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June 21, 2023

Company name TOKYO RADIATOR MFG. Co., Ltd.

Representative Hisao Ochiai, President & CEO

(Securities Code: 7235)

I n q u i r i e s Kazuhiko Yano, Executive Corporate Officer

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Notice regarding the progress of the Mid-Term Business Plan "TRS Vision-2025"

Our Mid-Term Business Plan "TRS Vision-2025" (FY2021-FY2025) has been announced on May 31, 2021.

1. Background of the Mid-Term Business Plan

In May 2021, we formulated a five-year Mid-Term Business Plan, "TRS Vision-2025", in order to respond to changes in the automotive industry, which is said to occur only once every 100 years, and to further enhance our corporate value.

We have set "the industry's top level in manufacturing capabilities in 2030" as our vision of what we want to be in 10 years. And what we should be in 5 years, we have formulated the vision of the Mid-Term Business Plan as "Change", "Respond", and "Enhance".

To realize this vision, we have formulated five strategies: "Product Strategy," "Global Strategy," and "Growth Strategy" as business strategies, "Smart Factory Strategy" as production infrastructure strategy, and "Human Resource Strategy" as organizational infrastructure strategy.

2. Progress of Mid-Term Business Plan

We are pleased to announce our progress on the five strategies in our Mid-Term Business Plan, as shown in Attachment 1 and Attachment 2.

(Attachment 1)

The progress of the five strategies set forth in the Mid-Term Business Plan is as follows.

1. "Product Strategy"

We have been developing new products with improved performance and quality and cost competitiveness.

These activities have resulted in the launch of a new radiator in fiscal year 2023 and a new EGR cooler in fiscal year 2024.

The new intercooler was successfully launched in overseas markets in fiscal year 2022.

2. "Global Strategy"

We are continuing our efforts to improve the utilization ratio of our overseas bases to achieve the target of 85% in FY2025.

The ratio of overseas sales in the business plan for FY2023 is 26%, compared with the target of 30% or more in FY2025.

3. "Growth Strategy"

We had planned to develop and start mass production of new products for New Energy Vehicles in FY2025, However, due to faster market trends which require us to respond to earth-conscious vehicles, we have begun to market radiators newly developed for FCV (Fuel Cell Vehicles) to overseas customers in FY 2022.

In Japan, we plan to launch radiators for electric vehicles in FY 2023.

4. "Smart Factory Strategy"

We are promoting factory improvements that achieve both competitiveness and energy saving including CO2 reduction.

Through setting up new production lines, we have adopted a large number of quality assurance items that do not rely on human operators.

We are promoting the adoption of automatic monitoring systems, etc. that make full use of IoT.

5. "Human Resources Strategy"

We are conducting engagement surveys, including at overseas subsidiaries, to quantitatively grasp the actual situation and implement measures to improve engagement.

In addition, based on the vision of the Mid-Term Business Plan, we are reviewing the "TRS WAY," our action guideline, and are promoting them continuously to all employees.

"Mid-Term Business Plan Numerical Targets"

We have announced that we aim to achieve consolidated net sales of 33 billion yen and an operating profit of 2.7% in FY2023.

Due to the effect of the depreciation of the yen, etc., sales are progressing steadily toward achieving consolidated net sales of 33.5 billion yen. And we will continue to steadily implement the five strategies set forth in the "TRS Vision-2025" Mid-Term Business Plan, toward achieving operating profit of 5% in FY 2025, the final year of our Mid-Term Business Plan.

E.O.M.

(Attachment 2)

(Summary Report of our progress as of June 2023)

TOKYO RADIATOR MFG. CO., LTD.

Mid-Term Business Plan

TRS Vision-2025

FY2021~FY2025

2021 June

Securities Code : 7235

"TRS Vision-2025" Vision and "Five Strategies"

<Target for 2030>

"Top-level manufacturing ability in the industry"

