

Consolidated Business Results for the First Half of Fiscal 2012

November 2, 2012

Bando Chemical Industries, Ltd.

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

(1) Settlement of Accounts

- There was a downward trend in domestic automotive demand, but Asian and American demand grew and sales of automotive power transmission products increased. There was a slight decrease in industrial belt sales as economic uncertainties impacted capital expenditures.
- In industrial products, demand grew for steep-incline conveyor belts in Japan, and sales of conveyor belts overseas also increased. The slumping European economy impacted printer production, and sales of multimedia parts declined.
- ➡ While domestic sales were generally flat, overseas sales increased (to 40.8% of consolidated net sales, up 1.0 point).

(2) Performance Summary

Unit: Yen millions

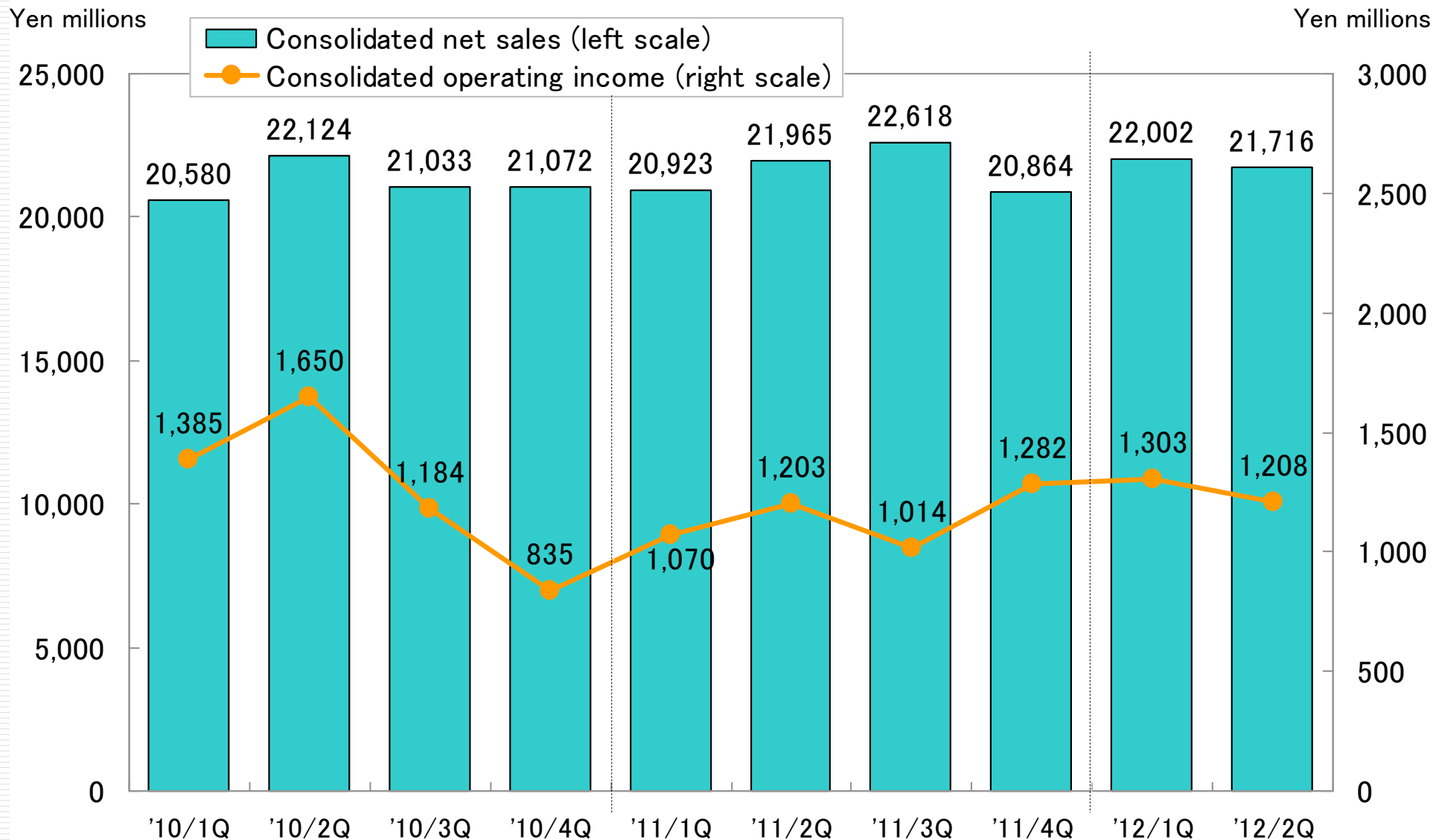
	FY2011 First half	FY2012 First half	Year on year	
			Change	% change
Net sales	42,889	43,718	+829	+1.9%
Operating income	2,274	2,511	+237	+10.5%
Ordinary income	2,274	2,769	+495	+21.8%
Net profit	515	1,752	+1,236	+240.2%
Overseas' sales	17,049	17,823	+773	+4.5%
Rate of sales overseas	39.8%	40.8%	+1.0 pts	—
Asia (Thailand, China, etc.)	13,230	13,787	+557	+4.2%
Other (USA, Europe, etc.)	3,819	4,035	+216	+5.7%

