City, Kanagawa Prefecture; Nagoya City, Aichi Prefecture; Osaka City, Osaka Prefecture

(Overseas Subsidiaries)

T.RAD North America, Inc.	Kentucky, U.S.A.
T.RAD (THAILAND) Co., Ltd.	Chachoengsao Province, Thailand
Toyo Radiator (Zhongshan) Co., Ltd.	Zhongshan City, Guangdong Province, China
T.RAD Czech s.r.o.	Unhošť, Czech Republic
PT. T.RAD INDONESIA	Bekasi City, Java Island, Indonesia
Jining Toyo Radiator Co., Ltd.	Jining City, Shandong Province, China
Toyo Radiator (Changshu) Co., Ltd.	Changshu City, Jiangsu Province, China
T.RAD (VIETNAM) CO., LTD	Ninh Binh Province, Vietnam
Tripac International Inc.	Texas, U.S.A.
T.RAD Sales Europe GmbH	Stuttgart, Germany
Qingdao Toyo Radiator Co., Ltd.	Qingdao City, Shandong Province, China

(Domestic Subsidiaries)

T.RAD Logistics Co., Ltd.	Higashiura Town, Chita District, Aichi Prefecture
T.RAD Connect Co., Ltd.	Shibuya-ku, Tokyo

(5) Status of employees (As of March 31, 2026)

① Status of Employees of the Corporate Group

Segment Name	Number of Employees	Change from End of Previous Consolidated Fiscal Year
Japan	1,525	Decrease of 6
U.S.A.	679	Decrease of 98
Europe	131	Increase of 9
Asia	1,053	Decrease of 20
China	596	Decrease of 66
Total for Reportable Segments	3,984	Decrease of 181
Other	103	Decrease of 2
Total	4,087	Decrease of 183

② Status of Employees of the Company

Number of Employees	Change from End of Previous Fiscal Year	Average Age (Years)	Average Years of Service (Years)
1,525	Decrease of 6	41.4	18.0

(Note) Excludes employees seconded to our consolidated subsidiaries.

(6) Status of principal lenders (As of March 31, 2026)

Lenders	Outstanding Borrowings (Millions of yen)
Mizuho Bank, Ltd.	5,810
Sumitomo Mitsui Banking Corporation	3,020
Sumitomo Mitsui Trust Bank, Limited	2,320
MUFG Bank, Ltd.	2,090
Resona Bank, Limited	2,000
The Shizuoka Bank, Ltd.	1,500
The Bank of Yokohama, Ltd.	1,000
SBI Shinsei Bank, Limited	1,000
Development Bank of Japan Inc.	660

(Note) The above shows the status of principal lenders to the Company. Overseas subsidiaries are not included.

Matters relating to shares of the Company (As of March 31, 2026)

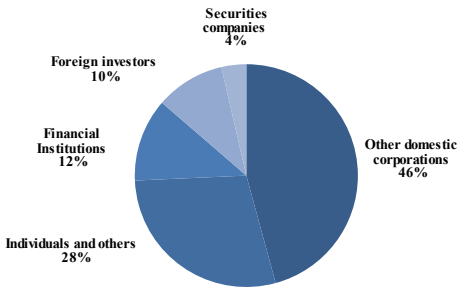
(1) Total Number of Authorized Shares 15,000,000 shares

(2) Total Number of Issued Shares 5,682,673 shares

(Excluding 217,327 shares of treasury stock*)

*Does not include 21,500 shares held as trust assets in the stock benefit trust.

(3) Number of Shareholders 5,125



(4) Status of Major Shareholders (Top 10)

Shareholder Name	Number of Shares Held	Shareholding Ratio
Jinya Connect Co., Ltd.	2,200 thousand shares	38.7%
The Master Trust Bank of Japan, Ltd. (Trust Account)	452	7.9
Yamazaki Metal Industry Co., Ltd.	134	2.3
T.RAD Employee Stock Ownership Association	103	1.8
Nippon Life Insurance Company	99	1.7
Custody Bank of Japan, Ltd. (Trust Account)	97	1.7
STATE STREET BANK AND TRUST COMPANY 505103	63	1.1
Hiroshi Tanaka	52	0.9
Morgan Stanley MUFG Securities Co., Ltd.	48	0.8
Hiromi Kano	47	0.8

(Note) The Company holds 217,327 shares of treasury stock, which are excluded from the above status of major shareholders. The shareholding ratio is calculated excluding treasury stock.

(5) Status of Shares Delivered to Company Officers as Compensation for Performance of Duties During the Fiscal Year

	Number of Shares	Number of Recipients
Directors (Excluding Outside Directors)	4,894 shares	2 persons
Outside Directors	745 shares	3 persons
Company Auditors	1,318 shares	5 persons

(Note) Details of the Company's stock compensation are described in the Business Report ""2. (4) ① Policy on Determining the Content of Officer Compensation, etc."" ""(d) Policy on Determining the Content of Non-monetary Compensation, etc., the Amount or Number of Non-monetary Compensation, etc., or the Calculation Method.""

Matters relating to share options, etc.

There are no applicable matters.

Matters relating to Company officers

Matters relating to outside officers

① Relationship Between Important Concurrent Positions and the Company

・Director Yoshisada Takahashi concurrently serves as an advisor to Komatsu Ltd. and an advisor to Ishikawa Prefecture (in charge of industrial promotion). Komatsu Ltd. is a specified related business operator (major business partner) of the Company.

・Director Ryuichi Murata concurrently serves as a special advisor to Mitsubishi HC Capital Inc. There is no particular relationship between the Company and Mitsubishi HC Capital Inc.

・Director Jinning Tu concurrently serves as a partner at Anderson Mori & Tomotsune. There is no particular relationship between the Company and Anderson Mori & Tomotsune.

・Company Auditor Yasutaka Oba concurrently served as the head of Oba Certified Public Accountant Office and Representative Director of Oba Management Consultants Co., Ltd. There is no particular interests between the Company and Oba Certified Public Accountant Office and Oba Management Consultants Co., Ltd. (Mr. Yasutaka Oba, Company Auditor, passed away on October 31, 2025.)

Due to the passing of Company Auditor Yasutaka Oba, the Board of Company Auditors fell short of the quorum required by law. An application for the appointment of a temporary company auditor was filed with the Tokyo District Court, and Mr. Hisashi Fujii was appointed and assumed office as temporary company auditor on January 5, 2026.
Temporary Company Auditor Hisashi Fujii concurrently serves as a partner at Link Partners Law Office, Reemployment Surveillance Inspector at the Ministry of Defense (part-time), outside company auditor of Yoshidumi Holdings Co., Ltd., outside company auditor of Think-lands Co., Ltd., outside company auditor of CareRitz Technologies Inc., outside director of Linc'well Inc., auditor of Sasaki Taiju Scholarship Foundation, outside director of M.D.B. Corporation, and outside director of REDCLFF, Inc.. There is no particular interests between the Company and these corporations.

② Main Activities during the Business Year

	Attendance and statements of outside directors and outside company auditors, and summary of duties performed in relation to the roles expected of outside directors
Director Yoshisada Takahashi	He attended all 13 of the 13 Board of Directors meetings, and actively made statements contributing to the enhancement of the corporate value of the Company Group regarding the overall management of the Company, drawing on his extensive experience and high level of insight in corporate management. He also serves as a member of the voluntary Nomination and Remuneration Committee, and appropriately supervises directors through proper evaluation of business execution.
Director Ryuichi Murata	He attended all 13 of the 13 Board of Directors meetings, and actively made statements contributing to the enhancement of the corporate value of the Company Group regarding the overall management of the Company, drawing on his extensive experience and high level of insight in corporate management, including in different industries. He also serves as a member of the voluntary Nomination and Remuneration Committee, and appropriately supervises directors through proper evaluation of business execution.

Director Tu Jinning	She attended all 13 of the 13 Board of Directors meetings, and actively made statements contributing to the enhancement of the corporate value of the Company Group regarding the overall management of the Company, drawing on her extensive experience and expertise as an attorney and her strong spirit of legal compliance. She also serves as a member of the voluntary Nomination and Remuneration Committee, and appropriately supervises directors through proper evaluation of business execution.
Company Auditor Yasutaka Oba	He attended all 8 of the 8 Board of Directors meetings and all 8 of the 8 Board of Company Auditors meetings. He provided advice and recommendations to ensure the validity and appropriateness of the Board of Directors' decision-making, including expressing opinions primarily from the perspective of a certified public accountant at Board of Directors meetings. At Board of Company Auditors meetings, he reported on audits conducted as an outside company auditor, asked appropriate questions about audits conducted by other company auditors at each meeting, and expressed opinions from an outside perspective as necessary. (Mr. Yasutaka Oba, Company Auditor, passed away on October 31, 2025.)
Company Auditor Mikio Endo	He attended all 13 of the 13 Board of Directors meetings and all 12 of the 12 Board of Company Auditors meetings. He provided advice and recommendations to ensure the validity and appropriateness of the Board of Directors' decision-making, including expressing opinions drawing on his extensive experience and high level of insight as a business executive and mayor at Board of Directors meetings. At Board of Company Auditors meetings, he reported on audits conducted as an outside company auditor, asked appropriate questions about audits conducted by other company auditors at each meeting, and expressed opinions from an outside perspective as necessary.
Temporary Company Auditor Hisashi Fujii	He attended all 3 of the 3 Board of Directors meetings and all 3 of the 3 Board of Company Auditors meetings held since his appointment on January 5, 2026. He provided advice and recommendations to ensure the validity and appropriateness of the Board of Directors' decision-making, including expressing opinions from the perspectives of a certified public accountant and an attorney at Board of Directors meetings. At Board of Company Auditors meetings, he reported on audits conducted as a temporary company auditor, asked appropriate questions about audits conducted by other company auditors at each meeting, and expressed opinions from an outside perspective as necessary.

