

Tsubaki Mission Statement

## Our Mission

—Excellence in Manufacturing for Customers around the World

We will provide the best value to customers around the world by capitalizing on our technical strengths in power transmission products and materials handling systems.

## Our Vision

We aim to be a leading company in the global markets for our products.

## Company Overview

The Tsubaki Group utilizes its superior technological capabilities to develop differentiated products that can assist customers in reducing energy consumption, raising productivity, and enhancing their business operation through other means. The Group continues to deliver these products into the hands of customers through its global production and supply networks.

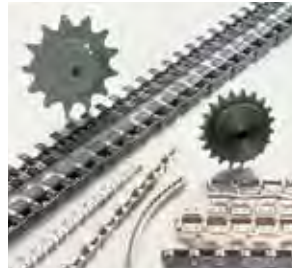


## Chain Operations

- Drive chains
- Small-pitch conveyor chains
- Top chains
- Sprockets
- Support and guidance systems for cables and hoses
- Timing belts and pulleys



Drive chains



Small-pitch conveyor chains



Large-pitch conveyor chains



Plastic top chains



Cableveyors



Timing belts

# World-Leading Technological Capabilities

## Automotive Parts Operations

- Products for automotive engines
- Timing chain drive systems
  - Timing chains (roller chains, silent chains)
  - Tensioners
  - Guides / Levers
  - Sprockets
- Power drive chains



Timing chain drive systems



Roller chains



Silent chains



Timing chain drive system parts



Tensioners



Power drive chains

## Power Transmission Units and Components Operations

- Reducers / Variable speed drives
- Linear actuators
- Locking devices
- Shaft couplings
- Clutches
- Overload protectors



Reducer lineup



Precision planetary gear reducers



Power cylinders



Power locks



Couplings



Cam clutches

The Tsubaki brand is based on superior technological capabilities pertaining to the development and customization of products.

Leveraging its expertise in a variety of fields, such as motion control in drive systems as well as conveyance systems, the Tsubaki Group is a major player on the global stage.

## Materials Handling Systems Operations

- Systems for the distribution industry
- Systems for the pharmaceutical industry
- Systems for newspaper printing factories
- Other conveyance, sorting, and storage systems
- Modular conveyors
- Bulk handling systems
- Metalworking chip handling / coolant processing systems



Automatic sorting equipment / Linisort



AGV roll paper feeding system



Conveyance system for automobile painting lines



Zip Chain Lifter



Flow conveyors



Coolant and scrap processing systems



## Tsubaki Group Overview

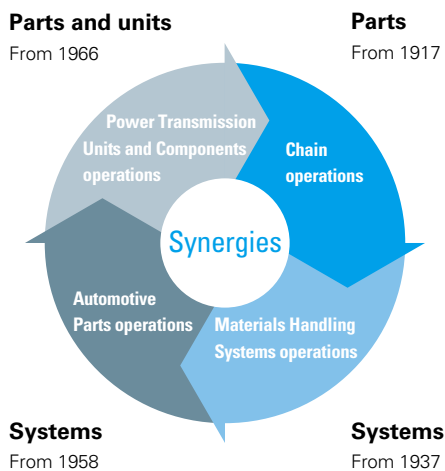
### 1 Business Overview

In its Chain operations, the Tsubaki Group offers a wide variety of industrial-use drive and conveyor chains, including the drive chains used in drive systems and the conveyor chains that are a central component of production lines. It provides these products to various industries, such as the industrial machinery, machine tool, shipbuilding, steel, and liquid crystal display (LCD) / semiconductor industries. Meanwhile, the Group's Automotive Parts operations supply the timing chain drive systems that help support high-performance automobile engines to automobile manufacturers around the world. The Tsubaki Group is one of the top suppliers of these systems. Further, its Power Transmission Units and Components operations offer a diverse lineup of products, including a number of parts and units such as reducers, power cylinders, and cam clutches. The range of products offered in the Group's Materials Handling Systems operations is also diverse, including a wide variety of production and distribution systems such as high-speed automatic sorting systems and conveyance systems for automobile production lines.

