

Tsubakimoto Chain Co. FYE 2009 Interim Settlement of Accounts Presentation Meeting



November 25, 2008

FYE 2009 Interim Settlement of Accounts Business Report and Full Year Forecast

- Interim Business Report for FYE 2009
- FYE 2009 Full Year Forecast and Strategies by Operations

1. FYE 2009 Interim Review Main Points of Settlement of Accounts 2

- First term sales and income are highest to date
- Received orders are down year on year due to the slowing economy and other factors

(Yen, millions)

	1H FYE 2009	Year-on-year	
		Change	(Percentage)
Received orders	79,913	▲ 2,205	(▲2.7%)
Net sales	82,057	+ 2,211	(+2.8%)
- GB value (reference) -			
Chain Operations	24,100	▲ 300	(▲1.6%)
Power Transmission Units and Components Operations	14,800	+ 1,300	(+9.7%)
Automotive Parts Operations	25,700	+ 300	(+1.2%)
Materials Handling Systems Operations	16,300	+ 900	(+6.4%)
Operating income	8,942	+ 153	(+1.7%)
Ordinary income	9,066	+ 608	(+7.2%)
Ordinary income ratio	11.0%	+ 0.4%	
Current net income	5,612	+ 1,028	(+22.4%)

Down slightly because domestic operations covered flagging North American sales

All business units witnessed steady sales leading to significant revenue growth

Impact of North American slump slowed growth

Brisk sales of equipment for automotive, newspaper, and cement industries

Further increased profitability of Power Transmission Products Segment due to recovery of Power Transmission Units and Components Operations

* Applied exchange rate: US\$1 = ¥106.12, €1 = ¥162.79

- Asia and Oceania continued to grow, but sales and income showed only minute growth due to slumping North American and European markets

(Yen, millions)

		1H FYE 2009	Year-on-year	
			Change	(Percentage)
Japan	Net sales	66,373	+ 3,843	(+ 6.1%)
	Operating income	8,103	+ 537	(+ 7.1%)
	Operating income margin	12.2%	+ 0.1%	
North America	Net sales	14,590	▲ 1,803	(▲ 11.0%)
	Operating income	958	▲ 469	(▲ 32.9%)
	Operating income margin	6.6%	▲ 2.1%	
Europe	Net sales	4,730	▲ 275	(▲ 5.5%)
	Operating income	477	▲ 57	(▲ 10.7%)
	Operating income margin	10.1%	▲ 0.6%	
Asia / Oceania	Net sales	6,914	+ 1,572	(+ 29.4%)
	Operating income	1,127	+ 237	(+ 26.6%)
	Operating income margin	16.3%	▲ 0.4%	
Other areas	Net sales	53	—	*Totals for these items from 2H FYE 2008
	Operating income	▲ 11	—	
	Operating income margin	—		
Elimination or corporate	Net sales	▲ 10,604		
	Operating income	▲ 1,713		
Consolidated	Net sales	82,057	+ 2,211	(+ 2.8%)
	Operating income	8,942	+ 154	(+ 1.8%)
	Operating income margin	10.9%	▲ 0.1%	

- Expansion in Asia/Oceania helped ratio of overseas sales achieve year-on-year growth of 0.6%

(Yen, millions)

	1H FYE 2009	Year-on-year	
		Change	(Percentage)
Total of overseas sales	29,993	+ 1,259	(+ 4.4%)
Overseas sales as percent of total sales	36.6%	+ 0.6%	
North America	14,413	▲ 1,892	(▲ 11.6%)
Percent of total sales	17.6%	▲ 2.8%	
Europe	5,212	▲ 119	(▲ 2.2%)
Percent of total sales	6.4%	▲ 0.3%	
Asia / Oceania	10,197	+ 3,387	(+ 49.7%)
Percent of total sales	12.4%	+ 3.9%	
Other areas	170	▲ 117	(▲ 40.8%)
Percent of total sales	0.2%	▲ 0.2%	
Total of domestic sales	52,064	+ 952	(+ 1.9%)
Domestic sales as percent of total sales	63.4%	▲ 0.6%	

