



Consolidated Business Results for the First Half of Fiscal 2017


November 10, 2017

Bando Chemical Industries, Ltd.

Contents

I . First half financial summary for the fiscal year
ending March 31, 2018

II . Business forecast for the full fiscal year
ending March 31, 2018

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I . First half financial summary for the fiscal year ending March 31, 2018

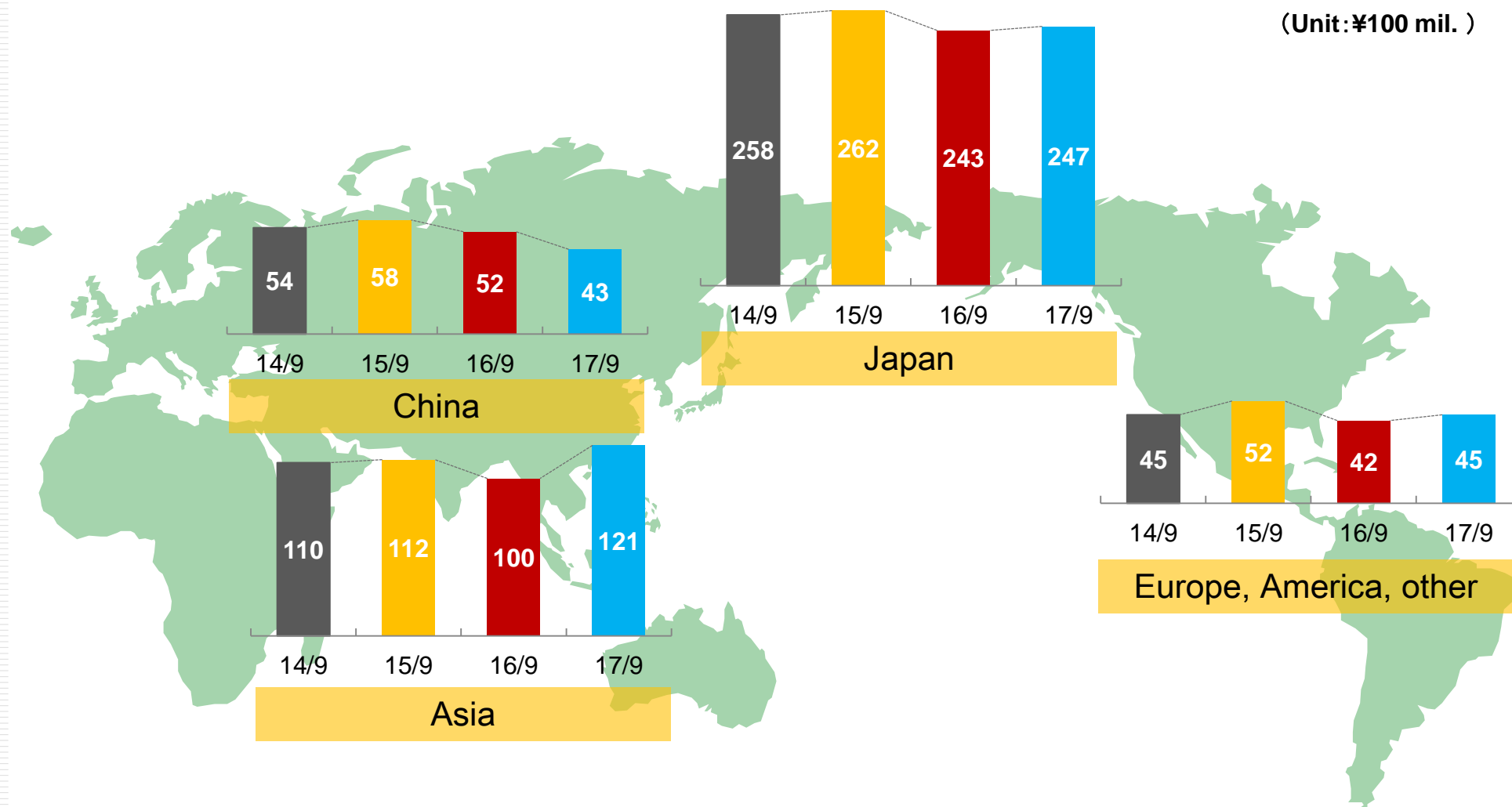
FY2017 First Half Highlights

(yen mil.)

