



Consolidated Business Results for the First Half of Fiscal 2011

November 4, 2011

Bando Chemical Industries, Ltd.

First Half Financial Summary for the Fiscal Year Ending March 31, 2012

(1) Settlement of Accounts

- Although automotive production fell below previous year same-term levels due to the effects of the Great East Japan Earthquake, demand growth continued in emerging economies, and there was a slight recovery after the fall in production following the earthquake. Same-term sales increased slightly.
- Overall cost reduction activities continued, but profits declined due to factors such as increased raw materials costs and high yen exchange rates.
- Net profit declined significantly due to the sale and disposal of unwanted factory assets and the sale of a dormitory during the term.
- Capital investment accelerated, focused on Asia, particularly in India and China.

(2) Performance Summary

Unit: Yen millions

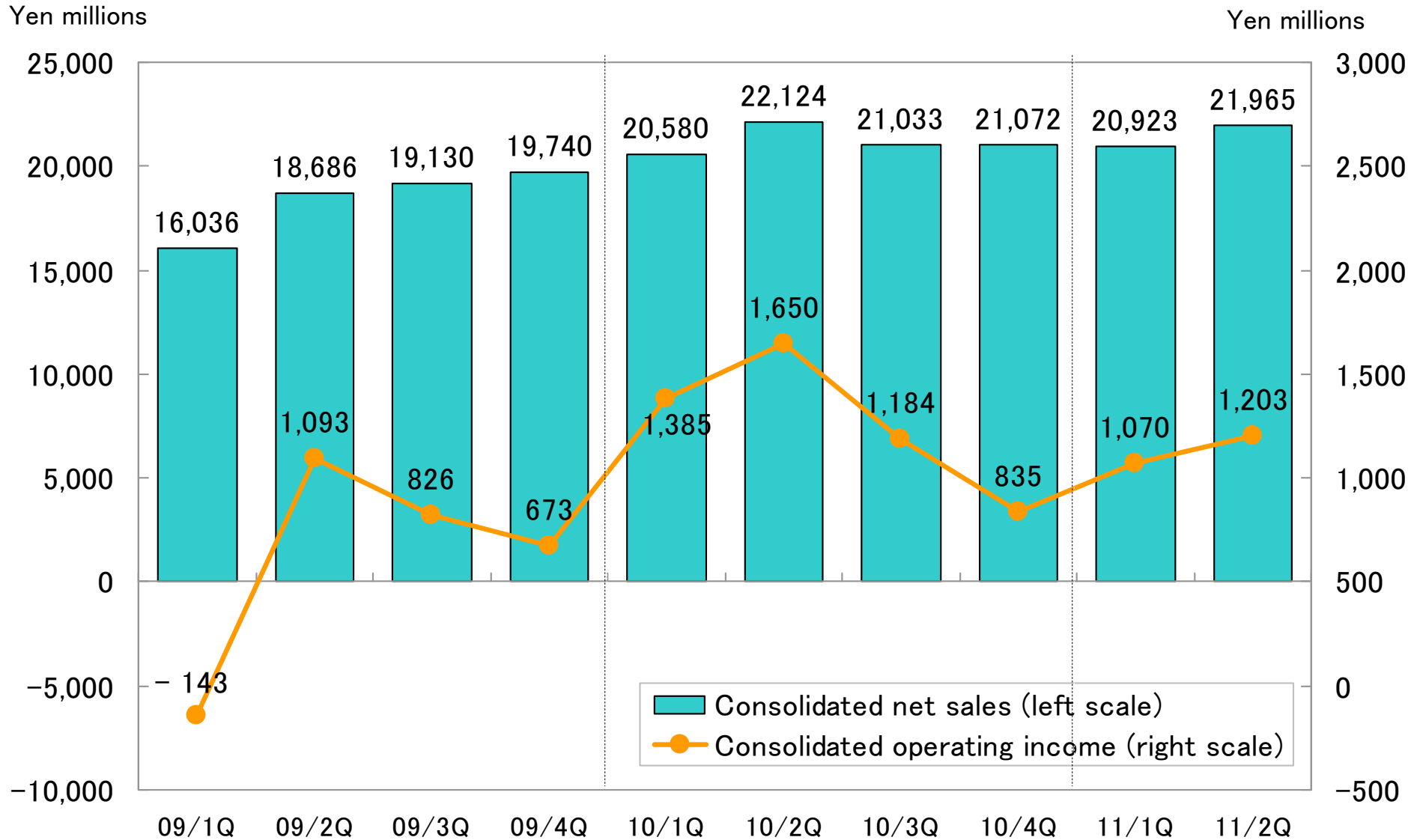
	FY2010 First half	FY2011 First half	Year on year	
			Change	% change
Net sales	42,705	42,889	+184	+0.4%
Operating income	3,036	2,274	-761	-25.1%
Ordinary income	3,078	2,274	-804	-26.1%
Net profit	2,275	515	-1,760	-77.4%
Overseas' sales	16,784	17,079	+265	+1.6%
Rate of sales overseas	39.3%	39.8%	+0.5pts	—
Asia (Thailand, China, etc.)	13,053	13,230	+176	+1.4%
Other (USA, Europe, etc.)	3,731	3,819	+88	+2.4%

