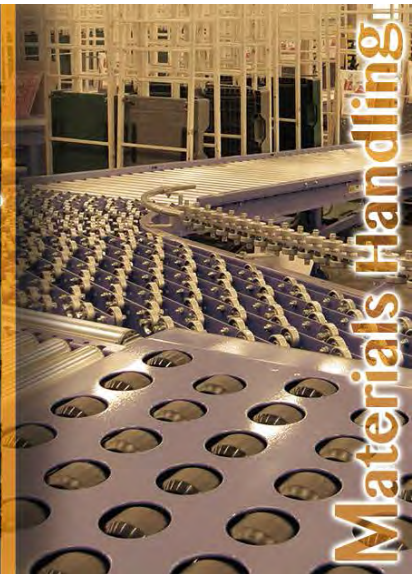
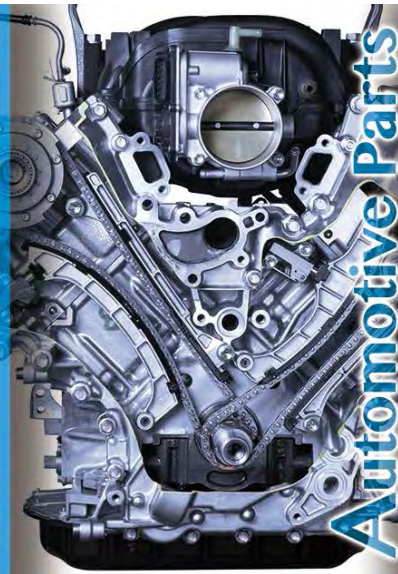
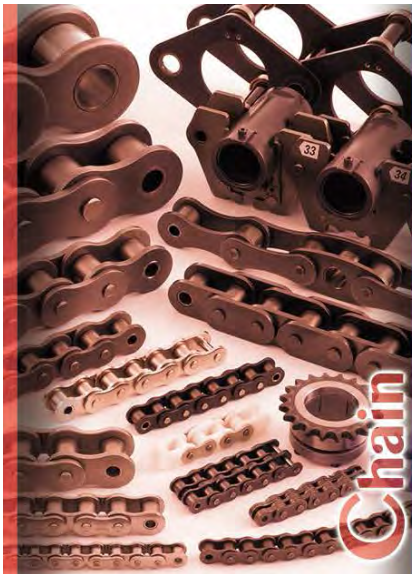


Tsubakimoto Chain Co. FYE 2019 Interim Settlement of Accounts Presentation Meeting



November 16, 2018

FYE 2019 Interim Settlement of Accounts Consolidated Business Report

Note: The "first half" referred to in this report indicates the period from April 1 through September 30 of the applicable consolidated accounting year, while the "second half" indicates from October 1 of the same year through March 31 of the following year.
(For some overseas subsidiaries, these periods are from January 1 through June 30 and from July 1 through December 31 respectively of the applicable year.)

- Domestic and overseas sales continue to grow, and income and profits increased compared to the same period of the previous year.

Sales and profits reached a record high. (Based on the results at the end of the second quarter.)

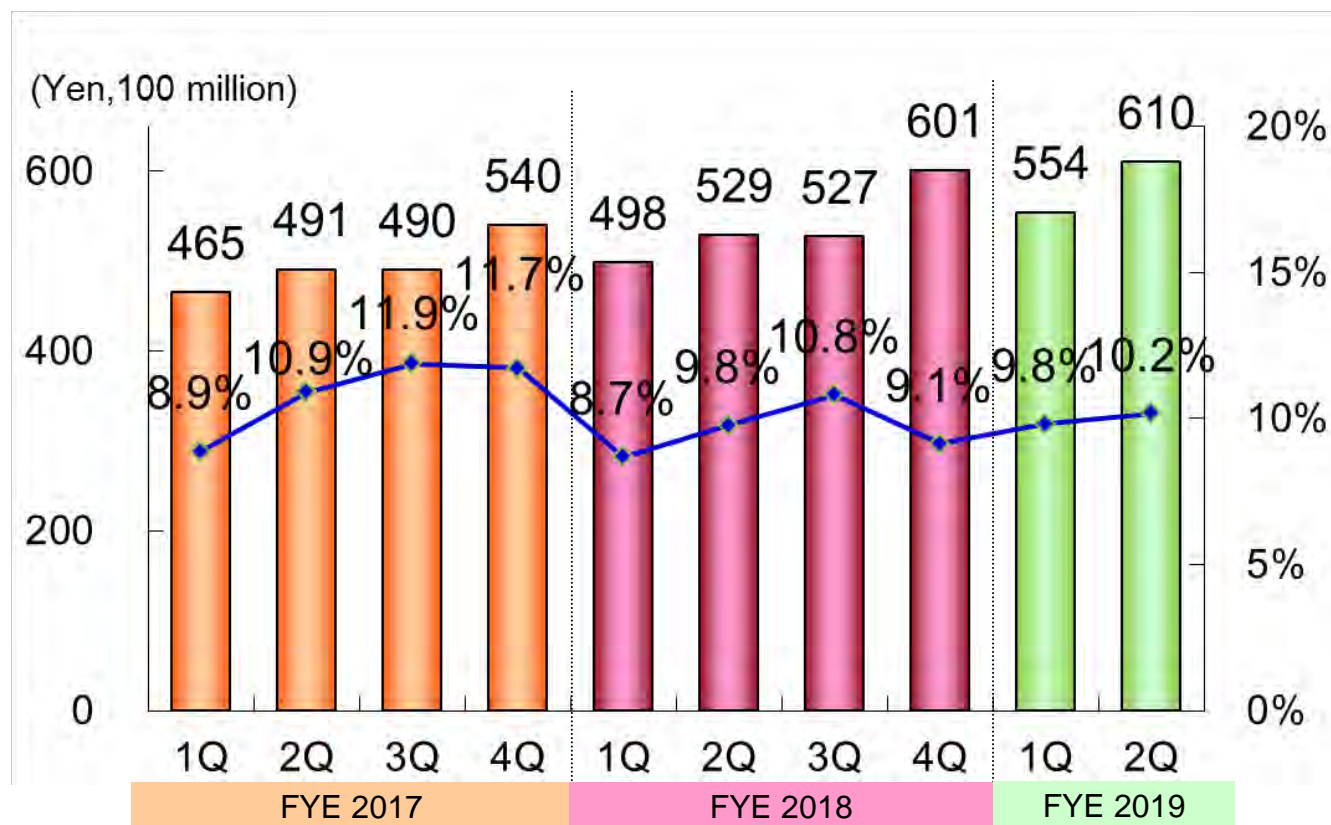
(Yen, millions)

	FYE 2018	FYE 2019	Comparison with previous term Increase/decrease	Budgeted Amount (July 27, 2018)	
	First half figure(actual)	First half figure(actual)		Budget	Increase/decrease
Net sales	102,778	116,492	13.3%	118,000	-1.3%
Operating income	9,500	11,643	22.6%	10,800	7.8%
Operating income margin	9.2%	10.0%		9.2%	
Ordinary income	10,239	12,104	18.2%	11,200	8.1%
Net income	6,835	8,669	26.8%	7,900	9.7%
Net income per share (Yen)	180.57 yen	229.02 yen	—	—	—
(Exchange rates 1 US\$)	111.05 yen	110.26 yen	—	—	—
(Exchange rates 1 EURO)	126.32 yen	129.79 yen	—	—	—

