



Consolidated Business Results for the Fiscal Year Ending
March 31, 2016

Bando Chemical Industries, Ltd.

May 12, 2016

I . Company overview

II . Financial summary for the fiscal year ending
March 31, 2016

III. Business forecast for the fiscal year ending
March 31, 2017

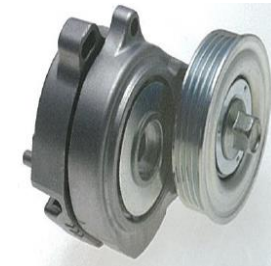
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I . Company overview

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, 2016)

Automotive Parts Division



● Accessory drive belts

● Tensioners

Industrial Products Division



● Industrial equipment drive belts

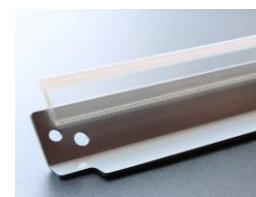


● Agricultural machinery drive belts

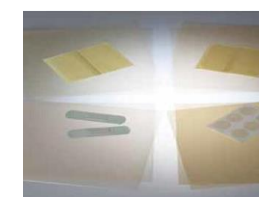


● Conveyor belts

Advanced Elastomer Products Division



● Precision parts
(L: Cleaning blades R: High-performance rollers)



● Film products

II. Financial summary for the fiscal year ending March 31, 2016

■ Highlights for the fiscal year ending March 31, 2016

(Yen millions)

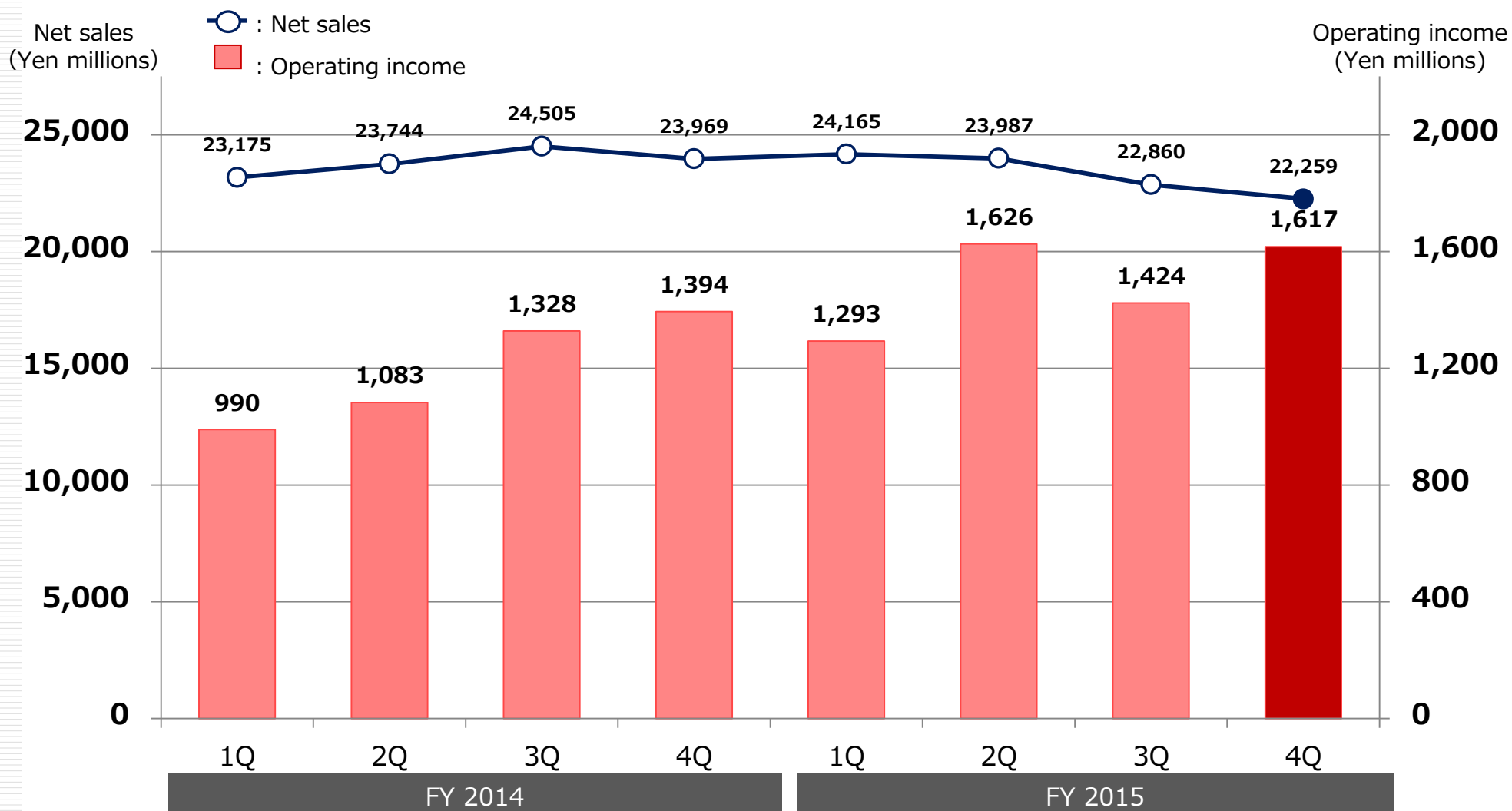
	2015/3	2016/3			
	Results	Results	Year on year change	Initial forecast	Difference to forecast
Net sales	95,395	93,272	-2,123	95,000	-1,727
Operating income	4,797	5,960	+1,163	5,800	+160
Ordinary income	5,730	6,363	+633	6,800	-436
Operating income ratio	5.0%	6.4%	+1.4%	6.1%	+0.3%

- While net sales decreased compared with the previous year term, operating income increased due to cost reduction activities.
- Net sales were less than the initial forecast, however, operating income exceeded the forecast.

■ Highlights for the fiscal year ending March 31, 2016

- Net sales of automotive parts decreased compared with the previous year due to declining production by major customers in China, Asia and Japan. Sales of variable speed belts for scooters increased in Vietnam and India, and we began full-scale production of variable speed belts in India.
- Sales of industrial transmission belts increased due to firm equipment demand in America and Asia, and a resumption of agricultural subsidies in China.
- Overall sales of advanced elastomer products were generally flat compared with the previous year; sales of high value-added film products increased, but sales of precision parts decreased with declining production by leading office automation equipment manufacturers.
- Operating income increased, with lower raw material costs due to declining naphtha prices, thorough cost reductions, and progress in profitability improvements with increased production at overseas manufacturing affiliates.

