

FACT BOOK 2017

FYE2018 Data

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1. Consolidated Financial Highlights

Millions of yen

Consolidated Income Statement Items

FYE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Orders received	134,727	112,163	138,431	143,968	148,405	179,689	196,086	204,776	203,056	223,747
Net sales	141,517	112,759	138,243	144,896	150,002	178,022	196,738	203,976	198,762	215,716
Operating income	9,095	4,737	11,022	12,081	12,579	17,354	21,427	21,570	21,647	20,694
Ordinary income	9,328	4,990	11,111	12,140	12,813	17,993	22,263	22,109	22,004	21,743
Net income before tax adjustments	8,442	5,047	10,463	11,907	12,644	17,572	22,583	20,444	21,575	21,164
Net income	6,188	3,175	6,093	6,814	7,428	10,213	14,153	12,766	14,596	14,666
Capital expenditures	10,041	3,988	5,807	9,518	11,833	11,372	10,466	15,677	13,995	18,116
Depreciation and amortization	7,344	7,390	7,544	7,403	7,360	8,745	9,476	10,402	10,342	11,005
R&D costs	3,847	3,543	4,144	4,231	4,319	4,061	4,048	4,300	4,341	4,495

Consolidated Balance Sheet Items

FYE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Current assets total	75,037	82,020	82,313	86,630	96,782	100,626	116,619	116,536	125,400	134,974
Fixed assets total	103,417	100,620	101,892	105,135	119,055	128,213	142,122	137,570	141,814	150,977
Total assets	178,455	182,641	184,206	191,766	215,837	228,840	258,742	254,106	267,215	285,952
Current liabilities total	47,213	48,551	51,996	54,544	57,543	62,003	59,435	55,525	66,558	70,796
Noncurrent liabilities total	46,782	47,253	42,333	40,885	49,696	45,208	55,014	52,766	44,439	45,390
Net assets	84,458	86,837	89,877	96,335	108,597	121,628	144,291	145,815	156,218	169,765
Earned surplus	64,782	66,655	71,636	77,167	83,318	92,072	103,183	112,395	123,063	133,394
Equity capital	78,422	80,847	83,413	89,923	102,019	118,433	140,439	142,041	152,473	167,916
Interest-bearing debt	37,600	38,910	31,240	27,405	36,507	36,538	36,907	34,817	34,634	26,581
Net interest-bearing debt*	26,330	18,531	13,931	13,488	16,312	15,246	9,547	8,394	492	-5,131

*Net interest-bearing debt = interest-bearing debt - closing balance of cash and cash equivalents

Consolidated Cash Flows

FYE	2008	2009	2010	2011	2012	2013	2014	2015	2016	2018
Net cash provided by operating activities	7,263	14,508	16,293	11,626	15,350	19,761	22,189	19,090	25,434	27,657
Net cash (used in) provided by investing activities	-9,723	-5,020	-8,281	-10,487	-18,401	-17,166	-14,306	-13,593	-13,420	-17,389
Net cash (used in) provided by financing activities	-3,540	-373	-10,578	-5,460	6,325	-3,196	-2,647	-5,476	-4,084	-13,191
Free cash flow*	-2,459	9,488	8,012	1,138	-3,050	2,594	7,882	5,496	12,013	10,268
Closing balance of cash and cash equivalents	11,269	20,379	17,308	13,916	20,194	21,291	27,360	26,422	34,142	31,712

*Free cash flow = cash flow from operating activities + cash flow from investing activities

Per Share Information

FYE	2008	2009	2010	2011	2012	2013	2014	2015	2016	2018
Net income per share	33.26	17.07	32.76	36.60	39.69	54.58	75.65	68.24	78.03	77.49
Net assets per share	421.53	434.59	448.43	480.46	545.14	632.94	750.63	759.27	815.10	887.19
Dividend per share (annual) *	8.00	6.00	7.00	7.00	7.00	10.00	16.00	20.00	24.00	24.00
Dividend payout ratio (consolidated)	24.1%	35.1%	21.4%	19.1%	17.6%	18.3%	21.2%	29.3%	30.8%	31.0%