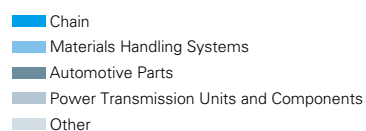
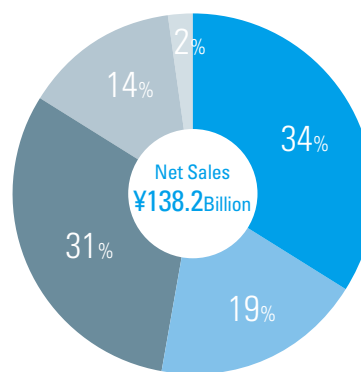
# Parts, Units, and Systems

The Tsubaki Group aims to provide customers with the highest quality of products to match their conveyance needs. This includes providing such indispensable conveyance products as parts, units, and systems.

Tsubaki's Operational Fields and Business Model



Distribution of Sales (Fiscal 2011, Consolidated)



## 2 Market Share

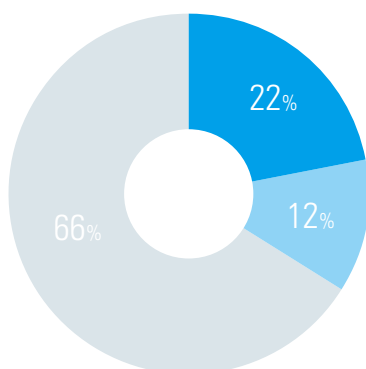
Tsubaki's superior technologies in the areas of product development, quality, and production have helped it establish a strong market in a number of product categories. These numeric achievements are particularly impressive for its industrial-use steel chains, which boast an overwhelming No.1 market share, both in Japan and overseas, far removed from the No.2 manufacturer. Tsubaki's automobile engine timing chain drive systems also have maintained the No.1 share of the global market, which is dominated almost exclusively by Tsubaki and its leading competitor. Aside from these two products, the Tsubaki Group has also created a number of other products that, backed by Tsubaki's technological superiority, have captured a strong market share. These include the cam clutches and power cylinders handled by its Power Transmission Units and Components operations, which hold 80% and 70% shares in the Japanese market, respectively, as well as its Materials Handling Systems operations' conveyance systems for automobile painting lines and paper feeding systems for the newspaper industry, which hold 35% and 80% shares in the Japanese market, respectively.

# Top Value Products Created by Differentiated Technologies

The Tsubaki Group's technological superiority and the top-value products created through that superiority have been highly evaluated by customers both in Japan and overseas.

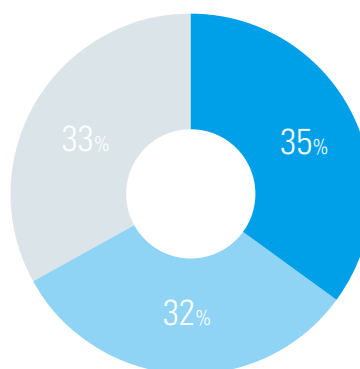
### Global Market Shares\*

Industrial-use steel chains



■ Tsubaki's share  
■ Company A (U.K.)  
■ Other

Automobile timing chain drive systems



■ Tsubaki's share  
■ Company B (U.S.)  
■ Other

\* Source: Tsubakimoto Chain Co.



