

Consolidated Business Results for the Fiscal Year Ending  
March 31, 2014  
Bando Chemical Industries, Ltd.

May 14, 2014

- I . Overview of the fiscal year ending March 31, 2014
  
- II . Business forecast for the fiscal year ending March 31, 2015

# I . Overview of the fiscal year ending March 31, 2014

## ■ Highlights of the fiscal year ending March 2014

	2012/3	2013/3		2014/3	
	Results (Yen mil.)	Results (Yen mil.)	Forecast (Yen mil.)	Results (Yen mil.)	Year on year change (%)
Net sales	86,372	85,771	92,000	93,434	+8.9
Operating income	4,570	4,094	5,600	5,517	+34.8
Ordinary income	4,391	4,779	6,000	6,103	+27.7
Net profit	1,440	2,510	4,000	4,280	+70.5

- Sales and profit increased considerably over the previous year.
- Net sales were 101.6%, operating income was 98.5% and net profit was 107.0% compared with the full-year forecast issued May 13, 2013.

# Business Segment Performance

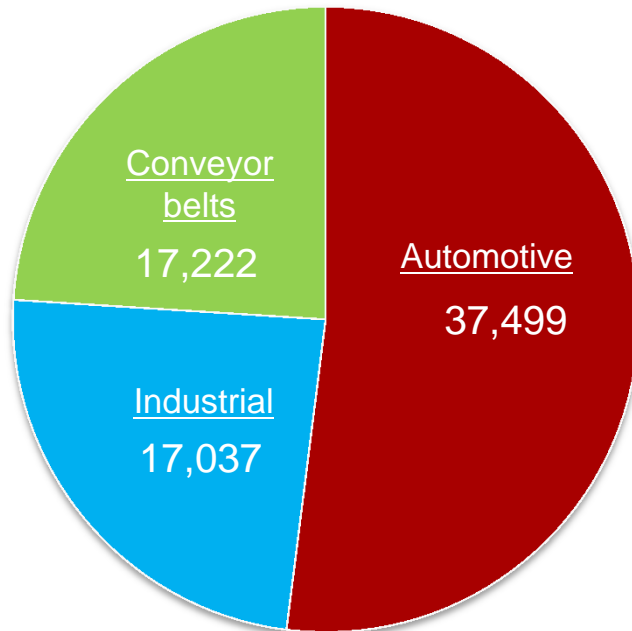
	2013/3		2014/3	
	Results (Yen mil.)	Forecast (Yen mil.)	Results (Yen mil.)	Year on year change (%)
<b>Net sales</b>	<b>85,771</b>	<b>92,000</b>	<b>93,434</b>	<b>+8.9</b>
Belt Business	72,275		80,034	+10.7
Elastomer Products Business	12,380		12,437	+0.5
Other	1,493		2,230	+49.3
Adjustments	-377		-1,268	—
<b>Operating income</b>	<b>4,094</b>	<b>5,600</b>	<b>5,517</b>	<b>+34.8</b>
Belt Business	4,344		5,161	+18.8
Elastomer Products Business	-163		11	—
Other	73		187	+154.9
Adjustments	-159		157	—

( Note ) We reorganized our business segments from April 1, 2013, so there is no previous year comparison.

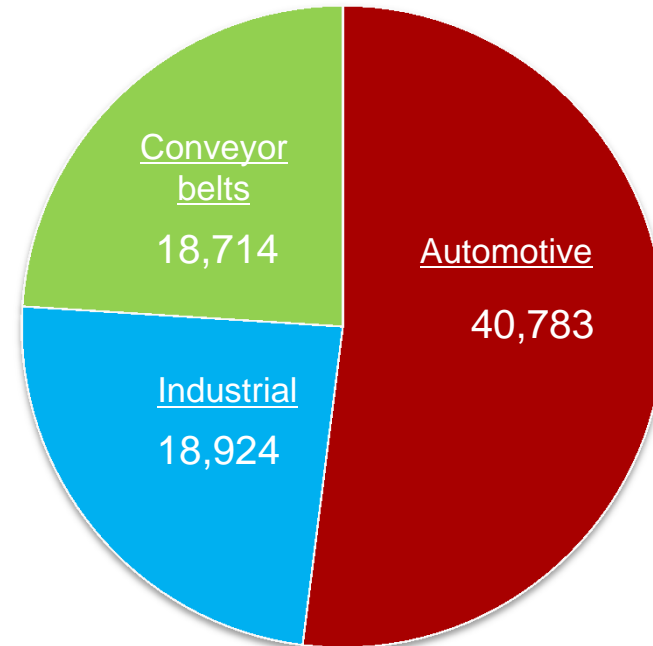
# Belt Business

(Yen mil.)

