

# Tsubaki Group Snapshot

Toward *Global Best*

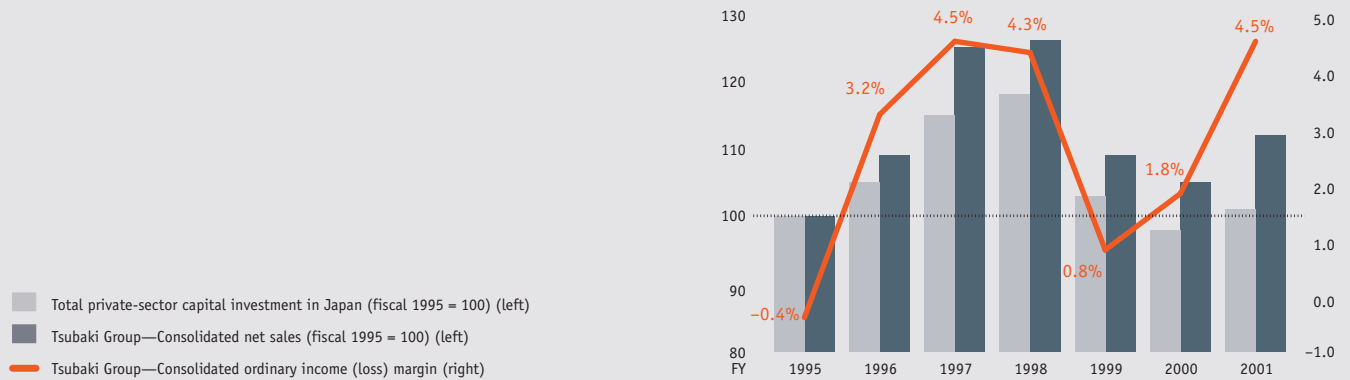
## ■ Development toward *Global Best*—Past, Present, and Future

In the 1990s, fluctuations in the economic climate largely dictated our business results.

We rectified this vulnerability by buttressing our technology base and financial position and concentrating on our fields of expertise.

Today, we are targeting sustained growth and expansion by capitalizing on that business base globally.

Era in which domestic economic conditions hold sway over business results



## ■ Conditions Met for Becoming *Global Best*

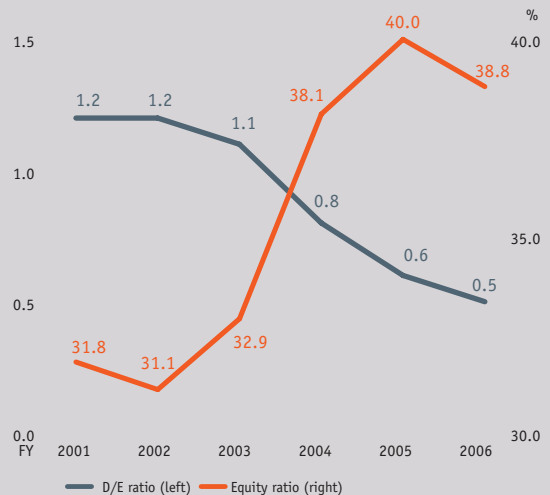
### 1. Market Presence Backed by Differentiated Technology and Quality

	Japan	World
Chains	63%	21%
Automotive Parts		
Timing Chains	73%	33%
Power Transmission Units and Components		
Cam Clutches	80%	
Power Cylinders	50%	
Materials Handling Systems		
Automotive Body Paint Shop Conveyor Systems	35%	
Systems for Newspaper Industry	80%	

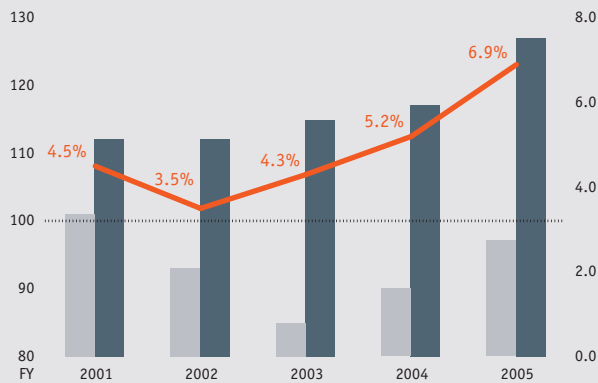
Source: Tsubakimoto Chain

### 2. Robust Financial Position

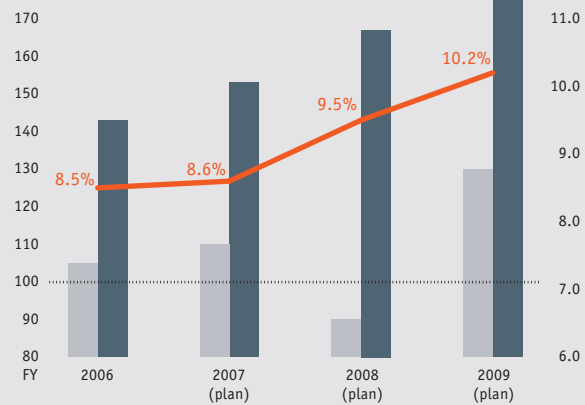
Main Consolidated Financial Ratios



Era in which weaknesses are overcome, consolidating the base for sustained growth



Era in which accelerating globalization spurs growth and expansion



■ Background to *Global Best Realization*—Strategies and Business Trends

1. Structural Trends in External Environment

Japan

- Reviving investment focused on raising production of high-value-added products
- Increasing investment in productivity enhancement

Overseas

- Accelerating globalization of automotive parts development and procurement
- Accelerating shift toward chains in timing drive systems for automotive engines
- Continuing improvement of China's international economic standing
- Increasing investment in productivity enhancement

2. Strategies in Response to Trends

- Concentrate management resources on mainstay products
- Reduce costs further

- Accelerate globalization of optimal production and development system (five-point system)
- Emphasize superiority in quality and technology and increase world market share through alliances
- Expand production and sales bases in China
- Accelerate adoption of management based on global standards

