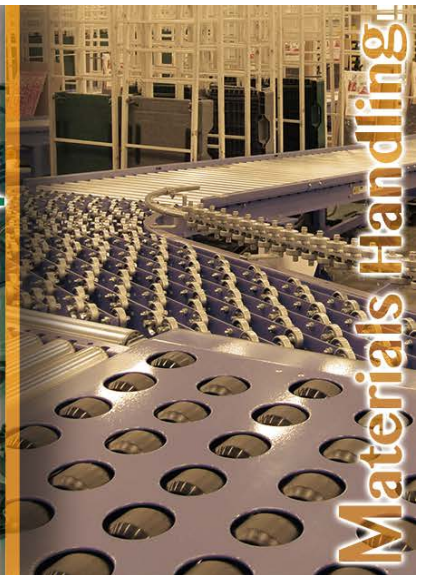
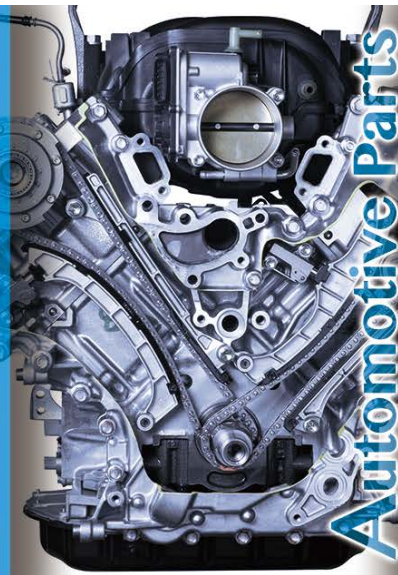
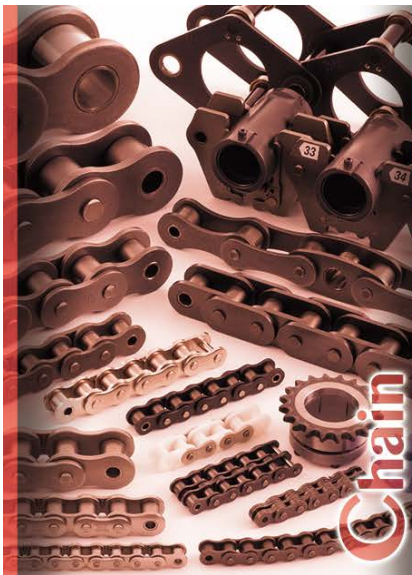


Tsubakimoto Chain Co. FYE 2019 Settlement of Accounts Presentation Meeting



FYE 2019 Full Year Settlement of Accounts Business Report

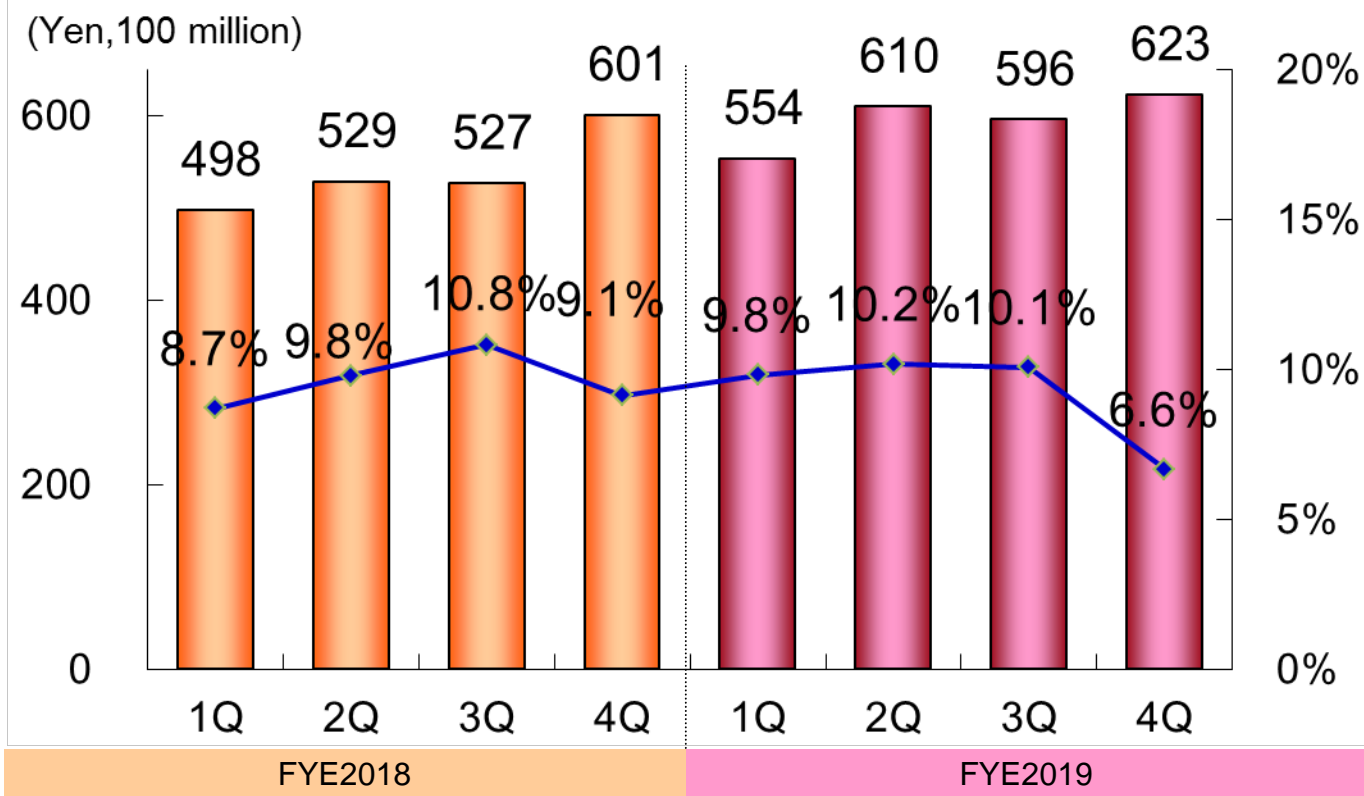
Note: 'Full year,' as referred to in this report, indicates the period from April 1 through March 31 of the next year of the applicable consolidated accounting year.
(For some overseas subsidiaries, the 'full year' indicates the period from January 1 through December 31 of the applicable year.)

Record-high sales and operating income

	(Yen, millions)				
	FYE 2018	FYE 2019	Year on Year	Budgeted Amount (Oct 31, 2018)	
	Full year figure(actual)	Full year figure(actual)	Increase/ decrease	Budget	Increase/decrease
Net sales	215,716	238,515	10.6%	239,000	-0.2%
Operating income	20,694	21,789	5.3%	21,700	0.4%
Operating income margin	9.6%	9.1%		9.1%	
Ordinary income	21,743	21,621	-0.6%	21,900	-1.3%
Net income	14,666	13,779	-6.0%	15,200	-9.3%
Net income per share (Yen)	387.44 yen	364.03 yen	—	—	—
(Exchange rates 1 US\$)	110.86 yen	110.93 yen	—	—	—
(Exchange rates 1 EURO)	129.66 yen	128.45 yen	—	—	—
Shareholders' equity ratio	59.2%	56.8%	Equity capital/total assets		
Return on equity (ROE)	9.2%	8.1%	Net income/Average return on equity during term		
Net D/E ratio	-0.03	0.04	(Interest-bearing debt - Cash equivalent)/(Capital adequacy)		

Trend in Quarterly Consolidated Settlement of Accounts

◆ Trends in net sales and operating income margin (consolidated)