## 2013/3



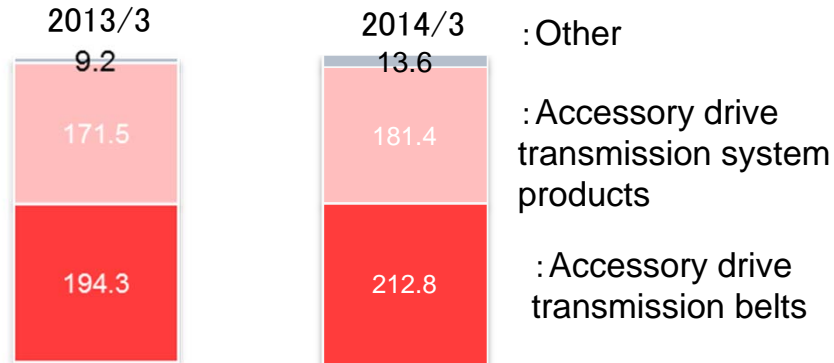
## 2014/3



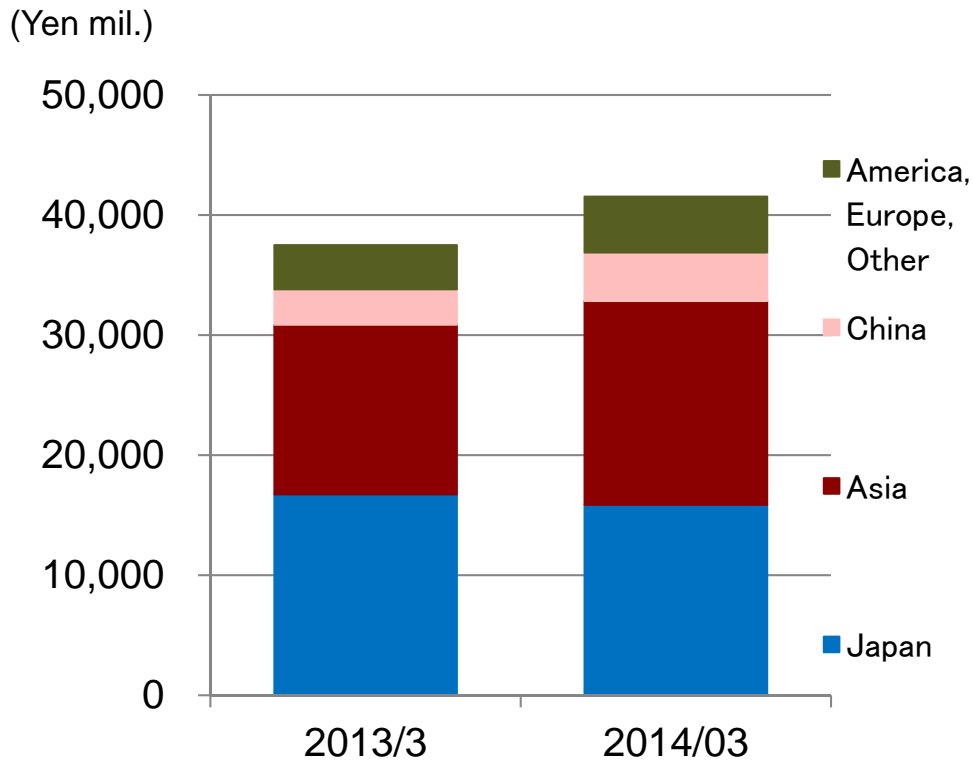
- Automotive power transmission belt sales increased to 3,284 million yen
- Industrial power transmission belt sales increased to 1,887 million yen
- Conveyor belt sales increased to 1,492 million yen

# Automotive Power Transmission Belt Products

Sales mix (major products)



Net sales by geographic region



## 【Product segments】

- Sales growth in accessory drive power transmission belts
- Sales growth in variable speed belts for scooters

## 【Japan】

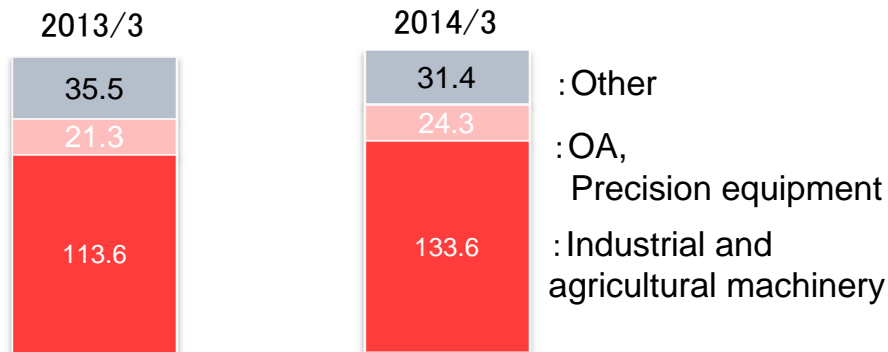
- Downward trend in domestic sales due to increased production of hybrids and beltless cars

## 【Overseas】

- Increased sales of variable speed belts for scooters in Asia
- Newly established factory in Bangalore, India contributed to sales
- Subsidiary established in Vietnam last year contributed to sales
- Expanded automotive OEM belt sales in China

# Industrial Power Transmission Belt Products

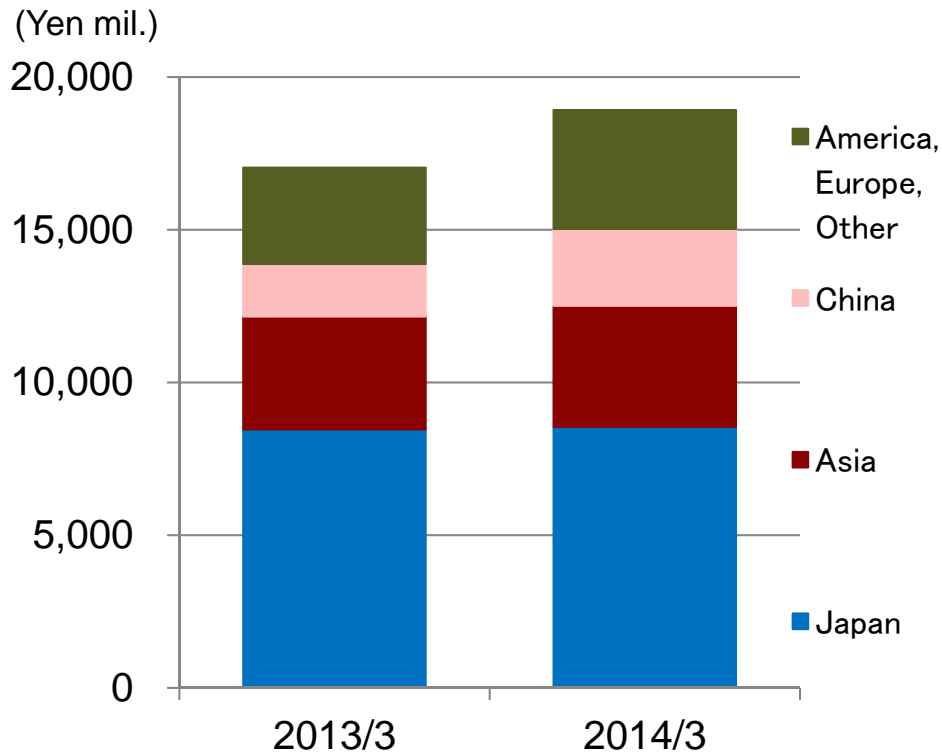
Sales mix (major products)