2. Management Indicators (Consolidated)

Profitability Indicators

FYE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Operating profit ratio	6.4%	4.2%	8.0%	8.3%	8.4%	9.7%	10.9%	10.6%	10.9%	9.6%
Ordinary profit ratio	6.6%	4.4%	8.0%	8.4%	8.5%	10.1%	11.3%	10.8%	11.1%	10.1%
ROE* ¹	7.7%	4.0%	7.4%	7.9%	7.7%	9.3%	10.9%	9.0%	9.9%	9.2%
ROA* ²	3.25%	1.76%	3.32%	3.63%	3.65%	4.59%	5.81%	4.98%	5.60%	5.30%

*1 ROE (return on equity) = net income ÷ average equity × 100

*2 ROA (return on assets) = net income ÷ average total assets × 100

Financial Stability Indicators

FYE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Shareholders' equity ratio	43.9%	44.3%	45.3%	46.9%	47.3%	51.8%	54.3%	55.9%	57.1%	58.7%
Net D/E ratio* ¹ (Times)	0.34	0.23	0.17	0.15	0.16	0.13	0.07	0.06	0.00	-0.03
Current ratio* ²	158.9%	168.9%	158.3%	158.8%	168.2%	162.3%	196.2%	209.9%	188.4%	190.7%
Net interest-bearing debt ratio* ³	14.8%	10.1%	7.6%	7.0%	7.6%	6.7%	3.7%	3.3%	0.2%	-1.8%

*1 Net D/E ratio (net debt-to-equity ratio) = net interest-bearing debt ÷ average equity capital

*2 Current ratio = current assets ÷ current liabilities × 100

*3 Net interest-bearing debt ratio = (interest-bearing debt - closing balance of cash and cash equivalents) ÷ total assets × 100

Other Indicators

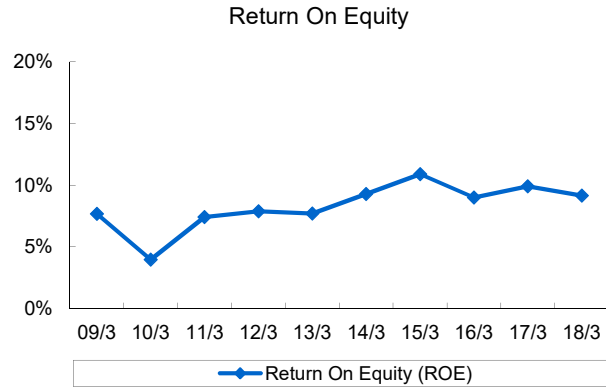
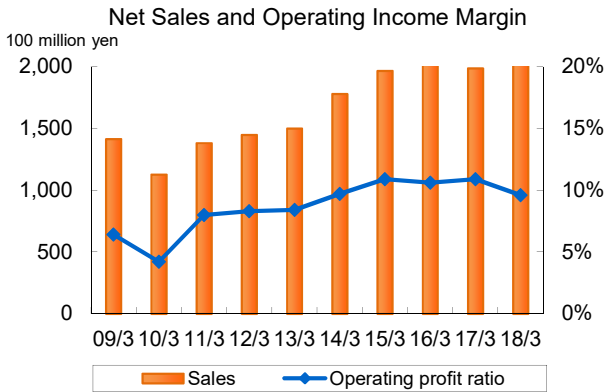
FYE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Year-end share price (Yen)	220	449	415	511	483	738	1001	697	928	866
PER* ¹ (Times)	6.61	26.30	12.67	13.96	12.17	13.52	13.23	10.21	11.89	11.18
PBR* ² (Times)	0.52	1.03	0.93	1.06	0.89	1.17	1.33	0.92	1.14	0.98