Status of Accounting Auditors

(1) Name of the Accounting Auditor

Ark LLC

(2) Amount of Remuneration and the like for the Accounting Auditor for the Business Year

	Amount of Remuneration, etc.
Amount of Remuneration and the like for the Accounting Auditor for the Business Year	46 million yen
Total amount of money and other property interests to be paid by the Company and its subsidiaries to the Accounting Auditor	46 million yen

(Note) 1. In the audit contract between the Company and the Accounting Auditor, the amount of audit fees for audits under the Companies Act and audits under the Financial Instruments and Exchange Act are not clearly distinguished, and cannot be substantially distinguished, so the total amount is stated as the amount of remuneration, etc. for the Accounting Auditor for the business year.

2. The Board of Company Auditors of the Company, based on the ""Practical Guidelines for Cooperation with Accounting Auditors"" published by the Japan Audit & Supervisory Board Members Association, reviewed and examined the status of the Accounting Auditor's performance of duties in the previous business year, comparison between the audit plan and actual results, and the basis for calculating the remuneration estimate for the new business year, and as a result, gave consent under Article 399, Paragraph 1 of the Companies Act regarding the remuneration, etc. of the Accounting Auditor.

(3) Content of Non-Audit Services

There are no applicable matters.

(4) Policy for the Determination of the Dismissal or Non-Reelection of the Accounting Auditor

The Board of Company Auditors shall determine the content of proposals concerning the dismissal or non-reelection of the Accounting Auditor to be submitted to the General Meeting of Shareholders when it determines that there is a need, such as when there is an impediment to the execution of duties by the Accounting Auditor.
In addition, if the Accounting Auditor is found to fall under any of the items of Article 340, Paragraph 1 of the Companies Act, the Board of Company Auditors shall dismiss the Accounting Auditor based on the unanimous consent of all company auditors. In such case, the company auditor selected by the Board of Company Auditors shall report the fact of the dismissal of the Accounting Auditor and the reasons for the dismissal at the first General Meeting of Shareholders convened after the dismissal.

(5) If a certified public accountant or audit corporation other than the Accounting Auditor of the relevant stock company (including those who hold qualifications equivalent to these qualifications in foreign countries) audits the financial documents (including those equivalent thereto) of subsidiaries (limited to material ones) of the relevant stock company (limited to audits under the provisions of the Companies Act or the Financial Instruments and Exchange Act (including foreign laws equivalent to these laws)). the fact thereof

Among the Company's material subsidiaries, overseas subsidiaries are audited by certified public accountants or audit corporations other than the Company's Accounting Auditor (including those who hold qualifications equivalent to these qualifications in foreign countries) (limited to audits under the provisions of the Companies Act or the Financial Instruments and Exchange Act (including laws equivalent to these laws)). has received.

(Amounts in the text are rounded down to the nearest display unit.)

Systems to Ensure that the Execution of Duties by Directors Complies with Laws and Regulations and the Articles of Incorporation, and Other Systems to Ensure the Properness of Operations

The outline of the decisions regarding systems to ensure that the execution of duties by directors complies with laws and regulations and the articles of incorporation, and other systems to ensure the properness of the Company's operations is as follows.

(1) Systems to Ensure that the Execution of Duties by Directors and Employees Complies with Laws and Regulations and the Articles of Incorporation

① In order for the Company's directors and employees to fulfill their social responsibilities as members of society and become a trusted company, the Company has established ""Compliance Regulations"" and thoroughly ensures through education and training that appropriate daily conduct is maintained from the perspective of compliance with laws, corporate ethics, and internal regulations.

② As a dedicated department for conducting internal audits, an Internal Audit Office independent from business execution departments has been established, with dedicated personnel, internal audit regulations have been established, and an internal audit manual has been prepared to verify whether internal operations comply with laws, internal regulations, etc. The Internal Audit Office reports directly to the President and maintains close coordination with the company auditors.

③ As one means of the internal reporting and consultation system for compliance, a dedicated ""posting site"" has been established on the Internet to enable early detection and resolution of legal violations and compliance-related issues.

Article 24-4-4 of the Financial Instruments and Exchange Act ""Evaluation of Systems to Ensure the Appropriateness of Documents Concerning Financial Calculations and Other Information"" (the so-called J-SOX Act), which was enacted in June 2006, has been applied to the Company from the fiscal year ended March 2009. The basic policies to be established by management, including the managers and other responsible persons involved in building internal controls and the company-wide management system, were also resolved at the Board of Directors meeting in March 2008, and have been established as internal regulations as the ""TRAD Basic Policy on Internal Control"" to ensure the reliability of financial reporting.

(2) Matters Concerning the Storage and Management of Information Related to the Execution of Duties by Directors

① From the perspective of protection, minutes and important information from various management-related meetings such as the Board of Directors, as well as important information concerning stakeholders such as the Company's shareholders, customers, and suppliers, are managed in accordance with the ""Important Information Management Guidelines"" to prevent information leakage.

② Important documents related to the execution of duties (including electronic media) are organized, stored, preserved, and disposed of in accordance with the ""Document Management Regulations.""

(3) Regulations and Other Systems Concerning Risk Management

① The ""Basic Risk Management Regulations"" have been established to appropriately recognize and evaluate not only natural disasters and fires but also significant risks related to the Company's continuity, and a management system has been built to appropriately manage those risks. Regarding the crisis management system in the event of a crisis such as natural disasters or fires, the ""Business Continuity Operation Guidelines"" have been established from the perspective of ensuring the Company's business continuity, and appropriate responses are made in the event of a crisis in accordance with these regulations. Regulations are newly established or revised as needed.

② The Internal Audit Office verifies the effectiveness and efficiency of the risk management system as necessary.

(4) Systems to Ensure that the Execution of Duties by Directors is Performed Efficiently

The Company has established the following systems to ensure the efficient execution of duties by directors.

Meeting Body	Frequency	Members	Purpose
Board of Directors	Once a month	Directors, Company Auditors, and Senior Executive Officers	To make decisions on the execution of business.
Executive Committee	Once a week	Standing Directors and Senior Executive Officers	To establish general management policies and decide important matters.
Management Meeting	Once a month	Directors, Company Auditors, Senior Executive Officers, Executive Officers, and Senior Staff	For relevant parties to share the status of business execution, important matters, and issues.
Management Review	Twice a year	Standing Directors and Senior Executive Officers	To confirm the progress of management policy implementation and the achievement status of business execution.

Regarding business operations, target values for the Company and each subsidiary are established as medium-term management plans and annual policies/budgets based on the future business environment, and performance management is conducted accordingly. In addition, the Internal Audit Office verifies the effectiveness and efficiency of business execution as necessary and makes recommendations for improvement.

(5) System for ensuring the properness of operations within the corporate group consisting of the Company and its parent company and subsidiaries

① We have established a system in which a ""Policy Briefing"" is held once a year, and management reviews of operations are conducted twice a year with our directors and senior executive officers serving as evaluators, to confirm and evaluate whether domestic and overseas business performance reports and policies are progressing appropriately, and to approve plans.

② To ensure that our entire Group fulfills its social responsibilities and becomes a trusted group, we have established the T.RAD Code of Conduct in the ""T.RAD HAND BOOK"" as behavioral guidelines applicable to the entire Group, and are working to share and disseminate it throughout the Group.

③ We have established the ""Group Company Management Regulations"" and ""T.RAD Group Approval Authority Regulations,"" and based on these, we conduct management of subsidiaries and ensure the properness of operations.

④ The Internal Audit Office cooperates with the relevant departments of each subsidiary as necessary to verify compliance with laws, regulations, and other rules, as well as the effectiveness and efficiency of operations at each subsidiary.

⑤ The Company requires important subsidiaries to establish the following systems to ensure the properness of operations within the Group, and provides necessary guidance and advice to that end.

(i) Each subsidiary has established basic policies for risk management and has developed appropriate information communication and emergency response systems according to the risks involved. In addition, each subsidiary has

established regulations concerning business continuity, emergency response, and disaster prevention drills in preparation for major earthquakes, fires, and other natural disasters, and responds appropriately when a crisis occurs.

(ii) Each subsidiary has established a ""Code of Ethics"" and conducts education and training to ensure appropriate conduct in compliance with laws, corporate ethics, and internal regulations, thereby thoroughly disseminating awareness of compliance. In addition, each subsidiary has established internal audit systems, internal reporting systems, and other systems appropriate to their respective companies to ensure compliance, and takes appropriate corrective measures when violations occur.

(iii) Each subsidiary has developed job authority regulations, approval regulations, and other rules to ensure transparency and efficiency in decision-making and business execution. In addition, each subsidiary has established a system to check the progress of the Company's management policies, medium-term plans, and annual policies prepared based on these, and the representative directors of each subsidiary conduct regular reviews.

