

Consolidated Business Results for the Fiscal Year Ending
March 31, 2015

Bando Chemical Industries, Ltd.

May 15, 2015

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March 31, 2015

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March 31, 2016


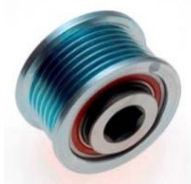


I . Company overview

Company Profile

Company name	Bando Chemical Industries, Ltd. (TSE code: 5195)
Head office	4-6-6 Minatojima Minamimachi, Chuo-ku, Kobe, Japan
President	Mitsutaka Yoshii
Founded	April 14, 1906
Capital	¥10,951 million (as of March 31, 2015)


Belt Business

Automotive







● Accessory drive belts
● Tensioners

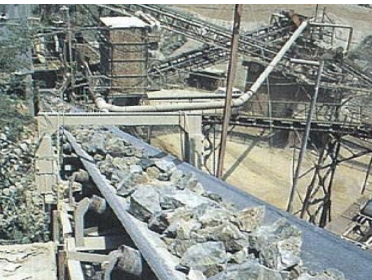

Industrial





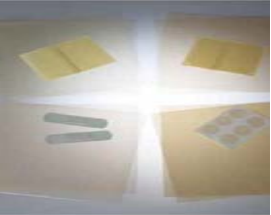
Agricultural



Conveyor

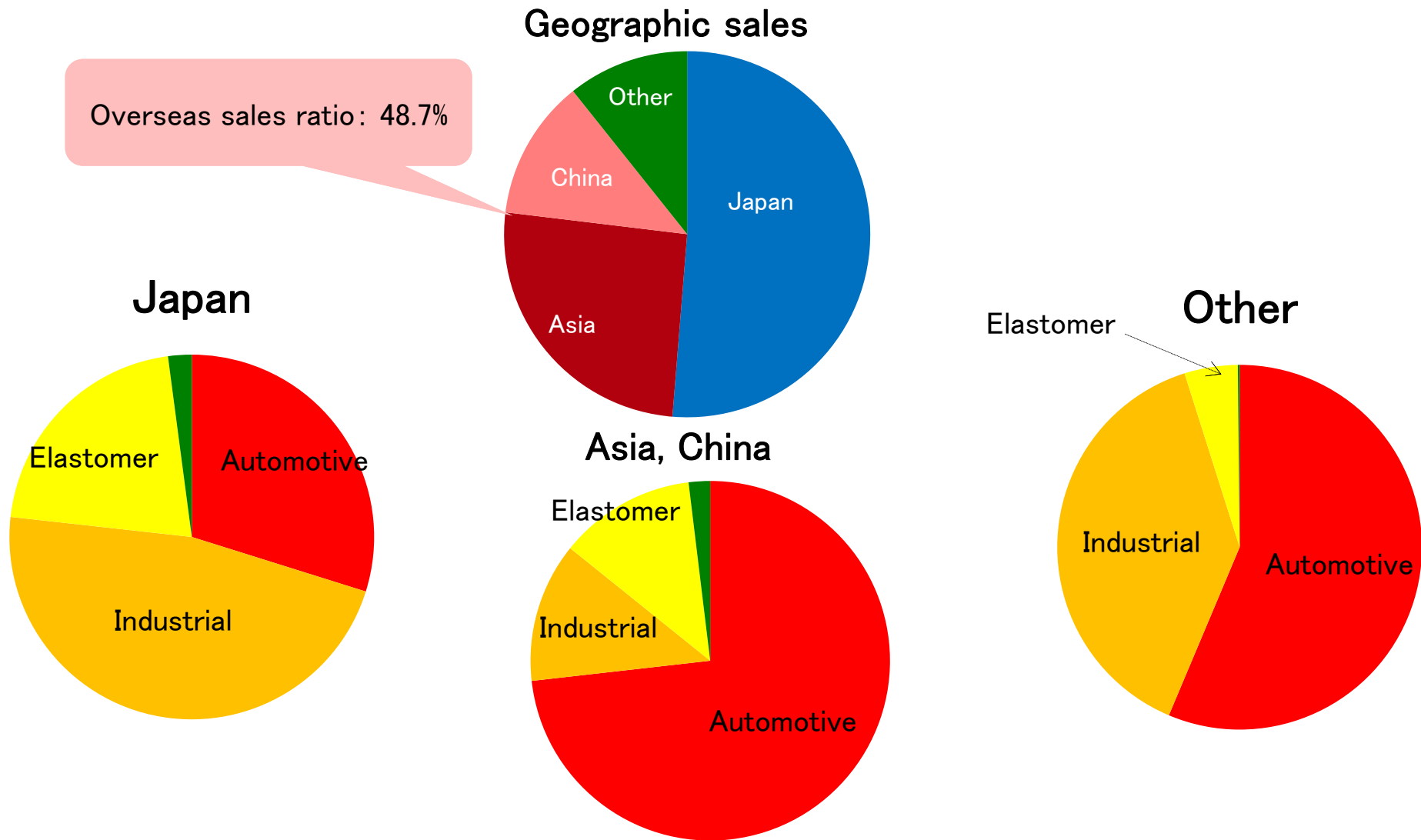
Elastomer Products Business

● Precision components
● Film products

(L: Cleaning blades R: High-performance rollers)

Business Mix (geographic, products)



■ The global belt business (automotive, industrial) accounts for 81.8% of sales.

II. Financial summary for the fiscal year ending March 31, 2015

Highlights of the fiscal year ending March 31, 2015

(Yen millions)

	2014/3	2015/3				
	Results	Initial forecast (※)	Revised forecast (※)	Results	Year on year change	Difference to revised forecast
Net sales	93,434	95,000	94,000	95,395	+1,961	+1,395
Operating income	5,517	5,800	4,600	4,797	-720	+197
Ordinary income	6,103	6,400	5,600	5,730	-372	+130
Net profit	4,280	4,300	3,900	3,758	-522	-141

※Initial forecast May 14, 2014. Revised forecast announced February 13, 2015

- Net sales increase of 2.1% year on year.
- Large factors in decreased operating income of 13.1% year on year were expanded employment to enhance global production systems and actuarial differences in domestic retirement obligations.
- Extraordinary losses were recorded during the term (impairment loss).

