



Profile

Tsubakimoto Chain Co. is the world's leading developer and manufacturer of power transmission products, with strong market positions in premium-quality chains, power transmission units and components, and automotive parts.

Tsubakimoto Chain is also a leader in the development and production of factory automation systems, physical distribution systems, and electronic control devices, and the Company conducts comprehensive R&D programs, with a special focus on advanced automation technologies.

Tsubakimoto Chain operates four factories in Japan and six plants overseas—four in the United States and one each in Taiwan and Canada. The Company's overseas network of 12 sales subsidiaries and affiliates markets its products in more than 70 nations.

Contents

Financial Highlights	1
President's Message	2
On Course for Future Growth	5
Board of Directors	12
1996 in Review	13
Review of Operations	14
Financial Review	18
Six-Year Summary	19
Consolidated Financial Statements	20
Notes to Consolidated Financial Statements	24
Report of Certified Public Accountants	27
Corporate Data	28
Tsubakimoto Chain Group Companies	29

Financial Highlights

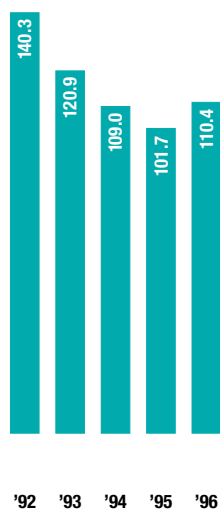
Tsubakimoto Chain Co. and Consolidated Subsidiaries
 Years ended March 31, 1996 and 1995

	Millions of Yen		Thousands of U.S. Dollars
	1996	1995	1996
Net sales	¥110,424	¥101,670	\$1,041,736
Operating income	4,329	234	40,840
Net income (loss)	1,796	(634)	16,943
Per share* (yen and dollars):			
Net income (loss)	¥ 9.33	¥ (3.29)	\$ 0.088
Cash dividends	6.00	6.00	0.057
Total assets	¥141,863	¥127,893	\$1,338,330
Total shareholders' equity	61,392	60,768	579,170

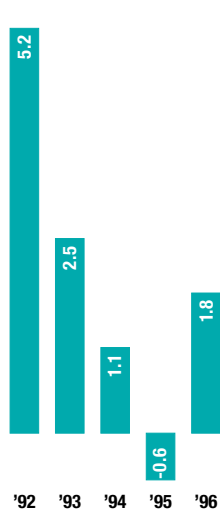
Note: The U.S. dollar amounts in this annual report have been calculated from yen amounts, for convenience only, at the exchange rate of ¥106 to \$1, the approximate exchange rate at March 31, 1996.

* The effective par value per share is ¥50.

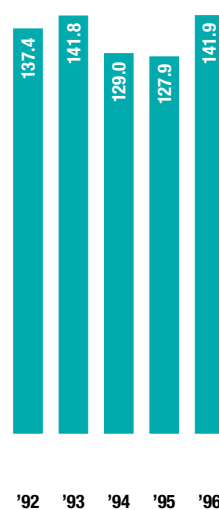
NET SALES
(Billion ¥)



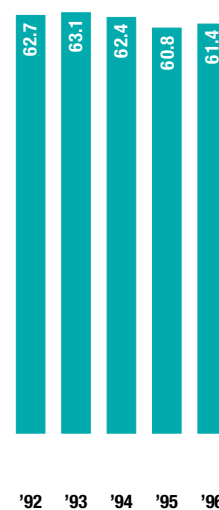
NET INCOME
(Billion ¥)



TOTAL ASSETS
(Billion ¥)



SHAREHOLDERS' EQUITY
(Billion ¥)



Tsubakimoto Chain achieved increases in both sales and profits in a difficult operating environment. Both of the Company's product lines—power transmission products and materials handling systems—recorded growth in sales, with especially strong performances in overseas markets. This improved performance was primarily attributable to the restructuring measures that Tsubakimoto Chain has implemented in recent years.

Tsubakimoto Chain registered increases in both sales and profits in an operating environment that continued to present special challenges.

In the fiscal year ended March 31, 1996, Tsubakimoto Chain achieved increases in both sales and profits in an operating environment that remained especially difficult. This improved performance was attributable to two key factors. First, the Japanese economy began to show some signs during the year of breaking out of its lengthy slump, and in some industries capital investment began to increase. Second, the steps that we have taken to strengthen our business foundation started to show results.

Net sales during the year under review increased 8.6%, to ¥110.4 billion (US\$1,042 million), and operating income rose more than 18-fold, to ¥4.3 billion (US\$41 million). Net income was ¥1.8 billion (US\$17 million), compared with a net loss of ¥634 million in the previous year. Net income per share was ¥9.33 (US\$0.09), compared with the previous term's net loss per share of ¥3.29.

Power transmission products, which have become the driving force behind the Company's recovery, had another strong year. Materials handling systems, our other main product line, continued to face extremely challenging conditions, but nonetheless their performance began to improve, with steady gains in Japan and an especially favorable year in overseas markets.

Sales of power transmission products were up 3.4%, to ¥81.2 billion (US\$766 million). Favorable performances were registered by chains used in production lines for consumer electronics goods, by Automatic Tool Changer (ATC) chains for the machine tool industry, and by reducers and toothed belts for general industry. Demand for timing chains for the domestic automobile industry, however, was relatively weak throughout the year. Overseas, sales in North America remained robust, with timing chains for automobiles enjoying especially strong demand and maintaining double-digit growth.

Sales of materials handling systems rose 26.7%, to ¥28.6 billion (US\$270 million). While the increase is partially attributable to the substantial decline reported in the previous year, we met our targets for both orders and sales of materials handling systems. Although the markets for these systems remained mired in intense price competition, our customer-oriented marketing and product strategies by industry lines proved successful. Sales of factory automation systems to the mechatronics, newspaper, paper manufacturing, and steel industries increased. Overseas, sales in the Republic of Korea and other Asian countries increased by large margins.

A new long-term management plan is guiding Tsubakimoto Chain's progress toward becoming a larger, more profitable company.

In the extremely challenging operating environment that has characterized the past few years, Tsubakimoto Chain has worked to build a business foundation that is less susceptible to economic fluctuations. Our goal in that endeavor is to build a company that can expand and maintain consistent profitability even in low-growth environments, and we continued taking aggressive measures to-

ward that objective during the year under review. These included reducing production costs, increasing productivity by streamlining manufacturing, bolstering development of high-value-added products, and reevaluating our product lineup with an emphasis on profitability. As a result of these measures, our profit structure has improved, and our profits for the fiscal year increased at a higher rate than our net sales.

In April 1996, Tsubakimoto Chain initiated ST05, a long-term management plan that will cover the 10-year period through 2005. This plan incorporates goals and strategies for steady growth, with full consideration for expected developments in the economic environment, such as low-growth markets, the hollowing-out of Japanese industry, and the continued movement toward the breakdown of traditional barriers between markets and industries. In addition to our fundamental strategy of "increasing productivity," which applies to the entire company, the key strategy for power transmission products will be "globalization," while that for materials handling systems will be "thorough market segmentation."

In power transmission products, we will follow a strategy of producing in the most appropriate region. This will mean shifting the manufacturing of products that are subject to intense price competition, such as small chains, to lower-cost overseas locations. For automobile-related products used in demanding environments, we will take a global viewpoint in building our production system. With production facilities located near the customer, we will be better able to offer just-in-time delivery. We will also expand outsourcing and work to further increase efficiency throughout our production system.



Michio Noguchi, President

In materials handling systems, we will refine our market segmentation strategy and strengthen our marketing activities and product strategy in accordance with the particular characteristics of different industries. While strengthening new product development for each individual target market, we will reduce costs by using standardized components in development and production, thereby increasing our cost competitiveness.

The Company is focused on improving efficiency, raising profitability, and reinforcing its market position.

During the year under review, Tsubakimoto Chain got back on track toward renewed growth. While current business conditions do not lend themselves to optimism, our performance during the year under review demonstrates the steady progress that we have made in building a company that can perform well even in difficult conditions. The fact that we succeeded in increasing sales through intensified marketing efforts, and the fact that we were able to quickly return to profitability by increasing productivity throughout the Company, are clearly a result of the strategies that we have followed and the measures that we have implemented.