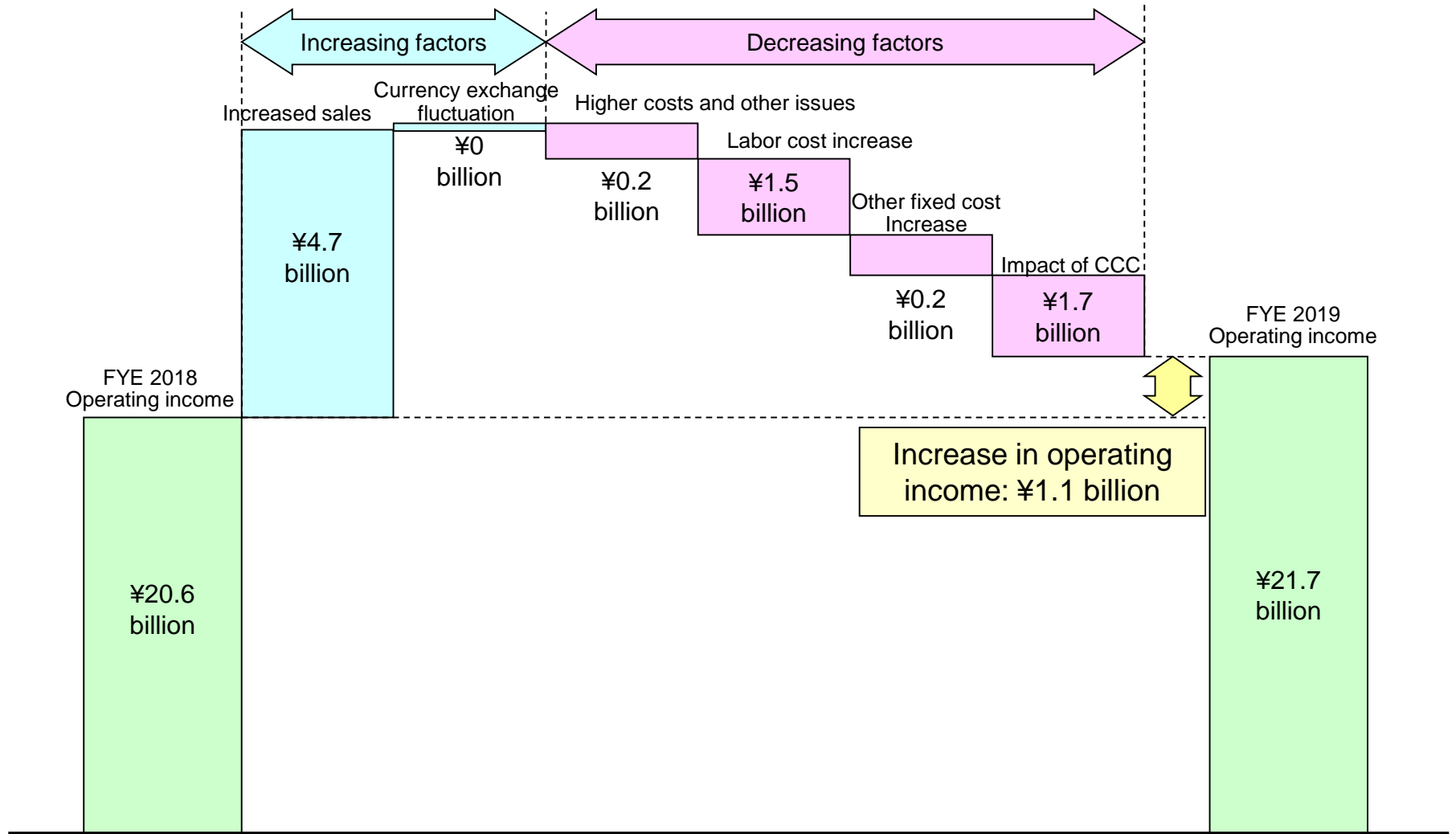


Major exchange rates	FYE2018	FYE2019
US\$	¥110.86	¥110.26
Euro	¥129.66	¥129.79

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

Analysis of Factors Consolidated Increasing/Decreasing Operating Income

◆ FYE 2018 (actual figures) vs. FYE 2019 (actual figures)



4. FYE 2019 Review

Breakdown by Segment and Operations

- Income and profits increased in the Chain segment and the Power Transmission Units and Components (PTUC) segment, but decreased in the Automotive Parts segment. The Materials Handling Systems segment saw increased income, but higher costs at subsidiaries outside Japan resulted in decreased profits.

		(Yen, millions)				
		FYE 2018	FYE 2019	Comparison with previous term	Budgeted Amount (Oct 31, 2018)	
		Full year figure(actual)	Full year figure(actual)	Increase/decrease	Budget	Increase/decrease
Chain Operations	Net sales ^{*1}	67,338	72,023	7.0%	70,800	1.7%
	Operating income	8,502	10,292	21.1%	9,400	9.5%
	Operating income margin	12.6%	14.3%		13.3%	
Power Transmission Units and Components Operations	Net sales ^{*1}	24,156	25,591	5.9%	25,300	1.2%
	Operating income	3,060	3,340	9.2%	3,100	7.7%
	Operating income margin	12.7%	13.1%		12.3%	
Automotive Parts Operations	Net sales ^{*1}	79,545	78,992	- 0.7%	78,100	1.1%
	Operating income	10,258	8,734	- 14.9%	9,100	- 4.0%
	Operating income margin	12.9%	11.1%		11.7%	
Materials Handling Systems Operations	Net sales ^{*1}	44,187	61,827	39.9%	64,500	- 4.1%
	Operating income	416	402	- 3.4%	1,600	- 74.9%
	Operating income margin	0.9%	0.7%		2.5%	
Other ^{*2}	Net sales ^{*1}	3,331	3,548	6.5%	3,400	4.4%
	Operating income	-41	-44	—	-10	—
	Operating income margin	—	—		—	

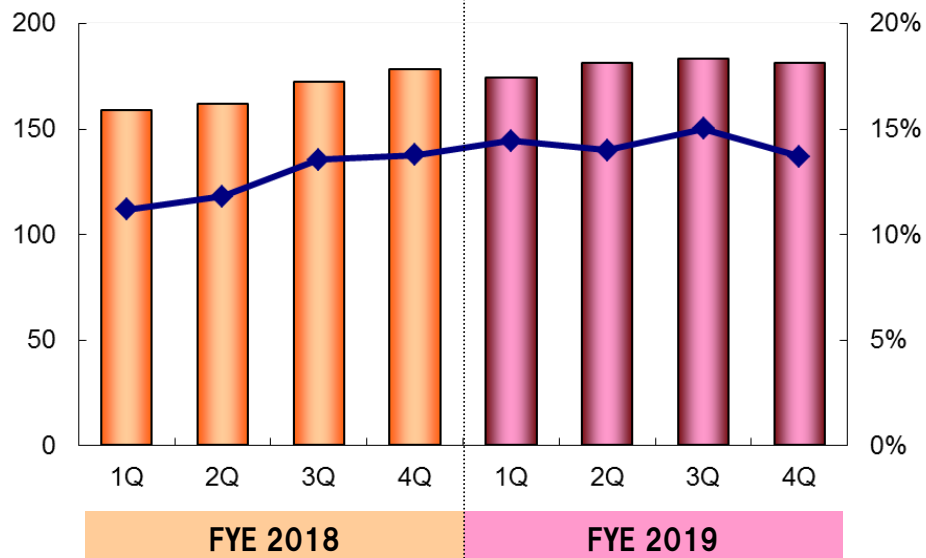
*1: Sales figures include internal sales and transfers between segments.

