

Financial Data and Supplementary Information

46 10-Year Consolidated Financial and Non-Financial Summary

48 Report and Analysis of Consolidated Financial Condition and
Results of Operations for FYE 2013

50 Principal Tsubaki Group Companies

51 Corporate Data and Stock Information

10-Year Consolidated Financial and Non-Financial Summary

Tsubakimoto Chain Co. and its consolidated subsidiaries
Fiscal years from April 1 to March 31

	FYE 2004	FYE 2005	FYE 2006	FYE 2007
For the year (Millions of yen)				
Net sales	¥119,141	¥129,563	¥147,761	¥155,746
Operating income	7,950	10,447	13,830	16,008
Ordinary income	6,215	8,888	12,594	14,545
Net income	3,384	4,449	6,606	8,541
Capital expenditures	3,505	3,697	7,488	10,893
Depreciation and amortization	6,083	5,503	5,509	5,948
R&D costs	1,092	2,215	3,422	3,595
Net cash provided by operating activities	7,995	9,672	10,680	10,107
Net cash (used in) provided by investing activities	9,067	(2,465)	(5,595)	(5,879)
Net cash (used in) provided by financing activities	(15,537)	(9,412)	(5,595)	(647)
Cash and cash equivalents at end of the year	13,680	11,562	10,984	14,618
At year-end (Millions of yen)				
Total assets	¥175,432	¥179,263	¥198,458	¥212,739
Shareholders' equity	66,872	71,633	77,098	81,033
Interest-bearing debt	50,316	43,380	38,966	42,313
Indexes				
Operating income margin (%)	6.7	8.1	9.4	10.3
Equity ratio (%)	38.1	40.0	38.8	38.1
ROE (%)	5.3	6.4	8.9	10.8
D/E ratio (net) (Times)	0.55	0.44	0.36	0.34
Net income per share (Yen and U.S.dollars)	17.40	22.77	34.78	45.55
Net assets per share (Yen and U.S.dollars)	354.14	380.91	410.66	432.20
Social and Environmental Impact				
CO ₂ emissions (t) (Per million yen of ordinary income)	9.2	6.8	4.7	4.0
Energy consumption (GJ) (Per million yen of ordinary income)	222.8	161.8	110.0	95.9
Employees*2	4,709	4,765	4,675	5,114

*1 Consolidated financial summary figures calculated on a yen basis, U.S. dollar amounts calculated for reader convenience using the exchange rate prevailing on March 31, 2013, of US\$1 = ¥94.01

*2 Including contracted and temporary staff

					(Millions of yen)	(Thousands of U.S. dollars)*1
FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2013
¥167,202	¥141,517	¥112,759	¥138,243	¥144,896	¥150,002	\$1,595,605
19,805	9,095	4,737	11,022	12,081	12,579	133,807
18,051	9,328	4,990	11,111	12,140	12,813	136,298
10,371	6,188	3,175	6,093	6,814	7,428	79,023
10,225	10,041	3,988	5,807	9,518	11,833	125,878
7,301	7,344	7,390	7,544	7,403	7,360	78,299
3,681	3,847	3,543	4,144	4,231	4,319	45,951
20,873	7,263	14,508	16,293	11,626	15,350	163,290
(11,481)	(9,723)	(5,020)	(8,281)	(10,487)	(18,401)	(195,744)
(5,582)	(3,540)	(373)	(10,578)	(5,460)	6,325	67,290
17,744	11,269	20,379	17,308	13,916	20,194	214,816
¥202,316	¥178,455	¥182,641	¥184,206	¥191,766	¥215,837	\$2,295,898
81,605	78,422	80,847	83,413	89,923	102,019	1,085,202
39,314	37,600	38,910	31,240	27,405	36,507	388,336
11.8	6.4	4.2	8.0	8.3	8.4	-
40.3	43.9	44.3	45.3	46.9	47.3	-
12.8	7.7	4.0	7.4	7.9	7.7	-
0.26	0.31	0.21	0.17	0.15	0.16	-
55.70	33.26	17.07	32.76	36.60	39.69	0.42
438.56	421.53	434.59	448.43	480.46	545.14	5.79
3.5	6.0	9.9	5.2	4.8	4.3	-
83.8	138.3	242.0	126.3	117.6	106.5	-
5,371	5,339	5,271	5,891	6,160	6,792	-

