

February 10, 2012

CONSOLIDATED FINANCIAL STATEMENTS
<under Japanese GAAP>

For the nine-month period ended December 31, 2011

Name of the company: Tsubakimoto Chain Co.

Code number: 6371

Stock exchange listings: Tokyo, Osaka

URL: <http://tsubakimoto.com/>

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Scheduled quarterly
report issuance date:

February 13, 2011

*Amounts less than ¥1 million are omitted

1. Consolidated Operating Results for the Nine Months Ended December 31, 2011

(1) Consolidated Results of Operation

(% figures show change compared to the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
9-month period ended December 31, 2011	105,457	3.0	8,778	2.9	8,875	2.7	5,053	1.2
9-month period ended December 31, 2010	102,360	29.3	8,534	329.5	8,642	257.6	4,996	203.8

Note: Comprehensive income

9-month period ended December 31, 2011: ¥3,559 million (28.6 %)

9-month period ended December 31, 2010: ¥2,768 million (— %)

	Net income per share		Net income per share (diluted)	
	Yen		Yen	
9-month period ended December 31, 2011	27.17		—	
9-month period ended December 31, 2010	26.86		—	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2011	182,363	91,916	46.7
As of March 31, 2011	184,206	89,877	45.3

Note: Shareholders' equity

As of December 31, 2011: ¥85,156 million

As of March 31, 2011: ¥83,413 million

2. Dividends

(Record date)	Dividends per share				
	1st quarter end	2nd quarter end	3rd quarter end	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
FY2011	—	3.00	—	4.00	7.00
FY2012	—	3.00	—		
FY2012 (Forecast)			—	4.00	7.00

Note: Revision of cash dividends forecast in period under review: No

3. Outlook for Consolidated Operating Results for the 12 Months Ending March 31, 2012

(% figures show change compared to the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
12-month period ending March 31, 2012	140,000	1.3	11,200	1.6	11,100	(0.1)	6,200	1.7	33.33

Note: Revision of figures of consolidated operating results outlook in period under review: No

4. Others

- (1) Significant changes in scope of consolidation (indicates changes in specified subsidiaries following changes in the scope of consolidation): No
- (2) Adoption of accounting methods specific to preparation for quarterly consolidated financial statements: No
- (3) Changes in accounting policies, accounting estimates, and restatement of corrections:
 1. Changes in accounting policies due to the revision of accounting standards and other regulations: None
 2. Other changes in accounting policies: None
 3. Changes in accounting estimates: None
 4. Restatement of corrections: None
- (4) Number of shares issued (common shares)

1 Number of shares issued at end of period (including treasury shares)

3rd quarter in FY2012:	191,406,969 shares
FY2011:	191,406,969 shares

2 Number of treasury shares at end of period

3rd quarter in FY2012:	5,404,188 shares
FY2011:	5,397,143 shares

3 Average number of shares during the period

3rd quarter in FY2012:	186,005,918 shares
3rd quarter in FY2011:	186,027,484 shares

* Implementation status of the quarterly review

These financial statements are exempt from the quarterly review procedure required by the Financial Instruments and Exchange Act. The quarterly review based on the Financial Instruments and Exchange Act has not been completed at the time of disclosure of these financial statements.

* Explanation regarding the appropriate usage of consolidated operating results outlook and other items

The consolidated operating results outlook is based on information available at the present juncture and certain assumptions believed to be reasonable. However, it includes risks and uncertainties. Actual business results may differ materially from the figures of the consolidated operating results outlook due to changes in business conditions, market trends, or fluctuation in currency exchange rates. Furthermore, factors that may affect business results are not limited to those factors.

1. Qualitative Information Regard Consolidated Performance in the Period under Review

(1) Qualitative Information Regarding Consolidated Operating Results

(Unless otherwise stated, all comparisons are between the nine-month period from April 1, 2011, to December 31, 2011, and the nine-month period from April 1, 2010, to December 31, 2010.)

In the nine-month period ended December 31, 2011, a number of factors contributed to the sense of uncertainty in the Group's operating environment. These included the lingering impacts of the Great East Japan Earthquake and the floods in Thailand, the government finance and financial system stability issues in Europe, and the persistently strong yen. Regardless of this harsh environment though, performance was relatively strong due to the recovery of automobile production as well as the favorable conditions in machine tool and food industries.