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

◆ Trends in sales and operating income margin

● Chain Operations

(Yen, 100 million)

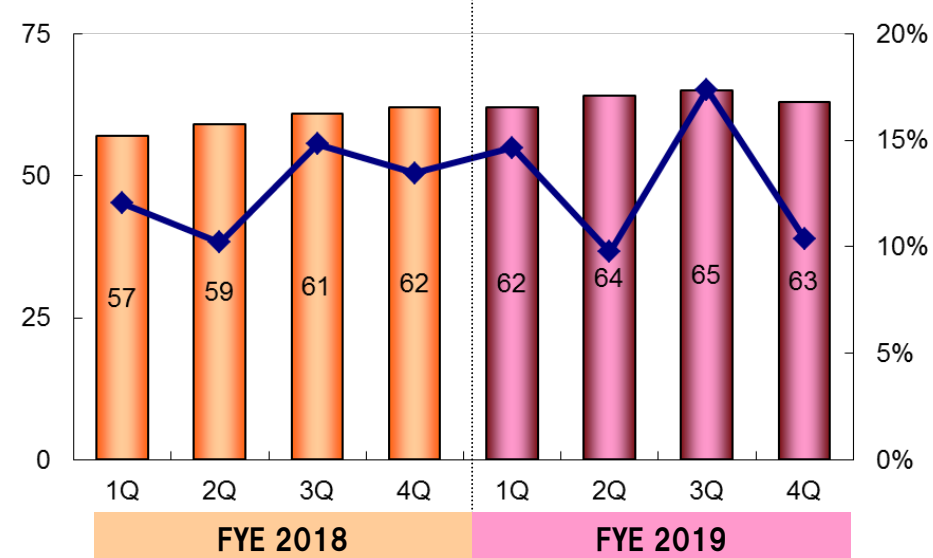


<Sales by Region>

- 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: The ASEAN region remained strong. Australia's performance remained similar to that of the preceding year.
- 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>

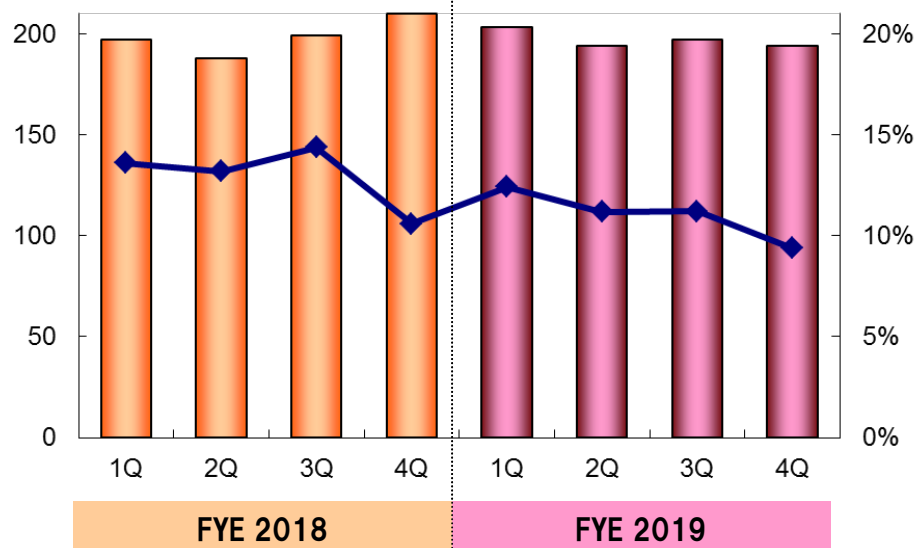
- Japan: Strong demand trend resulted in increased income and profits.
- Americas: Demand remained strong although the scale was small.
- Europe: Strong demand resulted in increased income and profits.
- China: Strong demand led to increased income and profits.
- Indian Ocean Rim: Strong results of the Thai subsidiary resulted in increased income and profits.

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

◆ Trends in sales and operating income margin

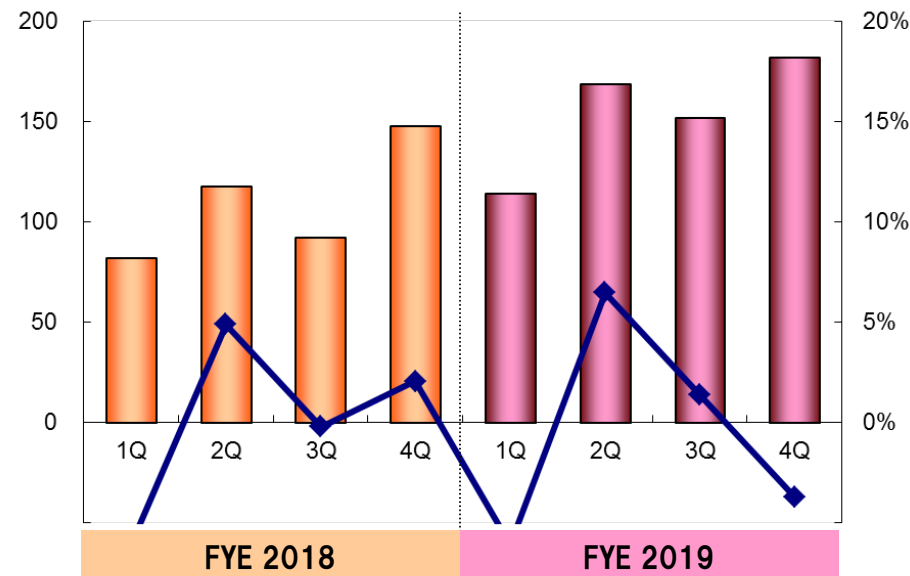
● Automotive Parts Operations

(Yen, 100 million)



● Materials Handling Systems Operations

(Yen, 100 million)



<Sales by Base>

- Japan: Income decreased due to a decline in exports, and profits decreased due to expenses such as start-up costs for the Hyogo Plant.
- Americas: Income and profits decreased due to a decline in demand from Japanese manufacturers.
- China: Income and profits decreased due to deterioration in the Chinese market.
- Europe: Income and profits decreased due to sluggish European auto sales.

<Sales by Region>

- Japan: Income and profits increased due to strong demand in the distribution and newspaper markets.
- Americas: Central Conveyor becoming a consolidated subsidiary resulted in increased income, but acquisition-related costs, goodwill amortization, and additional costs incurred resulted in increased income but in decreased profits.

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

6. FYE 2019 Review Segment by Region

		(Yen, millions)		
		FYE 2018	FYE 2019	Comparison with previous term
		Full year figure(actual)	Full year figure(actual)	Increase/decrease
America	Net sales*	52,862	67,462	27.6%
	Operating income	3,034	2,664	-12.2%
	Operating income margin	5.7%	3.9%	
Europe	Net sales*	25,620	27,779	8.4%
	Operating income	176	187	6.5%
	Operating income margin	0.7%	0.7%	
Indian Ocean Rim	Net sales*	14,850	17,488	17.8%
	Operating income	2,138	2,837	32.7%
	Operating income margin	14.4%	16.2%	
China	Net sales*	22,251	22,946	3.1%
	Operating income	864	1,175	36.0%
	Operating income margin	3.9%	5.1%	
South Korea, Taiwan	Net sales*	9,684	9,440	-2.5%
	Operating income	471	314	-33.4%
	Operating income margin	4.9%	3.3%	
Japan	Net sales*	125,380	127,439	1.6%
	Operating income	12,231	12,702	3.8%
	Operating income margin	9.8%	10.0%	

*Sales figures include internal sales and transfers between segments.

