

January 26, 2007

*Name of the Company:* Tsubakimoto Chain Co.  
*Code number:* 6371  
*Stock exchange listings:* Tokyo, Osaka, Nagoya  
*URL:* <http://tsubakimoto.com/>  
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## **Notification of Transfer of Business and Dissolution of U.S. Subsidiary**

The directors of Tsubakimoto Chain Co. (“the Company”) formally agreed today that consolidated U.S. subsidiary Tsubaki Conveyor of America, Inc. (“TCA”) will transfer its business operations to consolidated U.S. subsidiary U.S. Tsubaki, Inc. (UST), after which TCA will be dissolved.

### **1. Reason for Transfer of Operations and Dissolution**

TCA has acted as the materials handling division’s North American site for the manufacture and sale of conveyor products. In the current fiscal year, TCA will report a significant one-time loss. At the current time, the company’s liabilities exceed its assets. In an effort to strengthen North American operations, TCA’s operations will be transferred to UST, and thereafter TCA will be dissolved.

### **2. Schedule of Transfer and Dissolution**

Transfer of operations: March 31, 2007 (planned)  
Dissolution: End of September 2007 (planned)

### **3. Overview of Subsidiaries**

(1) Corporate name	Tsubaki Conveyor of America, Inc.	U.S. Tsubaki, Inc.
(2) Head office	Tennessee, U.S.A.	Illinois, U.S.A.
(3) Representative	Mike Manty	Yoshinobu Miyazaki
(4) Primary business	Manufacture and sale of conveyor equipment	Manufacture and sale of power drive equipment
(5) Date of establishment	July 1, 1983	February 11, 1971
(6) Capital	US\$900,000	US\$33,500,000
(7) Total assets	US\$16,573,000	US\$139,779,000
(8) Net assets	US\$1,823,000	US\$62,930,000
(9) Equity holder, stake	Tsubakimoto Chain, 100%	Tsubakimoto Chain, 100%

(As of March 31, 2006)

#### **4. Effect on Financial Results**

The Company previously booked an evaluation loss of ¥146 million on its TCA stockholdings as well as ¥1.1 billion in debt guarantee. Therefore, the Company expects the transfer and dissolution to have a minor effect on consolidated and nonconsolidated financial results for the current year ending March 31, 2007.