*1 PER (price-to-earnings ratio) = year-end share price ÷ net income per share

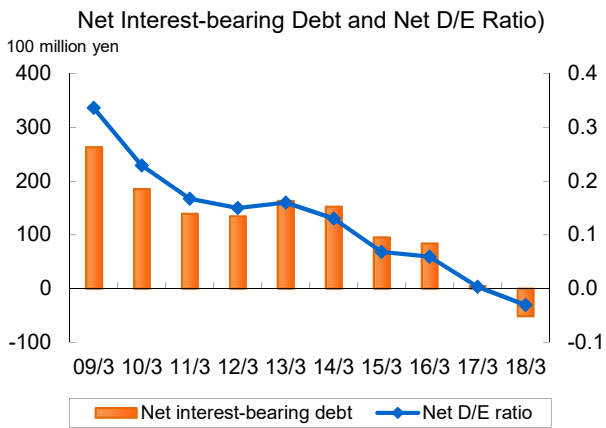
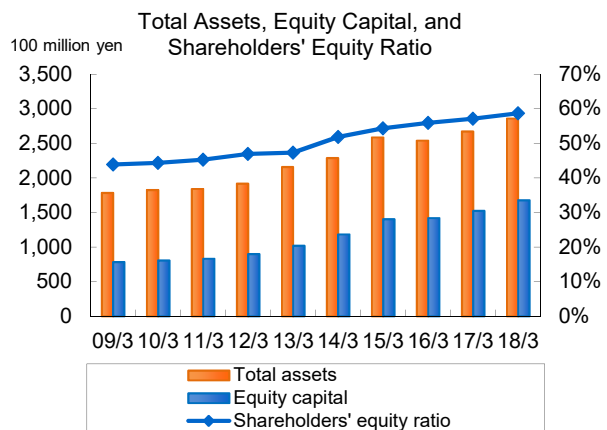
*2 PBR (price-to-book ratio) = year-end share price ÷ net assets per share

3. Trends in Major Indicators

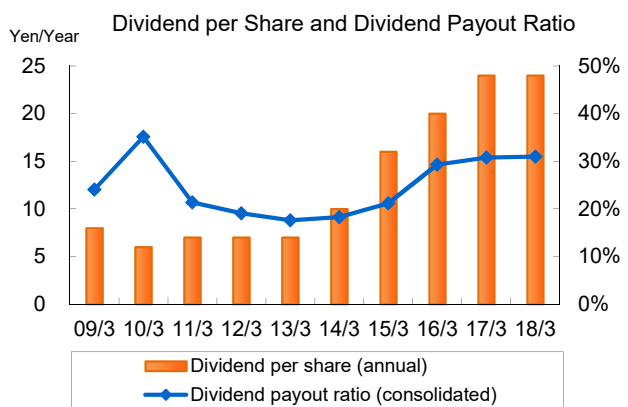
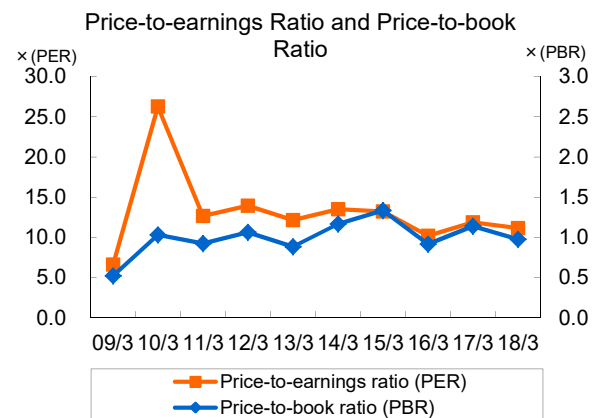
Profitability Indicators



Financial Stability Indicators



Other Indicators



4. Data by Business Segment (FYE2004 – FYE2010)*

*As of FYE2011, the Tsubaki Group has changed the classification of its business segments from the Power Transmission Products Segment and the Materials Handling Systems Segment to the Chain Operations, Power Transmission Units and Components Operations, Automotive Parts Operations, and Materials Handling Systems Operations.

Millions of yen

Power Transmission Products Segment							
FYE	2004	2005	2006	2007	2008	2009	2010
Net sales* ¹	91,452	99,787	113,656	124,550	135,225	115,001	93,212
Operating income	8,629	11,263	14,889	17,367	19,429	11,171	7,291
Operating income margin	9.4%	11.3%	13.1%	13.9%	14.4%	9.7%	7.8%
Assets	115,011	112,608	115,030	128,457	129,010	117,670	116,578
Depreciation and amortization	5,323	4,794	4,835	5,277	6,584	6,560	6,578

*1 Sales figures include internal sales and transfers between segments.

