

# Tsubakimoto Chain Co. FY2023 Q2 Settlement of Accounts

## <Agenda>

Contents	Presenters	Time
<ul style="list-style-type: none"><li>• FY 2023 Second Quarter Results</li><li>• Topics</li></ul>	Takatoshi Kimura President and COO Representative Director	35 mins
<ul style="list-style-type: none"><li>• Q&amp;A</li></ul>	President, Executive Officers in Charge of Business Operations and Financial Affairs	25 mins

---

---

FY2023 Q2  
Settlement of Accounts Business Report

---

---

- Sales and income increased due to strong chain business and the effect of yen depreciation. However, operating income ratio declined due to losses in the Materials Handling business and other factors.

(Yen, millions)

	FY 2022	FY 2023	YOY	Forecast (as of May 11, 2023)	
	Q2	Q2	Inc / Dec	Forecast	Inc / Dec
Net sales	118,933	128,760	8.3%	125,000	3.0%
Operating income	8,375	8,622	2.9%	7,600	13.4%
%	7.0%	6.7%		6.1%	
Ordinary income	9,889	10,364	4.8%	8,300	24.9%
Net income	6,756	7,300	8.1%	5,800	25.9%
Net income per share	182.49 yen	199.14 yen		156.62 yen	—
(Exchange rates 1 USD)	134.04 yen	141.06 yen		125.00 yen	—
(Exchange rates 1 EUR)	138.77 yen	153.46 yen		130.00 yen	—
(Exchange rates 1 RMB)	18.96 yen	19.45 yen		18.34 yen	—

(Yen, millions)

		FY 2022	FY 2023	YOY	Forecast (as of May 11, 2023)	
		Q2	Q2	Inc / Dec	Forecast	Inc / Dec
Chain	Net sales <sup>*1</sup>	43,609	46,908	7.6%	43,000	9.1%
	Operating income	6,285	7,916	26.0%	5,800	36.5%
	%	14.4%	16.9%		13.5%	
Motion Control	Net sales <sup>*1</sup>	10,886	11,165	2.6%	11,000	1.5%
	Operating income	745	233	-68.6%	500	- 53.4%
	%	6.8%	2.1%		4.5%	
Mobility	Net sales <sup>*1</sup>	36,429	40,591	11.4%	39,000	4.1%
	Operating income	2,375	3,205	34.9%	2,200	45.7%
	%	6.5%	7.9%		5.6%	
Materials Handling	Net sales <sup>*1</sup>	28,066	30,042	7.0%	32,000	- 6.1%
	Operating income	(74)	(1,637)	—	100	—
	%	—	—		0.3%	
Other <sup>*2</sup>	Net sales <sup>*1</sup>	1,477	1,707	15.5%	1,000	70.7%
	Operating income	(265)	(433)	—	(400)	—
	%	—	—		—	

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

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

(Yen, millions)

		FY 2022	FY 2023	YOY
		Q2	Q2	Inc /dec
Americas	Net sales*	37,731	43,818	16.1%
	Operating income	1,535	2,660	73.3%
	%	4.1%	6.1%	
Europe	Net sales*	14,699	17,112	16.4%
	Operating income	644	1,377	113.8%
	%	4.4%	8.0%	
Indian Ocean Rim	Net sales*	9,678	10,511	8.6%
	Operating income	1,143	1,342	17.4%
	%	11.8%	12.8%	
China	Net sales*	10,619	9,280	-12.6%
	Operating income	599	(297)	—
	%	5.6%	—	
South Korea, Taiwan	Net sales*	5,362	5,768	7.6%
	Operating income	184	86	-53.0%
	%	3.4%	1.5%	
Japan	Net sales*	58,723	59,565	1.4%
	Operating income	3,629	2,197	-39.5%
	%	6.2%	3.7%	

\*Sales figures include internal sales and transfers between segments.

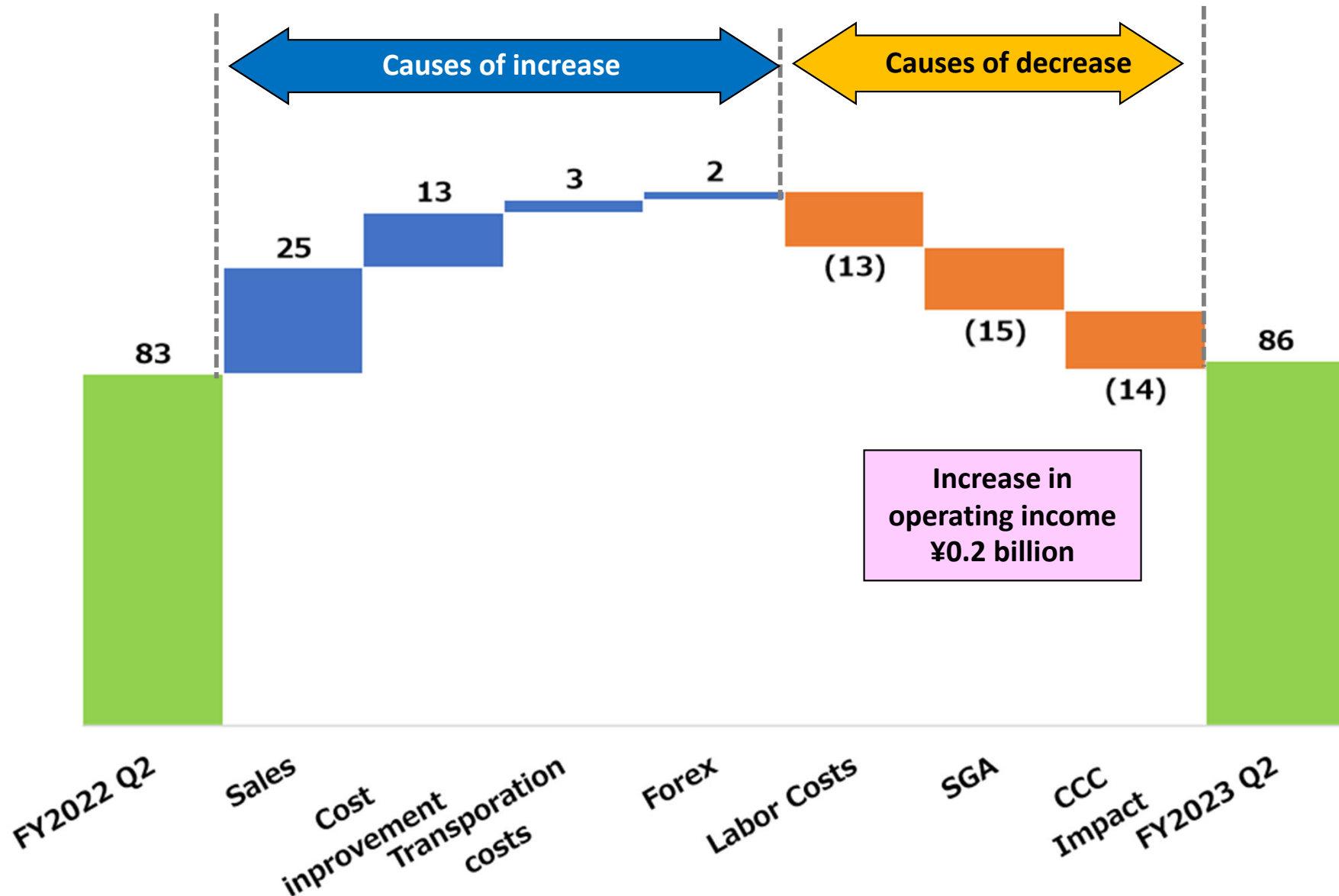
&lt;Actual exchange rates&gt;

	USD	EUR	CAD	AUD	THB	TWD	RMB	KRW	MXN
FY2022 1st half	134.04	138.77	103.85	93.60	3.65	4.47	18.96	0.10	6.08
FY2023 1st half	141.06	153.46	105.14	93.25	3.95	4.51	19.45	0.10	7.45

# Analysis of Inc/Dec in Consolidated Operating Income

■ FY 2022-1H vs. FY 2023-1H

(Unit: ¥100 million)

