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Securities Code: 7235

Date of sending by postal mail: June 6, 2024

Start date of measures for electronic provision: June 5, 2024

To our shareholders:

Hironori Kimura, President & CEO

**TOKYO RADIATOR MFG. Co., Ltd.**

2002-1 Endo, Fujisawa City, Kanagawa Prefecture, Japan

## **NOTICE OF THE 120TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

We hereby notify you of the 120th Ordinary General Meeting of Shareholders of TOKYO RADIATOR MFG. Co., Ltd. (the “Company”), which will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites.

Note that, for this General Meeting of Shareholders, paper-based documents stating matters for which measures for providing information in electronic format are to be taken, excluding the above matters, will be delivered to all shareholders regardless of whether they have made a request for delivery of such documents. Please refer to [Matters concerning measures for electronic provision] as provided below for more information.

The Company’s website:

[https://www.tokyo-radiator.co.jp/investor/financial\\_results/](https://www.tokyo-radiator.co.jp/investor/financial_results/) (in Japanese)

(From the above website, select the section on notices of the Ordinary General Meeting of Shareholders from within “Financial Information.”)

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/7235/teiji/> (in Japanese)

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the internet address shown above, enter “TOKYO RADIATOR MFG.” in “Issue name (company name)” or the Company’s securities code “7235” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you will refrain from attending in person, you may exercise your voting rights via the internet or in writing (postal mail). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on Wednesday, June 26, 2024.

#### Exercise of voting rights via the internet

Please access the website designated by the Company for exercising voting rights (<https://evote.tr.mufg.jp/>) (in Japanese), enter the “voting code” and “password” provided on the voting form sent out with this notice, and follow the instructions on the screen to indicate your approval or disapproval of the proposals no later the above voting deadline.

When exercising voting rights via the internet, please refer to “Information on Exercising Voting Rights via the Internet” (in Japanese).

#### Exercise of voting rights in writing (postal mail)

Please indicate your approval or disapproval of the proposals on the voting form and return it to the Company by postal mail so that it arrives before the deadline.

- 1. Date and Time:** Thursday, June 27, 2024 at 10:00 a.m. (JST)
- 2. Venue:** Company Headquarters, 1F Conference Room  
2002-1 Endo, Fujisawa City, Kanagawa Prefecture, Japan

#### 3. Purposes:

##### Items to be reported:

1. Business Report and Consolidated Financial Statements for the 120th Term (from April 1, 2023 to March 31, 2024), 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 120th Term (from April 1, 2023 to March 31, 2024)

##### Items to be resolved:

##### [Company proposals]

- Proposal 1:** Appropriation of surplus  
**Proposal 2:** Election of five (5) Directors  
**Proposal 3:** Election of one (1) Audit & Supervisory Board Member  
**Proposal 4:** Election of one (1) substitute Audit & Supervisory Board Member  
**Proposal 5:** Determination of allocating restricted stock-based compensation to Directors (excluding Outside Directors)  
**Proposal 6:** Revision of remuneration amount for Audit & Supervisory Board Members

##### [Shareholder proposals]

- Proposal 7:** Amendment to Articles of Incorporation concerning appropriation of surplus  
**Proposal 8:** Amendment to Articles of Incorporation concerning acquisition of treasury shares  
**Proposal 9:** Amendment to Articles of Incorporation concerning the publication of financial results briefing materials

The Board of Directors opposes Proposals 7 to 9.

#### 4. Matters Decided for the Meeting (Information on Exercise of Voting Rights)

- (1) In the case where you have exercised your voting rights in writing (postal mail), if approval or disapproval is not indicated on the voting form, it shall be deemed to indicate approval for company proposals and disapproval for shareholders proposal.
- (2) If you exercise your voting right multiple times via the internet, the Company will only deem the substance of your final exercise to be valid.
- (3) If you exercise your voting right in duplicate both by the voting form (post) and via the internet, regardless of when the votes are received, the Company will only deem your exercise via the internet valid.
- (4) If you exercise your voting rights by proxy, you may nominate one (1) shareholder with a voting right as a proxy to attend the meeting. Please note, however, that it is necessary to submit a document evidencing the authority of proxy.

[Regarding attendance in person]

If attending in person, please bring the voting form enclosed with this notice with you and present it at the reception.

[Regarding amendments, etc.]

Should the matters for which measures for providing information in electronic format are to be taken require revisions, the revised versions will be posted before and after revision on the websites listed above.

[Matters concerning measures for electronic provision]

In accordance with a revision of the Companies Act, in principle you are to check matters subject to measures for electronic provision by accessing any of the websites mentioned above, and paper-based documents stating these matters will only be delivered to shareholders who request the delivery of paper-based documents by the record date. However, for this General Meeting of Shareholders, we have delivered paper-based documents stating the matters subject to measures for electronic provision to all shareholders, regardless of whether or not they have requested them.

Note that, among the matters subject to measures for electronic provision, in accordance with the provisions of laws and regulations and Article 16 of the Articles of Incorporation of the Company, the following matters are not provided in the paper-based documents to be sent out.

- (1) “Systems to Ensure Appropriate Business Operations and the Status of its Implementation” of the Business Report
- (2) Notes to Consolidated Financial Statements
- (3) Notes to Non-Consolidated Financial Statements

Therefore, the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements provided in these paper-based documents represent only part of the documents audited by the Accounting Auditor and the Audit & Supervisory Board Members and in the preparation of the accounting audit report and the audit report.

## Reference Documents for the General Meeting of Shareholders

### Company proposals (from Proposal 1 to Proposal 6)

Proposal 1 to Proposal 6 are proposals made by the Company.