Business Segment Performance

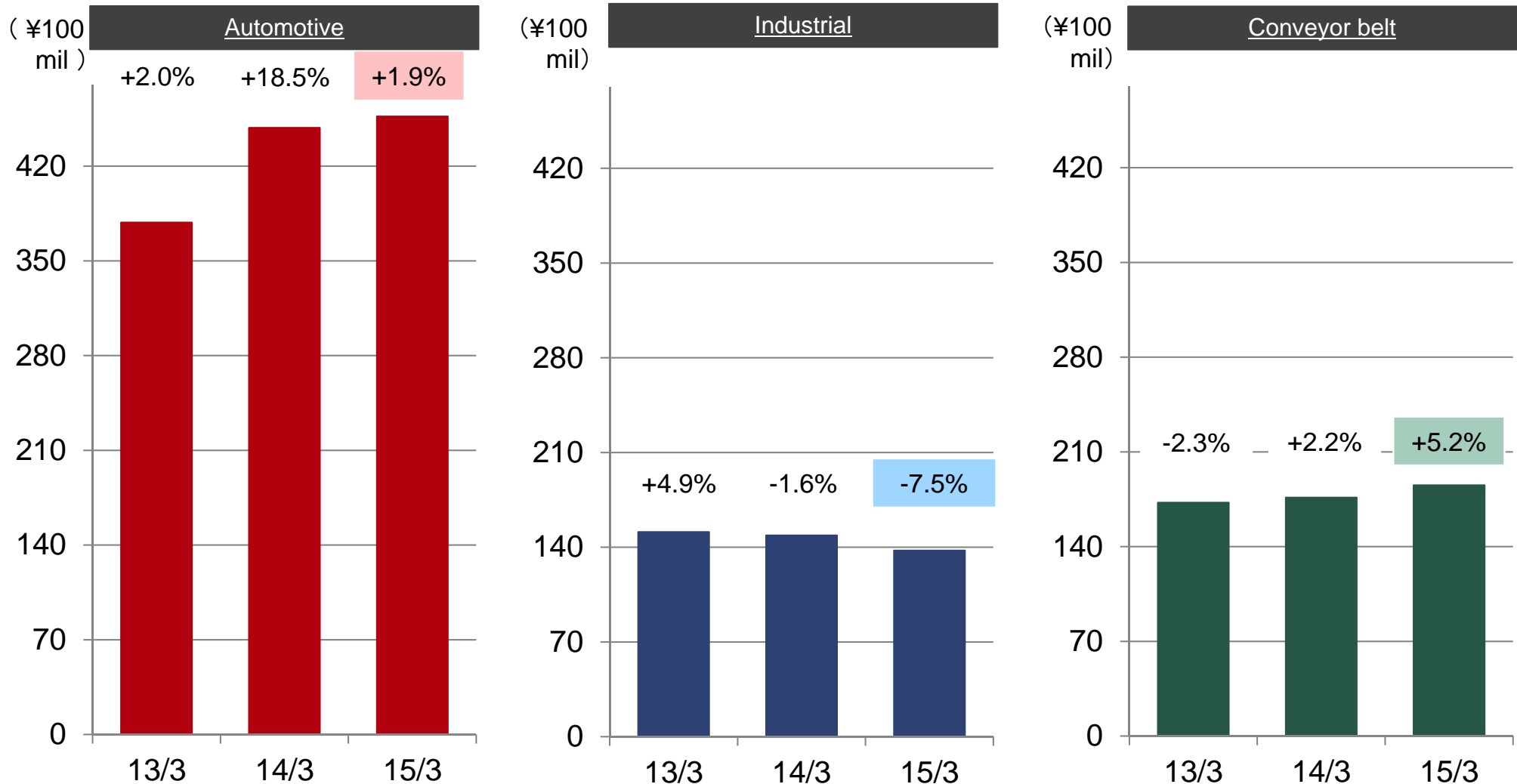
(Yen millions)

	2014/3	2015/3		
	Results	Forecast	Revised forecast	Difference to revised forecast
Net sales	93,434	95,395	94,000	+1,395
Belt Business	77,483	78,101		
Elastomer Products Business	14,989	15,712		
Other	2,230	2,646		
Eliminations	-1,268	-1,064		
Operating income	5,517	4,797	4,600	+197
Belt Business	4,892	4,155		
Elastomer Products Business	281	328		
Other	187	198		
Adjustments	157	115		

■ Belt Business Transition in Net Sales

Net sales: ¥78,101 million (+0.8% compared to the previous year)

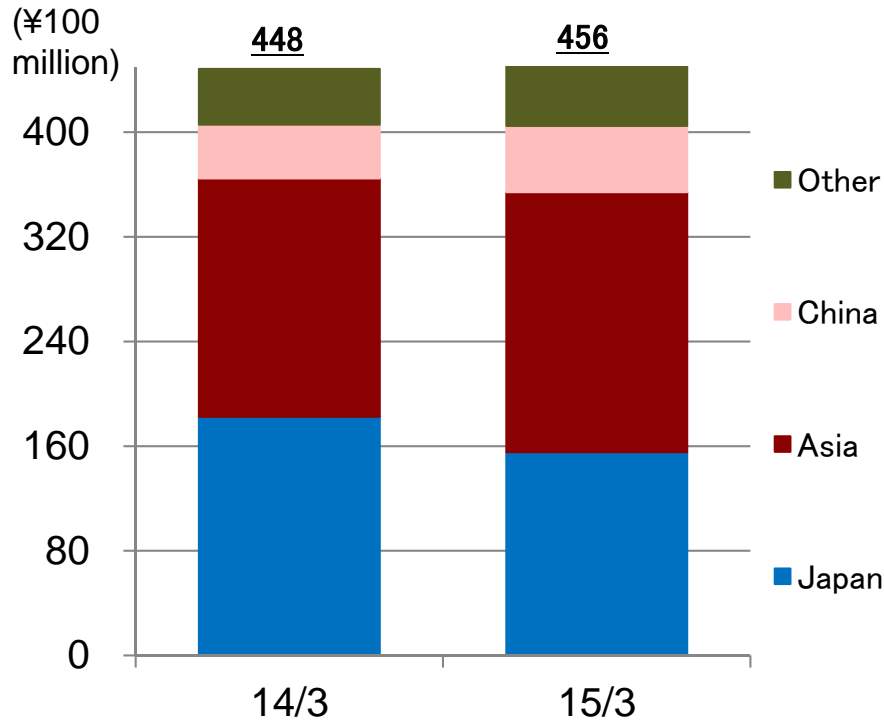
✓ Slight increase, with sluggish growth in automotive



Note: Net sales above are after inter-segment eliminations.

Automotive Parts

Geographic sales



Other
(+22.3%)

- US automotive production up 4% year on year. Focus on increased OEM share and aftermarkets.
- Net sales in Europe up 17% year on year, with European automotive production up 3%.

China
(+23.1%)

- Chinese automotive production up 6% year on year.
- Robust sales of accessory drive belts and automatic tensioners.

