



イノベーションで先へ行く!走れ!未来へ
ON THE RUN!

エラストマーで新事業の領域へ。
そこは時代の少し先にあります。

●医療機器・ヘルスケア機器 ●電子資材 ●新ソリューション

Consolidated Business Results for the Fiscal Year Ending March 31, 2018

Bando Chemical Industries, Ltd.

May 12, 2017



I . Financial summary for the fiscal year ending March 31, 2018

II . Business forecast for the fiscal year ending March 31, 2019

I . Financial summary for the fiscal year ending March 31, 2018

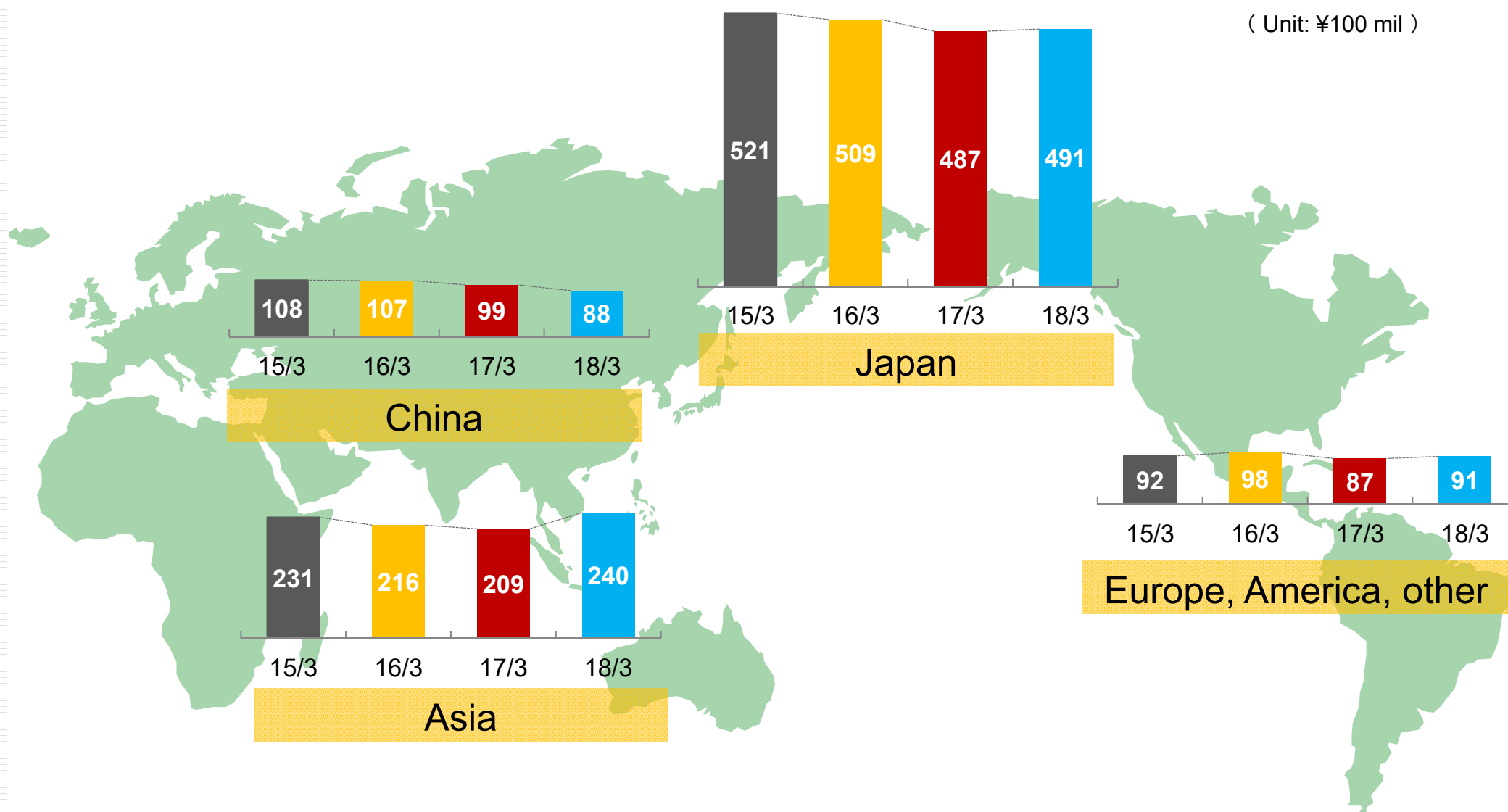
FY2017 Highlights

(yen mil.)

	2017/3	2018/3			
	Results	Results	Year on year change	forecast	Achievement rate (Difference to forecast)
Net sales	88,387	91,263	+2,876	91,000	100.3%
Operating income	5,896	6,336	+440	6,000	105.6%
Ordinary income	6,571	6,598	+27	6,600	99.9%
Profit attributable to owners of parent	4,951	4,795	-155	4,900	97.9%
Operating income ratio	6.7%	6.9%	+0.2%	6.6%	—

- Net Sales increased in all 3 segments and increase impact from exchange rates resulted in a +2,876 million yen yield increase year-on-year.
- 440 million yen increased in operating profit year-on-year, but an overall fall in profit (-184 million yen) due to impairment loss related to profit attributable to owners of parent.