	2016/9	2017/9		2018/3	
	Result	Result	Year-on-year change	Forecast	Difference in forecast vs. Actual result
Net sales	43,813	45,792	+1,979	91,000	50.3%
Operating income	2,855	3,085	+230	6,000	51.4%
Ordinary income	2,762	3,387	+624	6,600	51.3%
Profit attributable to owners of parent	2,095	2,597	+501	4,900	53.0%
Operating income ratio	6.5%	6.7%	+0.2%	6.6%	—

- Net sales increased by ¥1,979 million year on year mainly thanks to overseas sales growth.
- Operating income increased by ¥230 million year on year along with sales expansion.
- Profit attributable to owners of parent increased by ¥501million year on year partially owing to a favorable turn in foreign exchange gains and losses.

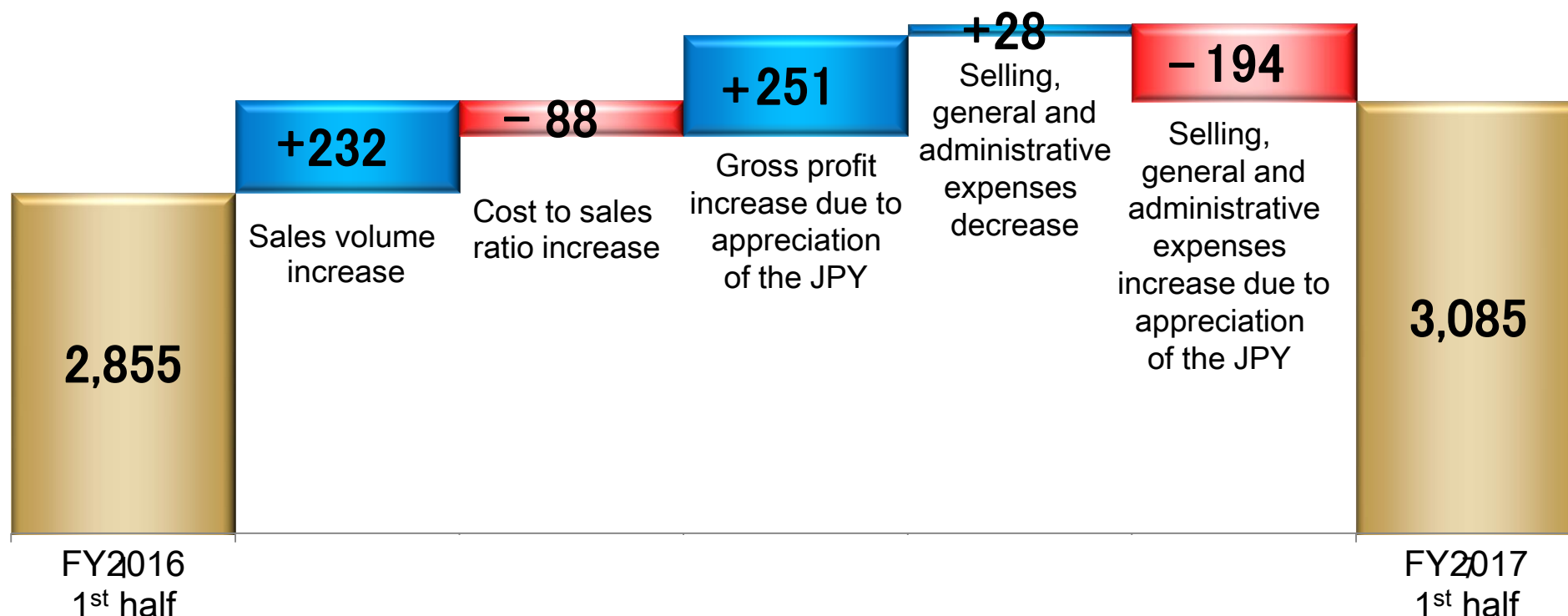
FY2017 First Half Global net sales by region



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

FY2017 First Half Operating income analysis

(yen mil.)