Quarterly transition of net sales and operating income

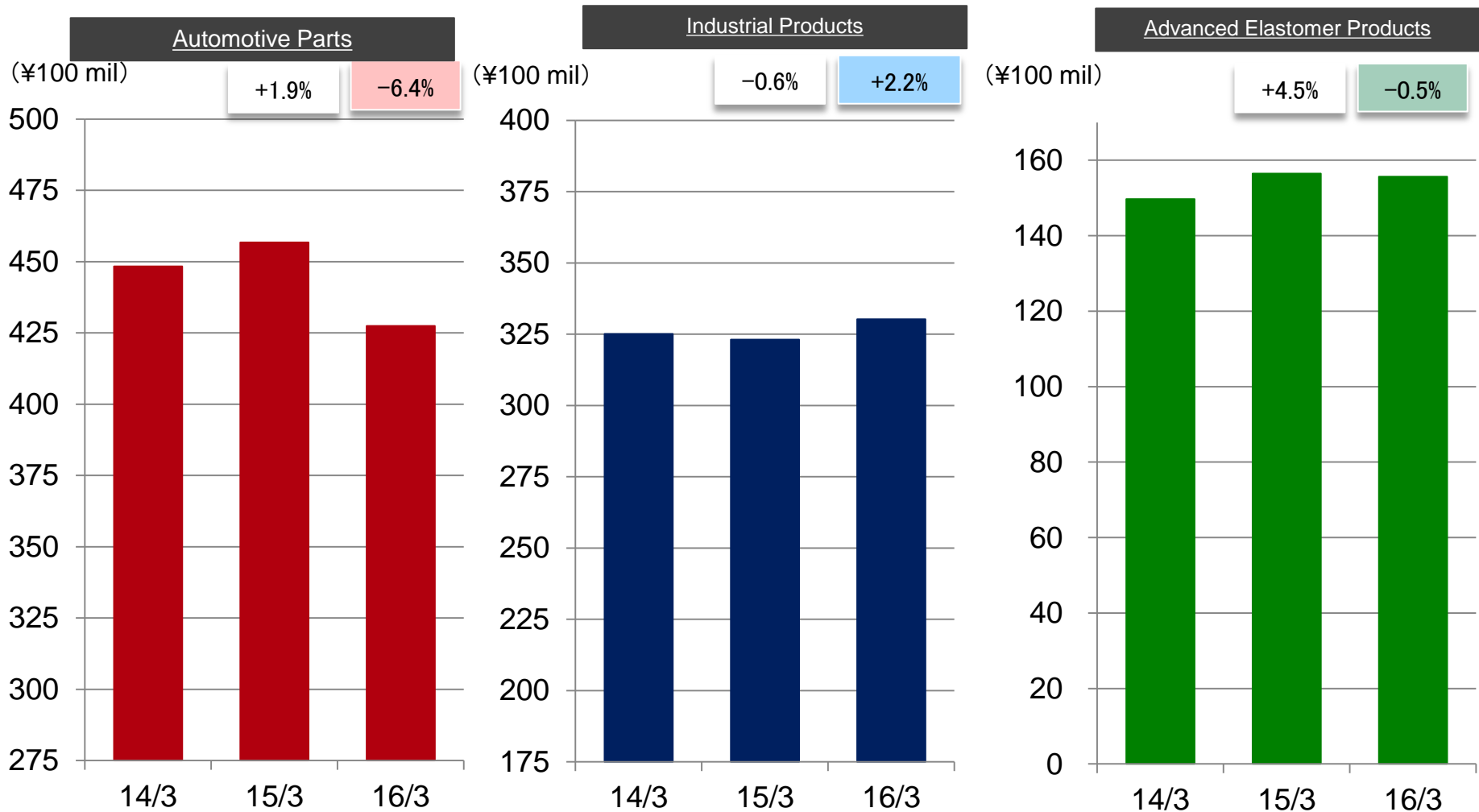


■ FY2015 Business segment performance

(Yen millions)

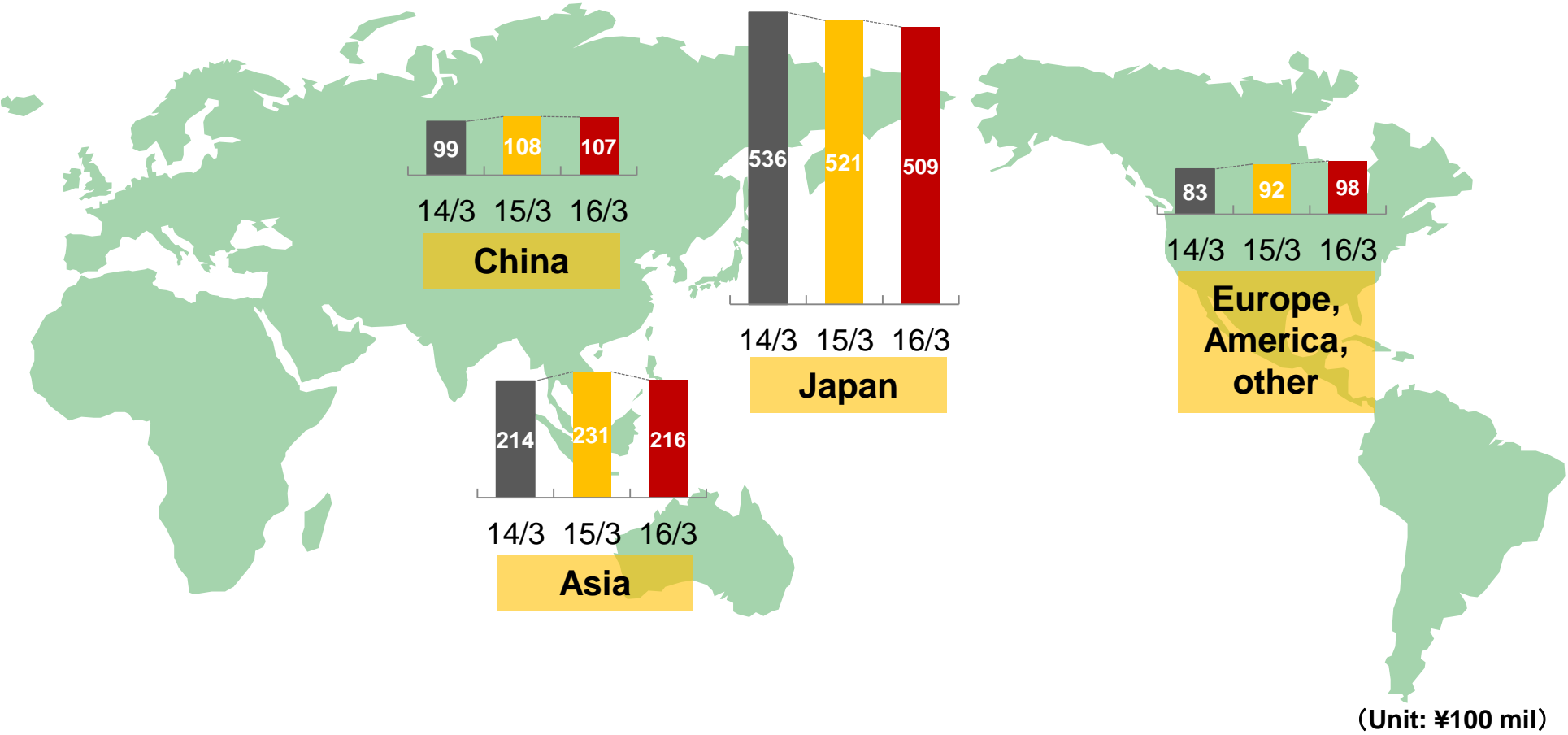
	Net sales	Segment profit
Automotive Parts	42,844	3,323
Industrial Products	33,096	1,924
Advanced Elastomer Products	15,619	759
Other	2,630	275
Eliminations	−920	−322
Total	93,272	5,960