## 【Product segments】

- Sales growth in belts for agricultural machinery

Net sales by geographic region



## 【Japan】

- Expansion of aftermarket sales

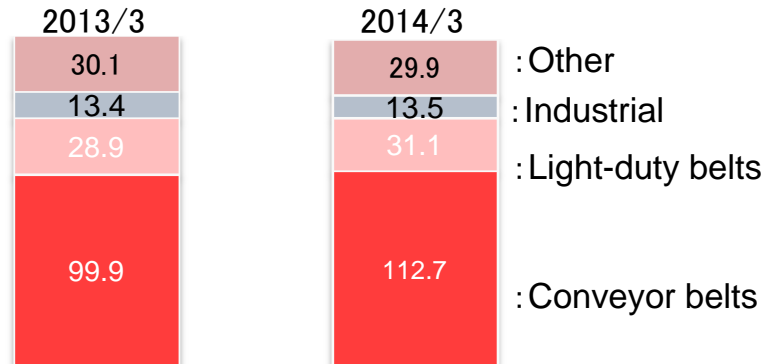
## 【Overseas】

- Strong growth in China and Asia for belts for agricultural machinery and precision equipment
- Sales growth in South America contributed to sales 'growth in the America, Europe and Other' category

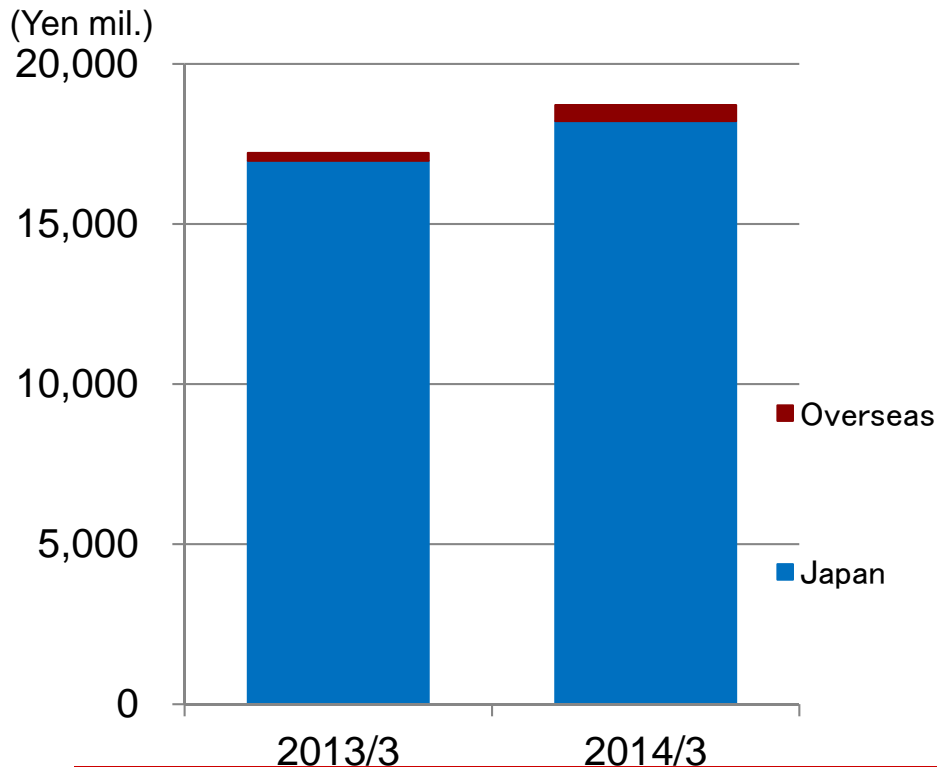


# Conveyor Belts

Sales mix (major products)