FYE 2009 Full Year Forecast and Strategies by Operations

3. FYE 2009 Full Year Forecast

- Forecasts have been revised downward in light of the global economic slowdown and extremely high yen

(yen, millions)

	1H FYE 2009	2H FYE 2009 forecast	Full year forecast	Reference (Figures released at start of term)		
					Change	(Percentage)
Net sales	82,057	72,143	154,200	169,000	▲ 14,800	(▲ 8.8%)
- GB value (reference) -						
Chain Operations	24,100	24,400	48,500	51,200	▲ 2,700	(▲ 5.3%)
Power Transmission Units and Components Operations	14,800	13,200	28,000	29,400	▲ 1,400	(▲ 4.8%)
Automotive Parts Operations	25,700	21,500	47,200	54,100	▲ 6,900	(▲ 12.8%)
Materials Handling Systems Operations	16,300	12,400	28,700	32,000	▲ 3,300	(▲ 10.3%)
Operating income	8,942	3,958	12,900	18,600	▲ 5,700	(▲ 30.6%)
Ordinary income	9,066	3,234	12,300	17,000	▲ 4,700	(▲ 27.6%)
Ordinary income ratio	11.0%	4.5%	8.0%	10.1%	▲ 2.1%	
Current net income	5,612	1,488	7,100	9,000	▲ 1,900	(▲ 21.1%)

* Estimated exchange rate for 2H FYE 2009: US\$1 = ¥95, €1 = ¥120

(Estimated exchange rate at start of term: US\$1 = ¥100, €1 = ¥159)

2. Strategies by Operations

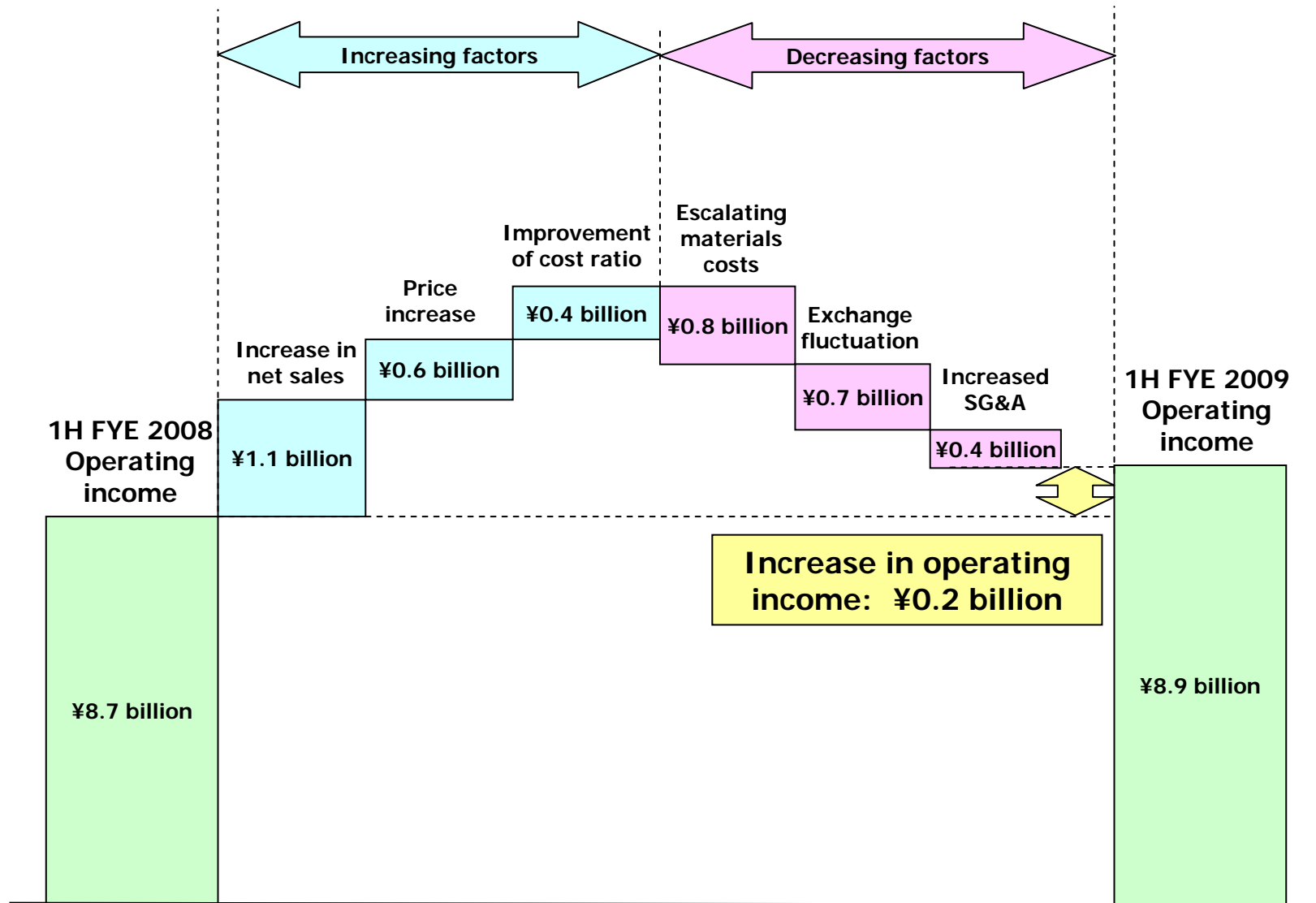
- Strategies for achieving full year forecast

