

Segment Overview

The Tsubaki Group's Operations, Lineups, and Locations

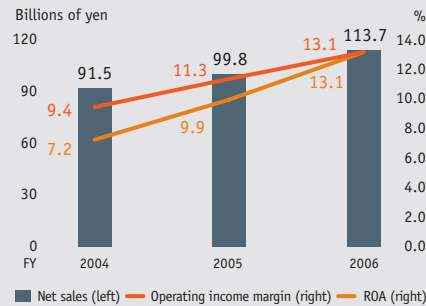
1. Business Segments

POWER TRANSMISSION PRODUCTS SEGMENT Driving Sales Higher

Percentage of Overall Results (Fiscal 2006 Results)

Net sales: 75.7%
Operating income: 86.8%
Assets: 79.9%

Three-Year Performance



Main Lineups

Chain Operations

- Drive chains
- Conveyor chains
- Plastic chains
- Cable and hose protection and guidance products

Automotive Parts Operations

- Timing chains (roller chains, silent chains)
- Tensioners, levers, guides, sprockets
- Auto tensioners
- General industrial timing belts and pulleys

Power Transmission Units and Components Operations

- Reducers and variable speed drives
- Motion control units
- Clutches and couplings
- Sprockets

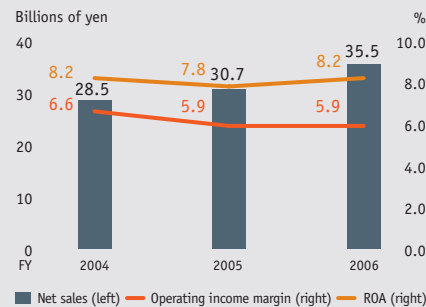
Materials Handling Systems Operations

- Sorting systems
- Conveyance systems
- Storage and picking systems
- Bulk conveyance systems
- Scrap metal conveyance and coolant processing equipment

MATERIALS HANDLING SYSTEMS SEGMENT Stable Growth with a Focus on Profitability

Percentage of Overall Results (Fiscal 2006 Results)

Net sales: 23.9%
Operating income: 12.3%
Assets: 18.5%



2. Breakdown by Region

JAPAN Present Hub

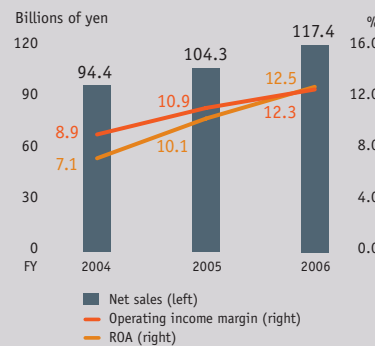
Percentage of Overall Results (Fiscal 2006 Results)

Net sales: 69.2%
Operating income: 85.3%
Assets: 79.0%

Principal Companies

- Tsubakimoto Chain Co.
- Tsubaki Emerson Co.

Three-Year Performance



NORTH AMERICA Stable Growth Track

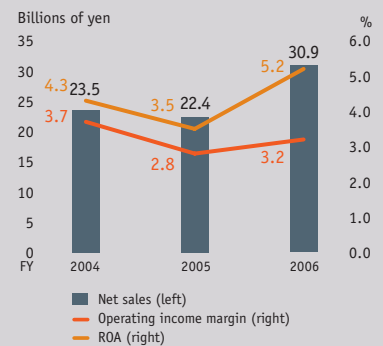
Percentage of Overall Results (Fiscal 2006 Results)

Net sales: 20.5%
Operating income: 5.8%
Assets: 13.7%

Principal Companies

- U.S. Tsubaki, Inc.
- Tsubaki Conveyor of America, Inc.

Three-Year Performance



Note: Percentages of overall results have been calculated using denominator figures that have not been adjusted for internal transactions among divisions or for items related to headquarters. In ROA, operating income for the numerator and average total assets (before adjustments) for the denominator have been used.

Features and Standing



Accounts for 63% of domestic market for steel chains and 21% of world market. Also, realizes advantages in plastic chains, cableveyors, and other products. Differentiated in world market by technological superiority based on quality and development of high-value-added products.



Closing in on leading overseas manufacturer rapidly, with 73% of domestic and 33% of overseas market for automotive engine timing chains. Tensioners also leveraging superiority. Differentiated by quality—durability and low-noise—adaptability of systems, and five-point global supply system.



Aggressively leveraging mainstay reducers to grow sales. Enjoys advantages in domestic niche markets for clutches, electro-mechanical cylinders, couplings, and other products. Differentiated by ability to draw on diverse product lineups to provide one-stop Motion & Control solutions.



Boasts long track record in delivery of automotive body paint shop conveyor systems, conveyance systems for newspaper industry, sorting systems, and bulk conveyance systems. While focusing management resources on mainstay lineups, markets new products for drug discovery and other new fields. Strength lies in ability to customize systems and realize solutions-based marketing.

■ EUROPE
Growing Market Share

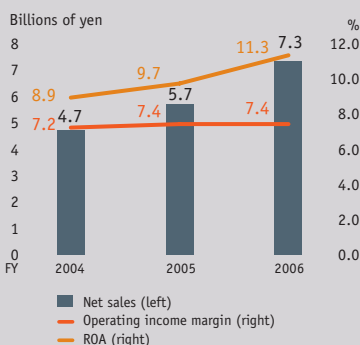
Percentage of Overall Results
(Fiscal 2006 Results)

Net sales:	4.9%
Operating income:	3.2%
Assets:	3.3%

Principal Companies

- Tsubakimoto Europe B.V.
- Tsubakimoto U.K. Ltd.

Three-Year Performance



■ ASIA/OCEANIA
Rapid Expansion of Sales and Production Localization

Percentage of Overall Results
(Fiscal 2006 Results)

Net sales:	5.4%
Operating income:	5.7%
Assets:	4.0%

Principal Companies

- Taiwan Tsubakimoto Co.
- Tsubaki Emerson Gear (Tianjin) Co., Ltd.

Three-Year Performance

