

May 17, 2004

**CONSOLIDATED FINANCIAL STATEMENTS**  
**12 Months Ended March 31, 2004**

**Name of the Company:** Tsubakimoto Chain Co.  
**Code number:** 6371  
**Stock exchange listings:** Tokyo, Osaka, Nagoya  
**URL:** <http://www.tsubakimoto.jp/>  
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Board of Directors meeting to approve announcement of operating results: May 14, 2004

Adoption of U.S. GAAP: No

**1. Consolidated Operating Results for the 12 Months Ended March 31, 2004**

(1) RESULTS OF CONSOLIDATED OPERATIONS \* Amounts less than ¥1 million rounded down

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For 12 months ended March 31, 2004	119,141	2.1	7,950	8.2	6,215	24.3	3,384	121.1
For 12 months ended March 31, 2003	116,670	2.6	7,351	21.7	4,999	24.3	1,530	27.4

	Net income per share	Net income per share (diluted)	Return on equity	Return (ordinary profit) on assets	Return (ordinary profit) on net sales
	Yen	Yen	%	%	%
For 12 months ended March 31, 2004	17.40	-	5.3	3.5	5.2
For 12 months ended March 31, 2003	7.92	-	2.5	2.6	4.3

(Notes)

(1) Investment profit under equity method: ¥42 million in March 2004 term; ¥35 million in March 2003 term

(2) Average number of outstanding shares (consolidated): 188,657,512 in March 2004 term; 189,504,012 in March 2003 term

(3) Changes to accounting policies in the most-recent consolidated fiscal year: None

(4) Percentage figures for net sales, operating income, and other items indicate increases or decreases compared with the same period of the previous fiscal year.

(2) CONSOLIDATED FINANCIAL POSITION

	Total assets	Shareholders' equity	Equity ratio	Equity per share
	Millions of Yen	Millions of Yen	%	Yen
March 31, 2004	175,432	66,872	38.1	354.14
March 31, 2003	183,260	60,306	32.9	319.39

(Note) Shares outstanding at end of fiscal year (consolidated): 188,543,974 at end of March 31, 2004 term; 188,722,720 at end of March 31, 2003 term

### (3) CONSOLIDATED CASH FLOWS

	Net cash provided by operating activities	Net cash provided by (used in) investing activities	Net cash used in financial activities	Cash and cash equivalents at end of period / year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
For 12 months ended March 31, 2004	7,995	9,067	(15,537)	13,680
For 12 months ended March 31, 2003	12,020	(3,014)	(14,216)	12,416

### (4) SCOPE OF CONSOLIDATED ACCOUNTS AND APPLICATION OF EQUITY METHOD

Consolidated subsidiaries: 23; Non-consolidated subsidiaries accounted for under equity method: 0; Affiliates accounted for under equity method: 1

### (5) CHANGES IN SCOPE OF CONSOLIDATED ACCOUNTS AND APPLICATION OF EQUITY METHOD

Companies newly added to consolidated accounts: 0; Companies subtracted from consolidated accounts: 0; Companies newly added under equity method: 0; Companies subtracted under equity method: 0

## 2. Outlook for Consolidated Operating Results for the 12 Months Ending March 31, 2005

	Net sales	Ordinary income	Net income
	Millions of Yen	Millions of Yen	Millions of Yen
First half of year	60,000	3,000	1,300
Full year	125,000	7,000	3,500

Projected net income per share: ¥18.56

\* The above projections are based on assumptions and judgments made by Tsubakimoto Chain in light of information currently available. However, Tsubakimoto Chain's actual performance may differ materially from those projections due to changes in the operating environment.