Exchange rates (term average)

US\$=¥91.0

US\$=¥81.8

(3) Quarterly Progression of Net Sales and Operating Income



(4) Results by Business Segment

Unit: Yen millions

	FY2010 First half	FY2011 First half	Year on year	
			Change	% change
Net sales	42,705	42,889	+184	+0.4%

Sales by business segment

Power transmission products	25,716	26,699	+983	+3.8%
Multimedia parts	5,617	4,645	-972	-17.3%
Industrial products	8,517	8,328	-188	-2.2%
Plastics products	2,366	2,439	+72	+3.1%
Other	1,367	1,196	-182	-12.5%

✕ Before eliminations

(5) Non-Operating Income (Expense) and Extraordinary Income (Loss)



Unit: Yen millions

	FY2010	FY2011	Year on year
	First half	First half	Change
Operating income	3,036	2,274	-761
Non-operating income	577	554	-23
Non-operating expense	534	554	+19
Ordinary income	3,078	2,274	-804
Extraordinary income	73	3	-70
Extraordinary loss	115	1,249	+1,133
Income taxes and minority interests	760	512	-248
Net income	2,275	515	-1,760

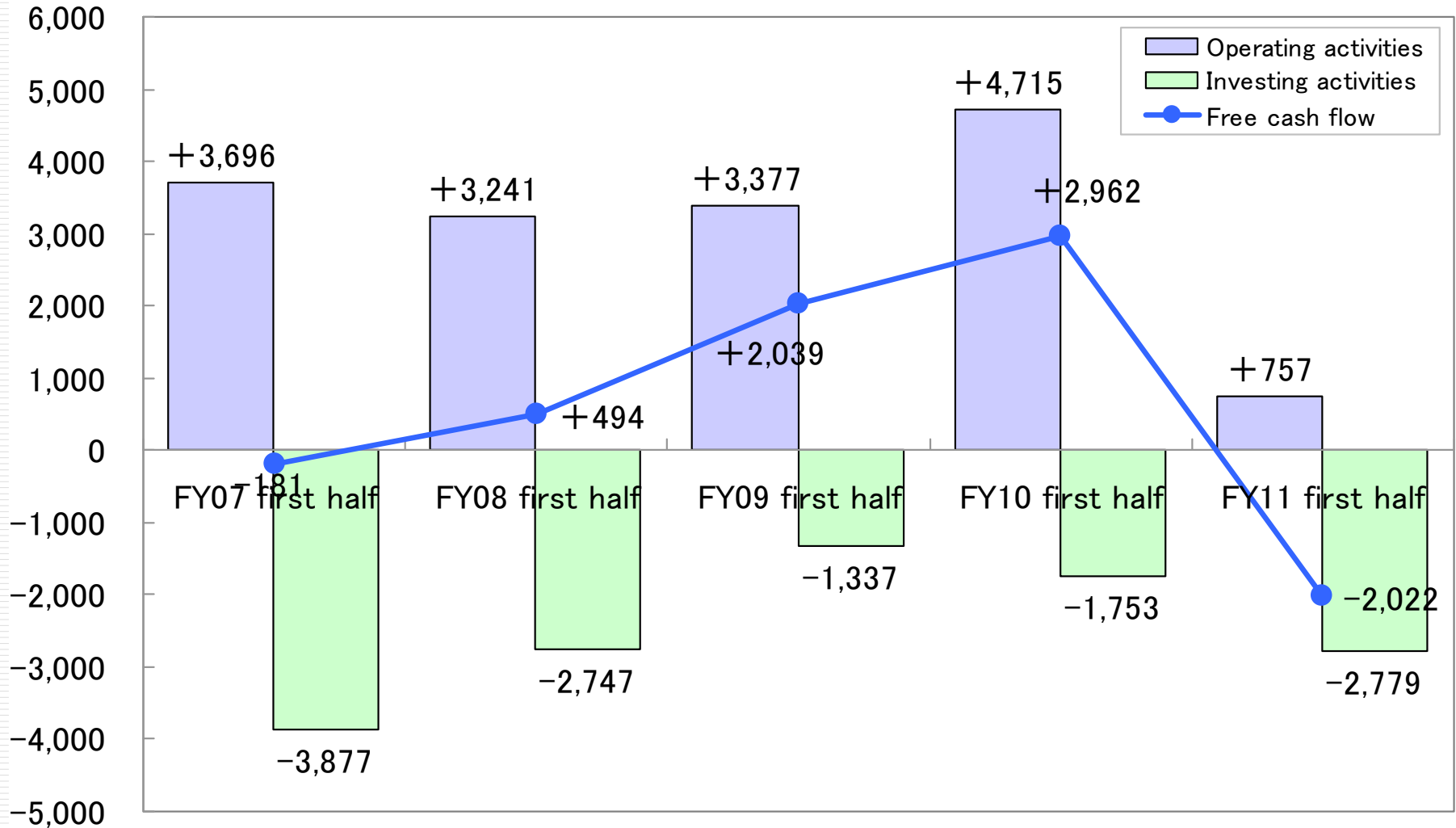
(6) Balance Sheet Fluctuations

Unit: Yen millions

	First half FY2010	First half FY2011	First half FY2011	First half FY2010	
Major fluctuations Cash -¥5.1 bil. Accounts receivable +¥1.4 bil. Inventories +¥700 mil.	42,409	Current assets 38,809	Other liabilities 24,486	24,708	Major fluctuations Accts. payable +¥300 mil. Accrued taxes -¥500 mil. Accrued exp. +¥300 mil.
			Bank loans 15,109	17,653	Bank loans -¥2.5 bil.