#### [Company proposal]

**Proposal 1:** Appropriation of surplus

The decision on returning profits to shareholders is based on a comprehensive consideration of results for the fiscal year under review, the business environment going forward, and business expansion plans, and also takes into account the balance with internal reserves. Since operating results for the 120th Term significantly exceeded the initial forecast, the Company proposes the appropriation of surplus with the addition of a special dividend as follows.

Matters related to year-end dividends

It is proposed that the year-end dividend be as follows:

- (1) Type of dividend property  
Cash
- (2) Allocation of dividend property and total amount thereof  
¥14 per common share of the Company  
Of which, ¥9 is common dividend and ¥5 is special dividend  
Total amount of dividends: ¥131,430,488  
After adding the interim dividend of ¥9, the annual dividend per share comes to ¥23.
- (3) Effective date of distribution of dividends of surplus  
June 28, 2024

**[Company proposal]**

**Proposal 2:** Election of five (5) Directors

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

Accordingly, we request that a total of five (5) Directors be elected, including two (2) Outside Directors.

The candidates for Directors are as follows:

List of candidates for Directors

No.	Name Current position at the Company	Attribute	Expertise possessed by the candidate				
			Corporate management	Finance / Accounting	Develop- ment / Technology / Quality	Sales / Marketing	Global experience
1	Hisao Ochiai Executive Chairman		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
2	Hironori Kimura President & CEO		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
3	Kenji Mimura Director		<input type="radio"/>			<input type="radio"/>	<input type="radio"/>
4	Fujitoshi Takamura Outside Director	[Outside] [Independent]	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(New candidate) 5	Hitoshi Hori -	[Outside] [Independent]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>

[Outside]: candidates for Outside Director

[Independent]: candidates for Independent Officer

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Hisao Ochiai (April 15, 1957)	<p>Apr. 1980      Joined Nihon Radiator Co., Ltd. (currently Marelli Corporation)</p> <p>Apr. 2004      Exhaust Systems Product Director of Nihon Radiator Co., Ltd. (currently Marelli Corporation)</p> <p>Apr. 2007      President of Calsonic Kansei Romania S.R.L. (currently Marelli Ploiesti Romania S.R.L.)</p> <p>Apr. 2011      Deputy General Manager of Compressors Department of Calsonic Kansei Corporation (currently Marelli Corporation)</p> <p>June 2014      Senior Vice President and Deputy General Manager of Japan Region Division of Calsonic Kansei Corporation</p> <p>Apr. 2018      Senior Vice President and General Manager of Thermal Systems Business Unit of Calsonic Kansei Corporation</p> <p>Apr. 2019      Corporate Advisor of the Company</p> <p>June 2019      Representative Director, President and CEO, in Charge of Internal Audit Office of the Company</p> <p>Apr. 2024      Executive Chairman of the Company (present position)</p>	8,100
2	Hironori Kimura (May 5, 1963)	<p>Apr. 1986      Joined Nihon Radiator Co., Ltd. (currently Marelli Corporation)</p> <p>Apr. 2008      General Manager of Sales Group No. 2 of Calsonic Kansei Corporation (currently Marelli Corporation)</p> <p>Apr. 2010      Director of Calsonic Kansei Corporation (currently Marelli Corporation)</p> <p>Apr. 2012      President of Calsonic Kansei (Thailand) Co., Ltd. (currently Marelli (Thailand) Co., Ltd.)</p> <p>Apr. 2015      Senior Vice President of Calsonic Kansei Corporation</p> <p>Apr. 2019      Executive Vice President of Marelli Corporation (retired as of Oct. 2021)</p> <p>Apr. 2022      Executive Corporate Officer, General Manager of Corporate Planning Office of the Company</p> <p>Apr. 2023      Senior Executive Corporate Officer, General Manager of Purchasing, General Manager of Corporate Planning Office of the Company</p> <p>June 2023      Director, Senior Executive Corporate Officer, General Manager of Purchasing, General Manager of Corporate Planning Office of the Company</p> <p>Apr. 2024      Representative Director, President and CEO, in Charge of Internal Audit Office of the Company (present position)</p> <p>(Significant concurrent positions outside the Company)  Vice Chairman of CHONGQING TOKYO RADIATOR CO., LTD.  Chairman of WUXI TRS HEAT EXCHANGER CO., LTD.  Commissioner of PT.TOKYO RADIATOR SELAMAT SEMPURNA  Director of TR Asia Co., LTD.</p>	3,600

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Kenji Mimura (February 12, 1963)	<p>Apr. 1986      Joined the Company</p> <p>Apr. 2008      General Manager, Sales Division No.1 of the Company</p> <p>Apr. 2015      General Manager, in Charge of Commercial Vehicles, Customer Group of the Company</p> <p>Apr. 2016      General Manager, Sales Administration Division of the Company</p> <p>July 2016      General Manager, Sales Administration Division of the Company (Corporate Fellow of the Company)</p> <p>Apr. 2018      Corporate Officer, Deputy General Manager, Sales Division of the Company</p> <p>June 2019      Corporate Officer, General Manager, Sales Division of the Company</p> <p>June 2021      Director and Executive Corporate Officer of the Company (present position) General Manager, Sales Division of the Company</p> <p>Apr. 2024      General Manager of Purchasing of the Company (present position)</p> <p>(Significant concurrent positions outside the Company) Director of Toshin Techno Co., Ltd.</p>	12,900
4	Fujitoshi Takamura (December 21, 1954)	<p>Apr. 1977      Joined Komatsu Ltd.</p> <p>Apr. 2004      Head of Construction Equipment Development Center 1, Development Division, Komatsu Ltd.</p> <p>Apr. 2006      Executive Officer of Komatsu Ltd.</p> <p>Apr. 2009      Executive Officer and Vice President of Development Division, Komatsu Ltd.</p> <p>Apr. 2010      Senior Executive Officer and President of Development Division, Komatsu Ltd.</p> <p>June 2011      Director, Senior Executive Officer and President of Development Division, Komatsu Ltd.</p> <p>Apr. 2013      Director, Senior Managing Executive Officer and President of Development Division, Komatsu Ltd.</p> <p>Apr. 2014      Director and CTO of Komatsu Ltd.</p> <p>June 2017      Advisor of Komatsu Ltd. (present position)</p> <p>June 2019      Outside Director of the Company (present position)</p>	0