Transition in net sales by business segment



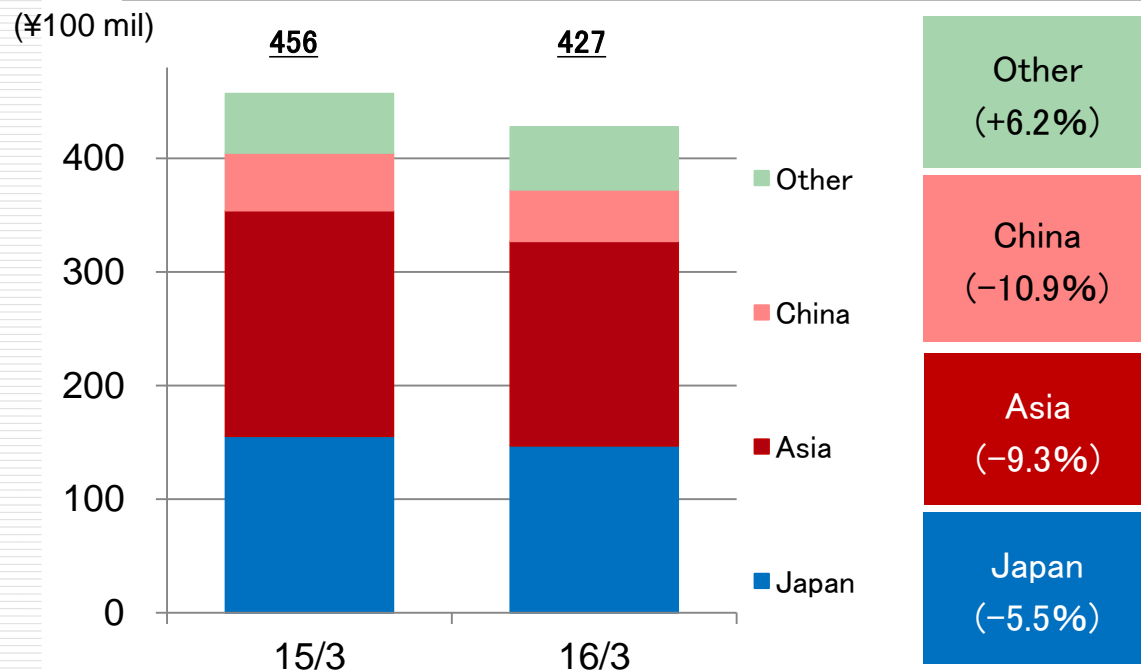
Note: Net sales above are after inter-segment eliminations.

Global net sales by region



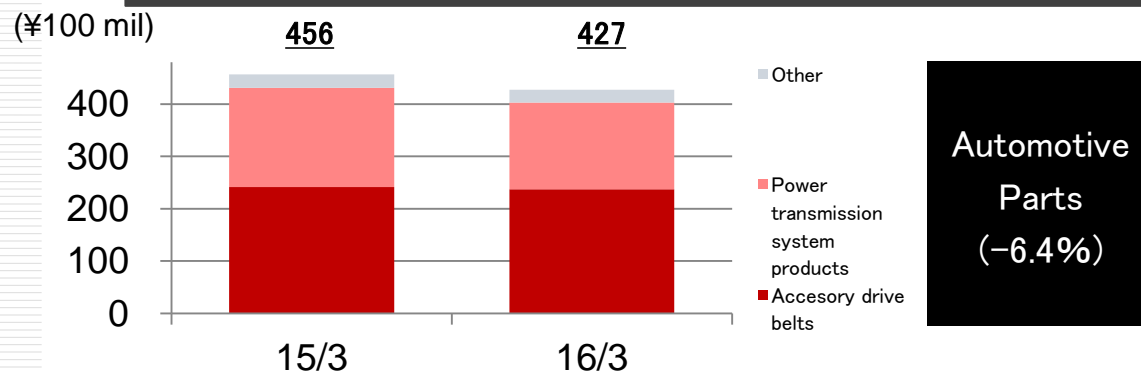
Automotive Parts overview

Geographic sales



- Expanded sales of accessory drive belt products, with continued favorable automotive production in Europe and America.
- Expanded aftermarket and OEM sales in Turkey.
- Accessory drive transmission belt product sales increased, boosted by small car tax reduction measures introduced last October, but system product sales decreased due to declining production by major customers.
- Variable speed belt sales for scooters remained strong in India and Vietnam, but sales declined in Korea due to a reduction of vehicles equipped with our power transmission system products.
- Power transmission belt and system product sales decreased following an increase in small vehicle taxes and reduced domestic production volume.

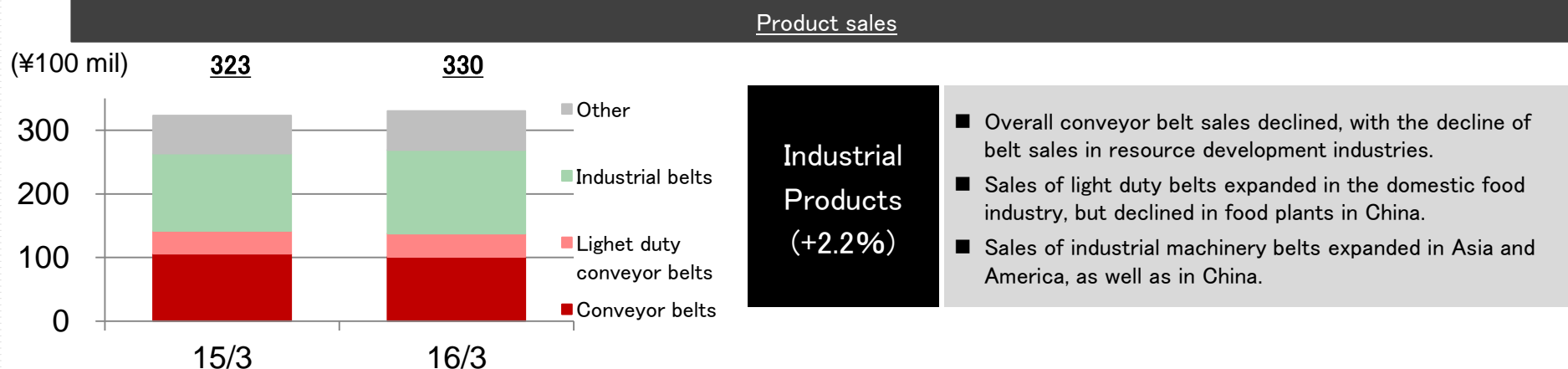
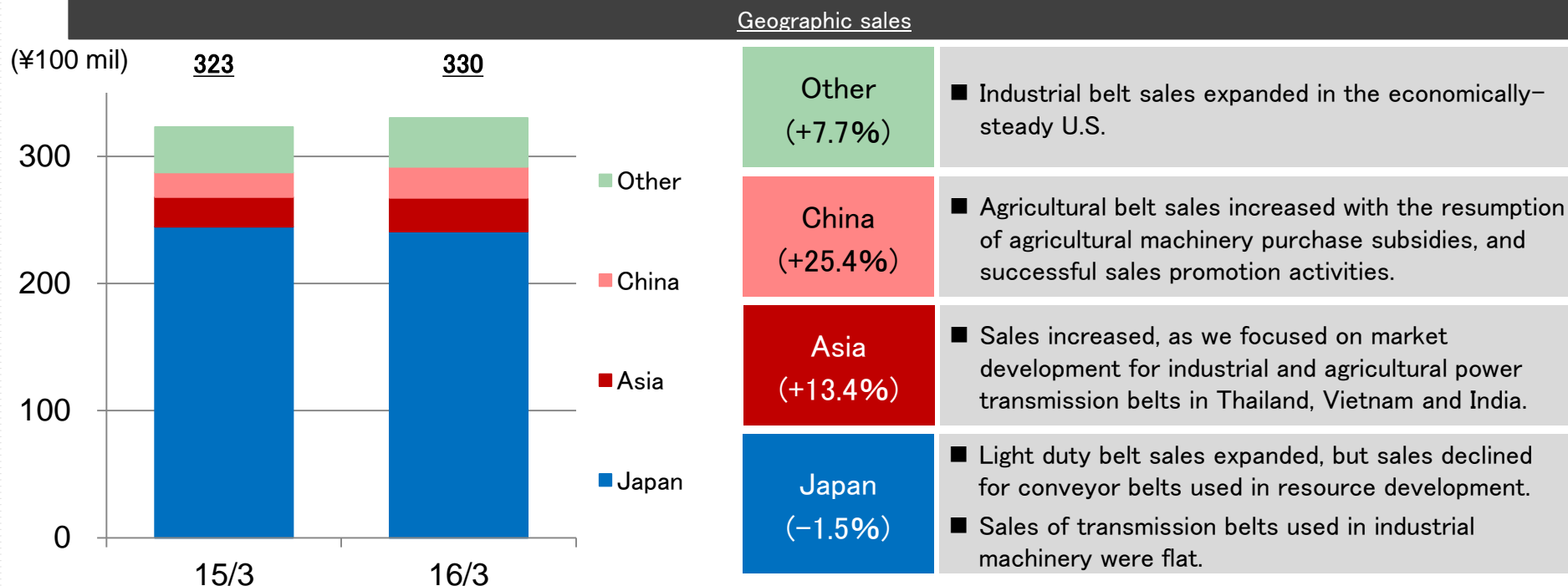
Product sales



