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Announcement of Consolidated Earnings and Dividend Forecasts for the Fiscal Year ending March 31, 2021

Tsubakimoto Chain Co. (the "Company") announces the following consolidated earnings and dividend forecasts for the fiscal year ending March 2021 (April 1, 2020 - March 31, 2021), which it had previously left pending in its "Consolidated Financial Results for the Fiscal Year ended March 31, 2020" disclosed on May 27, 2020.

1. Consolidated Earnings Forecasts

(1) Consolidated earnings forecasts for the 6-months ending September 30, 2021 (April 1 - September 30, 2020)

	Net sales	Operating income	Ordinary income	Net income attributable to parent company shareholders	Net income per share
Previous forecast (A)	Million yen —	Million yen —	Million yen —	Million yen —	Yen —
Revised forecast (B)	88,000	1,900	2,700	1,700	45.94
Change (B-A)	—	—	—	—	—
Change (%)	—	—	—	—	—
(Reference) Results for the same period last year	114,254	8,231	8,850	6,496	171.63

(2) Consolidated earnings forecasts for the fiscal year ending March 2021 (April 1, 2020 - March 31, 2021)

	Net sales	Operating income	Ordinary income	Net income attributable to parent company shareholder	Net income per share
Previous forecast (A)	Millions of yen —	Millions of yen —	Millions of yen —	Millions of yen —	Yen —
Revised forecast (B)	190,500	6,600	7,400	5,300	143.21
Increase (B-A)	—	—	—	—	—
Rate of change (%)	—	—	—	—	—
(Reference) Results for same period last year	226,423	16,146	16,698	11,576	308.71

(3) Reasons for consolidated earnings forecasts for the year ending March 31, 2021

The Company had previously refrained from announcing its consolidated earnings forecasts for the fiscal year ending March 2021 due to the complexity in calculating a reasonable outlook as a result of the impact from the novel coronavirus ("COVID-19") worldwide. However, we decided to calculate and publish the forecasts based on information currently available.

Both sales and income for the 6 months ending September 30, 2020 are expected to be significantly lower than in the same period last year due to a rapid slowdown in the global economy caused by COVID-19 and a reduction in production and equipment investment demand from our main customers, particularly in the automotive industry.

With regard to the full year consolidated earnings forecast, the global economy is expected to recover, albeit at a moderate pace, from the middle of the current fiscal year due to economic revitalization policies implemented by governments in each country. However, since the impact from the drop in the first 6-months will be significant, both sales and income are expected to be lower than in the previous fiscal year.

2. Dividend forecast

(1) Dividend forecast

	Annual Dividends (Yen)		
	2 nd Quarter-end	Year-end	Total
Previous forecast	Yen —	Yen —	Yen —
Revised forecast	30.00	30.00	60.00
Dividends paid this fiscal year	—	—	—
(Reference) Dividends paid last fiscal year ended March 31, 2020	60.00	60.00	120.00

(2) Reasons for dividend forecast

The Company positions returning profits to its shareholders as a key tenet of management policy.

The Company's basic policy on profit distribution is to pay dividends that reflect its consolidated performance with the aim of achieving a consolidated dividend payout ratio of 30% while comprehensively taking into account the status of funds and other financial conditions from the perspective of emphasizing shareholder-oriented management.

Based on the above policy, the Company plans to pay an interim dividend of 30 yen per share and a year-end dividend of 30 yen per share, for an annual dividend of 60 yen per share.

※ The earnings forecasts and other forward-looking statements contained in this report are based on information currently available to the Company and on certain assumptions deemed to be reasonable, and are not promises by the Company regarding future performance. Results may differ materially from forecasts due to various factors.