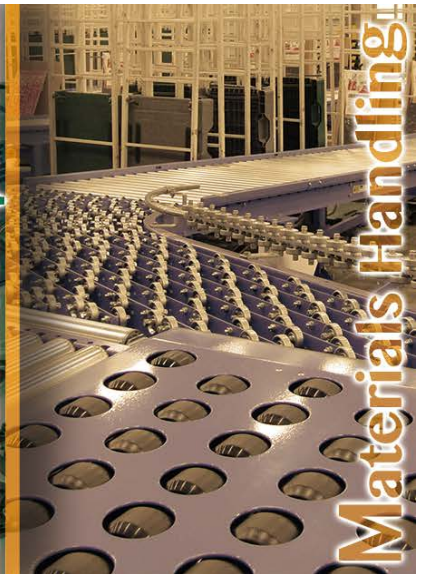
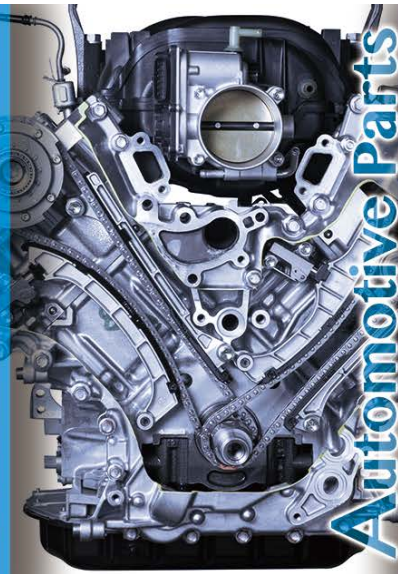
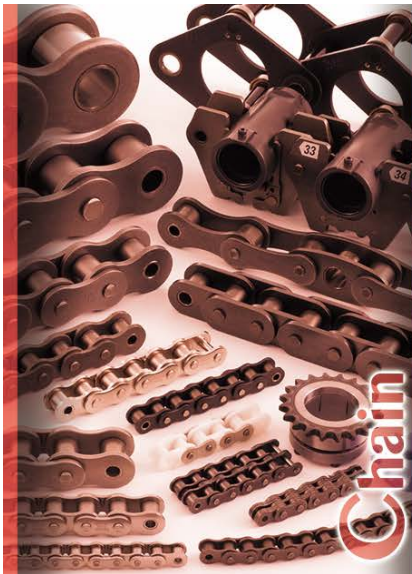


Tsubakimoto Chain Co. FYE 2020 Interim Settlement of Accounts Presentation Meeting



November 14, 2019

FYE 2020 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.)

- Sales and profits declined compared to the same period of the previous year due to sluggish sales in LCD and IT products and slowing vehicle production.

(Yen, millions)

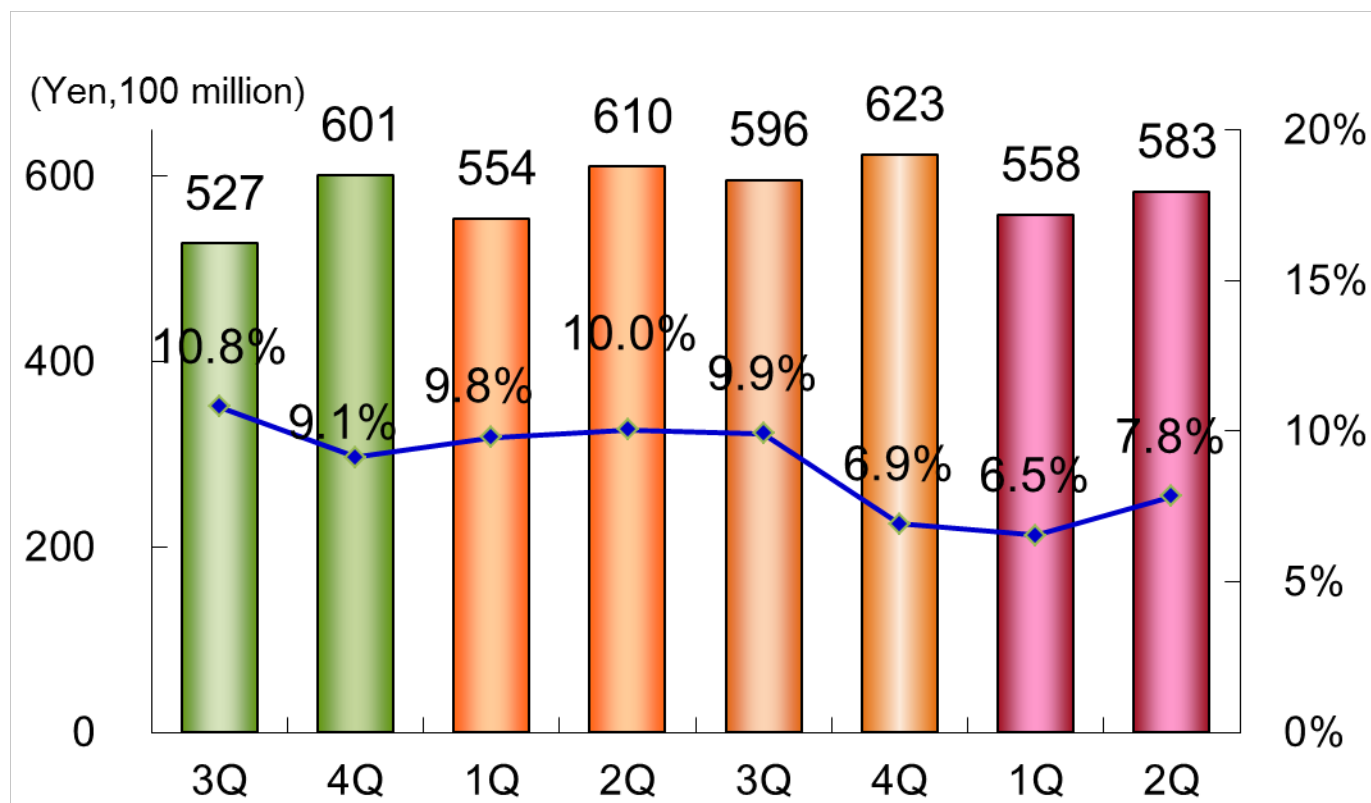
	FYE 2018	FYE 2019	Comparison with previous term	Budgeted(May 10, 2019)	
	First half figure(actual)	First half figure(actual)	Increase/decrease	Budget	Increase/decrease
Net sales	116,492	114,254	-1.9%	120,000	-4.8%
Operating income	11,553	8,231	-28.8%	9,400	-12.4%
Operating income margin	9.9%	7.2%		7.8%	
Ordinary income	12,013	8,850	-26.3%	10,000	-11.5%
Net income	8,578	6,496	-24.3%	7,100	-8.5%
Net income per share (Yen)	226.64 yen	171.63 yen	—	—	—
(Exchange rates 1 US\$)	110.26 yen	108.60 yen	—	—	—
(Exchange rates 1 EURO)	129.79 yen	121.40 yen	—	—	—
(Exchange rates 1 CNY)	17.08 yen	16.20 yen	—	—	—

	Full year figure(actual)	First half figure(actual)	
Shareholders' equity ratio	56.8%	58.9%	Equity capital/total assets
Net D/E ratio	0.04	0.03	(Interest-bearing debt - Cash equivalent)/(Capital adequacy)

Note: The acquisition of Central Conveyor Company, LLC was finalized at the end of FYE 2019; therefore, figures for the previous second quarter were revised after accounts were finalized following the acquisition.

