

November 11, 2011

CONSOLIDATED FINANCIAL STATEMENTS
<under Japanese GAAP>

For the six-month period ended September 30, 2011

Name of the company: Tsubakimoto Chain Co.
Code number: 6371
Stock exchange listings: Tokyo, Osaka
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Scheduled quarterly report issuance date: November 14, 2011
Scheduled dividend payment date: December 12, 2011

*Amounts less than ¥1 million are omitted

1. Consolidated Operating Results for the Six Months Ended September 30, 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	%
6-month period ended September 30, 2011	69,865	2.3	5,567	4.2	5,686	5.1	3,108	(1.6)
6-month period ended September 30, 2010	68,270	35.2	5,341	—	5,410	935.2	3,159	523.1

Note: Comprehensive income

6-month period ended September 30, 2011: ¥1,461 million (216.1 %)

6-month period ended September 30, 2010: ¥ 462 million (— %)

	Net income per share		Net income per share (diluted)	
	Yen		Yen	
6-month period ended September 30, 2011	16.71		—	
6-month period ended September 30, 2010	16.98		—	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2011	181,390	90,377	46.2
As of March 31, 2011	184,206	89,877	45.3

Note: Shareholders' equity

As of September 30, 2011: ¥83,761 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)

2nd quarter in FY2012:	191,406,969 shares
FY2011:	191,406,969 shares

2 Number of treasury shares at end of period

2nd quarter in FY2012:	5,402,447 shares
FY2011:	5,397,143 shares

3 Average number of shares during the period

2nd quarter in FY2012:	186,006,873 shares
2nd quarter in FY2011:	186,030,242 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 been not 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.

(Reference)

Non-consolidated Operating Results for the Six Months Ended September 30, 2011

Non-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	%
6-month period ended September 30, 2011	36,647	(4.2)	1,600	(27.6)	3,204	(3.1)	2,489	13.0
6-month period ended September 30, 2010	38,263	45.9	2,210	—	3,306	300.1	2,202	134.0

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 six-month period from April 1, 2011, to September 30, 2011, and the six-month period from April 1, 2010, to September 30, 2010.)

In the six-month period ended September 30, 2011, the Group's operating environment continued to be adversely affected by the Great East Japan Earthquake, which caused a decline in automobile production, as well as effects of companies delaying or cancelling capital investment. However, automobile production showed notable recovery during the second half of the six-month period, and conditions in the machine tool and food industries were strong throughout the period.

As a result, consolidated orders in the six-month period were up 4.0%, to ¥70,545 million; net sales were up 2.3%, to ¥69,865 million; operating income was up 4.2%, to ¥5,567 million; ordinary income was up 5.1%, to ¥5,686 million; and net income was down 1.6%, to ¥3,108 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 and food industry were strong.

Due to these factors, orders received were up 9.3%, to ¥25,298 million, net sales rose 9.8%, to ¥25,256 million, and operating income increased 38.0%, to ¥1,819 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 9.9%, to ¥10,956 million, net sales rose 13.5%, to ¥10,766 million, and operating income increased 46.4%, to ¥1,379 million.

[Automotive Parts]

In the Automotive Parts segment, the impacts of the Great East Japan Earthquake caused significant declines in sales of timing chain drive systems for automobile engines during the first quarter. However, sales of these products recovered significantly during the second quarter.

Accordingly, orders received were down 9.2%, to ¥19,618 million, net sales fell 10.9%, to ¥19,857 million, and operating income decreased by 42.7%, to ¥1,734 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 13.3%, to ¥13,753 million; net sales rose 4.5%, to ¥13,134 million; and operating income was ¥367 million, compared with operating loss of ¥227 million in the six-month period ended September 31, 2010.

[Other]

Other orders received fell 4.2%, to ¥917 million, and net sales were down 8.4%, to ¥850 million, and operating income decreased by 19.9%, to ¥62 million.

(2) Qualitative Information Regarding Consolidated Financial Position

Financial Position

[Assets]

Total assets at the end of the six-month period were down ¥2,816 million from the end of the previous fiscal year, to ¥181,390 million.

Total current assets at the end of the six-month period decreased ¥516 million from the end of the previous fiscal year, to ¥81,796 million, primarily due to a ¥1,602 million decrease in cash and deposits following the payment of income taxes, which offset a ¥1,265 million increase in trade notes and accounts receivable.

Total non-current assets at the end of the six-month period decreased ¥2,299 million from the end of the previous fiscal year, to ¥99,593 million. There was a ¥2,611 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., which offset a ¥431 million increase in property, plant and equipment following investment in production facilities.

[Liabilities]

Liabilities at the end of the six-month period were down ¥3,316 million from the end of the previous fiscal year, to ¥91,012 million. This was mainly the result of year-on-year decreases of ¥1,205 million in accrued income taxes, ¥968 million in other current liabilities due to lower amounts of late payments and advanced payments received, and ¥712 million in trade notes and accounts payable.

[Net Assets]

Net assets at the end of the six-month period were up ¥500 million from the end of the previous fiscal year, to ¥90,377 million. While there were year-on-year decreases of ¥1,081 million in translation adjustments due to fluctuations in exchange rates and ¥994 million in net unrealized holding gain on securities due to a valuation difference in the current value of securities held by the Company, this was offset by a ¥2,338 million increase in retained earnings. The equity ratio was 46.2%.

Cash Flows

Cash and cash equivalents at the end of the six-month period were down ¥2,583 million from the end of the previous fiscal year, to ¥14,724 million.

Major factors affecting cash flows are detailed below.

[Cash provided by operating activities]

Net cash provided from operating activities was ¥1,494 million, compared with ¥7,643 million in the six-month period ended September 30, 2010. Major outflows included income taxes paid of ¥2,917 and increase in trade notes and accounts receivable of ¥1,673 million. Major inflows included income before income taxes and minority interests of ¥5,641 million.

[Cash used in investing activities]

Net cash used in investing activities was ¥4,059 million, compared with ¥4,829 million in the six-month period ended September 30, 2010. This was primarily due to an outflow of ¥3,627 million to pay off debt associated with investments in automotive parts production facilities.

[Cash used in financing activities]

Net cash used in financing activities was ¥915 million, compared with ¥9,839 million in the six-month period ended September 30, 2010. Major outflows included cash dividends paid of ¥744 million.

(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.