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July 24, 2026

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Representative: Hideyuki Harada, President
(Securities code: 5981, Prime Market of Tokyo Stock Exchange)
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# Notice Concerning Disposal of Treasury Shares as Restricted Stock for Employees

TOKYO ROPE MFG. CO., LTD. (the "Company") hereby announces that its Board of Directors today resolved to dispose of its treasury shares as restricted stock (the "Disposal of Treasury Shares" or the "Disposal"), as described below.

1. Overview of the Disposal

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| (1) | Payment date | August 21, 2026 |
| (2) | Class and number of shares to be disposed of | 5,943 shares of common stock of the Company |
| (3) | Disposal price | 1,971 yen per share |
| (4) | Total disposal value | 11,713,653 yen |
| (5) | Planned allottees | Employees of the Company: 28 persons (5,363 shares)<br>Employees of subsidiaries of the Company: 3 persons (580 shares) |

2. Purpose of and Reasons for the Disposal

With the goal of becoming a "corporate group capable of aiming for net sales of 100.0 billion yen in fiscal year 2030," the Company has decided to introduce a stock grant plan to deliver restricted stock to employees of the Company and its subsidiaries (the "Plan").

The Plan is designed to maximize the commitment of key personnel who lead the organization and to improve employee engagement. Additionally, the Plan is intended to encourage employees to perform their duties with a mid- to long-term awareness of the share price, thereby strengthening the recruitment of outstanding talent and further driving the sustainable growth of the Company's corporate value by aligning employees' interests with those of shareholders.

To deliver restricted stock for the period from April 1, 2026, to March 31, 2027, the Company today resolved to allocate 5,943 shares of common stock of the Company as specified restricted stock to 28 employees of the Company and 3 employees of its subsidiaries (collectively, the "Allottees"). This will be executed by having the Allottees contribute all of the monetary claims, totaling 11,713,653 yen, provided to them as contribution in kind. The amount of monetary claims for each Allottee is determined by comprehensively taking into account various factors, including the degree of contribution expected of each Allottee at the Company and its subsidiaries.

The dilution resulting from this Disposal of Treasury Shares is minimal, representing 0.04% (rounded to two decimal places) of the 16,268,242 total issued shares as of July 23, 2026. Therefore, the Company believes that the scale of this Disposal is reasonable in light of the purposes of the Plan.

The aforementioned monetary claims will be granted on the condition that each Allottee enters into a restricted stock allotment agreement (the "Allotment Agreement") with the Company, which includes the following terms in substance.

3. Overview of the Allotment Agreement

(1) Transfer Restriction Period

From August 21, 2026, to August 31, 2029

During the transfer restriction period specified above (the "Transfer Restriction Period"), Allottees may not transfer, pledge, grant a security interest in, gift during their lifetime, bequeath, or otherwise dispose of the shares of restricted stock allotted to them (the "Allotted Shares") to any third party (the "Transfer Restrictions").

(2) Acquisition of Restricted Stock without Contribution (Free of Charge)

If an Allottee resigns or retires from any of their positions as director, executive officer, or employee of the Company or its subsidiaries before the expiration of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Shares without contribution at the time of such resignation or retirement, unless there is a reason deemed justifiable by the Board of Directors of the Company.

In addition, if any of the Allotted Shares have not had their Transfer Restrictions lifted at the time of expiration of the Transfer Restriction Period (the "Time of Expiration") in accordance with the provisions for lifting Transfer Restrictions described in (3) below, the Company shall automatically acquire such shares without contribution immediately after the Time of Expiration.

(3) Lifting of Transfer Restrictions

On the condition that an Allottee has continuously held any of the positions of director, executive officer, or employee of the Company or its subsidiaries during the Transfer Restriction Period, the Company shall lift the Transfer Restrictions on all of the Allotted Shares held by the Allottee at the Time of Expiration.

However, if an Allottee resigns or retires from any of their positions as director, executive officer, or employee of the Company or its subsidiaries before the expiration of the Transfer Restriction Period for reasons deemed justifiable by the Board of Directors of the Company, the Transfer Restrictions shall be lifted immediately after such resignation or retirement for a portion of the Allotted Shares. The number of shares to be released from the Transfer Restrictions shall be calculated by multiplying the number of Allotted Shares held by the Allottee at that time by a fraction. This fraction is the number of months from April 2026 to the month containing the date of resignation or retirement, divided by 12 (if the calculation results in a number greater than 1, it shall be treated as 1). Any fraction of less than one share resulting from this calculation shall be rounded down.

(4) Administration of Shares

Each Allottee shall open an account with SMBC Nikko Securities Inc. in a manner designated by the Company to write down or record the Allotted Shares, and shall keep and maintain the Allotted Shares in such account until the Transfer Restrictions are lifted.

(5) Treatment in the Event of Organizational Restructuring, etc.

If, during the Transfer Restriction Period, a merger agreement under which the Company becomes the disappearing company, a share exchange agreement or a share transfer plan under which the Company becomes a wholly owned subsidiary, or any other proposal for organizational restructuring, etc., is approved at a General Meeting of Shareholders of the Company (or by the Board of Directors of the Company if approval at a General Meeting of Shareholders is not required for the organizational restructuring, etc.), the Company shall, by resolution of its Board of Directors, lift the Transfer Restrictions immediately prior to the business day preceding the effective date of the organizational restructuring, etc.

The number of shares to be released from the Transfer Restrictions shall be calculated by multiplying the number of Allotted Shares held by the Allottee on the date of approval by a fraction. This fraction is the number of months from April 2026 to the month containing the date of approval, divided by 12 (if the calculation results in a number greater than 1, it shall be treated as 1). Any fraction of less than one share resulting from this calculation shall be rounded down.

In such cases, the Company shall automatically acquire without contribution all of the Allotted Shares for which Transfer Restrictions have not been lifted as of the business day preceding the effective date of the organizational restructuring, etc.

4. Basis for Calculating the Payment Amount and Specific Details Thereof

To eliminate any arbitrariness, the disposal price for the Disposal of Treasury Shares has been set at 1,971 yen, which was the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors (July 23, 2026). This is the market share price immediately prior to the date of the resolution of the Board of Directors, and the Company believes that it is a reasonable and not particularly advantageous price.