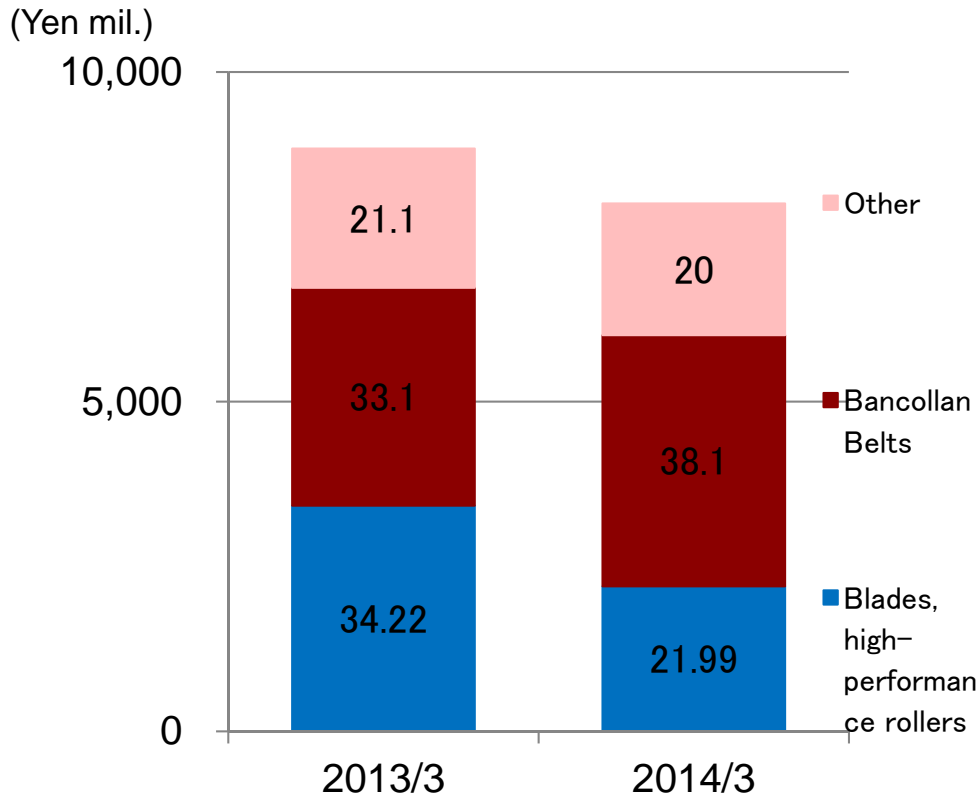
Net sales by geographic region



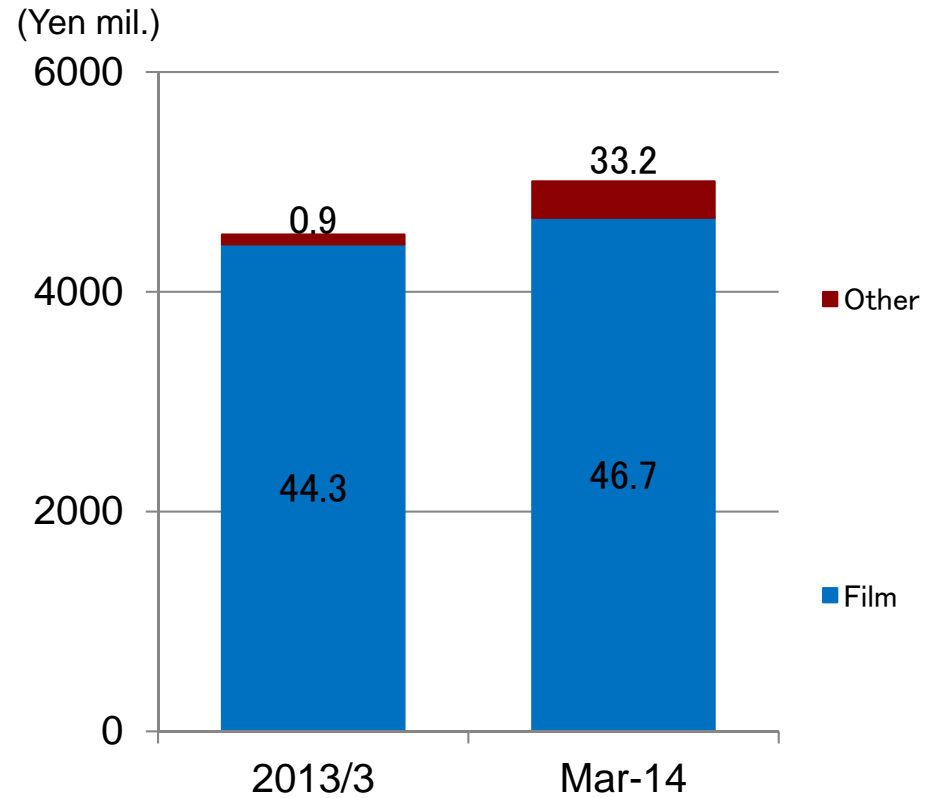
- Growth in conveyor belt sales in the iron and steel industries, as well as belts used in resource development
- Strong sales of steep-incline belts for coal-fired power plants
- Sales growth in China with the expansion of light-duty conveyor belt processing facilities there
- Favorable domestic sales of steep-incline belts and Sunline Belts
- Expansion of light-duty conveyor belt sales in China