Exchange rates (term average)

US\$=¥81.8

US\$=¥79.8

(3) Quarterly Progression of Net Sales and Operating Income



(4) Results by Business Segment

Unit: Yen millions

	FY2011 First half	FY2012 First half	Year on year	
			Change	% change
Net sales	42,889	43,718	+829	+1.9%

Sales by business segment

Power Transmission	26,699	28,003	+1,304	+4.9%
Multimedia Parts	4,645	4,064	-581	-12.5%
Industrial Products	8,328	8,727	+398	+4.8%
Plastics Products	2,439	2,405	-34	-1.4%
Other	1,196	753	-443	- 37.0%

※ Before eliminations

(5) Non-Operating Income and Extraordinary Income

Unit: Yen millions

	FY2011 First half	FY2012 First half	Year on year Change
Operating income	2,274	2,511	+237
Non-operating income	554	624	+70
Non-operating expense	554	367	-186
Ordinary income	2,274	2,769	+495
Extraordinary income	3	4	+1
Extraordinary loss	1,249	205	-1,044
Income taxes and minority interests	512	816	+303
Net income	515	1,752	+1,236

※ Prior term extraordinary loss was mainly on sale of company housing and loss on former factory site.

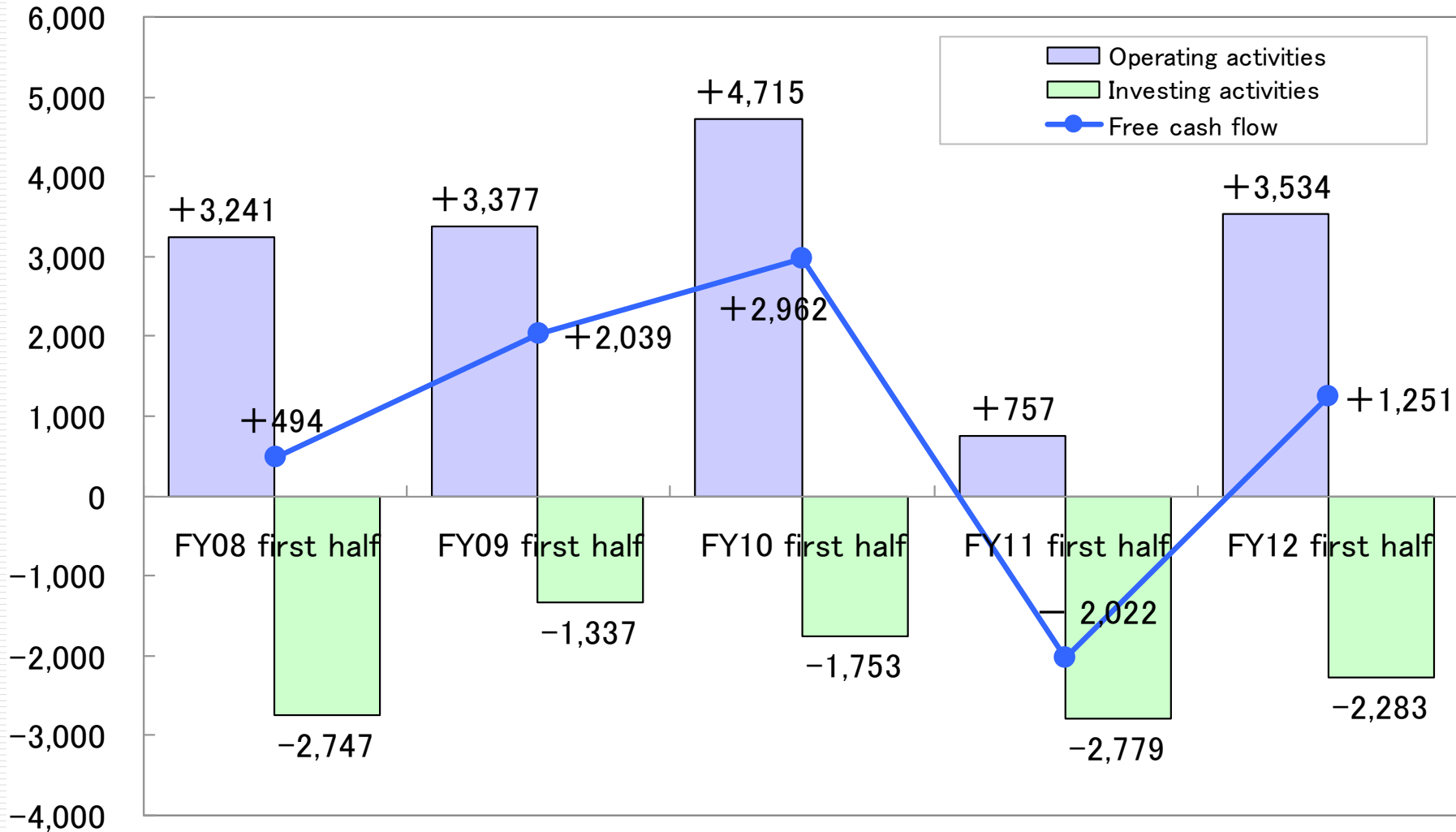
(6) Balance Sheet Fluctuations

Unit: Yen millions

Major fluctuations					Major fluctuations
Accounts receivable +¥500 mil.			Other liabilities 25,072	25,619	Accts. payable -¥500 mil.
Inventories -¥400 mil.	40,521	Current assets 40,730	Debt 14,042	14,595	Accrued taxes +¥400 mil.
					Accrued exp. +¥100 mil.
Tangible fixed assets -¥400 mil.			Net assets 39,970		Other payables -¥400 mil.
Intangible assets -¥300 mil.	39,137	Fixed assets 38,355			Debt -¥600 mil.