Tangible fixed assets -¥100 mil. Intangible assets -¥400 mil.	40,495	Fixed assets 40,268	Net assets 40,480	40,542	Shareholders' equity +¥100 mil. Valuation and translation adjustments -¥200 mil.

(7) Transition of Cash Flow

Yen millions



(8) Financial Indicators

	FY2007	FY2008	FY2009	FY2010	FY2011 First half
ROE (※1)	12.3%	-0.6%	3.2%	8.5%	(※2) 1.3%
ROA (※1)	5.8%	-0.3%	1.6%	4.0%	(※2) 0.6%
Capital to asset ratio	48.5%	48.7%	50.2%	47.9%	49.5%
Debt to equity ratio	42.1%	47.3%	40.2%	44.5%	38.2%
Net interest-bearing debt	¥14.3 bil.	¥12.2 bil.	¥7.1 bil.	¥2.7 bil.	¥5.4 bil.

※1 ROE、ROA are based on net profit

※2 ROE、ROA are based on first half net profit

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FY2011 Full Year Forecast

(1) Points Related to the Full Year Forecast

- There will be a gradual recovery from the effects of the Great East Japan Earthquake, amid a harsh economic environment due to the historic appreciation of the yen and high raw materials costs.
- Growth trends in emerging economies, particularly in Asia, will continue, but the pace of the growth will slow.
- Our subsidiary in Thailand was undamaged by the flooding in that country, but some of our customers have been forced to decrease or halt production due to the impact of the floods. Our full year forecast announced September 29, 2011 remains unchanged, however we will issue timely revisions to that forecast if necessary.