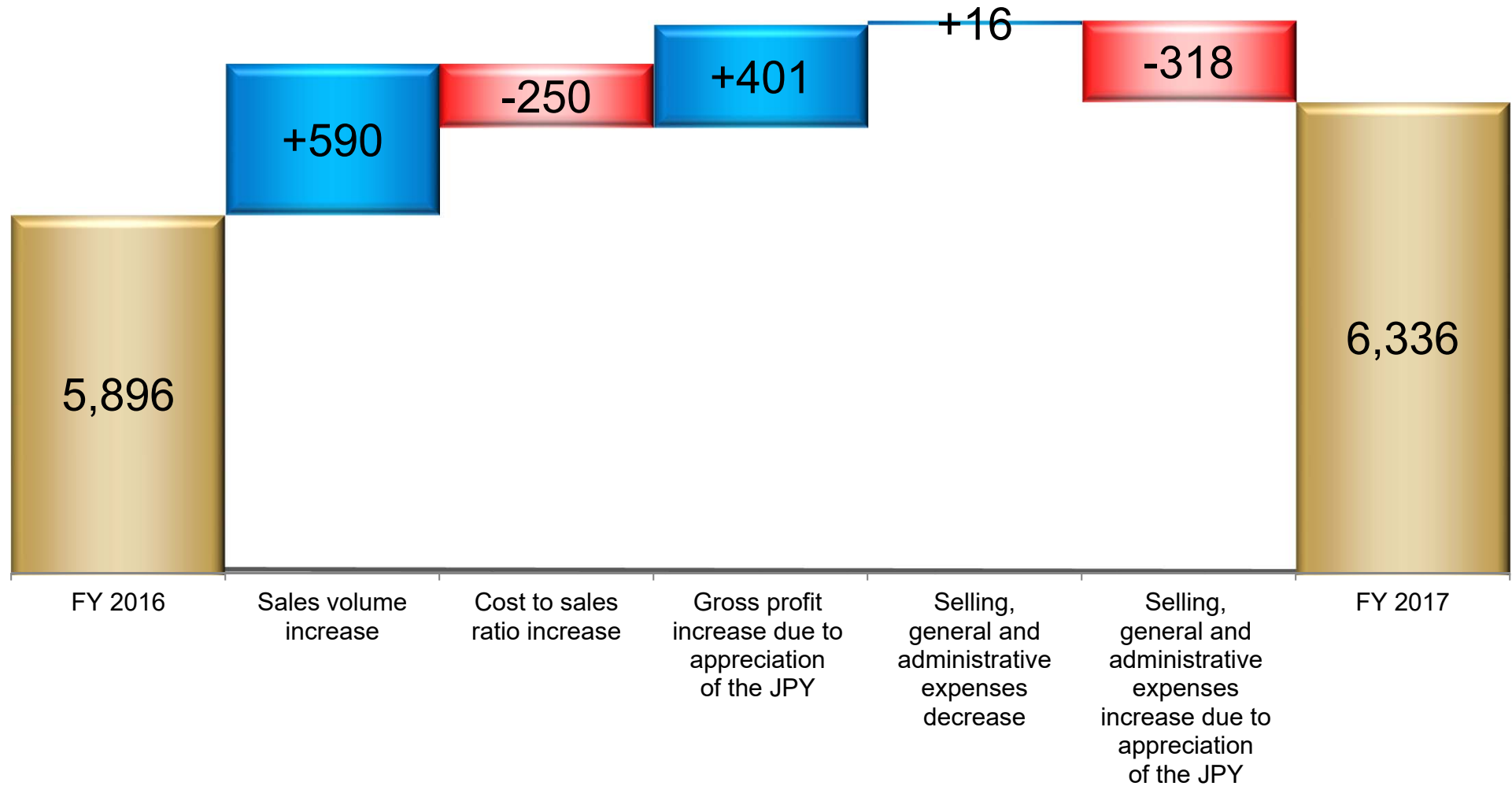
FY2017 Global net sales by region



Note: Global net sales by region above are after inter-segment eliminations.

FY2017 Operating income analysis

(yen mil.)



FY2017 Segment performance



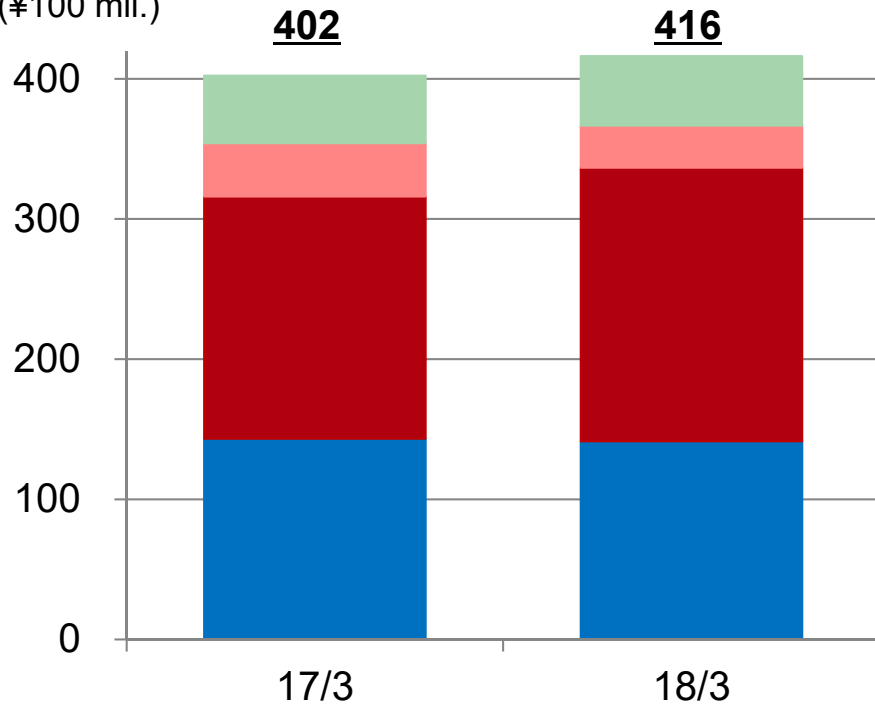
(yen mil.)

	2017/3	2018/3		
	Result	Result	Change	Rate of change
Net sales	88,387	91,263	+2,876	+3.3%
Automotive Parts	40,320	41,701	+1,380	+3.4%
Industrial Products	31,446	32,369	+923	+2.9%
Advanced Elastomer Products	14,914	15,160	+246	+1.7%
Other	2,509	2,732	+222	+8.9%
Eliminations	-803	-699	+103	—
Operating income	5,896	6,336	+440	+7.5%
Automotive Parts	2,937	3,263	+326	+11.1%
Industrial Products	1,991	1,907	-84	-4.2%
Advanced Elastomer Products	294	429	+135	+46.0%
Other	427	316	-110	-25.9%
Eliminations	245	419	+173	+70.7%

Automotive Parts overview

Geographic sales

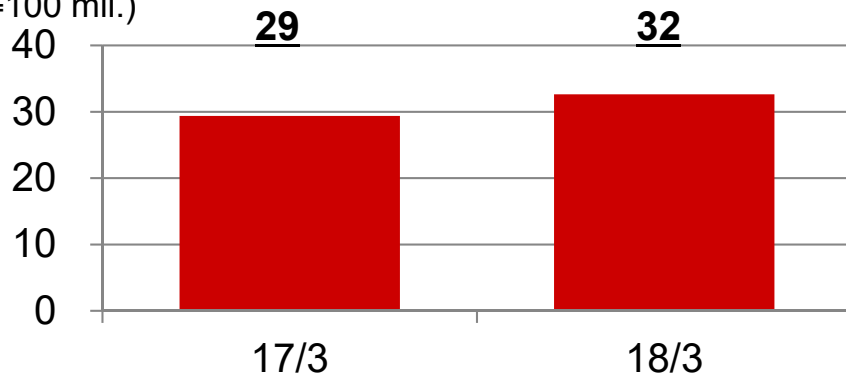
(¥100 mil.)



Other (+2.7%)	<ul style="list-style-type: none"> ■ Belt sales to South America increased in US. ■ Sales of aftermarket parts increased in Turkey
China (-21.0%)	<ul style="list-style-type: none"> ■ Sales declined due to decreased production by major customers.
Asia (+12.9%)	<ul style="list-style-type: none"> ■ Sales of variable speed transmission belts for scooters increased in Thailand, Vietnam and India. ■ Sales of accessory drive belts and systems increased in Thailand.
Japan (-1.3%)	<ul style="list-style-type: none"> ■ Sales of accessory drive belts expanded with increased domestic automotive production. ■ Sales of accessory drive systems decreased due to customers shifting to local procurement overseas.