Tsubakimoto Chain's growth will accelerate as the Company continues to introduce new products and enter new business fields. Starting in April 1996, we entered the field of health care with the introduction of electric actuators for use in nursing equipment. In the future, lifestyle support and environmental protection will be key themes guiding our aggressive introduction of new products and entry into new fields of business.

Our success will continue to be based on the zeal and enthusiasm that all of our employees have for the business of manufacturing. In addition, our market position will be reinforced by our advanced production expertise, developed over decades of successful operations, and our strong customer orientation. I would like to take this opportunity to ask for your continued support as we move forward to meet new challenges.

June 1996



Michio Noguchi,
President

The background is a solid teal color. On the left side, there are several parallel diagonal stripes in a slightly darker shade of teal, running from the top-left towards the bottom-right. The stripes are of varying lengths and are partially cut off by the left edge of the frame.

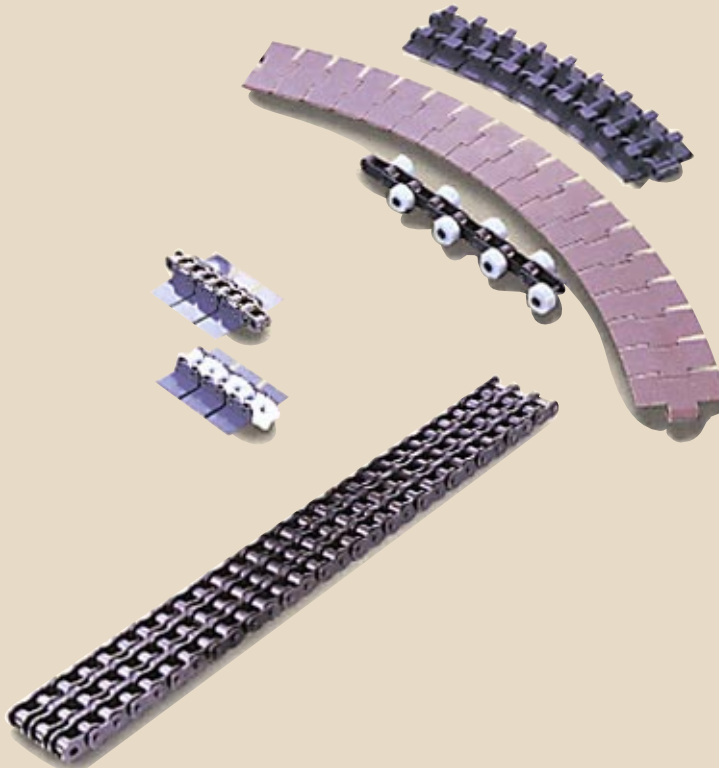
On Course for Future Growth

FACT

1

Strong Performance in Chain Operations in Domestic Market

In recent years, Tsubakimoto Chain's power transmission products have turned in strong performances in challenging domestic markets, and these products have become the driving force behind the Company's improved results. Although sales were held to a relatively small increase during the year under review, these products have made a significant contribution to improving our profit margin.



During the year under review, power transmission products continued to register a strong performance in domestic markets and played the key role in the Company's return to profitability. In a difficult market marked by falling prices, we succeeded in achieving a moderate increase in sales. Japan is the most important market for our power transmission products, and the upturn in domestic conditions bodes well for the future results of the Company as a whole. In addition to the pickup in domestic market conditions, the favorable performance of power transmission products is also attributable to our improved profit structure. Over the past several years we have worked to increase productivity and have actively introduced new products, and the result is a more profitable company.

While power transmission products have turned in a strong performance overall, the growth in chain sales has been especially notable. Demand was strong in light electrical

industries on account of robust capital investment overseas, as well as in the machine tool industry, including chains for machining centers. Chains for use in forklifts were another bright spot. As a result, sales of Automatic Tool Changer (ATC) chains, plastic chains, and leaf chains increased. In conveying equipment, a market with a significant influence on our performance, demand gradually picked up, resulting in increased sales of conveyor chains.

In addition to its chain products, Tsubakimoto Chain used its entire lineup of power transmission products, including power transmission units and components and belt products, in marketing activities targeting industries that offer significant potential demand, such as pharmaceuticals and industrial waste processing. Those efforts paid off with an improved performance.



ATC chain used in machining centers



Leaf chain used in forklifts



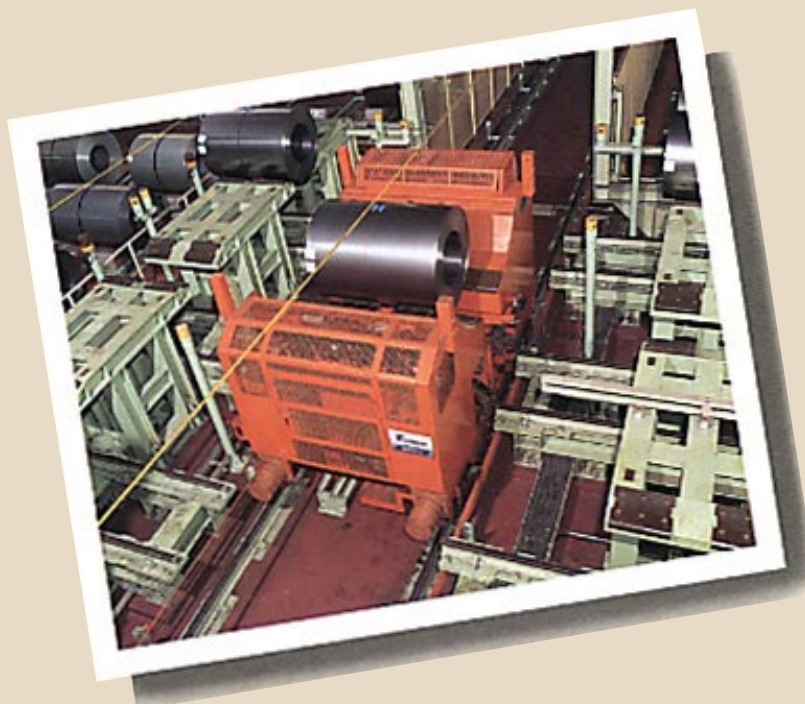
Various Tsubaki chains

FACT

2

Growing Demand for Factory Automation Systems in Asia

Asian economies besides Japan have posted notable economic growth in recent years, and these markets hold considerable promise for Tsubakimoto Chain's factory automation systems. That promise was underscored during the past year when sales of these systems in Asia increased more than fourfold, accounting for about 20% of total sales of materials handling systems.



Among Tsubakimoto Chain's fields of business, the most striking growth in the past year was recorded by factory automation systems in Asian markets. The vigorous growth posted by these economies, our focused marketing activities, and the high evaluation given to our technology combined to result in the receipt of a number of large orders in the previous fiscal year, and sales during the year under review posted a strong increase.

In the Republic of Korea, which has been our largest overseas market in recent years, we had another excellent year in both orders and sales. In cooperation with our affiliate, Korea Conveyor Ind. Co., Ltd., we directly approach local companies, and we are building an organization that can provide a detailed response to customer needs in all areas, including marketing, development, production, and after-sales service. We received a number of large orders during the year under review, including painting lines for Korean

automakers, coil packing and transport systems for iron and steel companies, cathode ray tube coating lines for mechatronics companies, and roll-paper handling systems for newspaper printing plants. Orders received in the Korean market were up over 20% from the previous year, and sales increased more than fourfold.

We also registered strong performances in other Asian countries, such as Taiwan, Malaysia, Indonesia, Thailand, the Philippines, India, and Singapore. These markets are expected to continue to offer considerable potential demand. As Japanese and Korean mechatronics companies have established production bases in these countries, cathode ray tube coating lines and other factory automation systems are the focus of brisk demand.