# Elastomer Products Business

Precision Parts Products



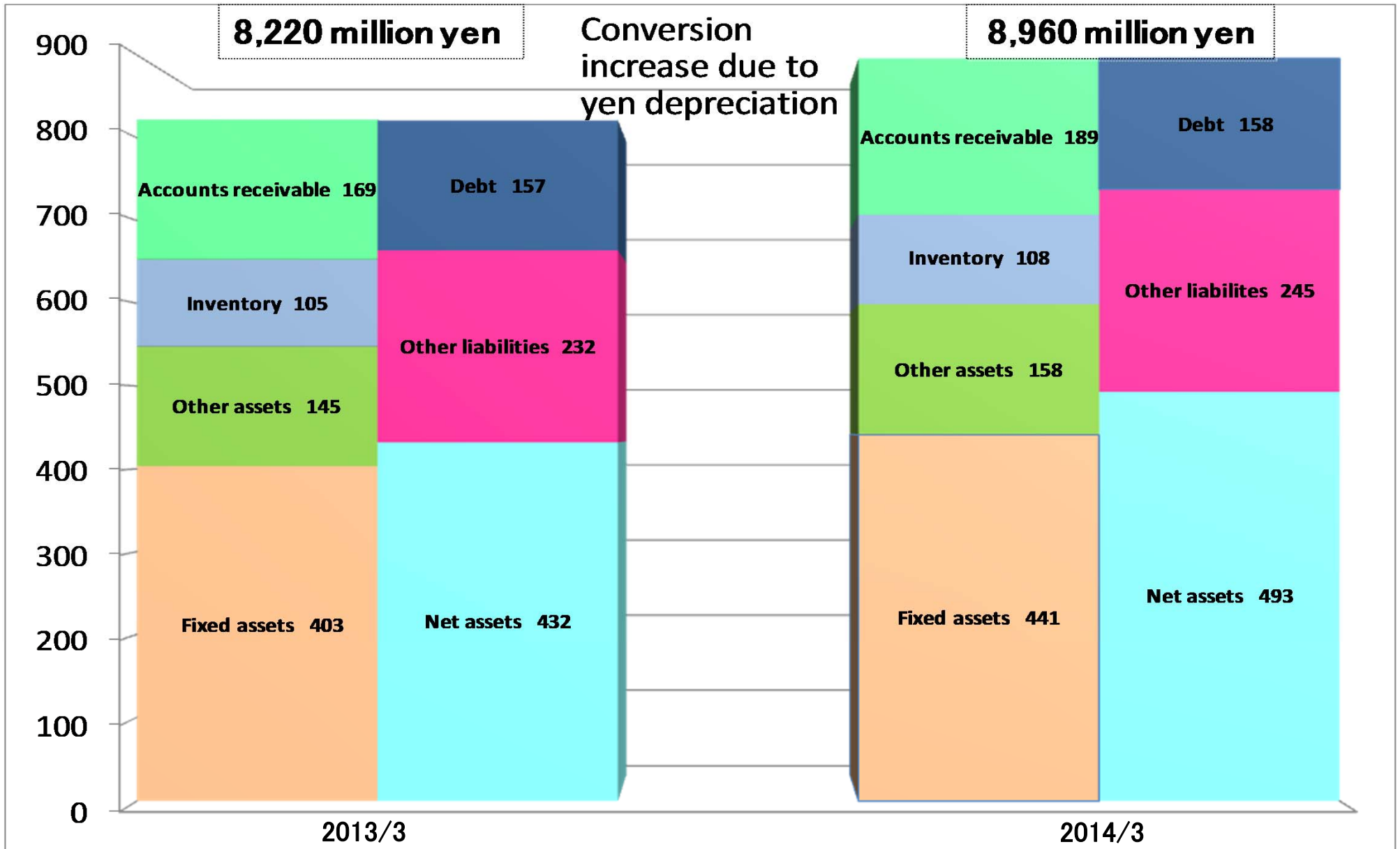
Film Products



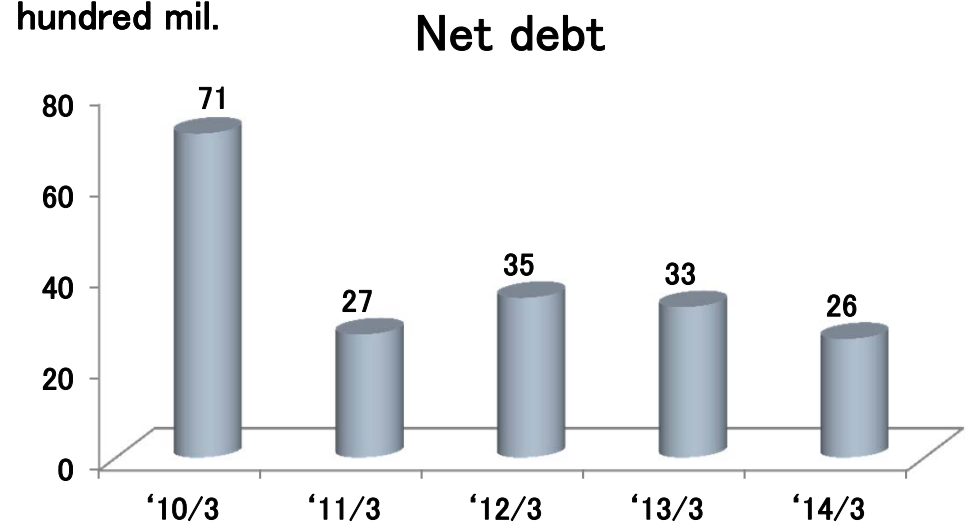
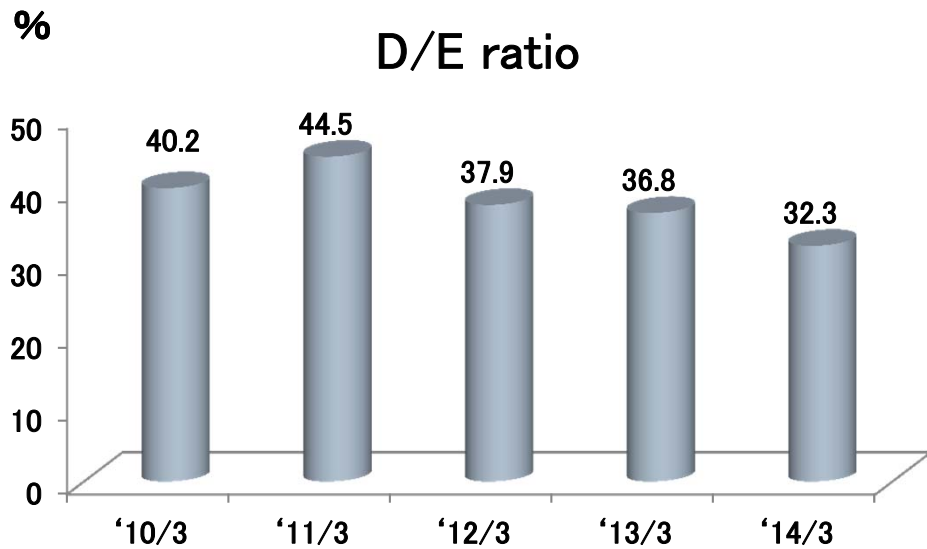
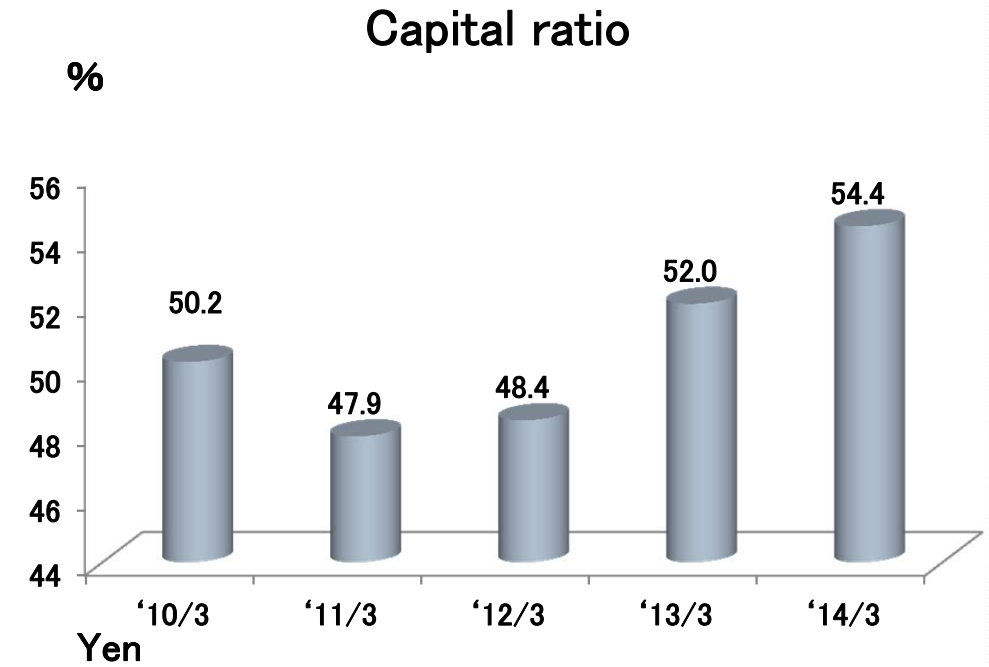
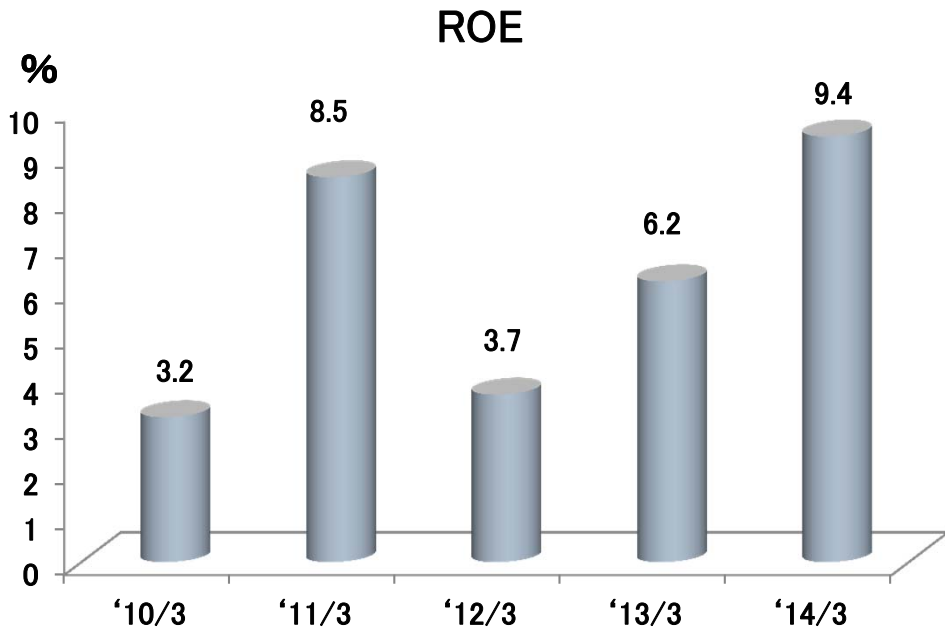
- For electrophotographic devices, sales expanded for high-performance rollers with improved life, but it did not cover the fall in blade sales
- Bancollan Belt sales increased in the domestic market

- Construction film sales expanded with increased housing starts
- Decorative display film sales expanded with enhanced product lineup

