



May 8, 2015

Company name: Tsubakimoto Chain Co.
Representative: Isamu Osa, President and Representative Director
(Code number: 6371, Listed on First Section of Tokyo Stock Exchange)
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Notice Regarding Establishment of Subsidiary

At a Board of Directors meeting held on May 8, 2015, Tsubakimoto Chain Co. (headquarters: Kita-ku, Osaka; President and Representative Director: Isamu Osa; hereinafter “the Company”) decided that its Dutch subsidiary, Tsubakimoto Europe B.V. (hereinafter “Tsubakimoto Europe”), will establish a wholly owned subsidiary in Kolin, Czech Republic, to manufacture and market automotive parts.

1. Goal of establishment

The Company supplies automotive engine-use timing chain drive systems to both domestic and overseas automakers from a global production network consisting of seven bases around the world. Tsubakimoto U.K. Ltd.* produces and supplies these drive systems to the European market, but owing to expanded business with European automakers, the Company has decided to establish a second manufacturing base in Europe at Tsubaki Automotive Czech Republic (provisional name).

*Note: Tsubakimoto U.K. Ltd. is a wholly owned subsidiary of the Company and a subsidiary of Tsubakimoto Europe.

2. Outline of new company

- (1) Company name: Tsubaki Automotive Czech Republic (provisional)
- (2) Representative: Undecided
- (3) Location: Kolin, Central Bohemia, Czech Republic (about 55km from Prague)
- (4) Time of establishment: July 2015 (planned)
- (5) Main business: Manufacture and marketing of automotive parts
- (6) Fiscal yearend: March
- (7) Capital: 42,105,000 Czech koruna (CZK), or approximately ¥200 million (wholly owned by Tsubakimoto Europe)
- (8) Plant outline
 - Site area: Approximately 41,000 m² (building area: approximately 5,000

- m² in first stage)
- Start of operations: November 2017 (planned)
- (9) Employees: 40 at start of operations in 2017, rising to 80 in 2019 (planned)

3. Effect on business performance

Tsubaki envisions that the establishment of the new subsidiary will have an immaterial effect on its consolidated financial performance for the year ending March 31, 2016.