Operating income

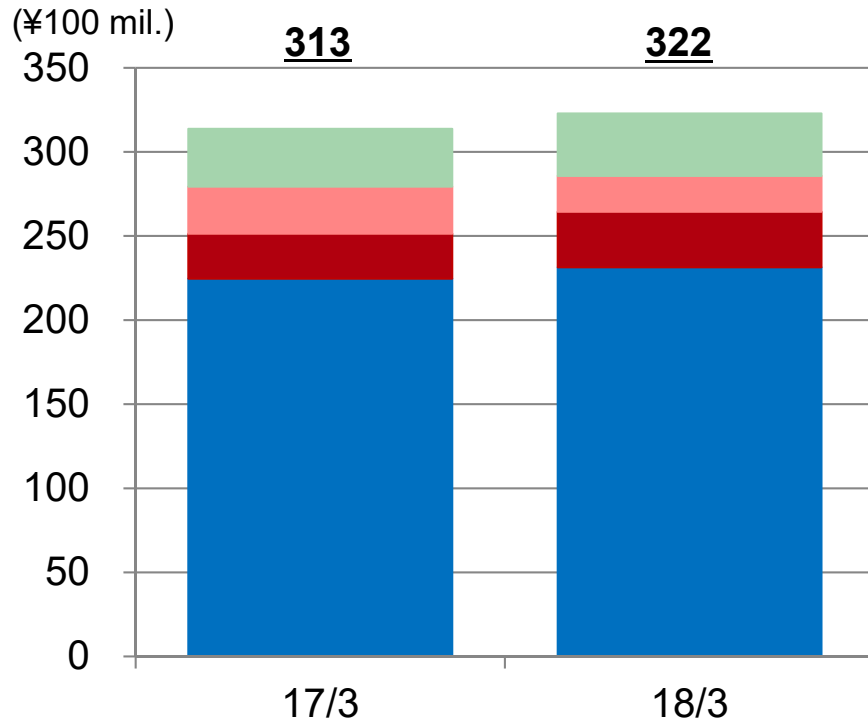
(¥100 mil.)



Operating income (+11.1%)	<ul style="list-style-type: none"> ■ Operating income increased thanks to sales expansion in Asia, America and Europe covered sales decline for major customers in China.
------------------------------	--

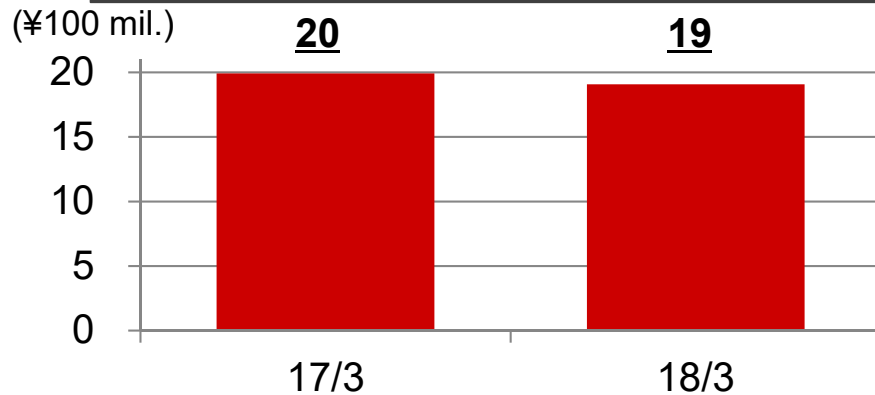
Industrial Products overview

Geographic sales



Other (+8.0%)	<ul style="list-style-type: none"> ■ In US., domestic sales of industrial transmission belts increased as well as to South America. ■ In Turkey, sales increased due to successful sales promotion activities.
China (-23.9%)	<ul style="list-style-type: none"> ■ Sales of transmission belts for industrial and agricultural machinery decreased.
Asia (+23.7%)	<ul style="list-style-type: none"> ■ In Thailand and Vietnam, sales of transmission belts for industrial and agricultural machinery, and sales of light duty conveyor belts increased due to successful sales promotion activities
Japan (+3.0%)	<ul style="list-style-type: none"> ■ Sales of industrial belts and pulleys increased owing to capital investment growth, while conveyor belt sales declined.

Operating income

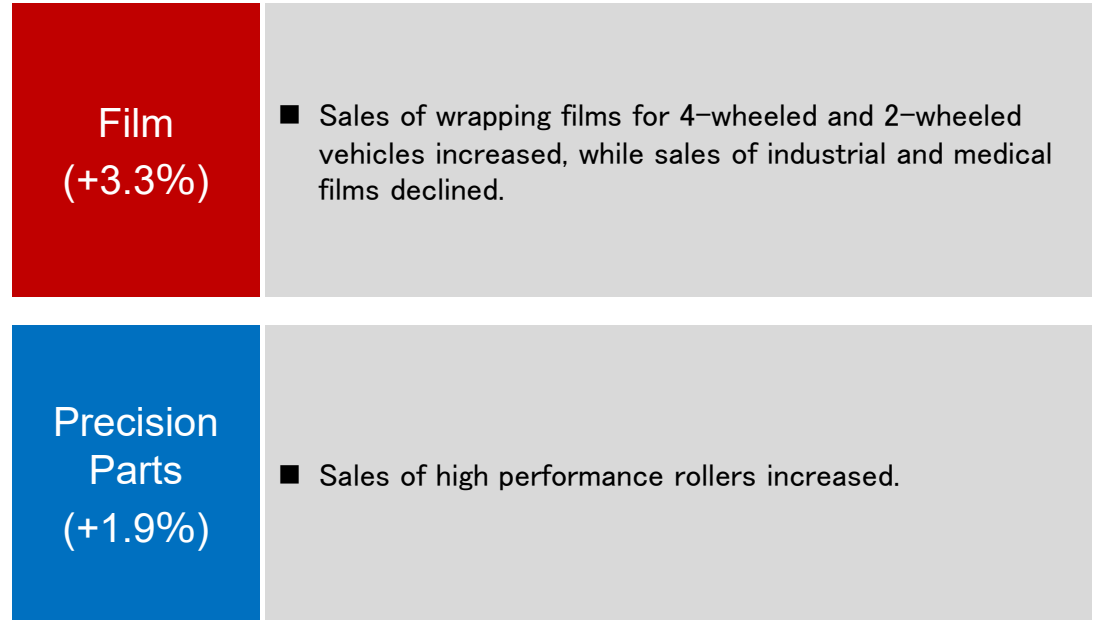
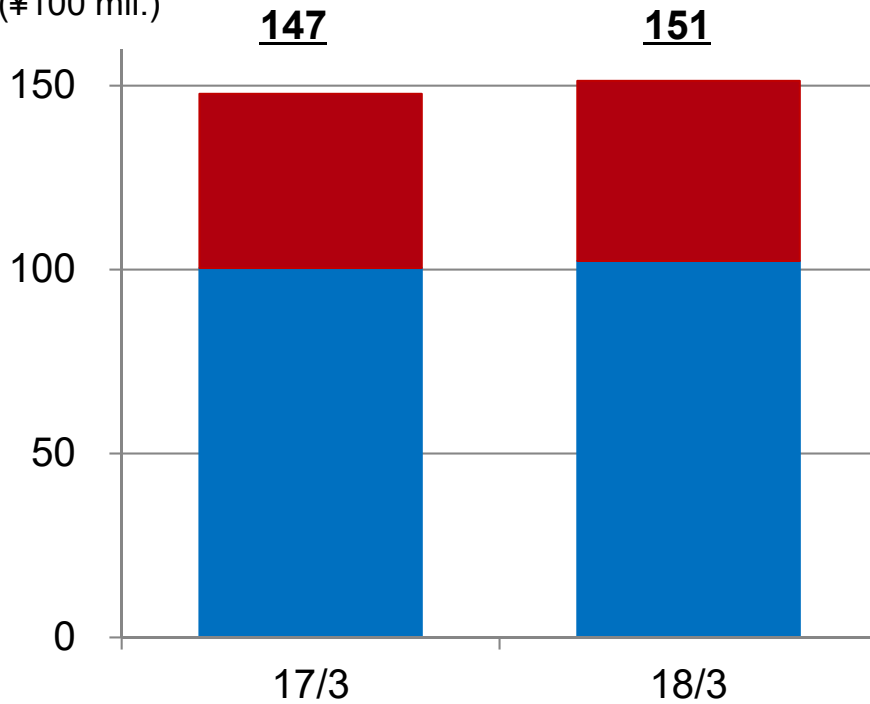


