

To Whom It May Concern

January 13, 2026

Company Name	T.RAD Co., Ltd.
Representative	Tomio Miyazaki, Representative Director, CEO & COO, President and Executive Officer
Securities Code	7236 (Tokyo Stock Exchange Prime Market)
Contact	Kaoru Kinoshita, Managing Executive Officer in charge of Accounting and Finance
TEL	+81-3-3373-1101

### **Frequently Asked Questions from Investor Meetings and the Company's Views**

T.RAD Co., Ltd. ("the Company") has compiled below the questions most frequently received by institutional investors and analysts during investor meetings, together with the Company's basic views in response to those questions. This document has been prepared with the aim of deepening understanding of the Company's business strategy and medium- to long-term direction, as well as from the perspective of fair disclosure.

---

#### **Q1. What is T.RAD's business position and competitive advantage?**

**A.** T.RAD is a specialized manufacturer of heat exchangers, providing a wide range of products for motorcycles, construction equipment, agricultural equipment, and passenger vehicles. In particular, the Company holds a high global market share in water-cooled heat exchangers for motorcycles and in the construction equipment segment. The Company's competitive advantages stem from the product development capabilities, technological expertise, and production responsiveness it has developed as a specialized manufacturer, as well as from the strong, trust-based relationships it has built with customers over many years.

---

#### **Q2. Is the progress of electrification (BEVs, HEVs, and PHEVs) a tailwind for the Company?**

**A.** In line with the strategies of its customers, the Company is pursuing a multi-pathway approach. In electrified vehicles, new application needs arise for batteries, motors, inverters,

and other components, creating opportunities to increase the number of the Company's products installed per vehicle. The Company believes that electrification will expand its sales opportunities through both an increase in units installed per vehicle and growth in vehicle volumes.

---

**Q3. To what extent will the decline of internal combustion engine (ICE) vehicles impact the Company?**

**A.** While the Company expects ICE vehicles to decline over the medium to long term, it also assumes that HEVs and PHEVs will continue to be produced for a relatively long period. Furthermore, in both ICE and electrified vehicles, demand for heat exchangers is not expected to change significantly. The Company will continue to secure business opportunities by responding to changes in product applications.

---

**Q4. How feasible is the target of JPY 200 billion in net sales for fiscal 2030?**

**A.** The Company's target of JPY 200 billion in net sales for fiscal 2030 is based on a bottom-up plan that aggregates specific projects with its customers. In particular, the plan incorporates expansion of orders from Japanese customers in the passenger vehicle segment, as well as growth in electrification-related products.

As disclosed in the earnings presentation materials released in November 2025, orders for the Company's strategic product, multifunction radiators, have already been secured. Together with investment in the second production base in North America, these initiatives are expected to serve as key drivers of future sales growth.

---

**Q5. How do you expect profitability (marginal profit ratio and gross margin) to trend going forward?**

**A.** The Company maintains a company-wide marginal profit ratio of over 20%. It does not anticipate significant fluctuations in profitability as a result of changes in the powertrain mix. The Company places strong emphasis on ensuring appropriate profitability for each product and on maintaining stable profit margins.

---

**Q6. What are the challenges and outlook for the U.S. business?**

**A.** As a result of progress made in production transfer projects over the past several years, the Company is beginning to see a clear path toward profitability in its U.S. operations. However, challenges remain, including rising labor costs, stabilization of production skills, and tariffs. With regard to tariffs, the Company will continue negotiations with customers to pass on costs through pricing, while over the medium to long term it will also work to enhance production capabilities within the United States.

---

**Q7. How do you position your businesses in China and Europe?**

**A.** Business conditions in China and Europe remain challenging at present. In China, sales by Japanese customers have been sluggish, while in Europe demand for commercial vehicles has declined. In each region, the Company is focusing on securing profitability through reductions in fixed costs. In China, the Company continues to see advantages as a production base, including access to low-cost materials, components, equipment, and labor, and it plans to explore the potential of China as an export base for Japan, ASEAN, and other regions.

---

**Q8. How does the Company view foreign exchange and external environmental risks?**

**A.** While foreign exchange exposure has been increasing due to production transfer projects from the United States to Japan, the Company's business has traditionally been based on a local production-for-local consumption model, and the impact of exchange rate fluctuations on profit margins remains limited. As external environmental risks, the Company recognizes the potential impact of changes in tariff policies in various countries, shifts in monetary and environmental policies, and disruptions to global supply chains. These factors are appropriately and promptly reflected in earnings forecasts as necessary.

---

**Q9. What is the Company's shareholder return policy?**

**A.** Beginning in fiscal 2024, the Company adopted a shareholder return policy based on DOE (dividend on equity). For fiscal 2025, the Company is targeting a DOE of 3.3% or higher. Toward fiscal 2030, the Company aims to achieve an ROE of 15% and, on that basis, target a DOE of 5% or higher. The Company will continue its stable dividend policy and, together with flexible share repurchases, will focus on improving capital efficiency.

---

**Q10. How does the Company position new businesses?**

**A.** The Company continues research and development in new businesses such as thermoelectric power generation; however, at this time these initiatives are not reflected in the Company's fiscal 2030 performance targets. The Company views them as long-term growth opportunities.

---

**Q11. What is the Company's view on stock splits?**

**A.** At present, the Company is not considering implementing a stock split. Given the increasing availability of investment tools for trading less-than-one-unit shares, the Company believes that a careful assessment is required with respect to the costs of a stock split and its potential impact on share price.

---

**Q12. How does the Company respond to the new TOPIX criteria?**

**A.** With regard to the "New TOPIX" criteria, the Company continues to closely monitor developments. Since fiscal 2024, the Company has introduced DOE-based shareholder returns with the aim of providing stable and continuous shareholder returns, implemented share repurchases and share cancellations, and dissolved a major shareholder shareholding association consisting of business partners. Going forward, the Company will continue to make appropriate management decisions on a daily basis to achieve the fiscal 2030 sales and ROE targets set forth in its medium-term management plan, "T.RAD-2025."

---

*The above content is based on investor meetings conducted or inquiries received between February 2025 and December 2025.*

The above summarizes the questions most frequently received during investor meetings and the Company's views on those matters. The Company will continue to enhance corporate value over the medium to long term through transparent information disclosure and constructive dialogue with investors.

---

## **Forward-Looking Statements**

This document contains forward-looking statements regarding the Company's future plans, strategies, performance, and outlook. These statements are based on information available to the Company at the time of preparation and on assumptions deemed reasonable by the Company, and involve various risks and uncertainties. Actual results may differ materially from those expressed or implied in such forward-looking statements due to changes in economic conditions, market trends, customer strategies, exchange rate fluctuations, regulatory changes, geopolitical risks, and other factors. The Company undertakes no obligation to update or revise any forward-looking statements contained herein, except as required by law.