- Transmission belt product ratio moved from 53% to 56%
Automotive belt sales expanded in Europe and America, and variable speed belts for scooters expanded in Asia.
- System product sales ratio moved from 42% to 39%
Decreased sales due to model changes by major customers and production cuts in Chinese markets.

Note: Sales are after eliminations. Year-on-year change shown in parentheses.

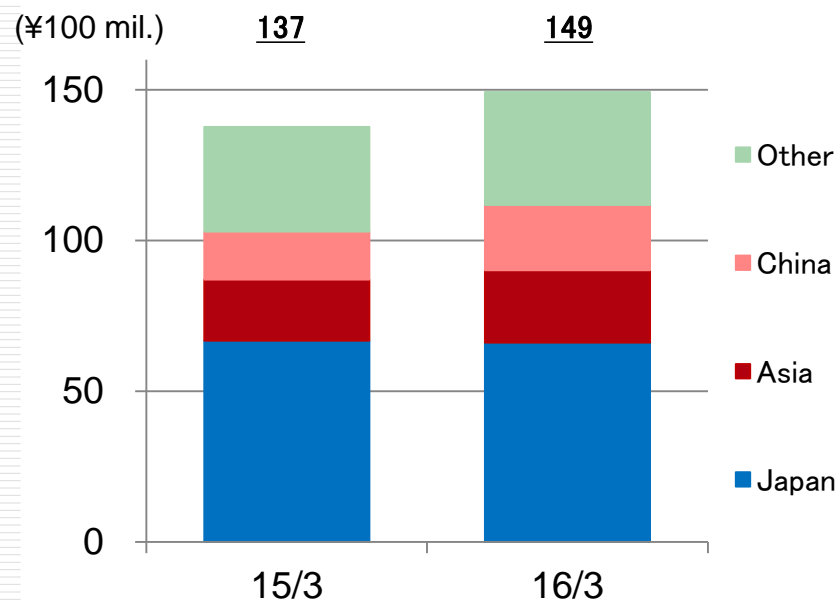
Industrial Products overview



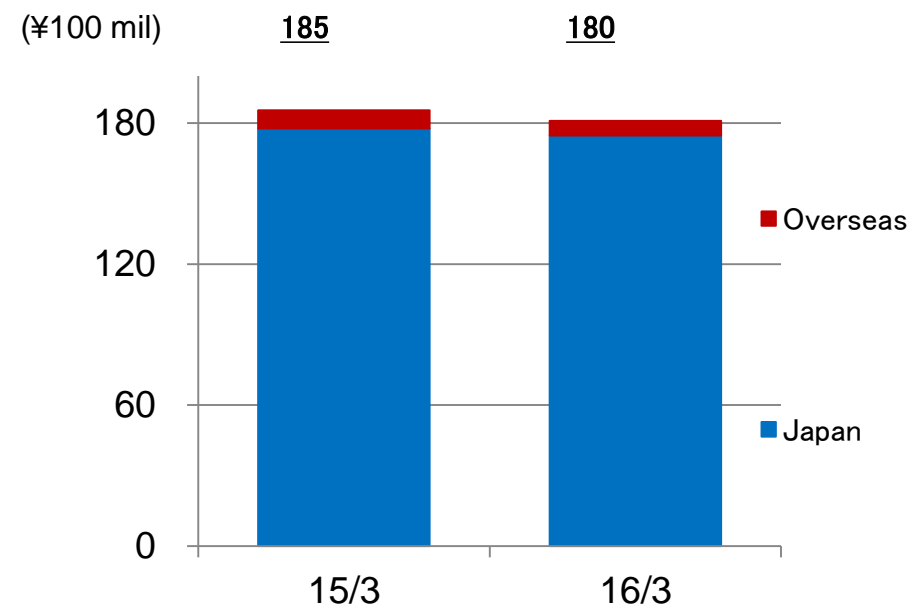
Note: Sales are after eliminations. Year-on-year change shown in parentheses.

Industrial Products overview (industrial power transmission belts, conveyor belts)

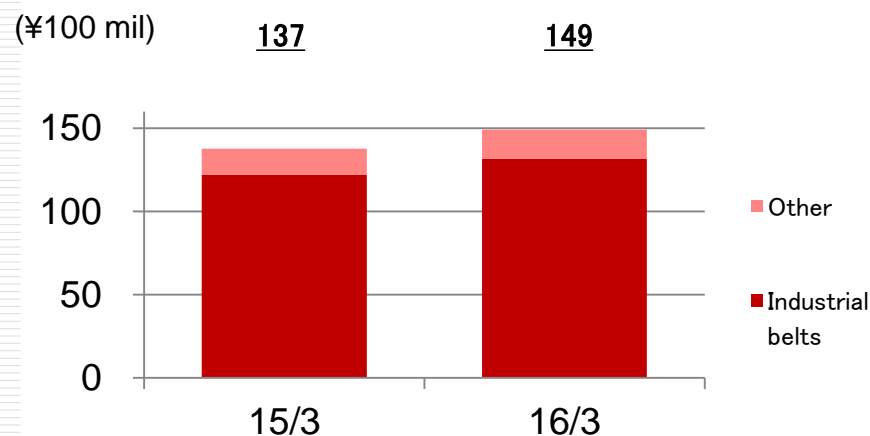
Geographic sales of industrial transmission belts



