



February 24, 2010

Name of the company: Tsubakimoto Chain Co.
Code number: 6371
Stock exchange listings: Tokyo, Osaka
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Regarding acquisition of 100 percent equity interest in KABELSCHLEPP GmbH

Tsubakimoto Chain (Headquarters: Osaka, Japan. President and Representative Director: Isamu Osa) has announced that it plans to acquire a 100 percent equity interest in KABELSCHLEPP GmbH, (Headquarters: Wenden, Germany. “Kabelschlepp”) and make the company a subsidiary in order to enhance its global competitiveness in support and guidance systems for cables and hoses*1 (“cableveyors”) as per the determination of the board of directors at the board meeting held on February 24, 2010.

1. Reasons for equity acquisition

Tsubaki began producing chain-based cableveyors in 1959. Spurred by the increased demand for these products in the steel production and machine tool industries, Tsubaki entered into a License agreement with industry pioneer Kabelschlepp in 1968. Since then, over the past 40 years, Tsubaki has increased the range of supported applications and has expanded its lineup from steel cableveyors to those made from engineering plastics. The decision to make Kabelschlepp a subsidiary aims to leverage the long-running technological partnership between the two firms to enhance Tsubaki’s global competitiveness in cableveyors and other products via the following synergies:

1. Enhancement of competitiveness through faster and more efficient product development via integration of product development and establishment of global production bases in the cableveyor field.
2. Utilization of the sales networks and global talent pool of both firms to expand Tsubaki’s share of the global cableveyor market.
3. Expansion of sales of Tsubaki’s power transmission products (industrial chains and a variety of power transmission parts) in Europe by utilizing Kabelschlepp’s existing European customer base.

*1 Support and guidance systems for cables and hoses (Cableveyors):

Systems that safely and reliably support and guide the cables and hoses that supply electricity, hydraulics, pneumatics, and other necessities to moving machine parts. Originally developed from chains, cableveyors provide excellent ease-of-use and offer superior protection for cables and hoses. They are employed in electric sliding doors for automobiles and are also used in a range of industrial equipment including machine tools and injection molding machines.

2. Overview of Kabelschlepp

1. Name: KABELSCHLEPP GmbH
2. Representative: Mr. Olaf Hübner (President & CEO)
3. Headquarters: Daimlerstraße 2, D-57482 Wenden-Gerlingen, Germany
4. Established: July 17, 1954
5. Business: Manufacture and sale of support and guidance systems for cables and hoses and conveyor systems
6. End of financial year: December 31
7. No. of consolidated employees: 566 (As of September 2009)
8. Main locations: 5 manufacturing facilities and 13 sales offices in Europe, North America, and Asia
9. Capital: €2.6 million
10. Equity investors: 3 individuals
11. Relationship with Tsubakimoto Chain: No personal or capital relationships
12. Operational results and financial position for the past 3 years (consolidated)

(Unit: Thousands of Euros)

	FY2007	FY2008	FY2009 (forecast)
Net sales	70,369	73,462	46,409
Operating earnings	5,622	2,739	-4,870
Net earnings	2,697	912	-8,135
General assets	42,751	48,025	43,378

3. Date of transfer (provisionary)

1. Between date of announcement of acquisition and early March
Conclusion of contract regarding transfer of equity ownership
2. Early April
Transfer date

4. Future prospects

Kabelschlepp is scheduled to become a consolidated subsidiary of Tsubakimoto Chain from the financial year ending March 2011. Accordingly, the equity acquisition of Kabelschlepp will have no impact on Tsubaki's current consolidated results.