Trend in Quarterly Consolidated Settlement of Accounts

■ Trends in sales and operating income margin (Consolidated)



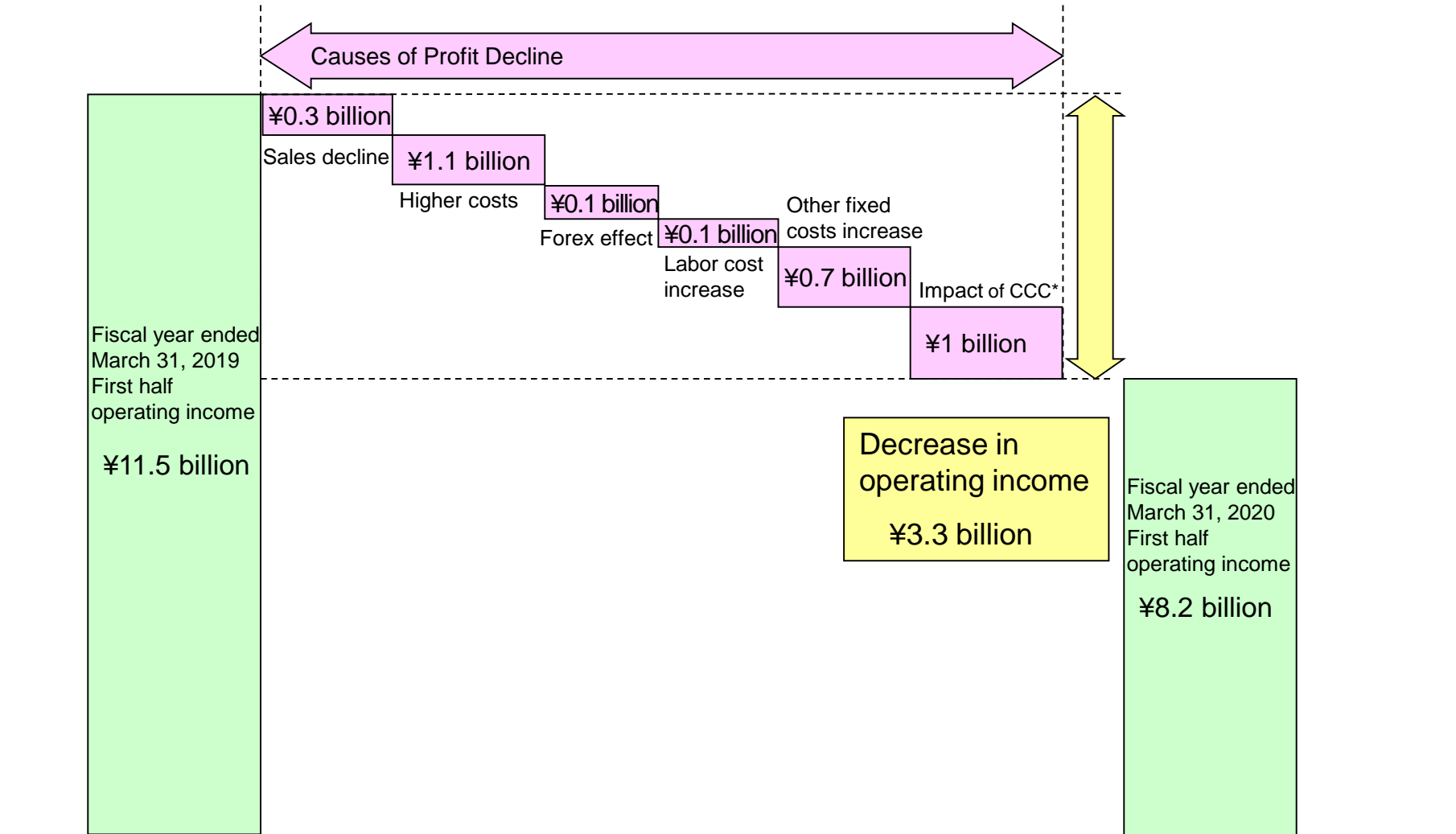
Major exchange rates	FYE2017	FYE2018	FYE2019(2Q cumulative)
US \$	110.86	110.93	108.6
Euro	129.66	128.45	121.4

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

3. Interim Review

Analysis of Factors Consolidated Increasing/Decreasing Operating Income

■ 2Q cumulative of FYE 2019 vs. 2Q cumulative of FYE 2020



*Central Conveyor Company, LLC (acquired in June 2018 as a consolidated subsidiary)

4. Interim Review Breakdown by Business Segment

- Sales increased in Materials Handling Systems segment but were sluggish in Chain, PTUC, and Automotive Parts Operations.

		(Yen, millions)				
		FYE 2019	FYE 2020	Comparison with previous term	Budgeted Amount (Oct 31, 2019)	
		First half figure(actual)	First half figure(actual)	Increase/decrease	Budget	Increase/decrease
Chain Operations	Net sales ^{*1}	35,565	34,111	- 4.1%	36,500	- 6.5%
	Operating income	5,057	4,291	- 15.2%	4,650	- 7.7%
	Operating income margin	14.2%	12.6%		12.7%	
Power Transmission Units and Components Operations	Net sales ^{*1}	12,663	12,059	- 4.8%	13,600	- 11.3%
	Operating income	1,540	1,104	- 28.3%	1,510	- 26.9%
	Operating income margin	12.2%	9.2%		11.1%	
Automotive Parts Operations	Net sales ^{*1}	39,796	36,353	- 8.7%	37,500	- 3.1%
	Operating income	4,699	2,826	- 39.9%	3,150	- 10.3%
	Operating income margin	11.8%	7.8%		8.4%	
Materials Handling Systems Operations	Net sales ^{*1}	28,332	31,750	12.1%	33,100	- 4.1%
	Operating income	781	507	- 35.0%	1,010	- 49.8%
	Operating income margin	2.8%	1.6%		3.1%	
Other ^{*2}	Net sales ^{*1}	1,732	1,866	7.8%	1,570	18.9%
	Operating income	-44	-15	—	-50	—
	Operating income margin	—	—		—	

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

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

*3: After the acquisition was finalized, we retroactively calculated the operating income of Materials Handling Systems Operations for the second quarter of the fiscal year ended March 31, 2019.