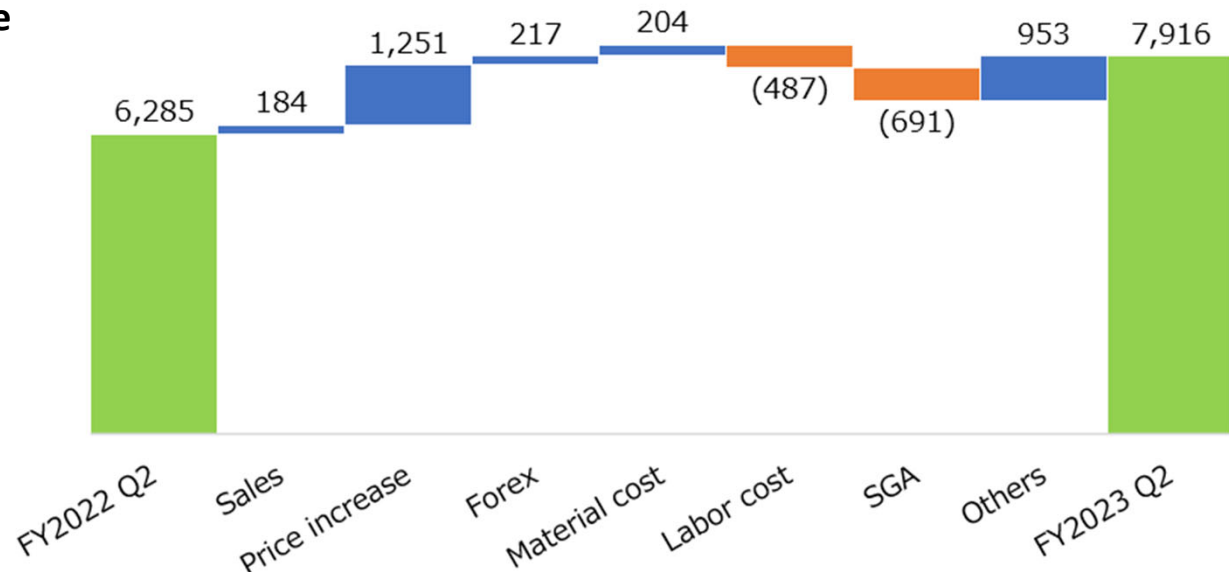


\*1: Sales figures include internal sales and transfers between segments.

(Yen, millions)

		FY 2022	FY 2023	YOY	Forecast (as of May 11, 2023)	
		Q2	Q2	Inc / Dec	Forecast	Inc / Dec
Chain	Net sales <sup>*1</sup>	43,609	46,908	7.6%	43,000	9.1%
	Operating income	6,285	7,916	26.0%	5,800	36.5%
	%	14.4%	16.9%		13.5%	

**Causes of change in operating income**



〈YOY〉

- Sales increased due to strong sales in Japan, the Americas, Europe, China, and the Indian Ocean Rim. Despite higher personnel and other costs, efforts to improve productivity led to an increase in operating income.

〈 Comparison with May 11 Forecast 〉

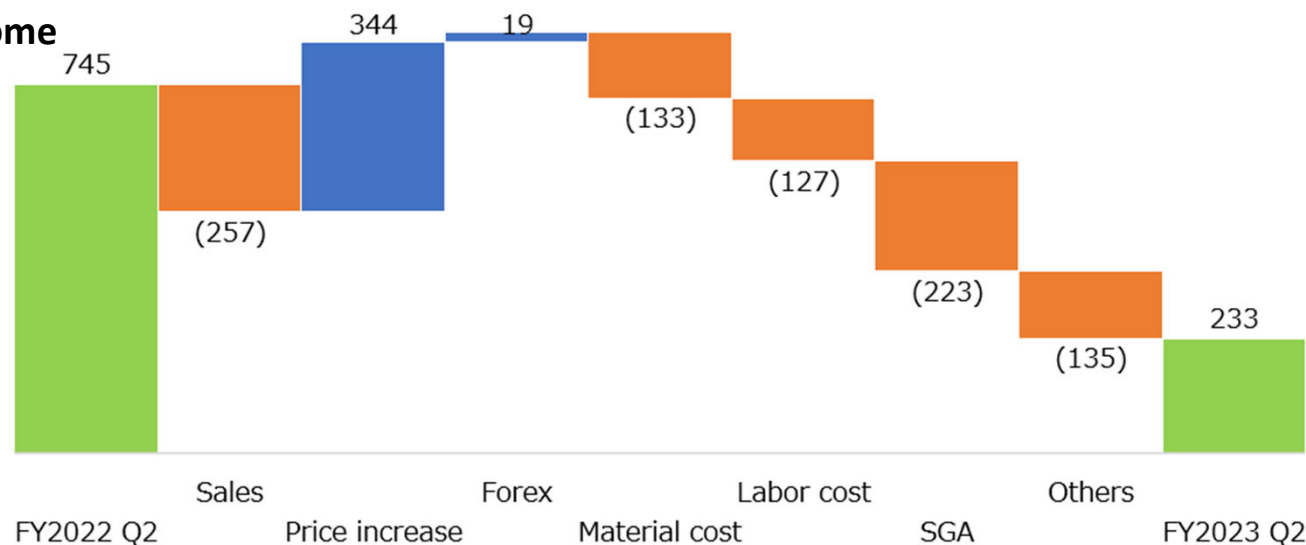
- Sales and income increased due to strong sales in the U.S. and the Indian Ocean Rim.

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

(Yen, millions)

		FY 2022	FY 2023	YOY	Forecast (as of May 11, 2023)	
		Q2	Q2	Inc / Dec	Forecast	Inc / Dec
MC	Net sales *1	10,886	11,165	2.6%	11,000	1.5%
	Operating income	745	233	- 68.6%	500	-53.4%
	%	6.8%	2.1%		4.5%	

Causes of change in operating income



〈YOY〉

- Sales increased due to higher sales in the Americas, China, and the Indian Ocean Rim, but operating income decreased due to lower sales in Japan, due to inventory adjustments.

〈 Comparison with May 11 Forecast 〉

- Sales increased due to yen depreciation, but income decreased due to lower sales in Japan and other factors.

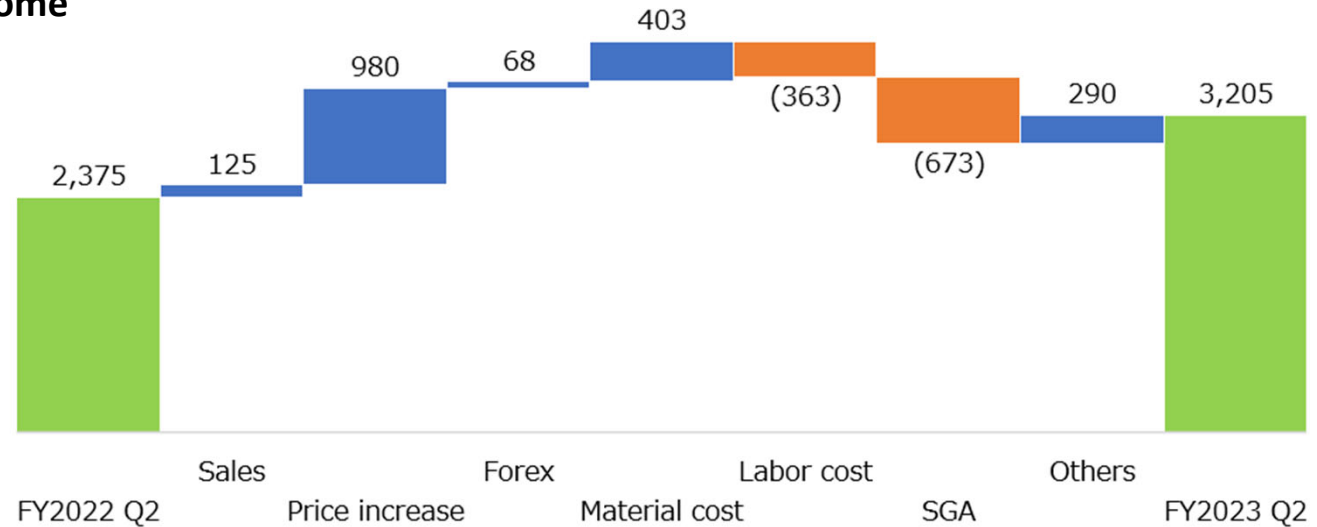


\*1: Sales figures include internal sales and transfers between segments.

(Yen, millions)

		FY 2022	FY 2023	YOY	Forecast (as of May 11, 2023)	
		Q2	Q2	Inc / Dec	Forecast	Inc / Dec
Mobility	Net sales <sup>*1</sup>	36,429	40,591	11.4%	39,000	4.1%
	Operating income	2,375	3,205	34.9%	2,200	45.7%
	%	6.5%	7.9%		5.6%	

Causes of change in operating income



〈 YOY 〉

• Sales and operating income increased due to higher sales at bases in Japan, the Americas, the Indian Ocean Rim, and South Korea, along with a recovery in automobile production.