Report and Analysis of Financial Condition and Results of Operations for FYE 2013

REVIEW OF MANAGEMENT PERFORMANCE

Key Points

1. Revenues and earnings rise for third consecutive fiscal year as business results continue steady recovery since the Lehman Shock.
2. Automotive Parts Operations continue vigorous growth globally.
3. Chain Operations, Power Transmission Units and Components Operations, and Materials Handling Systems Operations target demand overseas to counteract lackluster domestic demand.

In the fiscal year under review, ended March 31, 2013, Japan saw significantly higher government investment in infrastructural development related to restoration following the Great East Japan Earthquake. Nominal GDP grew due to a continuation of the previous fiscal year's rise in consumer spending, which was partly attributable to a range of tax breaks. However, conditions were challenging for the manufacturing industry as a result of sluggish exports—reflecting extreme yen strength until the third quarter and a softening of China's economic growth—and for the first time in three years negative growth in private-sector capital investment, which had been trending toward recovery following the Lehman Shock.

Despite these conditions, the Tsubaki Group recorded higher revenues and earnings for the third consecutive fiscal year, posting year-on-year increases of 3.5% in net sales, to ¥150,002 million; 4.1% in operating income, to ¥12,579 million; and 9.0% in net income, to ¥7,428 million.

By business segment, Automotive Parts Operations achieved a 13.5% rise in net sales* year on year and an impressive 34.0% year-on-year increase in operating income. This was attributable to a continuing pick-up in global automotive manufacturing centered on Japan and the United States and an increase in the

Tsubaki Group's sales of timing chain drive systems thanks to superior technological capabilities and quality. As for Chain Operations, although overseas demand centered on North America compensated for a continuing demand downturn in Japan, net sales* declined 2.8% year on year. Nevertheless, as a result of ongoing cost reduction efforts these operations posted a 3.6% year-on-year rise in operating income. Meanwhile, Power Transmission Units and Components Operations saw year-on-year declines of 8.0% in net sales* and 22.2% in operating income. These decreases stemmed from slumping demand in Japan, particularly in sales to the liquid crystal display (LCD) / semiconductor industries and the machine tools industry, which counteracted continued solid sales of reducers in China. In Materials Handling Systems Operations, net sales* were up 8.1% year on year due to acquisition of all operations of the Mayfran Group of the United States. However, operating income was down 39.5% year on year because of deterioration in the operating margin that resulted from fewer major orders.

As a result, in the fiscal year under review net income per share was ¥39.69, up from the previous fiscal year's ¥36.60. Return on equity (ROE) edged down 0.2 percentage point from the previous fiscal year, to 7.7%, due to a higher shareholders' equity.

Geographic Segments (comparison of FYE 2012 and FYE 2013)

(Millions of yen)

		FYE 2012	FYE 2013	YOY
		Result	Result	Change
Japan	Net sales*	¥112,940	¥110,183	-2.4%
	Operating income	9,165	8,570	-6.5%
	Operating income margin	8.1%	7.8%	
North America	Net sales*	25,444	29,967	17.8%
	Operating income	1,338	2,103	57.2%
	Operating income margin	5.3%	7.0%	
Europe	Net sales*	12,335	14,566	18.1%
	Operating income	242	429	77.3%
	Operating income margin	2.0%	2.9%	
Asia / Oceania	Net sales*	13,910	17,027	22.4%
	Operating income	1,419	1,417	-0.1%
	Operating income margin	10.2%	8.3%	
Other	Net sales*	89	95	6.6%
	Operating income (loss)	(53)	(55)	-
	Operating income margin	-	-	

* Net sales includes intersegment sales and transfers.