Conveying system for automobile painting lines



Cathode ray tube coating system



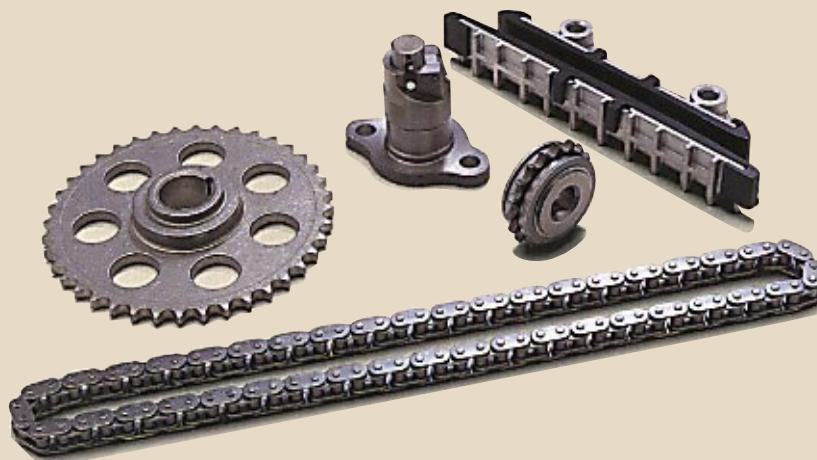
Coil transport system

FACT

3

Increasing Demand for Automotive Parts in the United States

Our automotive parts operations in North America have registered a strong performance in recent years, and during the fiscal year our sales of automotive parts, principally timing chains, remained strong. In fact, our local production of these products was 90% higher than in the previous year. In order to meet rapidly increasing demand, we have begun construction of a new factory.



Tsubakimoto Chain's automotive parts operations in North America have grown rapidly in recent years, and we anticipate continued large-scale expansion in the future. In Japan, Tsubakimoto Chain is the leader in the timing chain market, with a share in excess of 90%. In the United States, meanwhile, we have steadily increased our market presence since we began supplying timing chains for camshaft drives and tensioners to General Motors Corporation in 1989. Currently, we are supplying timing chains, tensioners, and other chain drive systems to major automakers in the United States, including Nissan plants. In 1995, U.S. Tsubaki, Inc.'s Automotive Division received General Motors' Supplier of the Year Award for the third time. Our products were judged to be superior in terms of quality, delivery, and price. The recipient of this prestigious award is chosen from among General Motors' suppliers all around the world. In the U.S. automobile industry, the use of overhead camshaft (OHC) and double

overhead camshaft (DOHC) engines is growing, and we anticipate that the demand for timing chain drives will increase in the years ahead.

When we first entered the North American market, the products we sold there were imported from Japan. As demand subsequently increased, we bolstered our local production capabilities, and in the year under review, local production accounted for about 90% of our sales of timing chains. Production is currently handled at the Holyoke, Massachusetts, plant of U.S. Tsubaki, but to accommodate the rapid increase in demand and to raise our percentage of local production, we began construction during the year of a new plant in Chicopee, Massachusetts, that will be used exclusively for automotive parts. We plan to put the plant into operation in early 1997, resulting in a doubling of our local production capacity, and to boost our percentage of local production for timing chain systems to 100% by March 2001.



U.S. Tsubaki received General Motors' '95 Supplier of the Year Award



Holyoke plant in Massachusetts



U.S. Tsubaki marketing staff

Board of Directors

(As of June 27, 1996)

Michio Noguchi

President

Masatsugu Harimoto

Executive Managing Director
(Power Transmission Operations)

Kinshi Bando

Executive Managing Director
(Operational Affairs)

Kazumi Ohmura

Managing Director
(Saitama Plant and Tokyo Office)

Takashi Fukunaga

Managing Director
(Business Administration, Strategic Business, and
Research & Development)

Kazuo Yoshida

Managing Director
(Materials Handling Operations)

Kyosuke Otoshi

Managing Director
(Power Transmission Sales & Marketing
Operations and Osaka Office)

Kunio Hirayama

Managing Director
(Power Transmission Production Operations and
Chain Division)

Toru Miyamoto

Director
(Factory Automation Systems and
Operational Integration)

Kenji Terada

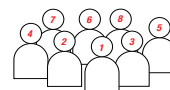
Director
(Research & Development)

Yoshinari Arai

Director
(General Affairs, Human Resources, and Public
Relations)

Masahiro Oka

Director
(Purchasing and Management Information
Systems)



1. Michio Noguchi
2. Masatsugu Harimoto
3. Kinshi Bando
4. Kazumi Ohmura
5. Takashi Fukunaga
6. Kazuo Yoshida
7. Kyosuke Otoshi
8. Kunio Hirayama

Tadashi Arimitsu

Director
(Automotive Parts Division)

Hideaki Kamitani

Director
(Power Transmission Units & Components
Division and Kyoto Plant)

Itsuro Fujii

Director
(Materials Handling Equipment Division and
Hyogo Plant)

Tadashi Uchida

Director
(Nagoya Office)

Kimio Takakura

Director
(North American Operations)

Yoshiaki Nishimura

Corporate Auditor

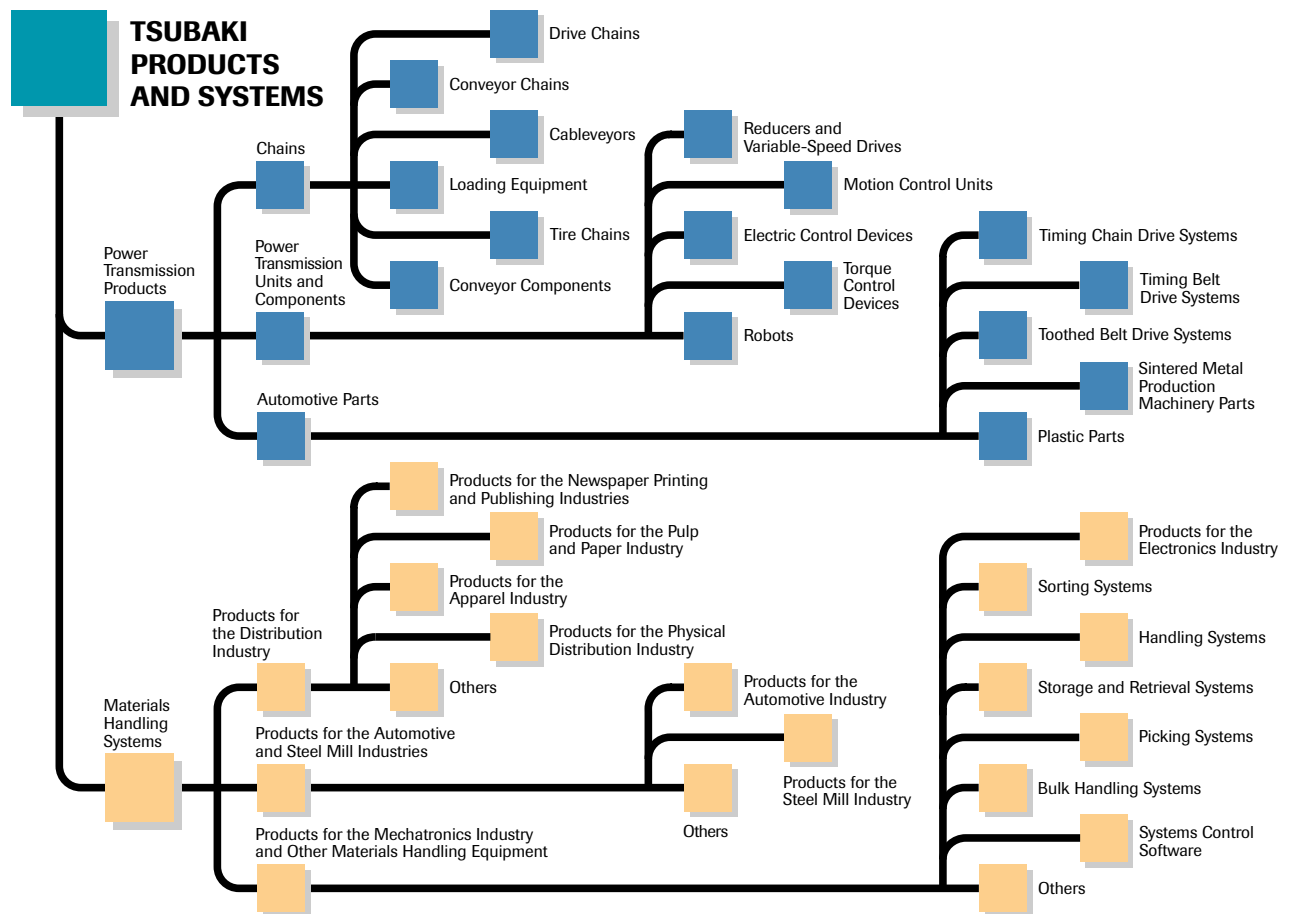
Hiroyuki Saito

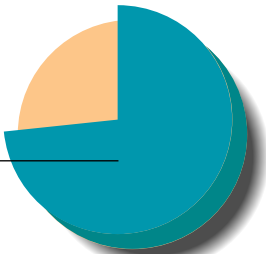
Corporate Auditor

Masaru Tokuda

Corporate Auditor

1996 in Review





Share of Net Sales
Power Transmission Products
73.5%

During the year ended March 31, 1996, sales of power transmission products rose 3.4%, to ¥81.2 billion (US\$766 million), representing 73.5% of the Company's net sales. Overseas sales increased 4.3%, to ¥22.9 billion (US\$216 million), accounting for 28.2% of sales of power transmission products.