Materials Handling Systems Segment							
FYE	2004	2005	2006	2007	2008	2009	2010
Net sales* ¹	28,549	30,674	35,484	32,318	33,097	27,764	20,485
Operating income	1,881	1,800	2,106	1,889	3,950	1,737	200
Operating income margin	6.6%	5.9%	5.9%	5.8%	11.9%	6.3%	1.0%
Assets	21,955	24,405	26,670	25,302	24,027	22,536	23,066
Depreciation and amortization	408	370	319	279	193	237	248

*1 Sales figures include internal sales and transfers between segments.

Other Segments							
FYE	2004	2005	2006	2007	2008	2009	2010
Net sales* ¹	2,469	2,350	2,422	2,511	2,348	2,135	1,341
Operating income	84	100	162	227	240	209	132
Operating income margin	3.4%	4.3%	6.7%	9.0%	10.2%	9.8%	9.8%
Assets	2,393	1,749	2,235	2,884	2,930	2,755	2,570
Depreciation and amortization	6	5	5	4	6	4	3

*1 Sales figures include internal sales and transfers between segments.

4. Data by Business Segment (From FYE2011)*

*As of FYE2011, the Tsubaki Group has changed the classification of its business segments from the Power Transmission Products Segment and the Materials Handling Systems Segment to the Chain Operations, Power Transmission Units and Components Operations, Automotive Parts Operations, and Materials Handling Systems Operations.

Millions of yen

Power Transmission Products Segments

Chain

FYE	2011	2012	2013	2014	2015	2016	2017	2018		
Net sales* ¹	48,262	51,692	50,250	55,828	61,721	63,998	60,600	67,338		
Operating income	2,780	3,462	3,586	3,763	5,002	6,172	7,102	8,502		
Operating income margin	5.8%	6.7%	7.1%	6.7%	8.1%	9.6%	11.7%	12.6%		
Assets	61,832	62,405	66,758	69,615	72,295	70,162	70,831	73,597		
Depreciation and amortization	2,618	2,472	2,290	2,513	2,876	2,981	2,696	2,801		

Power Transmission Units and Components

FYE	2011	2012	2013	2014	2015	2016	2017	2018		
Net sales* ¹	20,061	21,364	19,664	21,612	22,557	21,975	21,563	24,156		
Operating income	2,065	2,512	1,955	2,273	2,400	2,428	2,218	3,060		
Operating income margin	10.3%	11.8%	9.9%	10.5%	10.6%	11.0%	10.3%	12.7%		
Assets	27,548	28,939	26,887	30,981	31,489	31,882	30,919	30,061		
Depreciation and amortization	840	843	801	828	855	886	914	955		

Automotive Parts

FYE	2011	2012	2013	2014	2015	2016	2017	2018		
Net sales* ¹	43,303	43,509	49,397	60,674	66,978	73,473	75,147	79,545		
Operating income	5,382	4,846	6,494	10,119	11,916	12,258	12,385	10,258		
Operating income margin	12.4%	11.1%	13.1%	16.7%	17.8%	16.7%	16.5%	12.9%		
Assets	39,135	44,657	49,936	56,702	68,083	71,124	80,181	91,268		
Depreciation and amortization	3,561	3,582	3,569	4,313	4,579	5,247	5,585	6,108		

Materials Handling Systems Segment

Materials Handling Systems

FYE	2011	2012	2013	2014	2015	2016	2017	2018		
Net sales* ¹	26,340	27,977	30,246	39,565	45,169	44,354	41,043	44,187		
Operating income	215	878	531	1,192	1,940	659	706	416		
Operating income margin	0.8%	3.1%	1.8%	3.0%	4.3%	1.5%	1.7%	0.9%		
Assets	29,741	30,680	40,288	43,389	46,520	44,063	42,954	43,268		
Depreciation and amortization	512	492	687	1,081	1,155	1,276	1,135	1,128		

Other*²

FYE	2011	2012	2013	2014	2015	2016	2017	2018		
Net sales* ¹	2,689	2,911	2,846	2,719	2,968	3,186	3,001	3,331		
Operating income	173	170	143	63	123	84	-1	-41		
Operating income margin	6.5%	5.9%	5.0%	2.3%	4.2%	2.6%	—	—		
Assets	3,543	3,733	3,450	3,429	3,634	3,051	2,980	3,261		
Depreciation and amortization	12	13	11	9	9	10	10	11		

*1 Sales figures include internal sales and transfers between segments.

