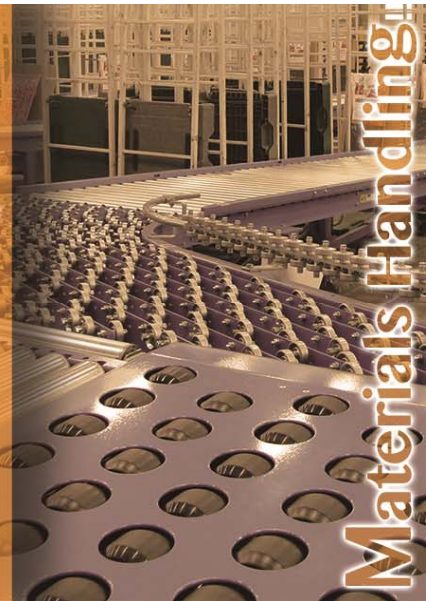
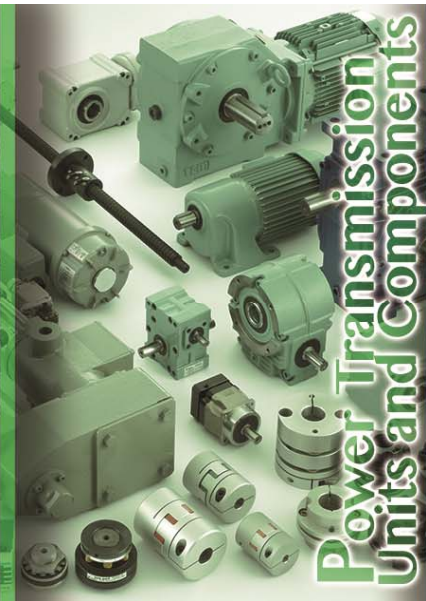
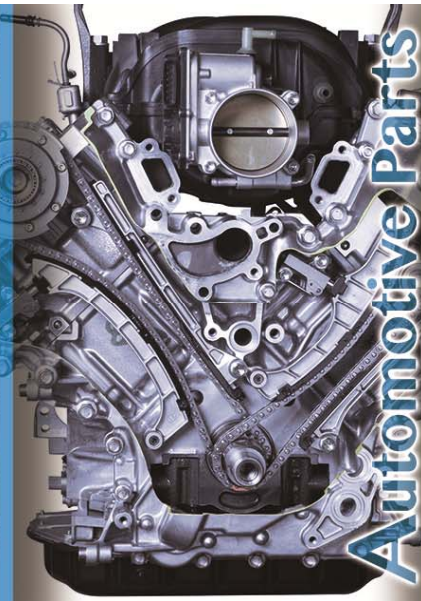
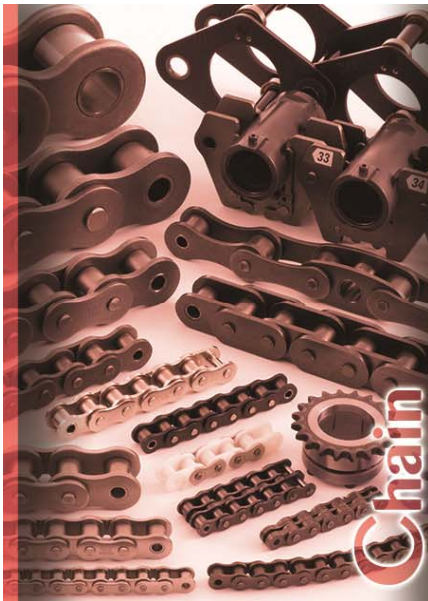


Tsubakimoto Chain Co. FYE 2020 Settlement of Accounts Presentation Meeting



June 10, 2020

FYE 2020 Full Year Settlement of Accounts Business Report

1. Highlights of Consolidated Settlement of Accounts

2

- Sales and income decreased versus preceding fiscal period.

(Yen, millions)					
	FYE 2019	FYE 2020	Y o Y	Forecast(as of Oct 31, 2019)	
	Actual	Actual	Inc / Dec	Forecast	Inc / Dec
Net sales	238,515	226,423	-5.1%	235,000	-3.6%
Operating income	21,789	16,146	-25.9%	16,100	0.3%
%	9.1%	7.1%		6.9%	
Ordinary income	21,621	16,698	-22.8%	16,400	1.8%
Net income	13,779	11,576	-16.0%	11,700	-1.1%
Net income per share	364.03 yen	308.71 yen	—	—	—
(Exchange rates 1 USD)	110.93 yen	108.71 yen	—	—	—
(Exchange rates 1 EUR)	128.45 yen	120.81 yen	—	—	—
(Exchange rates 1 RMB)	16.70 yen	15.77 yen	—	—	—
	Actual	Actual			
Shareholders' equity ratio	56.8%	59.3%	Equity capital/total assets		
ROE	8.1%	6.7%	Net income/Average return on equity during term		
Net D/E ratio	0.04	0.06	(Interest-bearing debt - Cash equivalents)/(Capital adequacy)		

2. Breakdown by Operations

3

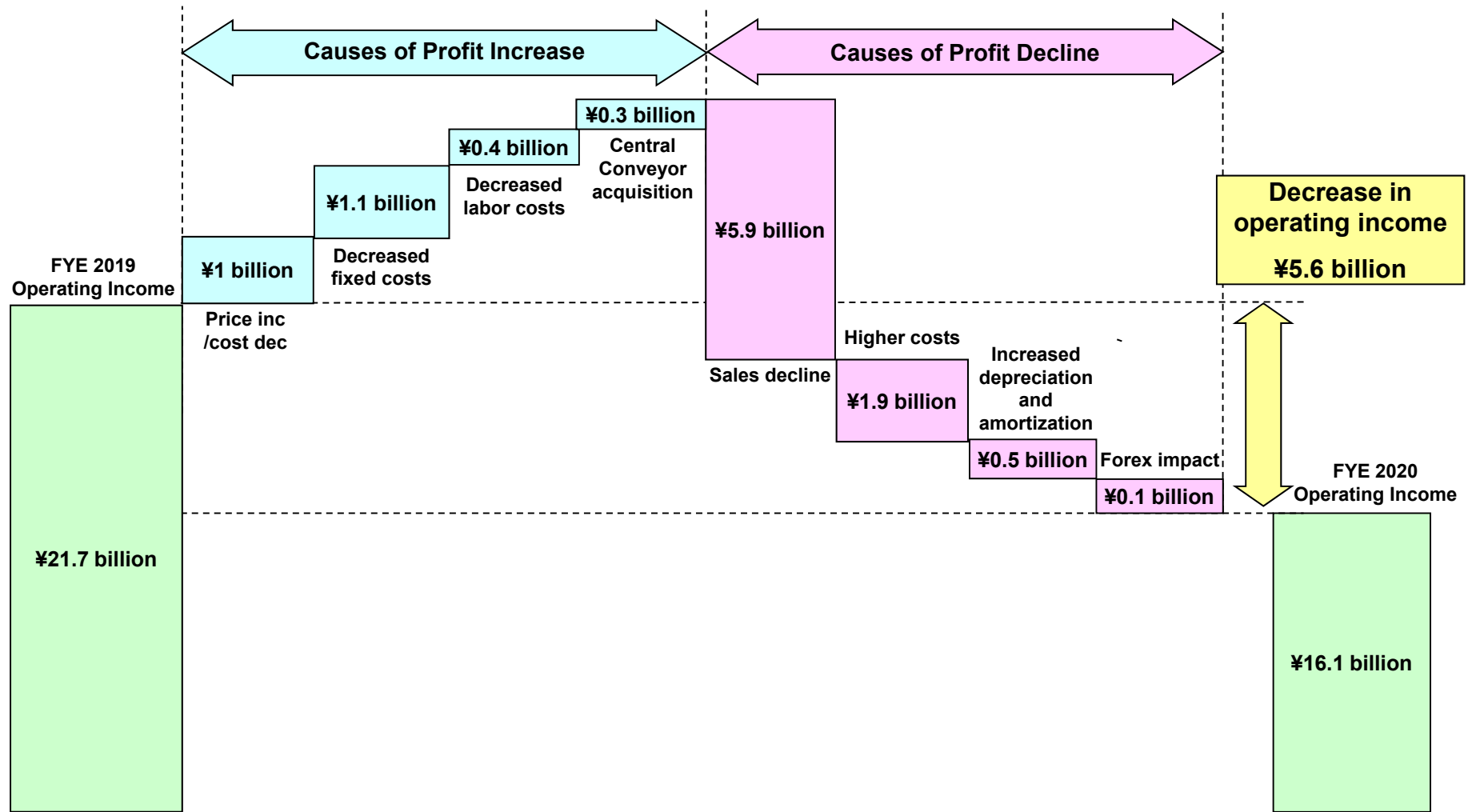
- Sales and income increased in Materials Handling Systems operations, but decreased in Chain, PTUC, and Automotive Parts operations.