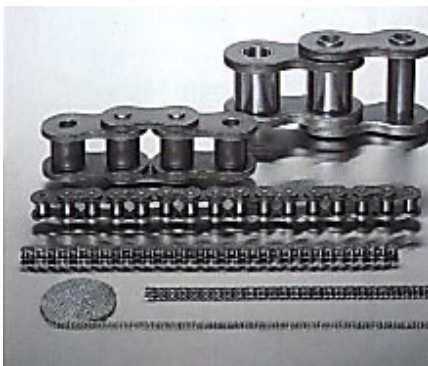
Domestically, products for light electrical industries, such as consumer electronics, and products for the machine tool industry registered increased sales. Overseas, sales of automobile timing chains continued to increase in North America, our principal overseas market, and made a strong contribution to the Company's performance.

Power Transmission Products

Sales Breakdown

(Millions of yen, %)

	1996	1995	% Change
Domestic Sales	¥58,256 (71.8)	¥56,519 (72.0)	+03.1%
Overseas Sales	22,928 (28.2)	21,988 (28.0)	+04.3%
	¥81,184 (100.0)	¥78,507 (100.0)	+13.4%



Roller chains

■ Chains

Tsubakimoto Chain, as the world's leading chain maker, produces a broad range of advanced, high-quality products for industries around the world. In the challenging environment during the year under review, our chains continued to be the focus of strong demand, and sales of chains made a significant contribution to the Company's improved performance.

In the domestic market, increased sales were recorded by plastic chains for light electrical industries, such as chains for production lines for consumer electronics products, and by Automatic Tool Changer (ATC) chains for use in machining centers

and other machine tools. In addition, conveyor chains led a recovery in products for the conveying equipment industry, which had been sluggish in the previous term. Private-sector capital investment in Japan has not yet reached full-fledged recovery, and price competition remains intense. To counter the adverse influence of these conditions on roller chains, the core member of our lineup of chain products, we are introducing an enhanced series of roller chains with higher transmission capacity, and conducting aggressive sales development activities. Overall, domestic sales of chains increased during the year under review.

Overseas chain sales, which include exports and sales by overseas subsidiaries, were up from the previous term. This increase was primarily attributable to increased sales of roller chains in North America, where these products have a strong market position.

■ Power Transmission Units and Components

Tsubakimoto Chain is a leader in a wide range of power transmission units and components, including variable-speed drives, reducers, Power Cylinders, and couplings. Sales of these products began to recover during the year under review.

As a result of the aggressive introduction of new products and the effectiveness of our efforts to acquire

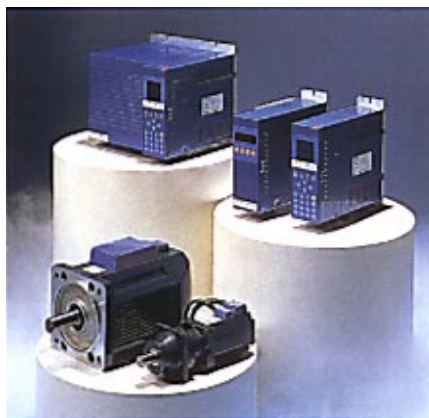


Power Cylinders

new customers based on project teams, sales of our flagship series of reducers increased. Especially strong increases were registered by right-angle-type reducers. In addition, for such products as Power Locks, in which we hold the top market share, AC servo drives, indexing drives, and magnetic clutches and brakes, we succeeded in expanding our customer base.

Sales of motion control units, principally Power Cylinders, were generally favorable, centered on demand from places that received public investment, such as event halls and hydroelectric power facilities.

New products included Power



AC servo drives

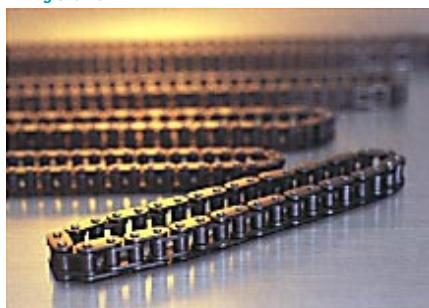
Cylinders for electrically operated adjustable beds and nursing lifters, sales of which began in April 1996, and units that convert hand-operated adjustable beds to electric operation. With the aim of meeting the needs of senior citizens in Japan's rapidly aging society, we plan to make the best use of our technology and know-how in the health care field.

■ Automotive Parts

Tsubakimoto Chain has earned a solid position as one of the leading manufacturers of automotive timing chains and chain drive systems. Our products are widely used by leading automakers in Japan and overseas.

Domestically, sales of both timing chains and timing belts declined during the year on account of reduced production of passenger vehicles. Automakers continue to demand price reductions, and accordingly we are working to reduce our costs in all areas, including design, production, and purchasing. In

Timing chains



our sales promotion activities, our focus on product teams paid off with an increase in sales of toothed belts to general industrial companies in Japan.

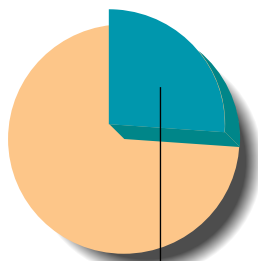
Overseas, demand for timing chains and chain drive systems continued to expand in the key North American market. Faced with the need to meet a rapid increase in demand and to raise our local production percentage, we have already begun work on a new plant that will be used specifically for the production of automotive parts. This plant, which will start operations in early 1997, will double our local production capacity for these parts within a few years.

The trends toward more sophisticated automobile engines and smaller cars have fueled demand for timing



Toothed belts and pulleys

chains that are stronger yet still compact. In line with those trends, we are stepping up our efforts to participate in the engine development process from an early stage, and we will maintain our focus on aggressive business development efforts in Japan and overseas.



Share of Net Sales
Materials Handling Systems
25.9%

Sales of materials handling systems rose 26.7% during the year under review, to ¥28.6 billion (US\$270 million), representing 25.9% of the Company's net sales. Overseas sales increased 201.2%, to ¥7.0 billion (US\$66 million), accounting for 24.4% of our sales of materials handling systems.

Domestically, investment in production rationalization equipment gradually showed signs of improvement in most industries, and increased sales were registered by factory automation systems and distribution systems. In overseas markets, against a background of favorable economic growth, sales of factory automation systems to the Republic of Korea and other Asian countries increased by large margins.

Materials Handling Systems

Sales Breakdown

(Millions of yen, %)

	1996	1995	% Change
Domestic Sales	¥21,644 (75.6)	¥20,286 (89.7)	+06.7%
Overseas Sales	6,994 (24.4)	2,322 (10.3)	201.2%
	¥28,638 (100.0)	¥22,608 (100.0)	+26.7%

industry lines, integrating production and marketing to facilitate strategic development, and strengthening the Company's profitability management system. During the year under review, these measures began to take effect. In addition, as the economy began to show signs of recovery, the capital investment environment gradually began to improve. As a result, our sales of factory automation systems are improving rapidly.

In the domestic market, sales of



Cathode ray tube transport system

■ Factory Automation Systems

By providing key industries, such as automobiles, paper manufacturing, newspapers, steel, and mechatronics, with advanced factory automation systems, Tsubakimoto Chain is contributing to the rationalization of production from a variety of angles. In the past several years, however, the lengthening economic slump has led to reductions in capital investment in all industries, and this trend has had an adverse impact on our sales of factory automation systems.

