



March 27, 2023

Company name: TOKYO ROPE MFG. CO., LTD.
Representative: Hideyuki Harada, President
(Securities code: 5981, Prime Market of Tokyo Stock Exchange)
Contact: Koji Kitan, Director and Executive Officer;
Head of General Affairs Department
(TEL. 03-6366-7777)

Notice Regarding the Transfer Agreement for the Company's Consolidated Subsidiary in the Republic of Kazakhstan

TOKYO ROPE MFG. CO., LTD. (the "Company") hereby announces that the Board of Directors passed a resolution at its meeting held today, March 27, 2023, to transfer 100% equity in Tokyo Rope Almaty LLP (Almaty, Republic of Kazakhstan), a subsidiary in the Republic of Kazakhstan wholly owned by Tokyo Rope International Inc., a consolidated subsidiary of the Company, to a local employee.

1. Reasons for the transfer

Tokyo Rope Almaty LLP was established in May 2016, with the aim of transferring the Company's manufacturing and construction technology for various disaster-prevention products to the local region and expanding our business while contributing to the Republic of Kazakhstan's development and social capital improvements.

Tokyo Rope Almaty LLP has reached a certain level of achievements in the region, including the adoption of its products in projects such as the reconstruction of the section of the water security strip and the river bed of the Essentai River in Almaty, and the construction of a 4.5 km breakwater on the Ural River in Mahambet Village, Mahambet District, Atyrau Oblast. However, the Company has come to the conclusion that it will be difficult to continue operating as a Japanese company in the region, given the impact of COVID-19 as well as the unrest that occurred in Almaty and other parts of the Republic of Kazakhstan in January 2022. As a result, we have made the decision to transfer 100% equity in Tokyo Rope Almaty LLP to a local employee.

2. Overview of the subsidiary to be transferred

(1) Name	Tokyo Rope Almaty LLP		
(2) Location	138/2, Street NO.7, MICROREGION ALGABAS, ALATAU REGION, INDUSTRIAL ZONE OF ALMATY, ALMATY, the Republic of KAZAKHSTAN		
(3) Title and name of the representative	Yoshiharu Tsutsumi, General Director (President)		
(4) Description of business	Manufacturing and sales of disaster-prevention products		
(5) Capital	4,790,390,000 KZT		
(6) Date of establishment	May 2016		
(7) Major shareholder and shareholding ratio	TOKYO ROPE MFG. CO., LTD. 100% (indirect)		
(8) Relationship between the listed company and the subject company	Capital relationship	The Company has 100% equity in the other party.	
	Personal relationship	The three Directors and President of the subject company concurrently serve as officers and employees of Tokyo Rope International Inc., a wholly-owned subsidiary of the Company.	
	Business relationship	There are no material facts to report.	
(9) Operating results and financial position of the subject company for the recent three years (The accounts were consolidated with those of the listed company three months late.)			
Fiscal period ended	Dec.31, 2019 (results)	Dec. 31, 2020 (results)	Dec. 31, 2021 (results)
Net assets	¥314 million	¥(86) million	¥(740) million
Total assets	¥1,085 million	¥725 million	¥228 million
Net sales	¥109 million	¥80 million	¥0 million
Operating income	¥(45) million	¥(152) million	¥(480) million
Ordinary income	¥(89) million	¥(241) million	¥(428) million
Profit	¥(89) million	¥(356) million	¥(648) million

3. Overview of the transferee in the share transfer

(1)	Name	TAUFIKOV RUMIL	
(2)	Residence	Almaty, the Republic of Kazakhstan	
(3)	Relationship between the listed company and the transferee	Capital relationship	There are no material facts to report.
		Personal relationship	A local employee of Tokyo Rope Almaty LLP
		Business relationship	There are no material facts to report.
		Applicability to related parties	There are no material facts to report.

4. Number of shares to be transferred, transfer price, and the status of shares owned before and after the transfer (Tokyo Rope International Inc.)

(i)	Number of shares owned before the transfer	¥1,347 million	4,790 million KZT (ownership ratio, 100%)
(ii)	Number of shares to be transferred	¥1,347 million	4,790 million KZT (transfer ratio, 100%)
(iii)	Number of shares owned after the transfer	¥0 million	0 KZT (number of voting rights, 0; ownership ratio, 0%)

Note: The Company will refrain from disclosing the transfer price due to the confidentiality agreement within the transfer agreement with the transferee. The transfer price was determined through negotiations with multiple transferee candidates, and the Company considers it a fair price.

5. Schedule

(1)	Resolution date by the Board of Directors	March 27, 2023
(2)	Date of agreement	March 30, 2023
(3)	Date of transfer	April 10, 2023 (scheduled)

6. Future Outlook

The loss associated with the transfer of the subsidiary has largely been recorded in the previous fiscal year; therefore, the impact on the consolidated financial results of the Company for the fiscal year ending March 31, 2023 will be immaterial.