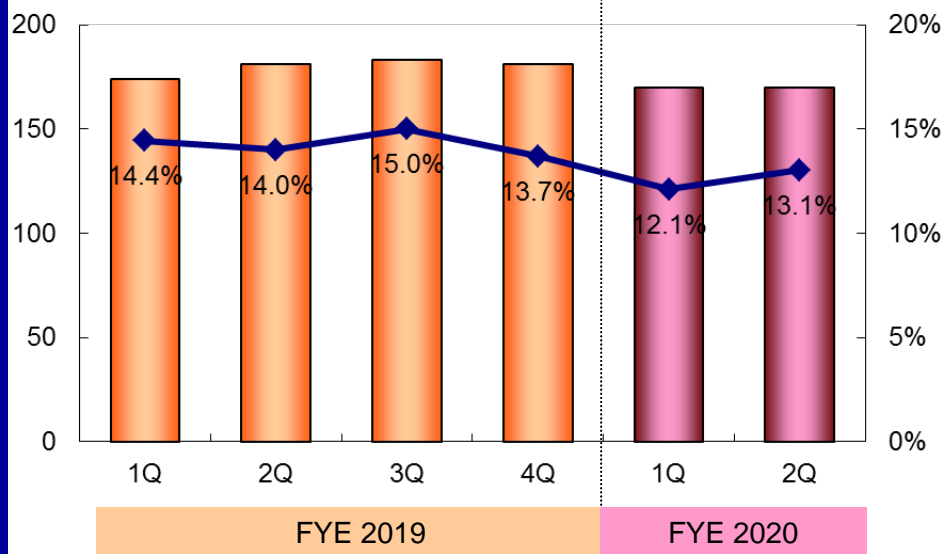
5. Interim Review

Earnings Trend by Business Segment

Trends in sales and operating income margin

● Chain Operations

(Yen, 100 million)

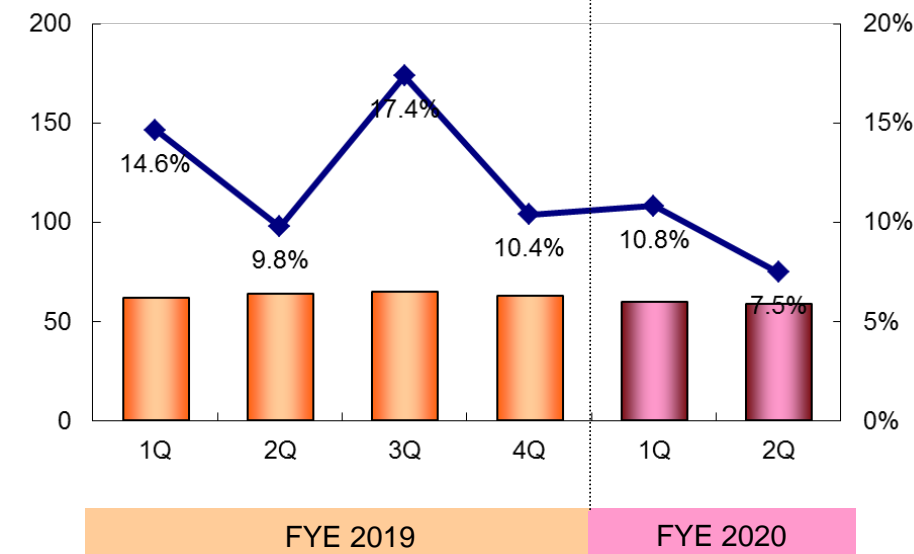


<Sales by Region>

- Japan: Demand remained firm and mostly flat.
- Americas: Sales and profits declined as demand in America subsided.
- Europe: Remained mostly flat due to currency exchange rate effects, despite strong demand.
- Indian Ocean Rim: Demand remained firm and mostly flat.
- China: Sales waned due to declining demand, but profitability improved.

● Power Transmission Units and Components Operations

(Yen, 100 million)



<Sales by Region>

- Japan: Sales and profits declined due to a slowdown in the LCD market.
- The Americas and Europe: Remained mostly flat.
- China: Sales and profits declined due to sluggish demand in the IT market.
- Indian Ocean Rim: Our Thai subsidiary remained strong and mostly unchanged from the previous year.

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

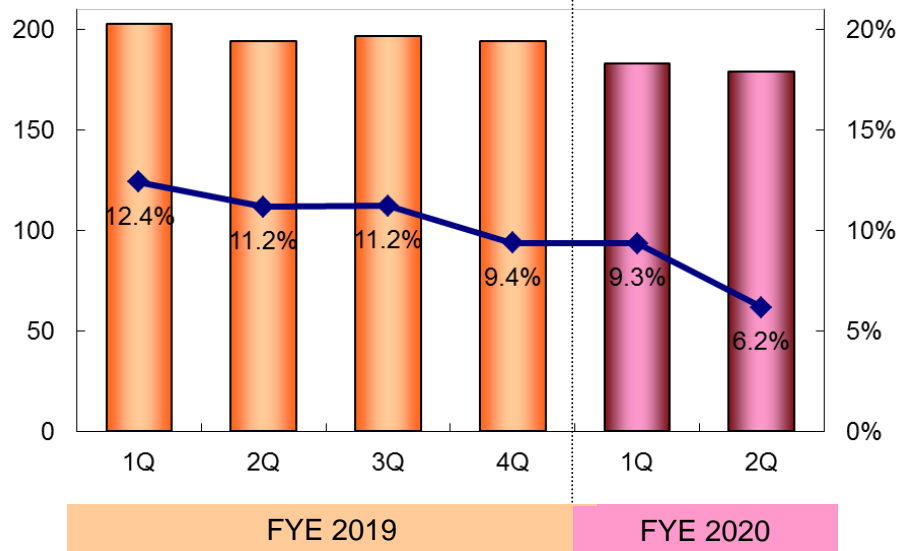
5. Interim Review

Earnings Trend by Business Segment

■ Trends in sales and operating income margin

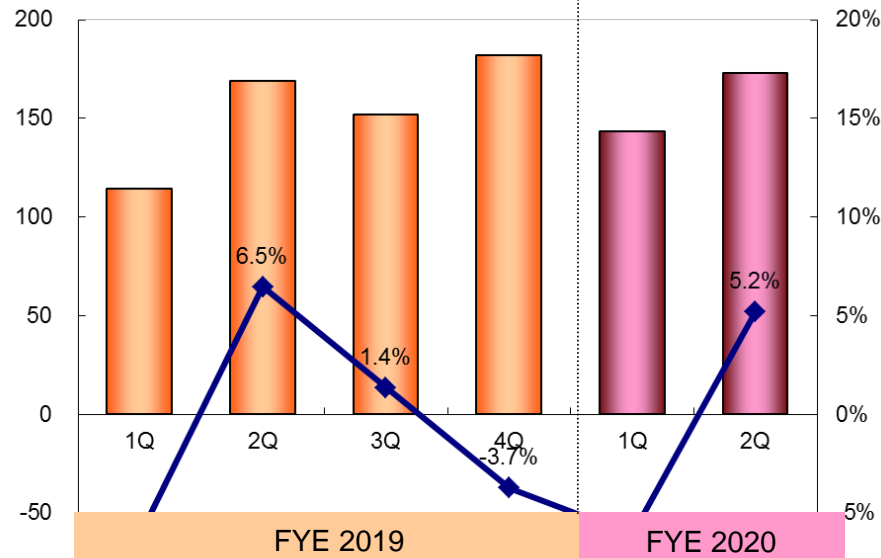
● Automotive Parts Operations

(Yen, 100 million)



● Materials Handling Systems Operations

(Yen, 100 million)



<Sales by Base>

- Japan: Sales and profits decreased due to a decline in sales outside Japan, although sales in Japan remained flat.
- U.S.A.: Sales and profits declined due to a deterioration in the vehicle model mix.
- China: Market conditions in China did not recover, resulting in a decline in sales and profits.
- Europe: Sales and profits declined due to weak sales.