〈 Comparison with May 11 Forecast 〉

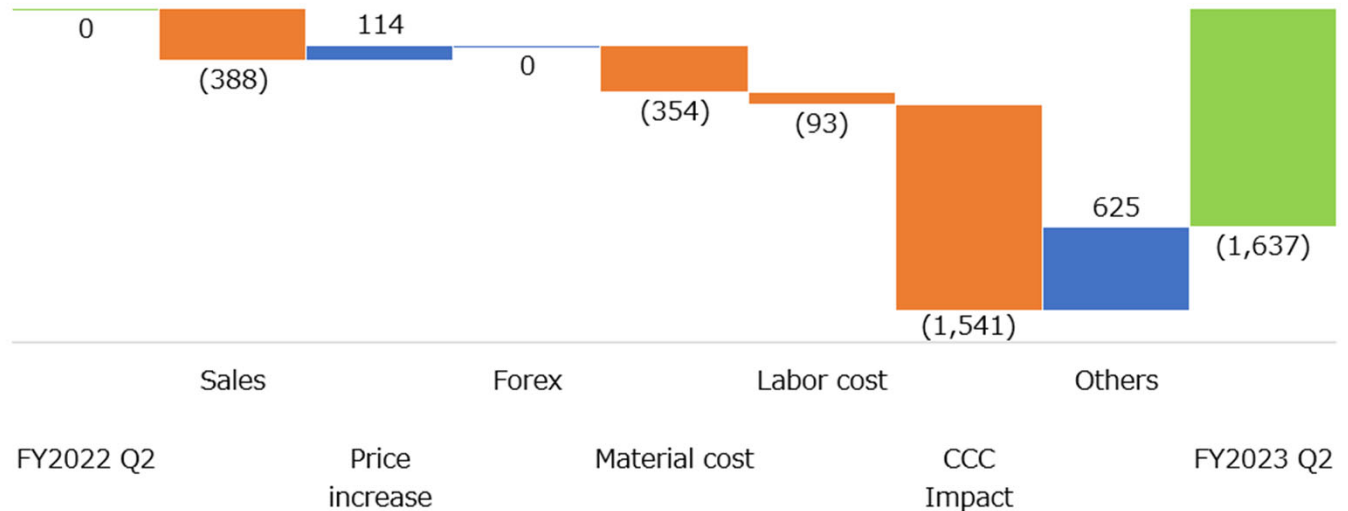
• As in the same year-on-year period, both sales and income increased due to the recovery of automobile production.

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

(Yen, millions)

		FY 2022	FY 2023	YOY	Forecast (as of May 11, 2023)	
		Q2	Q2	Inc / Dec	Forecast	Inc / Dec
Materials Handling	Net sales *1	28,066	30,042	7.0%	32,000	-6.1%
	Operating income	-74	-1,637	—	100	—
	%	—	—		0.3%	

**Causes of change in operating income**



〈 YOY 〉

- Sales increased due to higher sales of Mayfran business in the Americas and Europe, despite lower sales of systems for the logistics industry and automotive industry in Japan. Operating loss at a U.S. subsidiary led to a deterioration in profitability.

〈 Comparison with May 11 Forecast 〉

- Decrease in sales and operating income due to lower sales to the logistics industry in Japan, etc.

---

---

# FY2023 Consolidated Forecast

---

---

■ Sales were revised upward due to strong first-half performance of the chain business and the effect of yen depreciation, but operating income was revised downward due to a loss in the material handling business.

(Yen, millions)

	FY2022	FY2023			YOY
	Actual	1st half (Actual)	2nd half (Forecast)	Full year (Forecast)	Inc / Dec
Net sales	251,574	128,760	134,240	263,000	4.5%
Operating income	18,985	8,622	7,478	16,100	- 15.2%
%	7.5%	6.7%	5.6%	6.1%	
Ordinary income	20,958	10,364	8,836	19,200	- 8.4%
Net income	13,742	7,300	6,500	13,800	0.4%
Net income per share	371.12 yen	199.14 yen	181.46 yen	380.60 yen	—
(Exchange rates 1 USD)	135.50 yen	141.06 yen	140.00 yen	140.53 yen	—
(Exchange rates 1 EUR)	141.00 yen	153.46 yen	150.00 yen	151.73 yen	—
(Exchange rates 1 RMB)	19.50 yen	19.45 yen	19.62 yen	19.59 yen	—

(Yen, millions)

		FY 2022	FY 2023			YOY
		Actual	1st half (Actual)	2nd half (Forecast)	Full year (Forecast)	Inc / Dec
Chain	Net sales <sup>*1</sup>	90,096	46,908	45,092	92,000	2.1%
	Operating income	13,687	7,916	5,884	13,800	0.8%
	%	15.2%	16.9%	13.0%	15.0%	
Motion Control	Net sales <sup>*1</sup>	23,316	11,165	10,835	22,000	- 5.6%
	Operating income	1,710	233	-233	0	—
	%	7.3%	2.1%	—	0.0%	
Mobility	Net sales <sup>*1</sup>	77,275	40,591	43,409	84,000	8.7%
	Operating income	6,376	3,205	3,395	6,600	3.5%
	%	8.3%	7.9%	7.8%	7.9%	
Materials Handling	Net sales <sup>*1</sup>	60,973	30,042	34,958	65,000	6.6%
	Operating income	-888	-1,637	-163	-1,800	—
	%	—	—	—	—	
Other <sup>*2</sup>	Net sales <sup>*1</sup>	3,200	1,707	1,293	3,000	- 6.3%
	Operating income	-534	-433	-667	-1,100	—
	%	—	—	—	—	

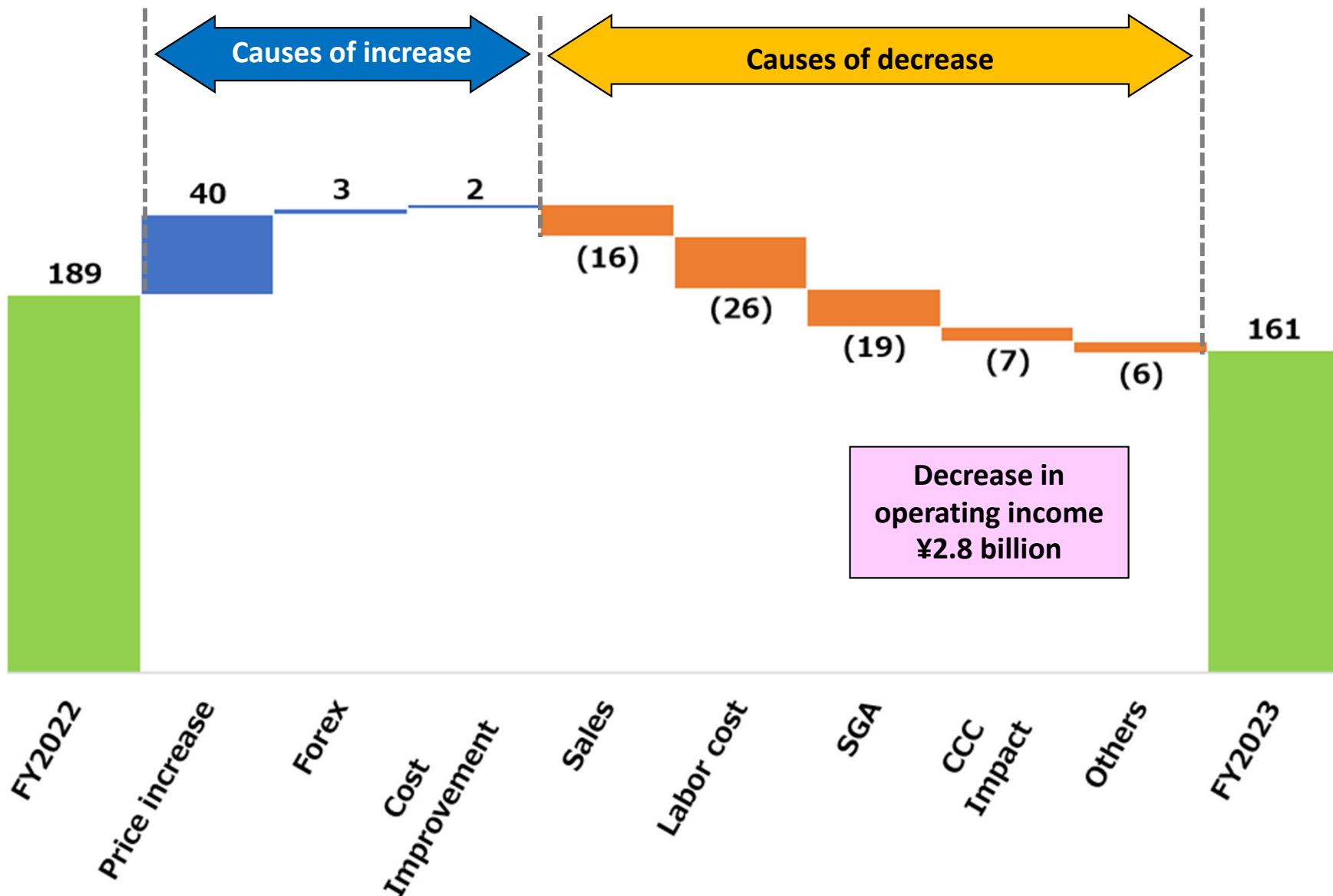
\*1: Sales figures include internal sales and transfers between segments.

