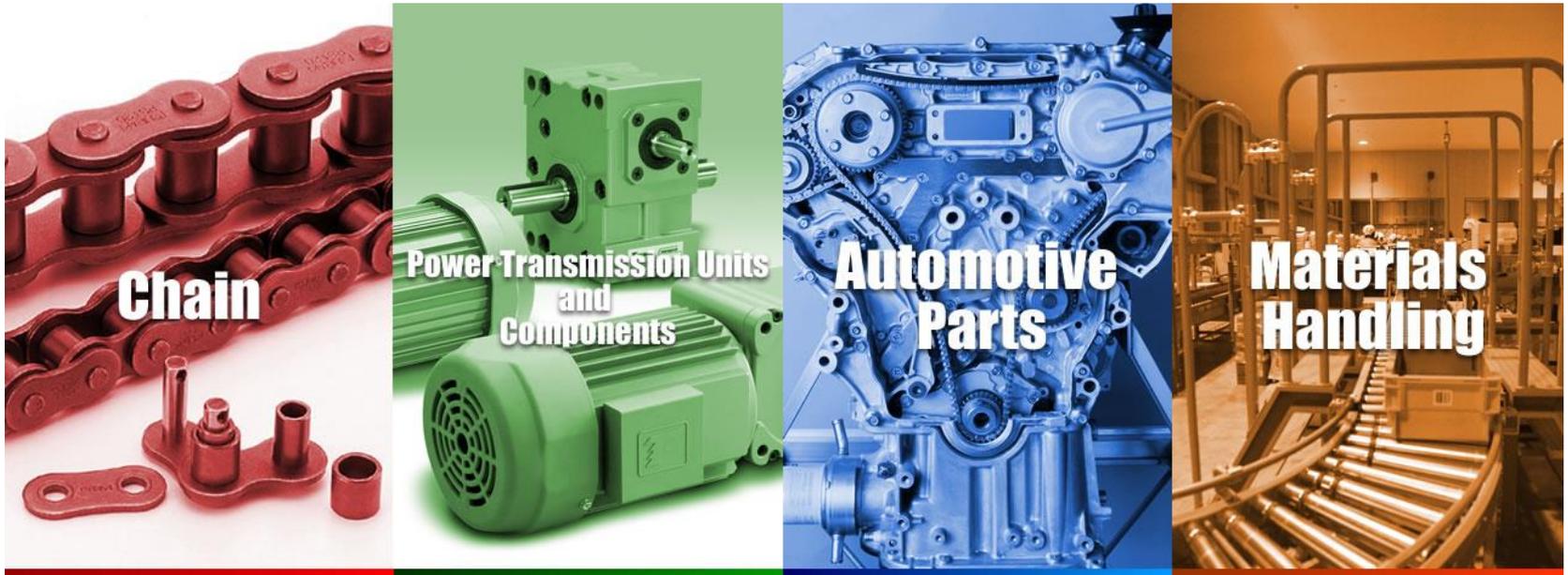


Tsubakimoto Chain Co. FYE 2016 Interim Settlement of Accounts Presentation Meeting



November 16, 2015

FYE 2016 Interim Settlement of Accounts Consolidated Business Report

Note: The "first half" referred to in this report indicates the period from April 1 through September 30 of the applicable consolidated accounting year, while the "second half" indicates from October 1 of the same year through March 31 of the following year.
(For some overseas subsidiaries, these periods are from January 1 through June 30 and from July 1 through December 31 respectively of the applicable year.)

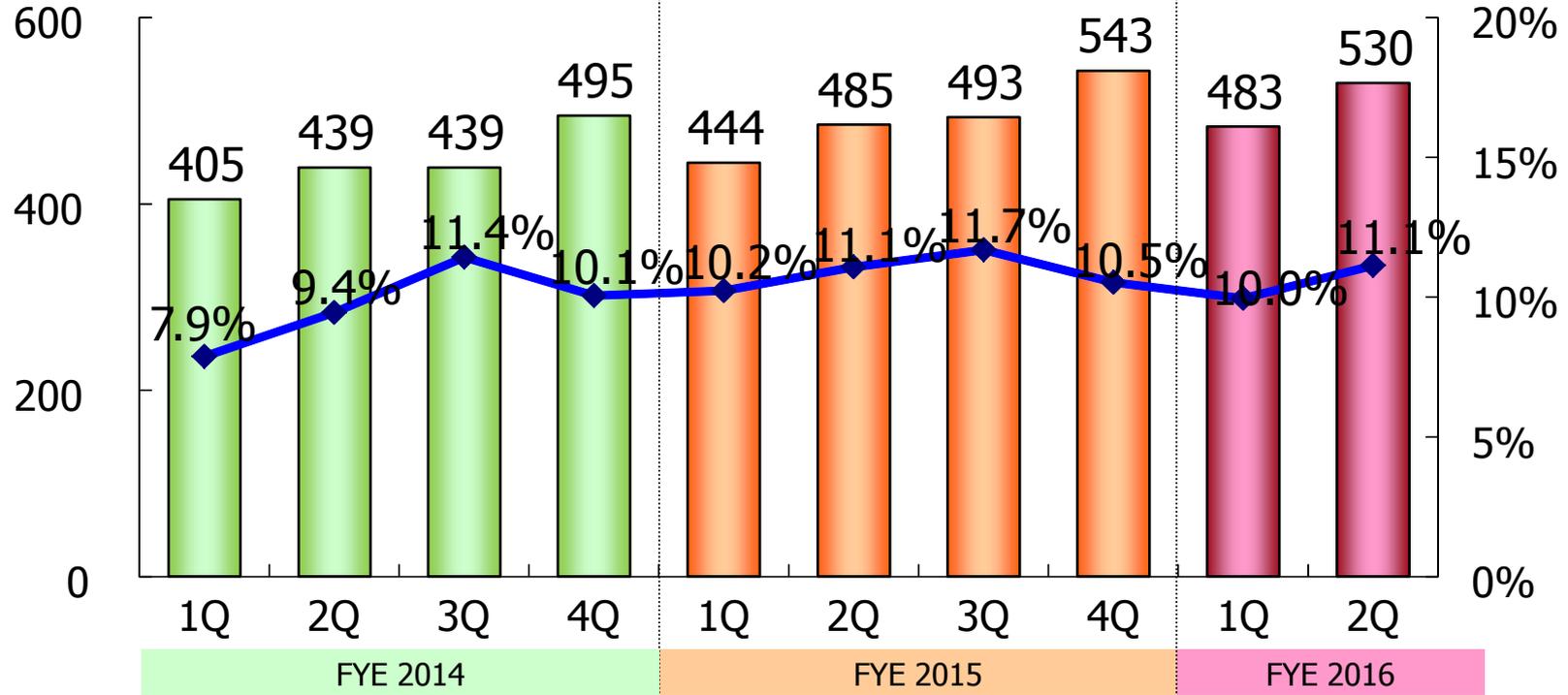
■ As with the previous period, earnings set a new 1H record in FYE 2016 (net sales, operating income, ordinary income, and quarterly net income).