<Sales by Region>

- Japan: Sales and profits increased as a result of strong sales in the distribution, newspaper and life sciences markets.
- U.S.A.: While sales increased following the acquisition of our Central Conveyor consolidated subsidiary, costs associated with additional construction led to a decline in revenue growth.
- Europe: Although sales were mostly flat, profits increased as a result of cost reductions.

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

6. Interim Review Overview by Region

		(Yen, millions)		
		FYE 2019	FYE 2020	Comparison with previous term
		First half figure(actual)	First half figure(actual)	Increase/decrease
America	Net sales*	32,062	30,784	-4.0%
	Operating income	2,213	323	-85.4%
	Operating income margin	6.9%	1.1%	
Europe	Net sales*	14,072	13,505	-4.0%
	Operating income	205	195	-5.0%
	Operating income margin	1.5%	1.4%	
Indian Ocean Rim	Net sales*	8,630	8,907	3.2%
	Operating income	1,445	1,233	-14.7%
	Operating income margin	16.7%	13.8%	
China	Net sales*	11,701	10,232	-12.6%
	Operating income	458	424	-7.4%
	Operating income margin	3.9%	4.1%	
South Korea, Taiwan	Net sales*	4,999	4,960	-0.8%
	Operating income	368	314	-14.5%
	Operating income margin	7.4%	6.3%	
Japan	Net sales*	62,503	60,968	-2.5%
	Operating income	6,005	4,659	-22.4%
	Operating income margin	9.6%	7.6%	

*Sales figures include internal sales and transfers between segments.

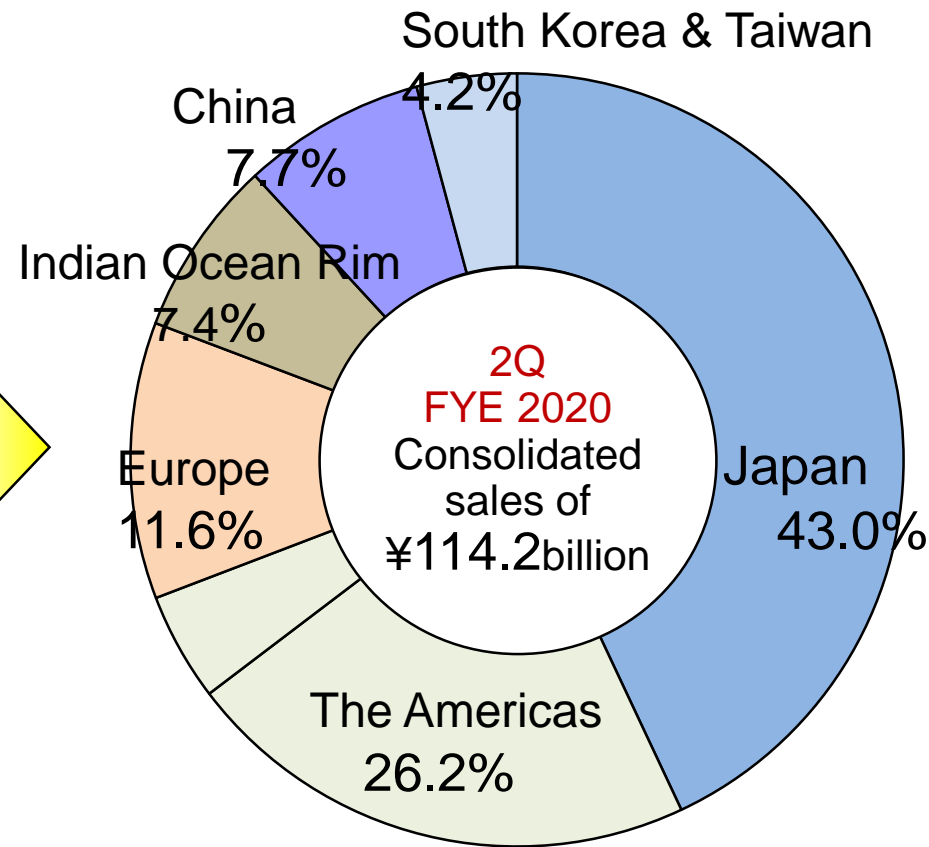
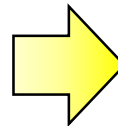
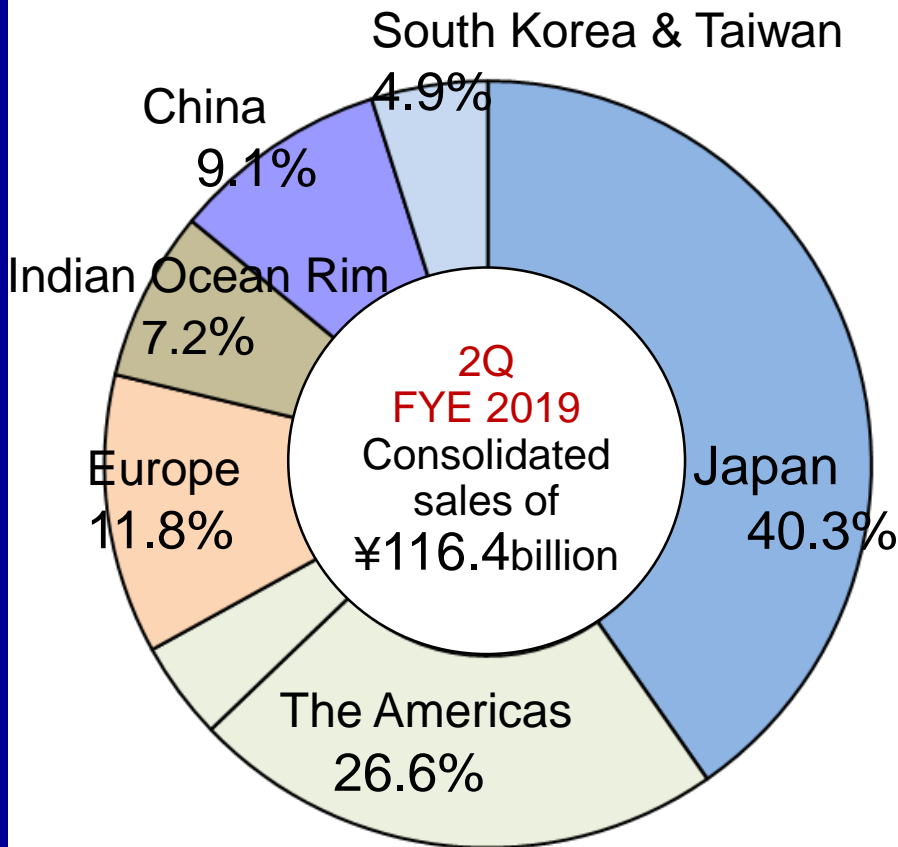
<Actual exchange rate>
First half figure