Operating income (-4.2%)	<ul style="list-style-type: none"> ■ Sales expansion in Japan, Asia, US. and Europe did not cover declined sales of transmission belts for agricultural machinery in China, and operating income decreased.
-----------------------------	--

Advanced Elastomer Products overview

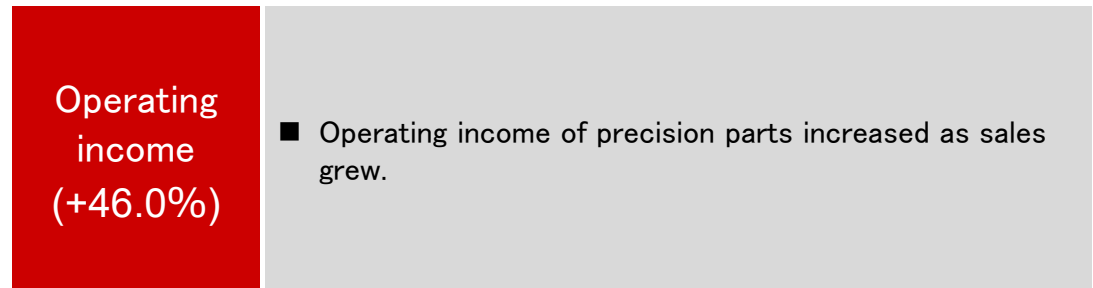
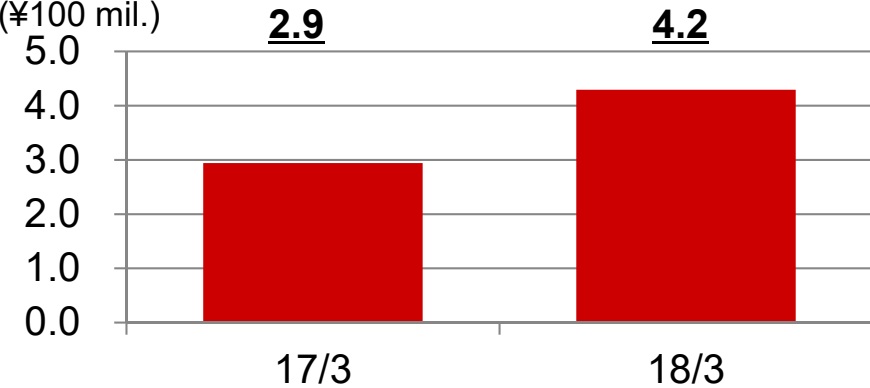
Geographic sales

(¥100 mil.)