	(Yen, millions)				
	FYE 2015	FYE 2016	YoY	Change from Initial Forecast	
	First half figure (actual)	First half figure (actual)	Increase/decrease	Budget	Increase/decrease
Net sales	92,948	101,488	9.2%	100,000	1.5%
Operating income	9,922	10,727	8.1%	10,100	6.2%
Operating income margin	10.7%	10.6%		10.1%	
Ordinary income	10,416	11,362	9.1%	10,400	9.3%
Quarterly net income owned by parent company shareholders	6,578	7,232	9.9%	6,900	4.8%
Quarterly net income per share	¥35.16	¥38.66	—	¥36.88	—
(Exchange rates US\$1)	¥103.01	¥121.88	—	—	—
(Exchange rates €1)	¥138.89	¥135.10	—	—	—
Shareholders' equity ratio	52.6%	55.4%	Equity capital / total assets		
Net D/E ratio	0.13	0.07	(Interest-bearing debt – Cash equivalent) / Capital adequacy		

Trend in Quarterly Consolidated Settlement of Accounts

Trends in sales and operating income margin (Consolidated)

(Yen, 100 millions)



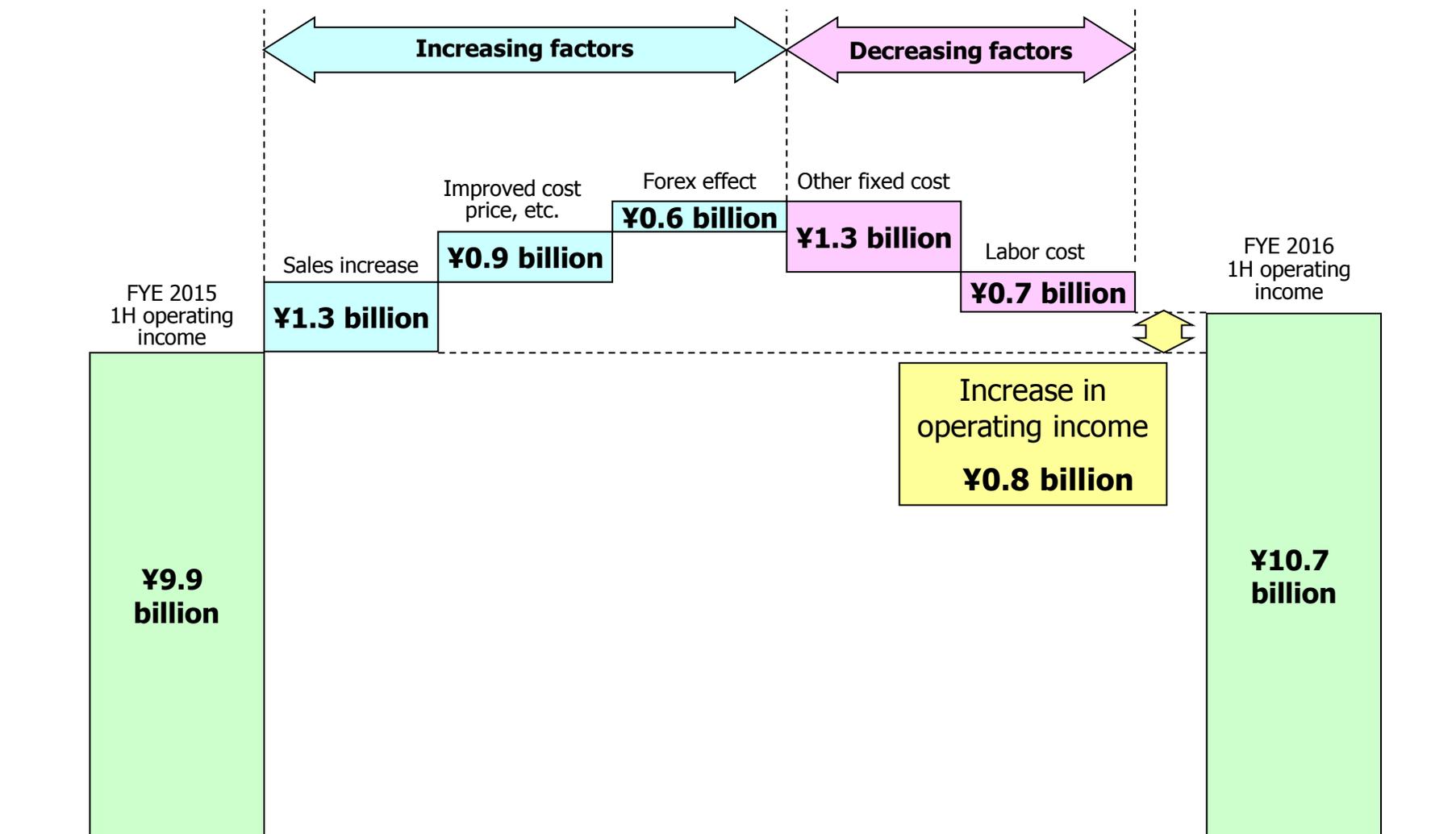
Major exchange rates	FYE 2014	FYE 2015	FYE 2016 (2Q cumulative)
US\$	¥100.16	¥109.76	¥121.88
Euro	¥134.21	¥138.69	¥135.10