	US\$	EURO	Can \$	A \$	THB	NT\$	RMB	WON	MXN
FYE2019	110.26	129.79	84.88	82.07	3.43	3.64	17.08	0.10	5.70
FYE2020	108.60	121.40	81.73	75.23	3.49	3.48	16.20	0.10	5.74

Breakdown of Sales by Region

FYE 2018 Interim
Overseas sales* ratio: 59.7%

FYE 2019 Interim
Overseas sales* ratio: 57.0%



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

**Consolidated Settlement of
Accounts Forecasts
for FYE 2020**

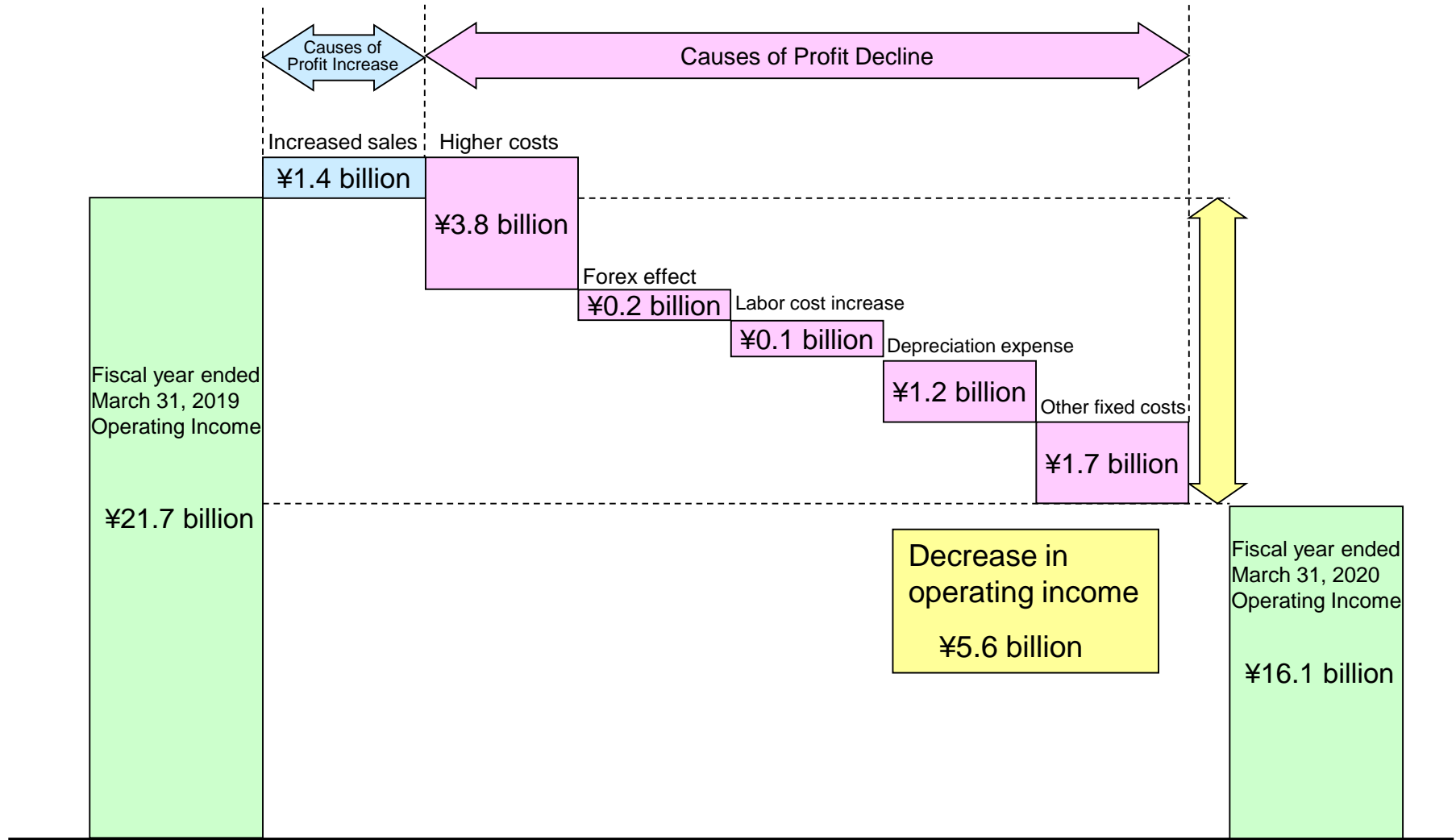
Consolidated Settlement of Accounts

- In light of the results for the first half, as well as current orders and exchange rates, both sales and profits have been revised downward.

	(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	114,254	120,746	235,000	- 1.5%
Operating income	21,789	8,231	7,869	16,100	- 26.1%
Operating income margin	9.1%	7.2%	6.5%	6.9%	
Ordinary income	21,621	8,850	7,550	16,400	- 24.2%
Net income	13,779	6,496	5,204	11,700	- 15.1%
Net income per share	364.03 yen	171.63 yen	-	309.12 yen	—
(Exchange rates 1 US\$)	110.93 yen	108.60 yen	107.00 yen	—	—
(Exchange rates 1 EURO)	17.08 yen	16.20 yen	15.00 yen	—	—

Analysis of Factors Consolidated Increasing/Decreasing Operating Income

FYE 2019 (actual figures) vs. FYE 2020 (forecast)



Settlement of Accounts by Business Segment

(Yen, millions)

		FYE 2019	FYE 2020(10/31)			Comparison with previous term	5/10 Full year forecast
		Full year figure (actual)	First half forecast	Second half forecast	Full year forecast	Increase/decrease	
Chain Operations	Net sales ^{*1}	72,023	34,111	35,589	69,700	- 3.2%	74,400
	Operating income	10,292	4,291	4,329	8,620	- 16.2%	9,940
	Operating income margin	14.3%	12.6%	12.2%	12.4%		13.4%
Power Transmission Units and Components Operations	Net sales ^{*1}	25,591	12,059	12,141	24,200	- 5.4%	27,700
	Operating income	3,340	1,104	1,546	2,650	- 20.7%	3,240
	Operating income margin	13.1%	9.2%	12.7%	11.0%		11.7%
Automotive Parts Operations	Net sales ^{*1}	78,992	36,353	37,347	73,700	- 6.7%	78,100
	Operating income	8,734	2,826	2,104	4,930	- 43.6%	6,810
	Operating income margin	11.1%	7.8%	5.6%	6.7%		8.7%
Materials Handling Systems Operations	Net sales ^{*1}	61,827	31,750	35,750	67,500	9.2%	68,600
	Operating income	402	507	423	930	131.3%	2,400
	Operating income margin	0.7%	1.6%	1.2%	1.4%		3.5%
Other ^{*2}	Net sales ^{*1}	3,548	1,866	1,634	3,500	- 1.4%	3,600
	Operating income	-43	▲ 15	65	50	—	0
	Operating income margin	—	—	4.0%	1.4%		—