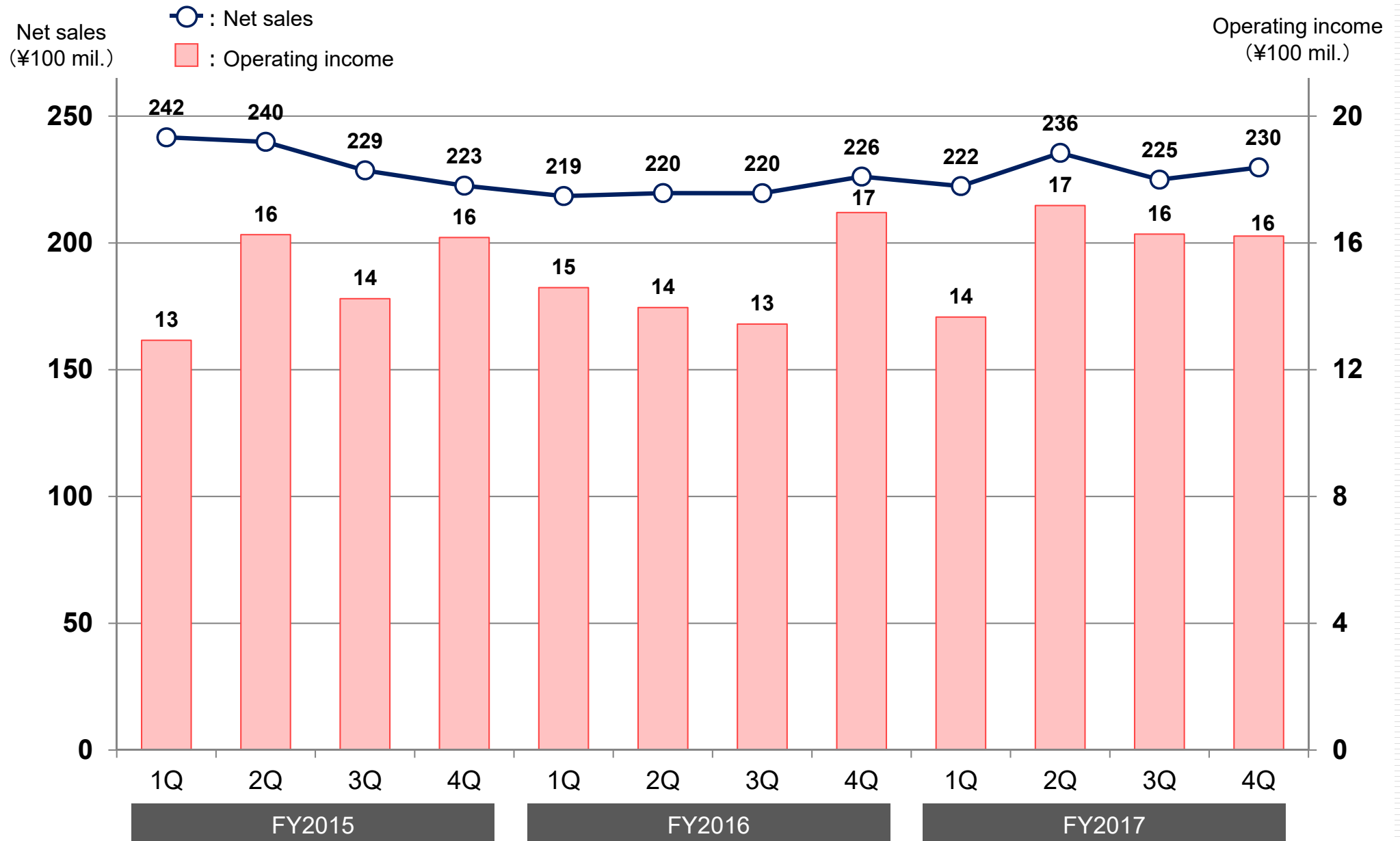


Operating income

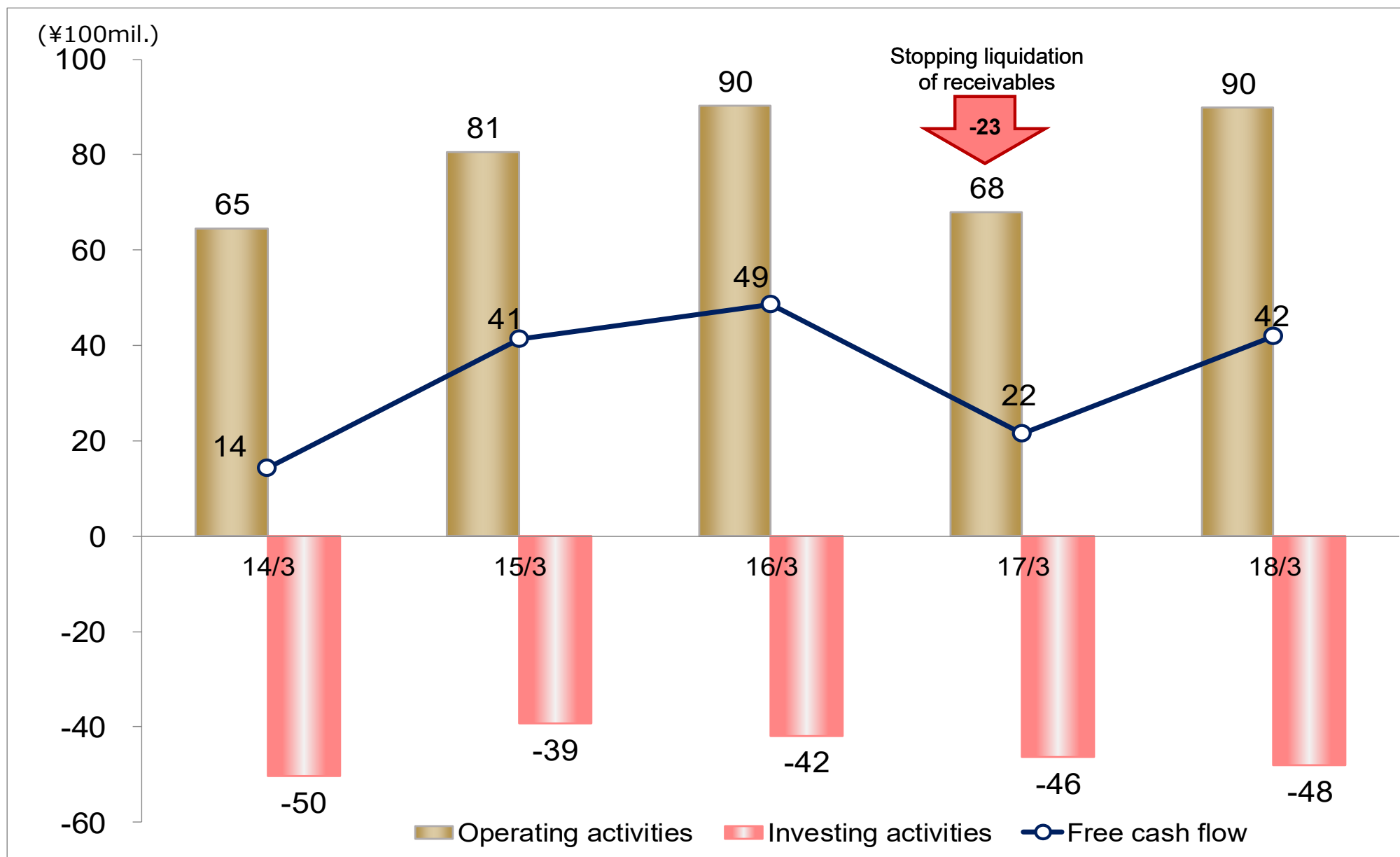
(¥100 mil.)