(Unit: Yen, 100 millions) ■ : Net sales ◆ : Operating income margin

3. Interim Review

Analysis of Factors Consolidated Increasing/Decreasing Operating Income ⁴

■ First half of FYE 2015 (actual figures) vs. First half of FYE 2016 (actual figures)



Note: Operating income values are rounded off.

4. Interim Review

Breakdown by Business Segment

Chain and Materials Handling Systems Operations recorded sales and income growth. Automotive Parts Operations recorded growth in sales, but reduction in income due to forward-looking investments and other factors.

		(Yen, millions)				
		FYE 2015	FYE 2016	YoY	Change from Initial Forecast	
		First half figure (actual)	First half figure (actual)	Increase/decrease	Budget	Increase/decrease
Chain Operations	Net sales* ¹	29,694	32,498	9.4%	31,800	2.2%
	Operating income	2,354	3,128	32.8%	2,800	11.7%
	Operating income margin	7.9%	9.6%		8.8%	
Power Transmission Units and Components Operations	Net sales* ¹	11,200	11,081	-1.1%	11,300	-1.9%
	Operating income	1,119	1,212	8.3%	1,100	10.2%
	Operating income margin	10.0%	10.9%		9.7%	
Automotive Parts Operations	Net sales* ¹	32,490	35,821	10.3%	35,300	1.5%
	Operating income	6,168	5,915	-4.1%	5,800	2.0%
	Operating income margin	19.0%	16.5%		16.4%	
Materials Handling Systems Operations	Net sales* ¹	19,484	22,158	13.7%	21,400	3.5%
	Operating income	209	481	129.3%	400	20.3%
	Operating income margin	1.1%	2.2%		1.9%	
Other* ²	Net sales* ¹	1,427	1,424	-0.3%	1,400	1.7%
	Operating income	47	20	-57.7%	0	-
	Operating income margin	3.3%	1.4%		0.0%	

*1: Sales figures include internal sales and transfers between segments.

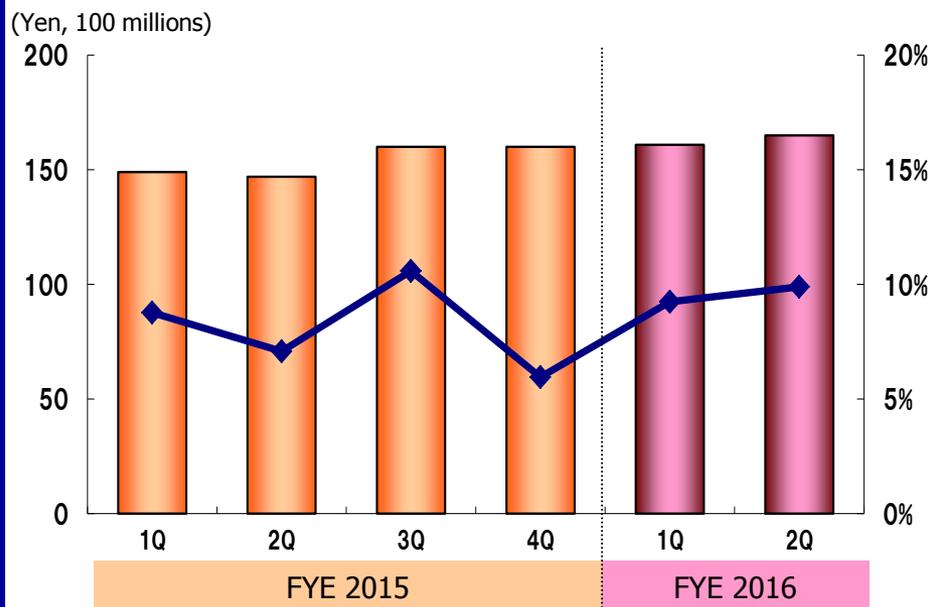
*2: "Other" is not a reportable segment.

5. Interim Review

Earnings Trend by Business Segment

Trends in sales and operating income margin

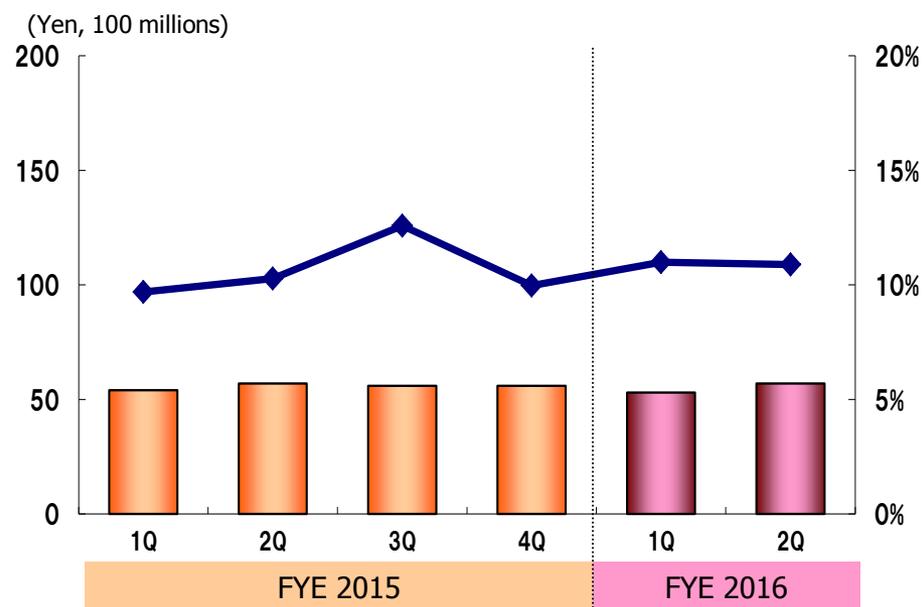
● Chain Operations



<Sales by region>

- In Japan and North America, performance was solid.
- In Europe, growth in sales and income was recorded despite the strong yen.
- In Asia, results were solid overall.
- In China, year-on-year income grew, but failed to match expectations.

