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Code number: 6371
Stock exchange listings: Tokyo
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(Correction) Partial Correction of “CONSOLIDATED FINANCIAL STATEMENTS <under Japanese GAAP> For the three-month period ended June 30, 2019”

This notice is in reference to necessary corrections for some items in the “CONSOLIDATED FINANCIAL STATEMENTS <under Japanese GAAP> For the three-month period ended June 30, 2019” announced on July 26, 2019. Please note that no corrections for other numerical data have been made.

1. Reason for Correction

Following the announcement of the “CONSOLIDATED FINANCIAL STATEMENTS <under Japanese GAAP> For the three-month period ended June 30, 2019,” the need to correct certain information was discovered. The following corrections will be applied.

2. Correction Details

Corrections were made to the following sections:

1. Analysis of Business Results and Financial Position

(1) Analysis of Business Results

[Before correction]

(Preceding text omitted)

In this environment, orders received by the Tsubaki Group for this three-month period were down 4.2% year on year, to ¥56,946 million, while net sales increased 0.7%, to ¥55,894 million.

(Intermediate text omitted)

[Chains]

In the Chains segment, net sales were down year on year due to such factors as sluggish sales of drive chains, conveyor chains, and support and guidance systems for cables and hoses in the Americas and the East Asia region, which counteracted solid sales of drive chains and conveyor chains in Japan, solid sales of conveyor chains in the Indian Ocean Rim region, and solid sales of drive chains in Europe.

As a result of the above, the segment posted year-on-year decreases of 4.7% in orders received, to ¥16,725 million; 2.3% in net sales, to ¥16,596 million; and 17.7% in operating income, to ¥2,067 million.

[Power Transmission Units and Components]

In the Power Transmission Units and Components Segment, sales of actuators and clutches were solid in Japan while sales of reducers and locking devices were sluggish. Net sales were down year on year due to lower sales of clutches in the Americas and the Indian Ocean Rim region, which counteracted solid sales of reducers in China.

As a result of the above, the segment recorded a year-on-year increase of 1.6% in orders received, to ¥6,834 million, and decreases of 3.8% in net sales, to ¥5,875 million, and 28.0% in operating income, to ¥656 million.

(Intermediate text omitted)

[Materials Handling Systems]

In the Materials Handling Systems segment, net sales were up year on year due to such factors as an increase in sales of systems for the automotive industry and bulk handling systems in Japan, metalworking chip handling and coolant processing systems in Europe, in addition to an increase in sales in systems for the automotive industry and metalworking chip handling and coolant processing systems in the Americas.

As a result of the above, the segment recorded year-on-year increases of 2.3% in orders received, to ¥14,299 million; 25.3% in net sales, to ¥14,200 million. However, operating loss of ¥400 million was recorded due to such factors as an increase in construction costs, compared with operating loss of ¥236 million in the same period of the previous fiscal year.

[Other]

Other orders received increased 0.1%, to ¥748 million, and net sales increased 24.7%, to ¥829 million. Operating loss of ¥26 million was recorded, compared with operating loss of ¥27 million in the same period of the previous fiscal year.

[After correction]

(Preceding text omitted)

In this environment, orders received by the Tsubaki Group for this three-month period were up 14.5% year on year, to ¥68,048 million, while net sales increased 0.7%, to ¥55,894 million.

(Intermediate text omitted)

[Chains]

In the Chains segment, net sales were down year on year due to such factors as sluggish sales of drive chains, conveyor chains, and support and guidance systems for cables and hoses in the Americas and the East Asia region, which counteracted solid sales of drive chains and conveyor chains in Japan, solid sales of conveyor chains in the Indian Ocean Rim region, and solid sales of drive chains in Europe.

As a result of the above, the segment posted year-on-year decreases of 3.6% in orders received, to ¥16,911 million; 2.3% in net sales, to ¥16,596 million; and 17.7% in operating income, to ¥2,067 million.

[Power Transmission Units and Components]

In the Power Transmission Units and Components Segment, sales of actuators and clutches were solid in Japan while sales of reducers and locking devices were sluggish. Net sales were down year on year due to lower sales of clutches in the Americas and the Indian Ocean Rim region, which counteracted solid sales of reducers in China.

As a result of the above, the segment recorded a year-on-year increase of 4.1% in orders received, to ¥7,001 million, and decreases of 3.8% in net sales, to ¥5,875 million, and 28.0% in operating income, to ¥656 million.

(Intermediate text omitted)

[Materials Handling Systems]

In the Materials Handling Systems segment, net sales were up year on year due to such factors as an increase in sales of systems for the automotive industry and bulk handling systems in Japan, metalworking chip handling and coolant processing systems in Europe, in addition to an increase in sales in systems for the automotive industry and metalworking chip handling and coolant processing systems in the Americas.

As a result of the above, the segment recorded year-on-year increases of 79.9% in orders received, to ¥25,143 million; 25.3% in net sales, to ¥14,200 million. However, operating loss of ¥400 million was recorded due to such factors as an increase in construction costs, compared with operating loss of ¥236 million in the same period of the previous fiscal year.

[Other]

Other orders received decreases of 12.6%, to ¥653 million, and net sales increased 24.7%, to ¥829 million. Operating loss of ¥26 million was recorded, compared with operating loss of ¥27 million in the same period of the previous fiscal year.