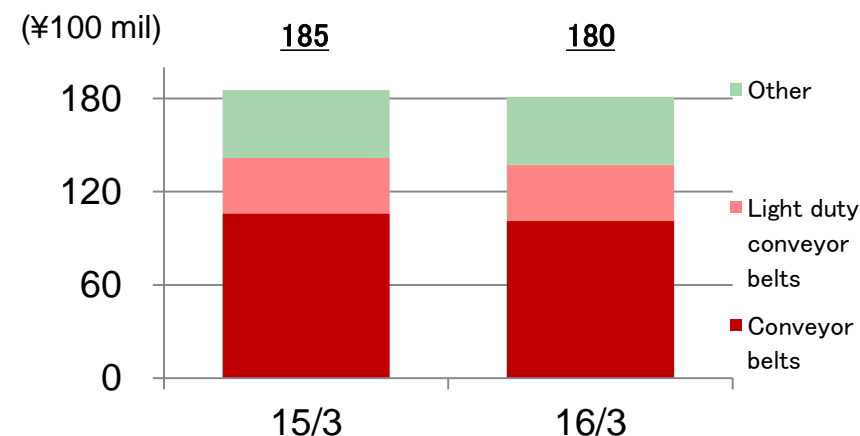
Geographic sales of conveyor belts



Product sales (industrial transmission belts)

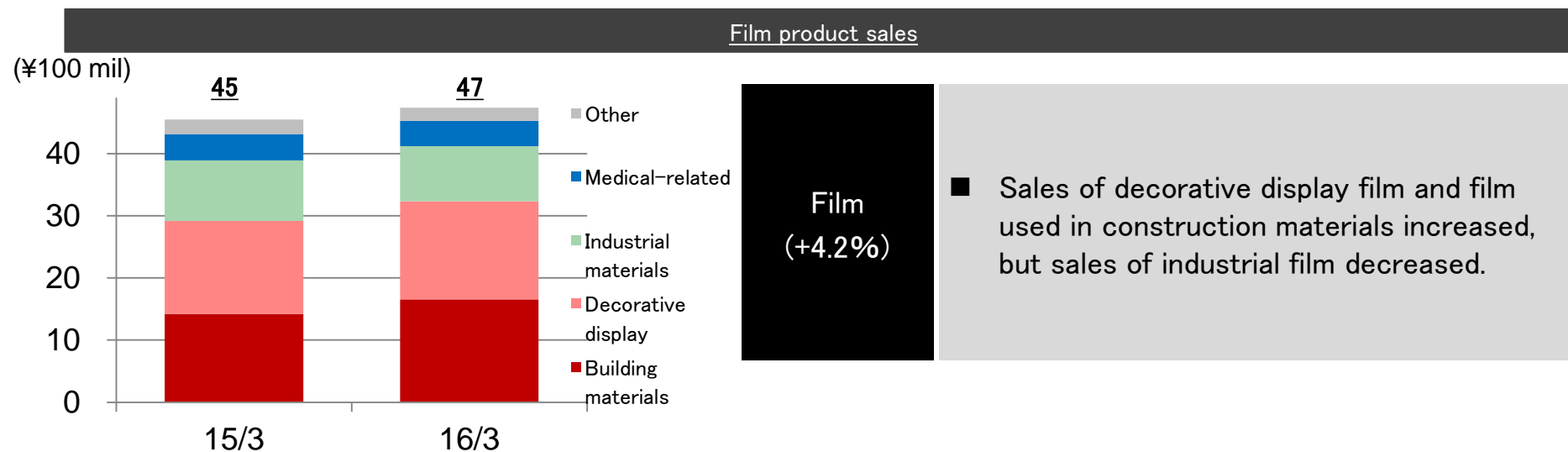
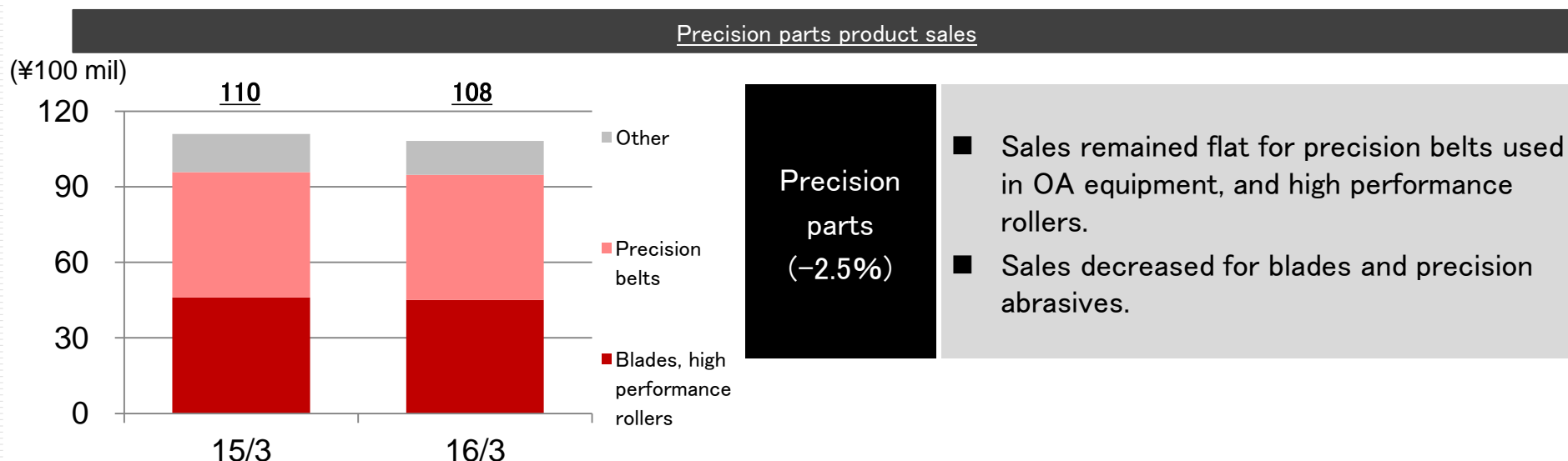


Product sales (conveyor belts)