● Power Transmission Units and Components Operations



<Sales by region>

- In Japan, performance was solid.
- In China, the Tianjin and Shanghai subsidiaries struggled.

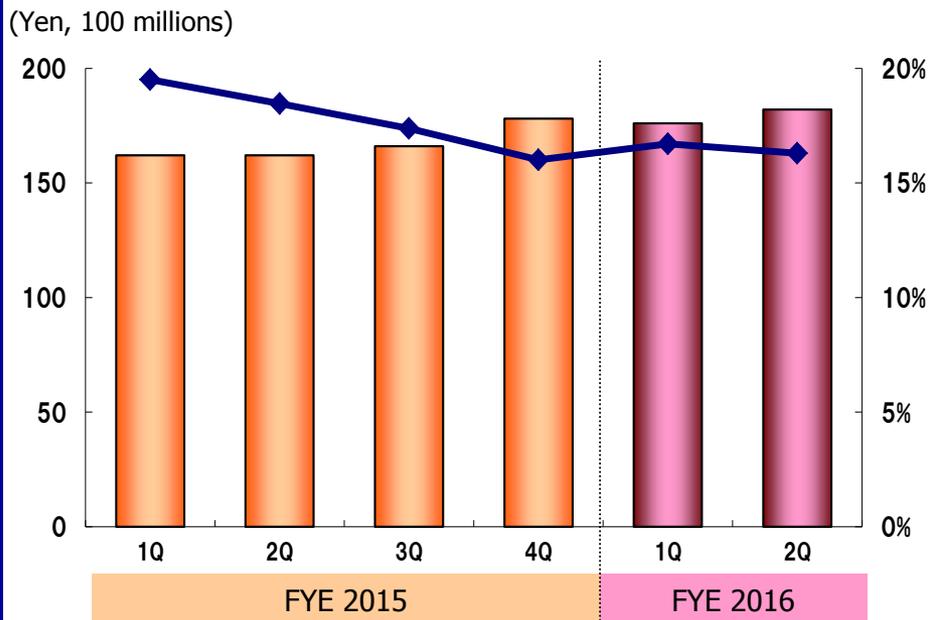
Unit: Yen, 100 millions ■ : Sales ◆ : Operating income margin

5. Interim Review

Earnings Trend by Business Segment

■ Trends in sales and operating income margin

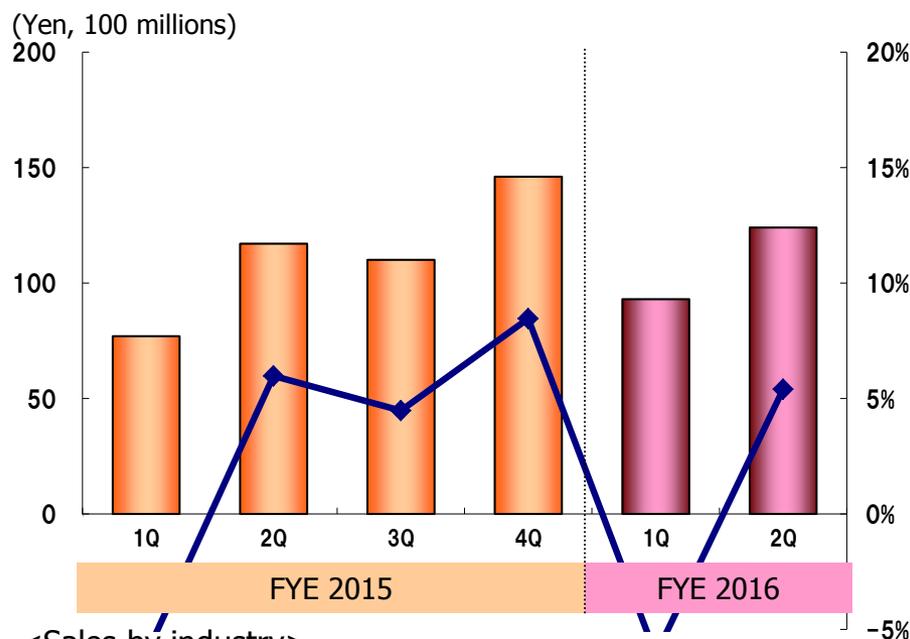
● Automotive Parts Operations



<Sales by region>

- Production in Japan for overseas subsidiaries was strong.
- In China and South Korea, favorable results were maintained.
- The US, Europe, and Thailand saw an increase in year-on-year income, but 2Q growth did not match 1Q

● Materials Handling Systems Operations



<Sales by industry>

- Solid performance in automobiles, newspapers, life sciences, distribution, and other areas.
- Conveyors for the machine tool industry sold well domestically and in US, but performed poorly in Europe.
- Conveyor equipment for granular materials performed solidly.