(2) FY2011 Full-Year Forecast



Unit: Yen millions

	FY2010	FY2011	Year on year	
	Result	Forecast	Change	% change
Net sales	84,811	87,000	+2,188	+2.6%
Sales by business segment				
Power transmission products	52,483	54,000	+1,516	+2.9%
Multimedia parts	10,636	9,500	-1,136	-10.7%
Industrial products	15,747	17,300	+1,552	+9.9%
Plastics products	4,837	4,600	-237	-4.9%
Other	2,113	2,400	+286	+13.6%
Operating income	5,056	5,400	+343	6.8%
Ordinary income	4,967	5,300	+332	6.7%
Net profit	3,333	2,500	-833	-25.0%

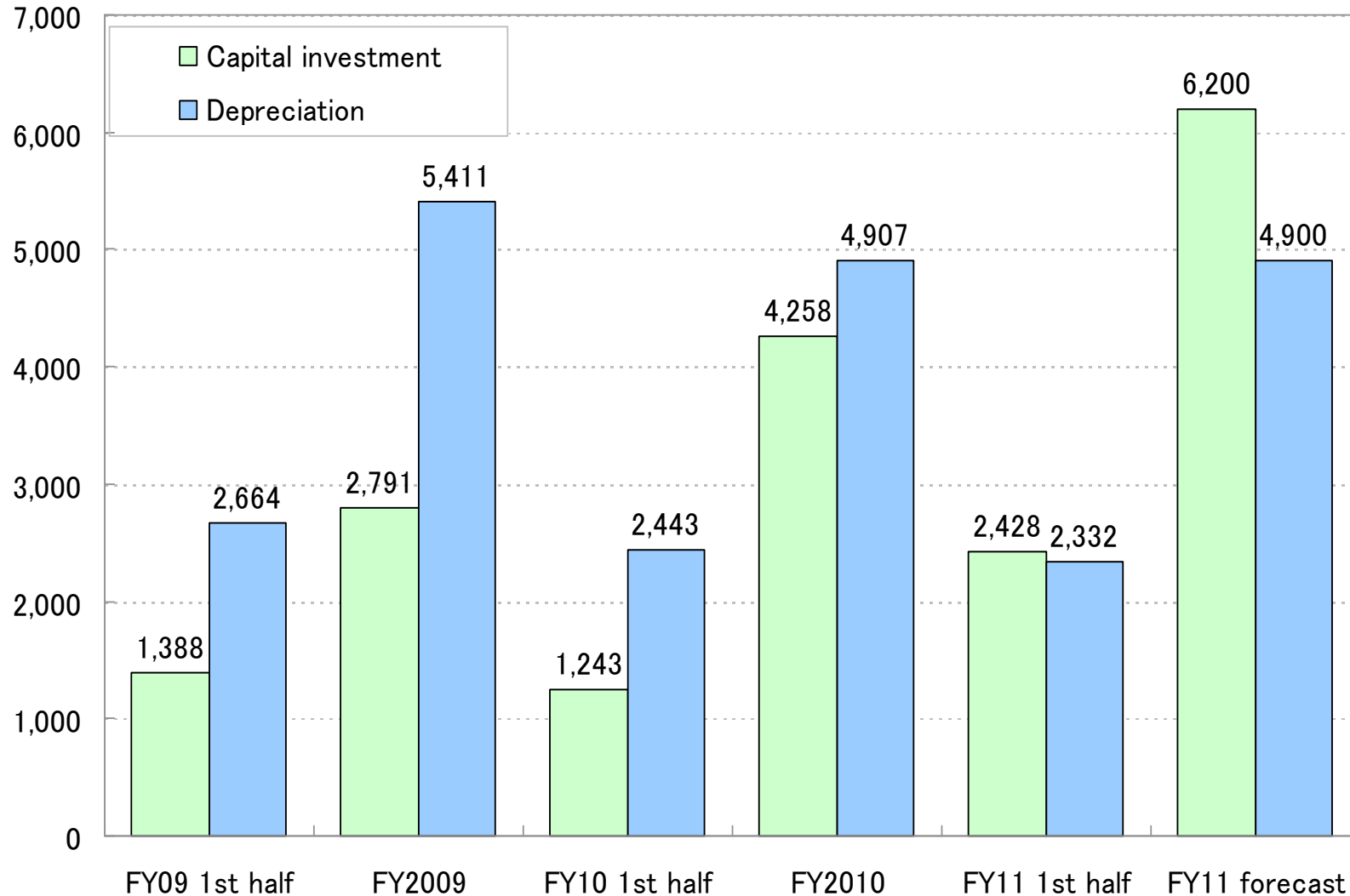
Exchange rate (term average)