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

# Analysis of Inc/Dec in Consolidated Operating Income

## FY2022 Actuals vs. FY2023 Forecast

(Unit: ¥100 million)

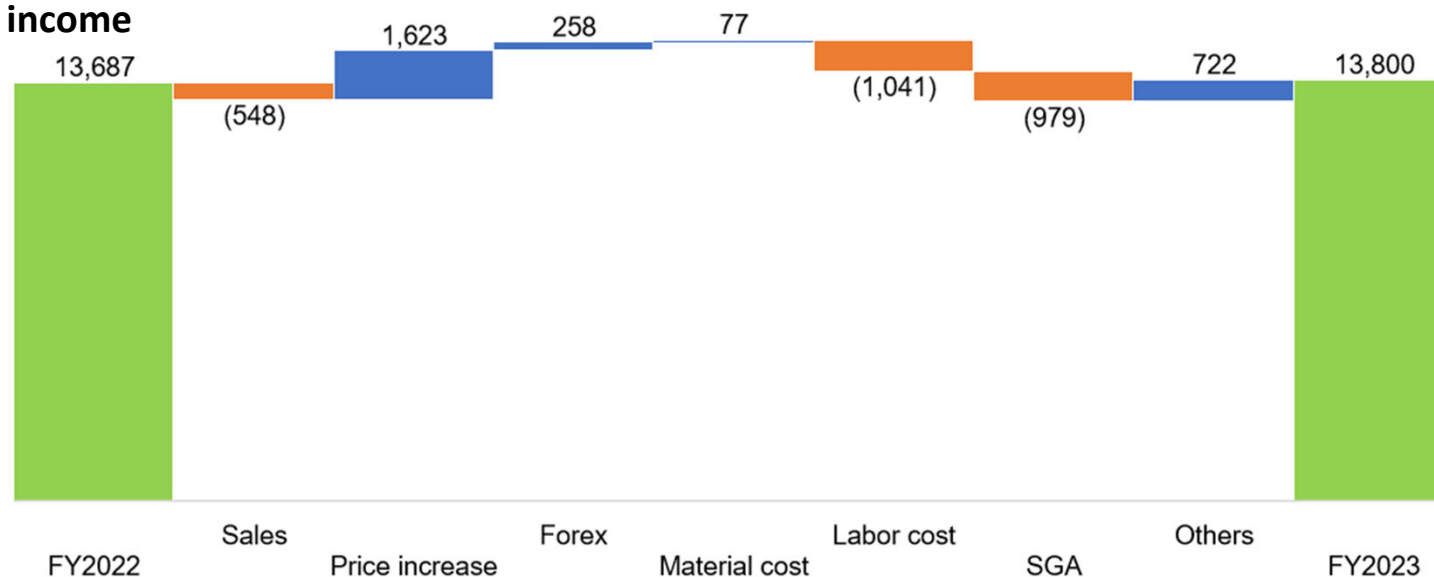


\*1: Sales figures include internal sales and transfers between segments.

(Yen, millions)

		FY 2022	FY 2023			YOY	Forecast(as of May 11, 2023)	
		Actual	1st half (Actual)	2nd half (Forecast)	Full year (Forecast)	Inc / Dec	Forecast	Inc / Dec
Chain	Net sales* <sup>1</sup>	90,096	46,908	45,092	92,000	2.1%	86,000	7.0%
	Operating income	13,687	7,916	5,884	13,800	0.8%	11,800	16.9%
	%	15.2%	16.9%	13.0%	15.0%		13.7%	

### Causes of change in operating income



#### 〈YOY〉

- Despite the current slowdown in orders, sales and profits are expected to increase due to strong sales through the first half of the fiscal year and the yen's depreciation.

#### 〈 Comparison with May 11 Forecast 〉

- Sales and income were revised upward due to strong performance through the first half of the year, as well as the yen's depreciation.

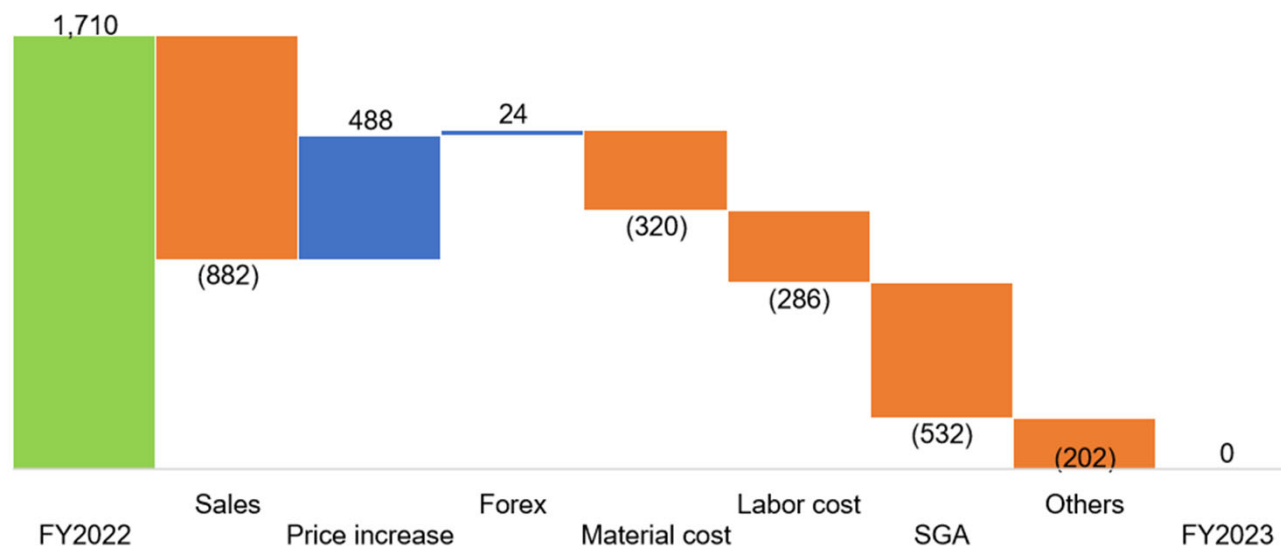
# 9. FY 2023 Motion Control Operations Forecast

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

(Yen, millions)

		FY 2022	FY 2023			YOY	Forecast(as of May 11, 2023)	
		Actual	1st half (Actual)	2nd half (Forecast)	Full year (Forecast)	Inc / Dec	Forecast	Inc / Dec
Motion Control	Net sales <sup>*1</sup>	23,316	11,165	10,835	22,000	- 5.6%	24,000	-8.3%
	Operating income	1,710	233	-233	0	—	1,500	—
	%	7.3%	2.1%	—	0.0%		6.3%	

## Causes of change in operating income



### <YOY>

- Sales and operating income are expected to decline due to the downturn in orders, especially in Japan.

### < Comparison with May 11 Forecast >

- Sales and income were revised downward due to the slowdown in orders in Japan, as in the previous year.



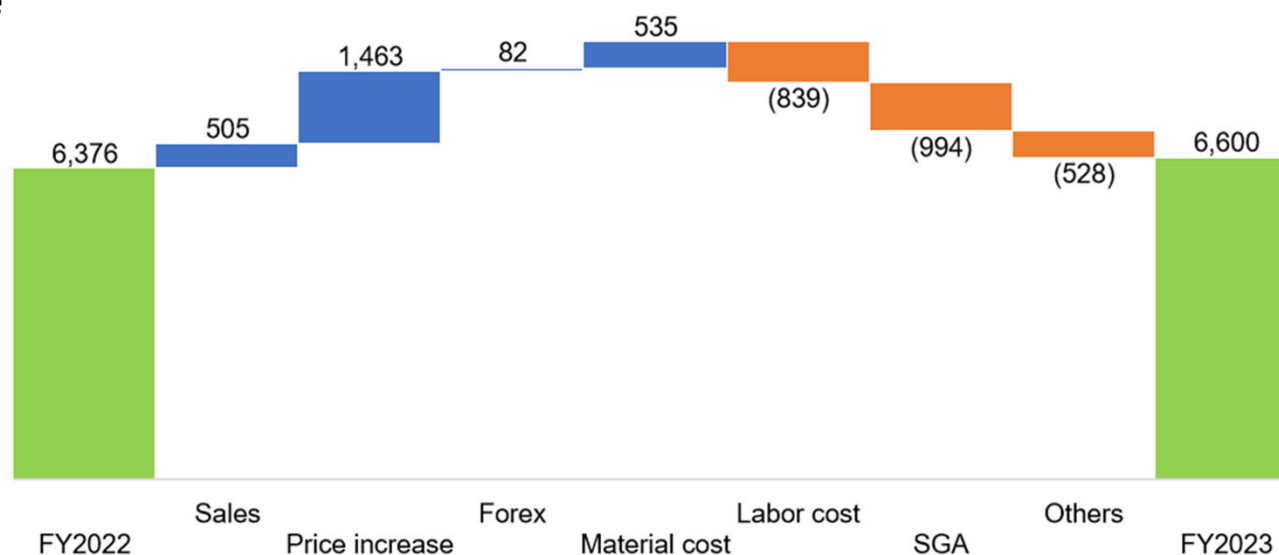
# 9. FY 2023 Mobility Operations Forecast

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

(Yen, millions)

		FY 2022	FY 2023			YOY	Forecast(as of May 11, 2023)	
		Actual	1st half (Actual)	2nd half (Forecast)	Full year (Forecast)	Inc / Dec	Forecast	Inc / Dec
Mobility	Net sales <sup>*1</sup>	77,275	40,591	43,409	84,000	8.7%	80,000	5.0%
	Operating income	6,376	3,205	3,395	6,600	3.5%	6,900	-4.3%
	%	8.3%	7.9%	7.8%	7.9%		8.6%	

## Causes of change in operating income



### < YOY >

- Assuming an increase in automobile production. Expect to increase sales and profits.