Asia
(+9.0%)

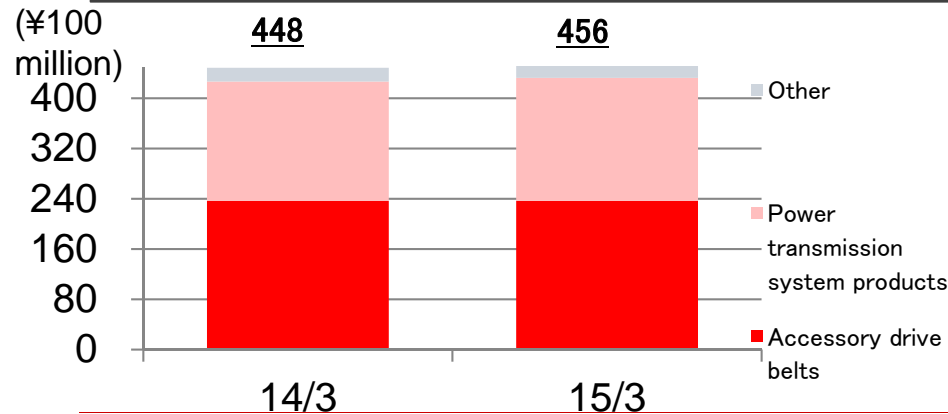
- Thai automotive production at 84% of previous year, with end to subsidies. Korean production at 98%.
- Automotive production down in Thailand, up in India. Sales remained strong for variable speed belts for scooters in Asia.

Japan
(-14.8%)

- Decreased automotive production, at 97% of previous year. Belt-free vehicles account for about 20% of total. Belt and tensioner sales decreased.
- Decreased sales to aftermarket distributors due to previous year-end inventory adjustments.

(Note) After eliminations. Year on year percentages.

Product sales



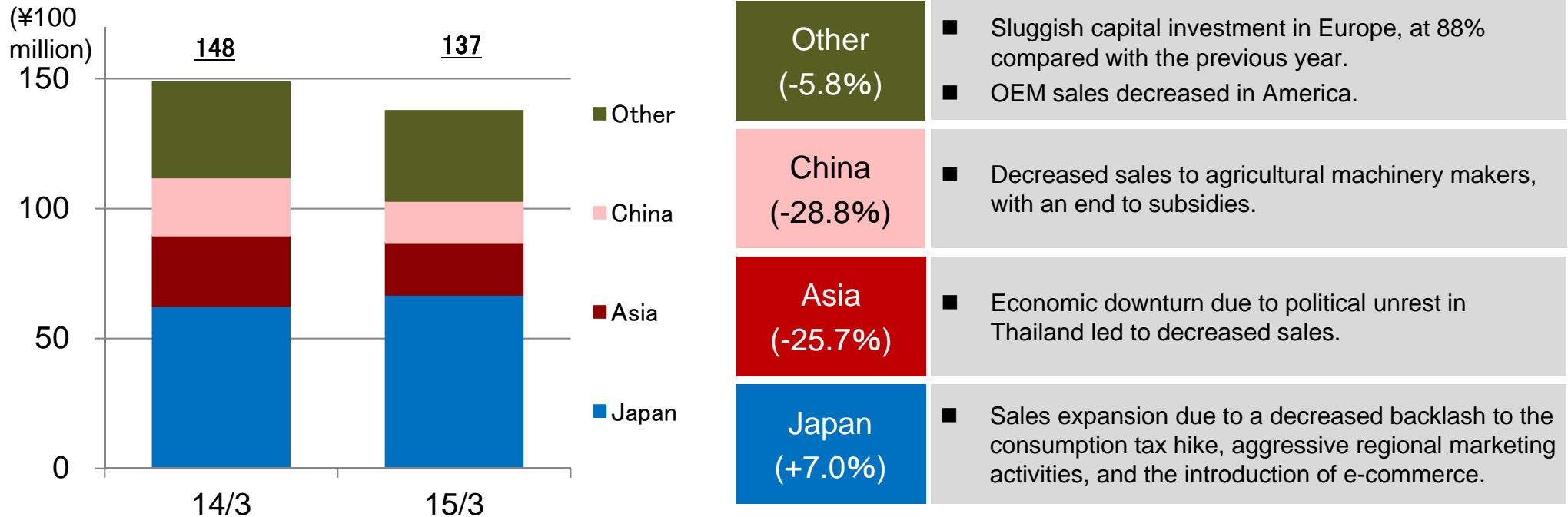
Automotive Products
(+1.9%)

- Product ratio for power transmission belts moved from 53% to 52%. Flat sales, with focus on belt markets in Asia.
- System products ratio from 42% to 43%. Slight sales increase in Japan, but with increased production of belt-free vehicles.

(Note) After eliminations. Year on year percentages.

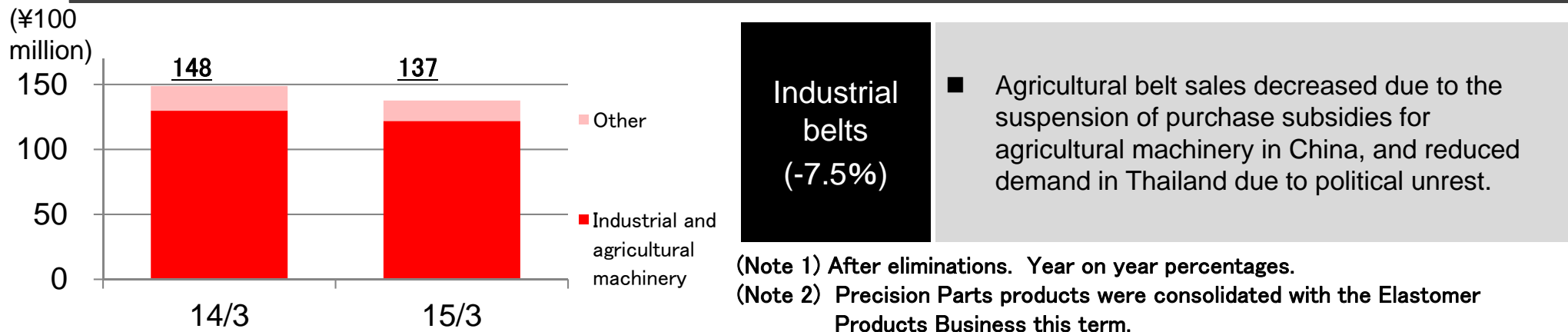
Industrial Products (industrial power transmission belts)

Geographic sales



(Note) After eliminations. Year on year percentages.

Product sales

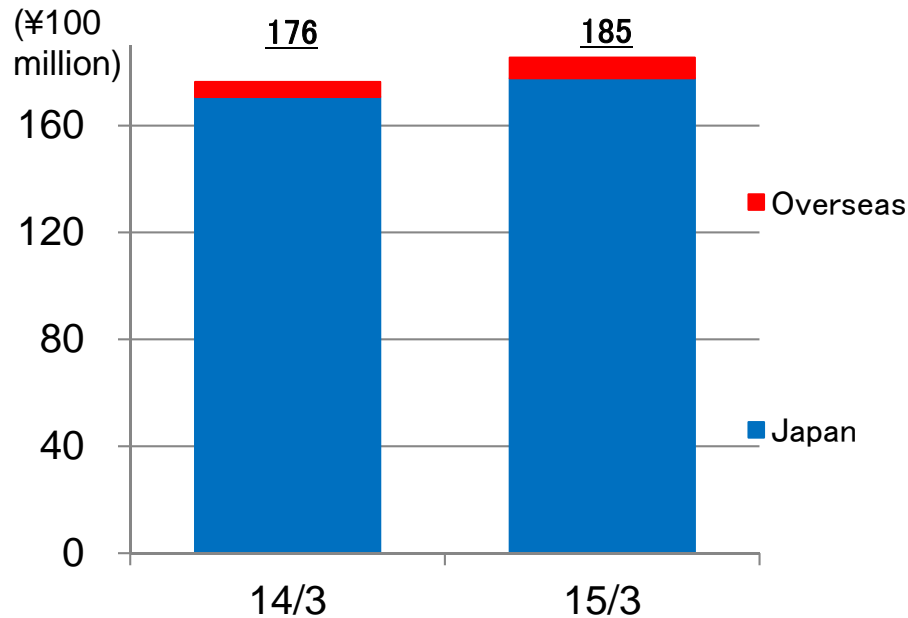


(Note 1) After eliminations. Year on year percentages.