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
(New candidate) 5	Hitoshi Hori (November 19, 1957)	<p>Apr. 1984      Joined Toyo Soda Manufacturing Co., Ltd. (currently Tosoh Corporation)</p> <p>June 2000      Director, Eco- Techno Corporation</p> <p>June 2006      Manager of Planning and Development, Electronic Materials Division and Corporate Planning Division of Tosoh Corporation</p> <p>June 2011      Manager of Planning and Development, Advanced Materials Division and Corporate Production Technology Division of Tosoh Corporation</p> <p>Mar. 2012      President (Representative Director) of Eco-Techno Corporation</p> <p>June 2012      Associate Director of Tosoh Corporation</p> <p>June 2014      Managing Director and Executive Officer of ORGANO CORPORATION</p> <p>June 2016      Managing Director and Executive Officer, President of Corporate Management and Planning of ORGANO CORPORATION</p> <p>June 2019      Managing Director and Executive Officer, President of Performance Products Business of ORGANO CORPORATION Chairman of the Board (Representative Director) of ORGANO FOOD TECH CORPORATION</p>	0

- Notes:
1. There are no special interests between each candidate and the Company.
  2. Fujitoshi Takamura and Hitoshi Hori are candidates for Outside Director.
  3. (1) The reasons for Fujitoshi Takamura's nomination as Outside Director candidate and his expected roles are as follows:  
We anticipate that Fujitoshi Takamura will leverage his long years of experience in development and corporate management at a construction equipment manufacturer as well as his deep discernment for the benefit of the Company's own management, while dispensing advice and opinions from an independent perspective to the Company's Board of Directors in order to ensure the reasonableness and legitimacy of its decision making.
  - (2) The reasons for Hitoshi Hori's nomination as Outside Director candidate and his expected roles are as follows:  
We anticipate that Hitoshi Hori will leverage his long years of experience in global management and his deep discernment in a variety of areas for the benefit of the Company's own management, while dispensing advice and opinions from an independent perspective to the Company's Board of Directors in order to ensure the reasonableness and legitimacy of its decision making.
  4. Fujitoshi Takamura currently serves as Outside Director of the Company, and as of the conclusion of this General Meeting of Shareholders, he will have served as Outside Director for five years.
  5. Hitoshi Hori is a new candidate for Director.
  6. The Company has concluded an agreement with Fujitoshi Takamura to limit liability for damages as prescribed by Article 423, paragraph 1 of the Companies Act, with the liability in said agreement limited to ¥5 million or the amount prescribed by laws and regulations, whichever is higher. In the event Fujitoshi Takamura is reelected, the Company intends to continue the said agreement with him. In addition, if Hitoshi Hori is elected, the Company intends to conclude the same agreement with him.
  7. The Company has registered Fujitoshi Takamura as an Independent Officer as stipulated by the Tokyo Stock Exchange. If he is reelected, the Company intends to continue designating him as an Independent Officer. In addition, if Hitoshi Hori is elected, the Company intends to designate him as an Independent Officer as well.
  8. Hisao Ochiai has been engaged in development in the automotive industry for many years, and has experience serving as a representative at corporate entities overseas in addition to management experience at a global company. He has been President & CEO of the Company since 2019 until 2024. The Company nominates him as a candidate for Director because it judges him qualified based on his specialist knowledge and extensive career.
  9. Hironori Kimura has been engaged in the automotive industry for many years, and has experience serving as a representative at corporate entities overseas in addition to management experience at a global company. Since being appointed as Executive Corporate Officer of the Company in 2022, he has led the Product Management Office and the Corporate Planning Office. He has taken the lead as President & CEO since April 1, 2024, and the Company judges him qualified to lead the Group based on his extensive experience.



10. After joining the Company, Kenji Mimura spent many years serving in the Sales Division, and since being appointed as Director of the Company in 2021, he has led sales activities globally. Accordingly, the Company nominates him as a candidate for Director because it judges him qualified based on this extensive experience.
11. The Company has entered into a directors and officers liability insurance contract. This contract will cover damages incurred due to a claim for liabilities filed in the course of business execution by the insureds. Each Director whose election is approved shall become one of the insureds under this insurance contract. The contract will be renewed under the same terms and conditions at the next renewal.  
For further details of this contract, please refer to “Outline of Directors and Officers Liability Insurance Contract” (in the Japanese original document) of this notice.

**[Company proposal]**

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

At the conclusion of this meeting, the term of office of Audit & Supervisory Board Member Ryoichi Matsumoto will expire. Accordingly, we request that one (1) Audit & Supervisory Board Member be elected.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

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

Name (Date of birth)	Career summary and position (Significant concurrent positions outside the Company)	Number of the Company's shares owned
Ryoichi Matsumoto (May 30, 1960)	Apr. 1984      Joined the Company Apr. 2007      General Manager of the Accounting Division of the Company July 2016      Corporate Fellow of the Company June 2020      Full-time Audit & Supervisory Board Member of the Company (present position) (Significant concurrent positions outside the Company) Audit & Supervisory Board Member of Toshin Techno Co., Ltd.	5,600