<Actual exchange rate>

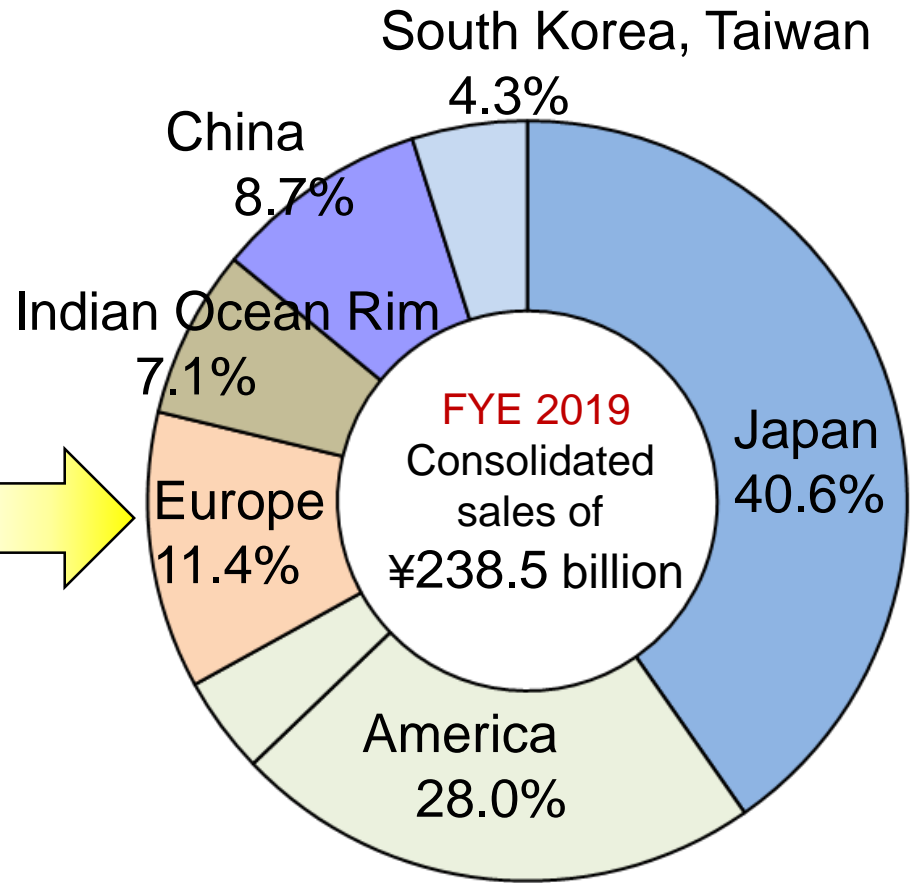
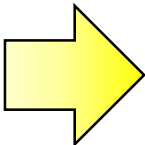
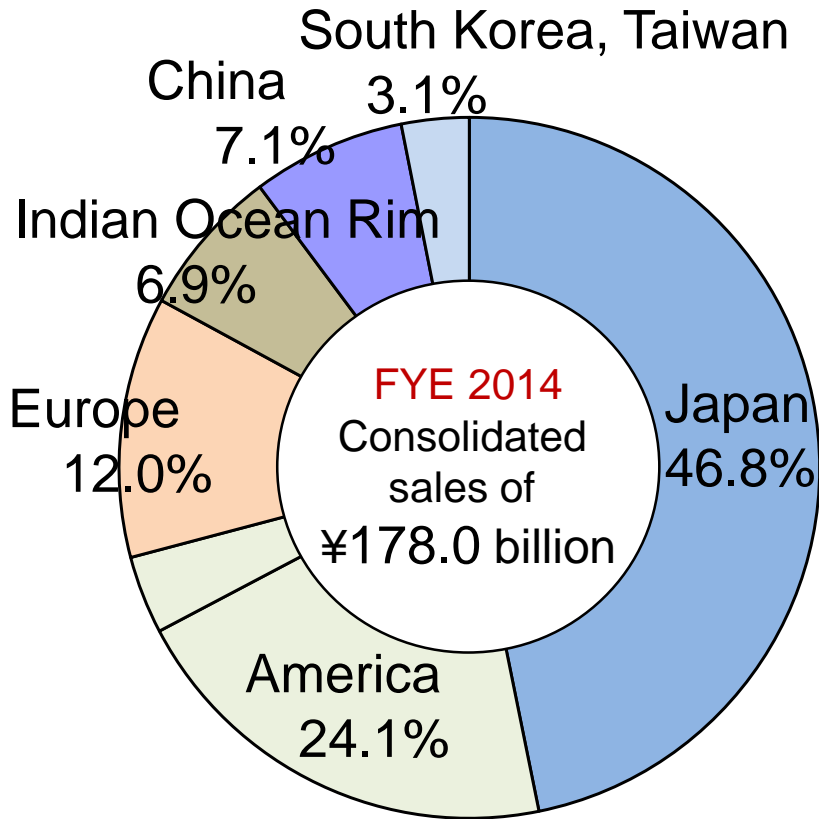
	US\$	EURO	Can \$	A \$	THB	NT\$	RMB	WON	MXN
FYE2018	110.86	129.66	86.43	85.78	3.31	3.69	16.62	0.10	5.94
FYE2019	110.93	128.45	84.60	80.97	3.42	3.63	16.70	0.10	5.74

7. FYE 2019 Review

Breakdown of Sales by Region

FYE 2014
International sales* ratio : 53.2%

FYE 2019
International sales* ratio : 59.4%



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

Consolidated Settlement of Accounts Forecasts for FYE 2020

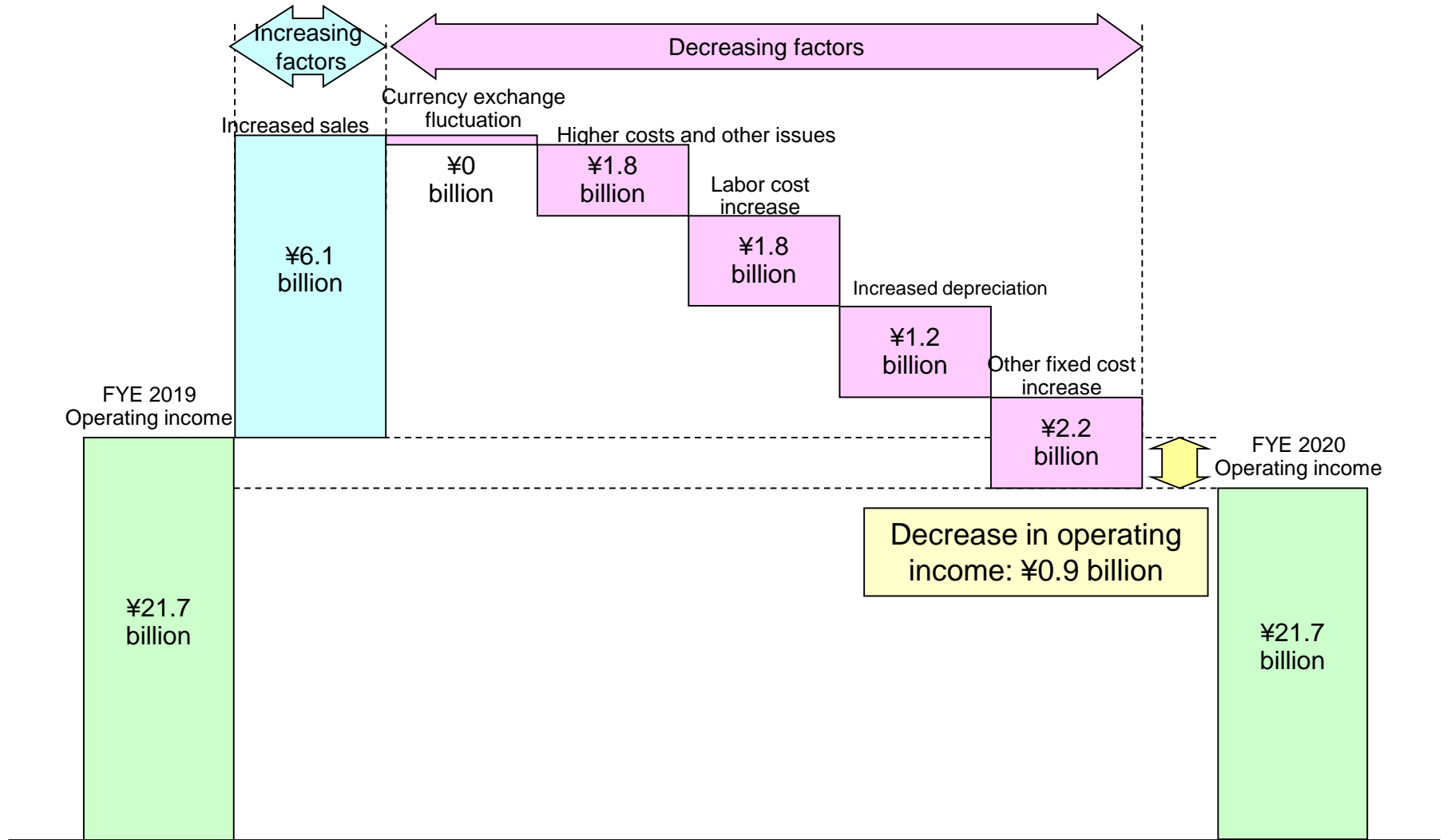
Consolidated Settlement of Accounts

- Sales increased slightly, mainly at subsidiaries of Materials Handling Systems Operations outside Japan. Operating income decreased due to increased depreciation of automotive parts.