TRS will Change, Respond, Enhance

**1.Products
strategy**

2.Global strategy

**3.Growth
strategy**

Business strategy

4.Smart Factory strategy

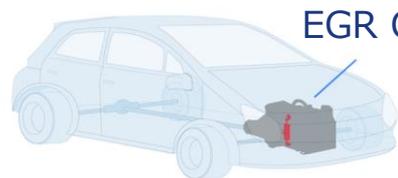
Production strategy

5.Human Resource strategy

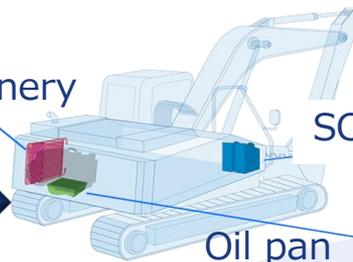
Organization strategy

“TRS Vision-2025” Products Strategy

Evolution of our products



Cooling Module for construction machinery



New Inter Cooler

Heat Exchanger for EV

New Radiator

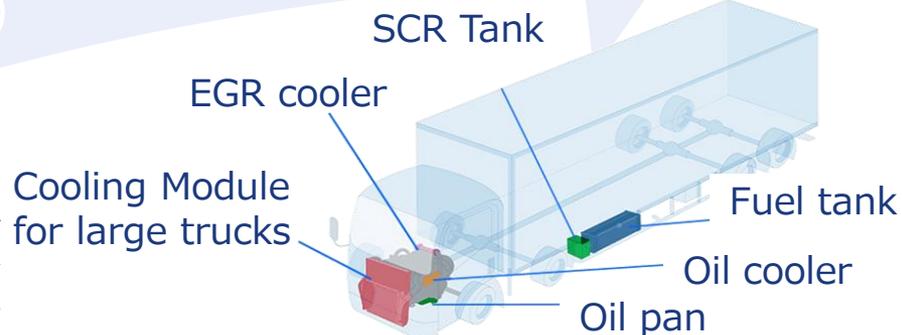
New EGR Cooler

Products Strategy



FY23

FY25



【Further evolution of our products】

- Formulating and executing product strategies by “Product directors” assigned to each product category
- Enhance product competitiveness and expanding sales through collaboration among TRS and overseas entities.

“TRS Vision-2025” Global Strategy

Global business expansions

Overseas sales ratio
above 30%

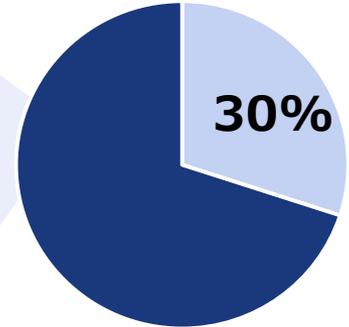
Overseas production rate
85% or more

New Markets
approach

Global BCP
establishment

FY25

FY2025

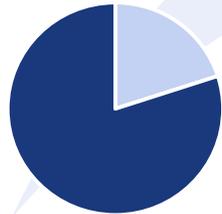


Overseas Domestic

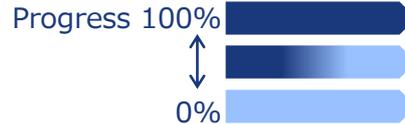
FY23



FY2020



Overseas Domestic



【Enhance overseas business】

- By taking a full advantage of our overseas production capacity, improving the competitiveness of the existing markets
- Entering into new markets

“TRS Vision-2025” Growth Strategy



New products launch

Products portfolio transformation

Mass productions

Development of Prototypes

Collaborations with customers and other companies

Strategy planning, Basic development

FY23

FY25



【New products development for new era of mobility】

- Toward realization of carbon-neutral society, we will develop heat exchanger products for NEV, as pillars of businesses for next generation *NEV : New Energy Vehicle

“TRS Vision-2025” Smart Factory Strategy



Fascinating Factory

Realization of
Zero-line

Realization of
innovative lines

Introduction of new
warehouse management

Visualization by
IOT introduction

Process guarantees
without workers

Clean and clear
factories

FY23

FY25



【“Zero Line” : fully prevent incidents, breakdowns, defects, inventories, and wastes】

- Smart Logistics (Rectification and synchronization of information and goods)
 - Smart Technology (IOT and technology innovation)
 - Smart “Genba” (Strong shop floor management)
- by above, enhance manufacturing abilities