	Full year figure(actual)	First half figure(actual)	
Shareholders' equity ratio	59.2%	56.9%	Equity capital/total assets
Net D/E ratio	-0.03	0.06	(Interest-bearing debt - Cash equivalent)/(Capital adequacy)

Trend in Quarterly Consolidated Settlement of Accounts

■ Trends in sales and operating income margin (Consolidated)



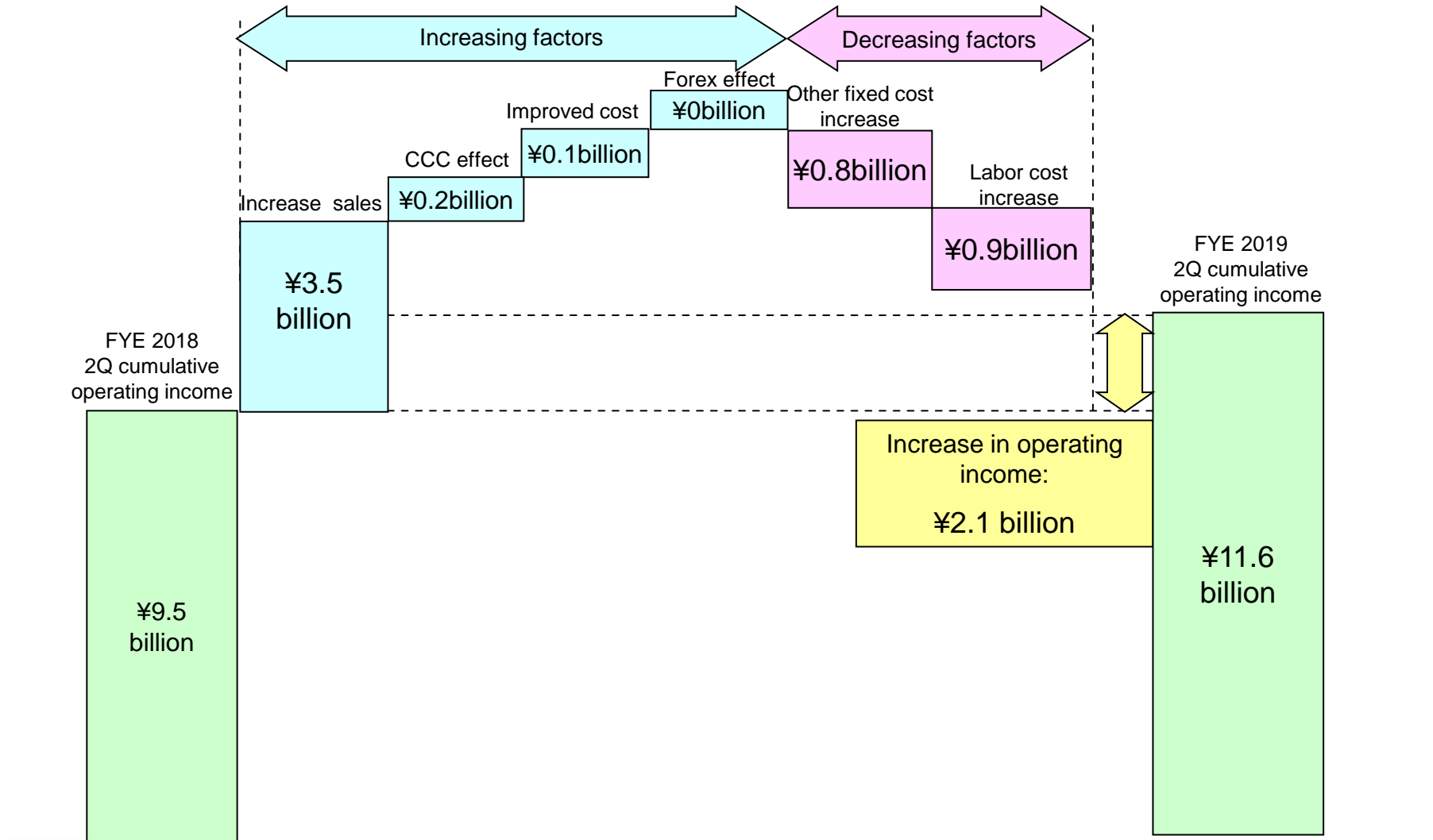
Major exchange rates	FYE2017	FYE2018	FYE2019(2Q cumulative)
US \$	108.35	110.86	110.26
Euro	118.76	129.66	129.79

(Unit: Yen, 100 million) ■ : Net sales ◆ : Operating income margin

3. Interim Review

Analysis of Factors Consolidated Increasing/Decreasing Operating Income

■ 2Q cumulative of FYE 2018 vs. 2Q cumulative of FYE 2019



Note: Operating income values are rounded off.

4. Interim Review

Breakdown by Business Segment

- Income and profits from the Chain segment, the Power Transmission Units and Components segment, and the Materials Handling Systems segment increased. Due to increased depreciation and other factors, the Automotive Parts segment saw decreased profits despite increased income.

		(Yen, millions)				
		FYE 2018	FYE 2019	Comparison with previous term	Budgeted Amount (July 27, 2018)	
		First half figure(actual)	First half figure(actual)	Increase/decrease	Budget	Increase/decrease
Chain Operations	Net sales ^{*1}	32,272	35,565	10.2%	34,700	2.5%
	Operating income	3,712	5,057	36.2%	4,550	11.1%
	Operating income margin	11.5%	14.2%		13.1%	
Power Transmission Units and Components Operations	Net sales ^{*1}	11,705	12,663	8.2%	12,800	- 1.1%
	Operating income	1,301	1,540	18.4%	1,660	- 7.3%
	Operating income margin	11.1%	12.2%		13.0%	
Automotive Parts Operations	Net sales ^{*1}	38,535	39,796	3.3%	40,700	- 2.2%
	Operating income	5,161	4,699	- 9.0%	4,780	- 1.7%
	Operating income margin	13.4%	11.8%		11.7%	
Materials Handling Systems Operations	Net sales ^{*1}	20,140	28,332	40.7%	30,200	- 6.2%
	Operating income	133	871	554.1%	650	34.0%
	Operating income margin	0.7%	3.1%		2.2%	
Other ^{*2}	Net sales ^{*1}	1,492	1,732	16.1%	2,020	- 14.3%
	Operating income	-29	-44	—	▲ 30	—
	Operating income margin	—	—		—	

*1: Sales figures include internal sales and transfers between segments.

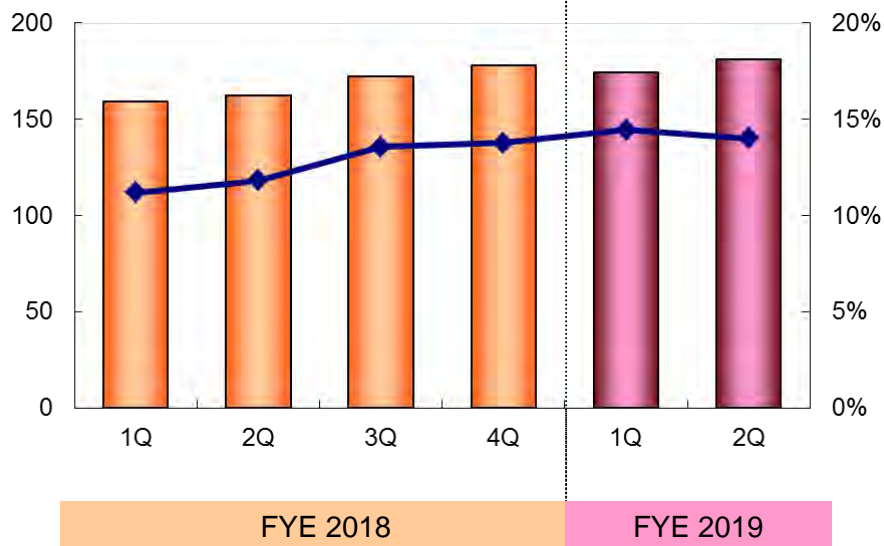
*2: "Other" is not a reportable segment.