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

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

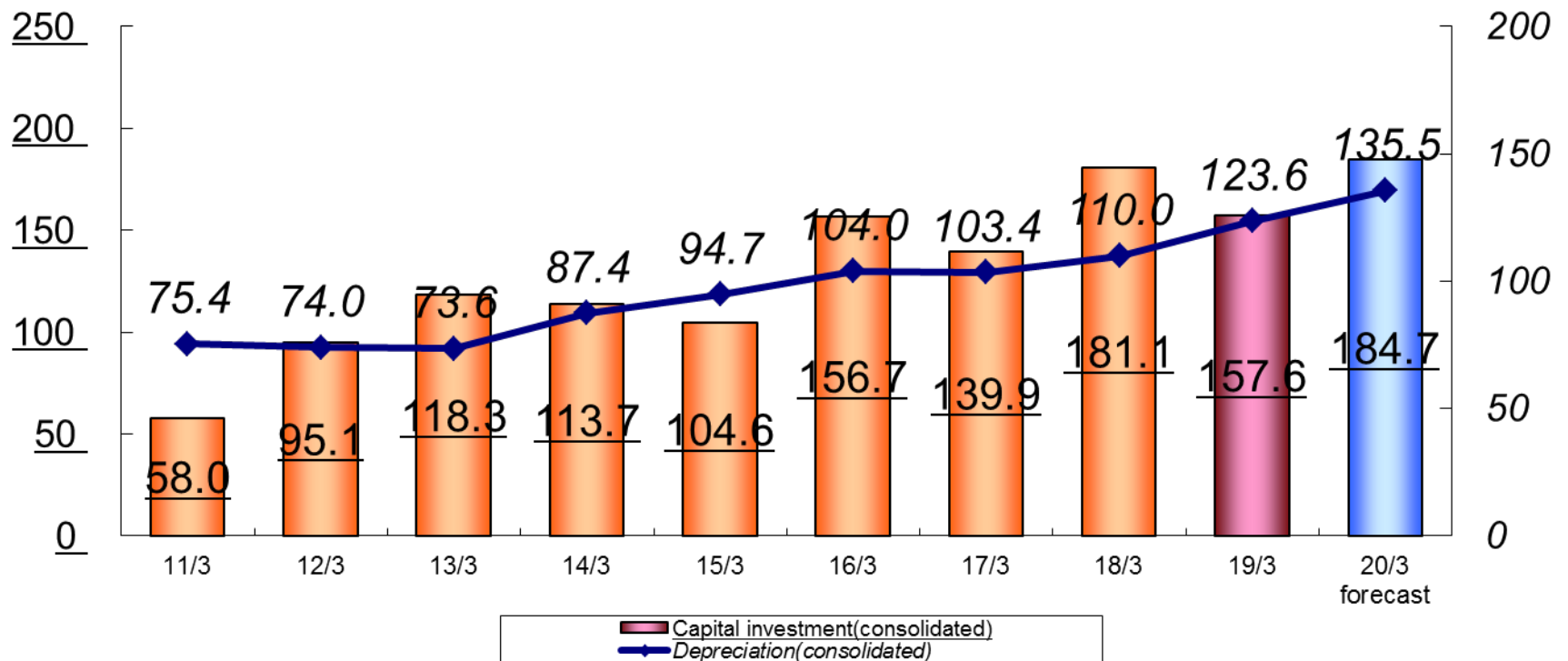
Capital Investment and Depreciation

◆ 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 and Germany elsewhere)

< Capital investment and depreciation transitions >

(Yen, 100 million)



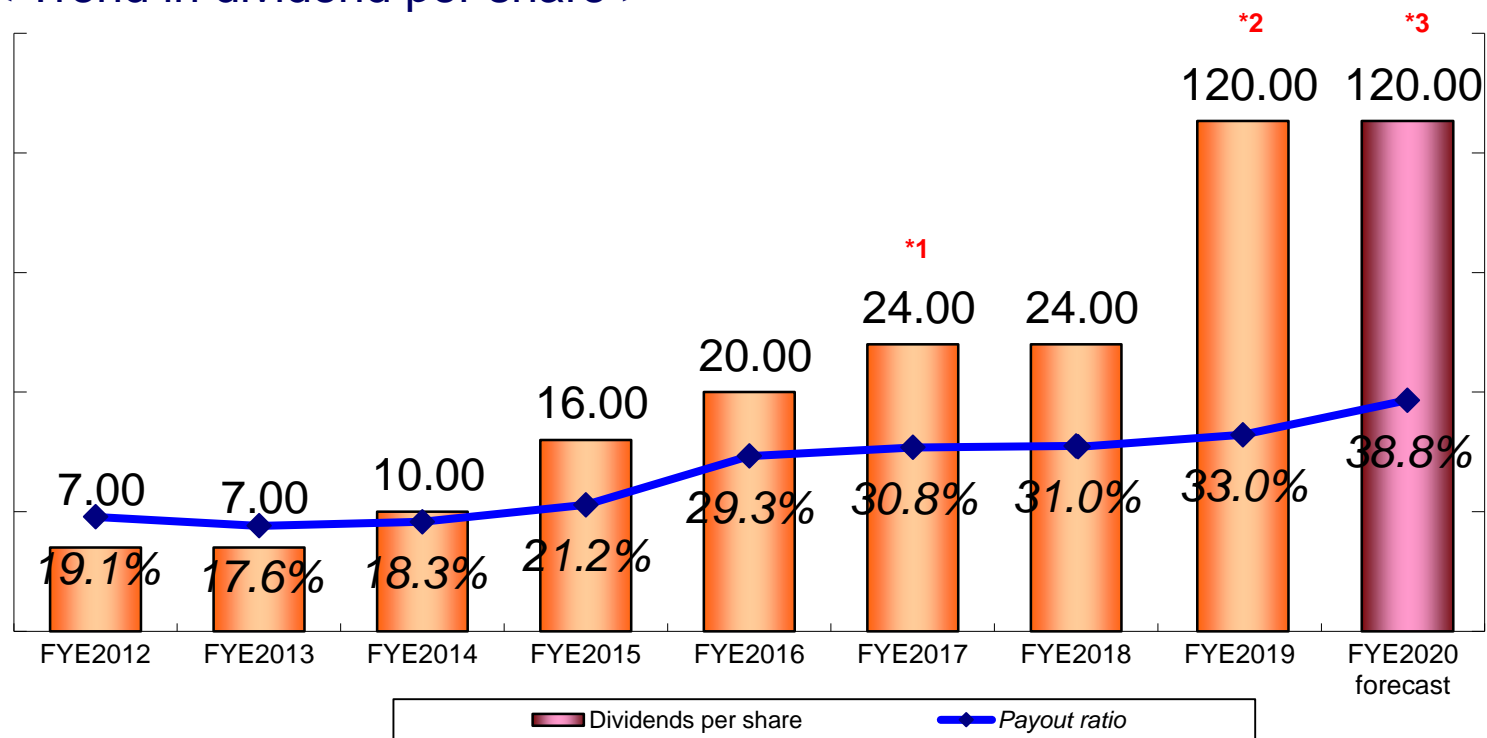
(Yen, 100 million)