Unit: Yen, 100 millions ■ : Sales ◆ : Operating income margin

6. Interim Review Overview by Region

		(Yen, millions)		
		FYE 2015	FYE 2016	Year-on-year comparison
		First half figure (actual)	First half figure (actual)	Increase/decrease
America	Net sales* ¹	22,573	26,335	16.7%
	Operating income	2,220	2,428	9.3%
	Operating income margin	9.8%	9.2%	
Europe	Net sales* ¹	11,932	12,456	4.4%
	Operating income	137	276	101.9%
	Operating income margin	1.1%	2.2%	
Trans-Indian Ocean region	Net sales* ¹	5,129	6,113	19.2%
	Operating income	773	845	9.4%
	Operating income margin	15.1%	13.8%	
China	Net sales* ¹	6,686	7,888	18.0%
	Operating income	583	209	-64.1%
	Operating income margin	8.7%	2.7%	
Taiwan & South Korea	Net sales* ¹	3,365	4,071	21.0%
	Operating income	260	189	-27.2%
	Operating income margin	7.8%	4.7%	
Japan	Net sales* ¹	57,417	60,405	5.2%
	Operating income	5,572	6,059	8.7%
	Operating income margin	9.7%	10.0%	

*Sales figures include internal sales and transfers between segments.

<Major exchange rates>

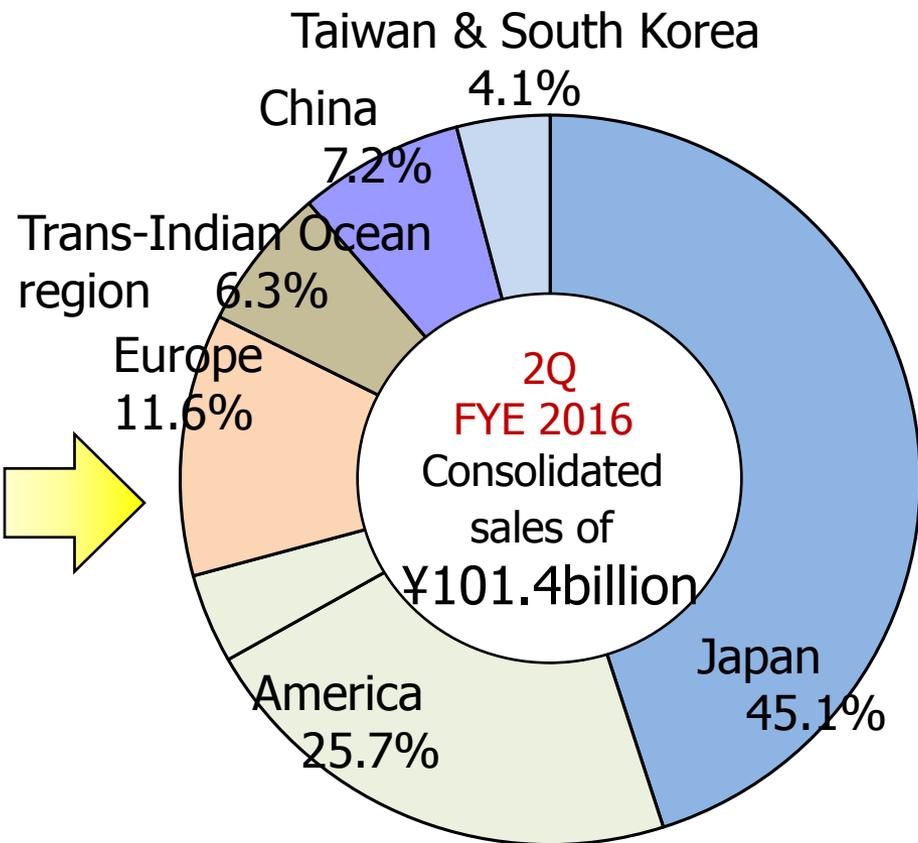
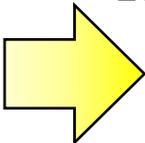
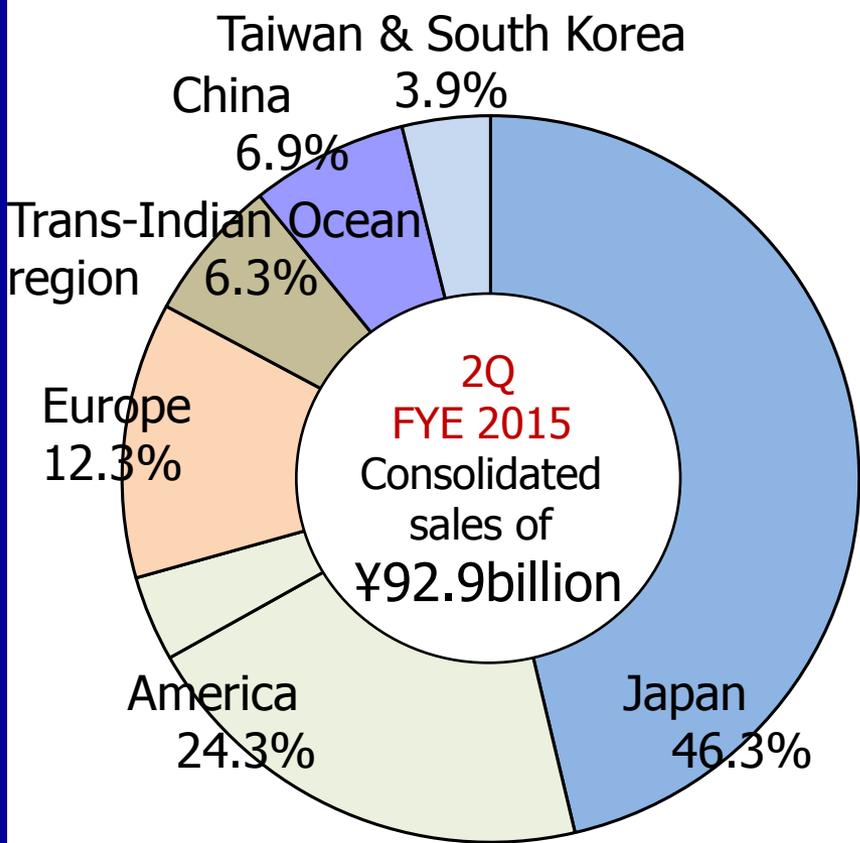
1H FYE 2015: US\$=¥103.01, EURO=¥138.89, Can\$=¥94.57, A\$=¥95.76, THB=¥3.150, NT\$=¥3.42, RMB=¥16.64, WON=¥0.098

1H FYE 2016: US\$=¥121.88, EURO=¥135.10, Can\$=¥96.12, A\$=¥91.62, THB=¥3.655, NT\$=¥3.88, RMB=¥19.32, WON=¥0.109

Breakdown of Sales by Region

FYE 2015 Interim
Overseas sales* ratio: 53.7%

FYE 2016 Interim
Overseas sales* ratio: 54.9%



Notes: Sales are based on the location of the customer and classified by country or region.