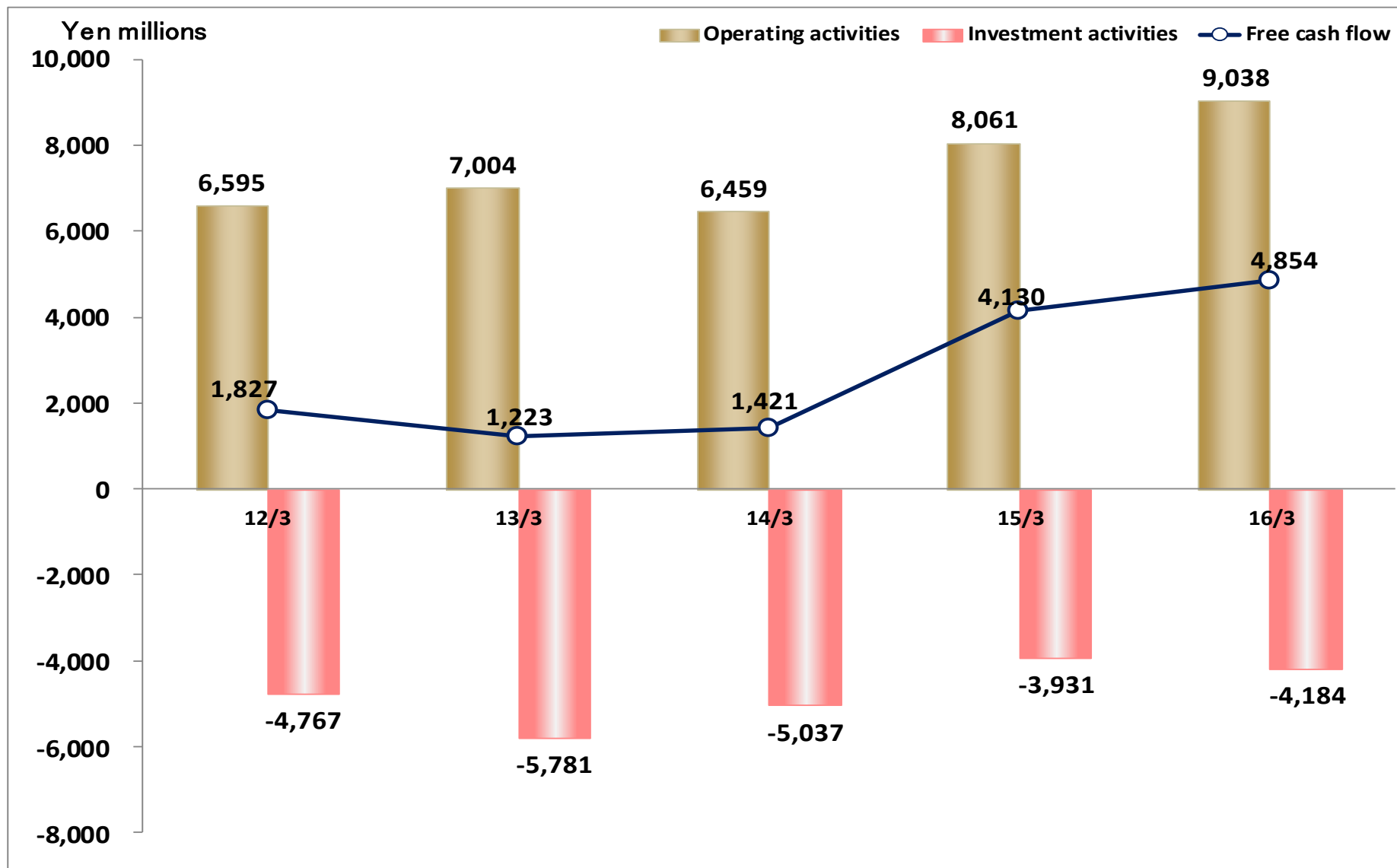


Note: Sales are after eliminations. Year-on-year change shown in parentheses.