US\$= ¥87.3

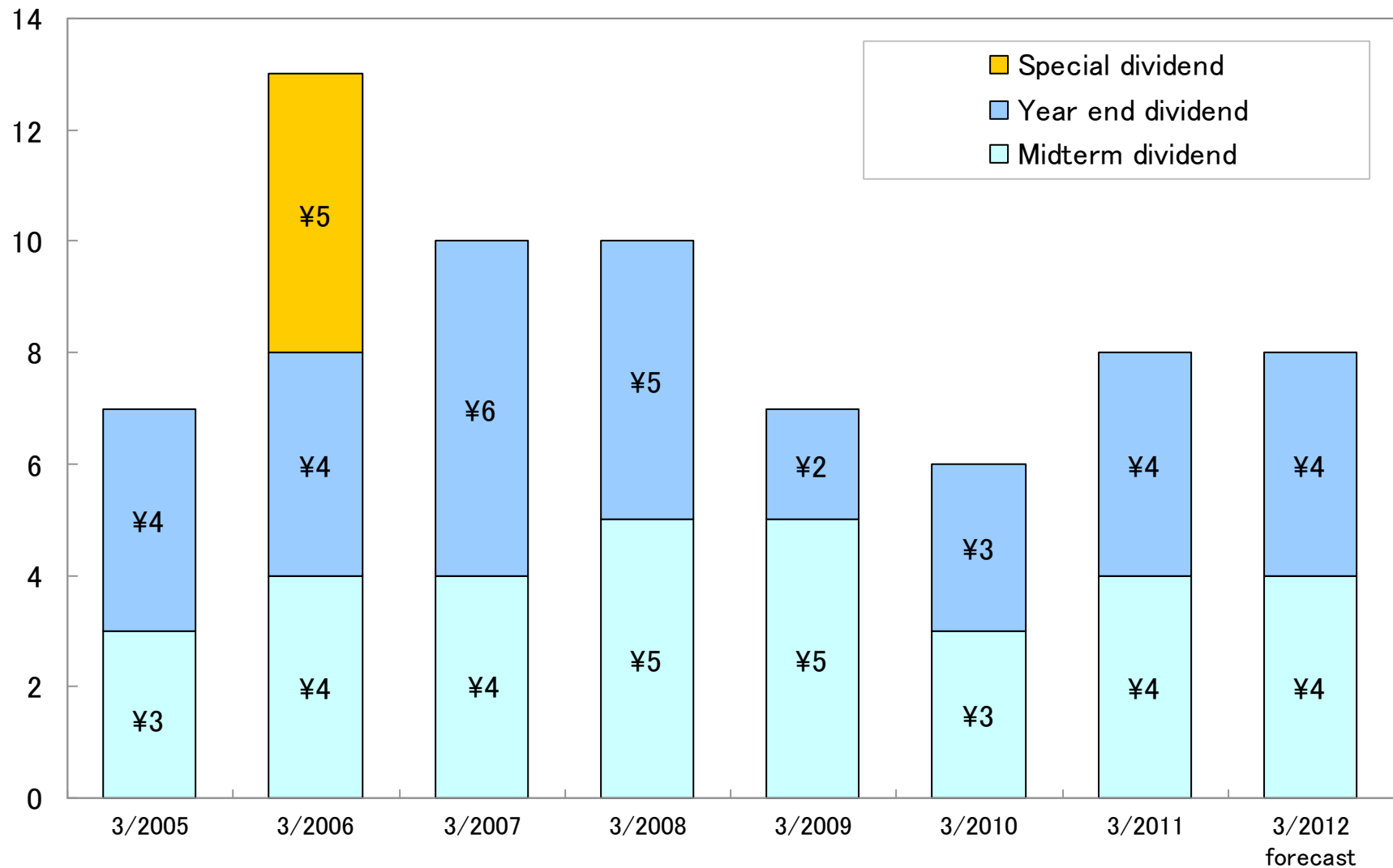
US\$=¥80.0

(3) Transition of Capital Investment and Depreciation

Yen millions



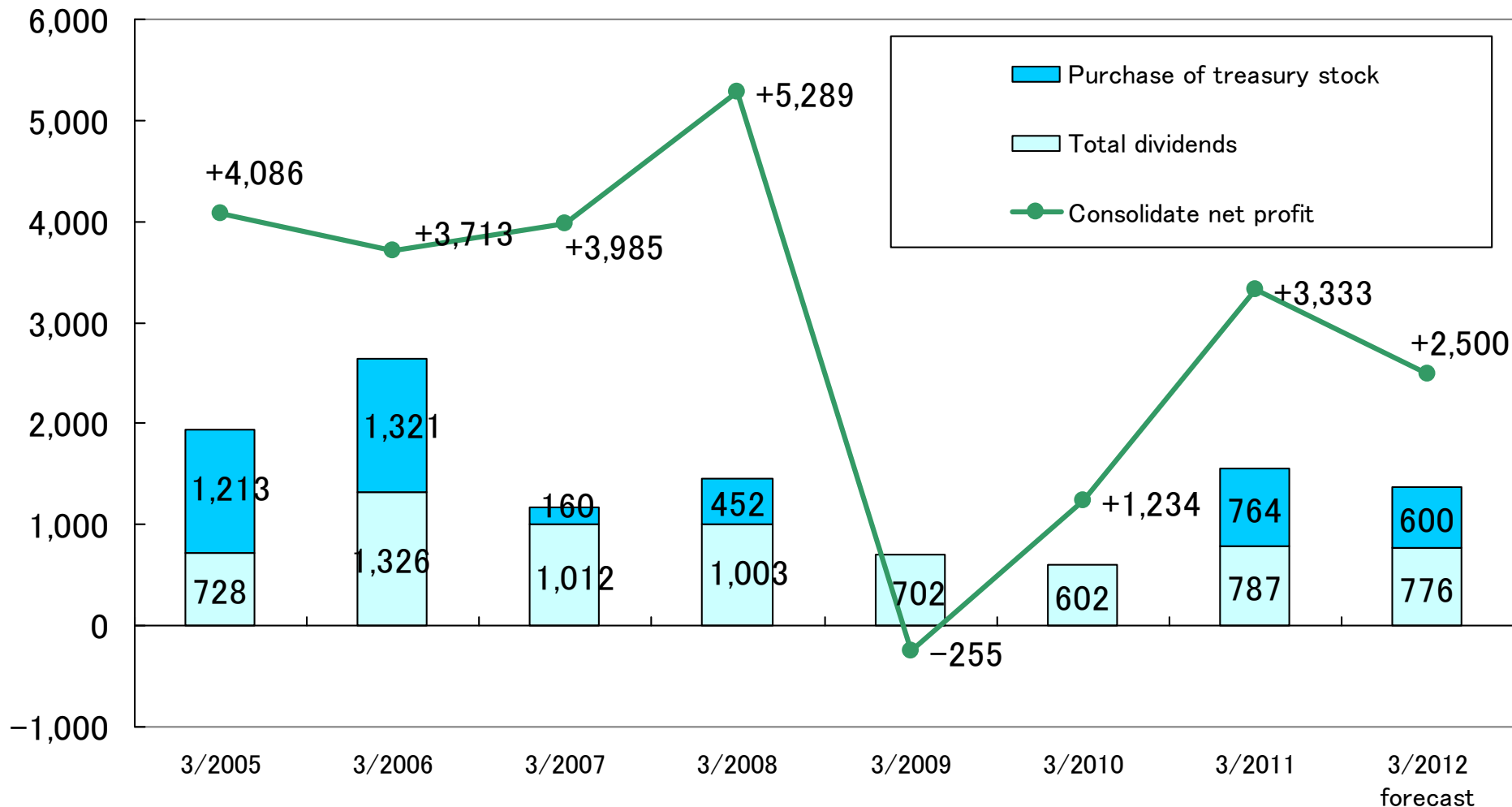
(4) Shareholder Return (Dividends)



(5) Treasury Stock, Dividends, Net Profit



Yen millions



Shares retired

2,800,000

2,600,000

-

-

1,000,000

-

700,000