Investment securities -¥200 mil.				39,442	Shareholders' equity +¥900 mil.
					Valuation and translation adjustments -¥300 mil.
	FY2011, first half	FY2012, first half	FY2012, first half	FY2011, first half	
	79,659	79,085	79,085	79,659	

(7) Transition of Cash Flow

Yen millions



(8) Financial Indicators

	FY2008	FY2009	FY2010	FY2011	FY2012 First half
ROE (※1)	-0.6%	3.2%	8.5%	3.7%	4.5%
ROA (※2)	-0.3%	1.6%	4.0%	1.8%	2.2%
Capital ratio	48.7%	50.2%	47.9%	48.4%	49.5%
Debt to equity ratio	47.3%	40.2%	44.5%	37.9%	35.9%
Net interest-bearing debt	¥12.2 billion	¥7.1 billion	¥2.7 billion	¥3.5 billion	¥2.9 billion

※1 ROE、ROA are based on net profit

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

FY2012 Full Year Forecast

(1) Points Related to the Full Year Forecast

■ Surrounding environment

■ Domestic

- There is a modest recovery in the context of earthquake reconstruction, but tax subsidies for eco cars have been discontinued
- Concerns over further strengthening of the yen

■ Overseas

- Prolonged economic downturn in Europe
- Economic slowdowns in China and India, which have been the driving force behind economic growth
- Current conservative purchases of Japanese products in China may continue
- Brisk demand in emerging economies, such as in the ASEAN countries of Thailand, Indonesia and Vietnam

Based on the environment outlined above, we are separately issuing a revised full year forecast.

- We will continue to work to improve our profitability, through measures such as increased productivity, thorough expense reductions and by reducing raw materials procurement costs.