- Notes:
1. There is no special interest between the candidate and the Company.
  2. The reasons for Ryoichi Matsumoto's nomination as Audit & Supervisory Board Member candidate are as follows:  
In addition to spending many years engaged in finance and accounting since entering the Company, Ryoichi Matsumoto has been responsible as Corporate Fellow for the business execution of the Accounting Division and the Corporate Planning Office since 2016. In addition, as the full-time Audit & Supervisory Board Member since 2020, we anticipate that he will leverage his extensive knowledge for the benefit of the Company's management.
  3. The Company has concluded an agreement with Ryoichi Matsumoto to limit liability for damages as prescribed by Article 423, paragraph 1 of the Companies Act, with the liability in said agreement limited to ¥5 million or the amount prescribed by laws and regulations, whichever is higher. If his reelection is approved, the Company intends to continue the said agreement with him.
  4. The Company has entered into a directors and officers liability insurance contract. This contract will cover damages incurred due to a claim for liabilities filed in the course of business execution by the insureds. If the election of Ryoichi Matsumoto as Audit & Supervisory Board Member is approved, he shall become one of the insureds under this insurance contract. The contract will be renewed under the same terms and conditions at the next renewal.  
For further details of this contract, please refer to "Outline of Directors and Officers Liability Insurance Contract" (in the Japanese original document) of this notice.

**[Company proposal]****Proposal 4:** Election of one (1) substitute Audit & Supervisory Board Member

The effectiveness of the appointment of Toshio Kanai as substitute Audit & Supervisory Board Member, the position for which he was elected at the 116th Ordinary General Meeting of Shareholders held on June 25, 2020, will be cancelled as of the commencement of this meeting. Accordingly, we request that one (1) substitute Audit & Supervisory Board Member be elected in preparation for the eventuality that we have fewer than the number of Audit & Supervisory Board Members required by laws and regulations.

Note that under Article 30 of the Articles of Incorporation of the Company, this election shall be effective until the commencement of the Ordinary General Meeting of Shareholders concerning the final fiscal year ending within four years of the election taking place (the 124th Ordinary General Meeting of Shareholders scheduled to be held in June 2028). However, said election may be cancelled by resolution of the Board of Directors, with the consent of the Audit & Supervisory Board, only prior to the substitute Audit & Supervisory Board Member assuming a position as Audit & Supervisory Board Member.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

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

Name (Date of birth)	Career summary and position (Significant concurrent positions outside the Company)	Number of the Company's shares owned
Yoshinori Tokuoka (January 25, 1956)	Apr. 1978    Joined Nissan Motor Co., Ltd. June 2001    General Manager of Finance Department of Nissan Diesel Motor Co., Ltd. (currently UD Trucks Corporation) Jan. 2004    Supervisor of Corporate Planning Office of AUTECH JAPAN Inc. (currently Nissan Motorsports & Customizing Co., Ltd.) June 2004    Director in charge of Corporate Planning and Accounting Department of AUTECH JAPAN Inc. Apr. 2006    Managing Executive Officer of AUTECH JAPAN Inc. Apr. 2016    Full-time Auditor of AUTECH JAPAN Inc.	0

- Notes:
1. There is no special interest between the candidate and the Company.
  2. Yoshinori Tokuoka is a candidate for substitute Outside Audit & Supervisory Board Member.
  3. The reasons for Yoshinori Tokuoka's nomination as Audit & Supervisory Board Member candidate are as follows:  
We anticipate that Yoshinori Tokuoka will leverage his many years of involvement in the automotive industry, as well as his experience in corporate management in industrial corporations and substantial knowledge of management, finance and accounting for the benefit of the Company's own management.
  4. If Yoshinori Tokuoka assumes the office of Audit & Supervisory Board Member, the Company intends to conclude an agreement with him to limit liability for damages as prescribed by Article 423, paragraph 1 of the Companies Act. The liability in said agreement shall be limited to ¥5 million or the amount prescribed by laws and regulations, whichever is higher.
  5. If Yoshinori Tokuoka assumes the office of Audit & Supervisory Board Member, the Company intends to designate him as an Independent Officer as stipulated by the Tokyo Stock Exchange.
  6. The Company has entered into a directors and officers liability insurance contract. This contract will cover damages incurred due to a claim for liabilities filed in the course of business execution by the insureds. If the election of Yoshinori Tokuoka as Audit & Supervisory Board Member is approved, he shall become one of the insureds under this insurance contract. The contract will be renewed under the same terms and conditions at the next renewal.  
For further details of this contract, please refer to "Outline of Directors and Officers Liability Insurance Contract" (in the Japanese original document) of this notice.

**[Company proposal]**

**Proposal 5:** Determination of allocating restricted stock-based compensation to Directors (excluding Outside Directors)

The remuneration amount for Directors of the Company was approved to be within ¥200 million annually (excluding portion of employee salaries of directors who concurrently serve as employees) at the 102nd Ordinary General Meeting of Shareholders held on June 29, 2006.

In order to provide an incentive for Directors (excluding Outside Directors) to continuously improve corporate value, in addition to promoting further value sharing with shareholders, the Company requests to allocate to Directors (excluding Outside Directors) common shares of the Company that are subject to certain restricted transfer periods and reasons for acquisition by the Company without consideration, etc. (“Restricted Stock”) as described below.

Comprehensively taking into consideration various matters such as degree of contribution by Directors, the Company requests to set the total amount of monetary compensation claim paid as compensation for Restricted Stock to Directors (excluding Outside Directors) within the scope of the remuneration for Directors mentioned above to be ¥50 million per year. The allocation of Restricted Stock is decided by comprehensively taking into consideration various matters such as degree of contribution by Directors. The Company believes this to be appropriate as the maximum number of Restricted Stock allocated per fiscal year specified in 2. below is approximately 0.5% of the total number of issued shares (the percentage of the total number of issued shares if such maximum number of Restricted Stocks are issued over a 10-year period would be approximately 5%), and the stock dilution ratio is minimal.

