August 8, 2012

CONSOLIDATED FINANCIAL STATEMENTS
<under Japanese GAAP>
For the three-month period ended June 30, 2012

Name of the company: Tsubakimoto Chain Co.
Code number: 6371
Stock exchange listings: Tokyo, Osaka

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*Amounts less than ¥1 million are omitted.

1. Consolidated Operating Results for the Three Months Ended June 30, 2012

(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	%
3-month period ended June 30, 2012	36,020	9.0	3,260	39.8	3,342	41.4	1,899	54.1
3-month period ended June 30, 2011	33,057	0.4	2,332	(8.0)	2,364	(6.0)	1,232	(16.9)

Note: Comprehensive income

3-month period ended June 30, 2012: ¥1,439 million: (3.1) %

3-month period ended June 30, 2011: ¥1,485 million: —%

	Net income per share	Net income per share (diluted)
	Yen	Yen
3-month period ended June 30, 2012	10.15	—
3-month period ended June 30, 2011	6.63	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2012	190,017	97,089	47.6
As of March 31, 2012	191,766	96,335	46.9

Note: Shareholders' equity

As of June 30, 2012: ¥ 90,379 million

As of March 31, 2012: ¥ 89,923 million

2. Dividends

	Dividends per share				
	1st quarter end	2nd quarter end	3rd quarter end	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
FY2012	—	3.00	—	4.00	7.00
FY2013	—				
FY2013 (Forecast)		3.00	—	4.00	7.00

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

3. Outlook for Consolidated Operating Results for the 12 Months Ending March 31, 2013

(% 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
6-month period ending September 30, 2012	73,000	4.5	5,800	4.2	5,900	3.7	3,300	6.1	17.63
12-month period ending March 31, 2013	150,000	3.5	13,500	11.7	13,400	10.4	7,700	13.0	41.14

Note: Revision of outlook for consolidated operating results in quarter under review: No

* Notes

(1) Significant changes in scope of consolidation (indicates changes in specified subsidiaries involving changes in the scope of consolidation): Yes
New 1 company (Tsubakimoto Chain (Tianjin) Co., Ltd.)
Excluded 0 companies

(2) Adoption of specific accounting procedures for preparing 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: Yes
2. Other changes in accounting policies: None
3. Changes in accounting estimates: Yes
4. Restatement of corrections: None

(4) Number of shares issued (common shares)

1 Number of shares issued at end of period (including treasury shares)
As of June 30, 2012: 191,406,969 shares
As of March 31, 2012: 191,406,969 shares

2 Number of treasury shares at end of period
As of June 30, 2012: 4,247,568 shares
As of March 31, 2012: 4,246,240 shares

3 Average number of shares during the period
As of June 30, 2012: 187,159,919 shares
As of June 30, 2011: 186,008,659 shares

* Implementation status of the quarterly review

These quarterly 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 Regarding Consolidated Performance in the Period under Review

(1) Qualitative Information Regarding Consolidated Operating Results

In three-month period ended June 30, 2012, the Tsubaki Group's operating environment saw a gradual recovery trend due to the reconstruction demand following the Great East Japan Earthquake as well as increased automobile production stemming from the government subsidies for purchasing environmentally friendly automobiles. However, future conditions remained highly unclear due to the sovereign debt crisis and financial system instability in Europe, the impacts of the strong yen, possible economic slowdown in China, and other destabilizing factors as well as the limited investment in the LCD and semiconductor industries.

In this environment, orders in the period were up 0.2% year on year, to ¥34,271 million; net sales were up 9.0%, to ¥36,020 million; operating income was up 39.8%, to ¥3,260 million; ordinary income was up 41.4%, to ¥3,342 million; and net income was up 54.1%, to ¥1,899 million.

Segment results are summarized as follows.

[Chains]

In the Chains segment, net sales rose year on year. In Japan, sales of products such as drive chains, conveyor chains, and plastic chains for the automobile and food industries were solid. Overseas, sales of drive chains for replacement purposes and OEMs were up, particularly in Europe and North America.

Orders received were down 7.9%, to ¥12,248 million; net sales rose 0.6%, to ¥12,688 million; and operating income increased 46.5%, to ¥1,166 million.