		(Yen, millions)				
		FYE 2019	FYE 2020	YoY	Forecast (as of Oct 31, 2019)	
		Actual	Actual	Inc / Dec	Forecast	Inc / Dec
Chain	Net sales ^{*1}	72,023	67,526	- 6.2%	69,700	- 3.1%
	Operating income	10,292	8,406	- 18.3%	8,620	- 2.5%
	%	14.3%	12.4%		12.4%	
Power Transmission Units and Components	Net sales ^{*1}	25,591	23,813	- 6.9%	24,200	- 1.6%
	Operating income	3,340	2,189	- 34.5%	2,650	- 17.4%
	%	13.1%	9.2%		11.0%	
Automotive Parts	Net sales ^{*1}	78,992	70,949	- 10.2%	73,700	- 3.7%
	Operating income	8,734	5,791	- 33.7%	4,930	17.5%
	%	11.1%	8.2%		6.7%	
Materials Handling Systems	Net sales ^{*1}	61,827	64,212	3.9%	67,500	- 4.9%
	Operating income	402	647	60.6%	930	- 30.4%
	%	0.7%	1.0%		1.4%	
Other ^{*2}	Net sales ^{*1}	3,548	3,542	- 0.2%	3,500	1.2%
	Operating income	-43	20	—	50	- 60.0%
	%	—	0.6%		1.4%	

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

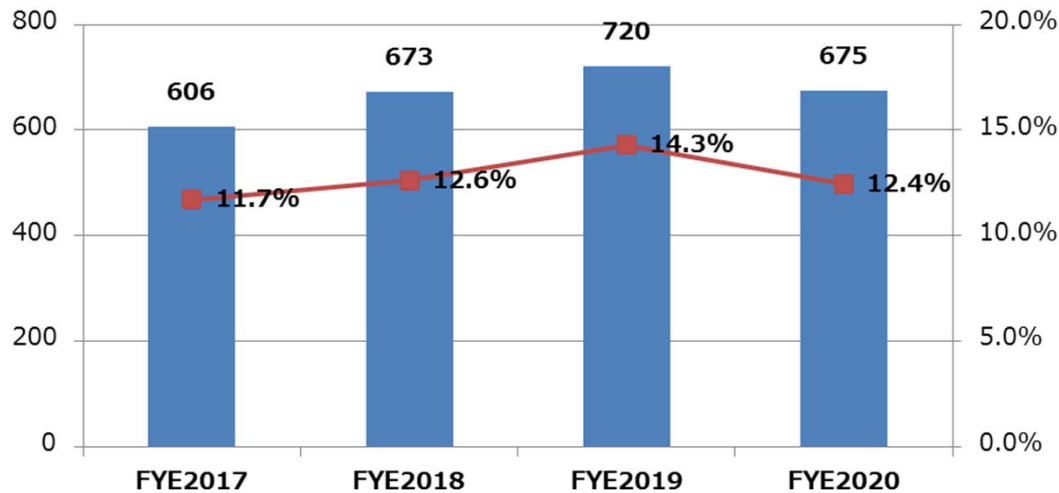
*2: "Other" is not a reportable segment.

■ FYE 2019 vs. FYE 2020

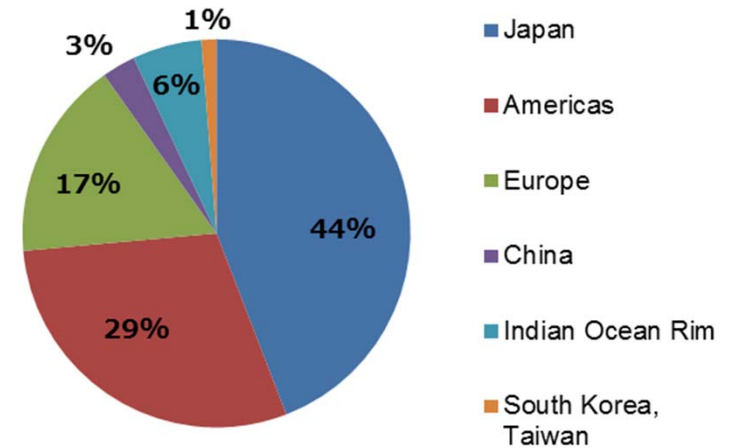


4. Breakdown of Chain Operations

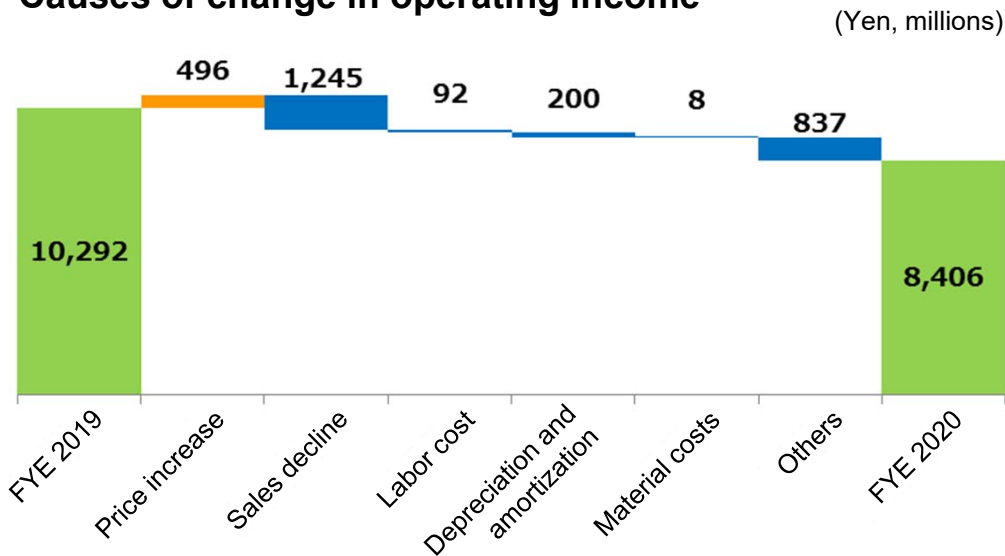
(Yen, 100 million) **Sales and operating income ratio trend**