(iv) Each subsidiary has established important information management guidelines and appropriately manages minutes and other records of various meetings related to the operation of each subsidiary, as well as important information (including important information concerning stakeholders of each subsidiary), to prevent information leaks and other incidents.

⑥ Based on the ""Group Company Management Regulations,"" the Company receives regular reports on business conditions while respecting the autonomy of subsidiaries, and conducts prior consultations on important matters.

⑦ We have established a system in which, if any fraudulent act, material fact in violation of laws, articles of incorporation, or internal regulations, or any other fact that may cause significant damage to the subsidiary or the Group is discovered at a subsidiary, officers or employees of the subsidiary shall immediately report it to the Company, and the person who receives the report shall immediately report the fact to the corporate auditors.

⑧ Each subsidiary has established a reporting system to ensure that officers or employees of the subsidiary who make reports under the preceding paragraph do not suffer any disadvantage as a result.

(6) Matters concerning employees requested by corporate auditors to assist the corporate auditors in the performance of their duties

When requested by corporate auditors, auditor staff shall be assigned to assist corporate auditors in their duties, and the necessity and personnel matters are determined through consultation between the directors and corporate auditors.

(7) Matters concerning the independence of employees assisting the duties of corporate auditors from directors

① Auditor staff shall not concurrently hold positions related to the execution of business operations.
② Personnel matters such as transfers of auditor staff are subject to prior consultation with the corporate auditors.

(8) System for directors and employees to make reports to the board of corporate auditors or corporate auditors and other systems related to reporting to corporate auditors

① Directors shall immediately report to corporate auditors in accordance with laws and regulations when they discover any fact that may cause significant damage to the Company. In addition, corporate auditors may request reports from directors and employees at any time as necessary.
② Those who report to corporate auditors shall not be treated disadvantageously in terms of transfers, personnel evaluations, disciplinary actions, or other matters on the grounds of having made such reports.
③ Corporate auditors attend important meetings such as board of directors meetings to understand the process of important decision-making and the status of business execution.

(9) Other systems for ensuring that audits by corporate auditors are conducted effectively

① To conduct effective audits, corporate auditors maintain close coordination with the Internal Audit Office, which is closely related to the development of internal control systems.
② Corporate auditors may receive advance payment or reimbursement from the Company for expenses incurred in the execution of their duties.

System for ensuring that the execution of duties by directors complies with laws and regulations and the articles of incorporation and other systems for ensuring the properness of operations - Overview of operational status

(1) Initiatives for ensuring efficiency in the execution of duties

The Company holds board of directors meetings at least once a month to ensure that the execution of duties by directors is conducted efficiently. In addition, to establish the Company's overall management policy and decide on important matters, an executive committee meeting is held in principle once a week, where relevant parties engage in discussions. Furthermore, a management meeting is held once a month to enable relevant parties to share information on the status of business execution, important matters, and issues.

Management reviews are conducted twice a year regarding policies and other business progress and development status to confirm whether policies are progressing appropriately.

Additionally, for the purpose of enhancing the function of the board of directors, we evaluated and verified the effectiveness of the board of directors during this fiscal year. As a result, our board of directors was evaluated as being generally operated appropriately in terms of composition, operation, and roles and responsibilities. We will continue to strive to improve the quality of deliberations at board of directors meetings.

(2) Initiatives for ensuring the properness of operations at subsidiaries

To ensure that operations at subsidiaries are conducted properly, the Company's internal audit department takes the lead in conducting audits, verifying and reviewing the governance system, and developing the system.

(3) Initiatives for compliance

We communicate messages regarding the importance of compliance to our officers and employees and work to enhance compliance awareness through compliance training and monitoring.

In addition, through the promotion organization for compliance, we discuss various related matters such as thoroughly disseminating information to all parties, discussing improvement items, and reviewing regulations and guidelines, and are working to enhance awareness and develop systems.

(4) Initiatives for ensuring the effectiveness of corporate auditor audits

Our corporate auditors attend the Company's board of directors meetings and receive reports on important matters, as well as directly confirm the status of business execution through interviews with directors and officers.

Consolidated Financial Statements

Consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2025 to March 31, 2026)

(Unit: Millions of yen)

	Shareholders' equity				
	Stated capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period, April 1, 2025	8,570	6,877	25,512	△901	40,059
Changes during the consolidated fiscal year					
Dividends of surplus;			△1,896		△1,896
Attributable to owners of the parent Net income attributable to owners of parent			8,765		8,765
Acquisition of treasury shares				△4,293	△4,293
Disposal of treasury shares		1		48	49
Cancellation of treasury shares		△14	△3,565	3,580	-
Items other than shareholders' equity During the consolidated fiscal year Net changes in items other than shareholders' equity during the consolidated fiscal year					
During the consolidated fiscal year Total changes	-	△13	3,302	△664	2,624
Balance at the end of the period, March 31, 2026	8,570	6,863	28,815	△1,565	42,683

	Accumulated other comprehensive income				Non-controlling Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign Exchange Conversion Foreign currency translation adjustment	For retirement benefits Relevant adjustment Remeasurements of defined benefit plans	Accumulated other comprehensive income Total accumulated other comprehensive income		
Balance at the beginning of the period, April 1, 2025	18	6,976	1,635	8,630	54	48,744
Changes during the consolidated fiscal year						
Dividends of surplus;						△1,896
Attributable to owners of the parent Net income attributable to owners of parent						8,765
Acquisition of treasury shares						△4,293
Disposal of treasury shares						49
Cancellation of treasury shares						-
Items other than shareholders' equity During the consolidated fiscal year Net changes in items other than shareholders' equity during the consolidated fiscal year	9	617	1,064	1,692	8	1,701
During the consolidated fiscal year Total changes	9	617	1,064	1,692	8	4,325
Balance at the end of the period, March 31, 2026	28	7,594	2,700	10,323	63	53,070

Amounts are rounded down to the nearest million yen.

Notes to Consolidated Financial Statements

I. Significant accounting policies for consolidated financial statements, etc.

1. Matters concerning the scope of consolidation

Number of consolidated subsidiaries: 13 companies

T.RAD North America, Inc., T.RAD Logistics Co., Ltd., T.RAD (THAILAND) Co., Ltd., Toyo Radiator (Zhongshan) Co., Ltd., T.RAD Czech s.r.o., PT. T.RAD INDONESIA, Jining Toyo Radiator Co., Ltd., Toyo Radiator (Changshu) Co., Ltd., T.RAD (VIETNAM) CO., LTD., Tripac International Inc., T.RAD Sales Europe GmbH, Qingdao Toyo Radiator Co., Ltd., T.RAD Connect Co., Ltd.

2. Matters concerning application of the equity method

Number of equity-method affiliates: 1 company

TATA TOYO RADIATOR Ltd.

3. Matters concerning changes in the scope of consolidation and scope of application of the equity method

There are no applicable matters.

4. Matters concerning the fiscal years of consolidated subsidiaries

Among the consolidated subsidiaries, the closing date of 11 overseas consolidated subsidiaries is December 31.

In preparing the consolidated financial statements, the financial statements as of that date are used, and necessary adjustments for consolidation are made for significant transactions occurring between that date and the consolidated closing date.

Among the consolidated subsidiaries, the closing dates of T.RAD Logistics Co., Ltd. and T.RAD Connect Co., Ltd. coincide with the end of the consolidated fiscal year.

5. Matters concerning accounting policies

(1) Valuation standards and methods for securities

Available-for-sale securities

Securities other than shares without a market price ..... Fair value method (valuation differences are recorded directly in net assets, and cost of sales is calculated using the gross average method)

Shares without a market price, etc. ..... Cost method based on the gross average method

However, available-for-sale securities denominated in foreign currencies are translated into Japanese yen at the spot exchange rate on the consolidated balance sheet date, and translation differences are recorded as valuation differences.

(2) Valuation standards and methods for derivatives, etc.

The fair value method is adopted.

(3) Valuation standards and methods for inventories

Primarily the cost method based on the gross average method (for balance sheet amounts, the method of writing down book value based on decline in profitability)

Overseas consolidated subsidiaries primarily use the lower of cost or market method based on the first-in, first-out method

(4) Depreciation methods for fixed assets

Tangible fixed assets (excluding lease assets)	: Primarily the declining balance method is used. The main useful lives are as follows. Buildings and structures: 3 to 60 years Machinery, equipment and vehicles: 2 to 17 years For low-value depreciable assets with acquisition costs of 100,000 yen or more but less than 200,000 yen, the method of equal depreciation over 3 years is adopted in accordance with the provisions of the Corporate Tax Act. Overseas consolidated subsidiaries primarily use the straight-line method.
Intangible fixed assets (excluding lease assets)	: The straight-line method is adopted. For software (for internal use), the straight-line method based on the internal useful life (5 years) is used.
Lease assets	: The straight-line method with the lease term as the useful life and zero residual value is adopted.