### < Comparison with May 11 Forecast >

- Sales were revised upward due to higher automobile production and yen depreciation, but operating income was revised downward due to delayed recovery in China.

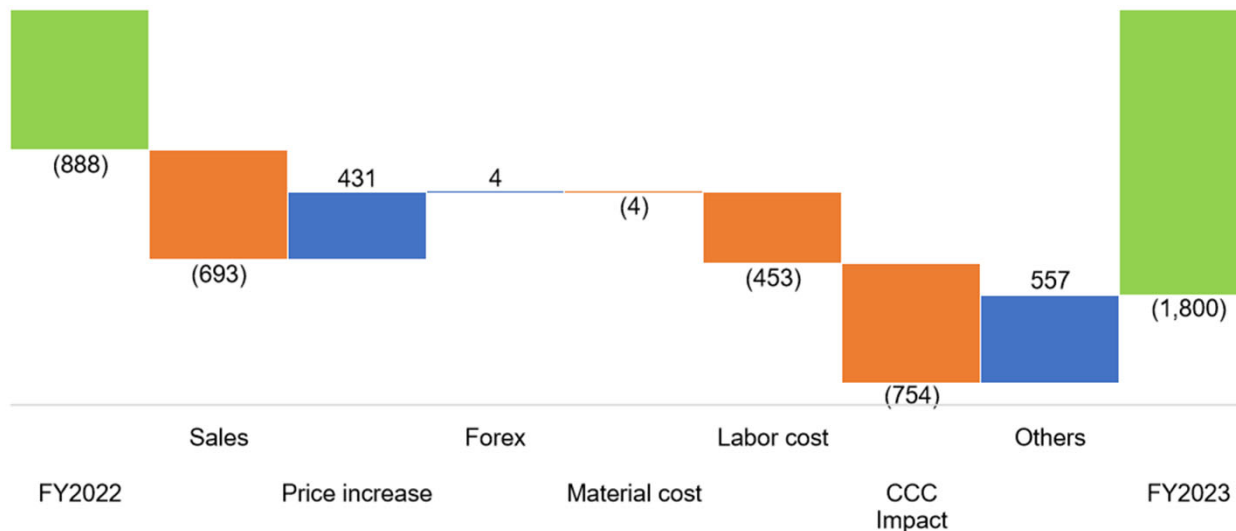
# 9. FY 2023 Materials Handling Operations Forecast

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

(Yen, millions)

		FY 2022	FY 2023			YOY	Forecast(as of May 11, 2023)	
		Actual	1st half (Actual)	2nd half (Forecast)	Full year (Forecast)	Inc / Dec	Forecast	Inc / Dec
Materials Handling	Net sales <sup>*1</sup>	60,973	30,042	34,958	65,000	6.6%	66,000	-1.5%
	Operating income	-888	-1,637	-163	-1,800	—	1,000	—
	%	—	—	—	—		1.5%	

## Causes of change in operating income



### 〈 YOY 〉

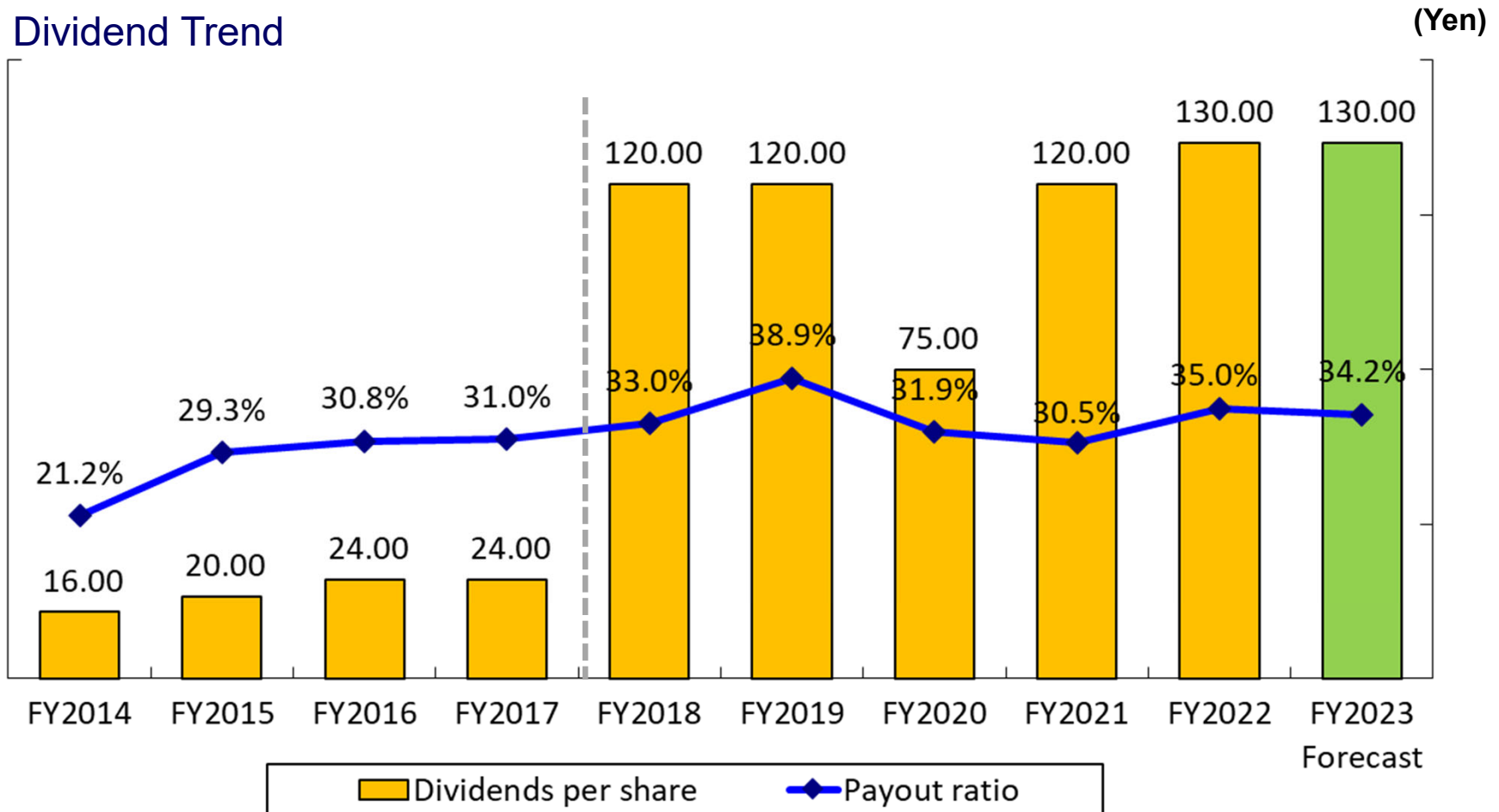
- Sales are expected to increase due to higher sales of Mayfran business in the Americas and Europe, despite lower sales of systems for the logistics industry in Japan. Loss is expected to be recorded for the full year due to the 1H results and lower orders in Japan.

### 〈 Comparison with May 11 Forecast 〉

- Revised downward both net sales and operating income in light of 1H results and orders received for projects to be recognized in this fiscal year.

## ■ 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.



\* A share consolidation was implemented on October 1, 2018. The dividend for the fiscal year ending March 31, 2019 was calculated after the consolidation.