(2) FY2012 Full Year Forecast

Unit: Yen millions

	FY2011	FY2012	Year on year	
	Result	Revised Forecast	Change	% change
Net sales	86,372	85,000	-1,372	-1.6%
Sales by business segment				
Power Transmission	53,591	53,600	+8	+0.0%
Multimedia Parts	9,020	7,900	-1,120	-12.4%
Industrial Products	17,656	17,600	-56	-0.3%
Plastics Products	4,923	4,800	-123	-2.5%
Other	1,796	1,600	-196	-10.9%
Operating income	4,570	5,000	+429	+9.4%
Ordinary income	4,391	5,000	+608	+13.8%
Net profit	1,440	3,200	+1,759	+122.2%

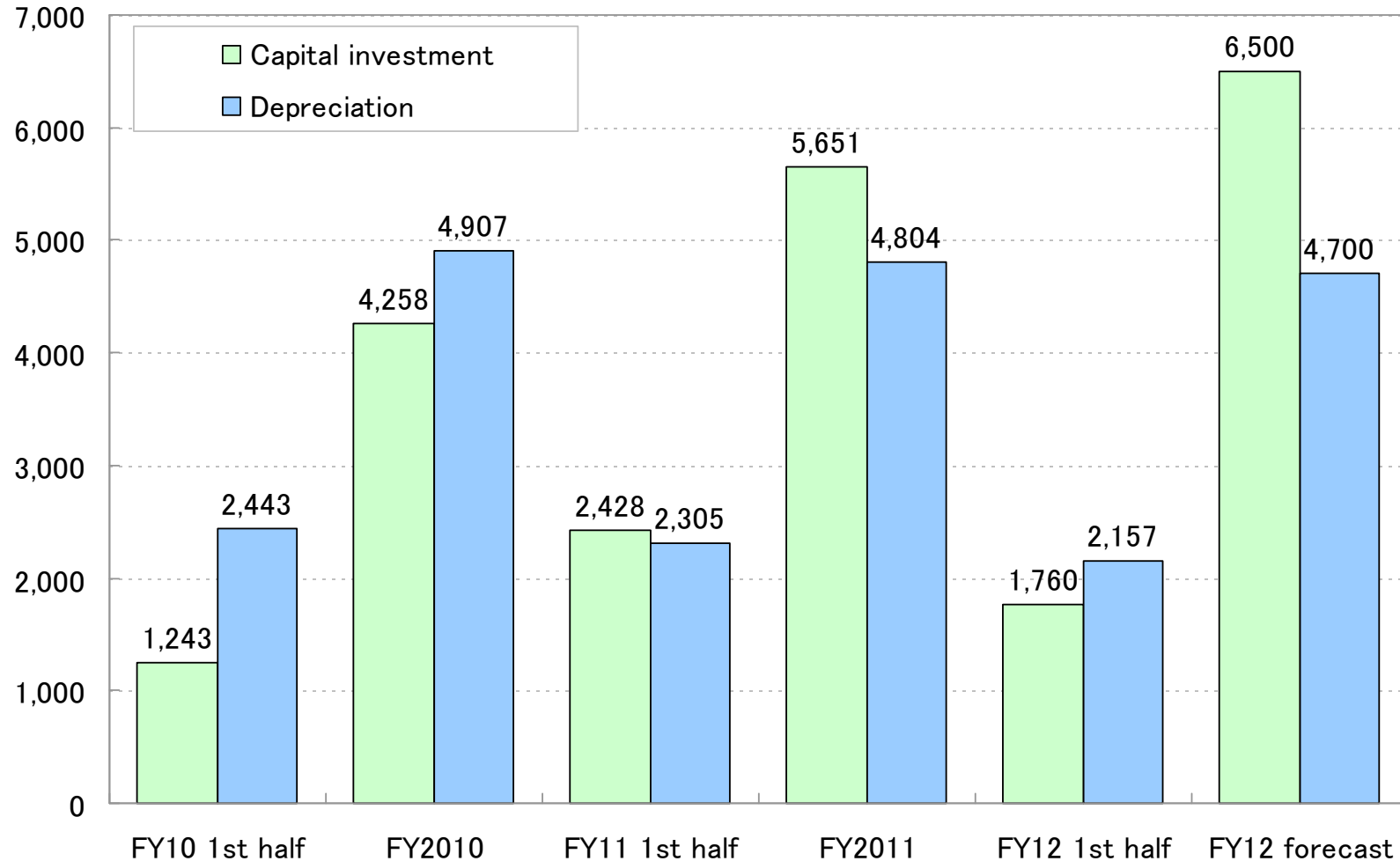
Exchange rate (term average)