(5) Standards for recording allowances

Allowance for doubtful accounts	To provide for losses from bad debts on trade receivables and other receivables, for general receivables, the allowance is recorded based on the historical bad debt ratio, and for specific receivables such as doubtful receivables, recoverability is individually assessed and the estimated uncollectible amount is recorded.
Provision for bonuses	The estimated payment amount is recorded to provide for employee bonuses.
Provision for directors' bonuses	To provide for bonuses to be paid to directors, the amount to be borne in the current consolidated fiscal year is recorded from the estimated payment amount.
Product warranty reserve	To provide for expenditures for after-sales service of products, the estimated amount is recorded based on historical experience. For individually anticipated claim expenditures, the amount reasonably expected to be borne by our Group is estimated and recorded, taking into account the number of units involved, repair costs per unit, and the allocation of responsibility with customers.
Provision for loss on orders received	To provide for future losses on order contracts, the estimated loss on order contracts at the end of the current consolidated fiscal year is recorded.
Provision for share-based compensation	To provide for the delivery of the Company's shares to employees based on the share delivery regulations, the estimated amount of share delivery corresponding to the points allocated to employees is recorded.

(6) Significant hedge accounting methods

Deferred hedge accounting is applied. The parent company applies the allocation method for foreign currency monetary receivables with forward exchange contracts. When interest rate swaps meet the conditions for special treatment, special treatment is adopted.

(7) Accounting method for retirement benefits

(1) Method of attributing projected retirement benefits to periods

In calculating retirement benefit obligations, the method of attributing projected retirement benefits to the period up to the end of the current consolidated fiscal year is based on the benefit formula basis.

(2) Method of amortizing actuarial gains and losses and prior service cost

Prior service cost is amortized using the straight-line method over a certain number of years (13 years) within the average remaining service period of employees at the time of occurrence.

Actuarial gains and losses are amortized using the straight-line method over a certain number of years (13 years) within the average remaining service period of employees at the time of occurrence in each consolidated fiscal year, starting from the consolidated fiscal year following the year of occurrence.

(3) Accounting method for unrecognized actuarial gains and losses and unrecognized prior service cost

Unrecognized actuarial gains and losses and unrecognized prior service cost are recorded in remeasurements of defined benefit plans within accumulated other comprehensive income in net assets, after adjusting for tax effects.

(8) Standards for recording revenues and expenses

Our Group manufactures and sells various heat exchangers primarily to domestic and overseas automobile manufacturers and construction and industrial machinery manufacturers. Our Group's performance obligation primarily consists of supplying finished products to customers, and in principle, revenue is recognized at the time of product delivery when control is transferred to the customer and the performance obligation is satisfied.

Consideration for these performance obligations is received generally within one year after fulfillment of performance obligations according to separately specified payment terms, and does not include significant financing components. Revenue is measured at the amount of consideration promised in contracts with customers, less discounts and similar items.

For certain paid supply transactions that constitute repurchase agreements, the derecognition of such supplied goods is not recognized, and inventories continue to be recognized.

(9) Application of group tax sharing system

The Company and its domestic consolidated subsidiaries apply the group tax sharing system.

II. Notes on Revenue Recognition

(Disaggregation of Revenue)

Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)

(Unit: Millions of yen)

	Reportable Segments						Other (Note)	Total
	Japan	U.S.A.	Europe	Asia	China	Subtotal		
Automotive	47,274	41,877	5,662	24,199	11,158	130,172	-	130,172
Air conditioning equipment	2,514	-	-	-	-	2,514	-	2,514
Construction and industrial machinery	23,192	2,068	5	100	2,151	27,518	-	27,518
Other applications	1,730	-	0	-	19	1,750	322	2,072
Revenue from contracts with customers	74,712	43,946	5,667	24,299	13,330	161,955	322	162,278
Other revenue	-	-	-	-	-	-	-	-
Net sales to external customers	74,712	43,946	5,667	24,299	13,330	161,955	322	162,278

(Note) The ""Other"" category is a business segment not included in the reportable segments, and includes the business activities of domestic subsidiaries engaged in transportation and other businesses.

(Information that forms the basis for understanding revenue)

As stated in I. Significant Accounting Policies for Preparation of Consolidated Financial Statements, 5. Matters Concerning Accounting Policies, (8) Standards for Recording Revenue and Expenses.

(Information for understanding the amount of revenue in the current and subsequent consolidated fiscal years)

(1) Balances of contract assets and contract liabilities

Disclosure of contract assets and contract liabilities of our Group is omitted as the balances are not material and no significant changes have occurred. Revenue recognized in the current consolidated fiscal year from performance obligations satisfied (or partially satisfied) in prior periods is not material. The balance of contract liabilities at the end of the current consolidated fiscal year is 161 million yen.

(2) Transaction price allocated to remaining performance obligations

Revenue expected to be recognized in the future related to unsatisfied performance obligations of our Group as of the end of the current consolidated fiscal year is not material. Our Group applies the practical expedient and omits disclosure of information on remaining performance obligations with an original expected remaining period of one year or less.

III. Notes on Accounting Estimates

1. Provision for product warranties

The provision for product warranties recorded on the balance sheet for the current consolidated fiscal year is 626 million yen.

(1) Calculation method

Our Group records the estimated amount based on historical experience to provide for expenditures for after-sales service of products. For individually anticipated claim expenditures, the amount reasonably expected to be borne by our Group is estimated and recorded, taking into account the number of units involved, repair costs per unit, and the allocation of responsibility with customers.

(2) Key assumptions

The key assumptions in the calculation are the number of units covered and repair costs per unit. Reasonable figures based on historical performance and other factors are used for these assumptions.

(3) Impact on consolidated financial statements for the following consolidated fiscal year

Our Group makes the best estimates regarding the assumptions for calculating these costs, but as these estimates contain uncertainties, actual costs may differ from estimates due to unpredictable changes in assumptions, and as a result, additional recording or reversal of provision for product warranties may be necessary.

IV. Changes in Accounting Estimates

The Company previously used 15 years, a certain number of years within the average remaining service period of employees, as the amortization period for actuarial gains and losses and prior service cost in accounting for retirement benefits. However, as the average remaining service period has fallen below this, the period has been changed to 13 years from the current consolidated fiscal year. As a result, operating profit, ordinary profit, and profit before income taxes increased by 188 million yen compared to using the previous amortization period.

V. Notes on Consolidated Balance Sheet

1. Assets pledged as collateral

There are no applicable matters.

2. Accumulated depreciation of tangible fixed assets 117,027 million yen

VI. Notes on Consolidated Statement of Income

1. Impairment loss

In the current consolidated fiscal year, our Group recorded impairment losses on the following asset groups.

Location	Use	Type	Impairment loss amount (Millions of yen)
Kentucky, U.S.A. T.RAD North America, Inc.	Aluminum heat exchanger manufacturing Equipment for sales operations	Machinery, equipment and vehicles	88
		Construction in progress	63
		Other	22
		Subtotal	174
Total			174

Asset grouping is determined considering management accounting classifications such as by company and by business.

As a result of performing impairment accounting procedures based on this grouping, for the aluminum heat exchanger manufacturing and sales business at the U.S. subsidiary, the above tangible fixed assets were written down to memorandum value as recovery of the investment amount is no longer expected due to declining profitability, and the reduction was recorded as an impairment loss under extraordinary losses. The recoverable amount of this asset group is measured at fair value. In the current consolidated fiscal year, the fair value of this asset group was evaluated as zero, and therefore the book value, excluding the memorandum value, was recorded as an impairment loss.

VII. Notes on Consolidated Statement of Changes in Equity

1. Matters concerning types and total number of issued shares and types and number of treasury shares

	Current consolidated fiscal year Number of shares at beginning of period (thousands of shares)	Current consolidated fiscal year Increase in number of shares (thousands of shares)	Current consolidated fiscal year Decrease in number of shares (thousands of shares)	Current consolidated fiscal year Number of shares at end of period (thousands of shares)
Issued shares				
Common stock	6,592	-	692	5,900
Total	6,592	-	692	5,900
Treasury shares				
Common stock (Note)	260	681	703	238
Total	260	681	703	238

(Note 1) The increase of 681 thousand shares in the number of treasury shares of common stock resulted from an increase of 681 thousand shares due to acquisition of treasury shares and an increase of 0 thousand shares due to purchase of shares constituting less than one unit.

The decrease of 703 thousand shares in the number of treasury shares of common stock resulted from a decrease of 10 thousand shares due to disposal of treasury shares and a decrease of 692 thousand shares due to cancellation of treasury shares.

The Company acquired treasury shares of 375 thousand shares based on a resolution of the Board of Directors held on May 12, 2025, 65 thousand shares based on a resolution of the Board of Directors held on June 24, 2025, and 240 thousand shares based on a resolution of the Board of Directors held on September 16, 2025.

Based on a resolution of the Board of Directors held on July 14, 2025, the Company disposed of 10 thousand shares on August 14, 2025 as restricted stock compensation for Directors and Senior Executive Officers. Additionally, based on a resolution of the Board of Directors held on November 4, 2025, the Company cancelled 692 thousand treasury shares. At the end of the current consolidated fiscal year, treasury shares increased by ¥664 million, capital surplus decreased by ¥13 million, and retained earnings decreased by ¥3,565 million, resulting in treasury shares of ¥1,565 million, capital surplus of ¥6,863 million, and retained earnings of ¥28,815 million.

(Note 2) The number of treasury shares at the end of the current consolidated fiscal year includes 21,500 shares of the Company's stock held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets of the ""Stock Benefit Trust (J-ESOP).""