	(Yen, millions)				
	FYE 2019	FYE 2020			Comparison with previous term
	Full year figure (actual)	First half forecast	Second half forecast	Full year forecast	Increase/decrease
Net sales	238,515	120,000	129,000	249,000	4.4%
Operating income	21,789	9,400	11,400	20,800	- 4.5%
Operating income margin	9.1%	7.8%	8.8%	8.4%	
Ordinary income	21,621	10,000	11,400	21,400	- 1.0%
Net income	13,779	7,100	8,000	15,100	9.6%
Net income per share	364.03 yen	187.58 yen	-	398.94 yen	—
(Exchange rates 1 US\$)	110.93 yen	110.00 yen	-	110 yen	—
(Exchange rates 1 EURO)	128.45 yen	125.00 yen	-	125 yen	—

Analysis of Factors Consolidated Increasing/Decreasing Operating Income

◆ FYE 2019 (actual figures) vs. FYE 2020 (forecasts)



Settlement of Accounts by Business Segment

- We forecast a 10.6% decline for automotive parts due to ongoing investment to boost production.

(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
Chain Operations	Net sales ^{*1}	72,023	36,500	37,900	74,400	3.3%
	Operating income	10,292	4,650	5,290	9,940	- 3.4%
	Operating income margin	14.3%	12.7%	14.0%	13.4%	
Power Transmission Units and Components Operations	Net sales ^{*1}	25,591	13,600	14,100	27,700	8.2%
	Operating income	3,340	1,510	1,730	3,240	- 3.0%
	Operating income margin	13.1%	11.1%	12.3%	11.7%	
Automotive Parts Operations	Net sales ^{*1}	78,992	37,500	40,600	78,100	- 1.1%
	Operating income	8,734	3,150	3,660	6,810	- 22.0%
	Operating income margin	11.1%	8.4%	9.0%	8.7%	
Materials Handling Systems Operations	Net sales ^{*1}	61,827	33,100	35,500	68,600	11.0%
	Operating income	402	1010	1,390	2,400	497.0%
	Operating income margin	0.7%	3.1%	3.9%	3.5%	
Other ^{*2}	Net sales ^{*1}	3,548	1,570	2,030	3,600	1.5%
	Operating income	-44	▲ 50	50	0	—
	Operating income margin	—	—	2.5%	—	

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

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

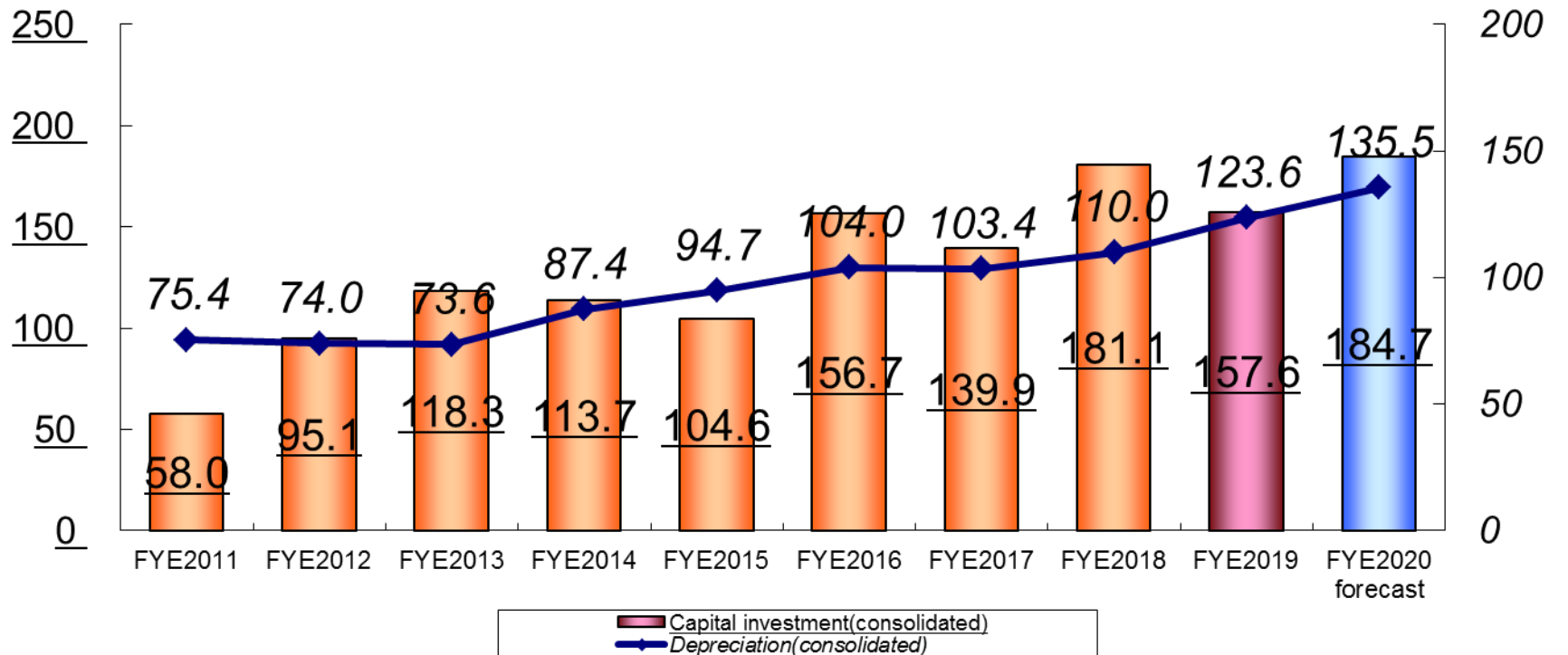
Capital Investment and Depreciation

◆ 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) Construction of related production facilities for Chain Operations (Kyotanabe Plant, US, Germany and elsewhere)

< Capital investment and depreciation transitions >

(Yen, 100 million)