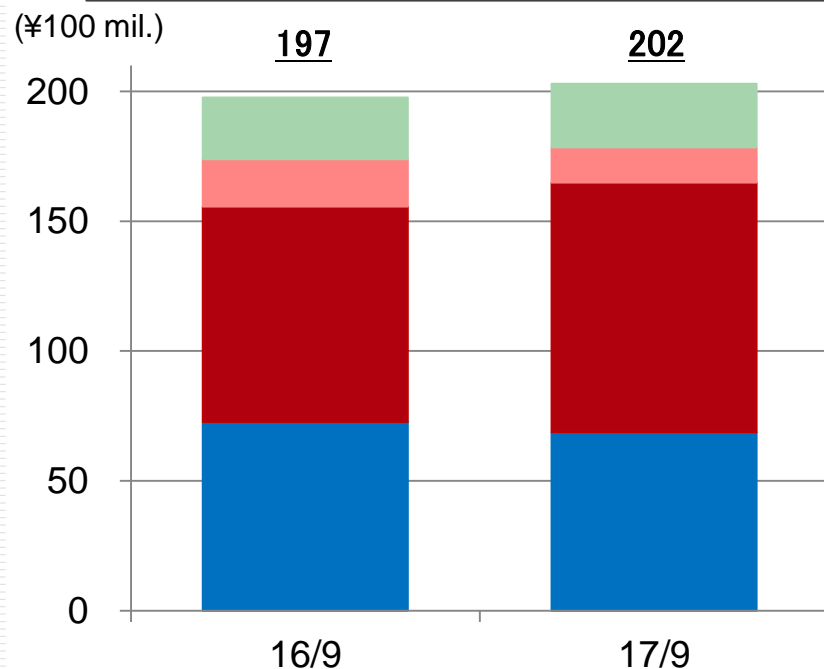
FY2017 First Segment performance

yen mil.

	2016/9 Result	2017/9		
		Result	change	rate of change
Net sales	43,813	45,792	+1,979	+4.5%
Automotive Parts	19,811	20,338	+527	+2.7%
Industrial Products	15,866	16,541	+675	+4.3%
Advanced Elastomer Products	7,315	7,963	+647	+8.9%
Other	1,168	1,261	+92	+7.9%
Eliminations	-349	-312	+36	—
Operating income	2,855	3,085	+230	+8.1%
Automotive Parts	1,264	1,458	+193	+15.3%
Industrial Products	1,206	1,095	-110	-9.2%
Advanced Elastomer Products	116	151	+34	+29.6%
Other	188	128	-59	-31.8%
Eliminations	79	251	+172	+215.6%

Automotive Parts overview

Geographic sales



Other
(+3.7%)

- Belt sales to South America increased in US.
- Sales of aftermarket parts increased in Turkey.

China
(-25.8%)

- Sales declined due to decreased production by major customers.

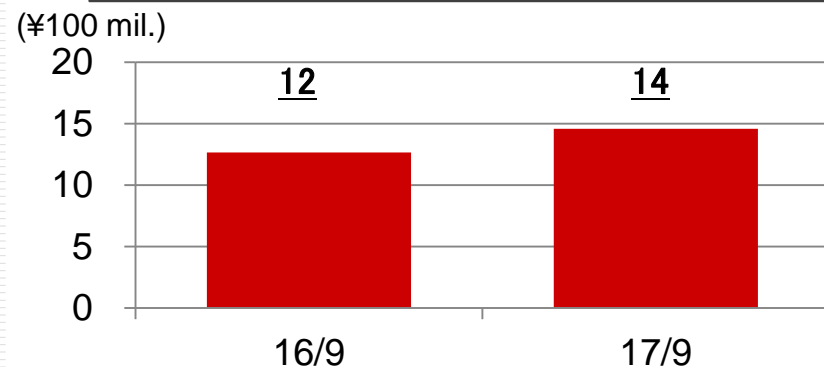
Asia
(+15.8%)

- 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
(-5.4%)

- Sales decreased partially due to customers shifting to local procurement overseas.