5. Interim Review Earnings Trend by Business Segment

■ Trends in sales and operating income margin

● Chain Operations

(Yen, 100 million)

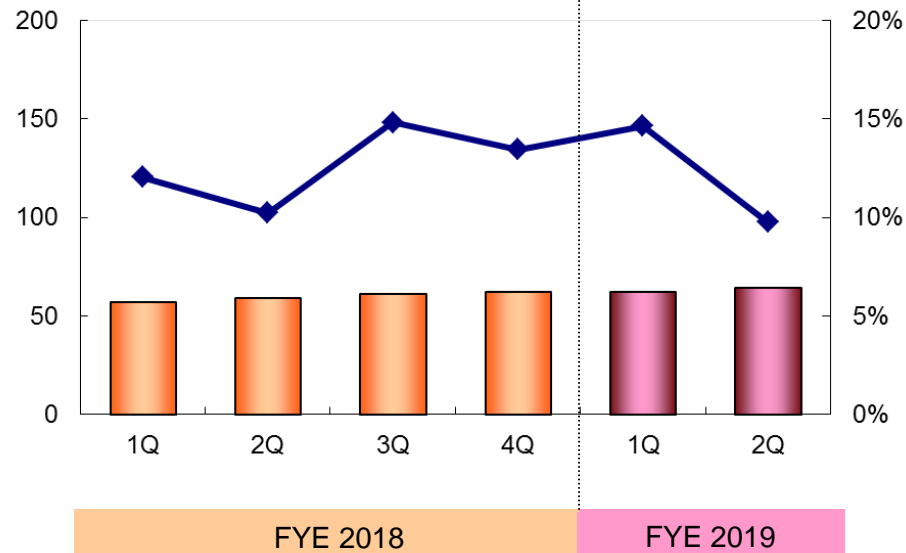


<Sales by region>

- Japan: Strong demand trend resulted in increased income and profits.
- Americas: Favorable demand in America resulted in increased income and profits.
- Europe: Strong demand resulted in increased income and profits.
- Indian Ocean Rim: ASEAN trends continue to be strong. Improvements seen in Australia.
- China: Demand is improving, income has increased compared to the same period of the previous year, and profitability has also improved.

● Power Transmission Units and Components Operations

(Yen, 100 million)



<Sales by region>

- Japan: Strong demand trend resulted in increased income and profits.
- Americas and Europe: Despite the small scale, trends show steady performance.
- China: Strong demand resulted in increased income and profits.
- Indian Ocean Rim: Strong results of the Thai subsidiary resulted in increased income and profits.

Unit: Yen, 100 million ■ : Sales ◆ : Operating income margin

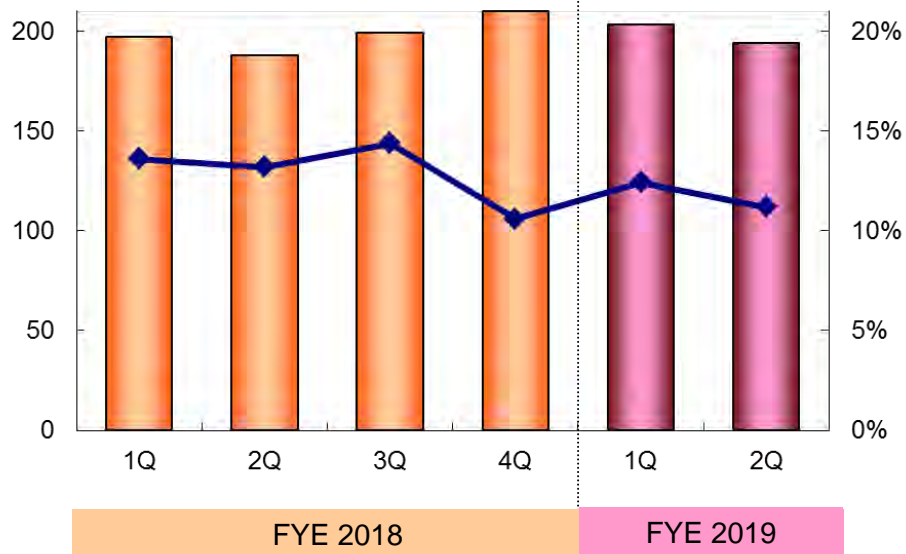
5. Interim Review

Earnings Trend by Business Segment

■ Trends in sales and operating income margin

●Automotive Parts Operations

(Yen, 100 million)

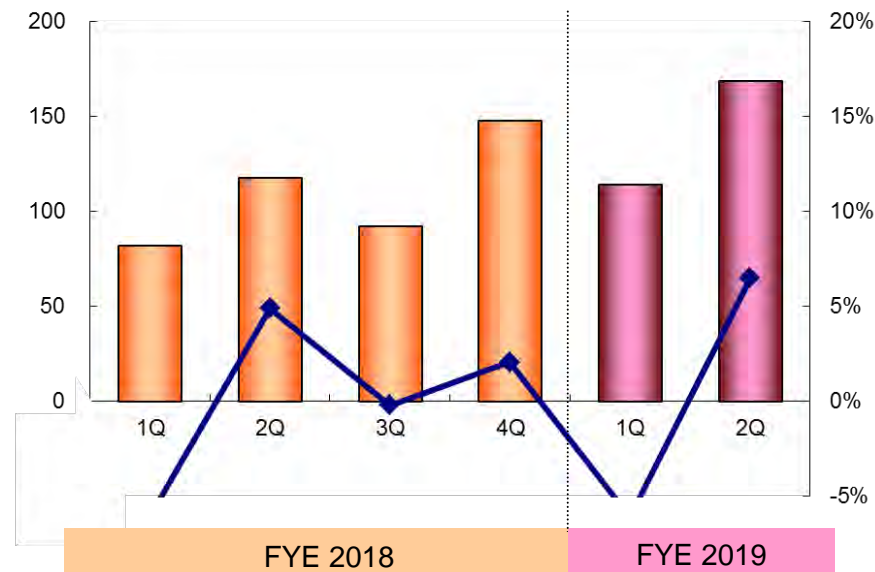


<Sales by base>

- **Japan:** Domestic automotive production recovered, income increased, but profits declined due to the launch of the Hyogo Plant.
- **United States:** Decrease in sales for Japanese manufacturers resulted in decreased income and profits.
- **China:** Strong demand for U.S. and European manufacturers resulted in increased income and profits.
- **Europe:** Flat sales. Increase in fixed costs relative to the operations of the Czech Plant resulted in decreased profits.

