



Annual Report
For the Year Ended March 31, 1999

1999

TSLIBAKI

Profile

Tsubakimoto Chain Co., founded in 1917, is one of Japan's leading makers of power transmission products. The Company's chain products, which are used in a wide range of industries in markets around the world, showcase Tsubakimoto Chain's original technical capabilities. In recent years, the Company has complemented its strengths in roller chains and conveyor chains with advanced automotive products, such as timing drive systems for automobile engines. Tsubakimoto Chain's automotive products are highly regarded by customers and continue to record steady sales growth, especially in the United States.

Tsubakimoto Chain is also a leader in materials handling systems, including factory automation systems and physical distribution systems. These systems are contributing to the rationalization of operations in a wide range of fields, such as automatic conveyance systems in factories and sorting systems in distribution centers.

Tsubakimoto Chain's products are supplied to customers in more than 70 countries from 10 production subsidiaries and affiliates in Japan and 9 plants overseas. Guided by its mission to "provide the best value to customers around the world," the Company is working to increase customer satisfaction by bolstering its development of high-value-added products.

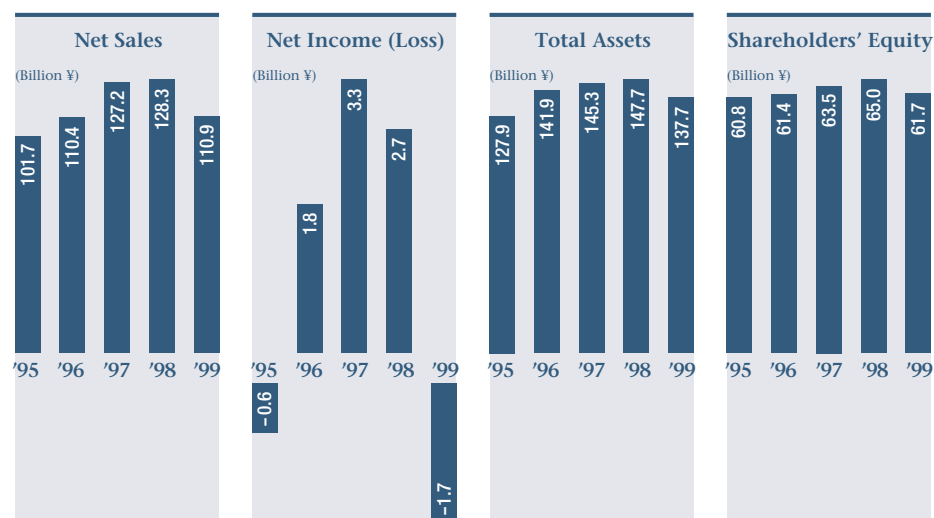
Financial Highlights

Tsubakimoto Chain Co. and Consolidated Subsidiaries
Years Ended March 31, 1999 and 1998

	Millions of Yen		Thousands of U.S. Dollars
	1999	1998	1999
Net sales	¥110,919	¥128,298	\$924,325
Operating income	2,358	6,435	19,650
Net income (loss)	(1,715)	2,709	(14,291)
Per share* (yen and dollars):			
Net income (loss)	¥(8.92)	¥14.08	\$(0.074)
Cash dividends	6.00	6.00	0.050
Total assets	¥137,691	¥147,668	\$1,147,425
Shareholders' equity	61,673	64,989	513,941

Note: The U.S. dollar amounts in this annual report have been calculated from yen amounts, for convenience only, at the exchange rate of ¥120 to \$1, the approximate exchange rate at March 31, 1999.

* The effective par value per share is ¥50.



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