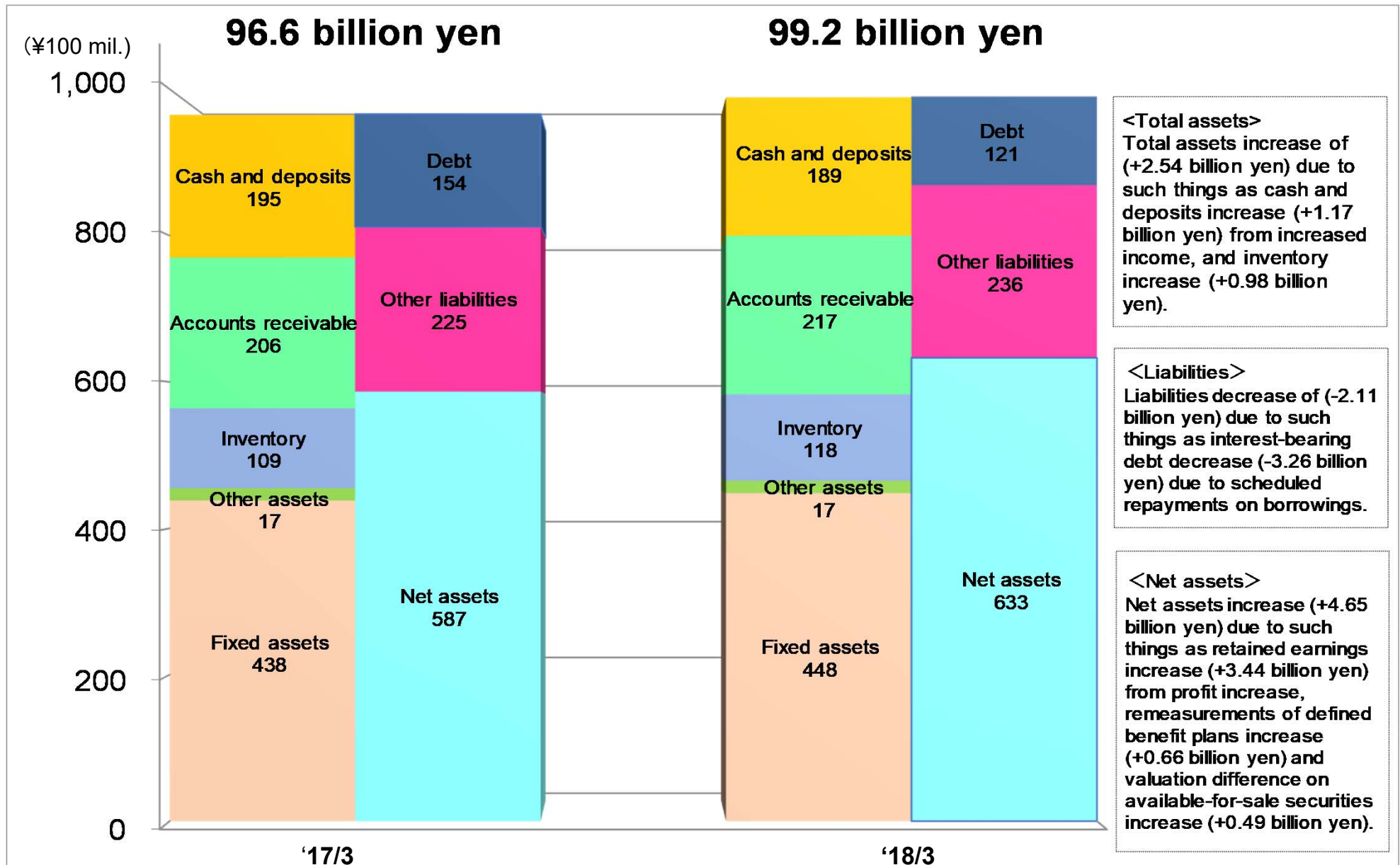
Quarterly transition of net sales and operating income



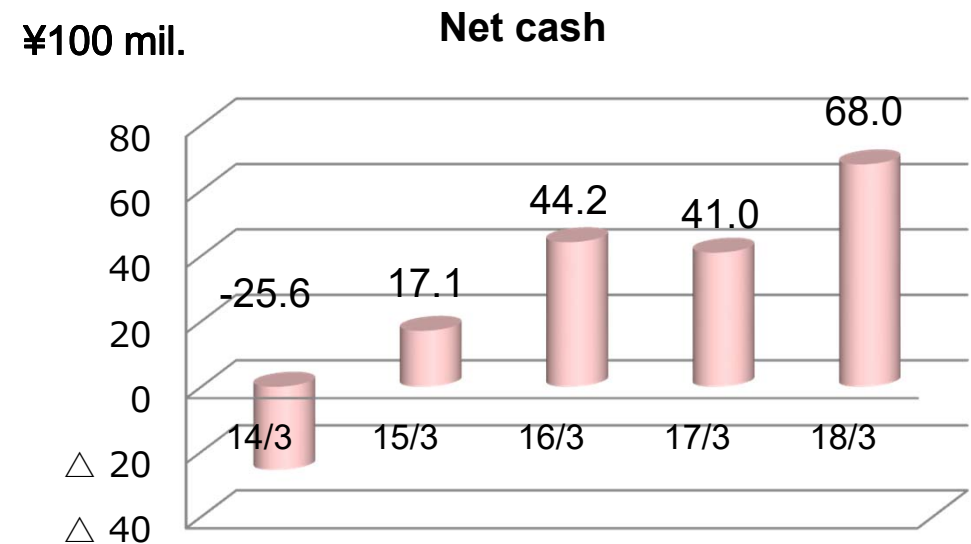