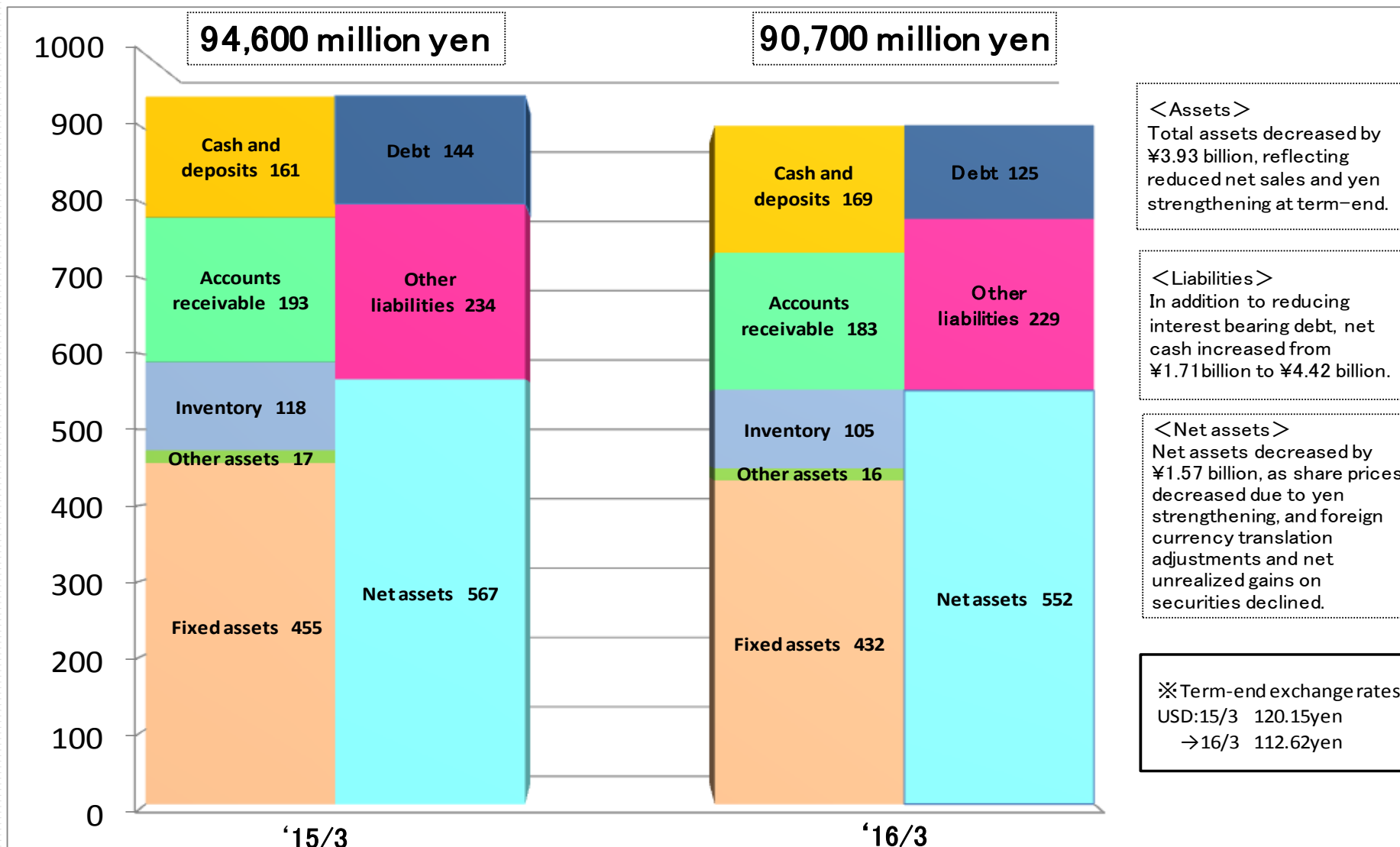
Advanced Elastomer Products overview



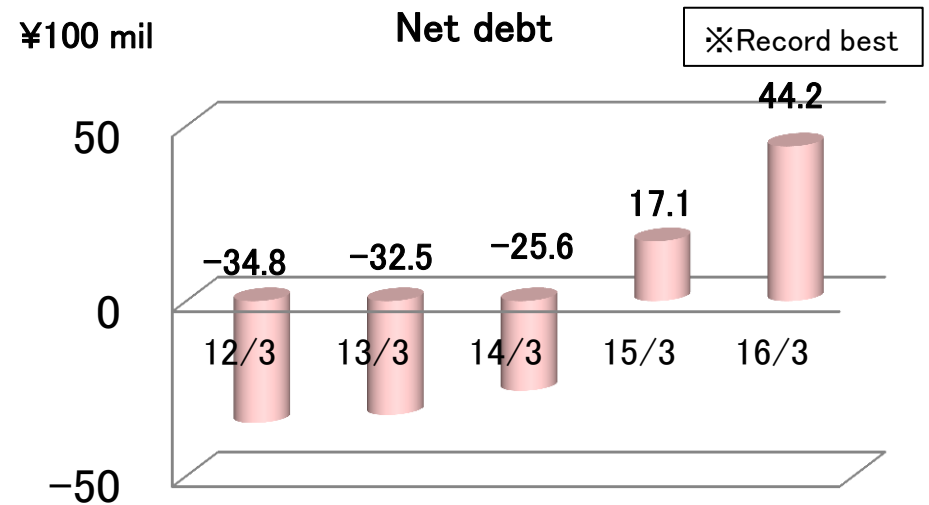
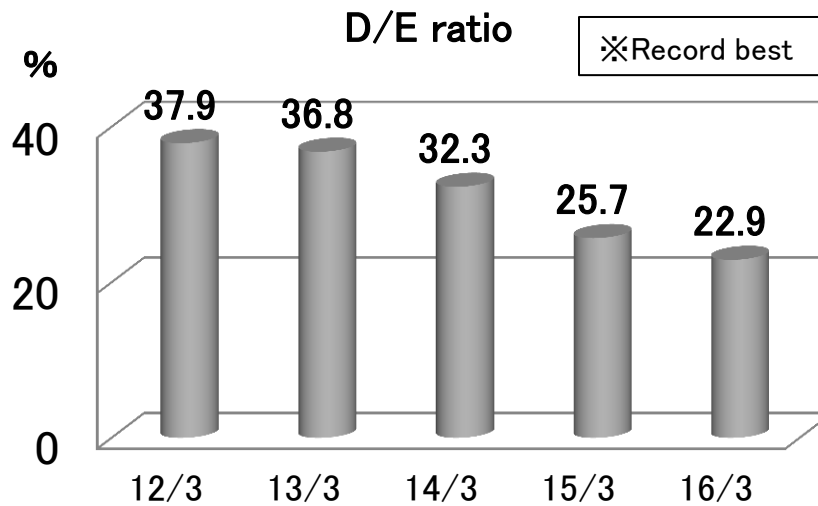
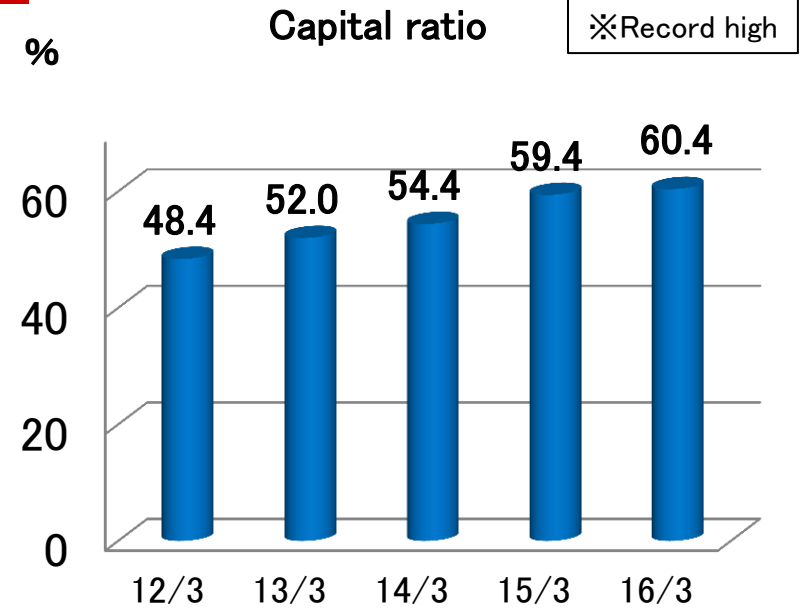
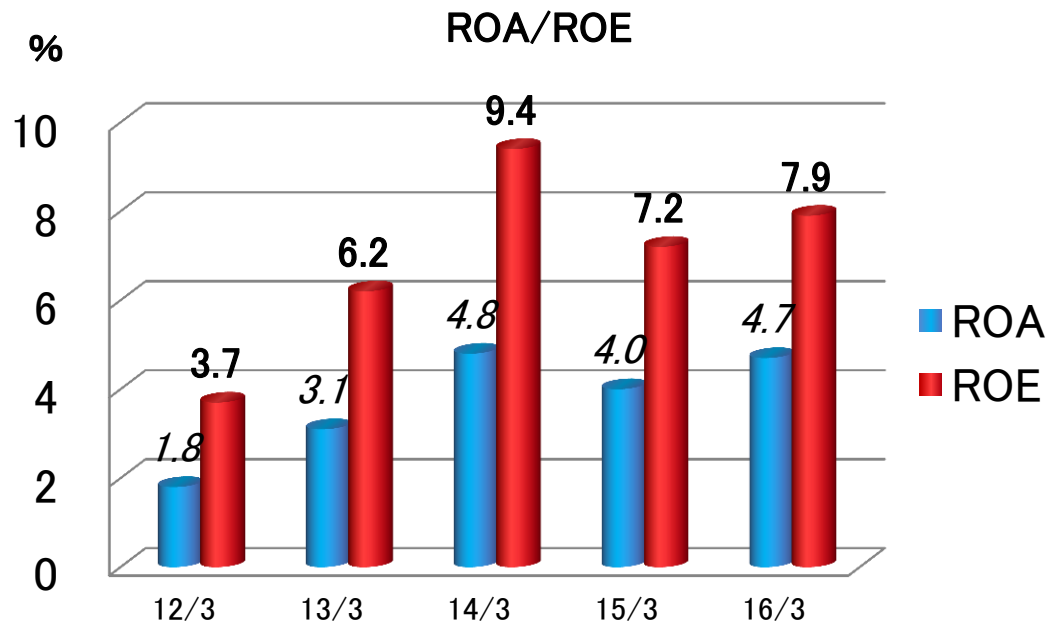
Transition of cash flow



Consolidated Balance Sheets



Financial indicators



Ⅲ. Business forecast for the fiscal year ending March 31, 2017

FY2016 Forecast

(Yen millions, %)

	2015/3	2016/3		2017/3 Forecast	
	Results	Results		Year on year change	
Net sales	95,395	93,272	94,000	+727	+0.8%
Operating income	4,797	5,960	6,000	+39	+0.7%
Ordinary income	5,730	6,363	6,400	+36	+0.6%
Net profit	3,758	4,386	4,500	+113	+2.6%

Sales

- Automotive Parts: While there is uncertainty in economic growth rates in China, we will work to strengthen aggressive sales activities in Asia and China, and global automotive and scooter markets.
- Industrial Products: Expected sales expansion in Chinese markets, and introduction of agricultural and new environmental and energy-saving products.
- Advanced Elastomer Products: Aim to increase sales of high value-added products, and expand sales in growing optoelectronics markets for our precision abrasives and cleaning system products.