In response to these conditions, Tsubakimoto Chain has further strengthened its business foundation by reorganizing marketing along

Monorail system for automobile painting





Roll-paper handling system

products for the newspaper industry, such as roll-paper handling systems, increased. Our basic modules for LCD production lines, including New WIPS, a high-speed, high-density stocking system for use in clean rooms that we launched during the year under review, were highly evaluated in the market, and sales of these products increased. Currently, order trends are favorable, and we expect sales to increase during the year ending March 31, 1997.

Overseas, we registered a strong performance in the Republic of Korea, a key market for these products. In other Asian countries as well, needs for our factory automation systems are beginning to increase rapidly. During the past year, especially favorable performances were registered by picture tube production lines for mechatronics companies, painting lines for automobile companies, and steel coil transport systems for steelworks. Against a background of generally strong economic growth in Asia, capital investment in private industry is increasing, and we expect demand for these products to continue to expand.

■ Physical Distribution Systems

Tsubakimoto Chain has built a leading position in the field of physical distribution systems that help

customers to rationalize product distribution, and our product portfolio includes systems for the publishing, chain store, and apparel industries. The systems developed by Tsubakimoto Chain have advanced capabilities in the accurate and rapid sorting of products of any shape, in accordance with the special characteristics of different industries and products. Sales of these systems during the year under review registered a double-digit increase from the previous year.

Our Multi-Sorter, a paperback book sorting system for the publishing industry, is one of our flagship products. The Multi-Sorter features advanced functions that are not available anywhere else, and as a result, when companies in the industry look at rationalization measures, our Multi-Sorter is the system that they consider first. In addition, during the year under review we launched the Multi-Sorter MS-II, which features more advanced functions. Our Linisort, which is targeted at the retail industry and distribution centers, is a linear-motor-driven, high-speed sorting system with superior low-noise operating charac-

Fashion Sort



teristics. Our Fashion Sort, meanwhile, which was developed for the apparel industry, is suitable for use with the trend toward distribution on hangers, which is spreading rapidly against a background of simplified packaging and recycling of hangers.

■ Other Materials Handling Equipment

Sales of other equipment were generally favorable. Two of our key products in this area are Pak-U-Veyor, a revolving carousel-type storage and conveyor system that is suitable for



Autran Vanguard

use in locations where space is limited, and our Power Column automatic vertical shelves. We developed these shelves through a technological tie-up with White Storage and Retrieval Systems, Inc., of the United States. Both of these products performed well during the year. And in monorail-type, automatic conveying systems, our Autran Vanguard, a small, lightweight system that is suitable for office use, has been the focus of strong demand, and sales increased during the year.

Results of Operations

In the fiscal year ended March 31, 1996, Tsubakimoto Chain recorded an 8.6% increase in net sales, to ¥110.4 billion (US\$1,041.7 million). The cost of sales rose only 5.2%, to ¥81.7 billion (US\$770.5 million), and as a result the gross profit margin improved to 26.0%, from 23.6% in the previous year. Selling, general and administrative expenses edged up 2.7%, to ¥24.4 billion (US\$230.4 million), and operating income was ¥4.3 billion (US\$40.8 million), compared with ¥234 million in the previous year.

Net interest expense rose 11.8%, to ¥1.1 billion (US\$10.0 million). Income before income taxes and minority interests was ¥3.6 billion (US\$34.4 million), compared with ¥179 million in the previous year. Income taxes increased 127.1%, to ¥1.7 billion (US\$16.3 million). Net income was ¥1.8 billion (US\$16.9 million), compared with a net loss of ¥634 million in the previous year. Net income per share was ¥9.33 (US\$0.088), compared with the previous year's net loss per share of ¥3.29. Cash dividends per share were ¥6.00 (US\$0.057), the same as in the previous year.

Liquidity and Capital Resources

Net cash provided by operating activities decreased 10.5%, to ¥5.5 billion (US\$51.5 million), but cash from operations was sufficient to fund all of the Company's investing and financing activities during the year under review.

Net cash used in investing activities was ¥4.2 billion (US\$40.0 million), up from ¥4.0 billion in the previous year. Acquisitions of property, plant and equipment totaled ¥4.8 billion (US\$44.9 million), an increase of 10.9%. Property, plant and equipment, net of accumulated depreciation, totaled ¥36.9 billion (US\$348.2 million) at fiscal year-end, compared with ¥37.7 billion at the previous year-end.

Net cash provided by financing activities was ¥1.2 billion (US\$11.8 million), compared with net cash used in financing activities of ¥1.2 billion in the previous year. At the end of the fiscal year, cash and cash equivalents totaled ¥21.7 billion (US\$204.5 million), compared with ¥19.2 billion at the end of the previous year. Current liabilities increased 35.8%, to ¥62.3 billion (US\$587.8 million), and the ratio of current assets to current liabilities at fiscal year-end was 1.25, compared with 1.38 at the previous year-end.

Shareholders' equity increased 1.0%, to ¥61.4 billion (US\$579.2 million), and the ratio of shareholders' equity to total assets at fiscal year-end was 43.3%, compared with 47.5% in the previous year. Tsubakimoto Chain's debt-to-equity ratio at fiscal year-end was 0.60, compared with 0.57 at the previous year-end. Total assets increased 10.9%, to ¥141.9 billion (US\$1,338.3 million). Because the last day of the year under review was a Sunday and therefore not a business day for financial institutions, unsettled trade notes and accounts payable and accrued expenses due on the last day of the period are included in the balance sheets. If these accounts had been settled, current liabilities and total assets would have been ¥57.9 billion (US\$546.3 million) and ¥135.7 billion (US\$1,296.8 million), respectively.

Six-Year Summary

Tsubakimoto Chain Co. and Consolidated Subsidiaries
Years ended March 31

	Millions of Yen						Thousands of U.S. Dollars
	1996	1995	1994	1993	1992	1991	1996
Net sales	¥110,424	¥101,670	¥109,014	¥120,867	¥140,316	¥127,851	\$1,041,736
Income before income taxes and minority interests	3,649	179	1,750	5,131	10,291	11,139	34,424
Net income (loss)	1,796	(634)	1,148	2,539	5,216	5,393	16,943
Net income (loss) per share* (yen and dollars)	9.33	(3.29)	5.96	13.20	27.14	28.15	0.088
Interest expense:							
Net	1,063	951	1,041	1,248	1,160	1,115	10,028
Gross: Interest received	492	835	982	1,247	1,655	1,299	4,642
Interest paid	1,555	1,786	2,023	2,495	2,815	2,414	14,670
Capital expenditures	4,759	4,290	4,221	8,489	8,586	11,060	44,896
Current assets	77,995	63,452	63,319	75,028	73,549	89,110	735,802
Current liabilities	62,312	45,902	45,625	56,937	54,978	71,273	587,849
Net property, plant and equipment	36,904	37,709	39,221	40,629	37,490	33,985	348,151
Noncurrent liabilities	16,849	19,966	19,818	20,320	18,261	11,196	158,952
Total assets	141,863	127,893	129,020	141,759	137,355	142,883	1,338,330
Common stock	17,068	17,066	17,066	17,058	17,057	16,809	161,019
Retained earnings	31,682	31,060	32,675	33,398	33,049	29,987	298,887
Total shareholders' equity	61,392	60,768	62,382	63,091	62,739	59,180	579,170
Shares outstanding at year-end (thousands)	192,377	192,374	192,372	192,354	192,349	191,639	
Number of employees	5,844	5,829	5,652	5,649	5,591	5,401	

* The effective par value per share is ¥50.