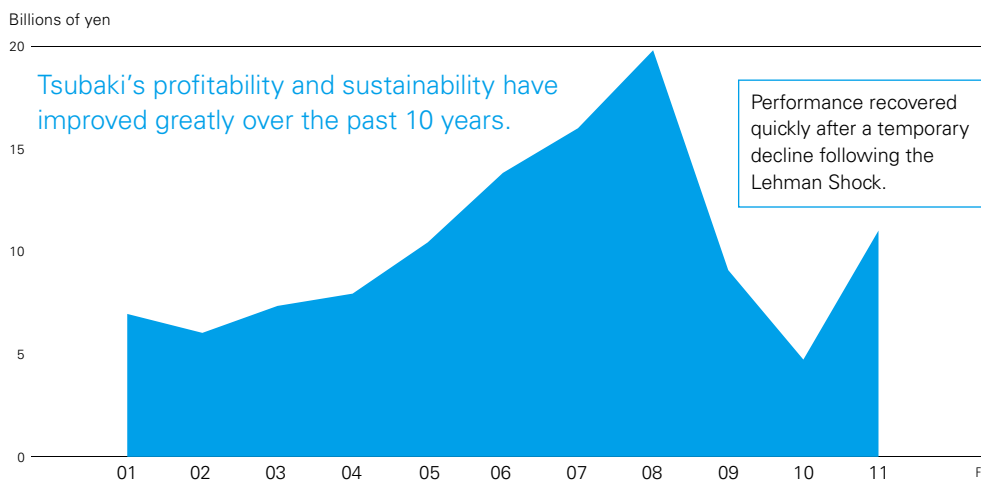
### 3 Growth Rates and Drivers

The Tsubaki Group's business performance was previously highly dependent upon the economic climate in Japan. However, this changed significantly after fiscal 2001. In fiscal 2011, amidst the trends of sluggish private-sector capital investment and declining automobile production, the Tsubaki Group's net sales were 1.2 times those achieved in fiscal 2001 and operating income was 1.6 times. This growth can be attributed to three key factors. The first of these is the Group's unceasing efforts to strengthen its financial constitution, resulting in substantial improvements in the debt–equity (D/E) ratio, which was 0.37 times in fiscal 2011, compared with 1.18 times in fiscal 2001. The second would be the Group's aggressive global expansion efforts, which are described on the next page. Last would be the strong reputation Tsubaki's products have earned for being superior in terms of characteristics such as durability and energy conservation, which is partially due to the increased concern for energy consumption worldwide.

## Strong Growth Realized through Solutions Provision

Tsubaki is leveraging its technological prowess to realize sustainable growth by providing solutions to the various issues faced by customers.

Consolidated Operating Income





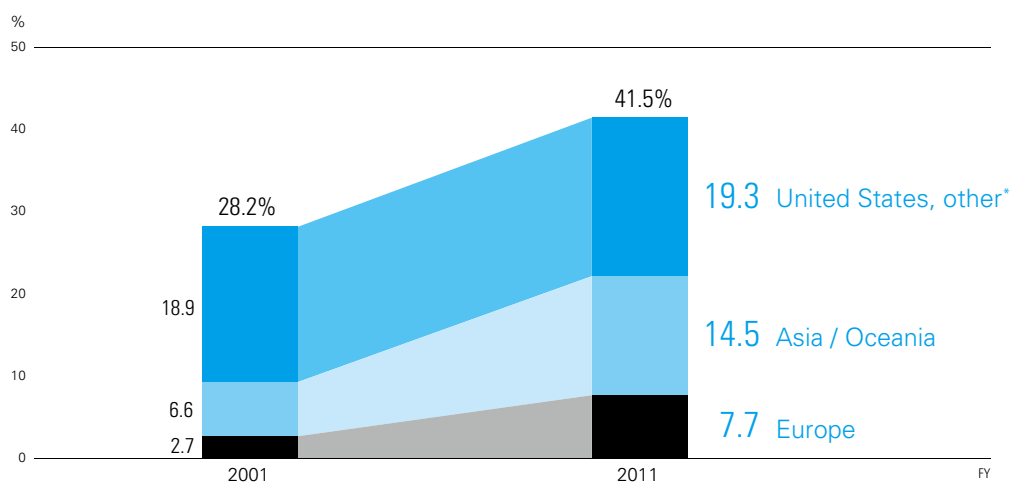
## 4 Growth Strategies (Global Expansion)

Promoting globalization by providing issue-resolving solutions backed by the Tsubaki Group's technological superiority and strong product lineup to customers around the world is the central pillar of the Group's growth strategies. Over the years, the percent of total consolidated net sales accounted for by overseas sales has increased significantly from 28.2% in fiscal 2001 to 41.5% in fiscal 2011. The Tsubaki brand has always had a strong presence in the U.S. market. However, in recent years it has also been rapidly gaining ground in markets in Asia and Oceania, particularly China, which is currently a major driving force in the global economy. In fiscal 2011, the percentage of total consolidated net sales attributable to Asia and Oceania rose to 14.5%, bringing these markets to the same level as the United States in terms of importance.

# Rising Presence of the Tsubaki Brand across the Globe

Tsubaki's technological superiority has earned the Group a strong reputation in Japan as well as in other areas around the world, including the United States, Europe, Asia, and Oceania.