US\$= ¥79.5

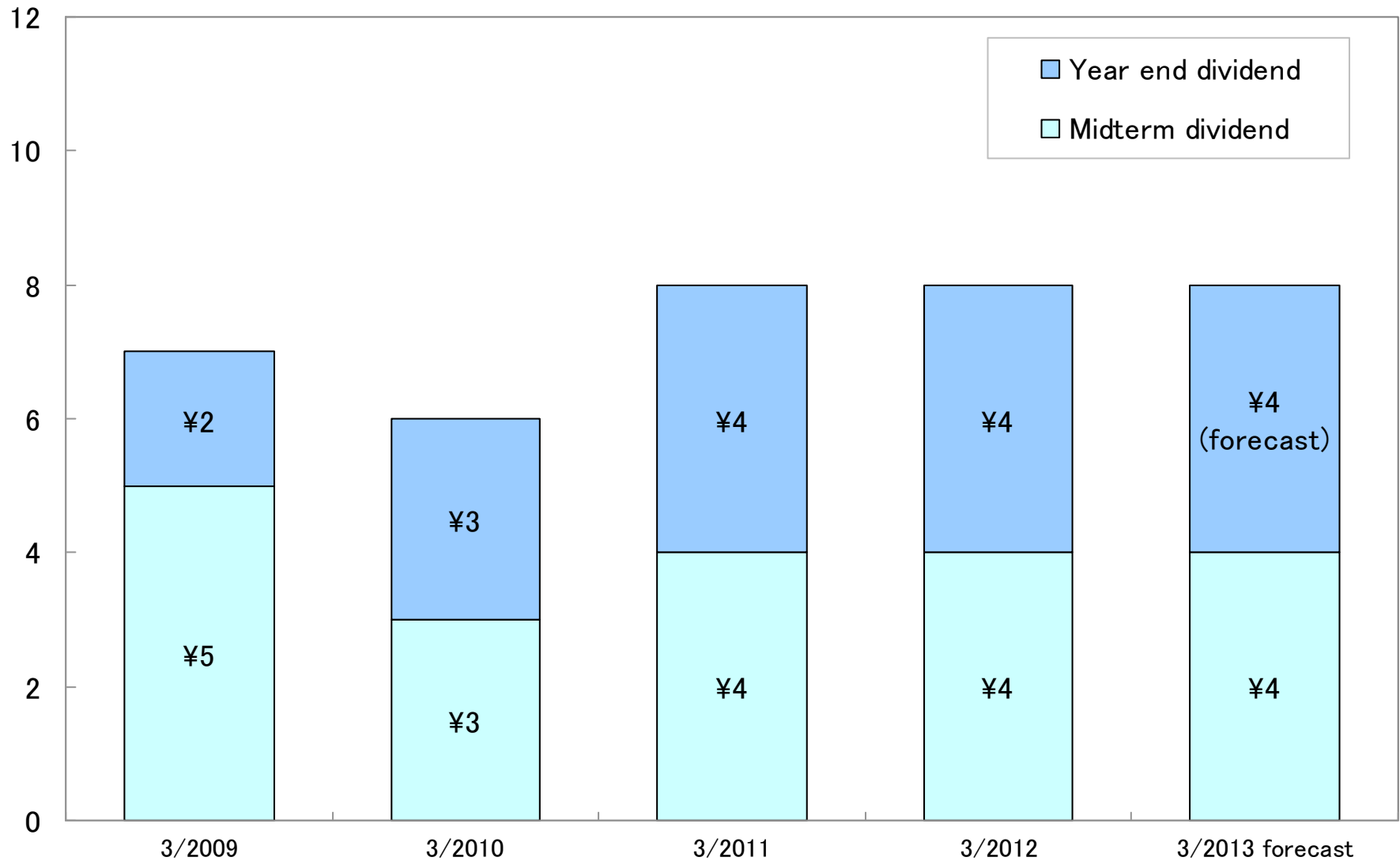
US\$= ¥78
(forecast)

(3) Transition of Capital Investment and Depreciation

Yen millions



(4) Shareholder Return (Dividends)



(5) Treasury Stock, Dividends, Net Profit