2. Matters relating to dividends

(1) Dividends paid

Resolution	Class of shares	of dividends Total dividends (millions of yen)	Per share Dividends per share (yen)	Record Date	Effective date:
June 24, 2025 Annual Shareholders Meeting on June 24, 2025	Common stock	953	150	March 31, 2025	June 26, 2025
November 4, 2025 Board of Directors	Common stock	943	160	September 30, 2025	November 28, 2025
Subtotal		1,896			

(Note) The total dividends above include dividends of ¥3 million based on the resolution of the Annual Shareholders Meeting on June 24, 2025, and dividends of ¥3 million based on the resolution of the Board of Directors on November 4, 2025, for the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets of the ""Stock Benefit Trust (J-ESOP).""

(2) Dividends for the current consolidated fiscal year for which the effective date falls in the following consolidated fiscal year

Scheduled resolution	Class of shares	of dividends Total dividends (millions of yen)	Per share Dividends per share (yen)	Record Date	Effective date
June 29, 2026 Annual Shareholders Meeting on June 24, 2025	Common stock	2,273	400	March 31, 2026	June 30, 2026

(Note) The total dividends scheduled for resolution at the Annual Shareholders Meeting on June 29, 2026 include dividends of ¥8 million for the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets of the ""Stock Benefit Trust (J-ESOP).""

VIII.Notes on Fair Value of Financial Instruments

1. Matters relating to the status of financial instruments

(1) Policy on financial instruments

The Group raises necessary funds (mainly bank borrowings and lease transactions) in accordance with capital investment plans and other factors. Funds invested in financial instruments are surplus funds, and assets subject to investment are invested in highly liquid financial instruments with emphasis on safety, certainty, and liquidity. Derivatives are used to hedge risks described below, and we have a policy of not engaging in speculative transactions.

(2) Contents of financial instruments and risks involved in said financial instruments

Trade receivables, including notes receivable, electronically recorded monetary claims, and accounts receivable, are exposed to customer credit risk. Additionally, foreign currency-denominated trade receivables are exposed to foreign exchange fluctuation risk.

Investment securities consist of shares of companies with which we have business relationships and financial instruments for the purpose of investing surplus funds, and are exposed to market price fluctuation risk.

Trade payables, including notes payable, accounts payable, and electronically recorded obligations, are mostly due within one month. Some of those denominated in foreign currencies are exposed to foreign exchange fluctuation risk.

Borrowings and lease obligations related to finance lease transactions are primarily for the purpose of raising funds for capital investments, and the longest repayment date is 5 years after the balance sheet date. Some of these are exposed to interest rate fluctuation risk.

Derivative transactions consist of forward foreign exchange contracts for the purpose of hedging foreign exchange fluctuation risk related to foreign currency-denominated trade receivables and payables.

(3) Risk management system for financial instruments

① Management of credit risk (risk related to counterparty default, etc.)

In accordance with the credit management regulations, the Company regularly monitors the status of major customers for trade receivables and manages due dates and balances for each counterparty. Consolidated subsidiaries also conduct similar management in accordance with the Company's credit management regulations.

Regarding derivative transactions, we recognize that there is almost no credit risk as counterparties are limited to highly rated financial institutions.

② Management of market risk (risk of fluctuations in foreign exchange rates, interest rates, etc.)

The Company hedges foreign currency-denominated trade receivables and payables against foreign exchange fluctuation risk identified by currency and by month, using forward foreign exchange contracts as necessary.

For investment securities, we regularly monitor fair value and the financial condition of issuers (business partner companies), and continuously review our holdings in consideration of our relationships with business partner companies.

Execution and management of derivative transactions are conducted by the responsible department with approval from the authorized decision-maker in accordance with management regulations that stipulate trading authority and transaction limits. Transaction status is reported to the responsible officer monthly.

③ Management of liquidity risk related to fund procurement (risk of being unable to execute payment on due date)

The Company manages liquidity risk by having the responsible department prepare and update cash flow plans in a timely manner based on reports from each department, as well as by maintaining cash on hand.

2. Matters relating to fair value of financial instruments

The carrying amounts on the consolidated balance sheet, fair values, and differences as of March 31, 2026 are as follows. Shares without market prices are not included (see Note 3).

	Carrying amount on consolidated balance sheet (millions of yen)	Market Value (Millions of yen)	Difference (Millions of yen)
(1) Long-term borrowings due within one year	3,130	3,112	△17
(2) Long-term borrowings	16,170	15,984	△185
Total liabilities	19,300	19,097	△202

(Note 1) Notes for cash are omitted, and deposits, notes receivable, electronically recorded monetary claims, accounts receivable, notes payable, accounts payable, electronically recorded obligations, and short-term borrowings are omitted because they are settled within a short period and their fair values approximate their carrying amounts.

(Note 2) Explanation of valuation techniques and inputs used for fair value measurement

The fair value of financial instruments is classified into the following three levels according to the observability and significance of the inputs used in fair value measurement.

Level 1 fair value: Fair value measured using (unadjusted) quoted prices in active markets for identical assets or liabilities

Level 2 fair value: Calculated using observable inputs, either directly or indirectly, other than Level 1 inputs

Level 2 fair value: Fair value measured using inputs other than Level 1 inputs that are observable, either directly or indirectly

Level 3 fair value: Fair value measured using significant unobservable inputs

When multiple inputs that significantly affect fair value measurement are used, the fair value is classified at the lowest level among the levels to which those inputs belong in terms of priority in fair value measurement.

(1) Long-term borrowings due within one year, and (2) Long-term borrowings

The fair values of these are calculated using the discounted present value method based on the total amount of principal and interest and an interest rate that takes into account the remaining period of the debt and credit risk, and are classified as Level 2 fair values.

(Note 3) Shares without market prices are as follows.

Category	Carrying amount on consolidated balance sheet (millions of yen)
(1) Shares of affiliated companies	3,240
(2) Unlisted shares	35
(3) Investments and other assets (other)	83
Total	3,358

IX. Notes on Fair Value of Investment and Rental Properties

Matters relating to the status of investment and rental properties

The Company owns a warehouse for rental purposes (including land) in Nagoya City, Aichi Prefecture.

The carrying amount on the consolidated balance sheet, changes during the current consolidated fiscal year, and fair value of such investment and rental properties are as follows.

Matters relating to fair value of investment and rental properties

Carrying amount on consolidated balance sheet (millions of yen)			Fair value at the end of the current consolidated fiscal year (Millions of yen)
Balance at the beginning of the current consolidated fiscal year	Changes during the current consolidated fiscal year	Balance at the end of the current consolidated fiscal year	
356	△1	354	660

(Note 1) The carrying amount on the consolidated balance sheet is the acquisition cost less accumulated depreciation and accumulated impairment losses.

(Note 2) The fair value at the end of the current consolidated fiscal year is the appraisal value by an external real estate appraiser (including those adjusted using indices, etc.).

X. Notes on Per Share Information

1. The amount of net assets per share. ¥9,363.27
2. Net income per share ¥1,477.51

The basis of calculation is as follows.

Net income attributable to owners of the parent	8,765 million yen
Amount not attributable to common shareholders	million yen
Net income attributable to owners of the parent related to common stock	¥8,765 million
Average number of common shares outstanding during the period	5,932 thousand shares

(Note) Since the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) established upon introduction of the ""Stock Benefit Trust (J-ESOP)"" are treated as treasury shares, such number of shares is included in the number of treasury shares deducted from the number of shares issued at the end of the period for the calculation of net assets per share, and is included in the number of treasury shares deducted from the average number of shares during the period for the calculation of net income per share. In the current consolidated fiscal year, the number of such shares deducted for the calculation of net assets per share was 21,500 shares, and the number of such shares deducted for the calculation of net income per share was 21,600 shares.

XI. Notes on Significant Subsequent Events

Stock split and partial amendment to the Articles of Incorporation accompanying the stock split

At the Board of Directors meeting held on May 25, 2026, the Company resolved to implement a stock split and make a partial amendment to the Articles of Incorporation accompanying the stock split, effective July 1, 2026.

1. Purpose of the stock split

The purpose is to further expand the investor base by reducing the investment amount per unit of the Company's shares, thereby creating an environment that makes it easier for investors to invest.

2. Overview of the stock split

① Method of split

All shareholders of record as of the close of trading on June 30, 2026 shall receive 10 shares of common stock for each registered share.

② Number of shares to be increased by the stock split

Total number of issued shares before the stock split: 5,900,000 shares
Number of shares to be increased by the stock split: 53,100,000 shares
Total number of issued shares after the stock split: 59,000,000 shares
Total Number of Authorized Shares after the stock split: 150,000,000 shares

③ Schedule of the stock split

Public notice date of record date (scheduled): June 15, 2026
Record Date
Effective date: July 1, 2026

④ Impact on per share information

Per share information, assuming the stock split had been conducted at the beginning of the consolidated fiscal year, is as follows.

	Current consolidated fiscal year (March 31, 2026)
The amount of net assets per share.	936.33 yen

	Current consolidated fiscal year (From April 1, 2025 To March 31, 2026)
Net income per share	147.75 yen
Diluted Net income per share	- yen

3. Partial Amendment in Articles of Incorporation in connection with the stock split

① Reason for Amendment in Articles of Incorporation

In connection with this stock split, pursuant to the provisions of Article 184, Paragraph 2 of the Companies Act, the Total Number of Authorized Shares under Article 6 of our Articles of Incorporation shall be changed effective July 1, 2026.

② Details of Amendment in Articles of Incorporation

The details of the amendment are as follows.

(Underlines indicate the amended portions.)