Full Year Consolidated Settlement of Accounts Forecasts for FYE 2016

Full Year Consolidated Earnings Forecast

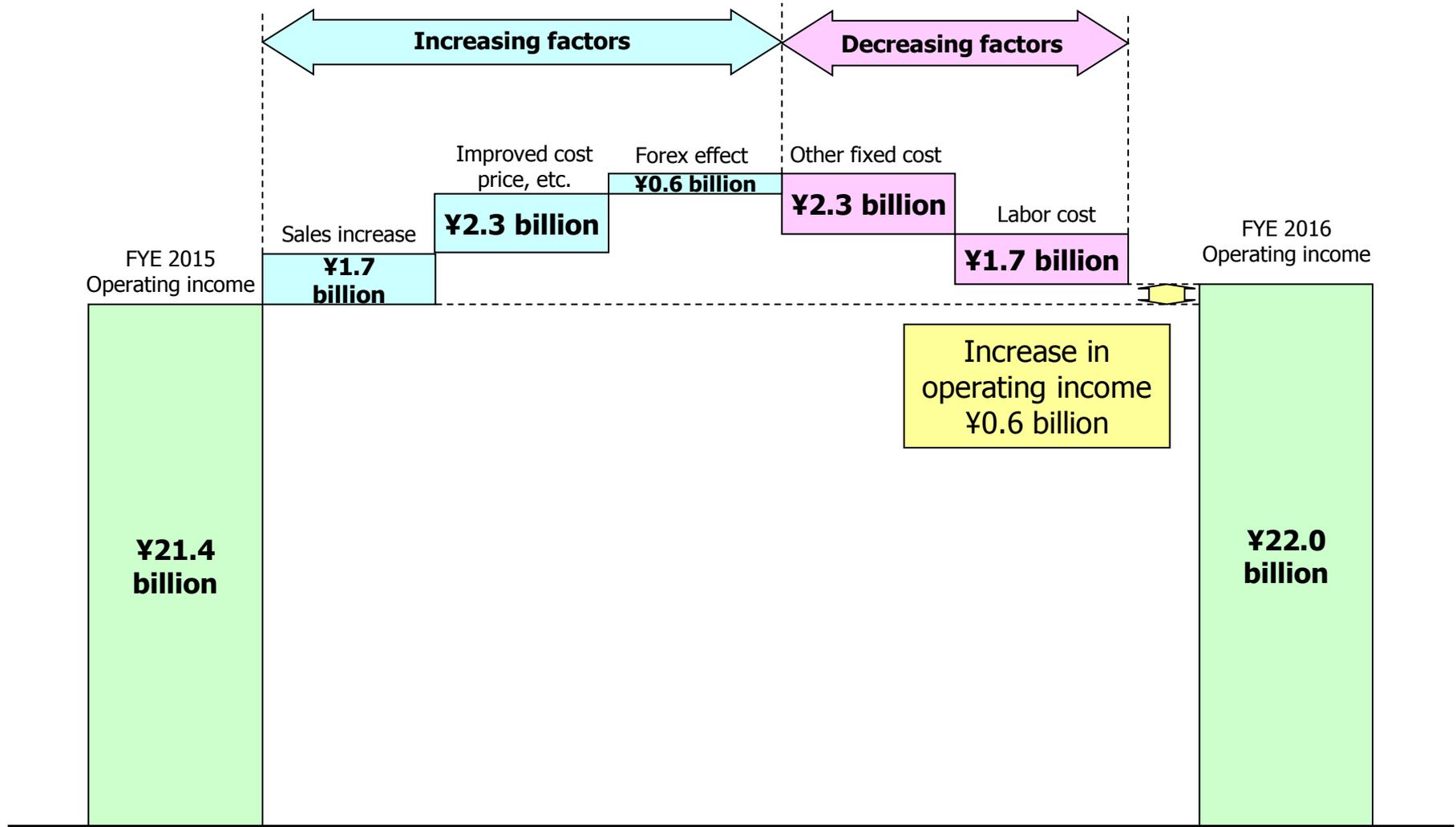
- In light of recent business conditions, we have left our initial full-term consolidated forecast unchanged.

(Yen, million)

	FYE 2015	First half figure (actual)	FYE 2016		YoY
	Earnings		Second half forecast	Full year forecast	Increase/decrease
Net sales	196,738	101,488	104,512	206,000	4.7%
Operating income	21,427	10,727	11,273	22,000	2.7%
Operating income margin	10.9%	10.6%	10.8%	10.7%	
Ordinary income	22,263	11,362	11,038	22,400	0.6%
Net income owned by parent company shareholders	14,153	7,232	7,768	15,000	6.0%
Net income per share	¥ 75.65	¥38.66	-	¥80.17	—
(Exchange rates US\$1)	¥109.76	¥121.88	-	¥115.00	—
(Exchange rates €1)	¥138.69	¥135.10	-	¥125.00	—
Dividend per share (yen)	16.00	10.00	10.00	20.00	
Dividend payout ratio (consolidated)	21.2%	-	-	24.9%	

Analysis of Factors Consolidated Increasing/Decreasing Operating Income

■ FYE 2015 (actual figures) vs. FYE 2016 (forecast)



Note: Operating income values are rounded off.