(Note 2) Precision Parts products were consolidated with the Elastomer Products Business this term.

Conveyor Belts

Geographic sales



Overseas
(+37.8%)

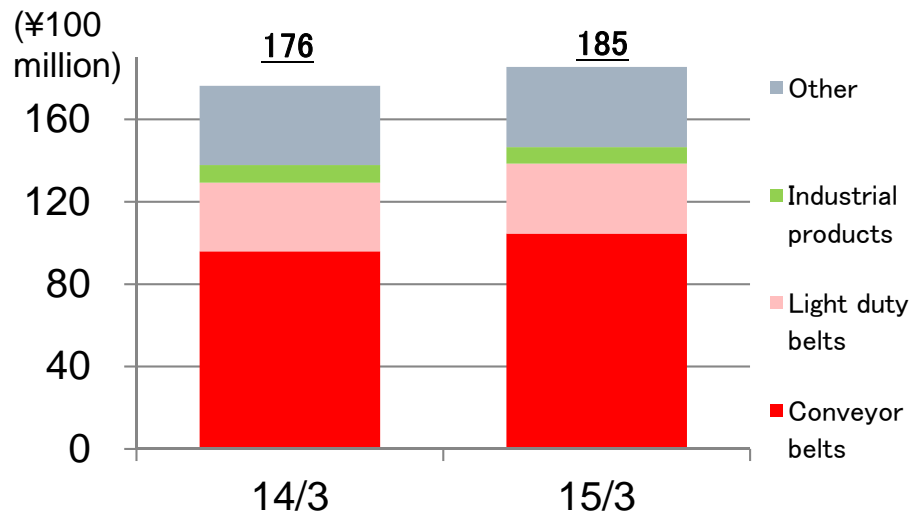
- Increased conveyor belt sales in Asia.
- Increased light-duty conveyor belt sales in Southeast Asia.

Japan
(+4.1%)

- Reduced sales of resource development conveyors, and of steep incline belts for thermal power generation.
- Increased sales in iron and steel industries.
- Increased sales of light-duty conveyor belts.

(Note) After eliminations. Year on year percentages.

Product sales



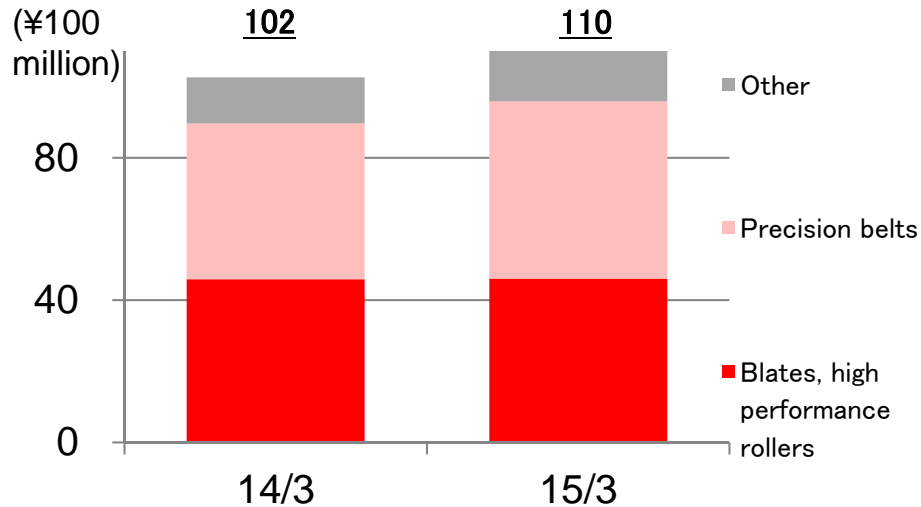
Conveyor Belts
(+5.2%)

- Increased light-duty belt sales in logistics fields.
- Export of belts for resource development decreased, but sales at domestic ironworks increased favorably.
- Slight decrease in industrial product sales.

(Note) After eliminations. Year on year percentages.

Elastomer Products Business

Precision Parts product sales

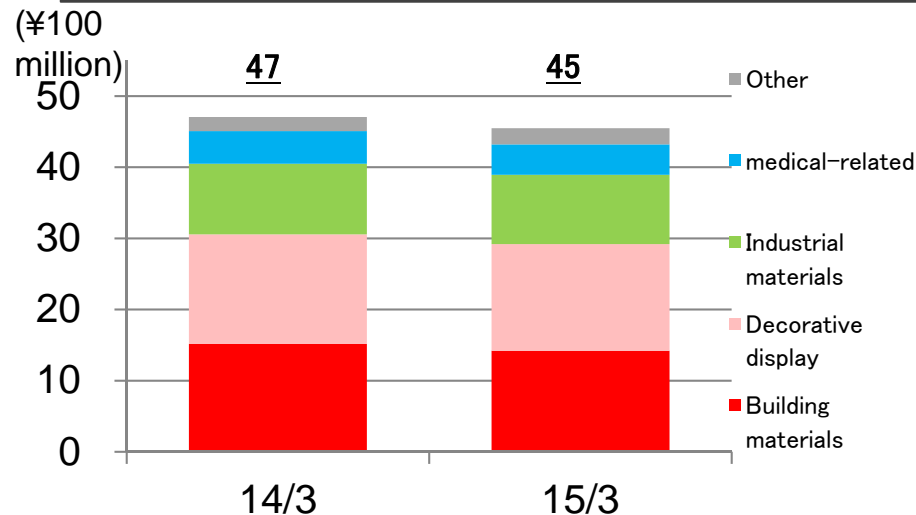


Precision Parts
(+8.1%)

- High performance roller sales increased with the introduction of new models. Blade sales fell due to in-house production by major customers.
- Robust sales of precision belts.
- Gradual increase of sales of precision abrasives in optoelectronics markets.

(Note) After eliminations. Year on year percentages.