●Materials Handling Systems Operations

(Yen, 100 million)



<Sales by region>

- **Japan:** Favorable sales in the distribution and newspaper industries resulted in increased income and profits.
- **United States:** Central Conveyor becoming a consolidated subsidiary resulted in increased income, and acquisition-related costs and goodwill amortization resulted in increased income but in decreased profits.
- **Europe:** Recovery in demand resulted in increased income and profits.

Unit: Yen, 100 million ■ : Sales ◆ : Operating income margin

6. Interim Review Overview by Region

		(Yen, millions)		
		FYE 2018	FYE 2019	Comparison with previous term
		First half figure(actual)	First half figure(actual)	Increase/decrease
America	Net sales*	25,455	32,042	25.9%
	Operating income	1,659	2,274	37.1%
	Operating income margin	6.5%	7.1%	
Europe	Net sales*	12,162	14,341	17.9%
	Operating income	58	243	314.3%
	Operating income margin	0.5%	1.7%	
Indian Ocean Rim	Net sales*	6,919	8,630	24.7%
	Operating income	940	1,445	53.6%
	Operating income margin	13.6%	16.7%	
China	Net sales*	10,115	11,701	15.7%
	Operating income	396	458	15.7%
	Operating income margin	3.9%	3.9%	
South Korea, Taiwan	Net sales*	5,241	4,999	-4.6%
	Operating income	493	368	-25.3%
	Operating income margin	9.4%	7.4%	
Japan	Net sales*	59,598	62,503	4.9%
	Operating income	5,197	6,005	15.5%
	Operating income margin	8.7%	9.6%	

*Sales figures include internal sales and transfers between segments.

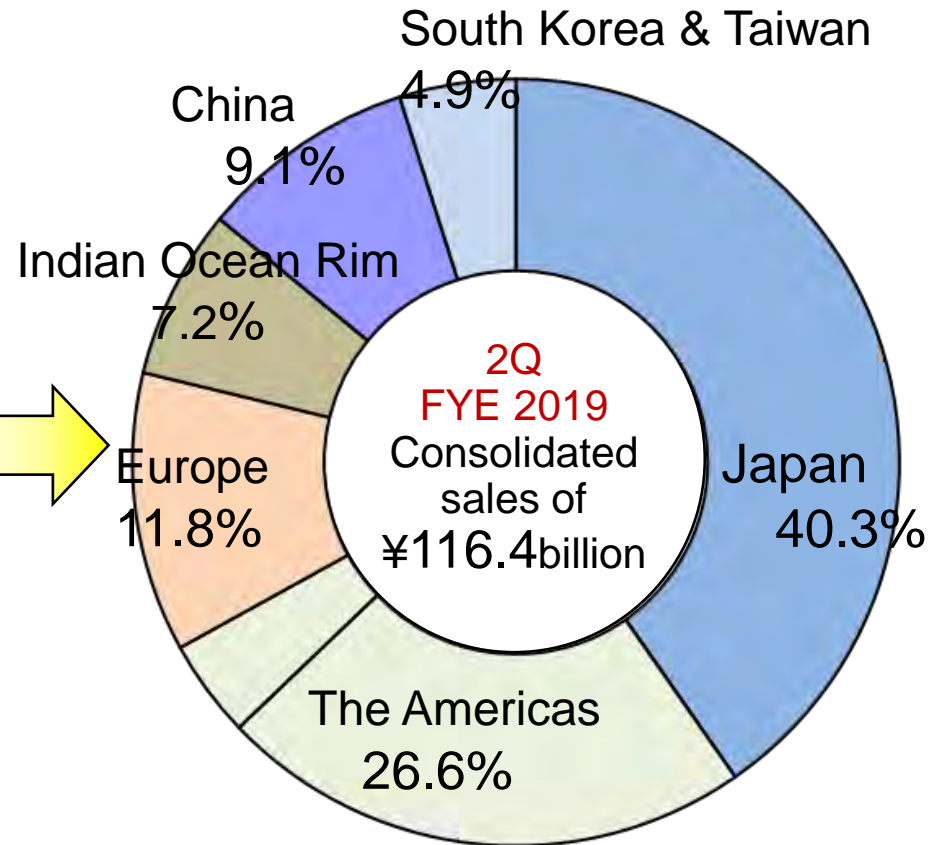
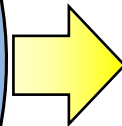
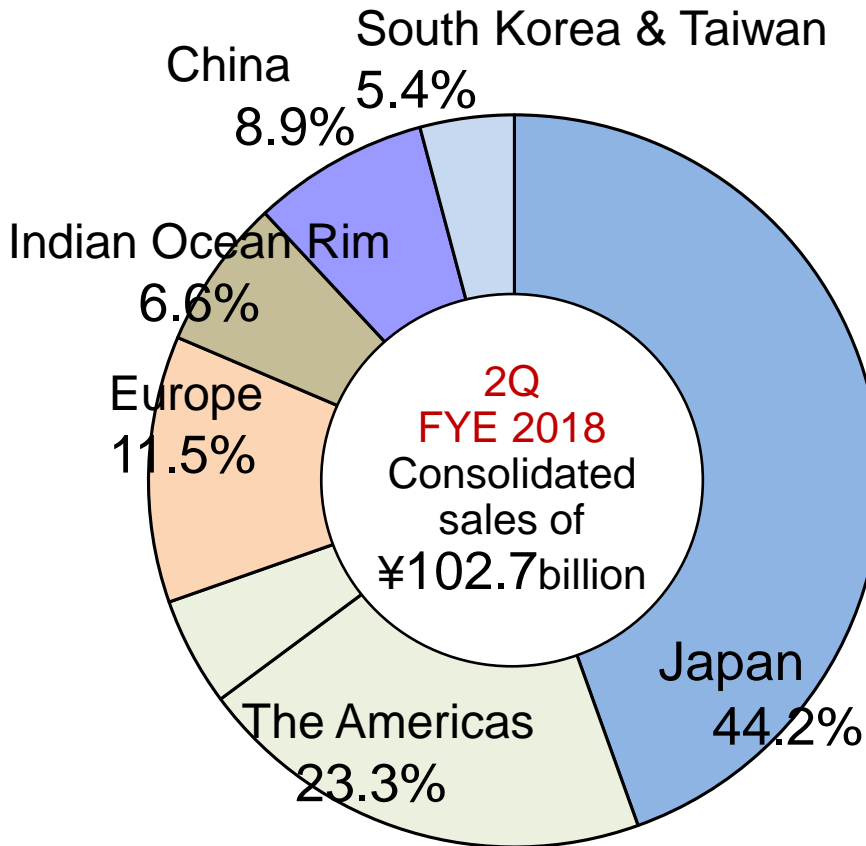
<Actual exchange rate>

	US\$	EURO	Can \$	A \$	THB	NT\$	RMB	WON	MXN
FYE2018	111.05	126.32	85.58	85.53	3.24	3.66	16.38	0.10	5.79
FYE2019	110.26	129.79	84.88	82.07	3.43	3.64	17.08	0.10	5.70

Breakdown of Sales by Region

FYE 2018 Interim
Overseas sales* ratio: 55.8%

FYE 2019 Interim
Overseas sales* ratio: 59.7%



*Notes: Sales are based on the location of the customer and classified by country or region.