Operation	Strategies	
Chain Operations	Sales	<ul style="list-style-type: none"> • Acquiring new customers in South America (Brazil) and India • Expand sales into mining, steel, shipping, and food industries
	Income	<ul style="list-style-type: none"> • Reduce personnel and outsourcing costs by restructuring manufacturing workforce
Power Transmission Units and Components Operations	Sales	<ul style="list-style-type: none"> • Strengthened sales Promotional campaign for (1) Planetary gear reducers and (2) power cylinders, and collaboration with certain agents for couplings/Power-Locks
	Income	<ul style="list-style-type: none"> • Reduction in overtime hours worked, laying off non-regular employees, and other cost cutting measures • Improve rate of internal production (to avoid cost outflow)
Automotive Parts Operations	Income	<ul style="list-style-type: none"> • Reduce costs by controlling personnel and outsourcing costs, and implementing operational adjustments • Review plan to move Kyotanabe Plant, and pursue efficiency by concentrating production in Saitama • Promote localization and optimal procurement (Out-Out procurement) in order to reduce foreign exchange risk
Materials Handling Systems Operations	Sales	<ul style="list-style-type: none"> • Increasing sales by pursuing jobs with short delivery periods
	Income	<ul style="list-style-type: none"> • Lower costs by segmenting cost targets • Improve productivity by increasing internal uptime ratio (to avoid cost outflow)