Film Products sales

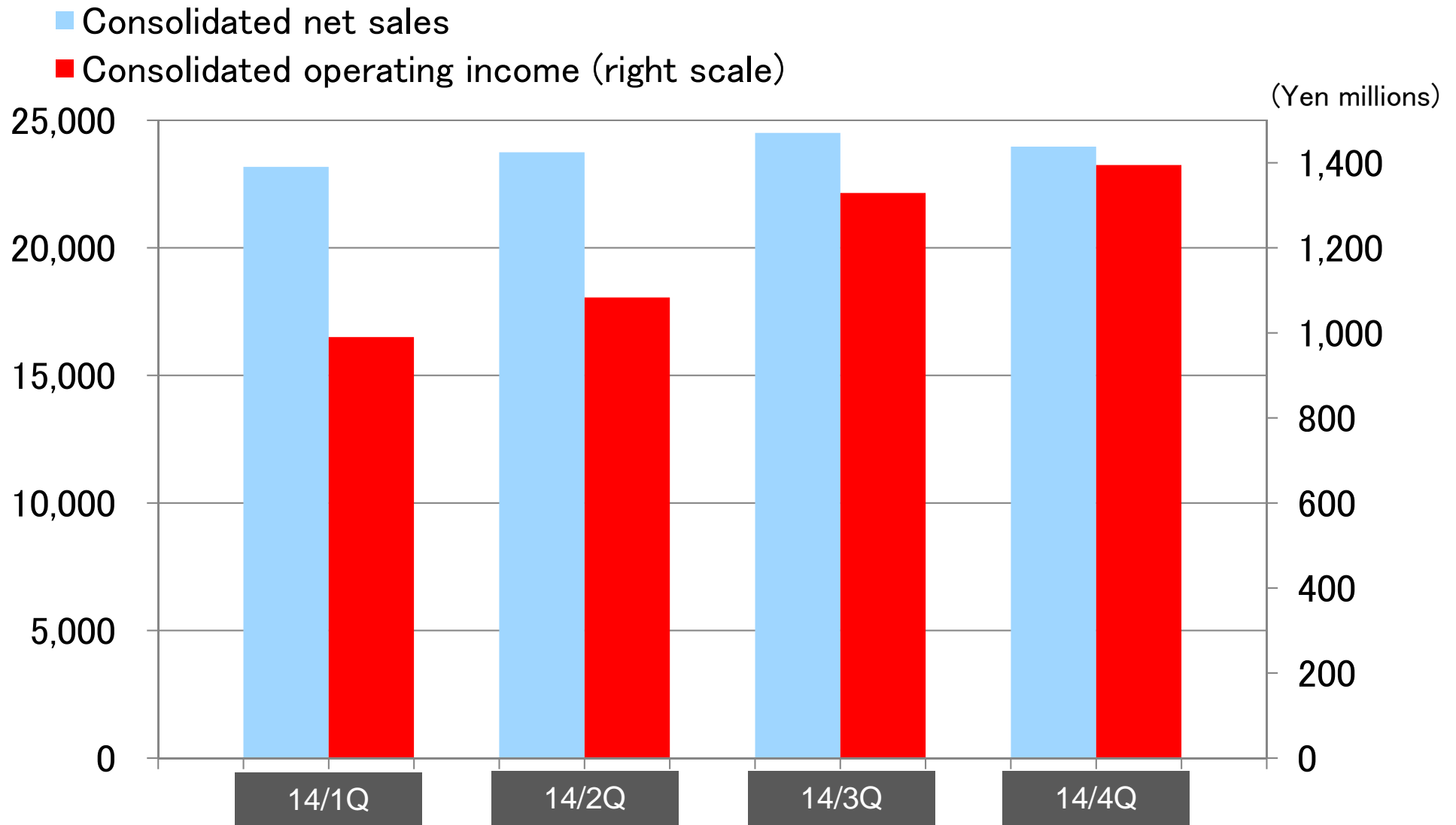


Film
(-3.3%)

- Building materials sales down due to a backlash to the consumer tax increase.
- Commenced sales of premium wallcovering.

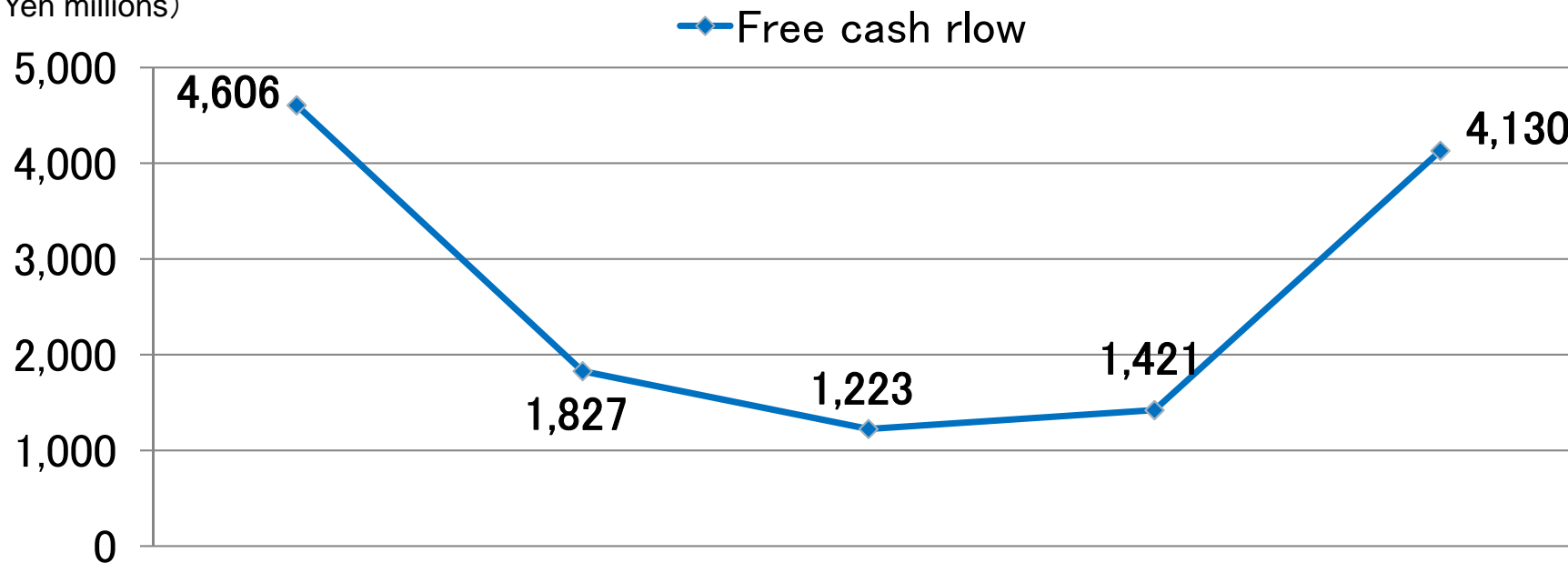
(Note) After eliminations. Year on year percentages.