[Power Transmission Units and Components]

The Power Transmission Units and Component segment saw favorable sales of [cam] clutches for OEMs in Europe as well as reducers in China. However, sales to the LCD, semiconductor, and steel industries were sluggish in Japan, as were sales to regions of Asia other than China. Accordingly, net sales were down year on year.

As a result of these factors, orders received were down 12.8%, to ¥4,798 million; net sales declined 8.5%, to ¥4,953 million; and operating income decreased 20.3%, to ¥597 million.

[Automotive Parts]

In the Automotive Parts segment, net sales showed a significant year-on-year increase. Sales of timing chain drive systems for automobile engines were strong in Japan due to increased automobile production as result of the recovery from the temporary depression in production seen after the Great East Japan Earthquake and the government subsidies for purchasing environmentally friendly automobiles. Sales at bases in North America, Thailand, China, and Korea were also strong.

As a result of these factors, orders received were up 36.0%, to ¥12,314 million; net sales rose 36.0%, to ¥12,398 million; and operating income was 2.8 times higher, at ¥1,767 million.

[Materials Handling Systems]

In the Materials Handling segment, sales of sorting systems for the distribution industry and conveyance systems for the machine tool industry were solid, but sales of bulk handling systems were sluggish, and net sales were down year on year accordingly.

As a result, orders received were down 24.8%, to ¥445 million; net sales decreased 0.3%, to ¥5,479 million; and operating loss was ¥233 million, compared with operating loss of ¥65 million in the equivalent period of the previous fiscal year.

[Other]

Other orders received rose 6.5%, to ¥504 million, net sales were up 19.5%, to ¥500 million, and operating income increased 90.5%, to ¥41 million.

(2) Qualitative Information Regarding Consolidated Financial Position

[Assets]

Total assets stood at ¥190,017 million on June 30, 2012, down ¥1,748 million from the end of the previous fiscal year.

Current assets totaled ¥87,795 million, up ¥1,165 million from the end of the previous fiscal year. While there was a ¥2,456 million decrease in securities reflecting a decline in certificates of deposit, this was outweighed by an increase of ¥4,436 million in cash and deposits due to such factors as the consolidation of Tsubakimoto Chain (Tianjin) Co., Ltd.

Non-current assets amounted to ¥102,221 million, down ¥2,914 million from the end of the previous fiscal year. This was primarily due to a ¥3,485 million decline in investments and other assets following the consolidation of Tsubakimoto Chain (Tianjin) Co., Ltd., and lower stock prices of securities held by the Company. These factors offset a ¥615 million increase in property, plant and equipment resulted from investment in production facilities.

[Liabilities]

Liabilities at the end of the period were ¥92,927 million, down ¥2,502 million from the end of the previous fiscal year. This was attributable to declines in income taxes payable of ¥1,441 million and in provision for bonuses of ¥1,052 million.

[Net Assets]

Net assets at the end of the period were ¥97,089 million, up ¥754 million from the end of the previous fiscal year. This was largely due to a ¥1,148 million increase in retained earnings. The equity ratio was 47.6%.

(3) Qualitative Information Regarding Consolidated Operating Results Outlook

As of August 8, 2012, there have been no revisions to the forecasts that were released on May 11, 2012, for the six-month period ending September 30, 2012, or for the fiscal year ending March 31, 2013,.

2. Matters Concerning Summary Information (Notes)

(1) Significant changes in scope of consolidation

In the period under review, Tsubakimoto Chain (Tianjin) Co., Ltd., which had previously been excluded from the scope of consolidation, was included in the scope of consolidation due to increased materiality.

(2) Adoption of specific accounting procedures for preparing quarterly consolidated financial statements

No applicable items

(3) Changes in accounting policies, accounting estimates, and restatement of corrections

(Changes that are difficult to distinguish between a change in an accounting policy and a change in an accounting estimate)

The Group and its domestic consolidated subsidiaries, in accordance with amendments to the Corporation Tax Act, have changed their depreciation methods based on the revised act in regards to how they depreciate assets in categories for which the depreciation method described in the pre-revised act was applied. The new methods take effect starting in consolidated accounts in the period under review as applying to property, plants and equipment acquired starting from April 1, 2012.

The implications for consolidated results in the period under review with regard to income and losses were minimal.