Sales Breakdown (by business location)



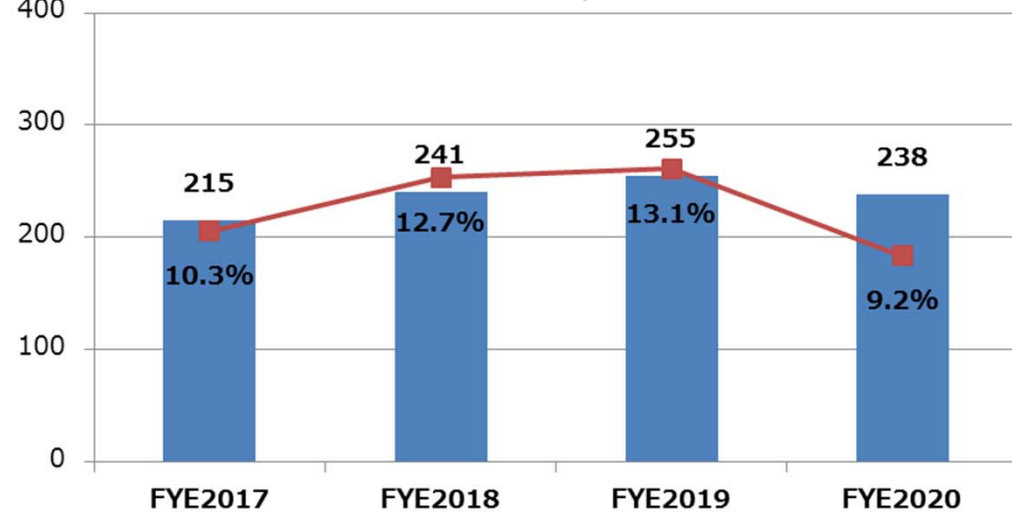
Causes of change in operating income



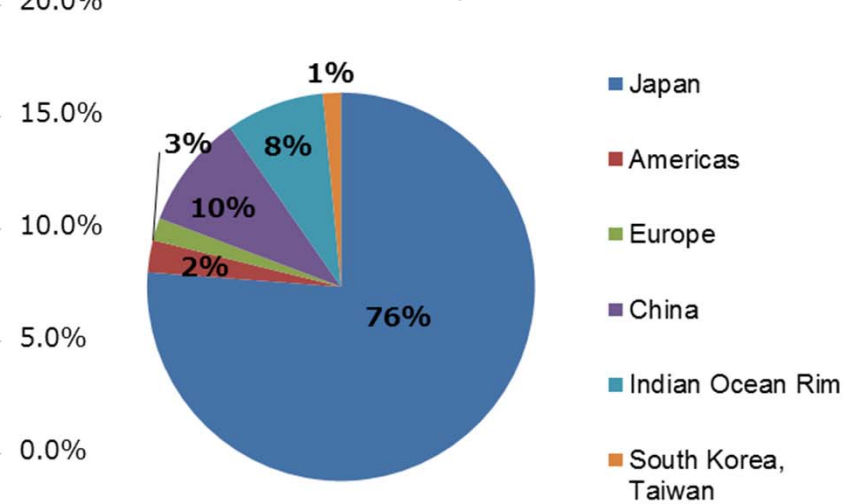
- Japan: Despite strong conveyor chain sales, sales and income decreased due to lower sales volumes of other products.
 - Americas: Sales and income decreased due to the impact of inventory adjustments as a result of strong orders and sales in the previous year.
 - China: Sales decreased due to the forex effect, but income increased due to improved profitability of Tianjin subsidiary.
- Overall, sales and income declined.

4. Breakdown of PTUC Operations

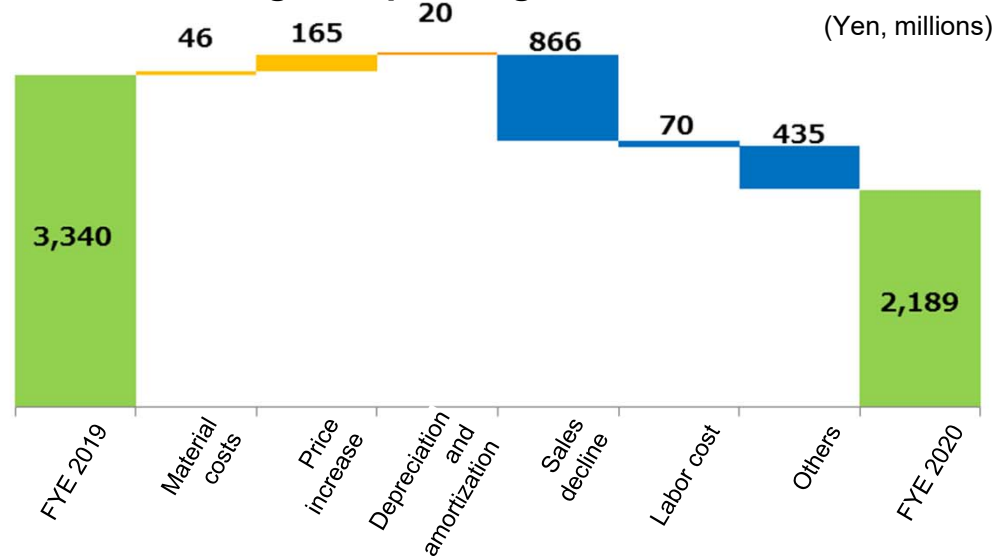
(Yen, 100 million) **Sales and operating income ratio trend**



Sales Breakdown (by business location)



