February 6, 2015

CONSOLIDATED FINANCIAL STATEMENTS
<under Japanese GAAP>
For the nine-month period ended December 31, 2014

Name of the company:	Tsubakimoto Chain Co.
Code number:	6371
Stock exchange listings:	Tokyo
URL:	http://tsubakimoto.com/
Representative:	Isamu Osa, President and Representative Director
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Scheduled quarterly report issuance date:	February 9, 2015

*Amounts less than ¥1 million are omitted.

1. Consolidated Operating Results for the Nine Months Ended December 31, 2014

(1) Consolidated Results of Operation

(% figures show change compared to the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
9-month period ended December 31, 2014	142,345	10.8	15,700	26.9	16,438	28.0	10,245	34.6
9-month period ended December 31, 2013	128,462	18.6	12,369	35.3	12,844	36.7	7,612	42.4

Note: Comprehensive income

9-month period ended December 31, 2014: ¥ 16,887 million: 4.7 %

9-month period ended December 31, 2013: ¥ 16,131 million: 142.0 %

	Net income per share	Net income per share (diluted)
	Yen	Yen
9-month period ended December 31, 2014	54.76	—
9-month period ended December 31, 2013	40.68	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2014	252,394	135,522	52.3
As of March 31, 2014	228,840	121,628	51.8

Note: Shareholders' equity

As of December 31, 2014: ¥ 131,934 million

As of March 31, 2014: ¥ 118,433 million

2. Dividends

	Dividends per share				
	1st quarter end	2nd quarter end	3rd quarter end	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
FYE2014	—	4.00	—	6.00	10.00
FYE2015	—	7.00			
FYE2015 (Forecasted)			—	7.00	14.00

Note: Revision of cash dividends forecast in quarter under review: No

3. Outlook for Consolidated Operating Results for the 12 Months Ending March 31, 2015

(% figures show change compared to the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
12-month period ending March 31, 2015	191,000	7.3	19,700	13.5	20,300	12.8	13,000	27.3	69.48

Note: Revision of outlook for consolidated operating results in quarter under review: No

* Notes

(1) Significant changes in scope of consolidation (indicates changes in specified subsidiaries involving changes in the scope of consolidation): No

(2) Adoption of specific accounting procedures for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, accounting estimates, and restatement of corrections:

1. Changes in accounting policies due to the revision of accounting standards and other regulations: Yes
2. Other changes in accounting policies: None
3. Changes in accounting estimates: None
4. Restatement of corrections: None

(4) Number of shares issued (common shares)

1 Number of shares issued at end of period (including treasury shares)

As of December 31, 2014: 191,406,969 shares

As of March 31, 2014: 191,406,969 shares

2 Number of treasury shares at end of period

As of December 31, 2014: 4,308,627 shares

As of March 31, 2014: 4,292,184 shares

3 Average number of shares during the period

As of December 31, 2014: 187,106,441 shares

As of December 31, 2013: 187,134,096 shares

* Implementation status of the quarterly review

These quarterly financial statements are exempt from the quarterly review procedure required by the Financial Instruments and Exchange Act. The quarterly review based on the Financial Instruments and Exchange Act has not been completed at the time of disclosure of these financial statements.

* Explanation regarding the appropriate usage of consolidated operating results outlook and other items

The consolidated operating results outlook is based on information available at the present juncture and certain assumptions believed to be reasonable. However, it includes risks and uncertainties. Actual business results may differ materially from the figures of the consolidated operating results outlook due to changes in business conditions, market trends, or fluctuation in currency exchange rates. Furthermore, factors that may affect business results are not limited to those factors.

1. Qualitative Information regarding Consolidated Performance in the Period under Review

(1) Discussion of Operating Results

Regarding the Tsubaki Group's operating environment in the nine-month period ended December 31, 2014, the consumption tax hike in Japan resulted in a slump in consumer spending. Nevertheless, the domestic economy showed a modest recovery trend supported by the benefits of government economic stimulus measures, which led to increased capital investment and other positive trends. Overseas, conditions were generally firm. Economic growth in Europe remained sluggish and growth in China slowed. Nevertheless, conditions proved more or less solid in ASEAN countries and other parts of Asia. Meanwhile, the modest economic growth trend continued in the United States.

In this environment, the Tsubaki Group worked to improve profitability while advancing initiatives pertaining to the strategic objectives of Medium-Term Management Plan 2016—namely, to implement product development and manufacturing strategies that consistently respond to the needs of the market and to undertake the expansion of businesses that leverage the collective strengths of the Group.

As a result, orders received for the nine-month period were up 12.5% year on year, to ¥146,181 million, and net sales were up 10.8%, to ¥142,345 million.

Operating income increased 26.9% year on year, to \15,700 million; ordinary income increased 28.0%, to ¥16,438 million; and net income increased 34.6%, to ¥10,245 million.

