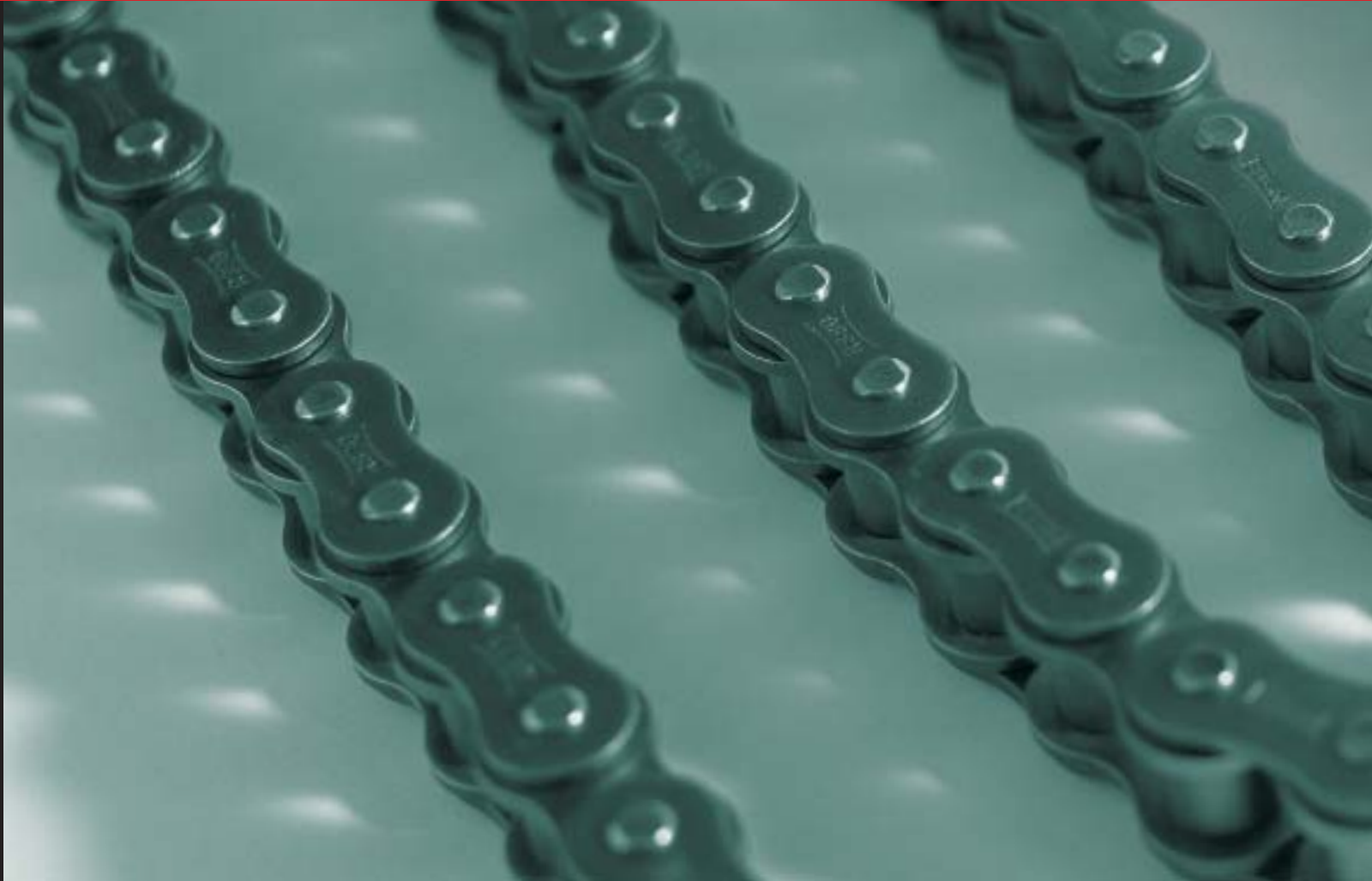




TSUBAKIMOTO CHAIN CO. ANNUAL REPORT 2004





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Our Vision


We aim to be a leading company in the global markets for power transmission products and materials handling systems.

After its founding in 1917, Tsubakimoto Chain Co. recorded steady growth as a manufacturer specializing in steel chains. Today, the Company is a market leader that supplies high-end power transmission products and materials handling systems to customers in more than 100 countries.

Tsubakimoto Chain's products are highly regarded for their quality and functionality. In particular, the Company's timing chain drive systems, which transmit the rotation of engine crank shafts to cam shafts, offer unrivaled reliability, and as a result these products have a dominant share of the domestic market and are widely used by global automakers.

The Company's Kyotanabe Plant boasts the world's most advanced production and development technologies, which are used to make high-end steel chains for general industrial applications that are sold around the world.

Targeting global markets, Tsubakimoto Chain will work to enhance its consolidated operations on a worldwide scale. This is the Company's Global Best strategy, through which Tsubakimoto Chain aims to become a global market leader.



Financial Highlights

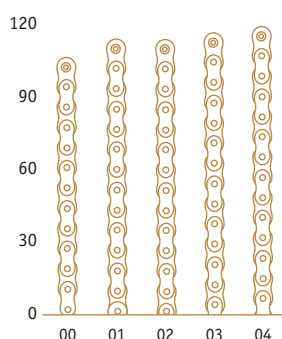
Tsubakimoto Chain Co. and Consolidated Subsidiaries
Years Ended March 31

| | Millions of Yen | | Thousands of U.S. Dollars |
|------------------------------|-----------------|----------|------------------------------|
| | 2004 | 2003 | 2004 |
| Net sales..... | ¥119,141 | ¥116,670 | \$1,127,268 |
| Operating income..... | 7,951 | 7,351 | 75,229 |
| Net income..... | 3,385 | 1,531 | 32,028 |
| Per share (yen and dollars): | | | |
| Net income..... | ¥17.40 | ¥7.92 | \$0.165 |
| Cash dividends..... | 6.00 | 6.00 | 0.05 |
| Total assets..... | ¥175,432 | ¥183,260 | \$1,659,873 |
| Shareholders' equity..... | 66,873 | 60,307 | 632,728 |

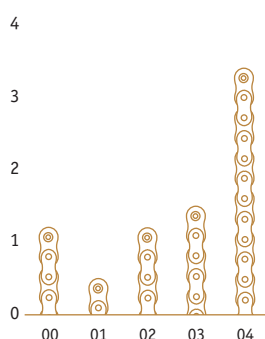
Note: The U.S. dollar amounts in this annual report have been calculated from yen amounts, for convenience only, at the exchange rate of ¥105.69 to \$1, the approximate exchange rate at March 31, 2004.



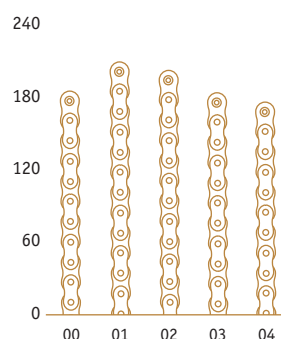
Net Sales
Billion ¥



Net Income
Billion ¥



Total Assets
Billion ¥



Shareholders' Equity
Billion ¥