Current Articles of Incorporation	Amended Articles of Incorporation
(Total Number of Authorized Shares) Article 6 The Total Number of Authorized Shares of the Company shall be 15,000,000 shares.	(Total Number of Authorized Shares) Article 6 The Total Number of Authorized Shares of the Company shall be 150,000,000 shares.

③ Schedule of Amendment in Articles of Incorporation

Effective date: July 1, 2026

4. Other matters

① Changes in Amount of Stated Capital

There will be no changes in the amount of stated capital in connection with this stock split.

Financial Statements

Balance Sheet (Non-consolidated) (As of March 31, 2026)

(Unit: Millions of yen)

Account	Current period	(Reference) Previous period
(Assets)		
Current assets	29,426	30,996
Cash and deposits	4,309	3,801
Electronically recorded monetary claims	2,209	2,151
Accounts receivable - trade	16,387	16,642
Merchandise and finished goods	1,479	1,868
Work in process	481	600
Raw materials and supplies	2,240	2,257
Accounts receivable - other	2,151	3,550
Other current assets	166	123
Non-current assets	40,817	35,710
Tangible fixed assets	16,952	14,325
Buildings	3,958	2,765
Structures	361	235
Machinery and equipment	7,956	5,973
Vehicles	56	57
Tools, furniture and fixtures	824	908
Land	1,752	1,782
Construction in progress	2,040	2,601
Other property, plant and equipment	0	1
Intangible fixed assets	1,417	1,605
Software	866	1,128
Other intangible assets	550	476
Investments and other assets	22,447	19,780
Investment securities	35	39
Shares of affiliated companies	11,095	11,095
Investments in capital	82	72
Investments in subsidiaries and associates	10,073	8,124
Long-term prepaid expenses	5	7
Deferred tax assets	920	1,087
Prepaid pension costs	469	-
Other investments	542	130
Allowance for investment loss	△776	△776
Total assets	70,243	66,707

Amounts are rounded down to the nearest million yen.

Account	Current period	(Reference) Previous period
(Liabilities)		
Current liabilities	16,621	20,378
Electronically recorded obligations	935	3,623
Accounts payable - trade	6,759	7,320
Short-term borrowings	200	200
Long-term borrowings due within one year	3,130	3,870
Accounts payable - other	430	390
Accrued expenses	1,706	1,668
Income taxes payable	1,195	393
Provision for bonuses	1,623	1,615
Provision for directors' bonuses	81	54
Provision for product warranties	106	392
Non-operating electronically recorded obligations	204	241
Other current liabilities	247	608
Non-current liabilities	16,840	12,877
Long-term borrowings	16,170	12,590
Provision for retirement benefits	48	34
Provision for share-based compensation	519	176
Other non-current liabilities	102	76
Total liabilities	33,462	33,256
(Net assets)		
Shareholders' equity	36,752	33,432
Stated capital	8,570	8,570
Capital surplus	7,331	7,344
Legal capital surplus	7,331	7,331
Other capital surplus	-	13
Retained earnings	22,416	18,417
Legal retained earnings	1,097	1,097
Other retained earnings	21,319	17,320
Reserve for dividends	500	500
Reserve for reduction entry of non-current assets	91	95
General reserve	8,130	8,130
Retained earnings brought forward	12,597	8,595
Treasury shares	△1,565	△901
Valuation and translation adjustments	28	18
Valuation difference on available-for-sale securities	28	18
Total net assets	36,781	33,451
Total liabilities and net assets	70,243	66,707

Statement of Income (Non-consolidated) (From April 1, 2025 to March 31, 2026) (Unit: Millions of yen)

Account	Current period	(Reference) Previous period
Net Sales	83,676	80,196
Cost of sales	71,304	68,741
Gross profit	12,372	11,455
Selling, general and administrative expenses	8,418	8,659
Operating Income	3,953	2,795
Non-operating income	7,600	6,147
Interest and dividend income	7,101	5,892
Foreign exchange gains	205	35
Other non-operating income	293	218
Non-operating expenses	176	115
Interest expenses	154	114
Other non-operating expenses	21	0
Ordinary Income	11,377	8,827
Extraordinary income	484	5
Gain on sale of non-current assets	23	5
Gain on sale of investment securities	460	-
Extraordinary losses	94	2,168
Loss on sale of non-current assets	37	-
Loss on retirement of non-current assets	56	1,325
Provision for investment loss	-	776
Loss on valuation of investments in subsidiaries and associates	-	65
Impairment loss	-	0
Profit before income taxes	11,768	6,664
Income taxes - current	2,139	1,080
Income taxes - deferred	167	△90
Net income attributable to owners of parent	9,461	5,675

Amounts are rounded down to the nearest million yen.

Statement of Changes in Shareholders' Equity

(From April 1, 2025 to March 31, 2026)

(Unit: Millions of yen)

	Shareholders' equity											
		Capital surplus			Retained earnings							
						Other retained earnings						
	Stated capital	Capital Reserves	Other Capital Surplus	Capital Surplus Total	Retained earnings Reserves	Reserve for dividends Reserve	Non-current assets Reduction entry Reserve	General Reserve	Retained earnings brought forward Surplus	Retained earnings Surplus Total	Treasury shares	Shareholders' equity Total
April 1, 2025 Balance at the beginning of the period	8,570	7,331	13	7,344	1,097	500	95	8,130	8,595	18,417	△901	33,432
Changes during the fiscal year												
Reversal of reserve for reduction entry of non-current assets							△3		3	-		-
Dividends of surplus;									△1,896	△1,896		△1,896
Net income attributable to owners of parent									9,461	9,461		9,461
Acquisition of treasury shares											△4,293	△4,293
Disposal of treasury shares			1	1							48	49
Cancellation of treasury shares			△14	△14					△3,565	△3,565	3,580	-
Net changes in items other than shareholders' equity during the fiscal year												
During the fiscal year Total changes	-	-	△13	△13	-	-	△3	-	4,002	3,998	△664	3,320
March 31, 2026 Balance at the end of the period	8,570	7,331	-	7,331	1,097	500	91	8,130	12,597	22,416	△1,565	36,752

	Valuation and translation adjustments		Net assets Total
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
April 1, 2025 Balance at beginning of period	18	18	33,451
Changes during the fiscal year			
Reversal of reserve for reduction entry of non-current assets			-
Dividends of surplus;			△1,896
Net income attributable to owners of parent			9,461
Acquisition of treasury shares			△4,293
Disposal of treasury shares			49
Cancellation of treasury shares			-
Net changes in items other than shareholders' equity during the fiscal year	9	9	9
During the fiscal year Total changes	9	9	3,330
March 31, 2026 Balance at end of period	28	28	36,781

Amounts are rounded down to the nearest million yen.

Notes to Non-consolidated Financial Statements

I. Notes on significant accounting policies

1. Valuation standards and methods for securities

Shares of subsidiaries and associates ····· Cost method based on the gross average method

Available-for-sale securities

Securities other than shares without a market price ..... Fair value method (valuation differences are recorded directly in net assets,

and cost of sales is calculated using the gross average method)

Shares without a market price, etc. ..... Cost method based on the gross average method

However, foreign currency denominated available-for-sale securities are translated into Japanese yen at the spot exchange rate on the balance sheet date, and the translation differences are recorded as valuation differences.

2. Valuation standards and methods for derivatives, etc.

The fair value method is adopted.

3. Valuation standards and methods for inventories

Finished goods, semi-finished goods, raw materials Cost method based on the moving average method (the balance sheet value is determined by the write-down method based on decreased profitability)

Work in process ····· Cost method based on the specific identification method (the balance sheet value is determined by the write-down method based on decreased profitability)

Supplies ····· Last purchase price method (the balance sheet value is determined by the write-down method based on decreased profitability)

4. Depreciation methods for fixed assets

Tangible fixed assets (excluding lease assets) ····· The declining balance method is adopted. For minor depreciable assets with an acquisition cost of 100,000 yen or more but less than 200,000 yen, the method of equal depreciation over 3 years is adopted in accordance with the provisions of the Corporation Tax Act.

Intangible fixed assets (excluding lease assets) ····· The straight-line method is adopted. For software (for internal use), the straight-line method based on the internal useful life (5 years) is used.

Lease assets ····· For lease assets related to finance lease transactions that do not transfer ownership, the straight-line method is adopted with the lease term as the useful life and a residual value of zero.

5. Standards for recording allowances

Allowance for doubtful accounts…… To provide for losses from bad debts on trade receivables and other receivables, for general receivables, the allowance is recorded based on the historical bad debt ratio, and for specific receivables such as doubtful receivables, recoverability is individually assessed and the estimated uncollectible amount is recorded.

Allowance for investment loss…… To provide for losses arising from investments in subsidiaries and associates, the estimated loss amount is recorded considering their financial condition.

Provision for bonuses …… The estimated payment amount is recorded to provide for employee bonuses.

Provision for directors' bonuses …… To provide for bonuses to be paid to directors, the amount to be borne in the current fiscal year is recorded from the estimated payment amount.

Provision for product warranties …… To provide for expenditures for after-sales service of products, the estimated amount is recorded based on historical experience. In addition, for individually anticipated claim expenditures, the amount reasonably expected to be borne by the Company is estimated and recorded, taking into account the number of units involved, repair costs per unit, and the proportion of responsibility with customers.

