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Notice regarding the difference between the non-consolidated business results forecasts and the actual results for the second quarter, and the revision of the full-term consolidated business results forecasts, both for the fiscal year ending March 31, 2019

The Company has observed the differences indicated below between the non-consolidated business results forecasts announced on May 10, 2018, for the second quarter of the fiscal year ending March 31, 2019 (April 1, 2018 – March 31, 2019), and the actual results announced today.

In light of the recent earnings trend, the Company has also revised the full-term consolidated business results forecasts announced on July 27, 2018, for the fiscal year ending March 31, 2019.

1. Differences between the non-consolidated business results forecasts for the second quarter of the fiscal year ending March 31, 2019, and the actual results (April 1, 2018 – September 30, 2018)

	Net Sales	Operating Income	Ordinary Income	Quarterly net income	Quarterly net income per share
Previously Released Forecast (A) (Released May 10, 2018)	(million yen) 52,400	(million yen) 3,000	(million yen) 7,000	(million yen) 5,600	(yen) 147.94
Actual results (B)	53,424	4,205	8,760	6,984	184.52
Increase (B - A)	1,024	1,205	1,760	1,384	—
Percentage increase / decrease (%)	2.0	40.2	25.2	24.7	—
(Reference) Second quarter results of the previous fiscal year (Second-quarter of the year ended March 31, 2018)	41,622	2,682	6,453	5,002	132.14

* As of October 1, 2018, the Company is implementing a share consolidation at a ratio of one (1) post-consolidation share for every five (5) pre-consolidation common shares. Quarterly net income per share is calculated assuming that such share consolidation was conducted at the beginning of the previous business year.

2. Revised full-term consolidated business results forecasts for the fiscal year ending March 31, 2019 (April 1, 2018 – March 31, 2019)

	Net Sales	Operating Income	Ordinary Income	Net income that reverts to shareholders of parent company	Net Income per Share
Previously Released Forecast (A) (Released July 27, 2018)	(million yen) 244,000	(million yen) 21,700	(million yen) 21,900	(million yen) 15,200	(yen) 401.55
Revised Forecast (B)	239,000	21,700	21,900	15,200	401.56
Increase (B - A)	(5,000)	—	—	—	—
Percentage increase / decrease (%)	(2.0)	—	—	—	—
(Reference) Previous period (year ended March 31, 2018)	215,716	20,694	21,743	14,666	387.44

* As of October 1, 2018, the Company is implementing a share consolidation at a ratio of one (1) post-consolidation share for every five (5) pre-consolidation common shares. Net income per share is calculated assuming that such share consolidation was conducted at the beginning of the previous consolidated accounting year.

3. Reasons for the differences and the revision

With respect to the individual business results for the second quarter, sales, operating income, ordinary income, and quarterly net income exceeded the previously announced forecasts due to the gradual recovery of the domestic economy and the improvement of our productivity.

The full-term consolidated business results forecasts for sales are expected to be lower than what was previously announced due to, among other things, the circumstances of the second quarter and the impact of delays in large-scale projects at overseas consolidated subsidiaries.

* The figures of the above business results forecast are based on the Company's assessment of information available as of the date of this

announcement. Actual business results may differ from forecast figures for various reasons.