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Company: Tsubakimoto Chain Co.

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Organizational Reforms

At the Board of Directors meeting held today, we were pleased to announce our decision to reform our management structure as described below with the aim of achieving sustainable growth and a further improvement in our corporate value.

1. Review of Our Corporate Governance System

In order to increase the independence of the Board of Directors, we will reduce the number of internal directors; moreover, we will revise the meeting structure to further strengthen supervisory functions for business execution and activate discussion to formulate strategies supporting medium-term to long-term growth.

(1) Separation of the strategy formulation/supervisory functions and business execution functions

The Board of Directors is responsible for formulating strategy and supervising its implementation, while the Executive Committee — comprising executive officers under the COO — is responsible for business execution. Thus, we are clearly separating the strategy formulation and supervisory functions from the business execution functions. In accordance with the above, we shall review the matters discussed in each meeting and accelerate management by extending the scope of delegation of authority to lower-ranked meetings.

(2) Establishment of a nomination and remuneration committee

Regarding the transparency and objectivity of the decision-making process with regards to nominations, remuneration, and dismissal of CEOs and COOs, we are establishing a nomination and remuneration committee, as an optional advisory body to the Board of Directors, to be chaired by an external director.

2. Changes to Our Director System

Directors do not concurrently hold positions as executive officers, but they make strategic decisions and provide oversight from a company-wide perspective and not merely from a specific area of responsibility.