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President
Tokyo Rope Manufacturing Co., Ltd.

A Burning Desire for Quality and Innovation

Tokyo Rope's Guide Wire for Nearly 125 Years

Tokyo Rope is committed to rebuilding and strengthening infrastructures worldwide.

Hemp is intimately intertwined with Japanese culture and historically has seen numerous applications, including clothing and medicine, and is still used today in items for use or display in Shinto rituals. Hemp was once the accepted key material in rope, but the abaca plant – a species of banana – also known as Manila hemp, a vegetable fiber indigenous to the Philippines, was found to be a superior material for this application as it did not require tarring and has an inherently high resistance to potential damage from salt water. In 1887, one newly launched enterprise established the first-ever Manila hemp rope production operation in Japan – that company was Tokyo Rope Mfg. Co., Ltd., and rope has come to symbolize a kind of guide wire the company has followed through its existence and evolution into the enterprise it is today.

Flash forward nearly 125 years, and Tokyo Rope is a leader in Japanese manufacturing, specializing in a technologically advanced combination of materials such as steel and carbon fiber toward the provision of what it refers to as “total cable technology.” The company also supplies state-of-the-art materials crucial to the generation of solar power, deep ocean energy and urban infrastructure renovation. Its key products include wire rope that is used in mining, suspension bridges, construction equipment, elevators, fishery and more; wire with various applications in the electric and cable industries; and steel cord, essential in automobile tire reinforcement. Tokyo Rope also produces engineering-related products, devices and equipment, ranging from road safety facilities such as net fences for protecting against falling rocks to composite cable

utilized in bridge suspension and pre-stressed concrete structures. The company further manufactures fiber ropes and nets with a myriad of applications.

Currently, the company is headquartered in Tokyo and has established six branch offices nationwide, as well as four production complexes in Ibaraki, Iwate and Osaka. Tokyo Rope operates representative offices abroad, in Hong Kong, Kazakhstan and Moscow, with production facilities in China primarily for steel cord manufacturing, as well as a facility in Vietnam for the manufacturing of rope for use in elevators. Its next planned expansion is a gradual, full-fledged foray into Asian markets. The company's technologies come to life at its R&D center in Tsuchiura, Ibaraki, an eight-division structure focused on the pursuit of newer and better products and technologies.

Tokyo Rope's medium-term management plan, enacted in 2010, is based on four pillars: clearly ascertaining fields where future growth is forecast; enhancing earning power through expansion of overseas operations; promoting development of new products and processes; and implementing comprehensive cost reduction measures at domestic bases. Within this plan, President Michio Inose set forth goals for fiscal 2011 of 80 billion yen in revenues, an ordinary income ratio (ROS) of over 7%, contrast against fiscal 2010 targets of 74 billion yen in net sales, an ROS of 3.5%, and operating profit of 2.6 billion yen. Inose noted in the fall of 2010 that through the steadfast promotion of the strength of core businesses, aggressive development of overseas operations and fortification of domestic bases, enhancement of adaptability based on 'the pursuit of

total cable technology,' and improvement of organizational strength, the second half of the year would become the springboard from which the company would leap toward achieving the targets it has established.

In spite of the impact of the Great East Japan Earthquake, which caused considerable losses of varying degree, the company's fiscal 2010 net sales nearly matched those of 2009, while falling just short of the initial target. Cost-reduction measures and continued solid performance in the steel cord segment – including sawing wires – resulted in significant increases in operating and ordinary income.

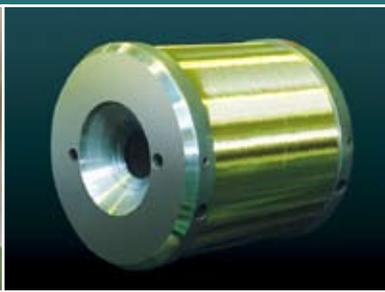
How does Tokyo Rope plan to achieve the aggressive goals it has set forth? By continuing to do what it does best, along with intelligent, measured expansion. The company sees opportunities abroad, particularly in the U.S. and Asia, and has already set the wheels in motion to actively respond to existing and forecasted demand.

The expansive highway network in the U.S., with its countless bridges, is increasingly in a state of disrepair. Data provided by the American Association of State Highway and Transportation Officials (AASHTO) shows that the average age of bridges in the U.S. is over 43 years, and AASHTO estimates that one in four bridges requires structural renovation or repair, and in terms of today's traffic flow is functionally outdated.



The American Society of Civil Engineers, experts on U.S. infrastructure, has stated that US\$17 billion is needed annually to properly address bridge needs, and President Obama has proposed an injection of US\$336 billion over six years, US\$70.5 billion of which would become available in 2012 under the proposal. Tokyo Rope, with its advanced technological, development and manufacturing facilities and capabilities, is poised to pounce on this golden opportunity.

The company, which has already established offices and production bases in Asia, plans to gradually ramp up its Asian operations, with a focus on the solar power generation field. An article in the online journal AsianScientist dated May 30, 2011 reported Asian Development Bank (ADB) Vice-President Xiaoyu Zhao as saying that expansion of solar energy generation is essential to the continued economic growth of Asia and to the region's continued contributions to reducing CO₂ emissions. According to the article, less than 0.25% of all electricity generated in Asia is solar-generated – this is attributable to sub-standard infrastructure in many areas of the region, a dearth of available financing



for clean energy projects, and a shortage of advanced technological knowledge. ADB is committed to promoting clean energy development, having spent US\$1 billion in each of the past three years with plans to allocate US\$2 billion annually beginning in 2013.

Enter Tokyo Rope – the only company in the world capable of developing and manufacturing both wire saws and sawing wire. A wire saw is a machine used to cut harder materials – one of its most common

applications is the slicing of silicon ingots into wafers required in the generation of solar power. Sawing wire is a superior-grade wire fashioned from steel, used in the wire saw. Higher quality in wire saws and sawing wire offers benefits such as higher wafer yield, enhanced process consistency, reduced saw cleaning time and increased energy efficiency. Tokyo Rope has moved production of wire saws and other cutting devices to Malaysia and China in an attempt to better directly address the demand for solar power-related

technology and products in the region, and its wire saws and sawing wire are certain to draw growing attention in the second decade of the new millennium.

Tokyo Rope, which has emerged even stronger in the aftermath of the Great East Japan Earthquake, is already at work applying the know-how it has accumulated over a century and a quarter to recovery efforts in the Tohoku region, and is primed to broaden its influence and leave its mark on infrastructures around the globe.