---

---

# Topics

---

---

- Expansion strategy of Power Transmission Operations
- Initiatives of Materials Handling Operations
- New Business Development

---

---

# Expansion strategy of Power Transmission Operations

---

---

## 1. Motion Control Operations in North America

◆ July 2022

Acquired ATR Sales Inc., a manufacturer and distributor of industrial couplings



Status in FY2021 (Before acquisition of ATR)

- Mainly sold finished cam clutches, power locks and couplings.  
⇒ Limited product lineup, low share market

### Effects of acquisition

- Diversify and complement product lineup
- Shift to local knockdown production and sales, strengthen sales capabilities by providing solutions with other power transmission products, and increase market share

## 2. Features and strengths of ATR couplings (ATRA-FLEX)

<Features> Insert part is made of plastic

1.

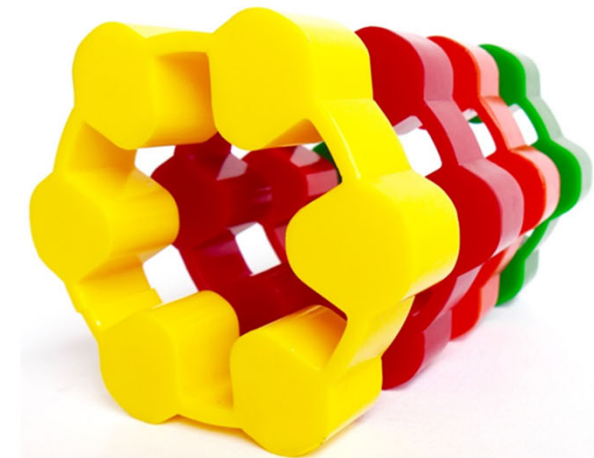
No lubrication required

2.

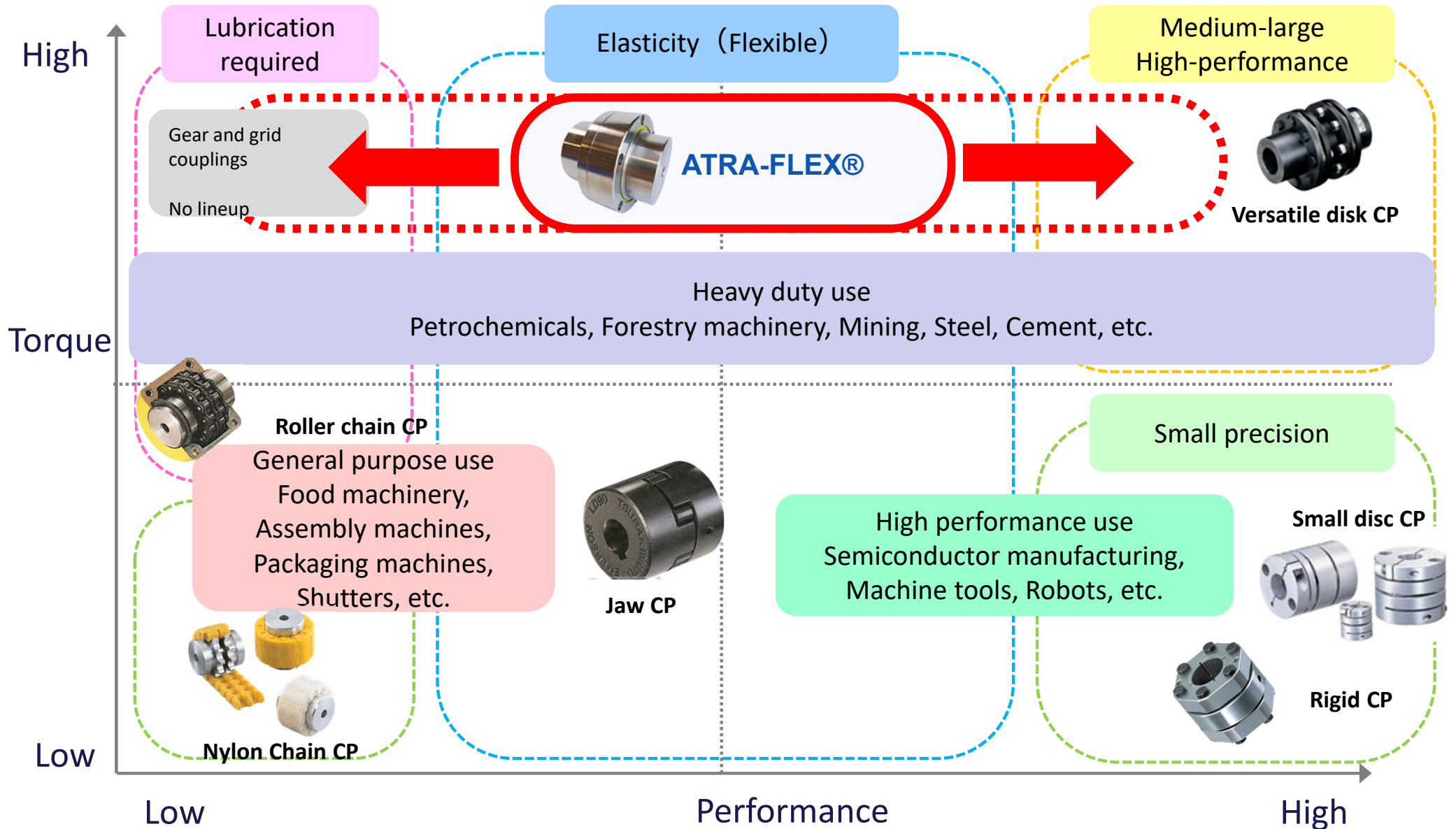
No metal-to-metal contact, wear/replacement is for insert parts only

3.