Provision for retirement benefits …… To provide for employees' retirement benefits, an amount is recorded based on the estimated retirement benefit obligations and pension assets at the end of the current fiscal year. For provision for retirement benefits for employees enrolled in defined benefit pension plans, if the estimated pension assets are less than the estimated retirement benefit obligations adjusted for estimated actuarial gains or losses, it is recorded as provision for retirement benefits, and if greater, it is recorded as prepaid pension costs. In addition, for employees not enrolled in either defined benefit pension plans or defined contribution pension plans, the provision for retirement benefits is recorded.

(1) Method of attributing projected retirement benefits to periods

In calculating retirement benefit obligations, the method of attributing projected retirement benefits to periods of service up to the end of the current fiscal year is based on the benefit formula basis.

(2) Method of amortizing actuarial gains and losses and prior service cost

Prior service cost is amortized using the straight-line method over a certain number of years (13 years) within the average remaining service period of employees at the time of occurrence.

Actuarial gains or losses are amortized using the straight-line method over a certain number of years (13 years) within the average remaining service period of employees at the time of occurrence in each fiscal year, starting from the fiscal year following the year of occurrence.

Provision for share-based compensation ‥ To provide for the delivery of the Company's shares to employees based on the share delivery regulations, the estimated amount of share delivery corresponding to the points allocated to employees is recorded.

6. Standards for recording revenues and expenses

The Company manufactures and sells various heat exchangers primarily to domestic and overseas automobile manufacturers and construction and industrial machinery manufacturers. The Company's performance obligation is primarily to supply finished products to customers, and in principle, the Company determines that control is transferred to the customer and the performance obligation is satisfied at the time of product delivery, and recognizes revenue at that point.

Consideration for these performance obligations is received generally within one year after fulfillment of performance obligations according to separately specified payment terms, and does not include significant financing components. Revenue is measured at the amount of consideration promised in contracts with customers, less discounts and similar items.

For certain paid supply transactions that constitute repurchase agreements, an alternative treatment is applied, and the derecognition of such supplied goods is recognized.

7. Significant hedge accounting methods

Deferred hedge accounting is applied. For foreign currency-denominated monetary claims with forward exchange contracts, the allocation method is applied. When interest rate swaps meet the conditions for special treatment, special treatment is adopted.

II. Notes on Revenue Recognition

(Information that forms the basis for understanding revenue)

As stated in I. Notes on Significant Accounting Policies, 6. Standards for Recording Revenue and Expenses.

(Information for understanding revenue amounts for the current and subsequent fiscal years)

The balance of contract liabilities at the end of the current fiscal year is 185 million yen.

III. Notes on Accounting Estimates

1. Product warranty reserve

The product warranty reserve recorded on the balance sheet for the current fiscal year is 106 million yen.

(1) Calculation method

The Company records estimated amounts based on past performance to prepare for expenditures related to product after-sales service. In addition, for individually anticipated claim expenditures, the amount reasonably expected to be borne by the Company is estimated and recorded, taking into account the number of units involved, repair costs per unit, and the proportion of responsibility with customers.

(2) Key assumptions

The key assumptions in the calculation are the number of units covered and repair costs per unit. For these assumptions, reasonable figures are used based on past performance and other factors.

③ Impact on financial statements for the following fiscal year

The Company makes the best estimates regarding the assumptions used in calculating these costs; however, as these estimates contain uncertainties, actual costs may differ from estimates due to unpredictable changes in assumptions, and as a result, additional provisions or reversals of the product warranty reserve may be required.

IV. Changes in Accounting Estimates

The Company had previously set the amortization period for actuarial differences and past service costs in accounting for retirement benefits at 15 years, which was a fixed number of years within the average remaining service period of employees; however, as the average remaining service period fell below this, the period has been changed to 13 years from the current fiscal year. As a result, operating income, ordinary income, and income before income taxes increased by 188 million yen compared to the case where the previous amortization period was used.

V. Notes on Balance Sheet

1.	Assets pledged as collateral and liabilities related to collateral	
	There are no applicable matters.	
2.	Accumulated depreciation of tangible fixed assets	63,541 million yen
3.	Guarantee obligations	
	Guarantee obligations for borrowings from financial institutions by subsidiaries	1,059 million yen
4.	Monetary claims against affiliates	
	Short-term monetary claims	4,658 million yen
	Long-term monetary claims	- million
5.	Monetary liabilities to affiliates	
	Short-term monetary liabilities	424 million yen
	Long-term monetary liabilities	0 million yen

VI. Notes on Statement of Income

1. Total Transactions with Affiliates

(1) Total amount of operating transactions with affiliates	13,574 million yen
Net Sales	9,592 million yen
Purchases	3,981 million yen
(2) Total amount of non-operating transactions with affiliates	7,264 million yen

VII. Notes on Statement of Changes in Shareholders' Equity

Matters concerning the type and number of treasury shares

	Beginning of the current fiscal year Number of shares (thousand shares)	Current fiscal year Increase in number of shares (thousands of shares)	Current fiscal year Decrease in number of shares (thousands of shares)	End of the current fiscal year Number of shares (thousand shares)
Common stock (Note)	260	681	703	238
Subtotal	260	681	703	238

(Note 1) The increase of 681 thousand shares in the number of treasury shares of common stock resulted from an increase of 681 thousand shares due to acquisition of treasury shares and an increase of 0 thousand shares due to purchase of shares constituting less than one unit.

The decrease of 703 thousand shares in the number of treasury shares of common stock resulted from a decrease of 10 thousand shares due to disposal of treasury shares and a decrease of 692 thousand shares due to cancellation of treasury shares.

The Company acquired 375 thousand shares based on the resolution of the Board of Directors held on May 12, 2025, 65 thousand shares based on the resolution of the Board of Directors held on June 24, 2025, and 240 thousand shares based on the resolution of the Board of Directors held on September 16, 2025, respectively.

Based on a resolution of the Board of Directors held on July 14, 2025, the Company disposed of 10 thousand shares on August 14, 2025 as restricted stock compensation for Directors and Senior Executive Officers. Additionally, based on a resolution of the Board of Directors held on November 4, 2025, the Company cancelled 692 thousand treasury shares. At the end of the current fiscal year, treasury shares increased by 664 million yen, capital surplus decreased by 13 million yen, and retained earnings decreased by 3,998 million yen, resulting in treasury shares of 1,565 million yen, capital surplus of 7,331 million yen, and retained earnings of 22,416 million yen.

(Note 2) The number of shares at the end of the current fiscal year includes 21,500 shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets of the ""Stock Benefit Trust (J-ESOP).""

VIII.Notes on Tax Effect Accounting

Breakdown of deferred tax assets and deferred tax liabilities by main cause

Deferred tax assets	
Excess depreciation of depreciable assets	293 million yen
Loss on valuation of inventories	55 million yen
Loss on valuation of investment securities, etc.	8,054 million yen
Excess of provision for bonuses over deductible limit	509 million yen
Excess of product warranty reserve over deductible limit	33 million yen
Accrued social insurance premiums (for bonuses)	70 million yen
Impairment loss	18 million yen
Allowance for investment loss	243 million yen
Provision for share-based compensation	163 million yen
Other	330 million yen
Subtotal	9,772 million yen
Valuation allowance	(8,671) million yen
Total deferred tax assets	1,101 million yen
Deferred tax liabilities	
Prepaid pension costs	131 million yen
Reserve for reduction entry of non-current assets	42 million yen
Other	7 million yen
Total deferred tax liabilities	181 million yen
Net deferred tax assets (liabilities)	920 million yen

(Note 1) The net amount of deferred tax assets and deferred tax liabilities is included in the following items on the balance sheet.

Fixed assets - Deferred tax assets	920 million yen

(Note 2) Accounting treatment for corporate tax and local corporate tax or tax effect accounting related thereto

The Company applies the group tax sharing system. In addition, the Company performs accounting treatment for corporate tax and local corporate tax or tax effect accounting related thereto, as well as disclosure, in accordance with ""Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System"" (PITF No. 42, August 12, 2021).

IX. Notes on Transactions with Related Parties

Category	Name of company, etc.	Percentage of voting rights owned (or owned by related party) (%)	Relationship with related party	Nature of transaction	Transaction amount (Millions of yen)	Account	Balance at end of period (Millions of yen)
Subsidiary	T.RAD North America, Inc.	100.00	Business transactions	Guarantee obligations	1,059	-	-
				Receipt of guarantee fees (Note 1)	1	-	-
Subsidiary	Qingdao Toyo Radiator Co., Ltd.	(Owned by related party) Direct 83.1 Indirect 16.9	Business transactions	Guarantee obligations	-	-	-
				Receipt of guarantee fees (Note 1)	0	-	-
Officer	Representative Director of the Company Tomio Miyazaki	(Owned by related party) Direct 0.6 Indirect 39.0	-	Contribution in kind of monetary compensation claims (Note 2)	14	-	-
Officer	Representative Director of the Company Tomio Miyazaki Jinya Co., Ltd.	(Owned by related party) Direct 0.6 Indirect 39.0	-	Sale of fixed assets (Note 3)	11	-	-

Transaction terms and policies for determining transaction terms

(Note 1) The Company provides guarantee obligations for bank borrowings, etc. of T.RAD North America, Inc. and Qingdao Toyo Heat Exchanger Co., Ltd.

The guarantee fees are as follows.