"TRS Vision-2025" Human Resource Strategy

High Engagement



Enhancing engagement

Evolution of
action guidelines

Actions for enhancing

Introduction of new
engagement survey

FY23

FY25

Progress 100%

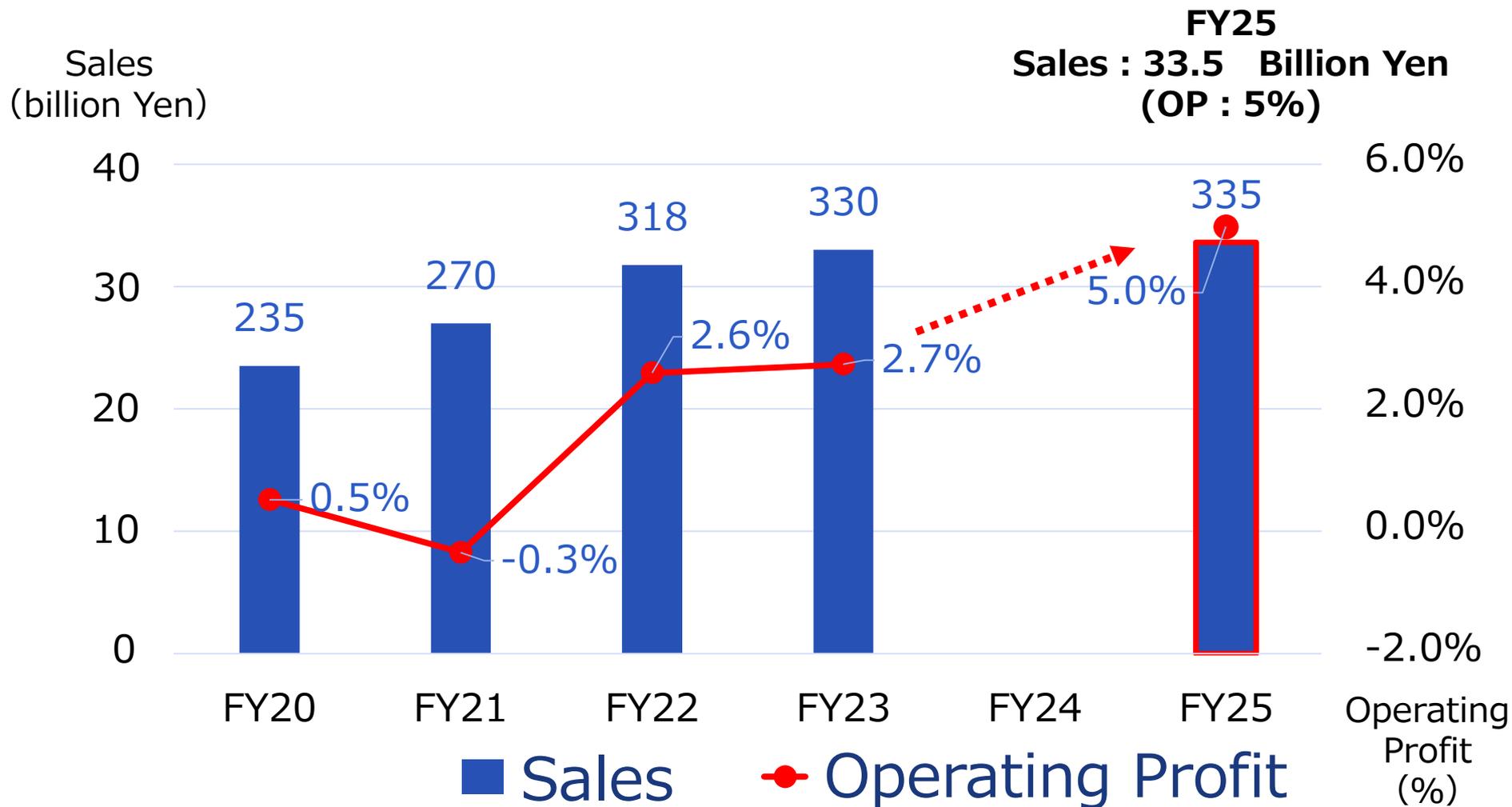
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【Enhance Engagement】

- Sharing the vision of our Mid-Term Business Plan with all group employees, and enhance employee engagement to achieve our goals

『TRS Vision-2025』 Targets



FY20~22 : Sales results

FY23 : BP

FY25 : Mid-Term Business Plan

* Sales:ASBJ Statement No. 29 Accounting Standard for Revenue Recognition