Operating income



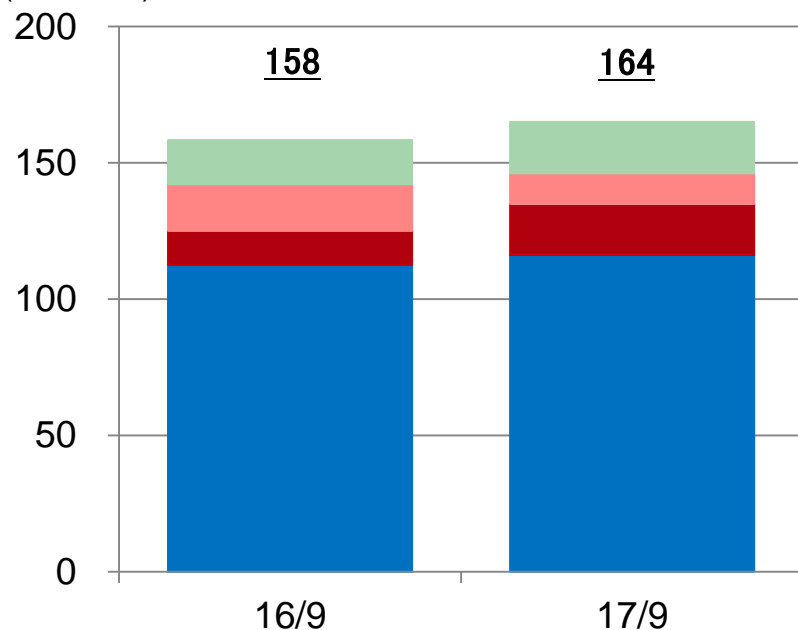
Operating income
(+15.3%)

- 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

(¥100 mil.)



Other
(+16.9%)

- 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
(-34.5%)

- Sales of transmission belts for agricultural machinery decreased due to the impact of last year's floods.

Asia
(+49.1%)

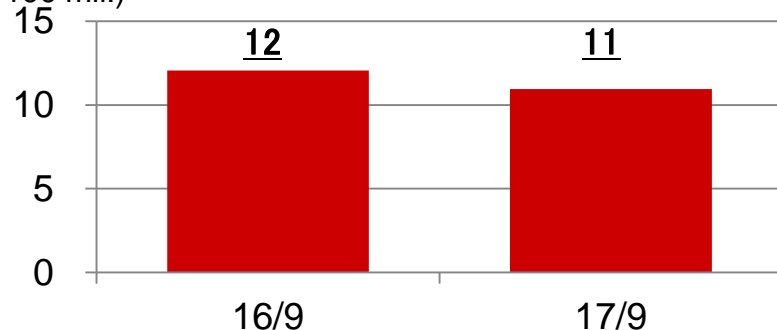
- In Thailand and Vietnam, sales of transmission belts for industrial and agricultural machinery, and sales of light duty conveyor belts increased due to successful sales promotion activities.

Japan
(+3.3%)

- Sales of industrial belts and pulleys increased owing to capital investment growth, while conveyor belt sales declined.

Operating income

(¥100 mil.)



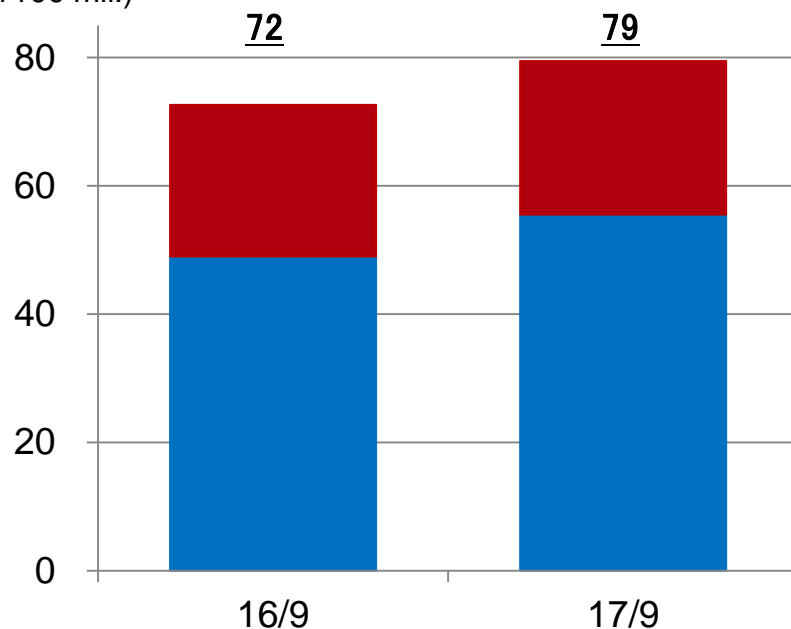
Operating income
(-9.2%)

- 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.)