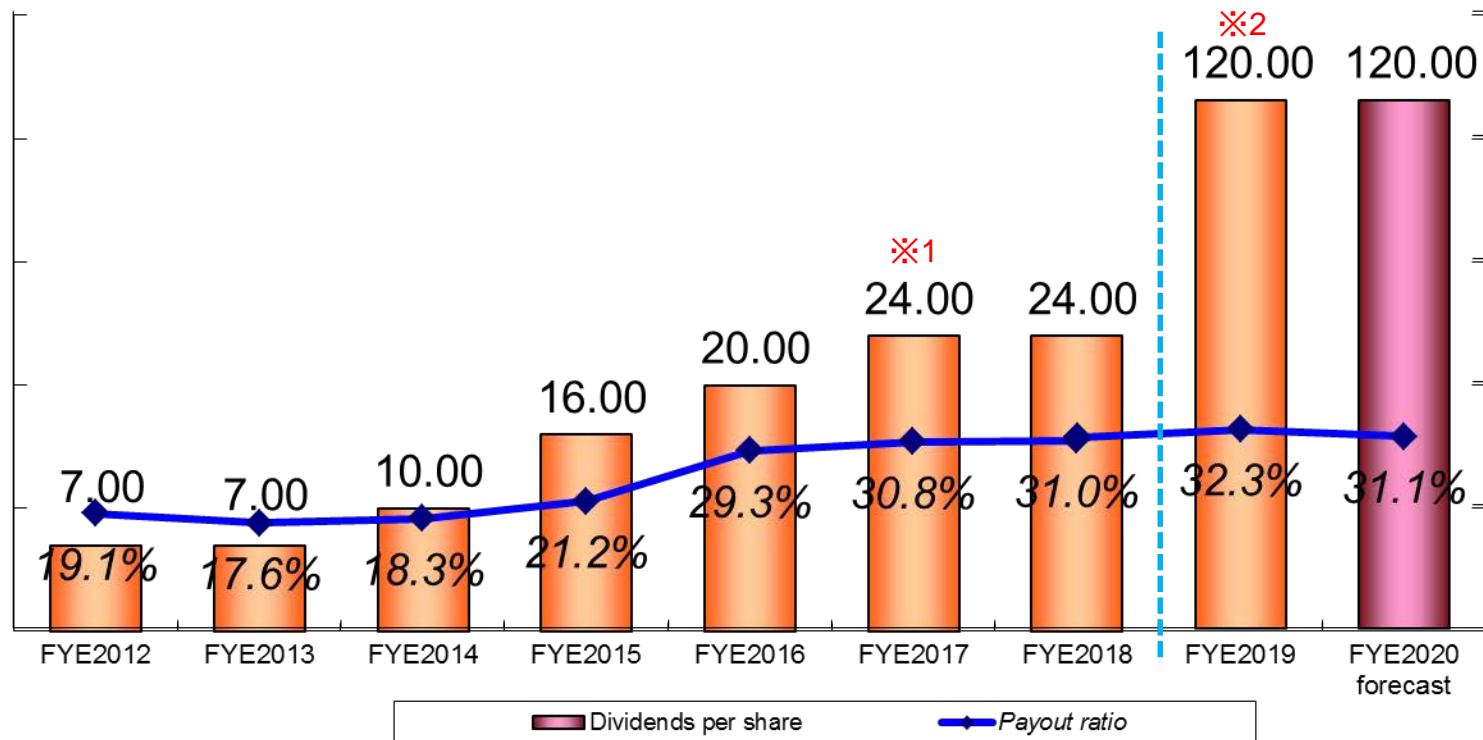
(Yen, 100 million)

Return to stockholders

◆ Dividend policy

The company aims to maintain its profit distribution based on the consolidated dividend payout ratio of 30% under a basic policy of reflecting consolidated results in the dividend.

< Trend in dividend per share >



*1 Includes the special dividend (2 yen/share) marking the company's centennial.

*2 A share consolidation (5:1) was implemented. Therefore, the interim dividend shows the effect of share consolidation.

Achieving the goals of our Mid-term Management Plan 2020

◆ The way it should be in 2020

= **Leading Global Company**

Establishing an unshakable position in target markets

~ Basic Policies ~

- (1) Convert our corporate culture to a market-focused approach
- (2) Exercise comprehensive strengths of Group
- (3) Achieve our objectives for 2020, “The way it should be”

■ New products & Marketing

- **Strengthened global marketing activities**

- (1) Expanded global sales of G8 Series Roller Chain

- (2) Launched Smart Conveyor Chain[®] and increased sales

- (3) Product development intended to capture the BS market



Smart Conveyor Chain

■ Manufacturing & Profitability

- **Completed MIK 2018 Reform Initiatives led to reform of production flow**



Cableveyor for automotive applications

■ New products & Marketing

• Increased global sales

- (1) Released U Series Power Cylinder[®] and increased number of models
- (2) Introduced LiniSpeed Jack[™]
- (3) Introduced Zip Master[®]
- (4) Expanded sales of clutches for use in motorcycle starters

■ Manufacturing & Profitability

- (1) Improved productivity through restructuring of plants in Japan
- (2) Implemented the PTUC Operations Activation Project (Selection and Concentration of Products)



Zip Master

■ New products & Marketing

- (1) Strengthened international orders (for China, Europe, etc.)
- (2) Developed and strengthened marketing of new EneDrive® Chain for electric vehicles

■ Manufacturing & Profitability

• Enhancement of the global production system

- Hyogo Plant: Start of operations in October 2017
- Czech Plant (Czech Republic): Start of operations in October 2017
- Chicopee (U.S.A.): Engineering Lab start of operations in October 2018
- Tianjin Plant (China): Building B of Plant 1 start of operations in July 2018
- Tennessee (U.S.A.): Plant now under construction and scheduled for completion in September 2019



Engineering Lab

2. Results of Mid-term Management Plan 2020 (Materials Handling Systems Operations)

21

■ New products & Marketing

- Development of new products

- (1) Introduced LiniSort[®] S-C ∞
- (2) Improved SymTrack[®]
- (3) Developed Labo Stocker[®] 150M



LiniSort S-C

■ Manufacturing & Profitability

- (1) New Saitama Plant start of operations
in June 2018

- Development of a model plant: Increased orders by promoting product capabilities.
- Environmental Model Plant: Utilization of solar power generation, etc.

Power consumption of the
new plant is 39,000 kW/month and
solar power generation is **44,000 kW/month**.

- (2) Planned sales rate reduced



New Saitama Plant

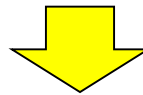
◆ About the numerical forecast for Mid-term Management Plan 2020

(1) Mid-point of Mid-term Management Plan 2020

- Successfully completed the first two years of the four-year plan and maintained steady growth.

(2) Changes in the market environment: Shifting tides

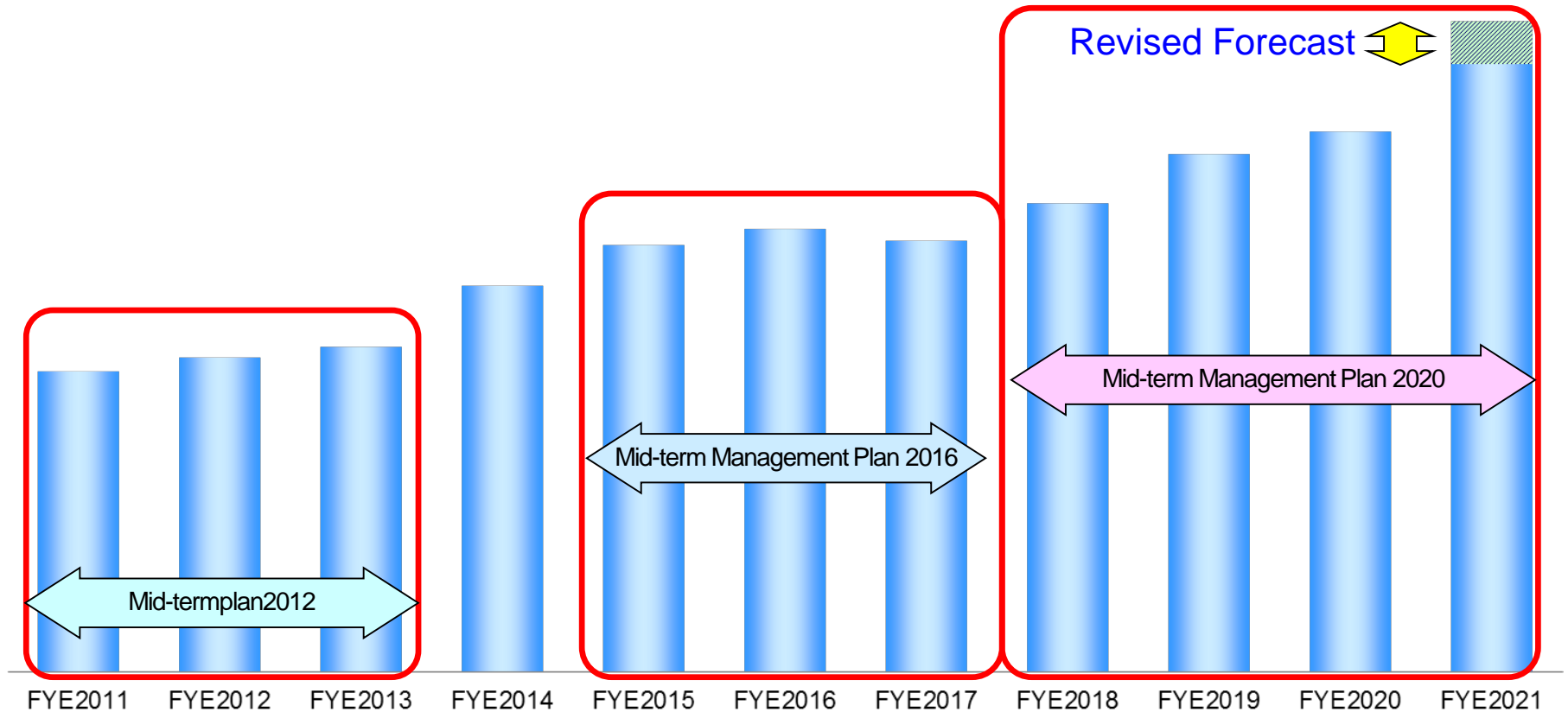
- Slowdown in Automotive Parts Operations in the Chinese and American markets since the middle of last year:
⇒ The market environment remains uncertain.
(Economic downturns in China and South Korea; trade friction between China and the U.S.A.; the Brexit issue affecting the U.K. and EU; etc.)