FY2014 Quarterly Transition of Net Sales and Operating Income



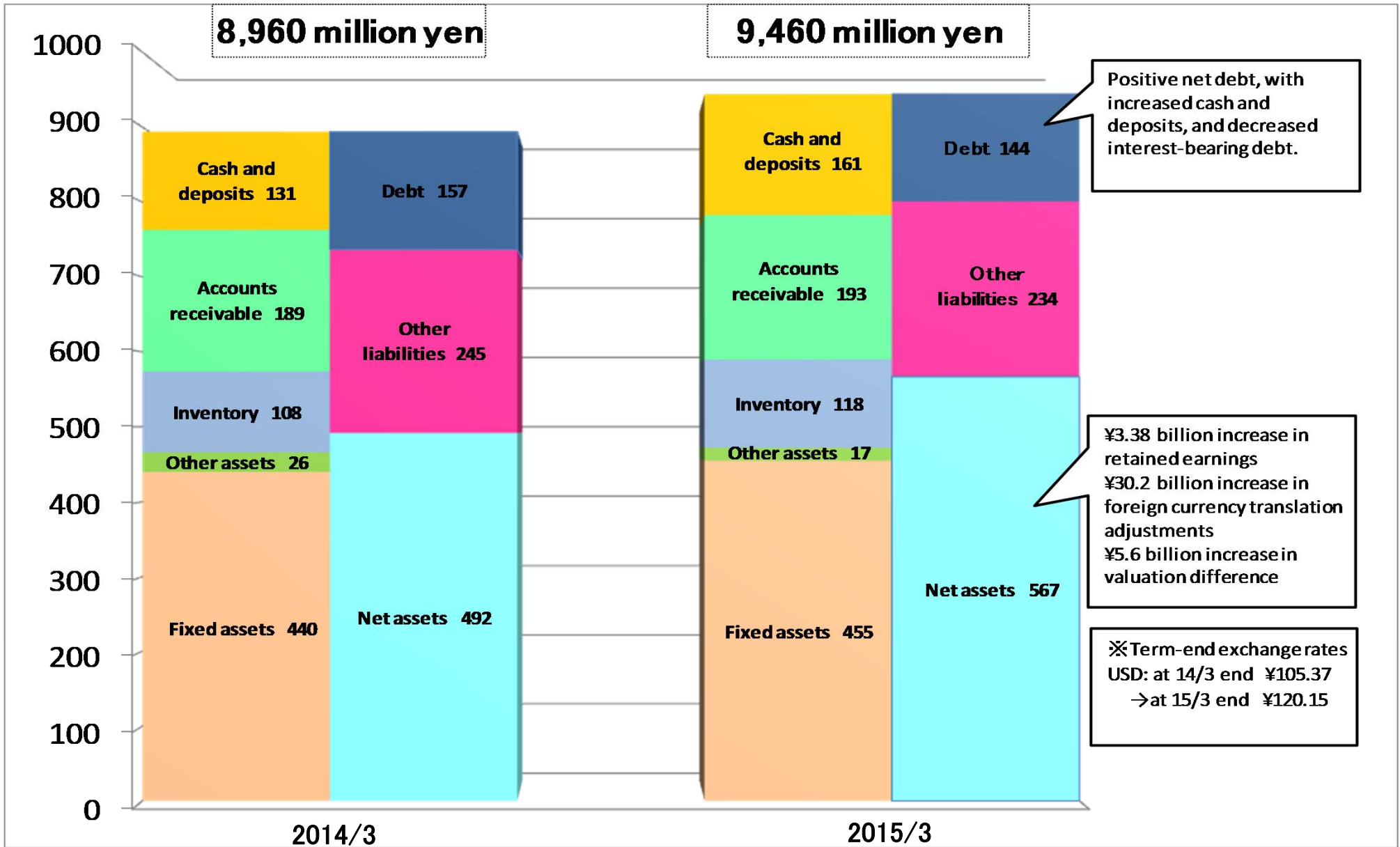
Transition of Cash Flow

(Yen millions)