*2 "Other" is not included in reported segments. It includes building maintenance, insurance agency business, and other businesses.

5. Data by Region

Millions of yen

*Sales figures include internal sales and transfers between segments.

Japan											
	FYE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net sales*		116,292	89,863	108,607	112,940	110,183	110,585	119,349	121,347	117,795	125,380
Operating income		10,047	5,504	8,650	9,165	8,570	9,234	12,694	12,621	11,351	12,203
Operating income margin		8.6%	6.1%	8.0%	8.1%	7.8%	8.4%	10.6%	10.4%	9.6%	9.7%

North America											
	FYE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net sales*		24,098	20,042	24,918	25,444	29,967	43,329	—	—	—	—
Operating income		861	334	1,077	1,338	2,103	3,998	—	—	—	—
Operating income margin		3.6%	1.7%	4.3%	5.3%	7.0%	9.2%	—	—	—	—

Other											
	FYE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net sales*		143	28	72	89	95	222	—	—	—	—
Operating income		-10	-54	-48	-53	-55	-34	—	—	—	—
Operating income margin		—	—	—	—	—	—	—	—	—	—

America											
	FYE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net sales*		—	—	—	—	—	43,551	48,749	51,671	50,830	52,862
Operating income		—	—	—	—	—	3,964	4,162	4,496	4,853	3,034
Operating income margin		—	—	—	—	—	0	8.5%	8.7%	9.5%	5.7%

Europe											
	FYE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net sales*		7,370	5,464	10,966	12,335	14,566	22,056	26,545	24,219	23,181	25,620
Operating income		467	201	-323	242	429	471	890	531	687	204
Operating income margin		6.3%	3.7%	—	0	2.9%	2.1%	3.4%	2.2%	3.0%	0.8%

Asia & Oceania											
	FYE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net sales*		12,485	9,819	12,972	13,910	17,027	25,740	—	—	—	—
Operating income		1,862	1,044	1,685	1,419	1,417	2,710	—	—	—	—
Operating income margin		14.9%	10.6%	13.0%	10.2%	8.3%	10.5%	—	—	—	—

Indian Ocean Rim											
	FYE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net sales*		—	—	—	—	—	9,741	10,718	12,626	12,763	14,850
Operating income		—	—	—	—	—	1,384	1,385	1,680	1,744	2,138
Operating income margin		—	—	—	—	—	0	12.9%	13.3%	13.7%	14.4%

China											
	FYE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net sales*		—	—	—	—	—	11,044	14,062	16,494	18,186	22,251
Operating income		—	—	—	—	—	954	1,008	273	925	864
Operating income margin		—	—	—	—	—	0	7.2%	1.7%	5.1%	3.9%

South Korea and Taiwan											
	FYE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net sales*		—	—	—	—	—	5,011	7,115	8,578	8,378	9,684
Operating income		—	—	—	—	—	372	258	405	273	471
Operating income margin		—	—	—	—	—	0	3.6%	4.7%	3.3%	4.9%