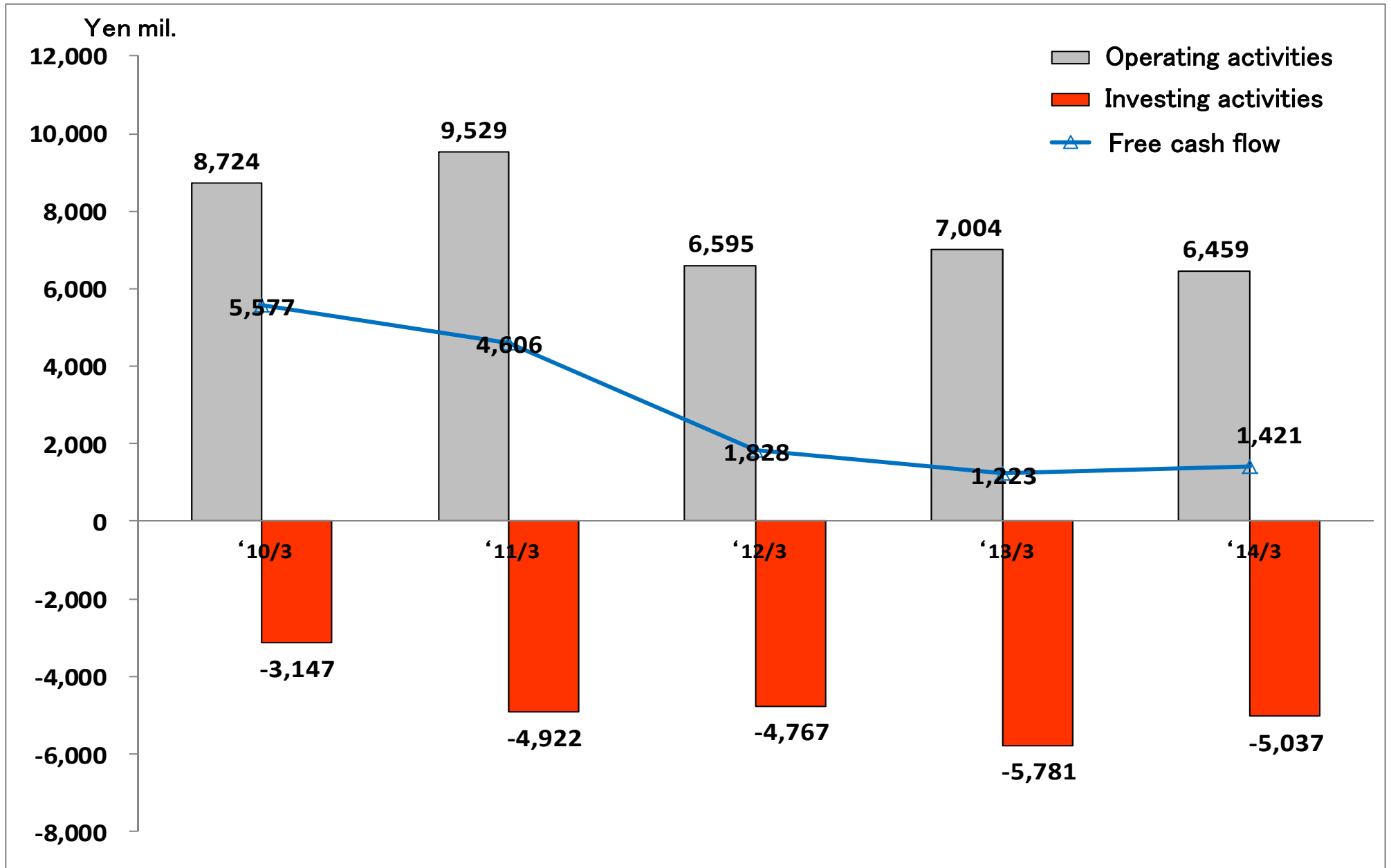
# Consolidated Balance Sheets



# Financial Indicators



# Transition of Cash Flow



## Ⅱ. Business forecast for the year ending March 31, 2015

# FY2014 Forecast

(Yen millions, %)

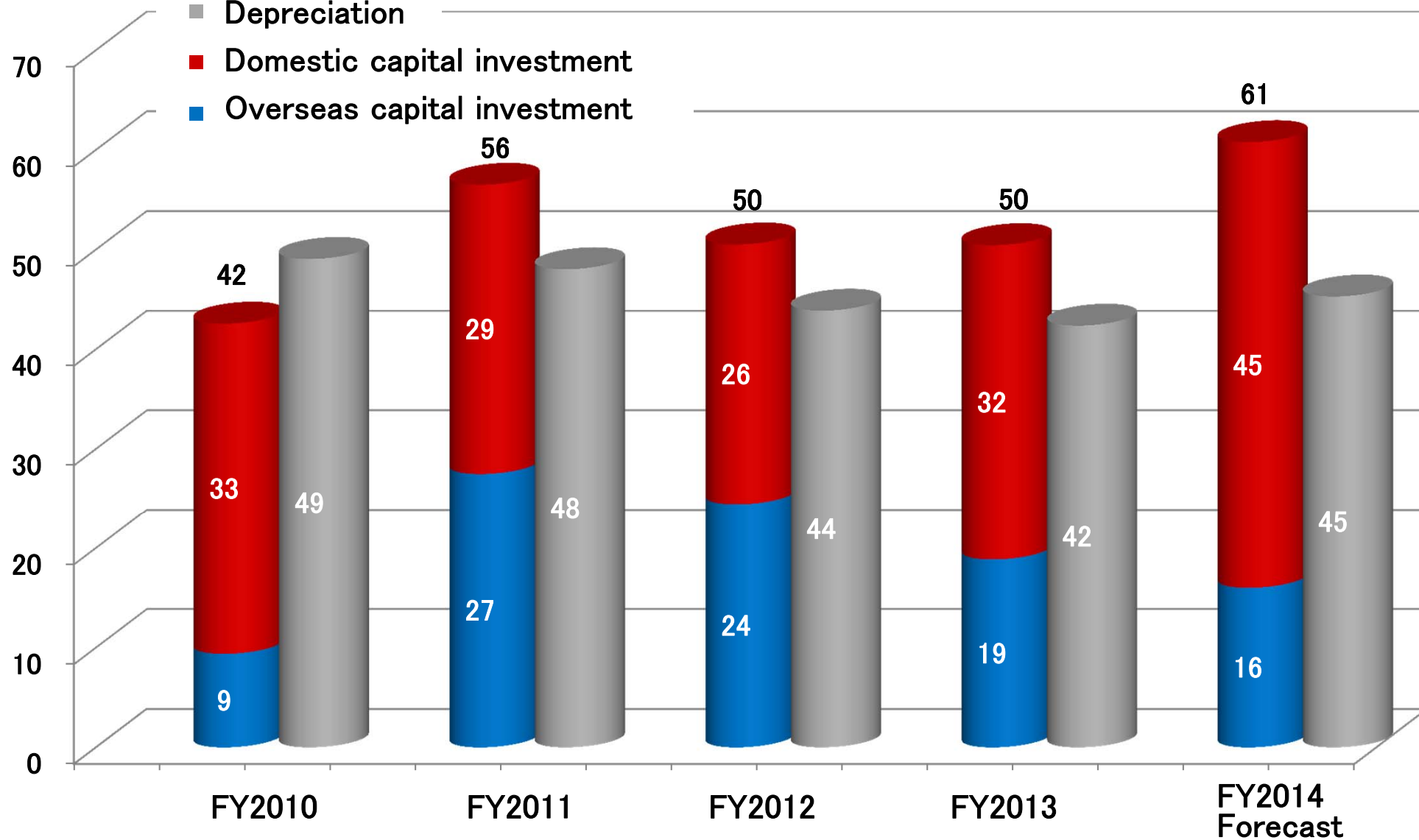
	2013/3	2014/3		2015/3 Forecast	
	Results	Results		Year on year change	
Net sales	85,771	93,434	95,000	1,566	+1.7
Operating income	4,094	5,517	5,800	283	+5.1
Ordinary income	4,779	6,103	6,400	297	+4.8
Net profit	2,510	4,280	4,300	20	+0.5