Consolidated Settlement of Accounts Forecasts for FYE 2019

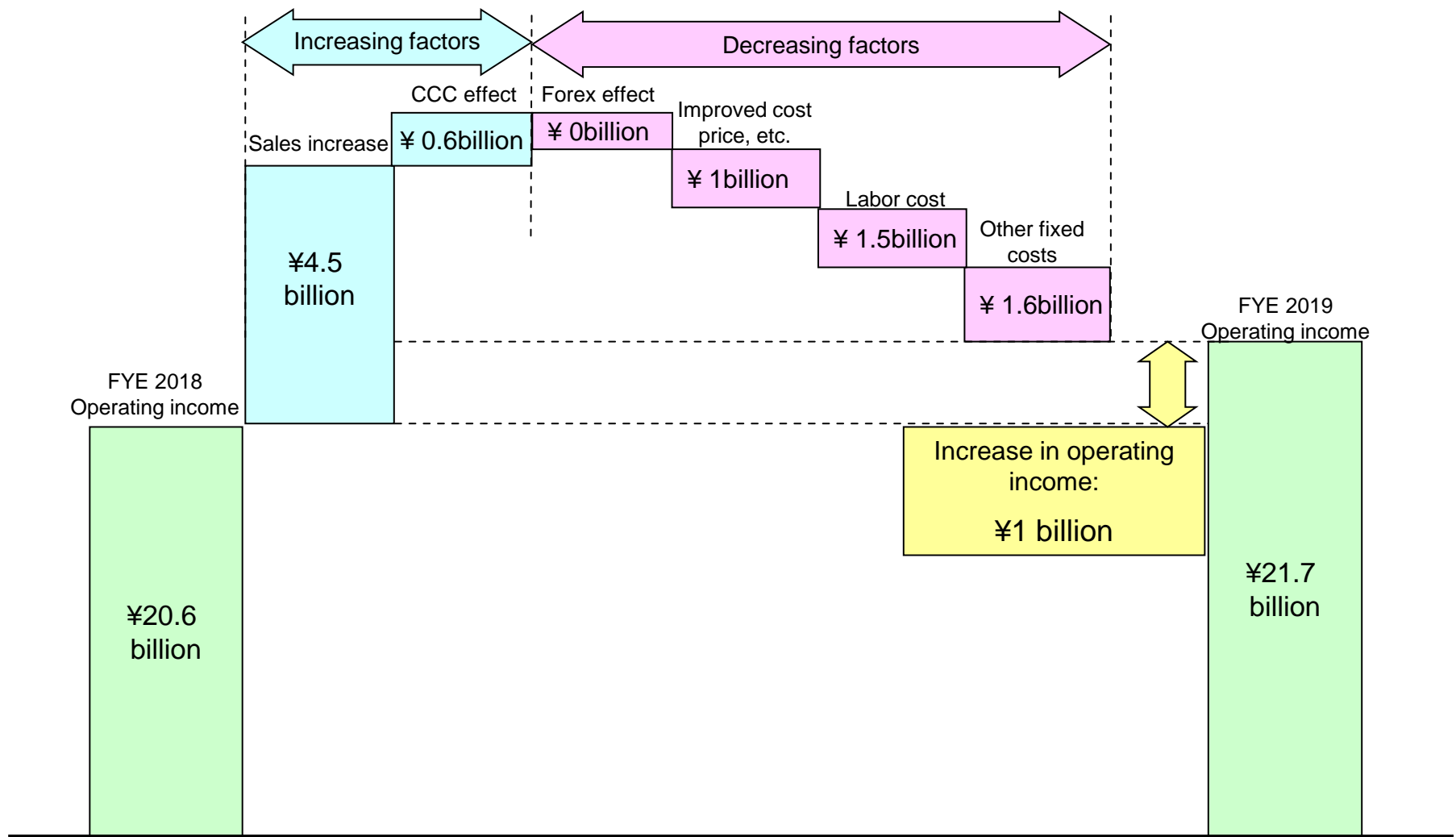
Consolidated Settlement of Accounts

- Sales were revised downward because of the situation with orders and delays in large-scale projects, but profits remain unchanged.

	(Yen, millions)				
	FYE 2018	FYE 2019(10/31)			Comparison with previous term
	Full year figure (actual)	First half forecast	Second half forecast	Full year forecast	Increase/decrease
Net sales	215,716	116,492	122,508	239,000	10.8%
Operating income	20,694	11,643	10,057	21,700	4.9%
Operating income margin	9.6%	10.0%	8.2%	9.1%	
Ordinary income	21,743	12,104	9,796	21,900	0.7%
Net income	14,666	8,669	6,531	15,200	3.6%
Net income per share	387.44 yen	229.02 yen	-	401.56 yen	—
(Exchange rates 1 US\$)	110.86 yen	110.26 yen	-	105 yen	—
(Exchange rates 1 EURO)	129.66 yen	129.79 yen	-	130 yen	—

Analysis of Factors Consolidated Increasing/Decreasing Operating Income

■ FYE 2018 (actual figures) vs. FYE 2019 (forecast)



* Operating income: Figures have been rounded.

Settlement of Accounts by Business Segment

(Yen, millions)

		FYE 2018	FYE 2019(10/31)			Comparison with previous term	7/27 Full year forecast
		Full year figure (actual)	First half forecast	Second half forecast	Full year forecast	Increase/decrease	
Chain Operations	Net sales ^{*1}	67,338	35,565	35,235	70,800	5.1%	68,600
	Operating income	8,502	5,057	4,343	9,400	10.6%	8,440
	Operating income margin	12.6%	14.2%	12.3%	13.3%		12.3%
Power Transmission Units and Components Operations	Net sales ^{*1}	24,156	12,663	12,637	25,300	4.7%	25,600
	Operating income	3,060	1,540	1,560	3,100	1.3%	3,120
	Operating income margin	12.7%	12.2%	12.3%	12.3%		12.2%
Automotive Parts Operations	Net sales ^{*1}	79,545	39,796	38,304	78,100	- 1.8%	82,800
	Operating income	10,258	4,699	4,401	9,100	- 11.3%	9,620
	Operating income margin	12.9%	11.8%	11.5%	11.7%		11.6%
Materials Handling Systems Operations	Net sales ^{*1}	44,187	28,332	36,168	64,500	46.0%	67,000
	Operating income	416	871	729	1,600	284.6%	1,800
	Operating income margin	0.9%	3.1%	2.0%	2.5%		2.7%
Other ^{*2}	Net sales ^{*1}	3,341	1,732	1,668	3,400	1.8%	3,300
	Operating income	-41	▲ 44	34	▲ 10	—	▲ 10
	Operating income margin	—	—	2.0%	—		—

*1: Sales figures include internal sales and transfers between segments.