Consolidated Balance Sheets

Tsubakimoto Chain Co. and Consolidated Subsidiaries
March 31, 1996 and 1995

Assets	Millions of Yen		Thousands of U.S. Dollars
	1996	1995	1996
Current assets (Note 8):			
Cash and cash equivalents:			
Cash and time deposits	¥ 17,891	¥ 15,943	\$ 168,783
Marketable securities	3,788	3,279	35,736
Trade notes and accounts receivable:			
Unconsolidated subsidiaries and affiliates	3,272	2,685	30,868
Other	28,839	20,517	272,066
Inventories	23,016	19,528	217,132
Other receivables:			
Unconsolidated subsidiaries and affiliates	88	153	830
Other current assets	1,479	1,660	13,953
Allowance for doubtful receivables	(378)	(313)	(3,566)
Total current assets	<u>77,995</u>	<u>63,452</u>	<u>735,802</u>
Property, plant and equipment (Note 8):			
Land	6,029	6,097	56,877
Buildings and structures	29,213	29,707	275,594
Machinery and equipment	58,100	55,960	548,113
Construction in progress	856	1,021	8,076
Accumulated depreciation	(57,294)	(55,076)	(540,509)
Net property, plant and equipment	<u>36,904</u>	<u>37,709</u>	<u>348,151</u>
Investments and long-term loans receivable:			
Investment securities:			
Unconsolidated subsidiaries and affiliates	539	540	5,085
Other	9,229	9,040	87,066
Long-term loans receivable:			
Unconsolidated subsidiaries and affiliates	34	78	321
Other	10,081	10,145	95,104
Other noncurrent items	6,349	5,817	59,896
Allowance for doubtful receivables	(249)	(243)	(2,349)
Total investments and long-term loans receivable	<u>25,983</u>	<u>25,377</u>	<u>245,123</u>
Currency translation adjustments	981	1,355	9,254
Total assets	<u>¥141,863</u>	<u>¥127,893</u>	<u>\$ 1,338,330</u>

The accompanying notes are an integral part of these financial statements.

Liabilities and Shareholders' Equity	Millions of Yen		Thousands of U.S. Dollars
	1996	1995	1996
Current liabilities:			
Short-term bank loans and current portion of long-term debt	¥ 25,563	¥ 19,825	\$ 241,160
Trade notes and accounts payable:			
Unconsolidated subsidiaries and affiliates	859	796	8,104
Other	23,443	17,327	221,160
Income taxes payable	721	545	6,802
Accrued expenses	3,757	3,714	35,443
Other	7,969	3,695	75,180
Total current liabilities	<u>62,312</u>	<u>45,902</u>	<u>587,849</u>
Noncurrent liabilities:			
Bonds	6,695	6,541	63,160
Convertible bonds	185	188	1,745
Long-term loans, less current maturities	4,378	7,800	41,302
Retirement benefits	5,591	5,437	52,745
Total noncurrent liabilities	<u>16,849</u>	<u>19,966</u>	<u>158,952</u>
Minority interests	<u>1,310</u>	<u>1,257</u>	<u>12,359</u>
Shareholders' equity:			
Common stock	17,068	17,066	161,019
Capital surplus	12,644	12,643	119,283
Legal reserve	2,964	2,841	27,962
Unappropriated retained earnings	28,718	28,219	270,925
	61,394	60,769	579,189
Treasury stock	(2)	(1)	(19)
Total shareholders' equity	<u>61,392</u>	<u>60,768</u>	<u>579,170</u>
Total liabilities and shareholders' equity	<u>¥141,863</u>	<u>¥127,893</u>	<u>\$1,338,330</u>

Consolidated Statements of Income

Tsubakimoto Chain Co. and Consolidated Subsidiaries
Years ended March 31, 1996, 1995 and 1994

	Millions of Yen			Thousands of U.S. Dollars
	1996	1995	1994	1996
Net sales	¥110,424	¥101,670	¥109,014	\$1,041,736
Cost of sales	81,670	77,664	84,621	770,472
Gross profit	28,754	24,006	24,393	271,264
Selling, general and administrative expenses	24,425	23,772	23,757	230,424
Operating income	4,329	234	636	40,840
Other income (expenses):				
Interest and dividend income	779	1,075	1,494	7,349
Interest expense	(1,555)	(1,786)	(2,023)	(14,670)
Foreign exchange gains (losses)	1	(102)	(95)	9
Other, net	30	138	130	283
Ordinary income (loss)	3,584	(441)	142	33,811
Extraordinary profit (loss):				
Profit on disposal of fixed assets and other, net	65	(35)	105	613
Currency translation adjustments	—	655	1,503	—
Income before income taxes and minority interests	3,649	179	1,750	34,424
Income taxes	1,724	759	577	16,264
Minority interests	(131)	(54)	(13)	(1,236)
Amortization of consolidation difference	2	(0)	(12)	19
Net income (loss)	¥ 1,796	¥ (634)	¥ 1,148	\$ 16,943

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Retained Earnings

Tsubakimoto Chain Co. and Consolidated Subsidiaries
Years ended March 31, 1996, 1995 and 1994

	Millions of Yen			Thousands of U.S. Dollars
	1996	1995	1994	1996
Unappropriated retained earnings at the beginning of the year	¥28,219	¥29,961	¥30,860	\$266,217
Increase in retained earnings, resulting from				
consolidation of additional subsidiaries	—	424	—	—
Transfer from legal reserve upon liquidating a consolidated subsidiary	—	22	—	—
Appropriations:				
Transfer to legal reserve	(123)	(128)	(176)	(1,160)
Cash dividends	(1,154)	(1,154)	(1,539)	(10,887)
Bonuses to directors and statutory auditors	(20)	(10)	(98)	(188)
Decrease in retained earnings, resulting from				
consolidation of additional subsidiaries	—	—	—	—
Net income (loss) for the year	1,796	(634)	1,148	16,943
Currency translation adjustments	—	(262)	(234)	—
Unappropriated retained earnings at the end of the year	¥28,718	¥28,219	¥29,961	\$270,925

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Cash Flows

Tsubakimoto Chain Co. and Consolidated Subsidiaries
Years ended March 31, 1996, 1995 and 1994

	Millions of Yen			Thousands of U.S. Dollars
	1996	1995	1994	1996
Cash flows from operating activities:				
Net income (loss)	¥ 1,796	¥ (634)	¥ 1,148	\$ 16,943
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	4,837	5,165	5,432	45,632
Provision for (reversal of) retirement benefits	154	14	(344)	1,453
Minority interests in income	131	54	13	1,236
Decrease in trade notes and accounts receivable	(8,909)	346	6,561	(84,047)
(Increase) decrease in inventories	(3,488)	601	4,375	(32,906)
(Increase) decrease in other receivables	147	(78)	(305)	1,387
Increase (decrease) in trade notes and accounts payable	6,179	728	(2,522)	58,292
Decrease in accrued expenses	43	(436)	(677)	406
Increase (decrease) in income taxes payable	176	213	(519)	1,660
Increase (decrease) in other current liabilities	4,274	(84)	(3,596)	40,321
Other	116	210	225	1,094
Net cash provided by operating activities	<u>5,456</u>	<u>6,099</u>	<u>9,791</u>	<u>51,471</u>
Cash flows from investing activities:				
Acquisition of property, plant and equipment	(4,759)	(4,290)	(4,221)	(44,896)
Proceeds from sale of property, plant and equipment	789	627	342	7,443
Decrease in investment securities and loans receivable to unconsolidated subsidiaries and affiliates	45	619	59	425
(Increase) decrease in other investment securities and loans receivable	(70)	(230)	141	(660)
Other	(250)	(701)	(1,247)	(2,359)
Net cash used in investing activities	<u>(4,245)</u>	<u>(3,975)</u>	<u>(4,926)</u>	<u>(40,047)</u>
Cash flows from financing activities:				
Increase (decrease) in short-term bank loans	2,373	1,531	(1,133)	22,387
Increase (decrease) in commercial papers	–	(1,000)	(3,500)	–
Proceeds from long-term debt	1,252	1,410	1,226	11,811
Reduction of long-term debt	(1,155)	(1,950)	(735)	(10,896)
Cash dividends	(1,154)	(1,154)	(1,539)	(10,887)
Bonuses to directors and statutory auditors	(20)	(10)	(98)	(189)
Other	(50)	(23)	(80)	(471)
Net cash provided by (used in) financing activities	<u>1,246</u>	<u>(1,196)</u>	<u>(5,859)</u>	<u>11,755</u>
Net increase (decrease) in cash and cash equivalents	2,457	928	(994)	23,179
Cash and cash equivalents at the beginning of the year	19,222	18,294	19,288	181,340
Cash and cash equivalents at the end of the year	<u>¥21,679</u>	<u>¥19,222</u>	<u>¥18,294</u>	<u>\$204,519</u>
Supplemental disclosures of cash flow information:				
Cash paid during the year for:				
Interest	¥ 1,489	¥ 1,769	¥ 1,982	\$ 14,047
Income taxes	1,548	509	1,096	14,604

The accompanying notes are an integral part of these financial statements.