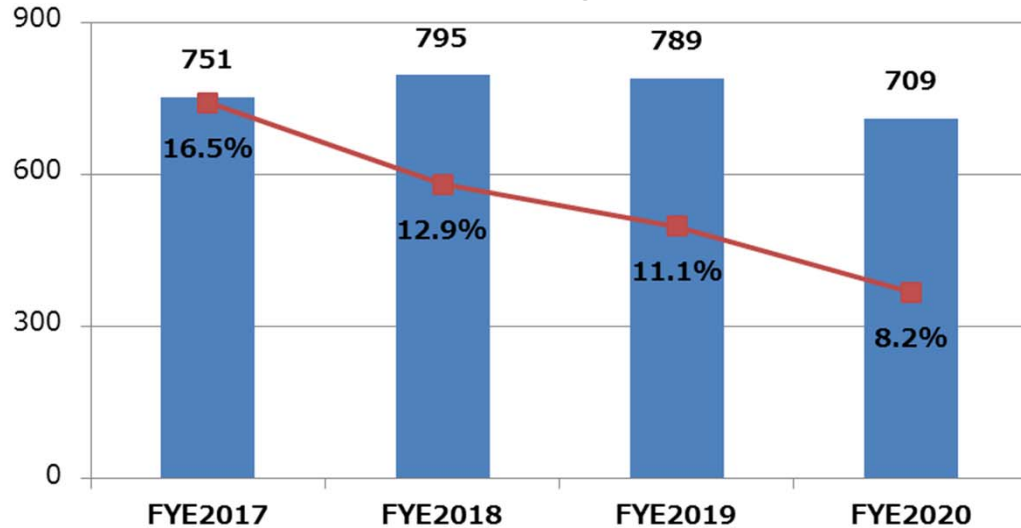
Causes of change in operating income



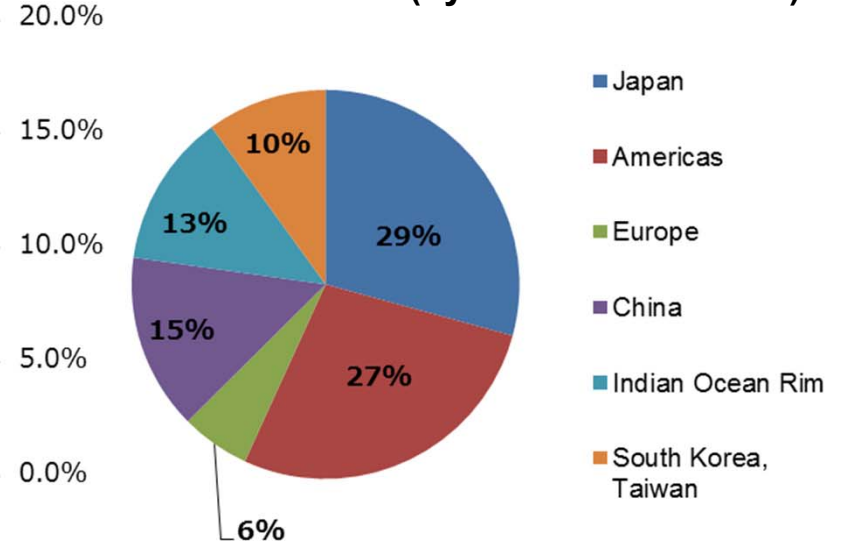
- Japan: Despite strong cam clutch sales, sales and income decreased due to lower sales volumes of other products.
 - Indian Ocean Rim: Sales and income decreased due to weak sales of motorcycle cam clutches for India.
- Overall, Sales and income declined.

4. Breakdown of Automotive parts and Operations

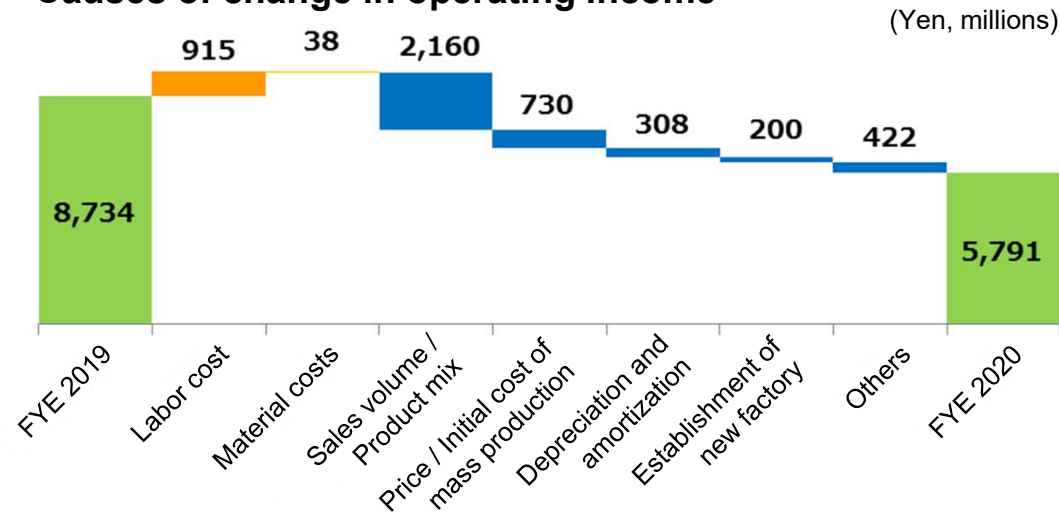
(Yen, 100 million) **Sales and operating income ratio trend**



Sales Breakdown (by business location)



Causes of change in operating income

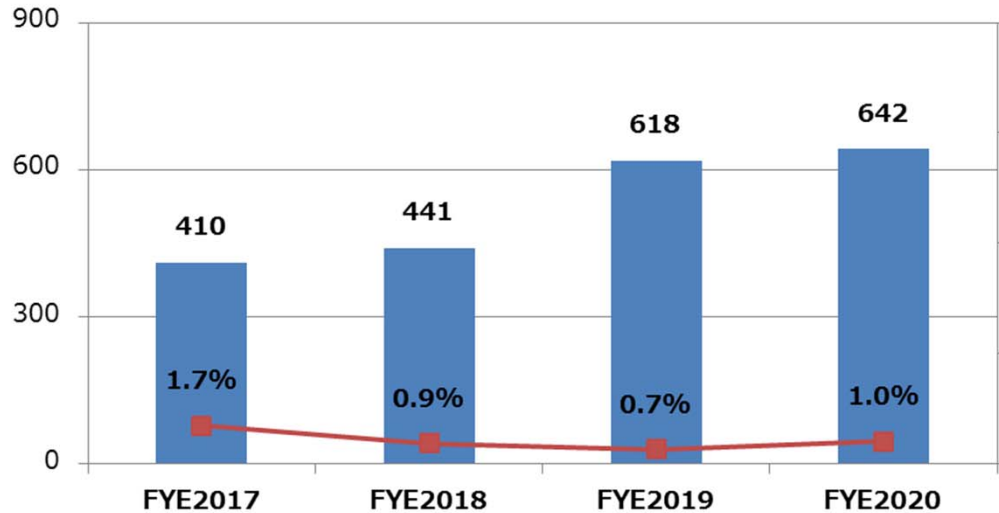


- Japan: Domestic sales decreased due to the increased consumption tax. Exports declined due to sluggish sales overseas, resulting in a decrease in sales and income.
- Americas: Sales and income decreased due to the impact of unfavorable product mix caused by market resurgence of large vehicles following lower crude oil prices.
- China: sales and income decreased due to slow sales.

