

Consolidated Balance Sheets

Tsubakimoto Chain Co. and Consolidated Subsidiaries
As of March 31, 2005 and 2004

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Current assets:			
Cash and cash equivalents	¥ 11,562	¥ 13,681	\$ 107,734
Marketable securities	43	97	400
Trade notes and accounts receivable:			
Unconsolidated subsidiaries and affiliates	411	50	3,830
Other	35,215	32,911	328,131
Inventories	21,287	20,193	198,351
Deferred income tax assets (Note 16)	2,058	1,830	19,176
Other:			
Unconsolidated subsidiaries and affiliates	116	141	1,081
Other current assets	1,707	1,129	15,906
Allowance for doubtful accounts	(274)	(297)	(2,553)
Total current assets	72,125	69,735	672,056
Property, plant and equipment (Note 9):			
Land (Note 11)	36,034	35,938	335,762
Buildings and structures	42,014	41,583	391,483
Machinery and equipment	74,217	72,653	691,549
Construction in progress	1,361	907	12,682
Less accumulated depreciation	(78,232)	(74,774)	(728,960)
Property, plant and equipment, net	75,394	76,307	702,516
Investments and other assets:			
Investment in securities:			
Unconsolidated subsidiaries and affiliates	278	459	2,590
Other	21,188	18,640	197,428
Investments in unconsolidated subsidiaries and affiliates	474	24	4,417
Long-term loans receivable	41	64	382
Deferred income tax assets (Note 16)	1,933	1,883	18,012
Deferred income tax assets on revaluation of land	2,113	2,113	19,689
Other assets (Note 9)	5,949	6,500	55,432
Allowance for doubtful accounts	(232)	(293)	(2,162)
Total investments and other assets	31,744	29,390	295,788
Total assets	¥179,263	¥175,432	\$1,670,360

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

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Current liabilities:			
Short-term bank loans and current portion of long-term debt (Note 9)	¥ 19,105	¥ 18,991	\$ 178,019
Trade notes and accounts payable:			
Unconsolidated subsidiaries and affiliates	560	489	5,218
Other	20,936	17,395	195,080
Income taxes payable	2,330	1,697	21,711
Accrued expenses	4,237	3,763	39,480
Other	6,633	6,060	61,806
Total current liabilities	53,801	48,395	501,314
Noncurrent liabilities:			
Long-term debt (Note 9)	24,275	31,325	226,193
Accrued pension and severance cost (Note 15)	11,024	11,554	102,721
Deferred income tax liabilities (Note 16)	8,203	6,709	76,435
Other	6,348	7,170	59,150
Total noncurrent liabilities	49,850	56,758	464,499
Minority interests	3,978	3,406	37,067
Contingent liabilities (Note 10)			
Shareholders' equity (Note 13):			
Common stock:			
Authorized – 299,000,000 shares in 2005 and 2004			
Issued – 191,406,969 shares in 2005 and 2004	17,077	17,077	159,122
Capital surplus	12,653	12,653	117,900
Revaluation surplus (Note 11)	(3,091)	(3,091)	(28,802)
Retained earnings (Note 6)	39,344	36,199	366,605
Net unrealized holding gains on securities	8,591	7,066	80,050
Foreign currency translation adjustments	(1,575)	(2,003)	(14,676)
Total common stock	72,999	67,901	680,199
Treasury stock:			
3,794,043 shares in 2005 and 2,862,995 shares in 2004	(1,365)	(1,028)	(12,719)
Total shareholders' equity	71,634	66,873	667,480
Total liabilities and shareholders' equity	¥179,263	¥175,432	\$1,670,360