Film
(+1.2%)

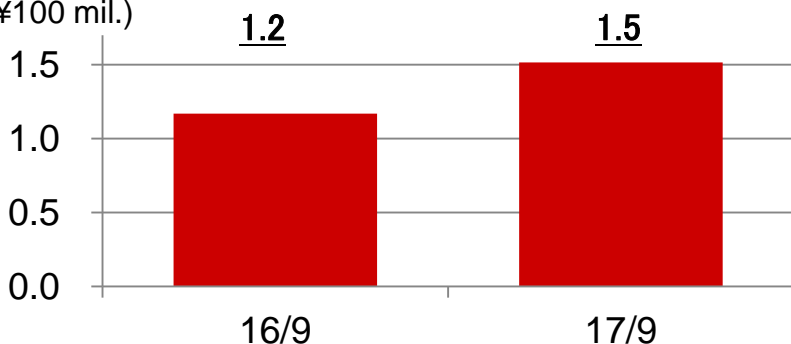
- Sales of wrapping films for 4-wheeled and 2-wheeled vehicles increased, while sales of industrial and medical films declined.

Precision Parts
(+13.3%)

- Sales of high performance rollers increased due to production of OA equipment with our products growth.
- Sales of precision seamless belts for inkjet printers and ATMs increased.

Operating income

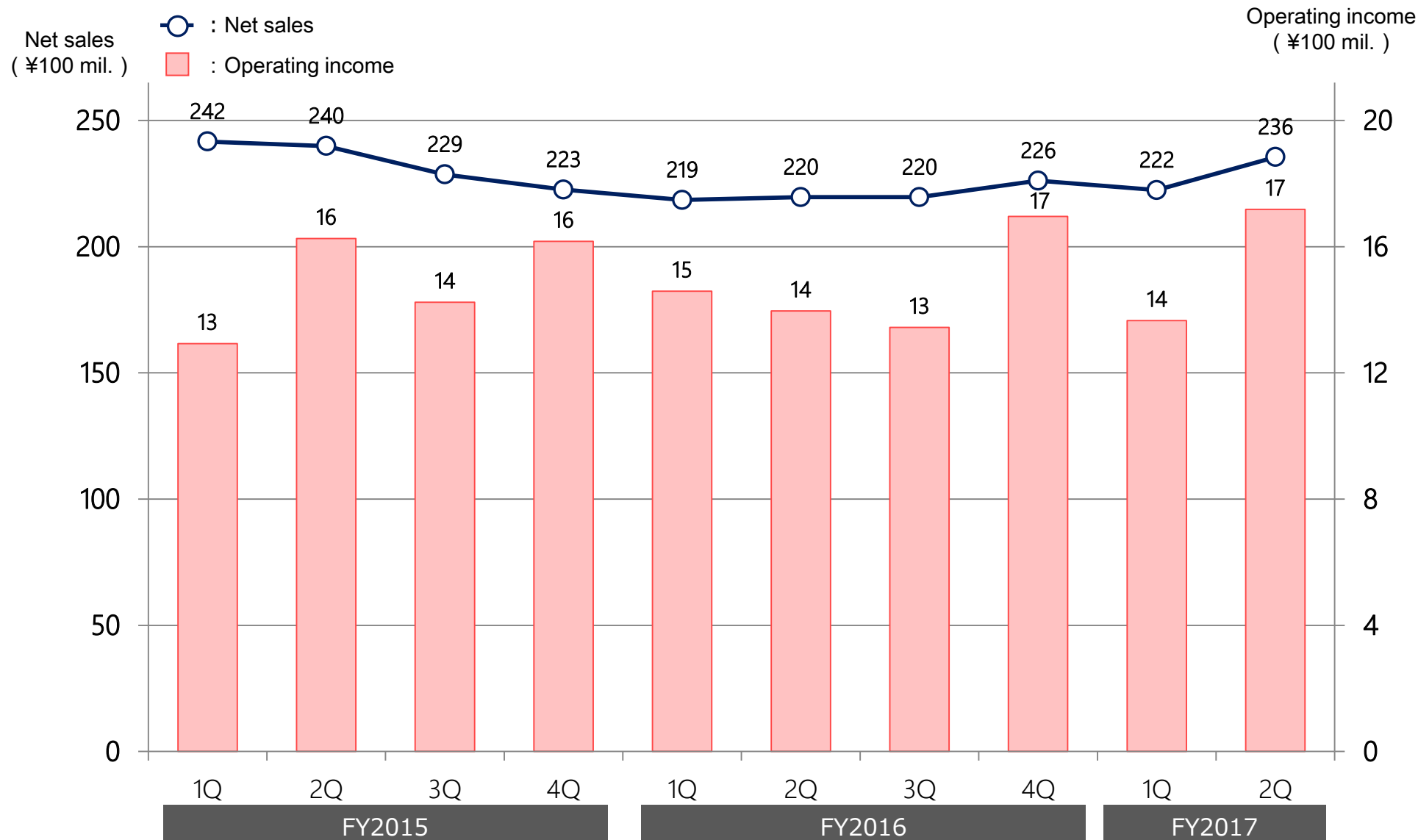
(¥100 mil.)