Settlement of Accounts Forecasts by Business Segment

(Yen, million)

		FYE 2015	First half figure (actual)	FYE 2016		YoY
		Earnings		Second half forecast	Full year forecast	Increase/decrease
Chain Operations	Net sales*1	61,721	32,498	31,702	64,200	4.0%
	Operating income	5,002	3,128	2,572	5,700	14.0%
	Operating income margin	8.1%	9.6%	8.1%	8.9%	
Power Transmission Units and Components Operations	Net sales*1	22,557	11,081	12,219	23,300	3.3%
	Operating income	2,400	1,212	1,188	2,400	0.0%
	Operating income margin	10.6%	10.9%	9.7%	10.3%	
Automotive Parts Operations	Net sales*1	66,978	35,821	37,679	73,500	9.7%
	Operating income	11,916	5,915	6,285	12,200	2.4%
	Operating income margin	17.8%	16.5%	16.7%	16.6%	
Materials Handling Systems Operations	Net sales*1	45,169	22,158	22,442	44,600	-1.3%
	Operating income	1,940	481	1,119	1,600	-17.5%
	Operating income margin	4.3%	2.2%	5.0%	3.6%	
Other*2	Net sales*1	2,968	1,424	1,576	3,000	1.1%
	Operating income	123	20	- 20	0	-100.0%
	Operating income margin	4.1%	1.4%	- 1.3%	0.0%	

*1: Sales figures include internal sales and transfers between segments.

*2: "Other" is not a reportable segment.

Progress Report for Mid-term Management Plan 2016

■ Power Transmission Products (Chain and Power Transmission Units and Components)

◆ Development and sale of G8 series – our centennial model



Product		Features
Surface treated roller chain (NEP) (released Jun 2015)	Environmentally resistant chain	<ul style="list-style-type: none"> • Improved chemical resistance 
New Lambda chain (improved model released Oct 2015)	Lube-free chain	<ul style="list-style-type: none"> • Twice the wear resistance 
Super Chain (improved model to be released in FYE 2017)	Heavy duty chain	<ul style="list-style-type: none"> • Improved fatigue strength • Improved wear resistance 

◆ Global launch of applications

1. Power cylinders for port cranes
2. Chains for tray packers



■ Materials Handling Systems (Products under development)

Product		Concept
(Next FY) Linisort	High-speed automatic sorter for distribution industry	<ul style="list-style-type: none"> • Low chute pitch • High-speed corner conveyance • Low shock • Advanced system capabilities 
Labostocker 150	Automatic freezer warehouse for life sciences	<ul style="list-style-type: none"> • World's first exposure-less picking at -150°C (-238°F) 
AGV Mark I-e	AGV for take-up and feeding of newspaper rolls	<ul style="list-style-type: none"> • Upgrade initial delivery equipment • Promotes environmentally friendly operation • Can be operated via mobile device 
(Next FY) Automotive body paint shop conveyor systems	Automobile production line conveyor equipment	<ul style="list-style-type: none"> • Simple and cost-effective 

■ Increasing number of overseas bases for automotive parts

Base		Overview
Tsubakimoto Chain (Tianjin) No. 2 Plant (China)	China	<ul style="list-style-type: none"> Opening ceremony for new plant (Jun 2015) Start of production (Aug 2015)
Tsubaki Automotive Czech Republic s.r.o.	Czech Republic	<ul style="list-style-type: none"> New company established (Jul 2015) Start of production at new plant (scheduled for 2017)
U.S. Tsubaki Automotive, LLC	United States	<ul style="list-style-type: none"> Increased production capacity



■ Global launch of chip conveyors

◆ Establishing 5 global manufacturing centers (Japan, America, Europe, Indian Ocean Rim, China)



- Use global manufacturing bases to help customers achieve global operations
 1. Integrated management of Mayfran and Kabelschlepp (TKG) in Europe and China
 2. Use of new Indonesian plant

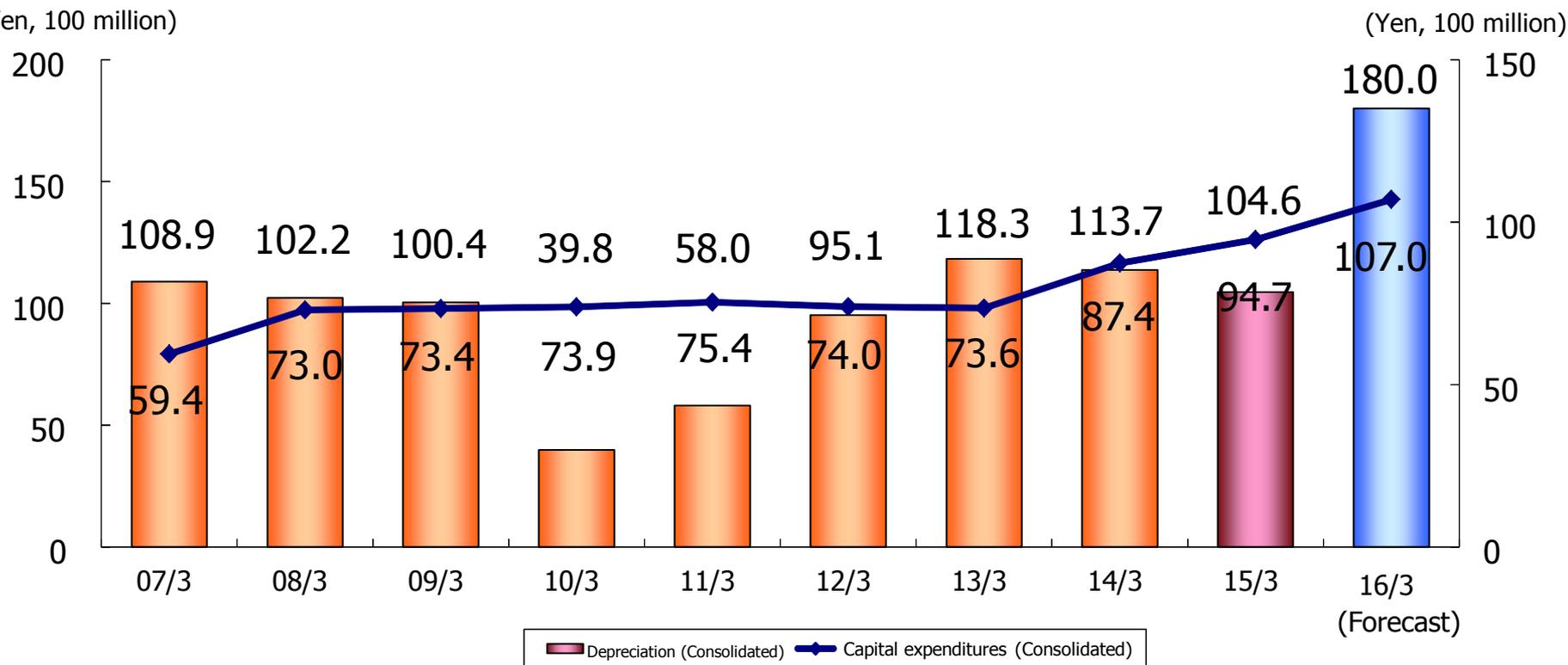
Capital Expenditures and Depreciation Expenses