If this proposal is approved, the “Policy Regarding the Determination of Director Compensation” of “Business Report” will be revised as stated in “(Reference 2) Policy Regarding the Determination of Director Compensation after the approvals of Proposal 5 and Proposal 6” below to be consistent with the approved proposal, at the Board of Directors meeting to convene after the conclusion of this General Meeting of Shareholders. This proposal is determined to be reasonable and consistent with this revised policy.

In addition, there are currently five (5) Directors of the Company (of which, two (2) Outside Directors) and if Proposal 2 is approved the number of Directors will be five (5) (of which two (2) Outside Directors).

Maximum number Restricted Stock for Directors (excluding Outside Directors)

1. Allocation and payment of Restricted Stock

The Company will pay Directors (excluding Outside Directors) monetary compensation claim as compensation related to Restricted Stock within the above annual amount based on resolution by the Board of Directors. Each Director shall receive an allocation of Restricted Stock by transferring all such monetary compensation claims by way of contribution in kind.

The amount to be paid in for Restricted Stock shall be determined by the Board of Directors based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors regarding the issuance or disposal of such shares (if there is no closing price on such date, the closing price on the closest preceding trading day) and within an amount that will not be particularly advantageous to Directors who receive this Restricted Stock.

The above monetary compensation claim will be paid contingent on the Directors (excluding Outside Directors) agreeing with the above contribution in kind and entering into a Restricted Stock allotment agreement containing the content set forth below in 3.

2. Total number of Restricted Stock

The 45,000 total Restricted Stock allotted to Directors (excluding Outside Directors) shall be the maximum allotted Restricted Stock for the current fiscal year.

In the event of a stock split (including a gratis allotment of common shares of the Company) or stock consolidation after the approval of this Proposal, or in any other case where it is necessary to adjust the total number of Restricted Stock allotted according to such situations, such total number of Restricted Stock can reasonably be adjusted.

3. Details of Restricted Stock allotment agreement

The Restricted Stock allotment agreement entered into by the Company and Director receiving an allotment of Restricted Stock shall contain the details below, based on resolution by the Board of Directors.

(1) Details of transfer restriction

Directors who receive an allotment of Restricted Stock cannot transfer to a third party, establish a pledge, establish a transfer of collateral held under pledge, advance, bequest, or conduct any other act of disposal (“Transfer Restriction”) of such allotted Restricted Stock (“Allotted Stock”) from the date of issuance of the Restricted Stock until the date of resignation or retirement from either the office of Director, Operating Officer or employee (“Transfer Restriction Period”).

(2) Acquisition without consideration of Restricted Stock

If, after the commencement of the Transfer Restriction Period, a Director who is allotted Restricted Stock resigns or retires from either the office of Director, Operating Officer or employee before the date of the first Ordinary General Meeting of Shareholders that is convened after such commencement date, the Company will, as a matter of course, acquire the Allotted Stock without consideration.

Furthermore, if shares of the Allotted Stock remain for which the Transfer Restriction has not been lifted based on provisions for the lifting of Transfer Restrictions in (3) below at the time of expiration of the Transfer Restriction Period in (1) above, the Company shall, as a matter of course, acquire them without consideration.

(3) Lifting of transfer restrictions

The Company shall lift the Transfer Restriction for all Allotted Stock, upon the condition that a Director who has received an allotment of Restricted Stock has continued to hold the office of either Director, Operating Officer or employee from the commencement of the Transfer Restriction Period to the date of the first Ordinary General Meeting of Shareholders to be convened after such commencement date is met.

If, after the commencement of the Transfer Restriction Period, such Director resigns or retires from either the office of Director, Operating Officer or employee before the date of the first Ordinary General Meeting of Shareholders that is convened after such commencement date due to reasons the Board of Directors deems legitimate, the number of Allotted Stock to have restrictions lifted and the period of lifting the Transfer Restriction shall be reasonably adjusted as necessary.

(4) Treatment during reorganization, etc.

If an Ordinary General Meeting of Shareholders of the Company approves a proposal concerning a merger agreement with the Company as the non-surviving company, a stock swap agreement under which the Company becomes a wholly-owned subsidiary, a stock transfer plan, or any other reorganization (if an approval by the Ordinary General Meeting of Shareholders is not necessary for such reorganization, approval by the Board of Directors) during the Transfer Restriction Period (limited to when the effective date of such reorganization is before the expiration of the period; hereinafter “Approval of Reorganization”), the Board of Directors will resolve to lift the Transfer Restriction for a reasonably determined number of Allotted Stock based on the period between the commencement date of the Transfer Restriction Period up to the date of approval for such reorganization ahead of the effective date of such reorganization.

Furthermore, upon the Approval of Reorganization, the Company shall, on the business day before the effective date of reorganization and as a matter of course, acquire stocks of the Allotted Stock for which the Transfer Restriction has not been lifted by such date.

(Reference 1)

The Company plans to allot restricted shares similar to the Restricted Stock mentioned above to Operating Officers and employees after the conclusion of this Ordinary General Meeting of Shareholders.

(Reference 2)

Policy Regarding the Determination of Director Compensation after the approvals of Proposal 5 and Proposal 6

#### Policy Regarding the Determination of Director Compensation

The Company's basic policy is to provide continuous motivation to realize our corporate vision.

Policies determining basic matters on Director compensation and content for individual Directors shall be decided by the Board of Directors upon consultation with the Governance Committee, a voluntary advisory body.