1. Basis of Presenting Consolidated Financial Statements

(a) Accounting principles of consolidation

The Company has prepared its consolidated financial statements in accordance with accounting principles generally accepted in Japan. Certain modifications in format have been made to facilitate understanding by readers outside Japan.

(b) Consolidated subsidiaries

The consolidated financial statements include the accounts of the parent company and its significant domestic and foreign subsidiaries.

Consolidated subsidiaries are:

- U.S. Tsubaki, Inc. (U.S.A.)
- Hokkaido Tsubakimoto Chain Co., Ltd.
- Tsubakimoto Custom Chain Co.
- Tsubaki of Canada Limited (Canada)
- Tsubakimoto Bulk Systems Corp.
- Tsubaki Osaka Service Co.
- Tsubakimoto Emerson Co.
- Tsubakimoto Sprocket Mfg., Ltd.
- Tsubaki Conveyor of America, Inc. (U.S.A.)
- Tsubaki Chugoku Sales, Co.
- Taiwan Tsubakimoto Co. (Taiwan)
- Harry James Company Ltd. (Taiwan)
- Ballantine, Inc. (U.S.A.)
- Tsubakimoto Koki Industry Co., Ltd.
- Tsubaki Arcs Co.
- Tsubakimoto Europe B.V. (Netherlands)
- P. Koning B.V. (Netherlands)
- Tsubakimoto U.K. Ltd. (U.K.)
- Technische Handelsonderneming Bergsma B.V. (Netherlands)
- Tsubakimoto Tech Inc.
- Tsubakimoto Higashinohon Co.
- Tsubakimoto Singapore Pte. Ltd. (Singapore)
- Tsubaki Australia Pty. Limited (Australia)

(c) Unconsolidated subsidiaries and affiliates

Investments in 5 insignificant subsidiaries and 10 (9 in 1995) 20% to 50% owned affiliated companies are stated at cost because the Company's equity in the income or losses of these companies is not significant.

(d) Translation into U.S. dollars

The consolidated financial statements presented herein are expressed in Japanese yen and, solely for the convenience of the reader, have been translated into U.S. dollars at the rate of ¥106=\$1, the approximate exchange rate prevailing on March 31, 1996.

2. Significant Accounting Policies

(a) Inventories

Inventories are valued substantially at cost, which is determined by the first-in, first-out (FIFO) method, by the accumulated-cost method or by the moving-average cost method, except for the inventories of six subsidiaries, which are valued at the lower of cost or market.

(b) Marketable and investment securities

Marketable and investment securities quoted are valued at the lower of moving-average cost or market. Other securities are stated at cost.

(c) Property, plant and equipment

Property, plant and equipment are carried at cost. In specific cases, these are carried at cost less a reserve permitted under Japanese tax laws in respect of certain gains deferred on the sale of fixed assets. Depreciation of property, plant and equipment is computed mainly by the declining-balance method.

(d) Bonuses for employees

Accrued bonuses for employees are calculated on the basis prescribed by Japanese tax laws.

(e) Retirement benefits

The Company and its consolidated domestic subsidiaries have unfunded employees' retirement benefit plans. The annual accruals under such plans are provided mainly at the maximum amounts deductible for income tax purposes for each fiscal period.

In addition, the Company and certain consolidated subsidiaries have funded pension plans. The annual contributions to such funds are charged to income and include normal costs and amortization of past service costs.

Also, the Company records the unfunded retirement benefits for directors and statutory auditors on the accrual basis.

(f) Translation of balances denominated in foreign currencies in domestic financial statements

Current receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing on the balance sheet date except for amounts fixed by forward exchange contracts.

Noncurrent receivables and payables denominated in foreign currencies are translated at historical rates or at the forward contract rate, except when significant unrealized exchange losses are incurred.

All gains and losses resulting from the translation of foreign currency balances are included in net income for the year.

(g) Accounting for leases

Finance leases, except for those in which ownership is deemed to be transferred to the lessee, are accounted for in the same method as operating leases.

3. Difference between Cost and Net Equity of Consolidated Subsidiaries The difference between the cost of an investment in a subsidiary and the underlying book value of the acquired interest is, if material, allocated to a specific asset. However, minor differences are charged or credited to income for the year of acquisition.

4. Intercompany Transactions All material intercompany balances and transactions, including unrealized profit in inventories and property, plant and equipment, have been eliminated on consolidation.

5. Translation of Foreign Currency Financial Statements The Company adopted the revised Financial Accounting Standard for Foreign Currency Transactions in Japan, effective April 1, 1995.

For consolidated foreign subsidiaries, this standard requires that assets and liabilities are translated into yen at year-end rates and income and expense accounts are translated at average rates. Foreign currency translation adjustments are reflected in the balance sheets as suspense accounts (currency translation adjustments).

Had the effect of this change been reflected retroactively in the Consolidated Financial Statements in 1995, "Income before income taxes and minority interests" for the year ended March 31, 1995 would have been increased by ¥29 million (\$273 thousand).

6. Appropriations of Retained Earnings Appropriations of retained earnings are recorded at the date they are approved at the annual shareholders' meeting.

7. Tax Effect of Timing Differences The consolidated financial statements do not reflect the tax effect of timing differences between income as reported for tax and financial statement purposes.

8. Pledged Assets At March 31, 1996 and 1995, the following assets were pledged as collateral for bank loans and long-term debt:

	Millions of Yen		Thousands of U.S. Dollars
	1996	1995	1996
Current assets	¥ 986	¥ 870	\$ 9,302
Property, plant and equipment	22,820	24,076	215,283
	<u>¥23,806</u>	<u>¥24,946</u>	<u>\$224,585</u>

9. Contingent Liabilities Contingent liabilities with respect to trade notes discounted and loans guaranteed amounted to ¥13,052 million (\$123,132 thousand) and ¥12,874 million at March 31, 1996 and 1995, respectively.

10. Per Share Amounts

At March 31	Yen		U.S. Dollars
	1996	1995	1996
Shareholders' equity per share	¥319.12	¥315.88	\$3.011
Net income (loss) per share	9.33	(3.29)	0.088

**The Board of Directors
Tsubakimoto Chain Co.**

We have examined the consolidated balance sheets of Tsubakimoto Chain Co. and consolidated subsidiaries as of March 31, 1996 and 1995, and the related consolidated statements of income, retained earnings, and cash flows for each of the three years in the period ended March 31, 1996. Our examinations were made in accordance with generally accepted auditing standards in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such consolidated financial statements present fairly the financial position of Tsubakimoto Chain Co. and consolidated subsidiaries as of March 31, 1996 and 1995, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 1996, in conformity with generally accepted accounting principles in Japan applied on a consistent basis.

Osaka, Japan
June 27, 1996

Century Audit Corporation

Century Audit Corporation
Certified Public Accountants

Corporate Data

(As of March 31, 1996)

TSUBAKIMOTO CHAIN CO.