6. Over Seas Sales Data

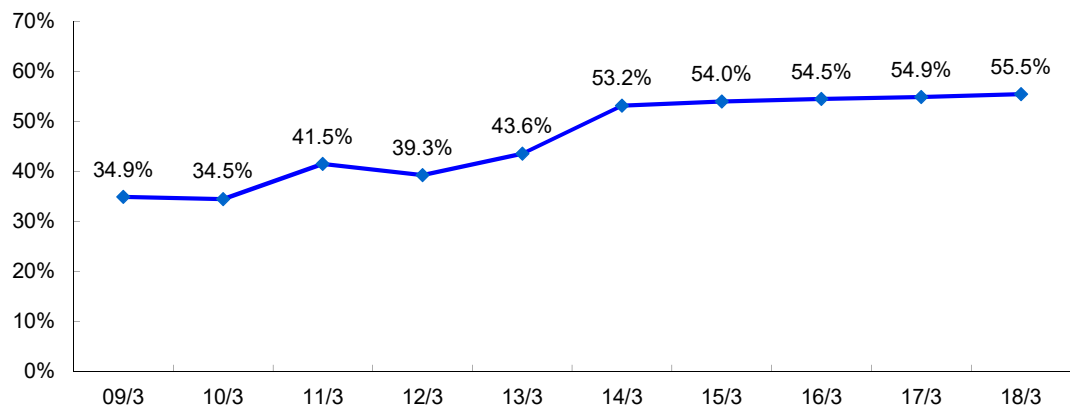
Millions of yen

FYE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
North America*¹	23,794	19,863	—	—	—	—	—	—	—	—
Net sales ratio (% of consolidated sales)	16.8%	17.6%	—	—	—	—	—	—	—	—
United States*¹	—	—	22,598	21,413	25,590	36,446	40,348	43,062	39,865	39,704
Net sales ratio (% of consolidated sales)	—	—	0	14.8%	17.1%	20.5%	20.5%	21.1%	20.1%	18.4%
Europe	7,956	5,554	10,626	11,581	13,830	20,687	24,021	23,000	22,298	24,670
Net sales ratio (% of consolidated sales)	5.6%	4.9%	7.7%	8.0%	9.2%	11.6%	12.2%	11.3%	11.2%	11.4%
Asia & Oceania*²	17,227	12,974	20,104	19,790	21,357	30,403	—	—	—	—
Net sales ratio (% of consolidated sales)	12.2%	11.5%	14.5%	13.7%	14.2%	17.1%	—	—	—	—
Indian Ocean Rim *²	—	—	—	—	—	—	12,851	12,824	13,452	14,860
Net sales ratio (% of consolidated sales)	—	—	—	—	—	—	0	6.3%	6.8%	6.9%
China*²	—	—	—	—	—	—	13,868	15,251	16,531	20,273
Net sales ratio (% of consolidated sales)	—	—	—	—	—	—	0	7.5%	8.3%	9.4%
South Korea and Taiwan *²	—	—	—	—	—	—	7,550	8,638	7,978	9,721
Net sales ratio (% of consolidated sales)	—	—	—	—	—	—	0	4.2%	4.0%	4.5%
Other*¹	472	518	4,066	4,105	4,621	7,149	7,656	8,316	9,047	10,503
Net sales ratio (% of consolidated sales)	0.3%	0.5%	2.9%	2.8%	3.1%	4.0%	3.9%	4.1%	4.6%	4.9%
Total Over Seas sales	49,450	38,911	57,395	56,890	65,400	94,687	106,297	111,094	109,174	119,734
Net sales ratio (% of consolidated sales)	34.9%	34.5%	41.5%	39.3%	43.6%	53.2%	54.0%	54.5%	54.9%	55.5%
Consolidated sales	141,517	112,759	138,243	144,896	150,002	178,022	196,738	203,976	198,762	215,716

*1 Until FYE2010, "North America" included totals for the United States and Canada.

As of FYE2011, this category has been changed to "United States", and figures for Canada have been included under "Other".

Trends in Over Seas Sales Ratio



7. Orders Received and Order Backlog Data

*As of FYE2011, the Tsubaki Group has changed the classification of its business segments from the Power Transmission Products Segment and the Materials Handling Systems Segment to the Chain Operations, Power Transmission Units and Components Operations, Automotive Parts Operations, and Materials Handling Systems Operations.