- The consumption tax increase in Japan will negatively impact automotive sales. While there are uncertainties, such as political unrest in Thailand, we expect increased aftermarket sales in China, Asia and the Americas, and increased sales of products for scooters, agricultural machinery and general industry.
- Costs for raw materials (naphtha, etc.), energy, distribution and labor are all expected to increase, which will affect profit. We will work to expand sales in China and Asia, and reduce cost globally to increase profit.
- Exchange rate assumptions · · · 1 USD = 100 yen, 1 EUR = 135yen, 1 RMB = 17yen

# Transition in Capital Investment and Depreciation

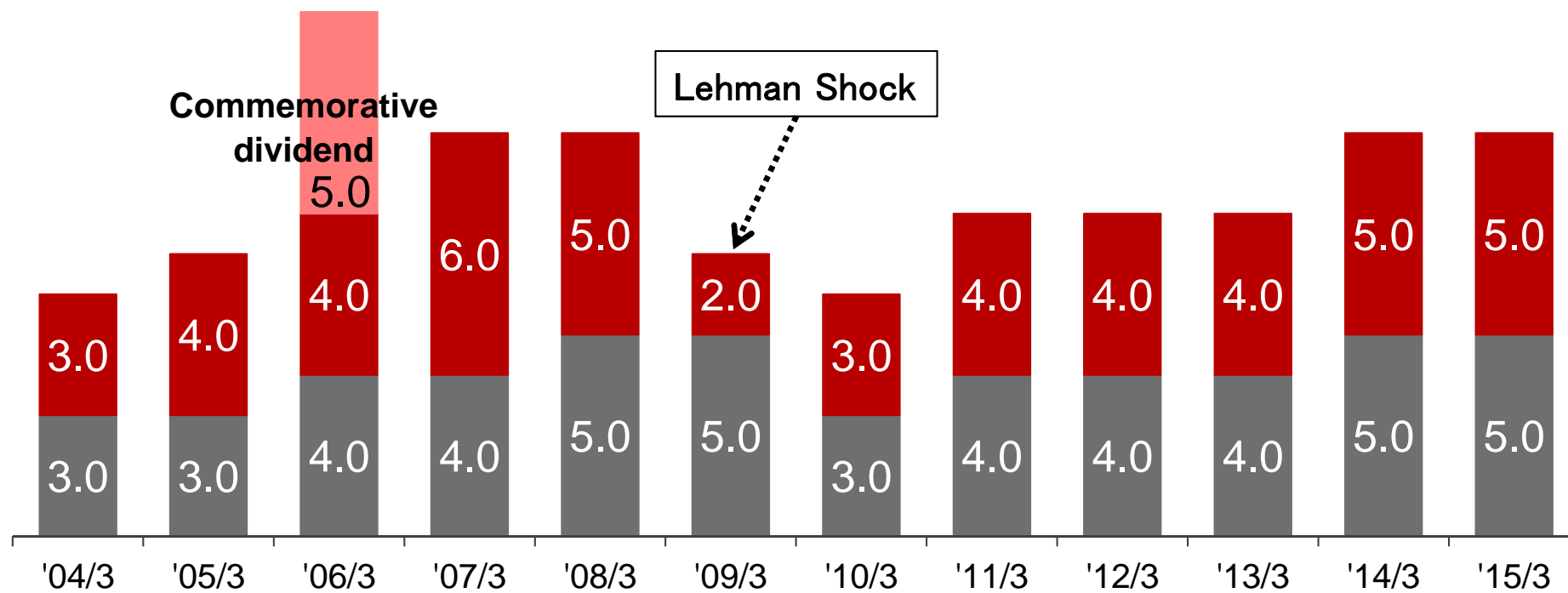
Yen  
hundred mil

- Depreciation
- Domestic capital investment
- Overseas capital investment





# Shareholder Returns



<b>Cons. EPS</b>	33.4	38.2	35.2	39.3	52.7	-2.6	12.3	33.7	14.8	26.5	45.5
<b>Dividend payout ratio</b>	18.0 %	18.3%	36.9%	25.4%	19.0%	—	48.7%	23.7%	53.9%	30.2%	22.0%