The maximum amount of compensation for Directors was approved at the 102nd Ordinary General Meeting of Shareholders held on June 29, 2006 to be within ¥200 million annually (excluding portion of employee salaries), with the number of eligible persons to be six (6). The maximum amount for restricted stock-based compensation is ¥50 million annually, with the number of eligible persons to be three (3). As of the closing of the Ordinary General Meeting of Shareholders held on June 27, 2024, the number of Directors is five (5) (of which, two (2) Outside Directors).

Compensation for Directors is comprised, within the amount threshold, of fixed compensation and performance-linked compensation, as well as restricted stock-based compensation as non-monetary compensation.

From the viewpoint of maintaining independence, Outside Directors are only paid fixed compensation.

Fixed compensation is set by comprehensively taking into consideration the position, responsibilities, skill, and experience, etc. of each of the Directors.

Performance-linked compensation is set by performance evaluations such as consolidated net sales and profit of the previous fiscal year, as well as the achievement rate of both personal and division performance.

Compensation amount shall be up to 50% of fixed compensation.

The two items were selected as indicators in order to strengthen the link between compensation and performance and provide motivation for the medium- to long-term improvement of business performance.

Restricted stock-based compensation is based on a standard amount by position and takes into consideration futures roles that are to be expected.

The Board of Directors entrusts deciding the amount of remuneration, within the maximum threshold amount, for each individual Director to Representative Director, President and CEO, in charge of Internal Audit Office Hironori Kimura. The reason is because it was determined the Representative Director, President & CEO is most appropriate to evaluate each Director and the divisions they are in charge of, while taking into consideration the performance of the Company as a whole. The Governance Committee is consulted and a report is received in advance of the decision regarding the entrusted content.

The Board of Directors has determined that individual remuneration for the fiscal year under review is in alignment with the method to decide details of remuneration, etc. and the policy for determining remuneration as resolved by the Board of Directors, and has been confirmed to honor the report by the Governance Committee and consistent with such decision.

The maximum amount of remuneration for Audit & Supervisory Board Members has been resolved to be within ¥50 million with the number of eligible persons to be four (4) at the 120th Ordinary General Meeting of Shareholders held on June 27, 2024. As of the closing of the Ordinary General Meeting of Shareholders held on June 27, 2024, the number of Audit & Supervisory Board Members is four (4) (of which, two (2) Outside Audit & Supervisory Board Members).

Within this amount threshold, remuneration will be comprised of fixed compensation, to be decided by deliberation amongst Audit & Supervisory Board Members.

**[Company proposal]**

**Proposal 6:** Revision of remuneration amount for Audit & Supervisory Board Members

The amount of remuneration for Audit & Supervisory Board Members was resolved at the 85th Ordinary General Meeting of Shareholders held on July 28, 1989 to be up to ¥3 million monthly with the number of eligible persons to be four (4) and has not been changed to the present. However, taking into consideration changes to economic conditions after the resolution and other factors, the Company proposes to revise the amount of remuneration for Audit & Supervisory Board Members to be up to ¥50 million annually with the number of eligible persons to be four (4).

### <Shareholder proposals (from Proposal 7 to Proposal 9)>

Proposals 7 to 9 are proposed by one shareholder. The summary and reason for each proposal, excepting formal corrections, are as stated in the original Japanese notification released by the proposing shareholder.

Opinion of the Board of Directors regarding all shareholder proposals

There are three proposals from the proposing shareholder, and the Company's Board of Directors is opposed to all three proposals.

As stated in the "Summary of the proposal" and "Reason for the proposal" of the attached "Shareholder Proposals," the demands emphasize the continued distribution of dividends based on dividend on equity ratio (DOE) based on equity capital, and conducting share buybacks equivalent to 1% of shareholder's equity until price book-value ratio (PBR) recovers to 1x.

The Board of Directors believes the following regarding these proposals.

The Group's (the Company and its affiliates) businesses are comprised of heat exchanger products (radiators, inter coolers, oil coolers, EGR coolers, etc.) and automotive parts (fuel tanks, oil pans, etc.) mainly for commercial vehicles and industrial construction machinery.

The Group has announced the Mid-Term Business Plan "TRS Vision 2025" for FY 2021 to FY 2025, with a target of "Top-level manufacturing ability in the industry in 2030" as where it wishes to be in ten years, and the target for 2025 to be the mid-term vision of "Change," "Respond," and "Enhance."

The five strategies to achieve this Mid-Term Business Plan Vision are a "Products strategy," a "Global strategy," a "Growth strategy," a "Smart Factory strategy," and a "Human Resource strategy."

In June 2023, the Group has disclosed the steady progress of the Mid-Term Business Plan, as well as the fact that we can achieve steady results towards FY 2025. The Group continues to work in unison in order to achieve its goals based on the five strategies.

The automotive and industrial construction machinery industries, the main markets for the Group's mainstay products, are currently in a period of great change. The Group recognizes that achieving the targets of the Mid-Term Business Plan by (1) formulating and executing product strategies based on the products axis (product director) system, and enhancing product competitiveness and expanding sales in collaboration with our overseas bases and head office functional axes; (2) improving competitiveness in existing markets and entering into new markets by taking full advantage of our overseas production capacity for expanding overseas business; (3) developing heat exchanger products for NEV towards the realization of a carbon neutral society as pillars of next generation business; (4) Smart Logistics (rectification and synchronization of information and goods) that aims for an attractive factory, Smart Technology (technological innovation), and Smart "Genba" (strong shop floor management) to enhance manufacturing abilities; and (5) enhancing engagement and sharing the vision of our Mid-Term Business plan with all Group employees to achieve our vision will lead to the improvement of corporate value.

On the other hand, the shift to EVs is a very fluid situation worldwide, and the same can be said for the commercial vehicle and industrial construction machinery industries. The Company believes that, especially in this period of great change in an industry with as many variable factors, securing a steady balance sheet that allows to steadily receive orders and conduct investments even during unimaginable changes is important.