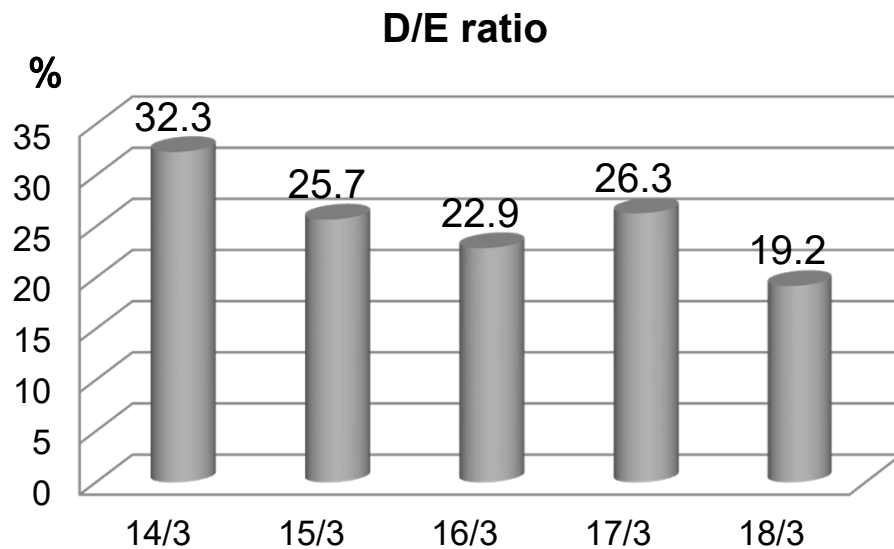
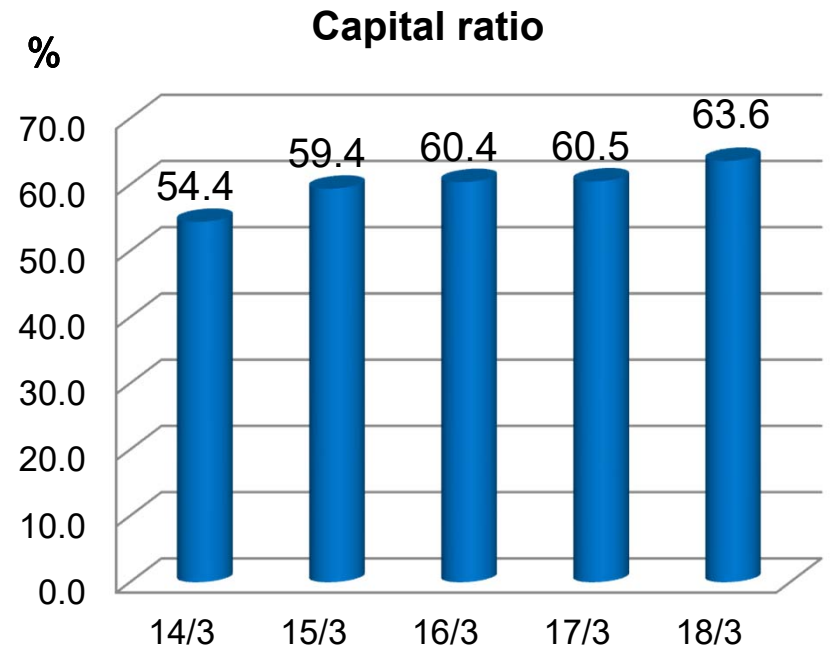
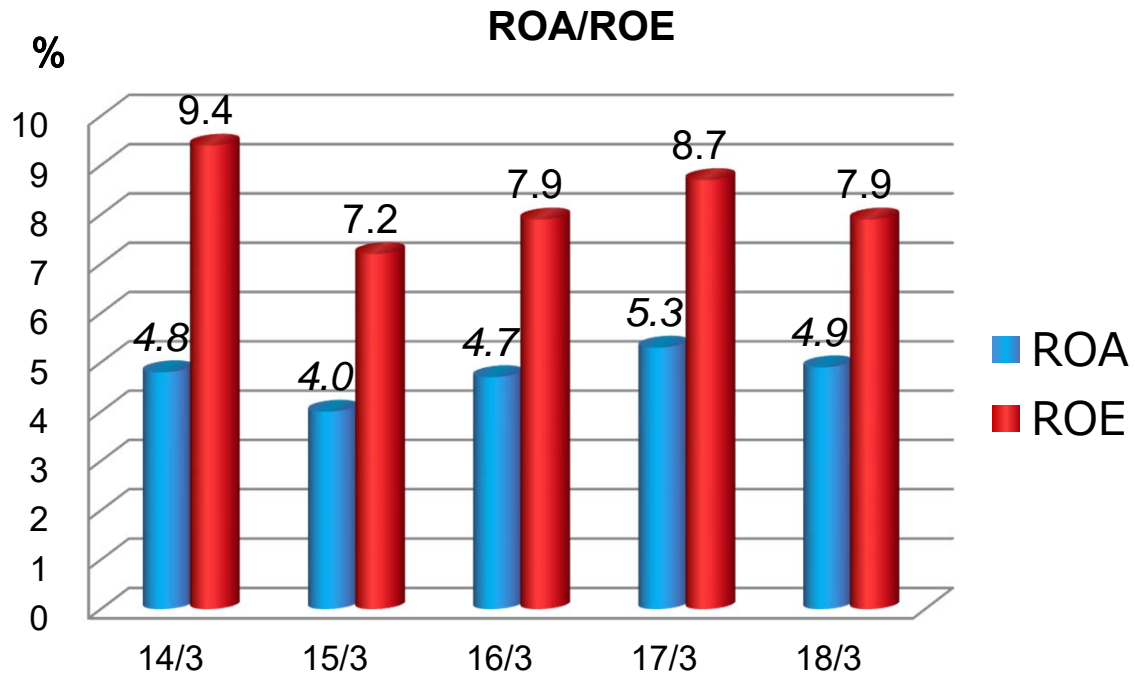
Transition of cash flow