**We have revised the sales forecast
for the final year of Mid-term Management Plan 2020.**

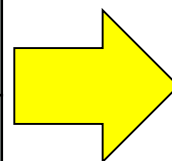
◆ Numerical forecast following revision (Fiscal period ending March 31, 2021)

Consolidated net sales **280 billion yen**
 Consolidated operating income ratio **10% (28 billion yen)**



Forecast of Initial Plan (previous plan)

	Sales	Operating income (Operating income ratio)	
Chain	781	93	(11.9%)
PTUC	281	30	(10.7%)
Automotive parts	1,000	150	(15.0%)
Materials Handling Systems	573	34	(5.9%)
Other*	399	0	(0.0%)
Consolidated	3,000*¹	300*¹	(10.0%)



Forecast of Current Plan

(Unit: ¥100 million)

	Sales	Operating income (Operating income ratio)	
Chain	810	116	(14.3%)
PTUC	300	34	(11.3%)
Automotive parts	900	94	(10.4%)
Materials Handling Systems	740* ²	44* ²	(5.9%)
Other*	84	5	(6.0%)
Consolidated	2,800*¹	280*¹	(10.0%)

*M&A based on existing businesses leading to strengthened global competitiveness.

*1 : Includes consolidation adjustments.

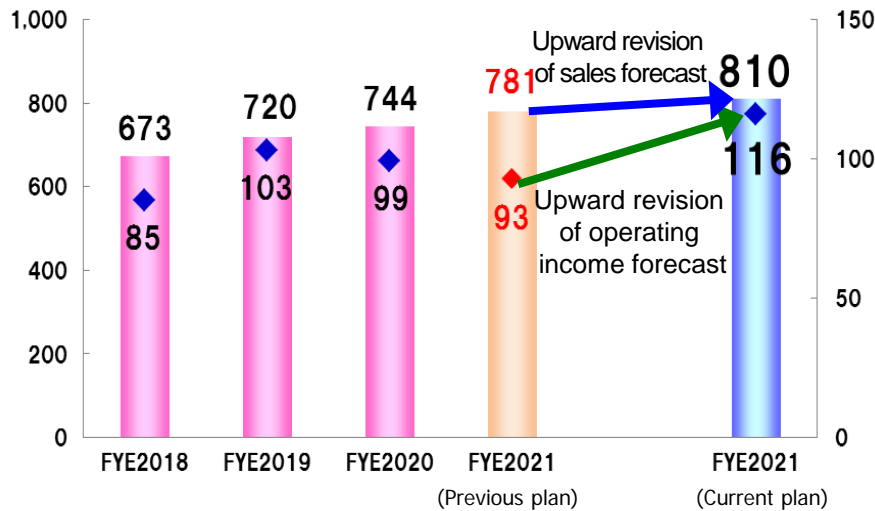
*2 : Figures reflect consolidation of newly acquired Central Conveyor Company.

5. Overview of Mid-term Management Plan 2020 by Business Segment

● Chain Operations

(Net Sales: ¥100 million)

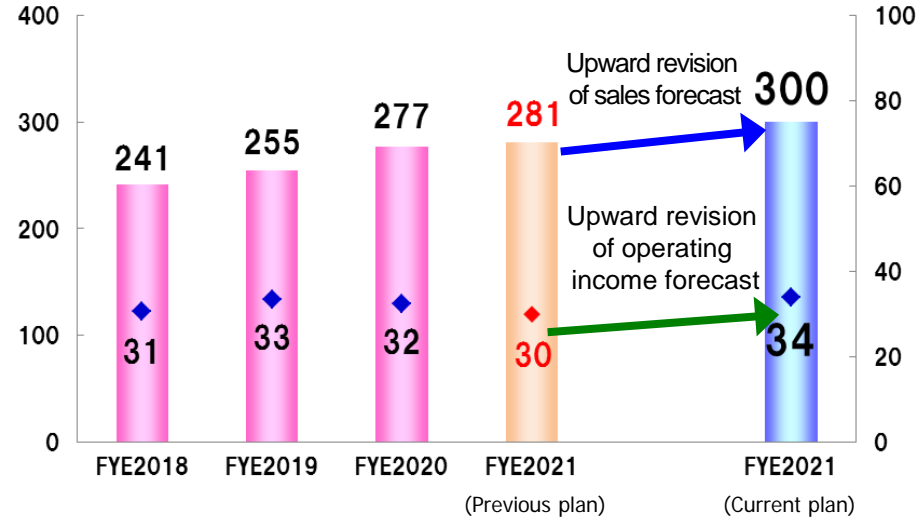
(Operating Income: ¥100 million)



● PTUC Operations

(Net Sales: ¥100 million)

(Operating Income: ¥100 million)



<Sales>

- Overall strong performance
- Progress with European production bases has been delayed, but Japan, the United States and elsewhere are driving results.

<Operating Income>

- Profits are exceeding the forecast due to sales growth and the effects of production improvements in Japan.

<Sales>

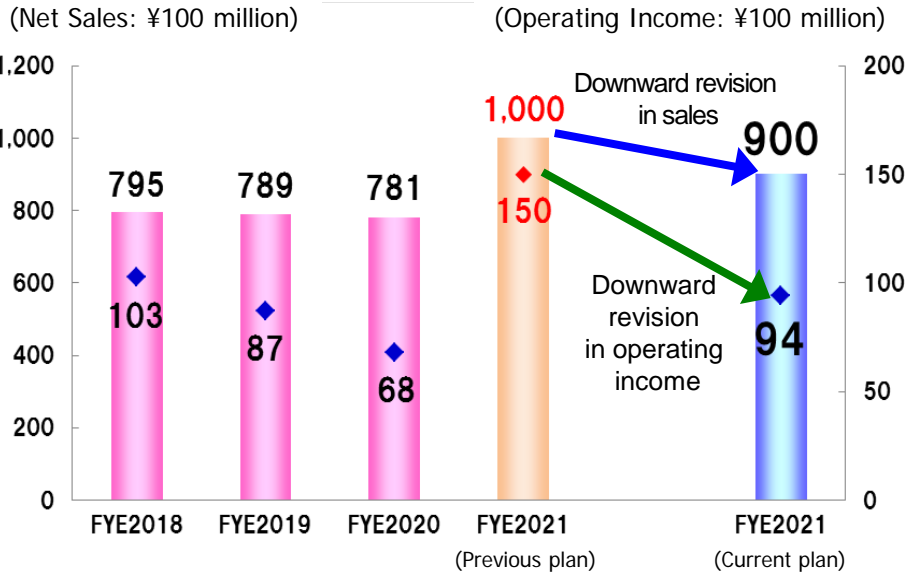
- Japan is doing well and is leading our business performance.
- Sales of clutches have been strong in Thailand.