Regarding the Group's current performance, it has shown signs of recovery from the latter half of FY 2023. Performance is expected to be continue to recover, however the Board of Directors takes seriously the fall in the Company's share price and PBR falling below 1x due to the effects of the pandemic and semiconductor shortages over the past few years, as well as worsening performance caused by increases in purchase prices and utility expenses, etc.

To break out of this slump in share price, the whole Group is working together to promote the Mid-Term Business Plan "TRS Vision-2025."

In this situation, the continued distribution of dividends based on dividend on equity ratio (DOE) and share buybacks equivalent to 1% of equity as requested by the shareholder proposals will not only rob the Group's flexibility in business operation and capital policy, including shareholder returns, it can delay the medium- to long-term



development of our business and the continuous improvement in corporate value. The Company believes this can result in damaging the profits of our shareholders.

Above is the Board of Directors' view regarding continuously increasing dividends and share buybacks, the aim of the shareholder proposals.

## [Shareholder proposal]

**Proposal 7:** Amendment to Articles of Incorporation concerning appropriation of surplus

### (1) Summary of the proposal

Article 38 and later of the current Articles of Incorporation are to be renumbered, and Article 38 will be newly established as follows. This amendment to the Articles of Incorporation will take effect as of resolution of this Proposal by this Ordinary General Meeting of Shareholders.

#### (Year-end Dividend)

Article 38 The Company will, within the amount available to distribute and using other retained earnings as the source of dividends, aim to pay an amount equal to or greater than 3% of net assets as year-end dividends at the end of every period. However, this shall not apply where there is a clear and reasonable need for the Company to grant an amount lower than the base amount, and the Company can provide an appropriate explanation to shareholders for such clear and reasonable need.

### (2) Reason for the proposal

The Company is a global heat exchanger manufacturer. Before the confusion of the pandemic and semiconductor shortage, it was an excellent automotive parts manufacturer that, while there were fluctuations, recorded ordinary income that greatly exceeded ¥1,000 million yen. However, the valuation of the Company's shares has fallen, with PBR at 0.40x (as of April 5, 2024; Tokyo Stock Exchange Standard Market average is 1.04x).

In FY 2021 and FY 2022, the Company paid dividends despite an overall deficit and without a clear dividend policy. This lack of stability and consistency in shareholder returns has led to a decline in share price.

Automotive parts companies, which have large fluctuations in revenue due to shifts in vehicle model cycles, naturally would have dividends that also fluctuate widely if they employ a dividend payout ratio based on profits. This proposal is brought forth because, when instability in dividends is thought to be a reason for the falling valuation in shares, implementing a dividend on equity ratio (DOE) based on equity capital will bring stability to shareholder returns and can result in the long-term stable composition of shareholders.

## **Opinion of the Board of Directors: The Board of Directors opposes this Proposal.**

As explained in the opinion of the Board of Directors regarding all shareholder proposals, the automotive and industrial construction machinery industries, the main markets for the Group's mainstay products, are currently in a period of great change, and future industry trends are also highly variable.

In such circumstances, the Board of Directors has continued to deliberate on returning profits to shareholders while pouring all our efforts into putting the Company on a growth trajectory.

From the standpoint of wanting to meet the expectations of our shareholders to the extent possible, the Board of Directors has focused on returning profits in a manner that does not harm the soundness of the Company's financial structure, and has continued to make stable dividend payments even in harsh business conditions.

On the other hand, this shareholder proposal demands an amendment to the Articles of Incorporation to appropriate surplus in an amount that, in principle, does not fall below 3% of net assets of the Company every period. If such regulation is added to the Articles of Incorporation, the Group may lose maneuverability and flexibility in operating its businesses and capital policy, including shareholder returns.

Based on the above, the Board of Directors opposes this shareholder proposal.

## [Shareholder proposal]

**Proposal 8:** Amendment to Articles of Incorporation concerning acquisition of treasury shares

### (1) Summary of the proposal

Article 7 of the current Articles of Incorporation is to be renumbered to Article 7 (1), and (2) is to be newly established as follows. This amendment to the Articles of Incorporation will take effect as of resolution of this Proposal by this Ordinary General Meeting of Shareholders.

#### Article 7

2 The Board of Directors shall, until the price book-value ratio of the Company's share value recovers to 1x, acquire treasury shares each fiscal year within the amount available for distribution, with an aggregate purchase price equal to or greater than 1% of shareholder's equity at the end of the fiscal year.

### (2) Reason for the proposal

Although share prices are not necessarily linked to profit and financial performance as they can be affected by both the macroscopic environment and stock market trends, the acquisition of treasury shares during times of low share price not only improves profitability, but is a management stance that does not ignore falling valuation in shares fosters a sense of security and improves corporate value.

The Company's revenue has declined the past couple years, with ordinary income, which was ¥1,600 million in the fiscal year ended March 31, 2019, falling to ¥95 million by the fiscal year ended March 31, 2022. However, recovery is expected, with ordinary income for this fiscal year amounting to ¥1,400 million. Behind a PBR that greatly falls below 1x even as earnings appear to recover from a slump is a sense of unease by shareholders concerning a management stance that condones falling valuation in share price by not purchasing treasury shares despite having financial leeway. This proposal is brought forth to request the acquisition of treasury shares until PBR of stocks exceeds 1x, mitigating the concerns above and regaining shareholder trust.

### **Opinion of the Board of Directors: The Board of Directors opposes this Proposal.**

As explained in the opinion of the Board of Directors regarding all shareholder proposals, the automotive and industrial construction machinery industries, the main markets for the Group's mainstay products, are currently in a period of great change, and future industry trends are also highly variable.