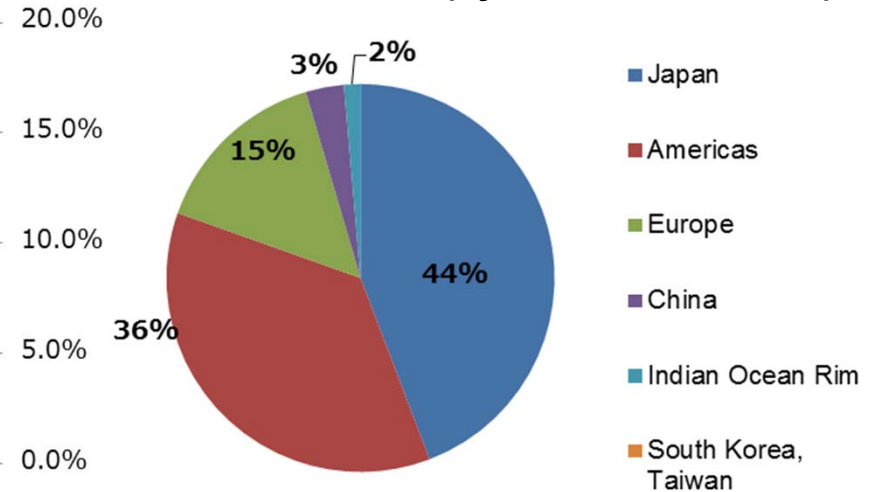
→ Overall, sales and income declined.

4. Breakdown of Materials Handling Operations

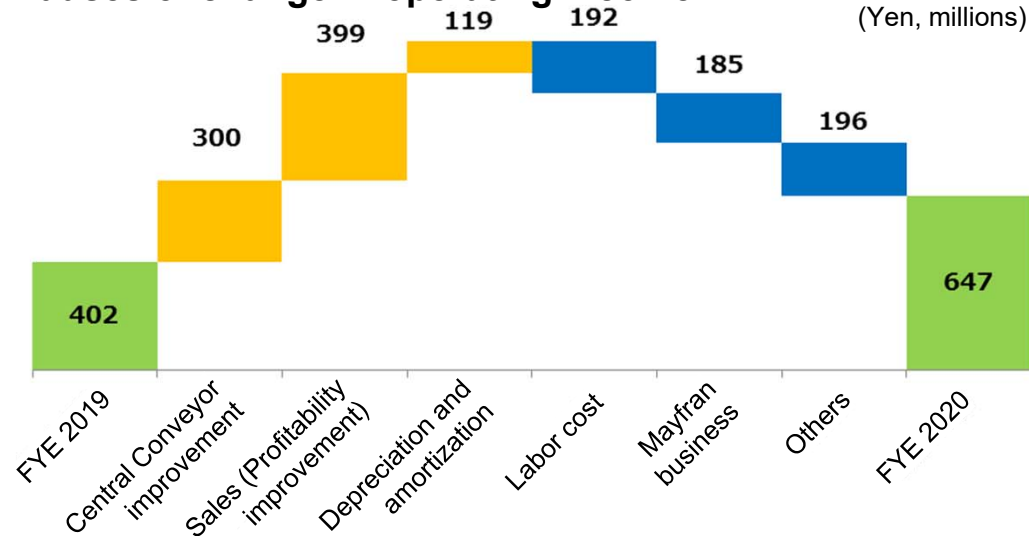
(Yen, 100 million) **Sales and operating income ratio trend**



Sales Breakdown (by business location)



Causes of change in operating income



- Japan: Sales of automatic sorting machines for the distribution industry were strong. In addition, strong sales of bulk conveyance equipment at subsidiary resulted in increased sales.
- Americas: Sales and income increased due to being awarded large projects.
- Europe: sales and income decreased due to recorded expenses associated with liquidation of unprofitable business.
- China: Sales and income increased due to strong sales of conveyors for desulfurization and denitration equipment.

→ Overall, sales and income increased.

5. Business location Results

9

		(Yen, millions)		
		FYE 2019	FYE 2020	Y o Y
		Actual	Actual	Inc /dec
Americas	Net sales*	67,462	63,371	-6.1%
	Operating income	2,664	1,719	-35.5%
	%	3.9%	2.7%	
Europe	Net sales*	27,779	25,321	-8.8%
	Operating income	395	▲ 77	—
	%	1.4%	-0.3%	
Indian Ocean Rim	Net sales*	17,488	16,639	-4.9%
	Operating income	2,837	1,961	-30.9%
	%	16.2%	11.8%	
China	Net sales*	22,946	20,523	-10.6%
	Operating income	1,175	1,069	-9.1%
	%	5.1%	5.2%	
South Korea, Taiwan	Net sales*	9,440	9,661	2.3%
	Operating income	314	400	27.5%
	%	3.3%	4.1%	
Japan	Net sales*	127,439	120,621	-5.3%
	Operating income	12,702	9,224	-27.4%
	%	10.0%	7.6%	

*Sales figures include internal sales and transfers between segments.