HEAD OFFICE

17-96, Tsurumi 4-chome,
Tsurumi-ku, Osaka 538, Japan
(P.O. Box 11, Joto Osaka)
Telephone: (06) 911-1221
Facsimile: (06) 913-5315
Telex: 64938 OSKTBKJ

DATE OF FOUNDING

December 1917

DATE OF INCORPORATION

January 1941

SHAREHOLDERS' EQUITY

¥61,392 million

COMMON STOCK

Authorized: 300,000 thousand shares

Issued: 192,381 thousand shares

STOCK LISTINGS

Tokyo, Osaka, Nagoya, and Kyoto

TRANSFER AGENT

The Chuo Trust and Banking
Company, Limited
6-26, Kitahama 2-chome,
Chuo-ku, Osaka 541, Japan

NUMBER OF EMPLOYEES

3,218 (Parent company only)

OFFICES AND PLANTS

Tokyo Office
Medical Friend Building,
2-4, Kudan-Kita 3-chome,
Chiyoda-ku, Tokyo 102
Telephone: (03) 3221-5611
Facsimile: (03) 3221-5639

Nagoya Office
Daisho Building, 26-25,
Meieki 4-chome,
Nakamura-ku, Nagoya 450
Telephone: (052) 571-8181
Facsimile: (052) 571-0915

Osaka Office
Fukokuseimei Building,
2-4, Komatsubara-cho,
Kita-ku, Osaka 530
Telephone: (06) 313-3190
Facsimile: (06) 315-6657

Osaka Plant
17-96, Tsurumi 4-chome,
Tsurumi-ku, Osaka 538
Telephone: (06) 911-1221
Facsimile: (06) 913-5315
Telex: 64938 OSKTBKJ

Saitama Plant
20, Shinko, Hanno, Saitama 357
Telephone: (0429) 73-1131
Facsimile: (0429) 73-4252

Kyoto Plant
1-1, Kotari-Kuresumi,
Nagaokakyo, Kyoto 617
Telephone: (075) 954-1111
Facsimile: (075) 956-8456

Hyogo Plant
1140, Asazuma-cho, Kasai,
Hyogo 679-01
Telephone: (0790) 47-1518
Facsimile: (0790) 47-1513

SALES OFFICES

Sendai, Omiya, Yokohama, Shizuoka,
Toyoda, Komaki, Okazaki, Hokuriku,
Keiji, Hyogo, Hiroshima, Kyushu,
and 15 other regional sales offices

OVERSEAS REPRESENTATIVE OFFICE

Taipei Office
2 FL, No. 156, Sec. 3, Pa-Tec Rd.,
Taipei, Taiwan, R.O.C.
Telephone: (02) 570-3040
Facsimile: (02) 577-9000

Tsubakimoto Chain Group Companies

JAPAN

	<i>Principal business</i>		<i>Principal business</i>
Hokkaido Tsubakimoto Chain Co., Ltd.*	<i>Sales of Tsubakimoto Chain products</i>	Tsubakimoto Higashinohon Co.*	<i>Sales of Tsubakimoto Chain products</i>
Tsubakimoto Custom Chain Co.*	<i>Manufacture of power transmission chains</i>	Kyowa Cam Co.	<i>Manufacture of power transmission products</i>
Tsubakimoto Bulk Systems Corp.*	<i>Manufacture of bulk material handling systems</i>	Showa Chain Industrial Co.	<i>Manufacture of conveyor chains</i>
Tsubaki Osaka Service Co.*	<i>Sales of Tsubakimoto Chain products</i>	Tsubakimoto Iron Casting Co., Ltd.	<i>Casting</i>
Tsubakimoto Emerson Co.*	<i>Manufacture of power transmission products</i>	Tsubakimoto Staff Services Co-op.	<i>Employee welfare services</i>
Tsubakimoto Sprocket Mfg., Ltd.*	<i>Manufacture of sprockets</i>	Tsubakimoto Nishinohon Co., Ltd.	<i>Sales of Tsubakimoto Chain products</i>
Tsubaki Chugoku Sales, Co.*	<i>Sales of Tsubakimoto Chain products</i>	Tsubakimoto Mayfran Inc.	<i>Manufacture of chip conveyors</i>
Tsubakimoto Koki Industry Co., Ltd.*	<i>Manufacture of materials handling systems</i>	Tsubaki Izumi Sales Co., Ltd.	<i>Sales of Tsubakimoto Chain products</i>
Tsubaki Arcs Co.*	<i>Real estate leasing and maintenance, and insurance agency services</i>	Tsubaki Mecs Co., Ltd.	<i>Sales of Tsubakimoto Chain products</i>
Tsubakimoto Tech Inc.*	<i>Manufacture of materials handling systems</i>	Shinko Machinery Co.	<i>Manufacture of conveyor chains</i>
		Tsubaki Shikoku Sales Co., Ltd.	<i>Sales of Tsubakimoto Chain products</i>
		Onishi Mfg. Co., Ltd.	<i>Manufacture of conveying equipment</i>

*Consolidated subsidiary

NORTH AMERICA

U.S. TSUBAKI, INC.*

Head Office

301 E. Marquardt Drive, Wheeling,
IL 60090, U.S.A.
Telephone: (847) 459-9500
Facsimile: (847) 459-9515

Principal business: Manufacture and sales of power transmission products

Sprocket Division, Bennington Plant

Bowen Road, Bennington, VT 05201, U.S.A.
Telephone: (802) 447-7561
Facsimile: (802) 447-7966

Roller Chain Division, Holyoke Plant

821 Main Street, P.O. Box 471,
Holyoke, MA 01040, U.S.A.
Telephone: (413) 536-1576
Facsimile: (413) 534-8239

Automotive Division, Chicopee Plant

106 Lonczak Drive,
Chicopee, MA 01022, U.S.A.
Telephone: (413) 593-1100

Union Chain Division, Sandusky Plant

1010 Edgewater Drive, P.O. Box 651,
Sandusky, OH 44870, U.S.A.
Telephone: (419) 626-4560
Facsimile: (419) 626-5194

BALLANTINE, INC.*

7800 Elm Street N.E.,
Minneapolis, MN 55432, U.S.A.
Telephone: (612) 571-7474
Facsimile: (612) 571-0255
Principal business: Sales of trencher parts

TSUBAKI CONVEYOR OF AMERICA, INC.*

138 Davis Street, P.O. Box 710,
Portland, TN 37148-0710, U.S.A.
Telephone: (615) 325-9221
Facsimile: (615) 325-2442
Principal business: Manufacture and sales of materials handling systems

Fremont Office

48860 Milmont Drive, Suite 104C,
Fremont, CA 94538-7344, U.S.A.
Telephone: (510) 656-3094
Facsimile: (510) 656-2094

TSUBAKI OF CANADA LIMITED*

1630 Drew Road,
Mississauga, Ontario, L5S 1J6 Canada
Telephone: (905) 676-0400
Facsimile: (905) 676-0904

Principal business: Manufacture and sales of power transmission products

EUROPE

TSUBAKIMOTO EUROPE B.V.*

Belder 1, 4704 RK Roosendaal,
The Netherlands
Telephone: 0165-594800
Facsimile: 0165-549450

Principal business: Sales of power transmission products

P. KONING B.V.*

Waalhaven Z/Z 42,
3088 HJ Rotterdam, The Netherlands
Telephone: (010) 4941818
Facsimile: (010) 4294906

Principal business: Sales of power transmission products

TSUBAKIMOTO U.K. LTD.*

Moorbridge Road, Bingham Industrial Estate,
Bingham, Nottingham NG13 8GG,
United Kingdom
Telephone: (01949) 838554
Facsimile: (01949) 839135
Principal business: Sales of power transmission products

T.E.U.K. LIMITED

20 Lime Avenue, Duffield, Belper,
Derbyshire DE56 4DX, United Kingdom
Telephone: (1332) 841-286
Principal business: Sales and maintenance of materials handling systems

ASIA AND OCEANIA

TSUBAKIMOTO SINGAPORE PTE. LTD.*

25 Gul Lane, Jurong, Singapore 629419
Telephone: 8610422~4
Facsimile: 8617035

Principal business: Manufacture and sales of power transmission products

Tsubaki Thai Representative Office

No.1622, Krung Kasem Road, Pom Prab, Bangkok
10100, Thailand
Telephone: (02) 226-0320
Facsimile: (02) 226-0321

TAIWAN TSUBAKIMOTO CO.*

No.7 Feng Sun Keng, Kuei Shan-Hsiang,
Taoyuan-Hsien, Taiwan, R.O.C.
Telephone: (03) 3293827~9
Facsimile: (03) 3293065

Principal business: Manufacture and sales of power transmission products

KOREA CONVEYOR IND. CO., LTD.

72-1, Onsoo-dong, Kuro-ku,
Seoul, Republic of Korea
Telephone: (02) 613-0151
Facsimile: (02) 684-9166

Principal business: Manufacture and sales of materials handling systems and conveyor chains

TSUBAKI AUSTRALIA PTY. LIMITED*

Unit E, 95-101 Silverwater Road,
Silverwater, N.S.W. 2141, Australia
Telephone: (02) 9648-5269
Facsimile: (02) 9648-3115

Principal business: Sales of power transmission products



TSUBAKIMOTO CHAIN CO.

17-96, Tsurumi 4-chome,
Tsurumi-ku, Osaka 538, Japan