The Board of Directors takes seriously the fall in the Company's share price and PBR falling below 1x due to the effects of the pandemic and semiconductor shortages over the past few years, as well as worsening performance caused by increases in purchase prices and utility expenses, etc.

To break out of this slump in share price, the whole Group is working together to promote the Mid-Term Business Plan "TRS Vision-2025."

The Company has long been of the opinion that the acquisition of treasury shares should comprehensively take into consideration performance, investment needs, financial conditions, external environment, etc. On February 16, 2023, we repurchased 5 million treasury shares for the purpose of improving capital efficiency and realizing agile and stable business management. We are considering various options for these held treasury shares, taking into account the corporate environment and future strategies.

On the other hand, this shareholder proposal demands repurchasing treasury shares in an amount equivalent to at least 1% of shareholders' equity each fiscal year until the price book-value ratio of the Company's share value recovers to 1x because of a management stance that overlooks falling valuation in share price despite having financial leeway, without taking into performance, investment needs, financial conditions, and the external environment.

We have determined that if such regulation is added to the Articles of Incorporation, the Group may lose flexibility in operating its businesses and capital policy, including shareholder returns during a time of great change in the industry and will not lead to the medium- to long-term increase in corporate value of the Company.

Based on the above, the Board of Directors opposes this shareholder proposal.

## [Shareholder proposal]

**Proposal 9:** Amendment to Articles of Incorporation concerning the publication of financial results briefing materials

### (1) Summary of the proposal

The following article shall be newly established in the Articles of Incorporation. However, on the assumption that Agenda 1 is approved as proposed, the article number will be Article 42 as below, however if Proposal 1 is not approved it shall be Article 41. This amendment to the Articles of Incorporation will take effect as of resolution of this Proposal by this Ordinary General Meeting of Shareholders.

Chapter 7 Other

(Publication of Financial Results Briefing Materials)

Article 42 The Company will publish financial results briefing materials that include the following every quarterly period.

- (1) Income by region (net sales / operating profit) and analysis of changes in figures
- (2) Mid-Term Business Plan and its progress
- (3) Basic policy regarding financial strategy and related initiatives
- (4) Basic policy regarding the improvement of corporate value and related initiatives
- (5) Policy regarding shareholder returns

### (2) Reason for the proposal

Principle 5-2 of the Corporate Governance Code in Japan states that when establishing and disclosing business strategies and business plans, companies should present their basic plan as well as targets for profitability and capital efficiency, and also provide explanations that are clear and logical to shareholders with respect to the allocation of management resources and specific measures that will be taken in order to achieve their plans and targets. While the automotive parts industry is recovering from the confusion caused by the pandemic and semiconductor shortages, it is facing a turning point with EVs. It is in such times where the management environment is rapidly fluctuating that clarity in business analysis and explanations of management strategy is required.

Taking into account shifts in the industrial structure, many automotive parts companies have specified focus areas to compensate for product categories where demand is expected to decline, and published their strategies that include detailed financial forecasts. However, the Company has not disclosed detailed briefing materials, particularly for responding to the shift to EVs and financial strategy. While decline in demand for a portion of products due to the shift to EVs and poor performance of supplier companies, the management environment of the Company is also greatly changing. To respond to these changes, the Company should formulate and disclose a clear Mid-Term Business Plan and execute its management with strong determination.

Furthermore, the Company holds 5.01 million shares (34.8% of total issued shares as of September 30, 2023), and equity ratio is also 60.4% (as of December 31, 2023) and trending well, and proactive and clear disclosure of financial strategy is wanted.

During a period of great change for the automotive parts industry, it is difficult to say that the Company is providing sufficient information regarding both the present and the future to its shareholders. Insufficient disclosure causes shareholders anxiety. This proposal is brought forth to break through from the current situation that is a factor in stagnating share prices and demand the creation and disclosure of a detailed Mid-Term Business Plan, as well as careful explanation of its progress through financial results briefing materials.

### **Opinion of the Board of Directors: The Board of Directors opposes this Proposal.**

The Company understands that each of the items described in the newly established article of this shareholder proposal are items to be explained to our various stakeholders, including shareholders, and are items the Company must endeavor to enrich such information.

Taking into account this situation, financial results briefing materials were published for the financial results for the fiscal year ended March 31, 2024 to share information.

(i) For income by region (net sales / operating profit) and analysis of changes in figures, an explanation is provided in the financial results briefing materials that were published.

(ii) For the Mid-Term Business Plan and its progress, information on the progress of “TRS Vision-2025,” which has already been published, is provided in the financial results briefing materials.

(iii) For the basic policy regarding financial strategy and related initiatives, although the Company has not published such information, the Company will consider publishing information on financing, the investment plan, the dividend policy, ROE and other items in the next Mid-Term Business Plan.

(iv) For the basic policy regarding the improvement of corporate value and related initiatives, although the Company has not published such information, the Company believes that publishing, through IR activities, its efforts to improve profitability, sales expansion activities, development of future products through technological innovation, and other information related to the achievement of the goals in the Mid-Term Business Plan will lead to improvement of corporate value.

(v) For the policy regarding shareholder returns, although the Company has not published such information, the Company will consider publishing the information in the next Mid-Term Business Plan.

Going forward, while taking into consideration engagement with shareholders and other matters, the Company will consider publishing various policies, measures and other information in the next Mid-Term Business Plan, and will strive to enhance disclosure while also working to improve corporate value.

On the other hand, the items and content, particularly items demanded by this proposal that are normally disclosed, should not be standardized by the Articles of Incorporation, which establish basic principles regarding the organizational activities of a corporation, but are matters to be flexibly adapted and improved through dialogue with stakeholders while taking into account circumstances from various aspects depending on the business.

Based on the above, the Board of Directors opposes this shareholder proposal.