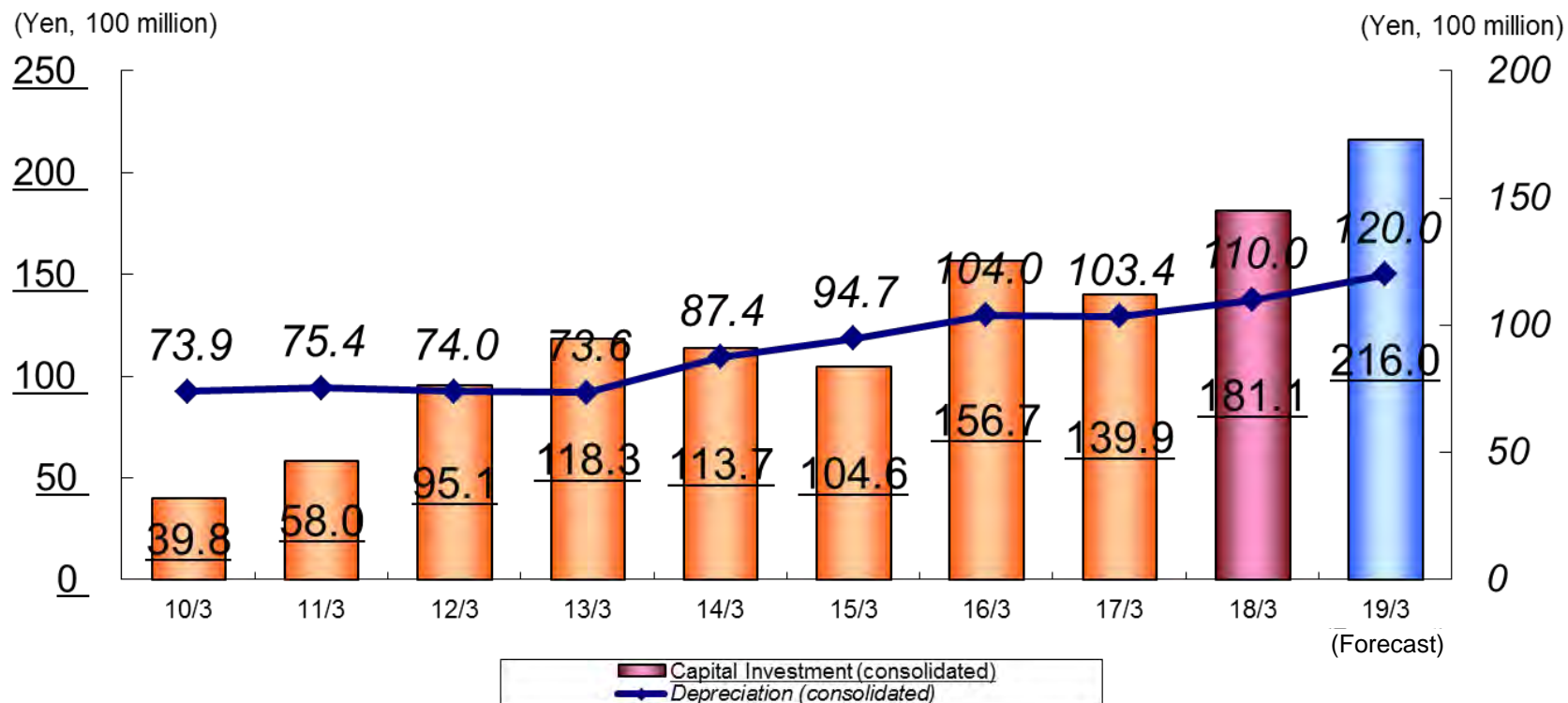
*2: "Other" is not a reportable segment.

Capital Investment and Depreciation

■ An injection of capital is intended to strengthen growth

- (1) Enhancement of the global production system for Automotive Parts Operations (Saitama Plant, US and elsewhere)
- (2) Related production facilities for Chain Operations (Kyotanabe Plant, US and elsewhere)

< Capital investment and depreciation transitions >

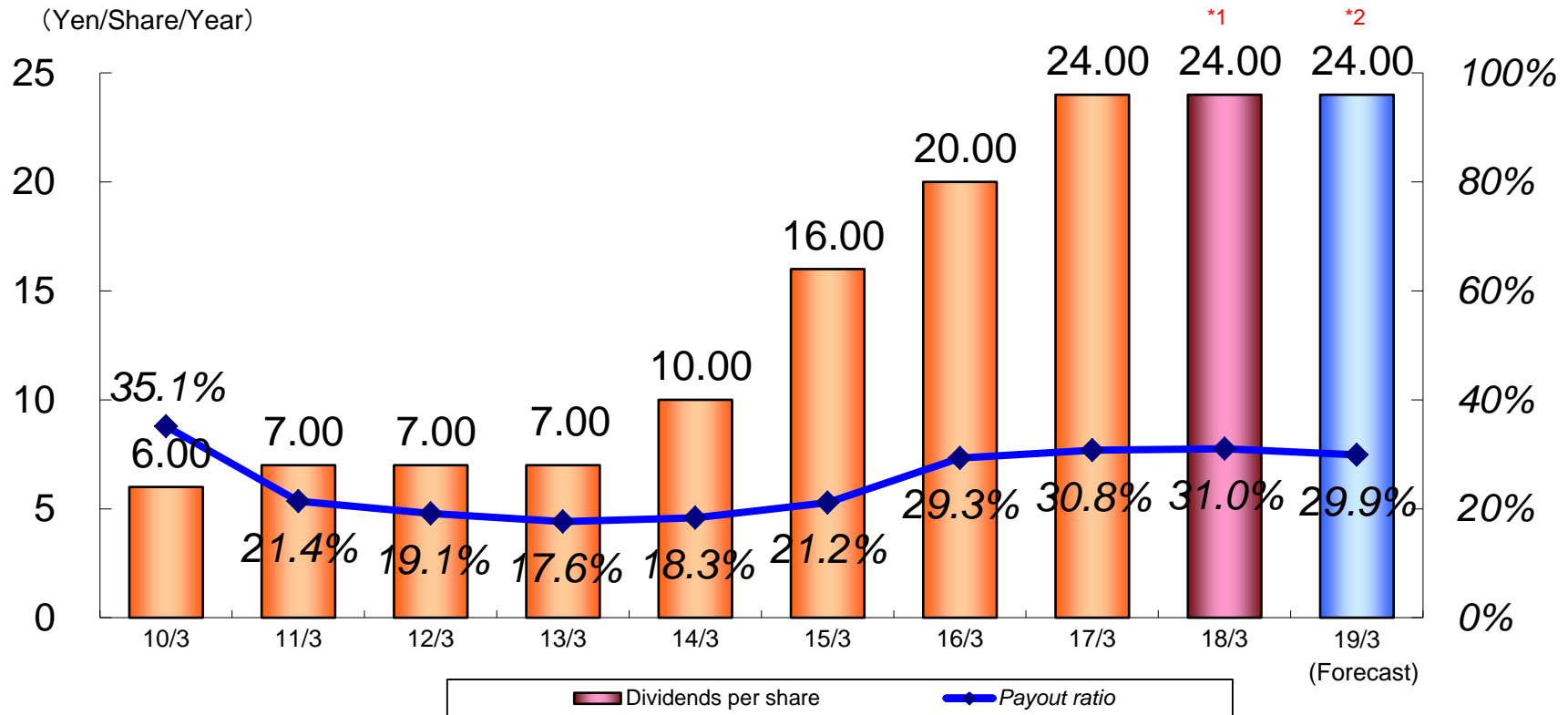


Return to stockholders

■ Dividend policy

- Our policy is to maintain a dividend that reflects our consolidated results with the aim of distributing a 30% payout ratio from consolidated profits.

< Trend in dividend per share >



*1 Includes the special dividend (2 yen/share) marking the company's centennial. *2 The stock consolidation coming into force on October 1 is excluded.