FYE 2009 Interim Report Main Points

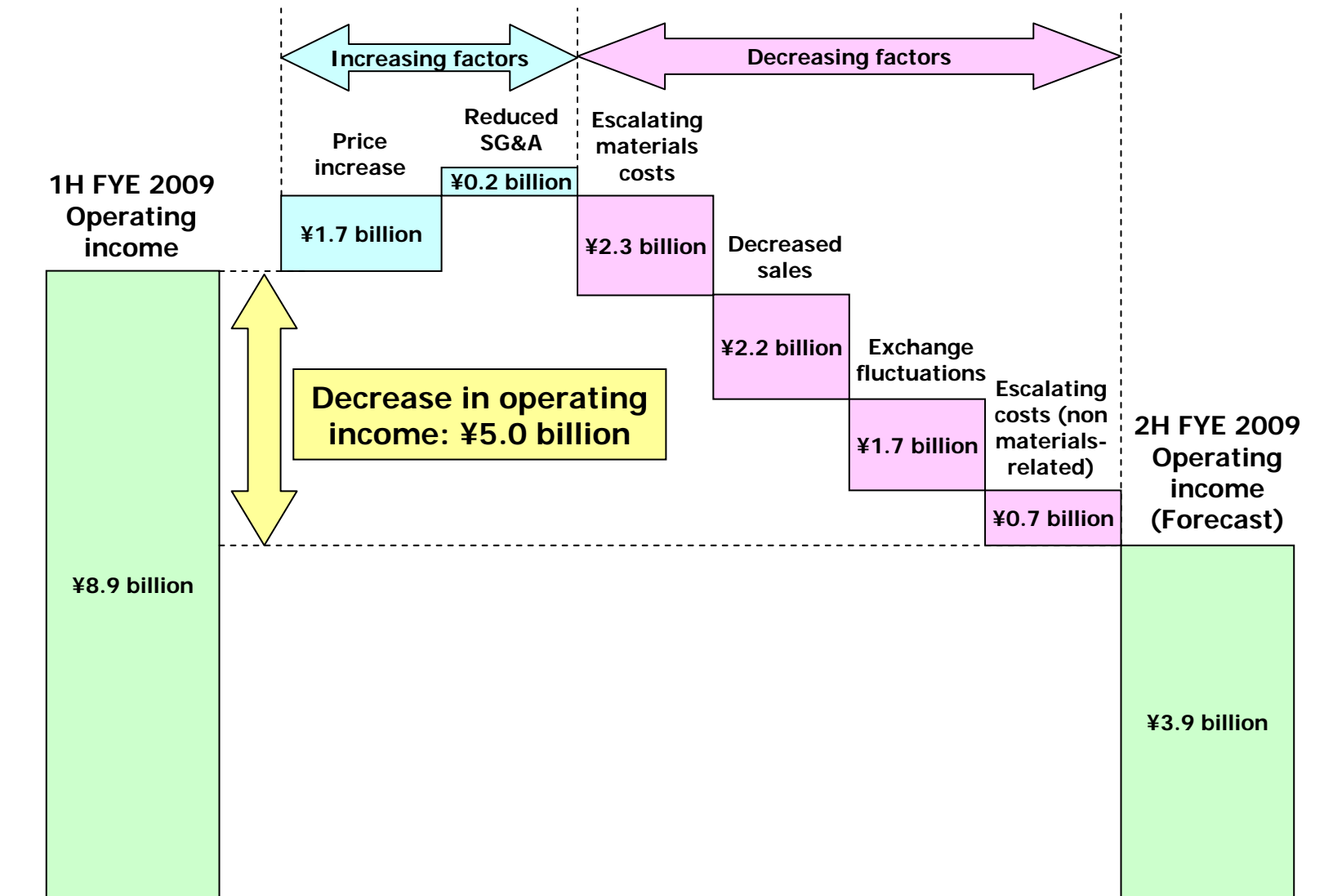
- Factors behind Change in Consolidated Operating Income
 - 1H FYE 2008 vs. 1H FYE 2009
- Factors behind Change in Consolidated Operating Income
 - 1H FYE 2009 vs. 2H FYE 2009
- Factors behind Change in Consolidated Operating Income
 - FYE 2008 vs. FYE 2009 Forecast