Segment results are summarized as follows.

[Chains]

In the Chains segment, net sales were up year on year. Sales of drive and conveyor chains as well as cable and hose protection and guidance products were solid in Japan, while sales were strong for conveyor chains and cable and hose protection and guidance products in the United States, Europe, and elsewhere in Asia.

As a result of the above, orders received were up 11.9%, to ¥45,646 million; net sales increased 10.9%, to ¥44,634 million; and operating income grew 50.6%, to ¥4,048 million.

[Power Transmission Units and Components]

In the Power Transmission Units and Components segment, net sales were up year on year, reflecting strong sales of reducers, shaft couplings, locking devices, and clutches in Japan, which offset lower sales of reducers in China.

As a result of the above, orders received increased 0.7%, to ¥16,918 million; net sales rose 5.3%, to ¥16,570 million; and operating income grew 8.6%, to \1,835 million.

[Automotive Parts]

In the Automotive Parts segment, net sales were up year on year due to favorable sales of timing chain drive systems for automobile engines in Japan, the United States, Europe, Thailand, China, and South Korea.

As a result of the above, orders received rose 9.4%, to ¥48,768 million; net sales grew 10.7%, to ¥49,138 million; and operating income was up 19.1%, to ¥9,060 million.

[Materials Handling Systems]

In the Materials Handling Systems segment, net sales were up year on year. In Japan, higher sales of systems for the distribution, pharmaceutical, and steel industries were recorded. Meanwhile, in Europe, sales of metalworking chip handling /

coolant processing systems for the machine tool industry were higher.

As a result of the above, orders received were up 26.4%, to ¥33,322 million; net sales rose 14.5%, to ¥30,506 million; and operating income was up 90.5%, to \705 million.

[Other]
Other orders received rose 7.3%, to ¥1,526 million; net sales increased 4.1%, to ¥1,495 million; and operating income was down 42.0%, to ¥21 million.

(2) Discussion of Financial Position
[Assets]
Total assets stood at ¥252,394 million on December 31, 2014, up ¥23,554 million from the end of the previous fiscal year.

Current assets totaled ¥114,704 million, up ¥14,077 million from the end of the previous fiscal year. This rise was the result of a \5,681 million increase in inventories following a rise in work in progress and a \4,880 million increase in trade notes and accounts receivable that was due to the last day of the period being a holiday for financial institutions.

Non-current assets amounted to ¥137,690 million, up ¥9,476 million from the end of the previous fiscal year. This outcome can be attributed to a \7,142 million increase in investments and other assets that resulted from improvements in the market value of securities held by the Company as well as to a \3,021 million rise in property, plant and equipment following investments in production facilities.

[Liabilities]
Liabilities at the end of the period were ¥116,872 million, up ¥9,659 million from the end of the previous fiscal year. This result was largely attributable to a \5,319 million increase in trade notes and accounts payable that was due to the last day of the period being a holiday for financial institutions. Other contributing factors included a \1,195 million increase in net defined benefit liability and a \1,316 million increase in other long-term liabilities following a rise in deferred tax liabilities.

[Net Assets]
Net assets at the end of the period were ¥135,522 million, up ¥13,894 million from the end of the previous fiscal year. This increase was due to a ¥7,202 million rise in retained earnings. The increase can also be attributed to boosts of \3,958 million from more beneficial translation adjustments, a result of foreign exchange rate fluctuations, and \2,458 million from valuation difference on available-for-sale securities, a result of improvements in the market value of securities held by the Company. The equity ratio was 52.3%.

(3) Discussion of Full-Year Performance, including Consolidated Operating Results Forecast for the Fiscal Year Ending March 31, 2015
The Company has made no revisions to the full-year results forecast for the fiscal year ending March 31, 2015, that was announced on November 7, 2014.

2. Matters Concerning Summary Information (Notes)
Changes in accounting policies, accounting estimates, and restatement of corrections

(Changes in accounting policies)
Effective April 1, 2014, the Company applied the provisions in Article 35 of “Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan (ASBJ) Statement No. 26, issued on May 17, 2012) and Article 67 of the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, issued on May 17, 2012). In accordance with

these provisions, the method for calculation of the discount rate for retirement benefit obligations and service cost was changed from the previous method (calculation using the period approximate to the expected average remaining working lives of employees in practice as the basis for calculation) to a method entailing the use of a single weighted average discount rate that reflects the estimated payment period of retirement benefits and the amount per that period.

With regard to application of the “Accounting Standard for Retirement Benefits,” as per the past treatment stipulated in Article 37 of the “Accounting Standard for Retirement Benefits,” on April 1, 2014, retained earnings was adjusted for the amount of the effect from the change in the method of calculating retirement benefit obligations and service cost.

As a result, on April 1, 2014, net defined benefit liability increased ¥1,202 million and retained earnings decreased \774 million. The impact on income was minimal.