Millions of yen

Orders Received

FYE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Power Transmission Products Segment	108,897	92,517	—	—	—	—	—	—	—	—
Chain Operations	—	—	47,899	50,584	48,236	54,788	60,530	63,168	60,999	69,728
Power Transmission Units and Components Operations	—	—	20,217	20,996	18,906	22,025	22,389	21,745	21,576	25,043
Automotive Parts Operations	—	—	42,742	43,353	49,555	60,785	66,279	74,235	75,197	79,377
Materials Handling Systems Segments	25,829	19,645	—	—	—	—	—	—	—	—
Materials Handling Systems Operations	—	—	25,673	27,054	29,652	40,194	44,627	43,460	42,826	46,770
Other	—	—	1,897	1,978	2,054	1,895	2,258	2,165	2,455	2,826
Total	134,727	112,163	138,431	143,968	148,405	179,689	196,086	204,776	203,056	223,747

Order Backlog

FYE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Power Transmission Products Segment	9,164	9,790	—	—	—	—	—	—	—	—
Chain Operations	—	—	7,041	7,105	6,697	7,409	7,932	8,215	9,789	13,546
Power Transmission Units and Components Operations	—	—	2,748	2,699	2,320	3,072	3,361	3,464	3,732	5,148
Automotive Parts Operations	—	—	754	597	755	867	169	931	982	814
Materials Handling Systems Segments	12,686	11,889	—	—	—	—	—	—	—	—
Materials Handling Systems Operations	—	—	11,693	10,717	15,993	18,023	17,926	16,876	18,716	22,044
Other	—	—	160	115	227	167	265	88	163	181
Total	21,850	21,680	22,398	21,235	25,994	29,540	29,655	29,576	33,385	41,735

8. Other (Reference Data)

End-of-period Reference Data

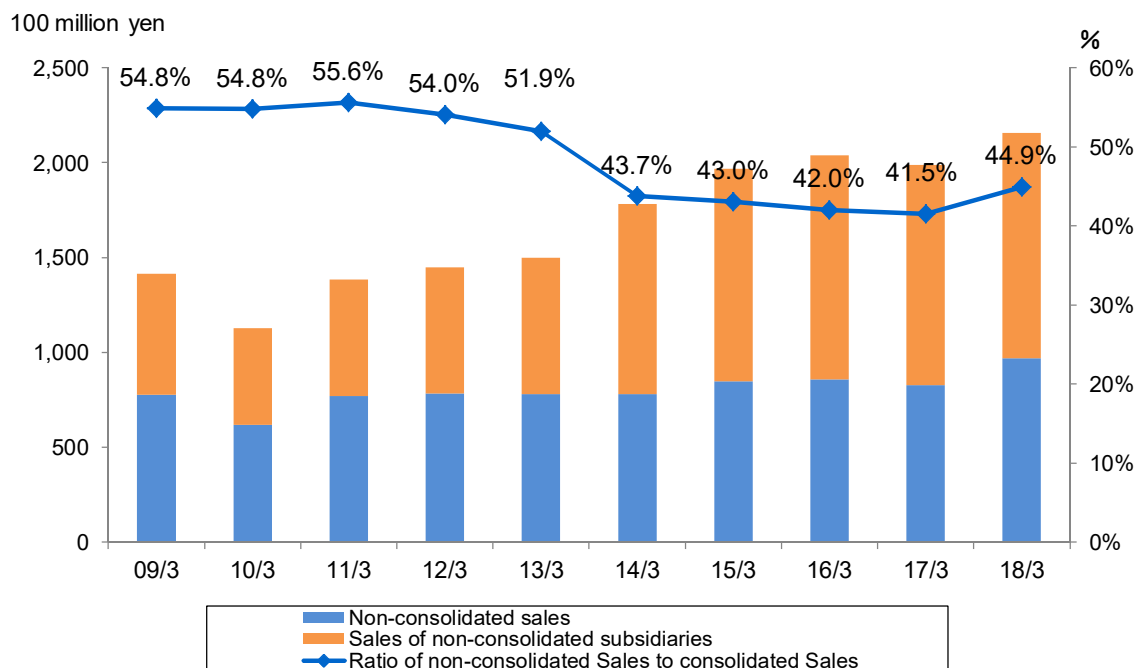
FYE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number of employees (consolidated)*	5,339	5,271	5,891	6,160	6,792	7,068	7,398	7,579	7,886	8,358
Number of employees (Non-consolidated)*	2,016	2,032	2,096	2,141	2,203	2,200	2,158	2,163	2,197	2,775
Shares outstanding at end of period (thousands)	191,406	191,406	191,406	191,406	191,406	191,406	191,406	191,406	191,406	191,406
Treasury stock at end of period (thousands)	5,363	5,374	5,397	4,246	4,264	4,292	4,311	4,330	4,345	2,139

*Includes contracted and temporary staff.