1. Factors behind Change in Consolidated Operating Income 1H FYE 2008 vs. 1H FYE 2009

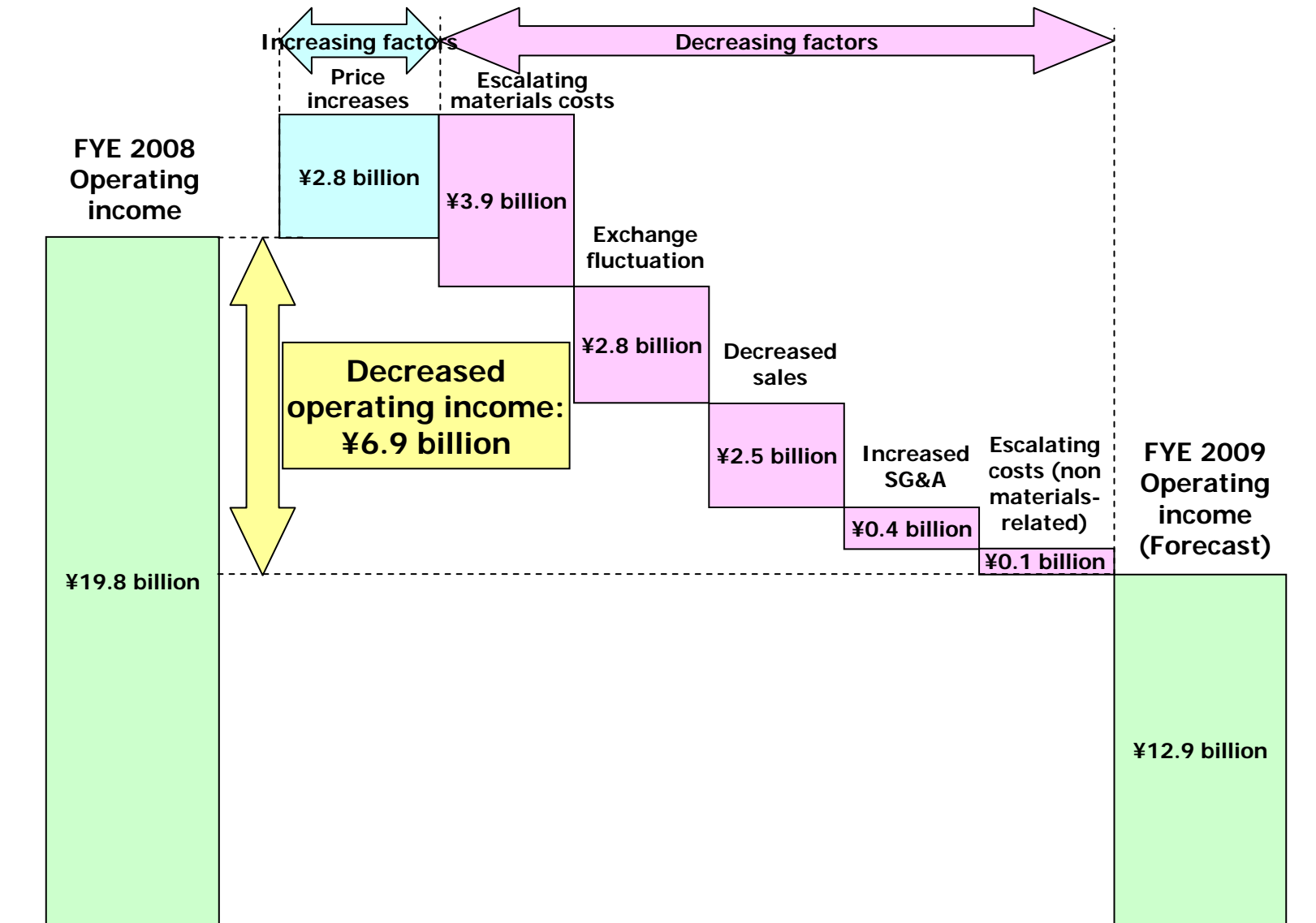


2. Factors behind Change in Consolidated Operating Income 1H FYE 2009 vs. 2H FYE 2009 Forecast

10



3. Factors behind Change in Consolidated Operating Income FYE 2008 vs. FYE 2009 Forecast



Our Mission

**Excellence in Manufacturing for Customers
around the World**

We will provide the **best value** to customers around the world by capitalizing on our technical strengths in power transmission products and materials handling systems.

Our Vision

We aim to be a **leading company** in the global markets for our products.

This reference document describes the outlook of our business performance and business plans. Contents of this document are based on the economic environment and our business policies at the time of preparation of the reference data. Therefore, please note that actual results may be different from the business outlook described here, depending on a variety of factors.