REVIEW OF FINANCIAL CONDITION AND CASH FLOWS

Key Points

1. Equity ratio increases further, reflecting favorable growth in business results.
2. The D/E ratio (net) remains at a sound level, despite higher capital requirements due to stepped-up capital investment.
3. Cash and cash equivalents are maintained above a certain level in preparation for higher capital investment going forward.

Total assets at the end of the year stood at ¥215,837 million, up ¥24,071 million from the previous fiscal year-end. This was primarily the result of a ¥10,017 million increase in cash and cash equivalents due to favorable business results; a ¥7,720 million rise in property, plant and equipment, reflecting proactive investment in production facilities and equipment, such as Automotive Parts Operations' construction of a new factory in the Saitama Plant in Japan and Chain Operations' construction of a new plant in Tianjin, China; and a ¥3,001 million increase in investment securities as the market prices of shares held rose.

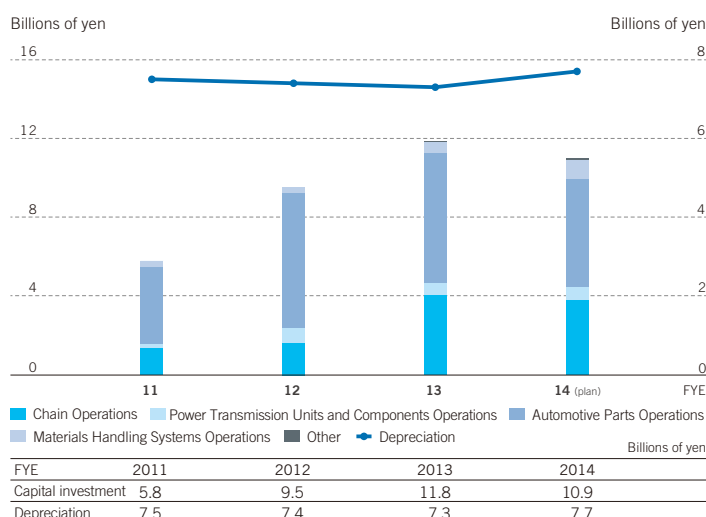
Liabilities amounted to ¥107,239 million, an increase of ¥11,809 million from the previous fiscal year-end. This was attributable to such factors as a ¥9,102 million rise in interest-bearing debt.

Net assets were ¥108,597 million, a rise of ¥12,261 million from the previous fiscal year-end. This was mainly the result of a ¥6,151 million rise in retained earnings, due to favorable business results in the fiscal year under review, and a ¥4,398 million rise in foreign currency translation adjustment reflecting exchange rates fluctuation.

As a result of the above, the equity ratio improved 0.4 percentage point, to 47.3%. Although the D/E ratio (net) at the end of the fiscal year under review was 0.16 times, up marginally from the previous fiscal year-end's 0.15 times, it remained at a sound level. Moreover, the D/E ratio (net) has improved 0.71 point in the 10 years since March 31, 2003, when it was 0.87 times.

Further, cash and cash equivalents at March 31, 2013 totaled ¥20,194 million, up ¥6,278 million from the previous fiscal year-end. Net cash provided by operating activities was ¥15,350 million, reflecting favorable business results. Meanwhile, net cash used in investing activities was ¥18,401 million, resulting from increased investment in production facilities and equipment mainly in Automotive Parts Operations. In addition, net cash provided by financing activities was ¥6,325 million, due to a net increase in borrowings.