Trends in Non-consolidated Performance

FYE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Sales	77,611	61,745	76,910	78,316	77,915	77,870	84,637	85,600	82,540	96,828
Operating income	2,465	1,220	4,688	4,444	5,047	5,310	8,409	7,835	6,733	7,629
Ordinary income	4,361	3,027	6,027	6,464	7,115	8,908	13,557	15,549	11,498	12,500
Net income	2,374	2,257	3,556	4,700	4,854	6,248	10,227	10,060	8,648	15,786

Non-consolidated Sales as Percentage of Consolidated Sales



Corporate / Share Information (As of March 31, 2018)

Corporate Overview

Company Name	Tsubakimoto Chain Co.
Headquarters	Nakanoshima Mitsui Building, 3-3-3 Nakanoshima, Kita-ku, Osaka 530-0005, Japan
Date of Foundation	December 1917
Fiscal Year-End	April 1 to March 31
Paid-in Capital	17,076 million yen
Representative	Yasushi Ohara, President and Representative Director
Description of Business	<ul style="list-style-type: none"> • Manufacture and sale of power transmission products and accessories • Manufacture and sale of conveyor equipment and accessories, and design and installation of conveyor systems
Net Sales	Consolidated: 215 billion yen (FYE2018)
Number of Employees	Consolidated: Approx. 8,358
Number of consolidated subsidiaries	: 59
Number of Unconsolidated subsidiaries	: 8
Number of Affiliates	: 9 (Including 1 Equity-Method Affiliate)
Manufacturing Centers	Japan, United States, Canada, Mexico, Taiwan, China, Korea, Thailand, Indonesia, United Kingdom, Germany, Netherlands, Slovak

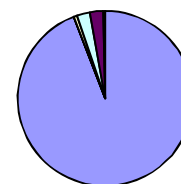
Stock Information

Authorized Shares	299,000,000
Issued Shares	191,406,969
Number of Shareholders	9,825
Treasury Stock Held	2,139,235
Outstanding Shares	189,267,734

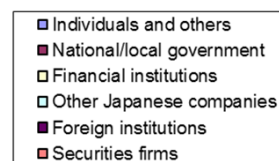
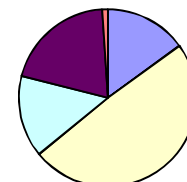
Major Shareholders (Top 10)

No.	Name	Number of shares held (thousands)	Percentage of total
1	Taiyo Life Insurance Company	17,798	9.4%
2	Nippon Life Insurance Company	9,850	5.2%
3	The Master Trust Bank of Japan, Ltd. (Trust account)	9,612	5.1%
4	Japan Trustee Services Bank, Ltd. (Trust account)	8,766	4.6%
5	Toyota Motor Corporation	7,722	4.1%
6	Sumitomo Mitsui Banking Corporation	7,034	3.7%
7	Kyoeikai Employee Stock Ownership Association	6,501	3.4%
8	Tsubakimoto Kogyo Co., Ltd.	5,294	2.8%
9	Sumitomo Mitsui Trust Bank, Limited	4,245	2.2%
10	MUFG Bank, Ltd.	3,563	1.9%

Number of Shareholders



Number of Shares Held



	Number of shareholders		Number of shares held	
	No. of shareholders	% of total shares issued	No. of shares	% of total shares
Individuals and others	9,262	94.16%	29,487,658	15.01%
National/local government	1	0.01%	104,000	0.05%
Financial institutions	62	0.65%	88,077,509	49.03%
Other Japanese companies	236	2.40%	26,791,768	14.91%
Foreign institutions	226	2.36%	45,436,203	19.96%
Securities firms	38	0.42%	1,509,831	1.04%
Total	9,825	100.00%	191,406,969	100.00%