

Notice of the Acquisition of Shares by Our Subsidiary (for Making a Sub-Subsidiary)

March 22, 2016

We are pleased to notify you that we decided by the resolution of the Board of Directors held today that our consolidated subsidiary T.RAD North America, Inc. will acquire the common stock and preferred stock of Tripac International Inc. by debt equity swap on April 1, this year to make the company a subsidiary of T.RAD North America, Inc.

Company name: T.RAD Co., Ltd.
Aioi Nissay Dowa Insurance Shinjuku
Address: Bldg.3-25-3 Yoyogi Shibuya-ku,
Tokyo Japan
Representative: Hiromi Kano, President
Code No.: 7236
Contact: Norio Kanai, Executive officer,
Finance & Accounting Dept.
Tel: +81-3-3373-1101

1. Reason of Acquisition of Shares

Tripac International Inc. is running as its main business the manufacture and sales of fans, fan motors etc. for ATV and Side By Side in the United States, and we can expect synergy effect of their business to the manufacture and sales of heat exchangers of our Group. We judged that the company will contribute to the enlargement of our business and the expansion of business results in the future and decided to acquire the stocks in question.

2. Summary of T.RAD North America, Inc.

(1) Name	T.RAD North America, Inc.	
(2) Location	210 Bill Bryan Boulevard Hopkinsville, Kentucky 42240 U.S.A.	
(3) Representative	President : Kiyoshi Ogiwara	
(4) Description of business	Manufacture and sales of heat exchangers	
(5) Capital (Thousand)	USD 55,000	
(6) Established	May 5, 1987	
(7) Main share holders and share of stock	T.RAD 100%	
(8) Relations with the Company	Capital relationship	Our company holds 100% of the shares of the Company.
	Human relationship	One (1) director and one (1) executive director of our company are assigned as the directors of the Company.
	Business relationship	Our company has the record of sales transactions for the parts of heat exchangers with the Company.

3. Summary of Tripac International Inc.

(1) Name	Tripac International Inc.			
(2) Location	9000 Forum Way Fort Worth, Texas 76140 U.S.A.			
(3) Representative	President: Michael Todd Timmons			
(4) Description of business	Manufacture and sales of Fan, Fan Motor etc., for ATV, Side by Side			
(5) Capital	USD 866,277			
(6) Established	June 11, 1986			
(7) Main share holders and share of stock	Stephen W O'Brien 46.9% Badenberg Merchant Finance Ltd. 28.7% DeIDav Family Limited Partnership 21.8% Other 2.6%			
(8) Relations with the Company	Capital relationship	Not applicable		
	Human relationship	Two (2) employees of our company are assigned as directors of the Company.		
	Business relationship	Not applicable		
(9) Business Results for three years (USD Thousand)				
	Fiscal Year	FY2014	FY2015	FY2016 Forecast
	Net assets	Δ6,376	Δ5,237	192
	Total assets	3,867	4,211	1,380
	Net sales	11,550	14,923	13,633
	Operating income	Δ533	1,128	149
	Ordinary income	Δ665	1,035	45
	Net income	26,854	1,138	2,742

4. Number of Acquired Shares, Acquisition Prices and the Status of Holding Shares before and after the Acquisition

(1)	Number of holding shares before the change	— shares (The number of Voting rights: —) (Voting rights ratio): —%
(2)	Number of shares to be Acquired	Common stock 683,961 (acquisition price: USD 9,758) Series A Preferred Stock 40,276 (acquisition price: USD 2,510,242)
(3)	Number of holding shares after the change	Common stock 683,961 Series A Preferred Stock 40,276 (Voting rights ratio): 89.6%

5. Foresight

We are considering that the effect of the acquisition of the stocks of this time to the consolidated business results of our Group is minute.