Capital Investment and Depreciation



Principal Tsubaki Group Companies

As of March 31, 2013

*1 Consolidated subsidiary
 *2 Specified subsidiary
 *3 Equity-method affiliate
 *4 Unconsolidated subsidiary

	Paid-in Capital	Equity Owned by Tsubakimoto Chain Co.	Principal Business
Japan			
Tsubaki Emerson Co.*1	¥460 million	70.6%	Manufacture and sales of reducers, variable speed drives, actuators, clutches, and their related products
Tsubakimoto Custom Chain Co.*1	¥125 million	99.6%	Manufacture of small-pitch conveyor chains and specialty chains
Tsubakimoto Sprocket Co.*1	¥126 million	100.0%	Manufacture and sales of sprockets and couplings
Tsubaki Yamakyu Chain Co.*1	¥126 million	51.0%	Manufacture of various types of plastic chains and automated equipment
Tsubakimoto Iron Casting Co., Ltd.*1	¥50 million	100.0%	Casting, processing, and sales of iron and steel products
Tsubakimoto Bulk Systems Corp.*1	¥150 million	100.0%	Manufacture and sales of bulk materials handling systems
Tsubakimoto Mayfran Inc.*1	¥90 million	100.0%	Manufacture and sales of conveyors for chips and scraps
Tsubakimoto Machinery Co.*1	¥139 million	100.0%	Domestic sales of Tsubaki Group products
Tsubakimoto Nishinohon Co., Ltd.*1	¥90 million	50.0%	Domestic sales of Tsubaki Group products
Hokkaido Tsubakimoto Chain Co., Ltd.*1	¥30 million	100.0%	Domestic sales of Tsubaki Group products
Tsubaki Support Center Co.*1	¥80 million	100.0%	Building maintenance service and insurance agency, etc.
Tsubaki FlexLink Co.*4	¥50 million	51.0%	Import and sales of the FlexLink System
The Americas			
U.S. Tsubaki Holdings, Inc.*1,2 (United States)	US\$33,500,000	100.0%	Import sales and local production of materials handling systems Management of subsidiaries and affiliates
U.S. Tsubaki Power Transmission, LLC*1 (United States)	US\$2,000	100.0%	Import sales and local production of chains and power transmission products
U.S. Tsubaki Automotive, LLC*1 (United States)	US\$2,000	100.0%	Import sales and local production of automotive parts
Tsubaki Kabelschlepp America, Inc.*1 (United States)	US\$100	100.0%	Import sales and local production of chains
Mayfran International, Inc.*1 (United States)	US\$1,000	100.0%	Manufacture and sales of conveyors for chips and scraps
Tsubaki of Canada Limited*1 (Canada)	CAN\$6,295,000	100.0%	Import sales and local production of chains and power transmission products
Tsubaki Brasil Equipamentos Industriais Ltda.*1 (Brazil)	R\$2,458,000	100.0%	Import sales of chains and power transmission products
Tsubakimoto Automotive Mexico S.A. de C.V.*4 (Mexico)	MXN120,000,000	100.0%	Import sales and local production of automotive parts
Europe			
Tsubakimoto Europe B.V.*1 (Netherlands)	€2,722,000	100.0%	Import sales of chains, power transmission products, and automotive parts
Mayfran International B.V.*1 (Netherlands)	€45,000	100.0%	Import sales of conveyors for chips and scraps
Tsubaki Kabelschlepp GmbH*1 (Germany)	€2,600,000	100.0%	Sales and local production of chains
Tsubaki Deutschland GmbH*1 (Germany)	€100,000	100.0%	Import sales of chains, power transmission products, and automotive parts
Tsubakimoto U.K. Ltd.*1 (United Kingdom)	STG £550,000	100.0%	Import sales and local production of chains, power transmission products, and automotive parts