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 >



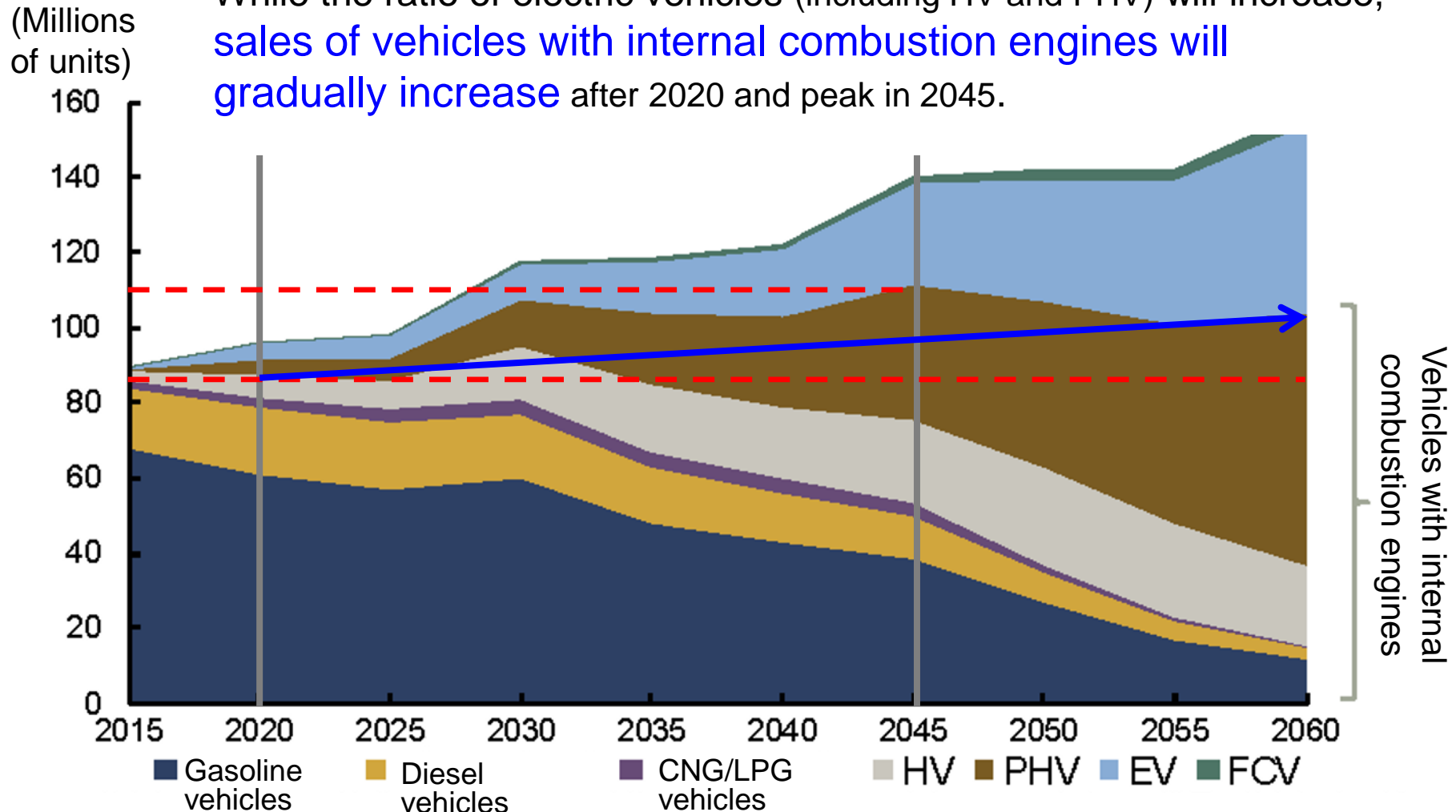
*1 Includes the special dividend (2 yen/share) marking the company's centennial. *2 The stock consolidation coming into force on October 1 is excluded.

*3 Regarding the dividend payout ratio for the fiscal year ending March 31, 2020, the impact of the share repurchase conducted on November 1 is not accounted for.

Toward Sustainable Growth Topics

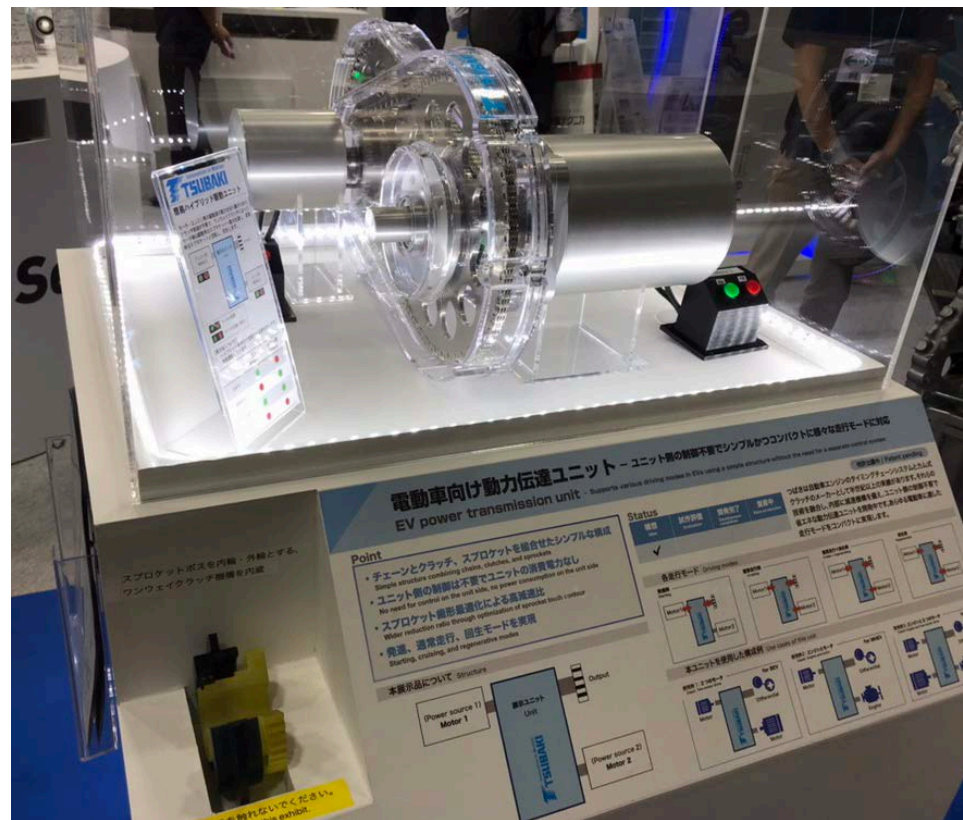
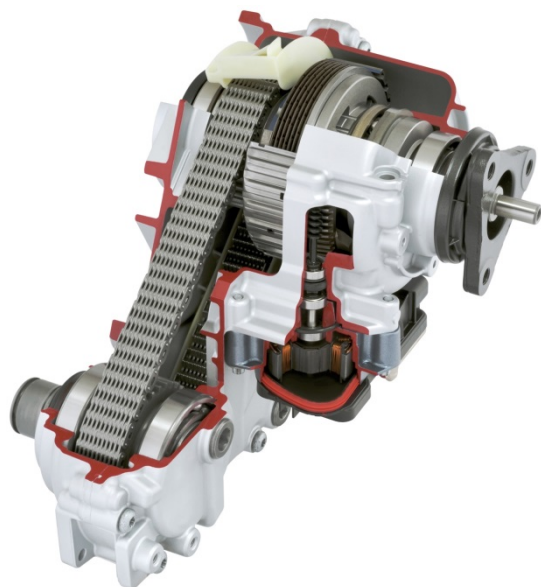
Global vehicle unit sales forecast