Consolidated Balance Sheets



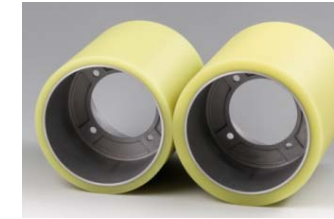
Financial indicators



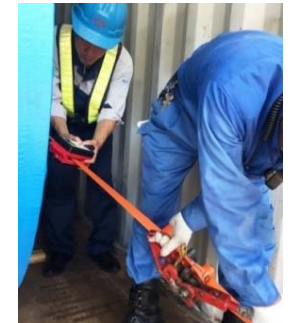
Topics

2017

Apr · Commenced sales of TENSION METER FOR LASHING BELT,
LASHING BITE™



Rice Hulling Rolls Yellow boy™



TENSION METER FOR LASHINGBITE™

Aug · Commenced sales of special-thermosetting urethane
Rice Hulling Rolls YELLOW BOY™

Sep · Bando Group enacted Employee Health Management Declaration

Dec · Developed dust easy checker BANDO DEC-20™



Dust easy checker
BANDO DEC-20™



Bando Asia & Pacific Co., Ltd.

2018

Jan · Started business of Bando Asia & Pacific Co., Ltd.,
a new company in Thailand

Feb · Selected as “Health & Productivity Stock Selection” two years straight



Health & Productivity Stock Selection

Ⅱ. Business forecast for the fiscal year ending March 31, 2019

FY2018 Forecast

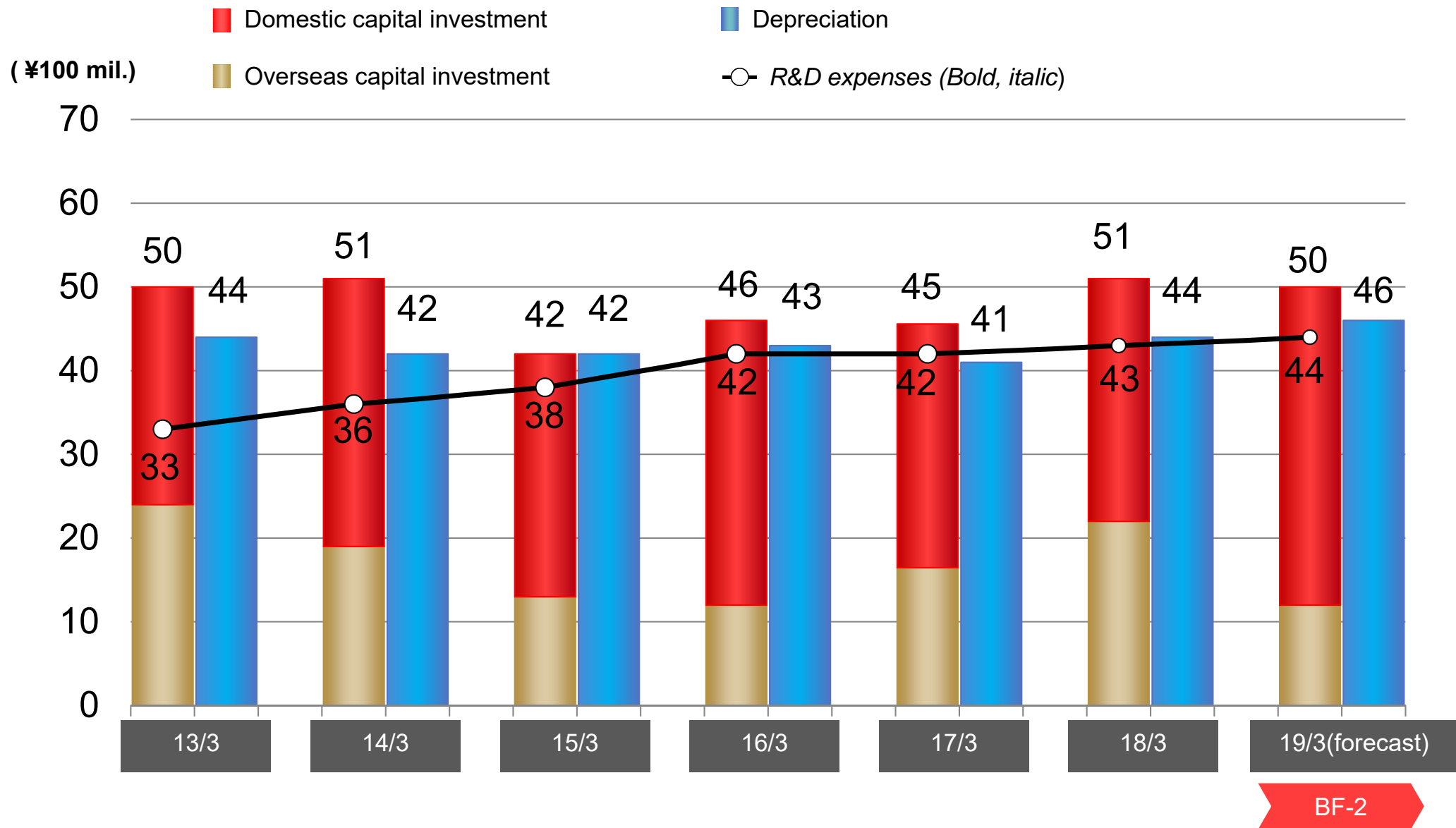


(yen mil. , %)

		2017/3	2018/3	2019/3 Forecast	2019/3	
		Result	Result		Year on year change	
Net sales		88,387	91,263	94,000	+2,736	+3.0%
Operating income		5,896	6,336	6,500	+163	+2.6%
Ordinary income		6,571	6,598	7,000	+401	+6.1%
Profit attributable to owners of parent		4,951	4,795	5,000	+204	+4.3%
Exchange rates (yen)	U S D	¥108.69	¥110.66	¥105		
	T H B	¥3.10	¥3.36	¥3.4		
	Renminbi	¥16.09	¥16.77	¥17		

- With aggressive sales expansion activities focused on China and Asia, net sales are expected to increase.
- Cost of raw material costs and impact of favorable foreign exchange are expected to increase, we will work to expand sales and reduce cost, and expect a slight profit increase.

Transition of capital investment, depreciation and R&D expenses

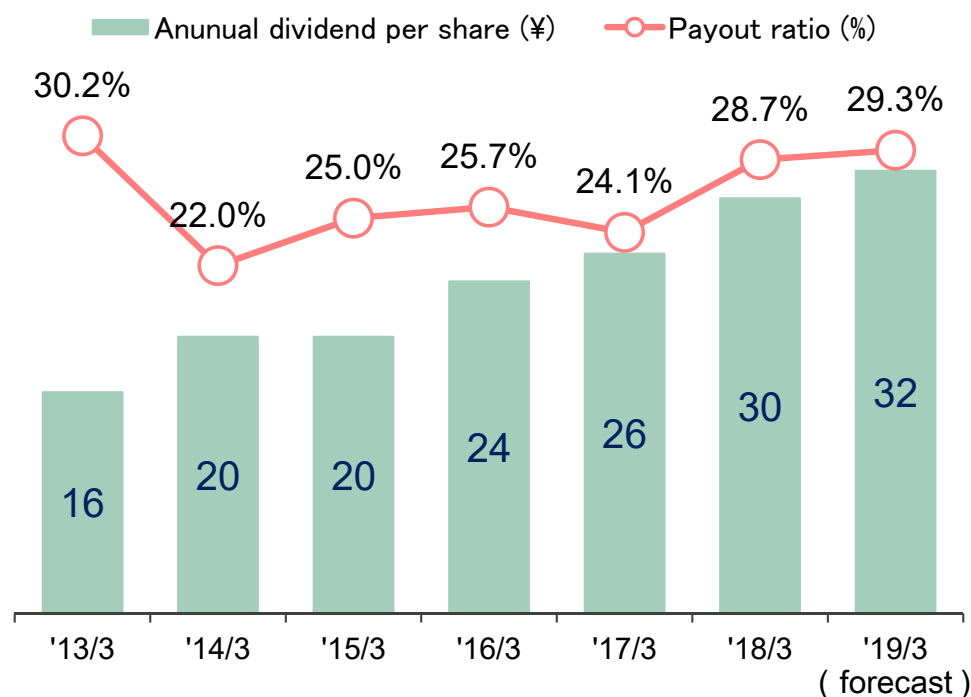


Shareholder returns

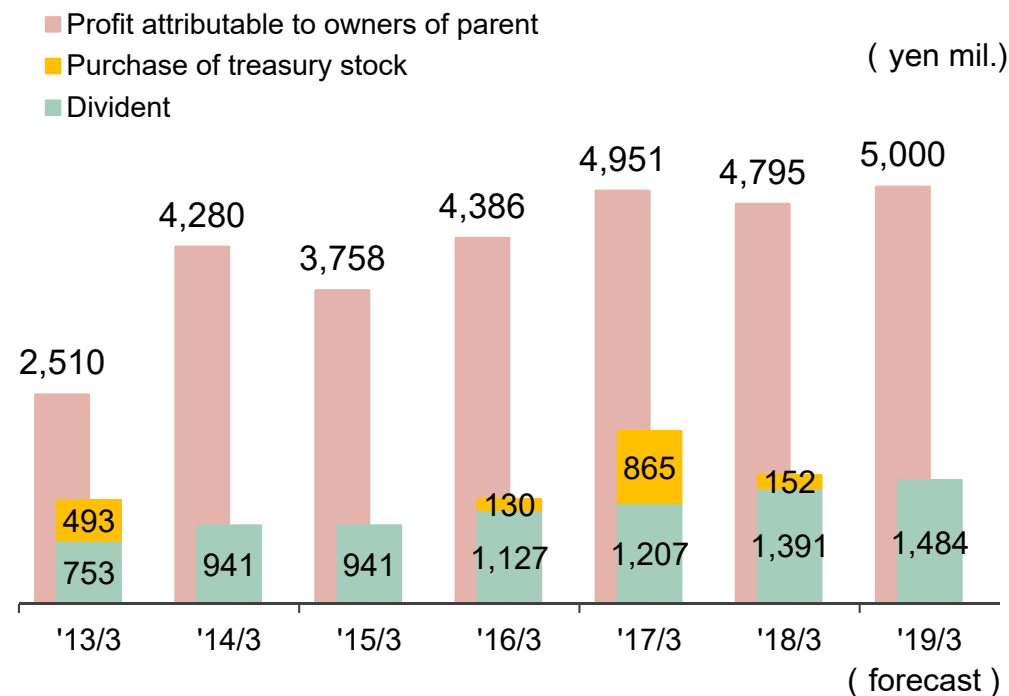
Basic Policy

Our basic policy is to enhance the return of profits and aim for making stable dividend payments targeting a consolidated payout ratio 30% over the near term, while considering our earnings and financial position.

Annual dividend per share Payout ratio



Return of profits



※Dividend above is correction value after share consolidation at a rate of two shares of common stock into one took place October 1, 2016.