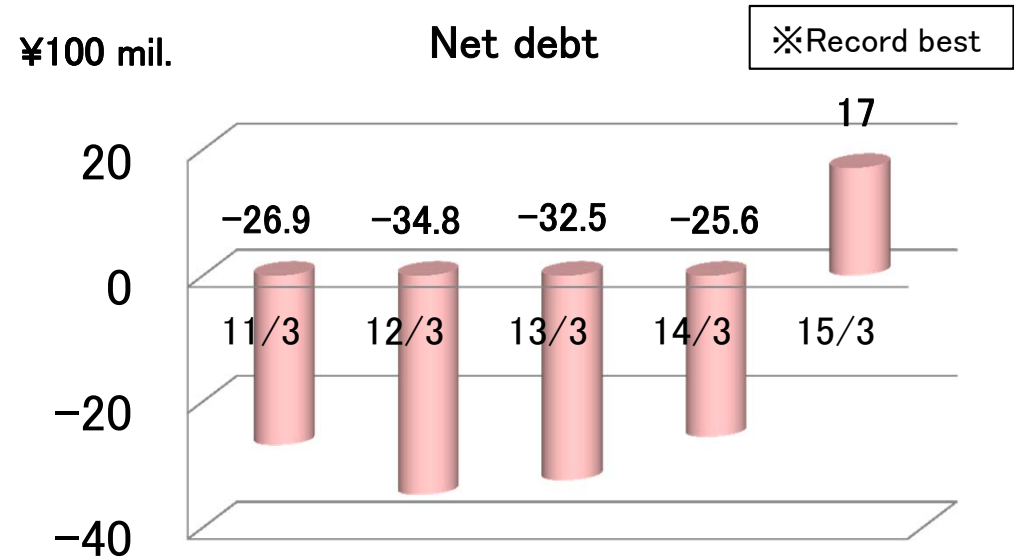
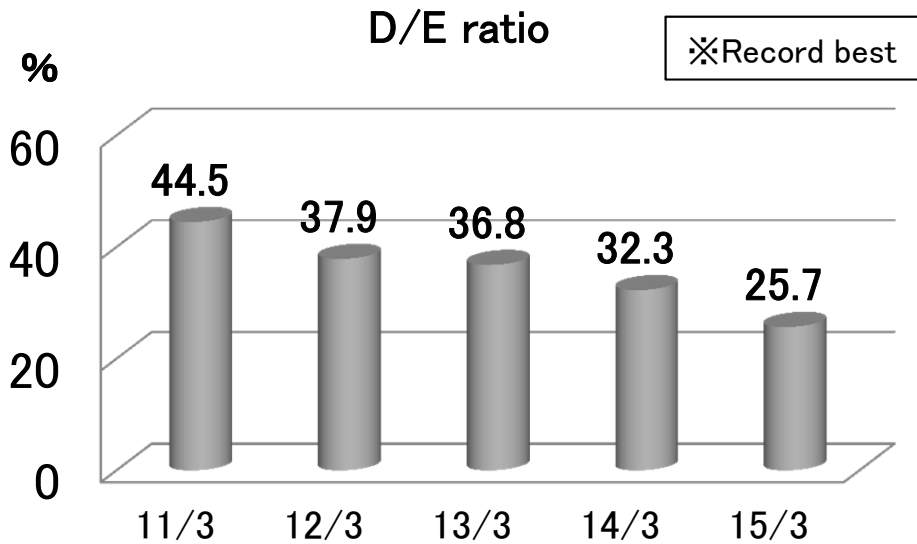
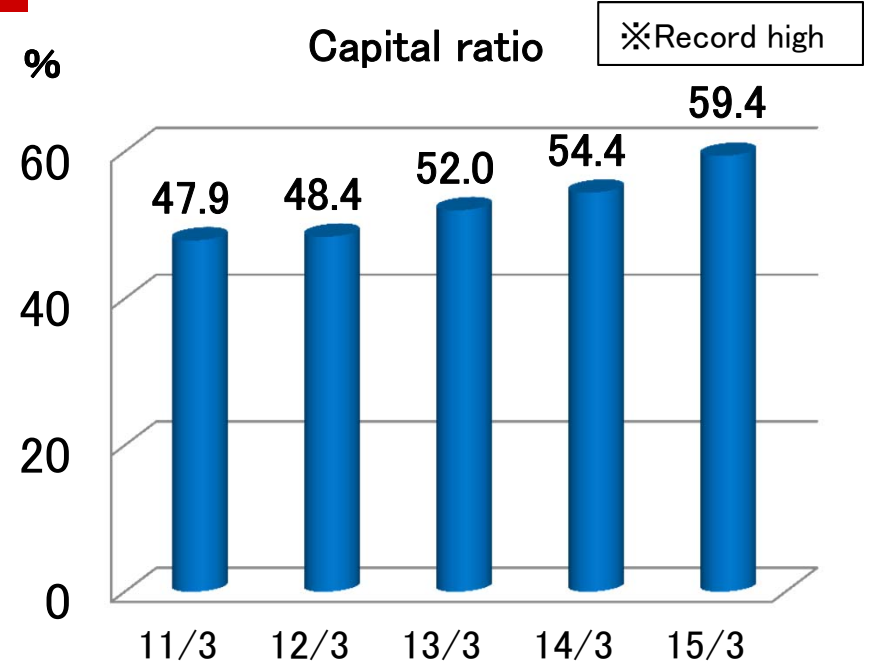
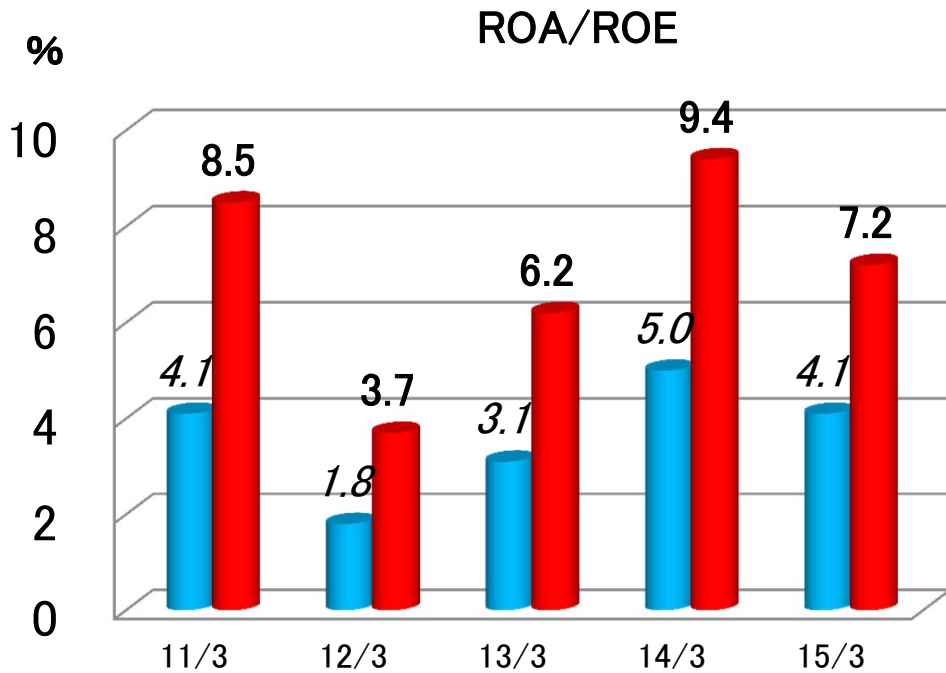


	11/3	12/3	13/3	14/3	15/3
Operating activities	9,529	6,595	7,004	6,459	8,061
Investing activities	-4,922	-4,767	-5,781	-5,037	-3,931
Free cash flow	4,606	1,827	1,223	1,421	4,130

Consolidated Balance Sheets



Financial Indicators



Ⅲ. Business forecast for the fiscal year ending March 31, 2016

FY2015 Forecast

(Yen millions, %)

	2014/3	2015/3	2016/3 Forecast	2016/3 Forecast	
	Results	Results		Year on year change	
Net sales	93,434	95,395	100,000	4,604	+4.8%
Operating income	5,517	4,797	5,800	1,002	+20.9%
Ordinary income	6,103	5,730	6,800	1,069	+18.7%
Net profit	4,280	3,758	4,500	741	+19.7%

Sales

- We expect reduced demand for automotive belts in Japan, but increased demand in Asia, China and America. Additionally, we will aggressively work to expand aftermarket sales.
- Government subsidies should boost industrial markets in China, and we expect to expand sales of agricultural belts. We will also promote sales of recently-developed products.
- We plan to expand sales in growth markets in optoelectronics for our Advanced Elastomer Products, such as Cleaning Systems and Precision Polishing Materials.

