

September 22, 2006

Company name: Tsubakimoto Chain Co.

Representative: Tatsuhiko Mimoto, President and Representative Director

Stock exchange code number: 6371

Stock exchange listings: Tokyo, Osaka, Nagoya (first sections)

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Notification of Revision of Business Results Projections

In light of recent business result trends, Tsubakimoto Chain Co. made the following revisions to its interim and full-year business results projections (consolidated/nonconsolidated) for the fiscal year ending March 2007 (April 1, 2006–March 31, 2007), which the Company issued at the time of its announcement of financial statements on May 16, 2006.

1. Revision of the Figures of Consolidated Business Results Projections for the Year Ending March 2007

(1) Interim period (April 1, 2006–September 30, 2006)

(¥ million)

	Net sales	Ordinary income	Net income
Previously issued projections (A) (issued May 16, 2006)	77,000	5,700	2,700
Revised projections (B)	76,500	4,800	1,200
Decrease amount (B – A)	(500)	(900)	(1,500)
Decrease percentage	(0.6)	(15.8)	(55.6)
Results of previous interim period (ended September 2005)	70,108	5,602	2,770
(Reference) year-on-year increase/decrease (%)	9.1	(14.3)	(56.7)

(2) Full year (April 1, 2006–March 31, 2007)

(¥ million)

	Net sales	Ordinary income	Net income
Previously issued projections (A) (issued May 16, 2006)	157,000	13,500	6,800
Revised projections (B)	157,000	12,800	5,700
Decrease amount (B – A)	0	(700)	(1,100)
Decrease percentage	—	(5.2)	(16.2)
Results of previous fiscal year (ended March 2006)	147,761	12,594	6,606
(Reference) year-on-year increase/decrease (%)	6.3	1.6	(13.7)

2. Revision of the Figures of Nonconsolidated Business Results Projections for the Year Ending March 2007

(1) Interim period (April 1, 2006–September 30, 2006)

(¥ million)

	Net sales	Ordinary income	Net income
Previously issued projections (A) (issued May 16, 2006)	44,000	3,500	2,200
Revised projections (B)	44,700	4,000	1,200
Decrease amount (B – A)	700	500	(1,000)
Decrease percentage	1.6	14.3	(45.5)
Results of previous interim period (ended September 2005)	39,818	3,490	2,111
(Reference) year-on-year increase/decrease (%)	12.3	14.6	(43.2)

(2) Full year (April 1, 2006–March 31, 2007)

(¥ million)

	Net sales	Ordinary income	Net income
Previously issued projections (A) (issued May 16, 2006)	88,000	7,100	4,300
Revised projections (B)	89,000	7,900	3,500
Decrease amount (B – A)	1,000	800	(800)
Decrease percentage	1.1	11.3	(18.6)
Results of previous fiscal year (ended March 2006)	83,521	7,399	4,267
(Reference) year-on-year increase/decrease (%)	6.6	6.8	(18.0)

3. Reasons for the Revisions

For consolidated interim business results, net sales are largely trending in line with initial plans. However, the Company incurred substantial additional costs related to construction currently underway for the installation of a paint shop conveyor system at consolidated subsidiary Tsubaki Conveyor of America, Inc. (Tennessee, the United States, 100% of equity owned by Tsubakimoto Chain Co.). As a result, compared with the previous projections, the Company expects decreases of ¥900 million in interim ordinary income and ¥1,500 million in interim net income.

For nonconsolidated interim business results, based on considerations of the said subsidiary's excess-of-debts financial position and the outlook, the Company recorded a ¥146 million loss on valuation of the stock of the said subsidiary that it owns as extraordinary loss. Further, the Board of Directors, which provides debt guarantees for the said subsidiary's bank loans, decided to record a ¥1,200 million provision for allowance for loss on guarantees as extraordinary loss, based on the amount of possible loss expected. As a result, the Company expects that interim net income will be ¥1,000 million lower than previously projected.

The revisions to projections for full-year consolidated/nonconsolidated business results are in accordance with the revisions to interim consolidated/nonconsolidated business results.

* The above figures of the projections of business results are the judgments of the Company based on information obtainable as of the date of the announcement. Actual business results may differ from the projected figures due to a variety of factors.