Metool Products Limited*1 (United Kingdom)	STG £203,000	100.0%	Import sales of chains
Kabelschlepp Italia S.R.L.*1 (Italy)	€350,000	90.0%	Import sales of chains and materials handling systems
Kabelschlepp France S.A.R.L.*1 (France)	€165,000	100.0%	Import sales of chains and materials handling systems
Mayfran France S.A.R.L.*1 (France)	€16,000	100.0%	Import sales of conveyors for chips and scraps
Kabelschlepp Systemtechnik spol. s.r.o.*1 (Slovak Republic)	€49,000	100.0%	Import sales and local production of materials handling systems
OOO Tsubaki Kabelschlepp*1 (Russia)	RUB6,000	100.0%	Import sales of chains
Asia and Oceania			
Taiwan Tsubakimoto Co.*1 (Taiwan)	NT\$70,000,000	100.0%	Import sales and local production of chains, power transmission products, and automotive parts
Tsubakimoto Singapore Pte. Ltd.*1 (Singapore)	¥960 million	100.0%	Import sales and local production of chains, power transmission products, and materials handling systems
PT. Tsubaki Indonesia Manufacturing*1 (Indonesia)	US\$12,400,000	100.0%	Local production of materials handling systems
PT. Tsubaki Indonesia Trading*1 (Indonesia)	US\$520,000	100.0%	Import sales of chains, power transmission products, and materials handling systems
Tsubakimoto (Thailand) Co., Ltd.*1 (Thailand)	THB4,000,000	95.1%	Import sales of chains and power transmission products
Tsubakimoto Automotive (Thailand) Co., Ltd.*1 (Thailand)	THB202,000,000	100.0%	Import sales and local production of automotive parts
Tsubaki India Power Transmission Private Limited*1 (India)	INR20,000,000	100.0%	Import sales of chains and power transmission products
Kabelschlepp India Private Limited*1 (India)	INR8,897,000	100.0%	Import sales of chains
Tsubaki Australia Pty. Limited*1 (Australia)	A\$300,000	100.0%	Import sales of chains and power transmission products
Tsubakimoto Automotive (Shanghai) Co., Ltd.*1 (China)	RMB20,692,000	100.0%	Import sales and local production of automotive parts
Tsubaki Everbest Gear (Tianjin) Co., Ltd.*1 (China)	RMB87,496,000	59.4%	Import sales and local production of reducers, variable speed drives, actuators, clutches, and their related products
Kabelschlepp China Co., Ltd.*1 (China)	RMB4,610,000	100.0%	Import sales and local production of chains and materials handling systems
Tsubakimoto Chain (Tianjin) Co., Ltd.*1,2 (China)	US\$38,500,000	90.0%	Manufacture and sales of chains
Tsubakimoto Automotive Korea Co., Ltd.*1 (South Korea)	WON17,860,000,000	100.0%	Import sales and local production of automotive parts
Tianjin Tsubakimoto Conveyor Systems Co., Ltd.*3 (China)	RMB8,314,000	47.0%	Import sales and local production of bulk materials handling systems
Tsubaki Emerson Machinery (Shanghai) Co., Ltd.*4 (China)	US\$5,200,000	100.0%	Import sales and local production of power transmission products
Tsubakimoto Chain (Shanghai) Co., Ltd.*4 (China)	US\$400,000	100.0%	Import sales of chains
Tsubakimoto Mayfran Conveyor (Shanghai) Co., Ltd.*4 (China)	US\$2,220,000	100.0%	Import sales and local production of conveyors for chips and scraps
Tsubaki Materials Handling Systems (Shanghai) Co., Ltd.*4 (China)	US\$1,000,000	90.0%	Design and sales of materials handling systems