As a result, consolidated orders in the nine-month period were up 2.8% year on year, to ¥105,241 million; net sales were up 3.0%, to ¥105,457 million; operating income was up 2.9%, to ¥8,778 million; ordinary income was up 2.7%, to ¥8,875 million; and net income was up 1.2%, to ¥5,053 million.

Segment results are summarized as follows.

[Chains]

In the Chains segment, sales of products such as drive chains, conveyor chains, and cable and hose protection and guidance products for the machine tool industry, steel industry, and food industry were strong.

Due to these factors, orders received were up 7.3%, to ¥38,018 million, net sales rose 7.9%, to ¥37,722 million, and operating income increased 12.9%, to ¥2,632 million.

[Power Transmission Units and Components]

The Power Transmission Units and Component segment saw favorable sales of products including reducers, linear actuators, locking devices, and shaft couplings for the machine tool, automotive, and steel industries.

As a result of these factors, orders received were up 5.5%, to ¥15,968 million, net sales rose 9.9%, to ¥16,080 million, and operating income increased 32.1%, to ¥2,111 million.

[Automotive Parts]

In the Automotive Parts segment, automobile production, which had declined following the Great East Japan Earthquake, began to recover. Also, the impacts of floods in Thailand on this segment were limited. As a result, there was recovery in the sales of timing chain drive systems for automobile engines.

Accordingly, orders received were down 3.5%, to ¥31,221 million, net sales fell 4.7%, to ¥31,316 million, and operating income decreased by 21.4%, to ¥3,429 million.

[Materials Handling Systems]

In the Materials Handling segment, while sales of conveyance systems for the automobile industry as well as sorting systems for the distribution industry were sluggish, sales of conveyance systems and bulk handling systems for the machine tools industry were strong.

As a result, orders received were up 3.1%, to ¥18,499 million; net sales rose 2.7%, to

¥18,994 million; and operating income was ¥372 million, compared with operating loss of ¥181 million in the nine-month period ended December 31, 2010.

[Other]

Other orders received rose 3.4%, to ¥1,533 million, and net sales were down 4.36%, to ¥1,344 million, and operating income decreased by 25.9%, to ¥98 million.

(2) Qualitative Information Regarding Consolidated Financial Position

Financial Position

[Assets]

Total assets at the end of the nine-month period were down ¥1,842 million from the end of the previous fiscal year, to ¥182,363 million.

Total current assets at the end of the nine-month period increased ¥505 million from the end of the previous fiscal year, to ¥82,818 million, primarily due to a ¥5,077 million increase in trade notes and accounts receivable, a result of the end of the period being a holiday for financial institutions, as well as a ¥856 million increase in merchandise and finished goods and a ¥712 million increase in work in process, which offset a ¥5,937 million decrease in securities reflecting a decline in certificates of deposit..

Total non-current assets at the end of the nine-month period decreased ¥2,348 million from the end of the previous fiscal year, to ¥99,544 million, due to a ¥2,931 million decrease in investments in securities due to declines in the market price of securities held by the Company and the consolidation of TSUBAKIMOTO AUTOMOTIVE KOREA CO., LTD.

[Liabilities]

Liabilities at the end of the nine-month period were down ¥3,882 million from the end of the previous fiscal year, to ¥90,446 million. This was mainly the result of year-on-year decreases of ¥5,823 million in current portion of long-term loans payable, following the repayment of loans, and ¥1,965 million in accrued income taxes, which offset a ¥4,624 million increase in trade notes and accounts payable, a result of the end of the period being a holiday for financial institutions.

[Net Assets]

Net assets at the end of the nine-month period were up ¥2,039 million from the end of the previous fiscal year, to ¥91,916 million. While there were year-on-year decreases of ¥1,642 million in translation adjustments due to fluctuations in exchange rates, this was offset by a ¥3,779 million increase in retained earnings. The equity ratio was 46.7%.

(3) Qualitative Information Regarding Consolidated Forecasts

As of November 11, 2011, there were no revisions to the full-year forecasts for the fiscal year ending March 31, 2012 (fiscal 2011), that were released on August 5, 2011.

The base exchange rate used for forecasts for the fiscal year ending March 31, 2012, is US\$1=¥80 and 1 euro=¥110.