Achieving the goals of our Mid-term Management Plan 2020

—Topics for the first half of the year—

1. Acquisition and consolidation of subsidiaries

(Materials Handling Systems Operations)

17

<Acquisition of Central Conveyor Company, LLC (United States)>



Integrator of transport equipment mainly in the automotive industry

Purpose of acquisition

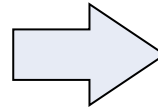
- Strengthen our materials handling business in the U.S.
- Expand business by making use of our materials handling network
- Expand sales of our power transmission units and components

2. Operations at our new materials handling plant

(Saitama Plant)

Concept:

“Fascinating” development plant



**Increase orders by
creating product appeal**

“M.LABO” product display area



Start of operations in June 2018



**Manufacturing workshop /
Maintenance workshop**



Product development area



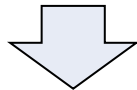
Environment-friendly factory

High-speed automatic sorter

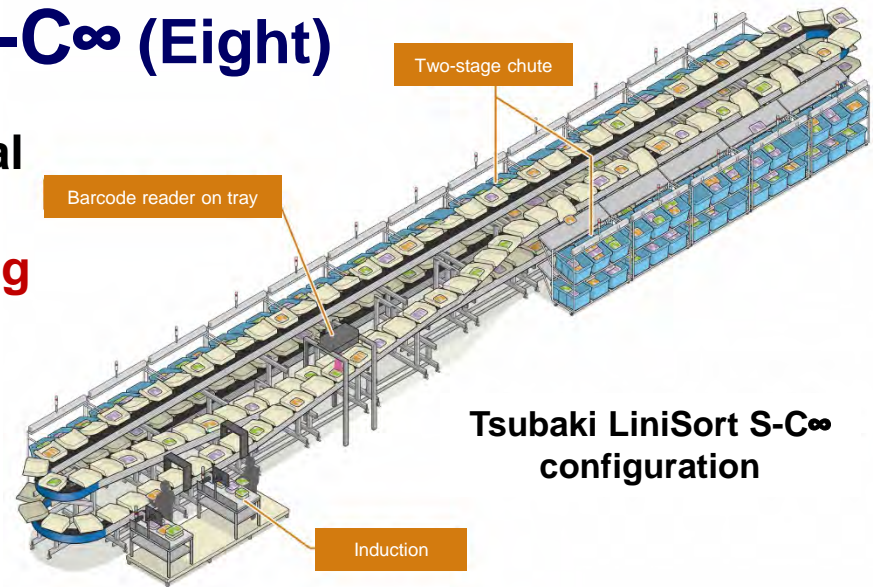
Exhibition of the LiniSort[®] S-C[∞] (Eight)

The sorter (tray) is organized in a spiral multistage (loop type) configuration.

→ Increase in the number of sorting directions at the loading section



- Space saving
- Highly efficient sorting



Tsubaki LiniSort S-C[∞] configuration



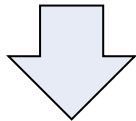
4. Strengthening the automotive business

(products for the automobile industry)

<Focus on the development of new automotive products>

- Diversification of powertrains (power transmission systems) accompanying the electrification of vehicles (BEVs, PHEVs, HEVs, etc.)

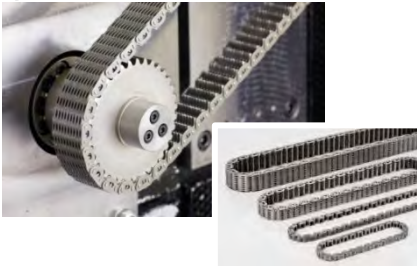
Expansion of power transmission units and components business opportunities



Expansion of range and sales of existing products

Development of new products

① EneDrive[®] chains



② CABLEVEYOR[®]



③ Cam clutches



Establishment of the New Automotive Product Development Office (April 2018)

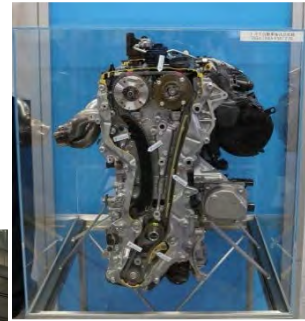
* Development of key products that follow the successful timing-chain business

<Joint exhibition of the Chain segment, the Power Transmission Units and Components segment, the Automotive Parts segment, together with the Headquarters Division>



Automotive Cableveyor®

Timing chain drive systems



eLINK®

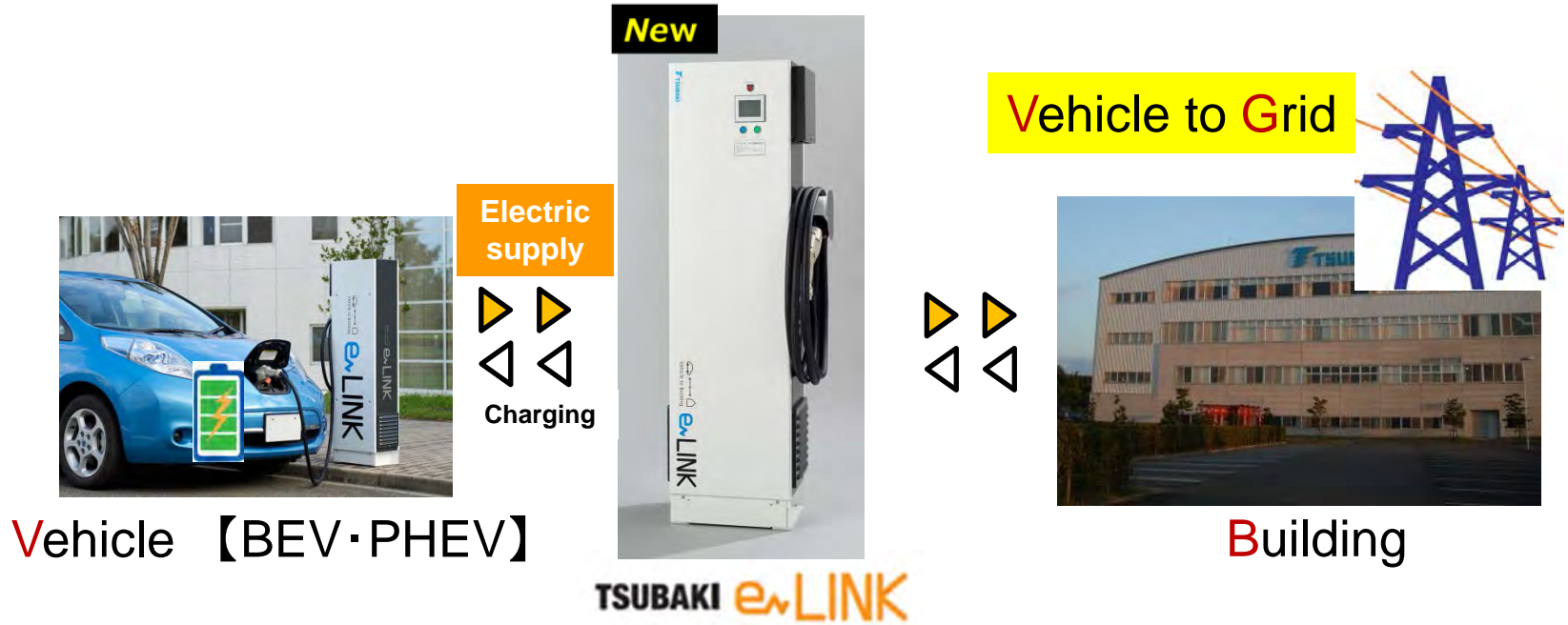
Various types of chains and actuators



Chains, clutches, etc.