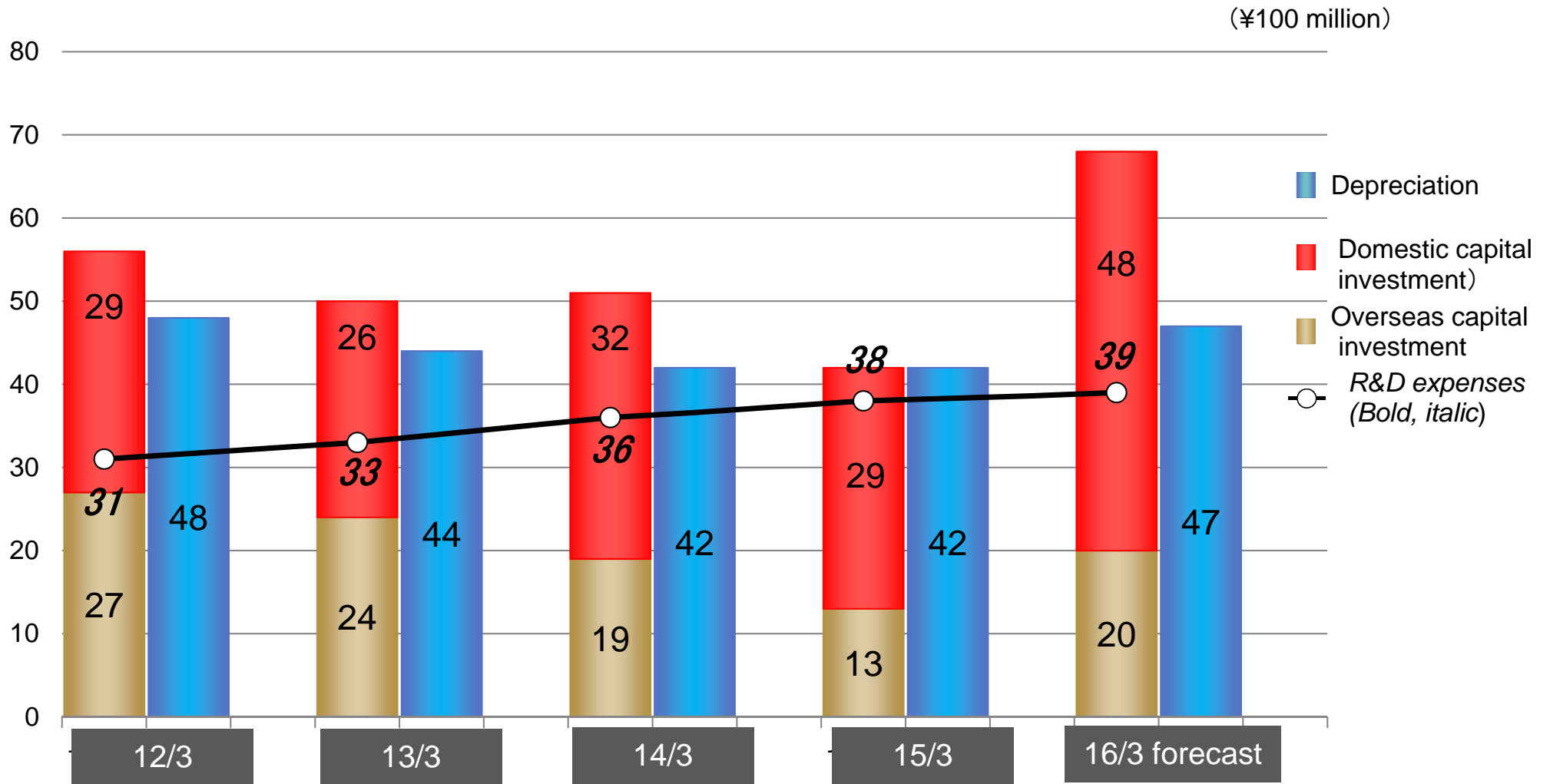
Profit

- We continue to reduce total costs through the establishment of global procurement, production and supply systems. We are working to increase local content at our fully-integrated new plant in India, and working to improve profitability.
- Innovations to production methods in conveyor belts and urethane precision belts will contribute to operating cost reductions.

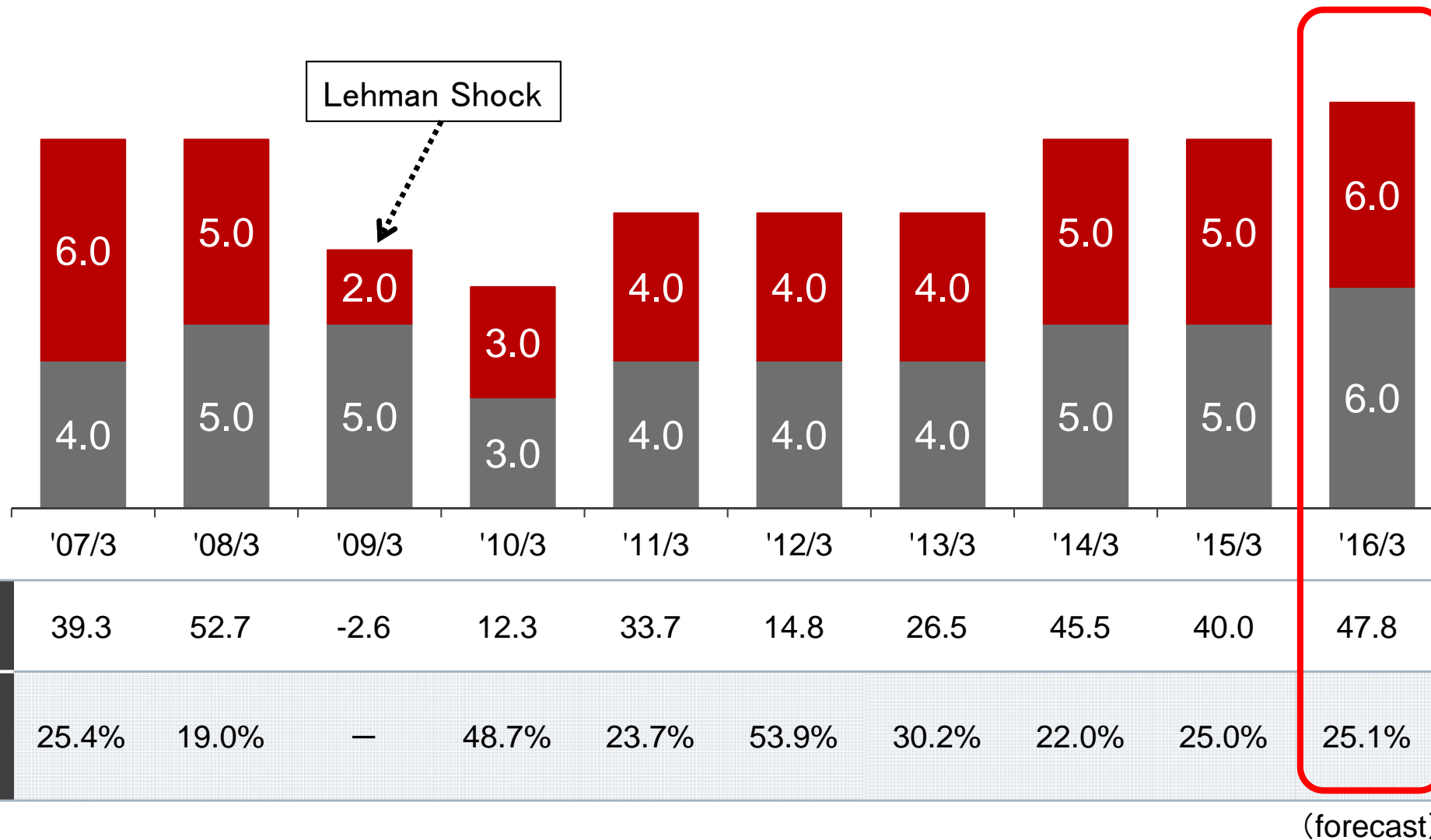
Exchange rates

- Rate assumptions... 1USD=120yen, 1EUR=140yen, 1RMB=20yen

Transition in Depreciation, Capital Investment and R&D Expenses



Shareholder Returns



This document contains certain forward-looking statements. These statements are not guarantees of future performance, which involves risks and uncertainties. In addition, this document is for information purposes only, and is not intended for solicitation of trading.