<Actual exchange rates>

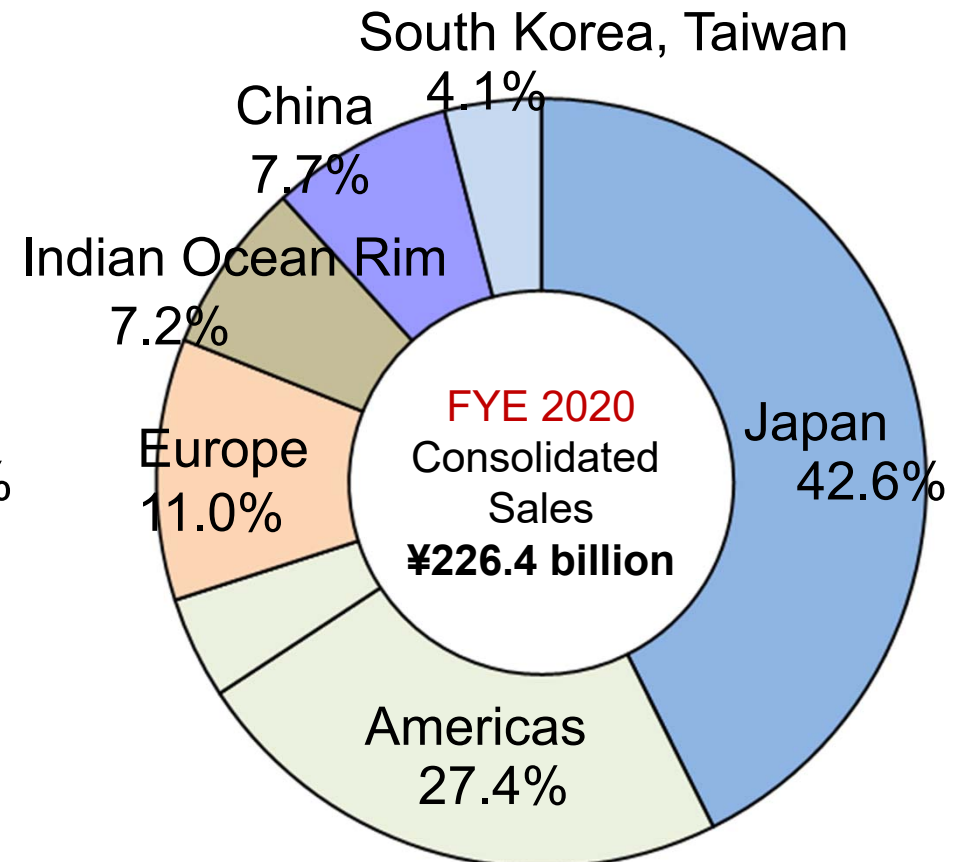
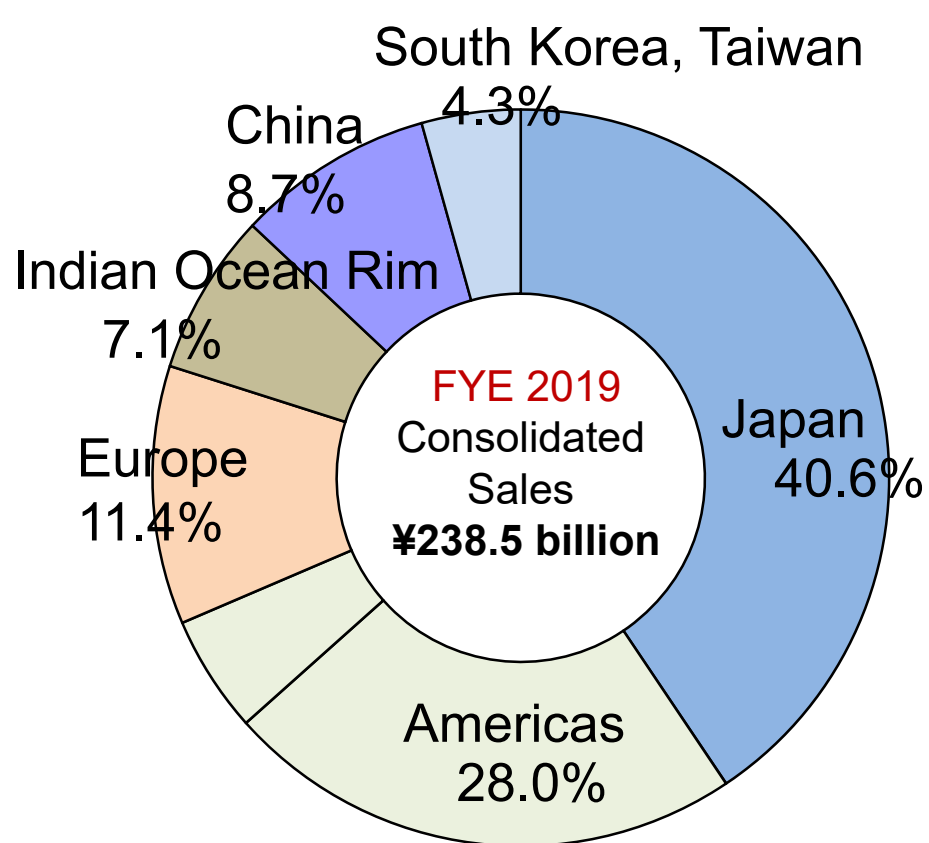
	USD	EUR	CAD	AUD	THB	TWD	RMB	KRW	MXN
FYE2019	110.93	128.45	84.60	80.97	3.42	3.63	16.70	0.10	5.74
FYE2020	108.71	120.81	81.73	74.10	3.52	3.53	15.77	0.09	5.66

7. Regional Sales Breakdown

FYE 2019
Overseas sales* ratio : 59.4%



FYE 2020
Overseas sales* ratio : 57.4%



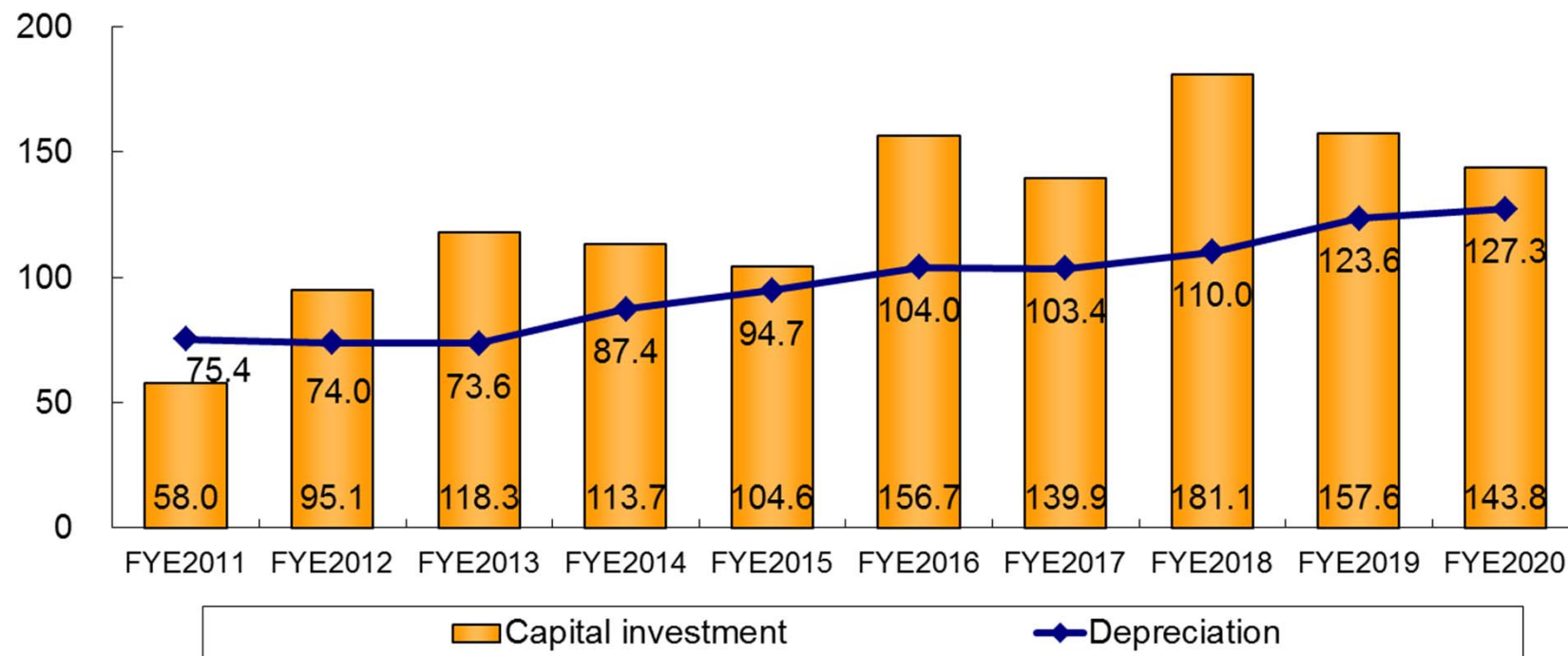
* Sales are based on the location of the customer and classified by country or region.