High lubricity and elasticity, high performance and wide coverage



## 3. Product lineup complemented by acquisition (uses and classification of couplings)

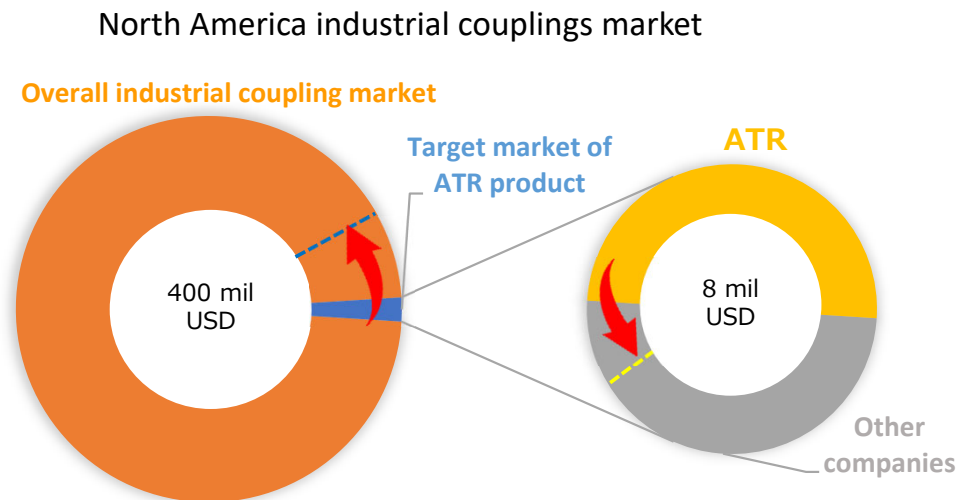




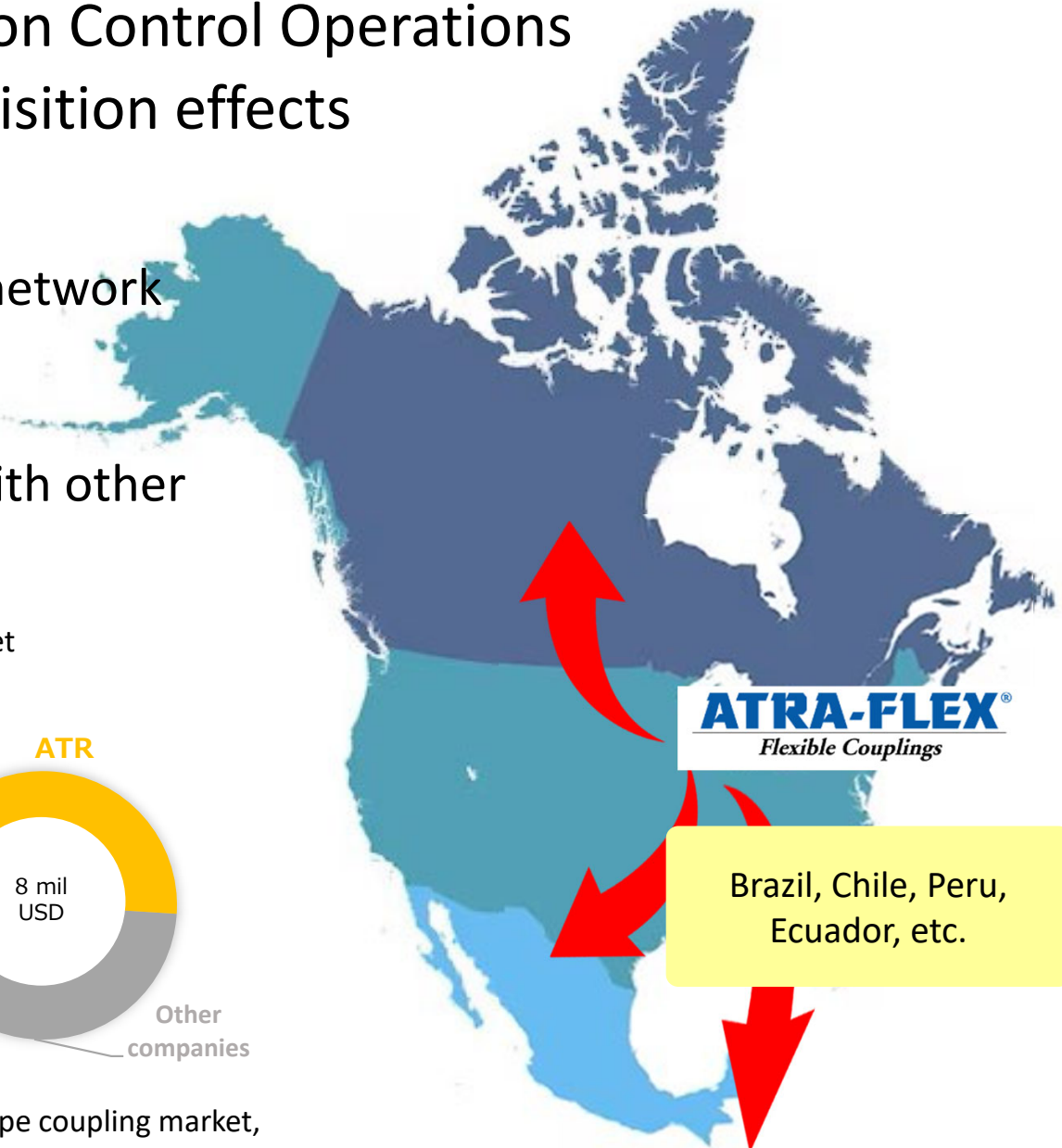
## 4 . Overseas strategy of Motion Control Operations Reap benefits of ATR acquisition effects

### ① Americas

- ✓ Expand customers through sales network of North American subsidiaries (Canada, Mexico, Latin America)
- ✓ Provide solutions by combining with other power transmission products



- ✓ In addition to expanding our share of the current jaw-type coupling market, we aim to expand the target market itself by capturing replacement demand for gear and grid couplings.



## ② Other areas



✓ Expand sales area by leveraging the strength of ATR couplings

<Industries>

Petrochemicals, Forestry machinery, Mining, etc.

<Sales area>

Australia, Europe, Japan



---

---

# Initiatives of Materials Handling Operations

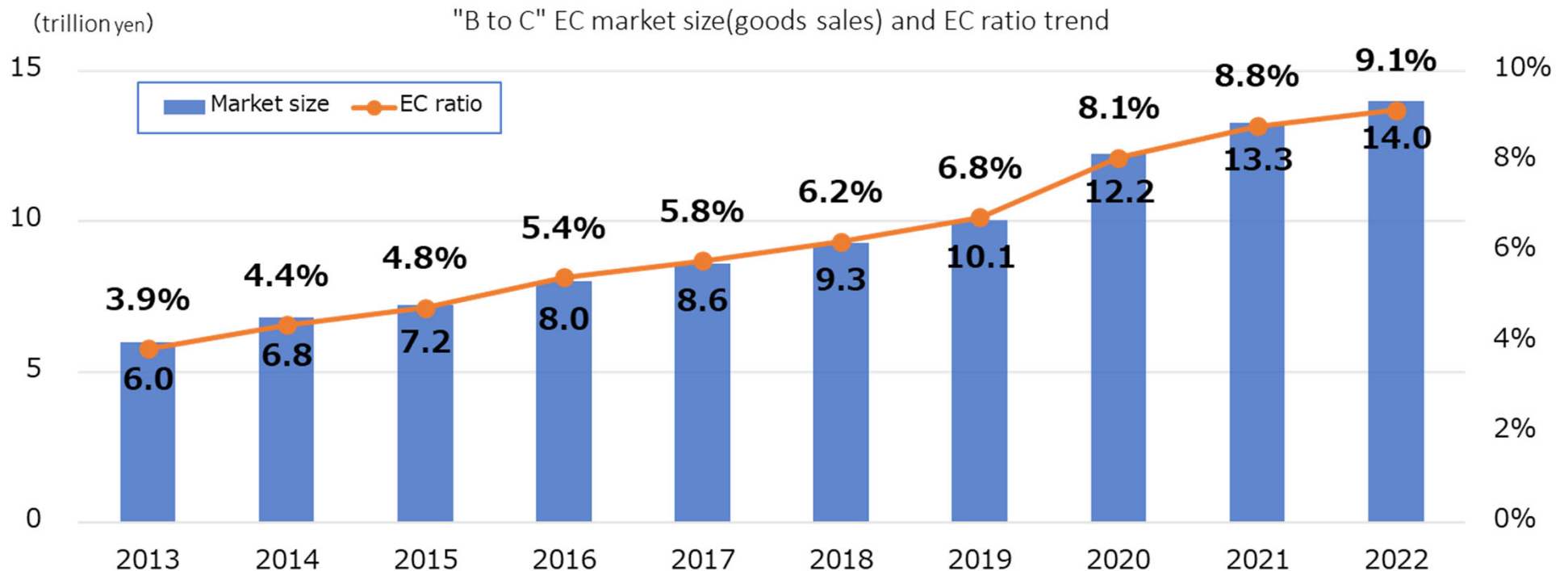
~ Development of T-AstroX ~

---

---

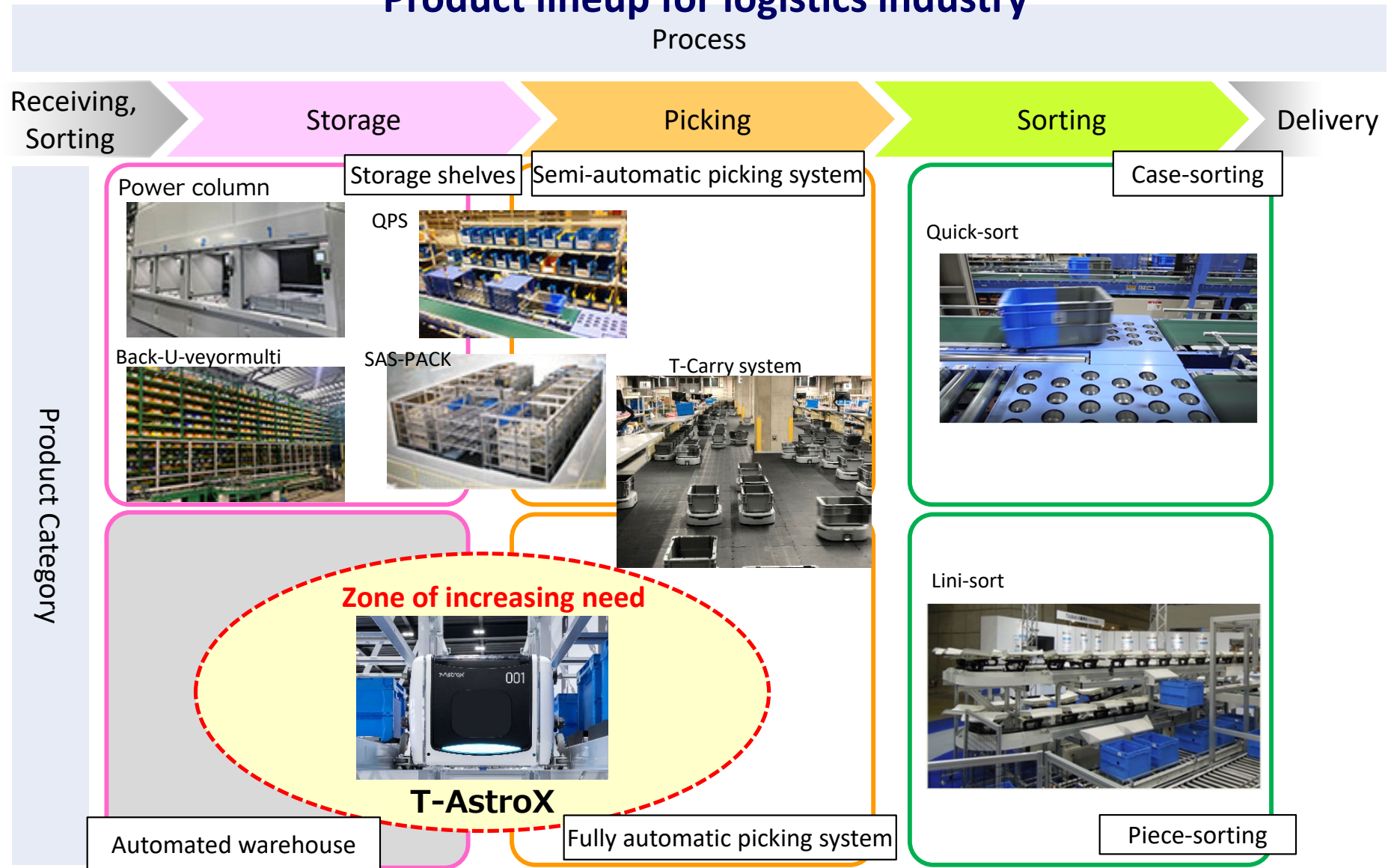
## ✓ Background of development

- ① Growth in e-commerce(EC) market
- ② Decrease in working population
- ③ Transition from “storage” center to “transfer” center