- While the ratio of electric vehicles (including HV and PHV) will increase, **sales of vehicles with internal combustion engines will gradually increase** after 2020 and peak in 2045.



Source: Materials from the Automobile New Era Strategy Conference (1st), Ministry of Economy, Trade and Industry (April 18, 2018)

EneDrive® Chain



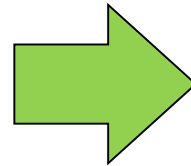
Exhibition samples
from the Automotive Engineering Exposition 2019
(Power transmission units for electric vehicles)

Vehicle Clutches

More than half a century of mass production



Specialized and optimized for automotive applications

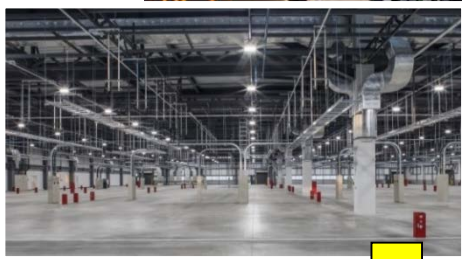


- Combination of clutches near gear box and motor (Transmissions, CVTs, electric axles, in-wheel motors, etc.)
- One-way functions such as reverse input prevention and dual drive, and two-way ON/OFF functions
- Incorporates overload protection and other functions

New Tensioner Plant in Saitama

A new manufacturing plant built for high efficiency and high quality

Tensioners



Factory floor before equipment installation



Factory floor after equipment installation

- Automation of equipment and on-site logistics, construction of new production lines supporting high-mix/low-volume production, production management systems using IoT and AI, and visualization of operation status, etc.
- Environmental considerations, such as solar power generation systems and rooftop greening
- Rainwater reservoir installed under the building
- Strengthened features to help withstand natural disasters (water damage, earthquakes, etc.)

New Tennessee Plant



Guides & Levers



Tensioners

- A manufacturing plant for timing chain system components (Guides & levers, tensioners)
- Provides a production capacity twice that of the old factory
- A manufacturing plant created by integrating two existing external warehouses
- Used for the US operations of our Materials Handling Operations (Conveyor Operations Division)

4. Globalization Initiatives of Our Materials Handling Operations

Zip Chain Lifter[®]



Central Conveyor Company



Conveyor Operations Division

Zip Chain Lifter (high-speed lifting unit with meshing chain)

- System sales in North America through Conveyor Operations Division (U.S. Tsubaki Holdings, Inc.) and Central Conveyor Company, LLC
- More than 100 units sold since 2017

4. Globalization Initiatives of Our Materials Handling Operations

QuickSort®



Example installation in an automotive parts assembly plant



Examples of delivery to distribution centers

QuickSort high-speed automatic sorting device

- Unit sales began in 2018
More than 300 units sold in the Chinese market

4. Globalization Initiatives of Our Materials Handling Operations

LiniSort® S-C



LiniSort S-C



LiniSort S-C∞



LiniSort S-C, a multi-stage high-speed automatic sorting device

- Space-saving, high-efficiency sorting
- The sorter (tray) is arranged in a multi-stage spiral (loop type)
⇒ Increased number of sorting areas per input slot (S-C∞)

New-type “eLINK®”

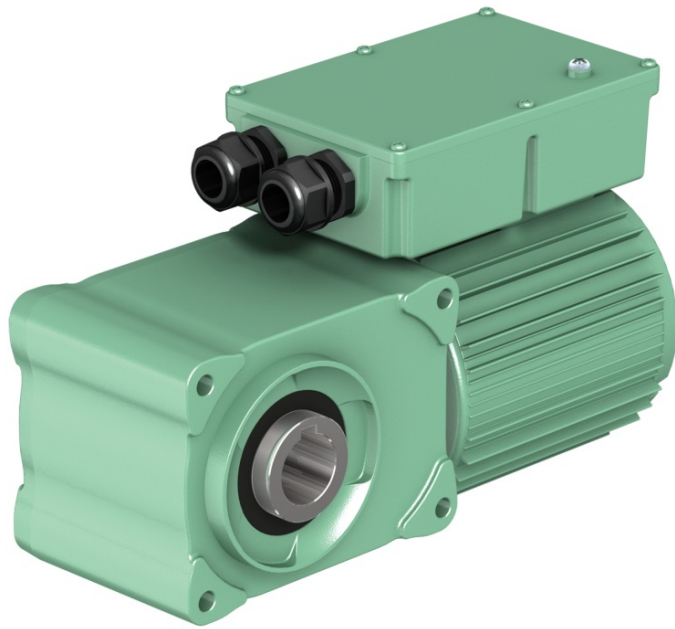
PR targeting local governments: Availability as an emergency power source in the event of a disaster



V2X charging/discharging device (new eLINK)

- V2X: Vehicle-to-Everything
- Reciprocal supply of power with houses (V2H), buildings (V2B), power grids (V2G), etc.

IoT



Tsubaki IoT-ready Auto-shutoff Compact Gear Motors

Example of use on chip conveyor for conveying metal swarf



Tsubaki IoT-ready Auto-shutoff Compact Gear Motors (introduced June 1, 2019)

- An industry first: Remotely monitors the operating status of conveyors, etc.
- Monitors power, temperature, and vibration for predictive maintenance of equipment

⇒ For visualizing the operational status of equipment

Improves quality and productivity by preventing outages due to malfunctions

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.