<Operating Income>

- Profits are exceeding the forecast due to sales growth and the effects of production improvements in Japan.

5. Overview of Mid-term Management Plan 2020 by Business Segment

● Automotive Parts Operations



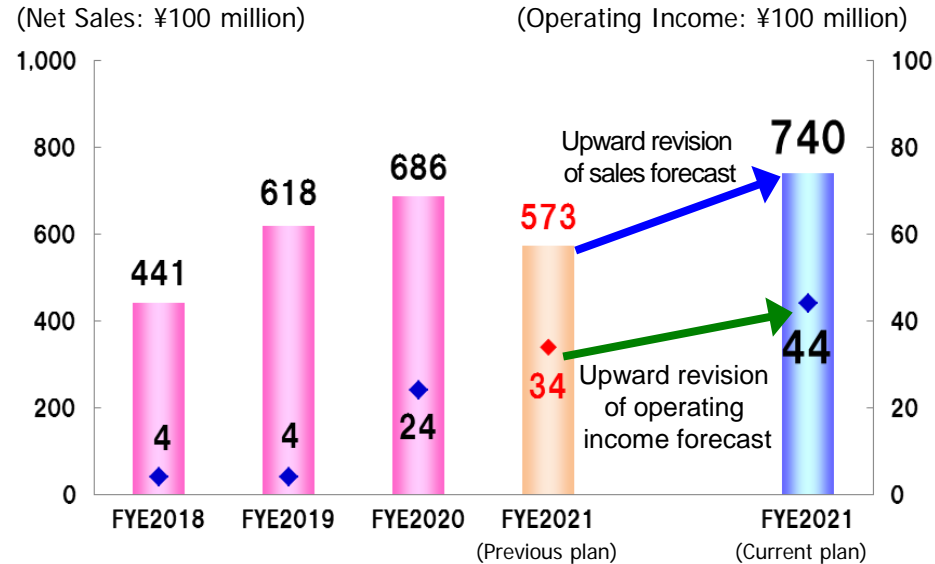
<Sales>

- The Chinese market is slowing significantly. The shift to larger vehicles in the United States is also having an effect.
- Plans have been delayed, including plans for sales growth in Europe.

<Operating Income>

- In addition to the headwinds affecting sales, the increased investment burden of production increases (including depreciation) is having an impact.

● Materials Handling Systems Operations



<Sales>

- The distribution sector and transport of powders and granular materials are strong.
- Central Conveyor Company of the U.S.A. became a consolidated subsidiary.

<Operating Income>

- Profits are exceeding the forecast due to sales growth and productivity improvement initiatives in Japan.

FYE 2020 Objectives

■ Manufacturing & Profitability

- (1) Securing and expanding production plants for an optimal global supply system
- (2) “Manufacturing” and “Information Flow” innovations based on automation and reducing need for human labor

• **L i n K 2 0 2 5**

Lean manufacturing **i**n **K**yotanabe – 2025



■ New products & Marketing

(1) Strengthening marketing power

- Strengthening of products through coordination with GM Department
- Strengthening product planning function by promoting capture of the industry

(2) Continuous development of new products

- Extremely wear-resistant BE conveyor chain
- Refined sugar conveyor chain
- Frame Rollerveyor

(3) Ever improving our products

- Lambda Chain
- Cable carrier TKR
- Double Plus Chain



Frame Rollerveyor



Lambda Chain



Cable carrier TKR

■ Manufacturing & Profitability

- (1) Specifying ideal direction for Motion Control operations**
- (2) Increasing productivity by 30% relative to FYE 2014**
- (3) Reducing external accidents by strengthening quality control**
- (4) Safe and rectified, efficient production plants**
- (5) Improving profitability by encouraging insourced production and ensuring a module business production scheme**

■ New products & Marketing

(1) Developing and improving new products

- Increase in model line-up of Zip Chain Actuator® (planned for June)
- IoT-enabled gear motor with self-disconnecting function (planned to go on sale in June)
- U-Series Power Cylinder — 50 metric tons and range expanding (planned for October)
- U-Series Power Cylinder — Multi-spec (planned to go on sale in October)
- HMT/GMT with DCBL included (test sales planned for June)



IoT-enabled gear motor (with self-disconnecting function)

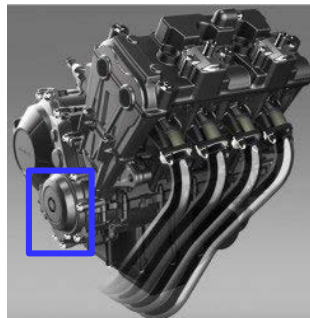


U Series Power Cylinder

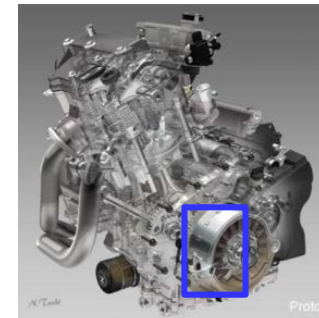


Hypoid equipped with DCBL

(2) Expansion of motorcycle factory in India



Starter clutch (one-way clutch)



■ Manufacturing & Profitability

(1) Global Optimized Production (GOP)

- Following international affairs and our medium-term plan for increasing production to select the optimal production sites from each region

(3) Implement restructuring the Saitama Plant

- Moving of equipment and beginning of operations for new tensioner plant, and testing and implementing improvement proposals to achieve productivity increase of 30%

(4) Continually improve productivity

■ New products & Marketing

(1) Development and marketing of EneDrive® Chain

- Develop and market EneDrive Chain compatible with electric vehicles
- Applications using new chains for electric vehicles including hybrid cars



- Power drive chain
- Power drive chain
- EneDrive chain
- Silent chain
(for use in timing systems)

■ Manufacturing & Profitability

- Achieving cost reductions and quality improvements through modular design (MD) activities, VAVE activities, and 'Plug and Play' activities
- Expanding our global business in China, India (MTC) and Indonesia (TINM)
- Strengthening of governance system of Central Conveyor Company, LLC



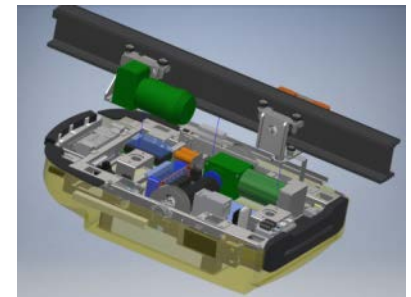
■ New products & Marketing

- Further strengthening our healthy distribution business
- Utilize new factories and exhibition models to develop products (at least one product per industry)

< New products currently in development >



Conveyors for transporting lightweight items for car manufacturers



New Vanguard

- Global expansion of business related to life science
- Expanding application reach of new products such as Shuffle Conveyor's use in the food industry (Mayfran business)



Shuffle Conveyor

About Our Organizational Reforms

◆ Strengthening our Corporate Governance System

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

- Strategy formulation and supervisory functions:

Board of Directors (directors, auditors)

Business execution functions:

Executive Committee (COO, executive officers, full-time auditors, etc.)

⇒ Accelerating management by expanding the scope of authority delegated to lower-level committees

(2) Establishment of a Nomination and Remuneration Committee

- We are establishing a Nomination and Remuneration Committee, chaired by an outside director, as an optional advisory body to the Board of Directors.

⇒ Improving the objectivity of the decision-making process

- Nomination and remuneration of executives and directors
- Appointment and dismissal of CEO, COO, and others

*CEO: Chief Executive Officer

COO: Chief Operating Officer

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.