Distribution of Overseas Sales by Region



\* Other: Canada, Central and South America, Africa, Near and Middle East

## Power Transmission RS Roller Chain G7-EX Series

Wear on roller chains is primarily the result of abrasion between the pins and bushing of chains. In order to reduce this abrasion, the Tsubaki Group developed a new seamless "solid bushing." These solid bushings and the special "lube dimple (LD)" processing they undergo enable the roller chain to hold lubricant oil longer, realizing wear life that is several times longer than that of products offered by other companies and twice as long as Tsubaki's previous products. In addition, the G7-EX Series features transmission capacity (measured in kW) 33% better than that of previous models. This enhanced performance is achieved by greatly reducing disparities in quality.

## Automobile Engine Timing Chain Drive System Zerotech Series

Tsubaki's timing chain drive systems feature both reduced friction and lower weight. By further strengthening these characteristics, the Tsubaki Group succeeded in developing the Zerotech Series, which realizes significantly increased environmental efficiency. By employing new technologies that help make link plates more compact and improve the precision of pins and bushings, the Zerotech Series is able to produce reductions of 20–30% in friction loss, 10–25% in weight, and 30–55% in stretching due to wear.

Wear life

# Twice as long

Friction loss

# 20–30% reduction



RS Roller Chain  
G7-EX Series



LD solid bushing



Zerotech Series



Cross section model of an engine utilizing a Zerotech Series system



## Labo Stocker 80 Drug Development Support Machine

Labo Stocker is an automated storage system designed to support the drug development industry that can store SBS-conformant microtubes, 384 sample storage tubes, plates, and other containers at storage temperatures as low as  $-20^{\circ}\text{C}$ . Since its release, we have accumulated a great deal of operational expertise as it has a strong track record and currently holds the top share in the Japanese market. Leveraging this expertise, we have developed the new and improved Labo Stocker 80, which is capable of maintaining storage environments of  $-80^{\circ}\text{C}$ , allowing it to meet the strong demand for storing microorganisms, pathogens, and other samples that require exceptionally low storage temperatures. Currently available, the Labo Stocker 80 realizes fast and accurate transportation of samples in ultra-low-temperature storage environments by utilizing Tsubaki's unique transportation and picking units.

## Back Stop Cam Clutch BS-HS Series

Tsubaki Emerson Co.'s back stop cam clutches, used to prevent conveyors from rotating in the reverse direction, possess a dominant share in the Japanese market. The BS-HS Series is the newest addition to this lineup of back stop cam clutches. Utilizing a new all-cam type camcage and bearing supported design, the BS-HS Series features maximum rotation speeds that are 3.5 times faster than previous models and maximum torque that is 2 times higher. The special heat-resistant grease that comes packed into the cam clutch lowers wear when the cam overruns and helps simplify maintenance processes.

Storage environment cooling ability

# Approximately 4 times higher

Torque

# Twice as high



Labo Stocker 80



Back Stop Cam Clutch BS-HS Series

### Tsubaki's Eco-Products

As a manufacturer of industrial machinery, equipment, and parts, the Tsubaki Group is actively working to develop products that are more environmentally friendly. In these pursuits, Tsubaki aims to create products that feature reduced environmental burden and enhanced economic efficiency, which are representative of Tsubaki's Eco & Eco (Ecology and Economy) approach. Products that meet certain eco-evaluation standards are defined as eco-products and adorned with Tsubaki's unique "Tsubaki Eco Link" mark.

→ Please refer to page 34 for more details.



- Overseas Group Companies
- Overseas Plants, Offices, Service Centers
- Major Sales Outlets

## Optimally Positioned Production and Supply Systems

Today, the timely operation of business on a global scale is essential. For this reason, the Tsubaki Group has established a wide-ranging global network to offer timely support for customers' business activities.

### Major Operating Bases By Region

#### Japan (19 companies)



Kyotanabe Plant    Saitama Plant    Kyoto Plant    Hyogo Plant

#### North America / South America (8 companies)



U.S. Tsubaki Holdings, Inc. (UST)    UST Holyoke Plant    UST Chicopee Plant    Tsubaki of Canada Limited

#### Europe (11 companies)



Tsubakimoto Europe B.V.    KabelSchlepp GmbH

#### Asia / Oceania (22 companies)



Taiwan Tsubakimoto Co.    Tsubakimoto Singapore Pte. Ltd.    Tsubakimoto Automotive (Thailand) Co., Ltd.    Tsubaki Australia Pty. Limited    Tsubakimoto Automotive (Shanghai) Co., Ltd.