■ An injection of capital is intended to strengthen growth

- (1) Enhancement of the global production system for Automotive Parts Operations (Saitama Plant, US, etc.)
- (2) Production related equipment for Chain Operations (Kyotanabe Plant, US, Germany, etc.)

Capital Investment and Depreciation Trend

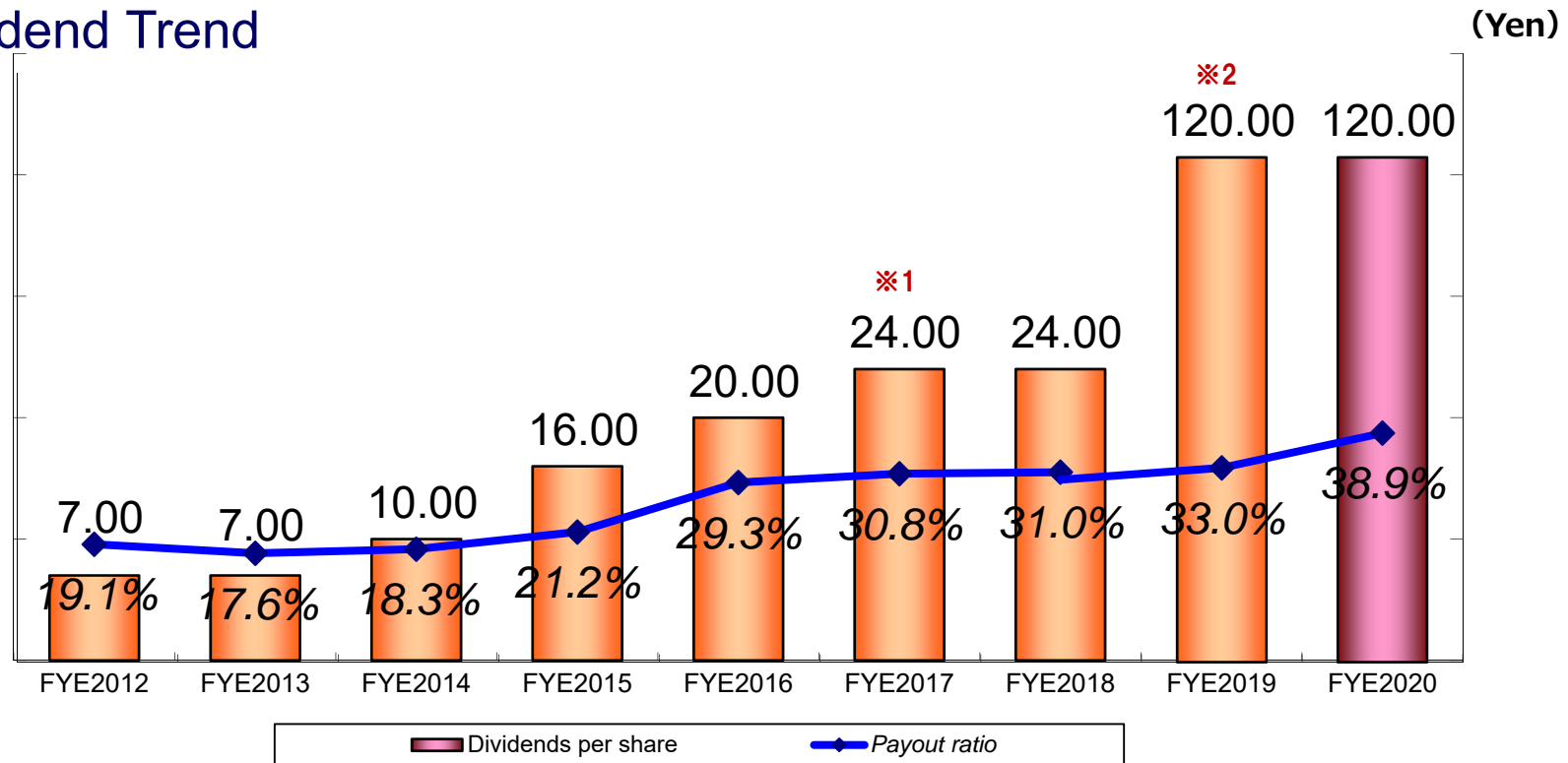
(Yen, 100 million)



■ 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.

Dividend Trend



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

*2 No consideration is given to share consolidation.

The impact of COVID-19 varies greatly depending on the region and business activities where our operations are located, so calculating a reliable outlook for business performance is difficult at this time.

As such, the FYE 2021 Plan will be announced once a reliable estimate can be determined.

■ Power Transmission Operations (Chain and PTUC)

Japan;

- Postponement or cancellation of large capital investment projects in the steel and automobile industries
- **Diversion of orders to Tsubaki** due to supply problems of products from competitors
- **Increased demand for food processing machinery and packaging machinery (including chemicals)**
- Resumption of 5G-related business, and recovery of semiconductor machine manufacturers due to **increased demand for PCs**

Americas;

- **Continued operation of US factories** to maintain essential industries such as food and medical care

■ Power Transmission Operations (Chain and PTUC)

Europe;

- Stoppage of competitors operations led to replacement of competitor products with Tsubaki to ensure delivery
- Received **inquiries from OEM that have used UK-based brands** for over 70 years

China;

- Demand recovery thanks to resumption of economic activities following COVID-19 restrictions