✓ Develop products to meet the growing demand for automation in logistics industry

## Product lineup for logistics industry



## ① Features of T-AstroX

### ✓ Goods to Person

- Convey goods to the worker's hand

⇒ Reduce worker workload and errors

### ✓ In-house development and design

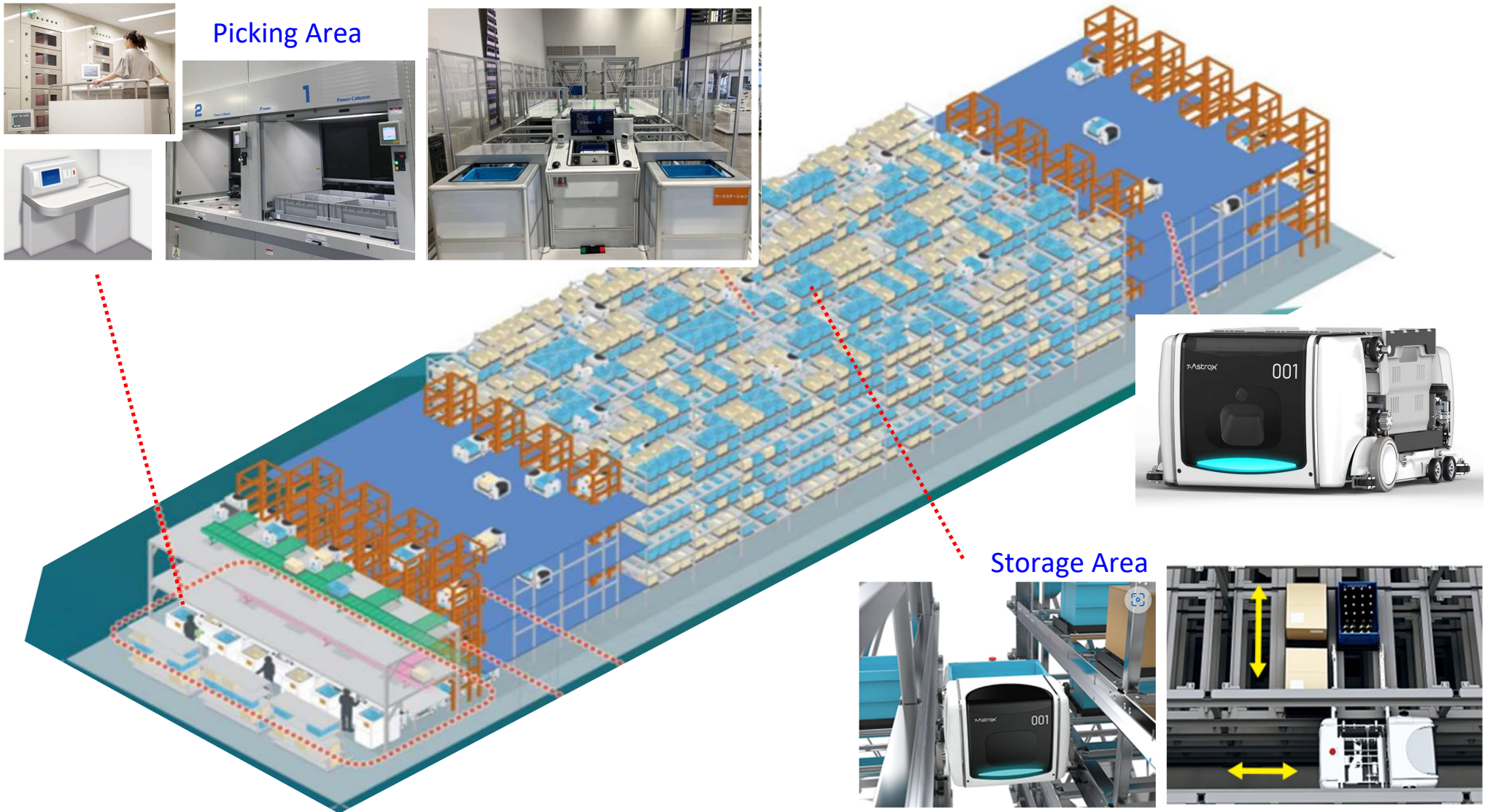
⇒ Enable optimal station configuration  
ex. e-commerce, logistics in plant, etc.

### ✓ Storage in any shape and form High-density storage by double reach system

⇒ No need to transfer to a special case  
⇒ Can be stored in front and back of shelves

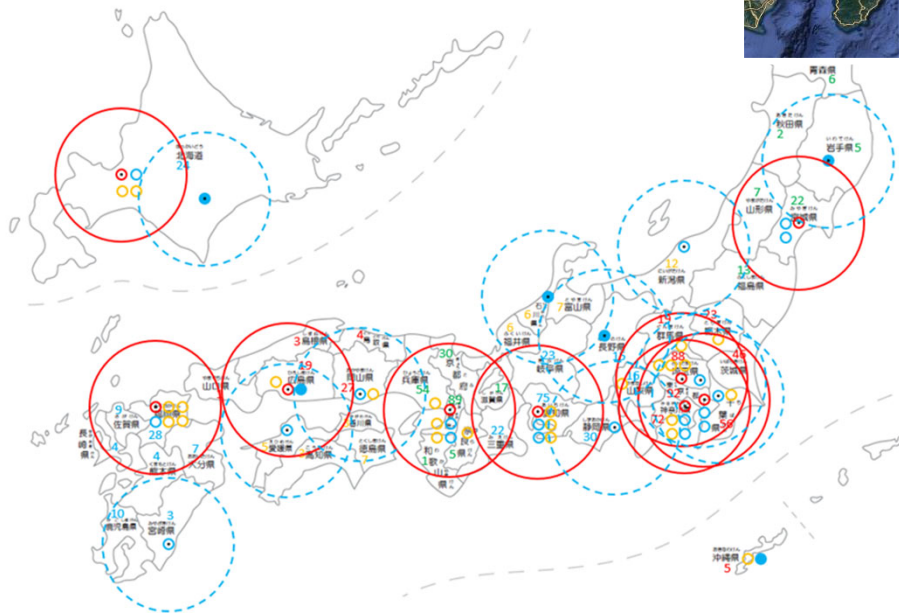


## <Layout Example>



## ② Advanced maintenance support in case of problems

- ✓ On-site management by call center system
- ✓ Rapid dispatch of repair personnel and restoration





## New Tokyo Service Center (SC) opened

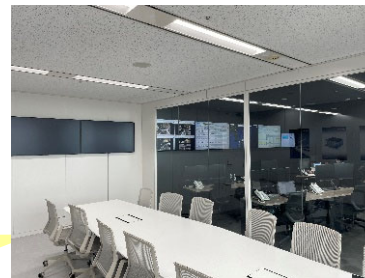
- Maintenance Business Headquarters established
- Two Call center locations



New Tokyo Service Center



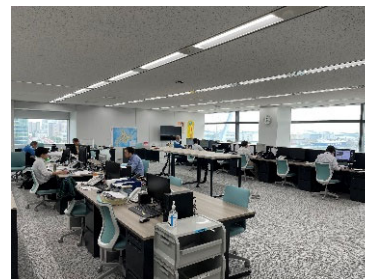
Call center



Customer reception room



Saitama Plant



Office



---

---

# New Business Development

---

---

## Human-assist Operations

### ① Arm-specific assistive suit

- ✓ Lightweight and easy to wear and operate
- ✓ Reduces arm strain
- ✓ Can be used with waist supporter



### ② Wheelchair-accessible elevator

Developing products that utilize zip-chains by providing technology to startups.

## Agriculture Business

### ① Plant factory with artificial light

- ✓ Next-generation model of plant factory
- ✓ Plant factory operation and Farming (Production of lettuce for commercial use)
- ✓ Contribution to “**food safety**” and “**food loss reduction**”

✂28th November Groundbreaking ceremony



A plant factory rendering



### ② Soybean cultivation in a closed artificial light plant factory

Contribute to production of soy meat and functional food with domestically produced soybeans.



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.