<Scheduled release of the new “eLINK”>



- ★ Enhanced functions for V2G
- ★ Latest V2H Guidelines and ECHONET Lite certifications
- ★ Stylish design



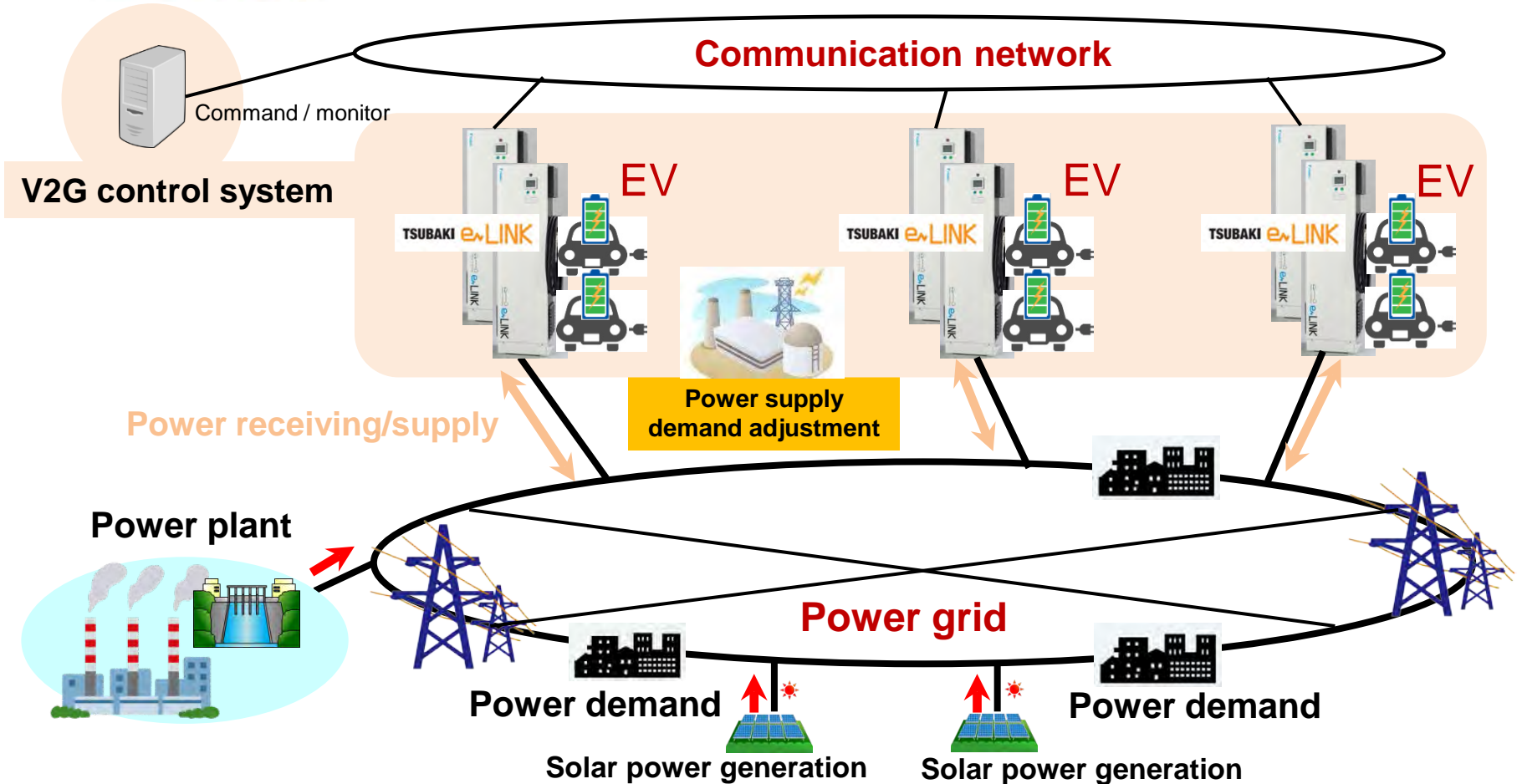
EV batteries can supply electricity to buildings and the power grid.
Vehicle to **G**rid = V2G, Vehicle to **B**uilding = V2B, Vehicle to **H**ouse = V2H

6. New EV power system “eLINK®”

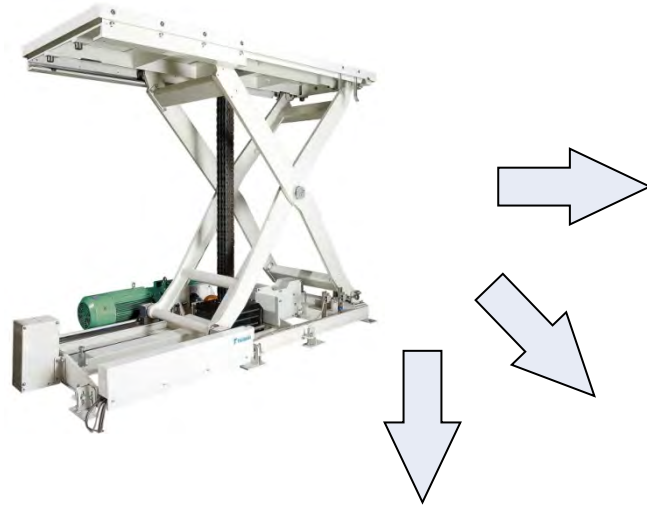
<Adapted for the experimental business projects on charging/discharging from electric vehicle storage batteries to electric systems>

(TSUBAKI eLINK usage example)

* Used as an emergency power supply detached from the power grid during power outages



<Zip Chain Lifter®>



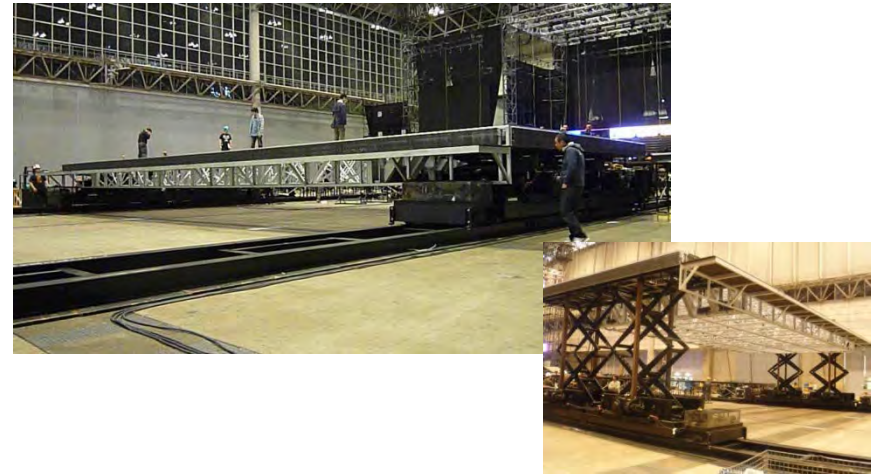
<Stage equipment (stage trapdoor lifting equipment)>



<Frame turnover device for automobile plants>



<Stage elevator>



This reference document describes our business plans and our earnings outlook. The content of this document is based on current information available to our company and on certain assumptions determined as reasonable. It is not intended to represent a performance commitment. Note that actual results may differ from the earnings outlook described herein, as the results are dependent upon a variety of variables.