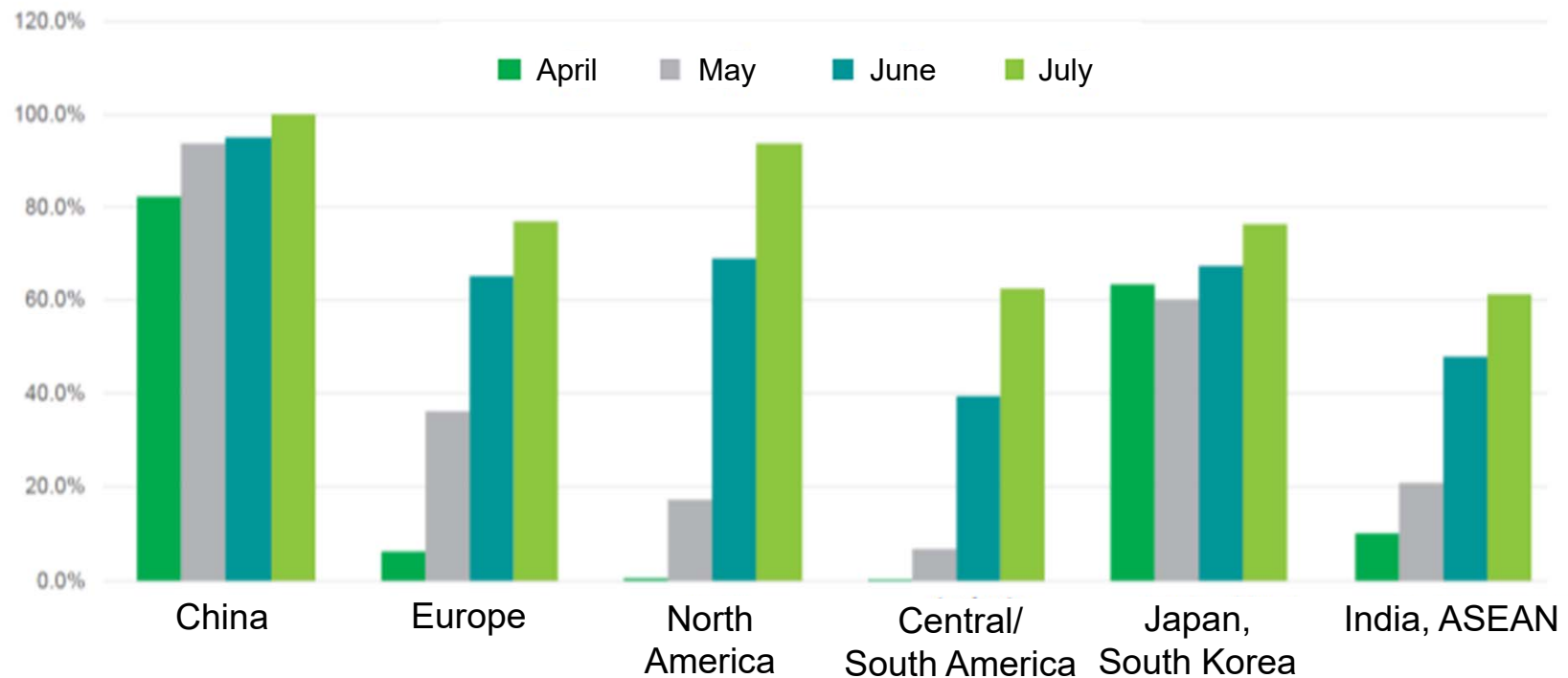
Indian Ocean Rim;

- Oceania: Quick recovery expected despite impact of reduced sales activities
- Southeast Asia: Significant impact of long-term lockdowns expected
- India: Supply of motorcycle clutches stopped due to lockdown

■ Automotive Parts Operations

General; Significantly decreased demand due to suspension of operations by automobile manufacturers across the globe.

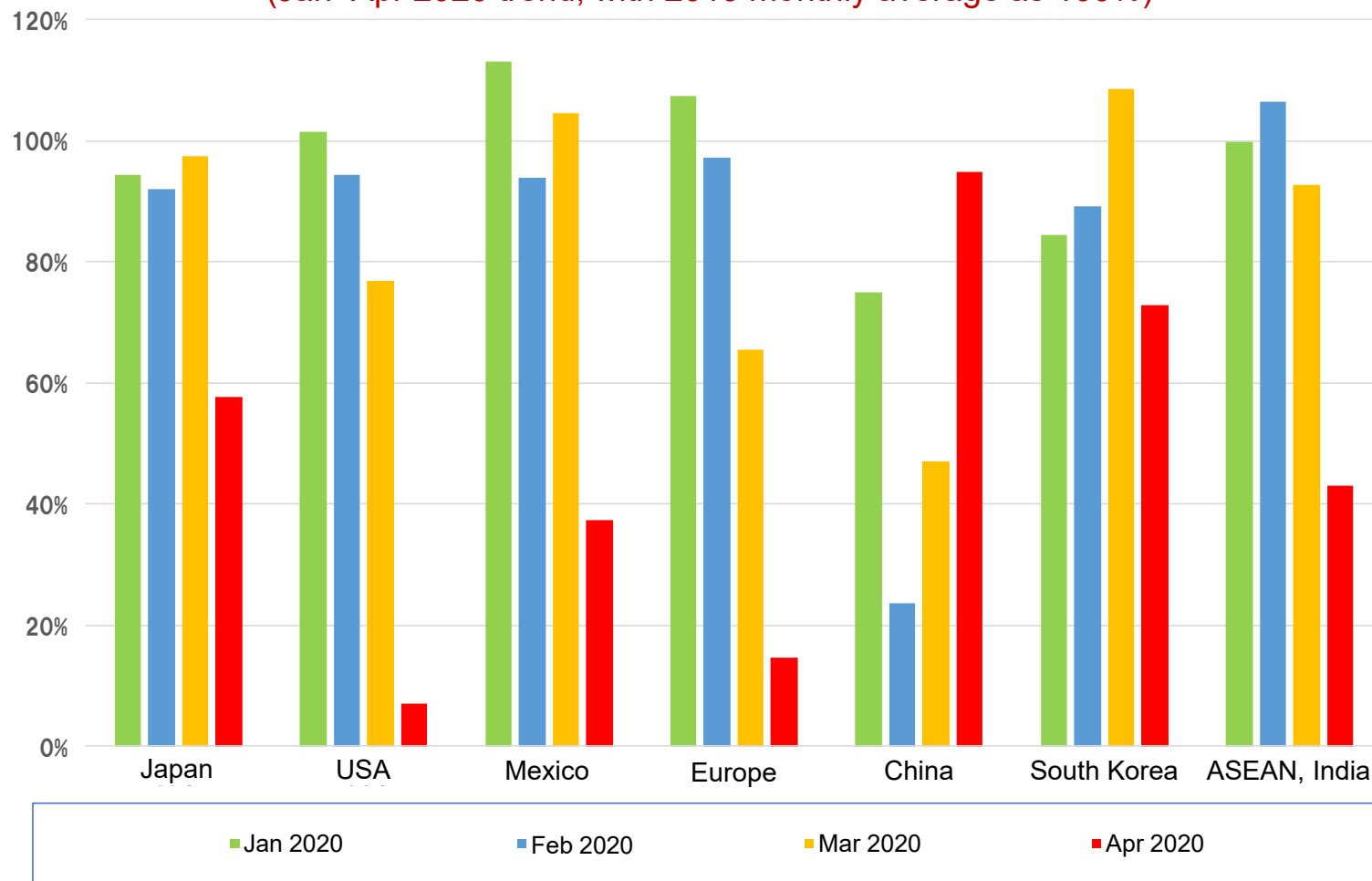
Global LV production volume forecast for 2020: 68.4 million (-23% Y o Y)



Source: IHS Markit, May 14 — “Automotive Webinar COVID-19 Update 7”

■ Automotive Parts Operations

Monthly sales by business location
(Jan–Apr 2020 trend, with 2019 monthly average as 100%)



■ Materials Handling Systems Operations

Newspaper / Equipment / Life science;

- No major changes in customer equipment plans
- Resumption of large-scale in-progress projects → Major delays avoided
- Rapid emergence of **COVID-19 countermeasures** in the life sciences field

Automobiles;

- Suspension of manufacturer production lines, followed by stage-based resumption
- Delay in orders for maintenance projects
- Suspension of large-scale in-progress projects in North America due to lockdown
→ Resumption currently underway

Distribution;

- Significant increase in volume of household-bound products
→ Increase in **automated equipment-related inquiries**

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.