

Consolidated Statements of Shareholders' Equity

Tsubakimoto Chain Co. and Consolidated Subsidiaries
For the years ended March 31, 2005, 2004 and 2003

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2005	2004	2003	2005
Common stock:				
Balance at beginning of the year	¥17,077	¥17,077	¥17,077	\$159,122
Balance at end of the year	¥17,077	¥17,077	¥17,077	\$159,122
Capital surplus:				
Balance at beginning of the year	¥12,653	¥12,653	¥12,653	\$117,900
Profit on sale of treasury stock	0	0	—	0
Balance at end of the year	¥12,653	¥12,653	¥12,653	\$117,900
Revaluation surplus:				
Balance at beginning of the year	¥(3,091)	¥(3,097)	¥(3,015)	\$ (28,802)
Net changes during the year	—	6	(82)	—
Balance at end of the year	¥(3,091)	¥(3,091)	¥(3,097)	\$ (28,802)
Retained earnings:				
Balance at beginning of the year	¥36,199	¥33,975	¥33,500	\$337,300
Increase (decrease) in retained earnings, resulting from consolidation of additional subsidiaries	(73)	—	45	(680)
Increase in retained earnings, resulting from application of the equity method	—	—	58	—
Net income	4,449	3,385	1,531	41,455
Cash dividends paid	(1,130)	(1,132)	(1,141)	(10,529)
Bonuses to directors and corporate auditors	(101)	(29)	(22)	(941)
Reversal of revaluation surplus	—	—	4	—
Balance at end of the year	¥39,344	¥36,199	¥33,975	\$366,605
Unrealized holding gains (losses) on securities:				
Balance at beginning of the year	¥ 7,066	¥ 1,529	¥ 2,319	\$ 65,840
Net changes during the year	1,525	5,537	(790)	14,210
Balance at end of the year	¥ 8,591	¥ 7,066	¥ 1,529	\$ 80,050
Foreign currency translation adjustments:				
Balance at beginning of the year	¥(2,003)	¥ (865)	¥ 146	\$ (18,664)
Net changes during the year	428	(1,138)	(1,011)	3,988
Balance at end of the year	¥(1,575)	¥(2,003)	¥ (865)	\$ (14,676)
Treasury stock:				
Balance at beginning of the year	¥(1,028)	¥ (965)	¥ (6)	\$ (9,579)
Net changes during the year	(337)	(63)	(959)	(3,140)
Balance at end of the year	¥(1,365)	¥(1,028)	¥ (965)	\$ (12,719)

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