■ Main capital expenditures

1. Enhancement of the global production system (in China, US and elsewhere) for Automotive Parts Operations
2. Related production facilities for Chain Operations (Kyotanabe Plant, and elsewhere)

■ Trends in capital expenditures and depreciation expenses

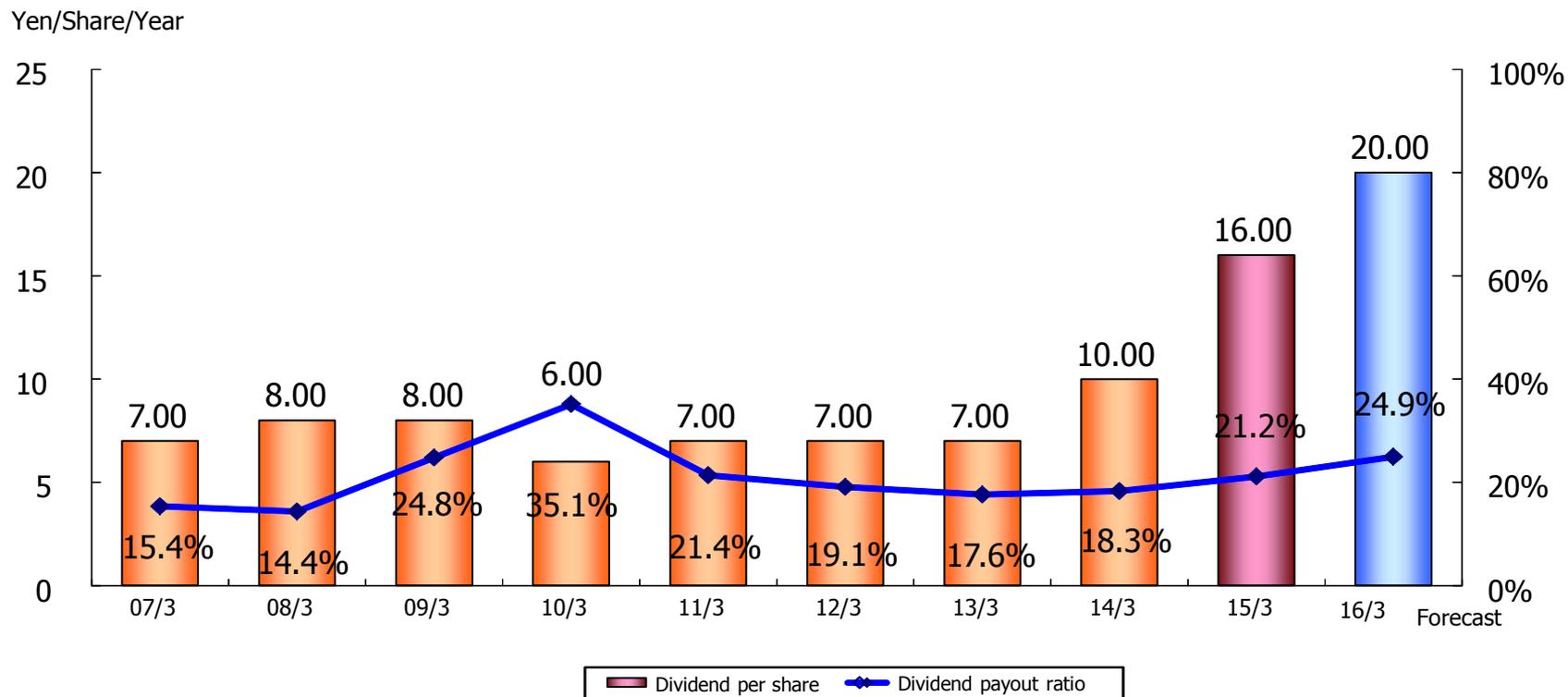
(Yen, 100 million)



■ Distribution policies

- Aiming to increase consolidated dividend payout ratio by 30% by FYE 2017

■ Dividend per share, consolidated dividend payout ratio



This reference document describes our business plans and our earnings outlook. The content of this document is based on current information available to our company and on certain assumptions determined as reasonable. It is not intended to represent a performance commitment. Note that actual results may differ from the earnings outlook described herein, as the results are dependent upon a variety of variables.