T.RAD North America, Inc.	Annual rate of 0.1%
Qingdao Toyo Radiator Co., Ltd.	Annual rate of 0.1%

(Note 2) This is a contribution in kind of monetary compensation claims based on the restricted stock compensation plan.

(Note 3) In concluding this transfer agreement, to ensure fairness, an opinion letter regarding the sale price was received from a real estate appraisal company with no interest in the Company, and the transaction details and terms were deemed appropriate and implemented based on the approval of the Board of Directors.

X. Notes on Per Share Information

1. The amount of net assets per share. ¥6,497.13
2. Net income per share ¥1,594.83

The basis of calculation is as follows.

Net income attributable to owners of parent	9,461 million yen
Amount not attributable to common shareholders	- million
Net income attributable to common stock	9,461 million yen
Average number of common shares outstanding during the period	5,932 thousand shares

(Note) Since the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) established upon introduction of the ""Stock Benefit Trust (J-ESOP)"" are treated as treasury shares, such number of shares is included in the number of treasury shares deducted from the number of shares issued at the end of the period for the calculation of net assets per share, and is included in the number of treasury shares deducted from the average number of shares during the period for the calculation of net income per share. In the current fiscal year, the number of such shares deducted for the calculation of net assets per share was 21,500 shares, and the number of such shares deducted for the calculation of net income per share was 21,600 shares.

XI. Notes on Significant Subsequent Events

Stock split and partial amendment to the Articles of Incorporation accompanying the stock split

At the Board of Directors meeting held on May 25, 2026, the Company resolved to implement a stock split and make a partial amendment to the Articles of Incorporation accompanying the stock split, effective July 1, 2026.

For details, please refer to ""Notes to Consolidated Financial Statements XI. Notes on Significant Subsequent Events (Stock split and partial amendment to the Articles of Incorporation accompanying the stock split).""

Impact on per share information

Assuming the stock split had been implemented at the beginning of the current fiscal year, the per share information would be as follows.

	Current fiscal year (From April 1, 2025 To March 31, 2026)
The amount of net assets per share.	649.71 yen
Net income per share	159.48 yen

Audit Report

Accounting Audit Report on Financial Statements

Independent Auditor's Report

May 25, 2026

T.RAD Co., Ltd.

To the Board of Directors

Ark LLC

Tokyo Office

Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Kazuhiro Shinozaki
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Tomonori Koizumi

Audit Opinion

We have audited the financial statements, namely, the balance sheet, the statement of income, the statement of changes in equity and the notes to the non-consolidated financial statements, and the supporting schedules (hereinafter referred to as ""Financial Statements, etc."") of TRAD CORPORATION for the 124th fiscal year from April 1, 2025 to March 31, 2026 pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act.

In our opinion, the Financial Statements, etc. referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the Financial Statements, etc. were prepared, in conformity with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements, etc. section of our report. We are independent of the Company in accordance with the provisions of the professional ethics in Japan (including those applicable to financial statement audits of entities with high public interest), and we have fulfilled our other ethical responsibilities as auditors. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supporting schedules. Management is responsible for the preparation and disclosure of the other information. In addition, the Company Auditors and the Board of Company Auditors are responsible for overseeing the Directors' execution of duties in the development and operation of the reporting process for the other information.

Our opinion on the Financial Statements, etc. does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, etc., our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, etc. or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Company Auditors and the Board of Company Auditors for the Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the Financial Statements, etc. in conformity with accounting principles generally accepted in Japan. This includes the design, implementation and maintenance of internal control that management determines is necessary to enable the preparation and fair presentation of the Financial Statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, etc., management is responsible for assessing whether it is appropriate to prepare the Financial Statements, etc. on the going concern basis, and for disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Company Auditors and the Board of Company Auditors are responsible for overseeing the Directors' execution of duties in the development and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements, etc.

The auditor's responsibility is to obtain reasonable assurance about whether the Financial Statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the Financial Statements, etc. from an independent standpoint in the audit report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements, etc.

The auditor exercises professional judgment and maintains professional skepticism throughout the audit in accordance with auditing standards generally accepted in Japan, and performs the following:

・Identify and assess the risks of material misstatement, whether due to fraud or error. Design and perform audit procedures responsive to those risks. The selection and application of audit procedures is at the auditor's judgment. In addition, obtain sufficient and appropriate audit evidence to provide a basis for expressing an opinion.

・The purpose of the audit of the Financial Statements, etc. is not to express an opinion on the effectiveness of internal control; however, the auditor considers internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in performing risk assessments.

・Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the adequacy of related disclosures.

・Conclude on the appropriateness of management's use of the going concern basis in the preparation of the Financial Statements, etc. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If a material uncertainty related to going concern is identified, the auditor is required to draw attention in the audit report to the related disclosures in the Financial Statements, etc. or, if such disclosures are inadequate, to express a qualified opinion on the Financial Statements, etc. The auditor's conclusions are based on the audit evidence obtained up to the date of the audit report; however, future events or conditions may cause the entity to cease to continue as a going concern.

・Evaluate whether the presentation and disclosures in the Financial Statements, etc. are in conformity with accounting principles generally accepted in Japan, the overall presentation, structure and content of the Financial Statements, etc., including the disclosures, and whether the Financial Statements, etc. represent the underlying transactions and events in a manner that achieves fair presentation.

The auditor reports to the Company Auditors and the Board of Company Auditors regarding the planned scope and timing of the audit, significant audit findings including any significant deficiencies in internal control identified during the audit, and other matters required by auditing standards.

The auditor reports to the Company Auditors and the Board of Company Auditors regarding compliance with the provisions on professional ethics in Japan relating to independence, as well as matters that may reasonably be considered to affect the auditor's independence, and where applicable, the measures taken to eliminate threats or the safeguards applied to reduce threats to an acceptable level.

Interest

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law.

End

Audit Report of the Board of Company Auditors

Audit Report

The Board of Company Auditors hereby reports, as follows, in respect of the performance of duties by Directors during the 124th fiscal year from April 1, 2025 to March 31, 2026, having deliberated and prepared this Audit Report based on the audit reports prepared by each Company Auditor.

1. Methods and Contents of Audit by Company Auditors and the Board of Company Auditors

(1) The Board of Company Auditors established audit policies, assignment of duties, and other matters, received reports from each Company Auditor on the status and results of their audits, received reports from Directors, Executive Officers, and the Accounting Auditor on the status of the performance of their duties, and requested explanations as necessary.

(2) Each Company Auditor, in accordance with the Company Auditor audit standards established by the Board of Company Auditors and in conformity with audit policies, assignment of duties, and other matters, endeavored to communicate with Directors, Executive Officers, the internal audit department, and other employees, collect information, and maintain an audit environment, while conducting audits using the following methods.

①We attended meetings of the Board of Directors and other important meetings, received reports from Directors, Executive Officers, and employees on the status of the performance of their duties, requested explanations as necessary, perused important approval documents, and examined the status of operations and assets at the head office and principal business locations. In addition, with respect to subsidiaries, we communicated and exchanged information with Directors and Company Auditors of subsidiaries, and received business reports from subsidiaries as necessary.

②With respect to the resolutions of the Board of Directors regarding the development of systems stipulated in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act as necessary to ensure that the performance of duties by Directors complies with laws and regulations and the Articles of Incorporation as described in the business report, and other systems necessary to ensure the appropriateness of operations of the corporate group consisting of the Company and its subsidiaries, and the systems developed based on such resolutions (internal control systems), we received regular reports from Directors, Executive Officers, and employees on the status of their development and operation, requested explanations as necessary, and expressed opinions.

③We monitored and verified whether the Accounting Auditor maintained an independent position and conducted appropriate audits, received quarterly reports from the Accounting Auditor on the status of the performance of their duties, and requested explanations as necessary. In addition, we received notification from the Accounting Auditor that ""systems for ensuring the proper performance of duties"" (matters listed in each item of Article 131 of the Ordinance on Company Accounting) have been developed in accordance with ""Quality Control Standards for Audits"" (Business Accounting Council), and requested explanations as necessary.

Based on the above methods, we examined the business report and its supporting schedules, the financial statements (balance sheet, statement of income, statement of changes in equity, and notes to the non-consolidated financial statements) and their supporting schedules, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity, and notes to the consolidated financial statements) for the fiscal year.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

①We confirm that the business report and its supporting schedules fairly present the condition of the Company in conformity with laws and regulations and the Articles of Incorporation.

②We have not found any improper conduct or any material evidence of violations of the law or the Articles of Incorporation in relation to the performance of duties by Directors.

③We confirm that the resolutions adopted by the Board of Directors with respect to the internal control system are reasonable. With respect to the internal control system, there are no matters to be noted regarding the contents described in the business report or the performance of duties by Directors.

(2) Results of Audit of Financial Statements and Supporting Schedules

We confirm that the method and results of the audit by the Accounting Auditor, Arc Incorporated Accounting Firm, are reasonable.

(3) Audit Results of the Consolidated Financial Statements

We confirm that the method and results of the audit by the Accounting Auditor, Arc Incorporated Accounting Firm, are reasonable.

May 25, 2026

Board of Company Auditors of T.RAD Corporation

Full-time Company Auditors	Kosei Tamura
Full-time Company Auditors	Satoshi Iwasaki
Outside Company Auditor	Mikio Endo
Temporary Company Auditor	Hisashi Fujii

End