Note: In April 2013, the Company established Tsubaki Power Transmission (Malaysia) Sdn. Bhd. as a sales company in Malaysia.

Corporate Data and Stock Information

As of March 31, 2013

Corporate Data

Company Name:	Tsubakimoto Chain Co.
Date of Foundation:	December 1917
Date of Incorporation:	January 31, 1941
Paid-in Capital:	¥17,076 million
Headquarters:	3-3-3, Nakanoshima, Kita-ku, Osaka 530-0005, Japan
Telephone:	+81-6-6441-0011 (Receptionist)
Fiscal Year-End:	March 31

Number of Consolidated Subsidiaries	53
Number of Unconsolidated Subsidiaries	12
Number of Affiliates	10 (Including 2 Equity-Method Affiliates)
Number of Employees* (consolidated)	6,792

* Including contracted and temporary staff

Stock Information

Shareholder Register	Sumitomo Mitsui Trust Bank, Limited
Stock Listings	Tokyo and Osaka*

* The Osaka Securities Exchange was merged into the Tokyo Stock Exchange on July 16, 2013.

Common Stock

Authorized:	299,000,000 shares
Issued:	191,406,969 shares
Number of Shareholders	11,799

Major Shareholders (Top 10 Companies)

Name	Number of Shares Held (Thousands)	Percentage of Total Shares Issued
Taiyo Life Insurance Company	18,398	9.83
Japan Trustee Services Bank, Ltd. (Trust account 9)	12,488	6.67
The Master Trust Bank of Japan, Ltd. (Trust account)	11,593	6.19
Japan Trustee Services Bank, Ltd. (Trust account)	11,333	6.06
Nippon Life Insurance Company	10,944	5.85
Toyota Motor Corporation	7,722	4.13
Sumitomo Mitsui Banking Corporation	7,034	3.76
Kyoeikai Employee Stock Ownership Association	6,330	3.38
Tsubakimoto Kogyo Co., Ltd.	5,194	2.78
Sumitomo Mitsui Trust Bank, Limited	4,245	2.27

- Numbers less than 1,000 have been rounded.
- The Company owns treasury stock of 4,263,619 shares; however, these shares are not included in the above list of major shareholders.
- Percentage of total shares issued has been calculated excluding the treasury stock of 4,263,619 shares.

Contact for Inquires with Regard to the Corporate Report

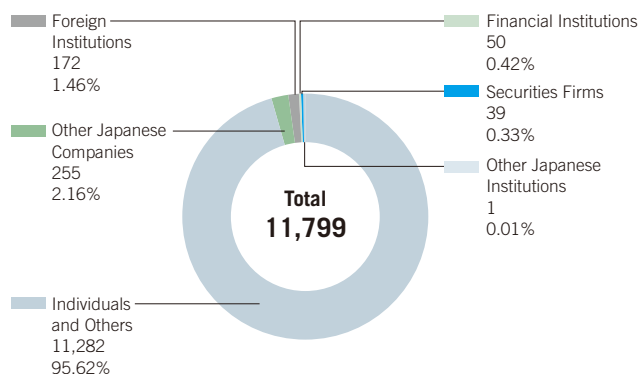
Office of the President, Public Relations & Investor Relations Section

Telephone: +81-6-6441-0054

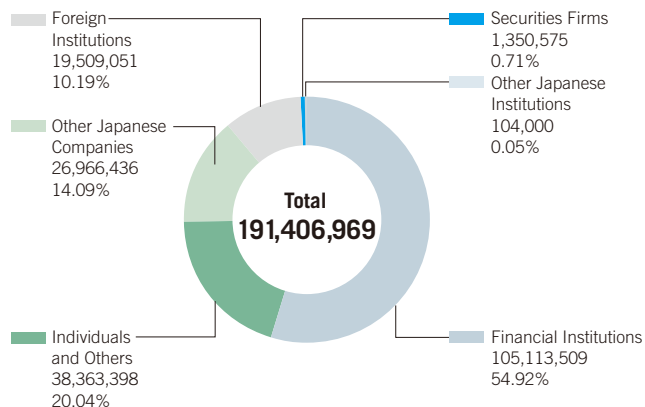
<http://tsubakimoto.com>

Shareholder Composition

Number of Shareholders



Number of Shares Held



Treasury stock of 4,263,619 shares is included in "Individuals and Others."