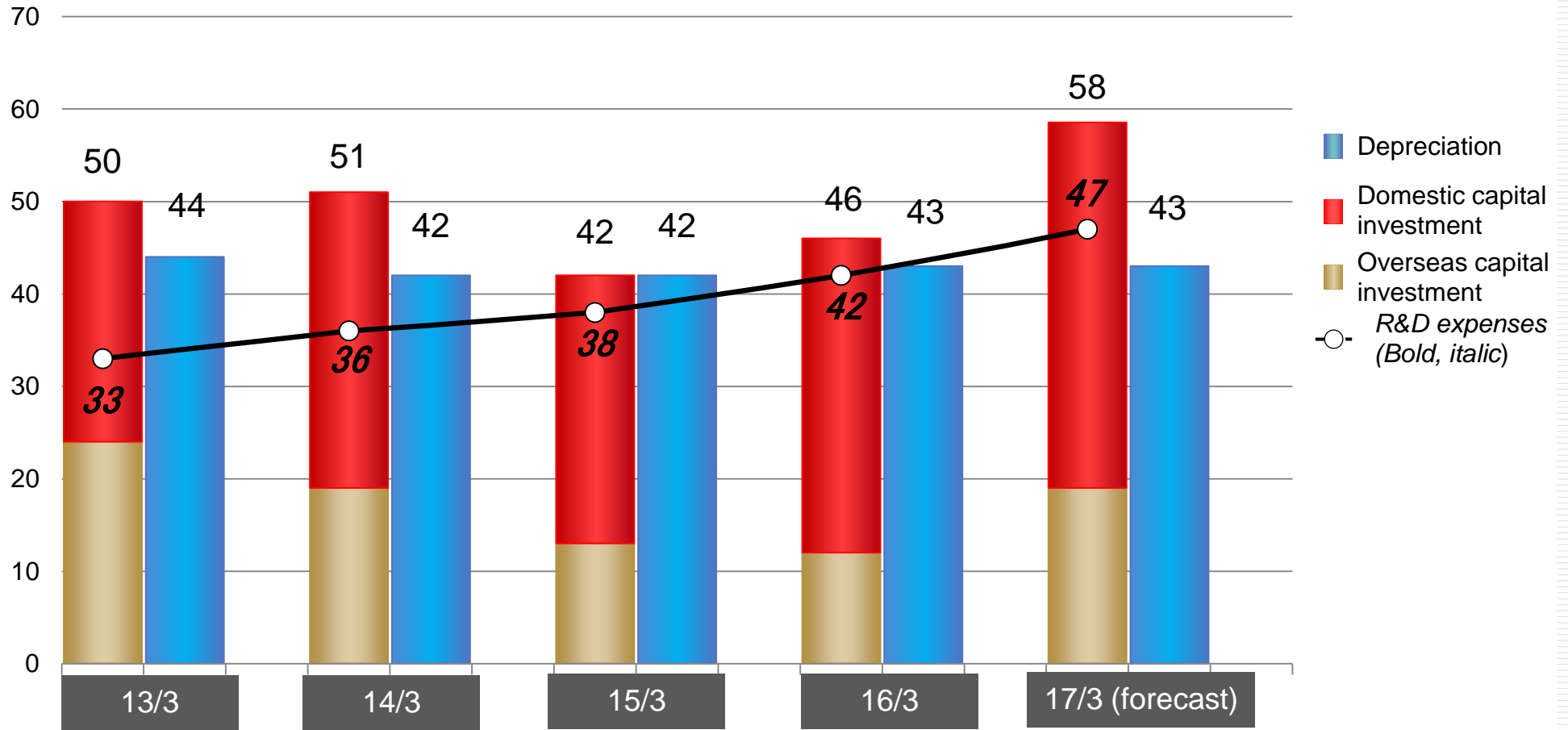
Profit

- Expected operating income increases from optimum global production sharing, and improved profitability from thorough cost reduction activities at each production site.
- Profit improvement through full-scale operation of manufacturing innovations for conveyor belts and polyurethane belts, and further automation.

■ Transition in exchange rates

	Average rate during term			Term-end rate		
	FY2014 Actual	FY2015 Actual	FY2016 Forecast	2015/3 Actual	2016/3 Actual	2017/3 Forecast
USD	110.61	119.95	110.00	120.15	112.62	110.00
Euro	138.41	132.25	125.00	130.29	127.47	125.00
Thai Baht	3.41	3.42	3.10	3.70	3.20	3.10
Remnibi	17.82	18.80	17.00	19.36	17.37	17.00
Korean Won	0.1041	0.1036	0.0900	0.1084	0.0982	0.0900

Transition in depreciation, capital investment and R&D expenses



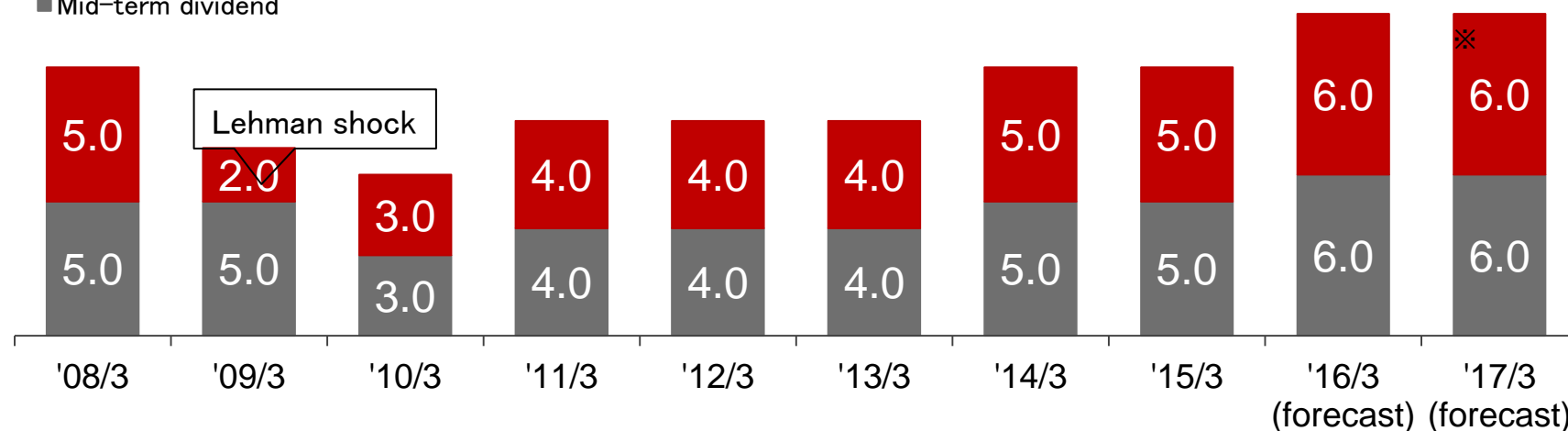
(Unit: ¥100 mil)

Shareholder returns

Transition in dividend per share

■ Term-end dividend

■ Mid-term dividend



Dividend payout ratio	19.0%	—	48.7%	23.7%	53.9%	30.2%	22.0%	25.0%	25.7%	25.0%
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※Dividend to be 12yen/share if share consolidation takes place October 1, 2016.

Share consolidation and trading units

- Share consolidation.....at a rate of two shares of common stock into one.
- Change in trading units.....Odd lot shares will be in units less than 100 shares (from 1000)

(Note) The share consolidation and change in trading units will take effect October 1, 2016 if approved at the Annual General Meeting of Shareholders to be held June 23, 2016.

2015

Apr ▪ BL Autotec, Ltd. introduced Japan's heaviest-duty tool changer, QUICK-CHANGE GIGA, with 700kg payload capacity.



「QUICK-CHANGE GIGA」

May ▪ Commenced innovations on Kakogawa Plant conveyor belt belt line and Ashikaga Plant precision belt line.

Jul ▪ Developed C-STRETCH™, elastic strain sensors, sales of R&D kits, plans for mass production.



Elastic strain sensor
「C-STRETCH®」



Cargo strap tension
meter

Sep ▪ Development of tension meters for cargo straps.

Oct ▪ Sale of high-load Ceptor™-X toothed belts.
▪ Launch of light duty conveyor belts meeting EC regulations.
▪ Opened new sales company in Mexico for transmission belts.



High-load toothed belt
「Ceptor™-X」



Sunline™ Belts adapted to
European Commission
Regulations

2016

Feb ▪ Sale of Bando Wiper Edge™ EX (sliding portion of machine tools)



Bando Wiper Edge™ EX

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.