Operating income
(+29.6%)

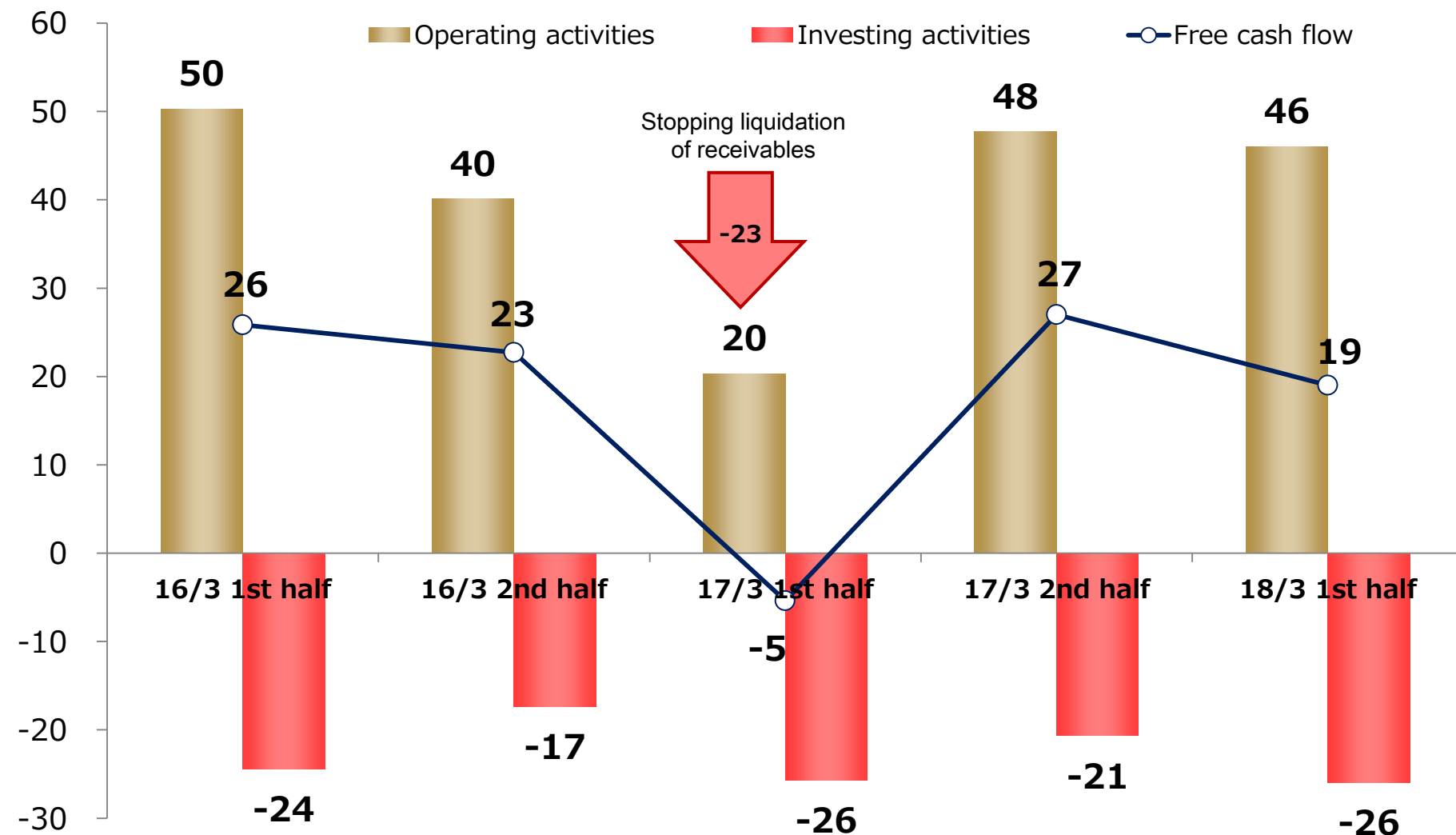
- Operating income of precision parts increased as sales grew.

Quarterly transition of net sales and operating income



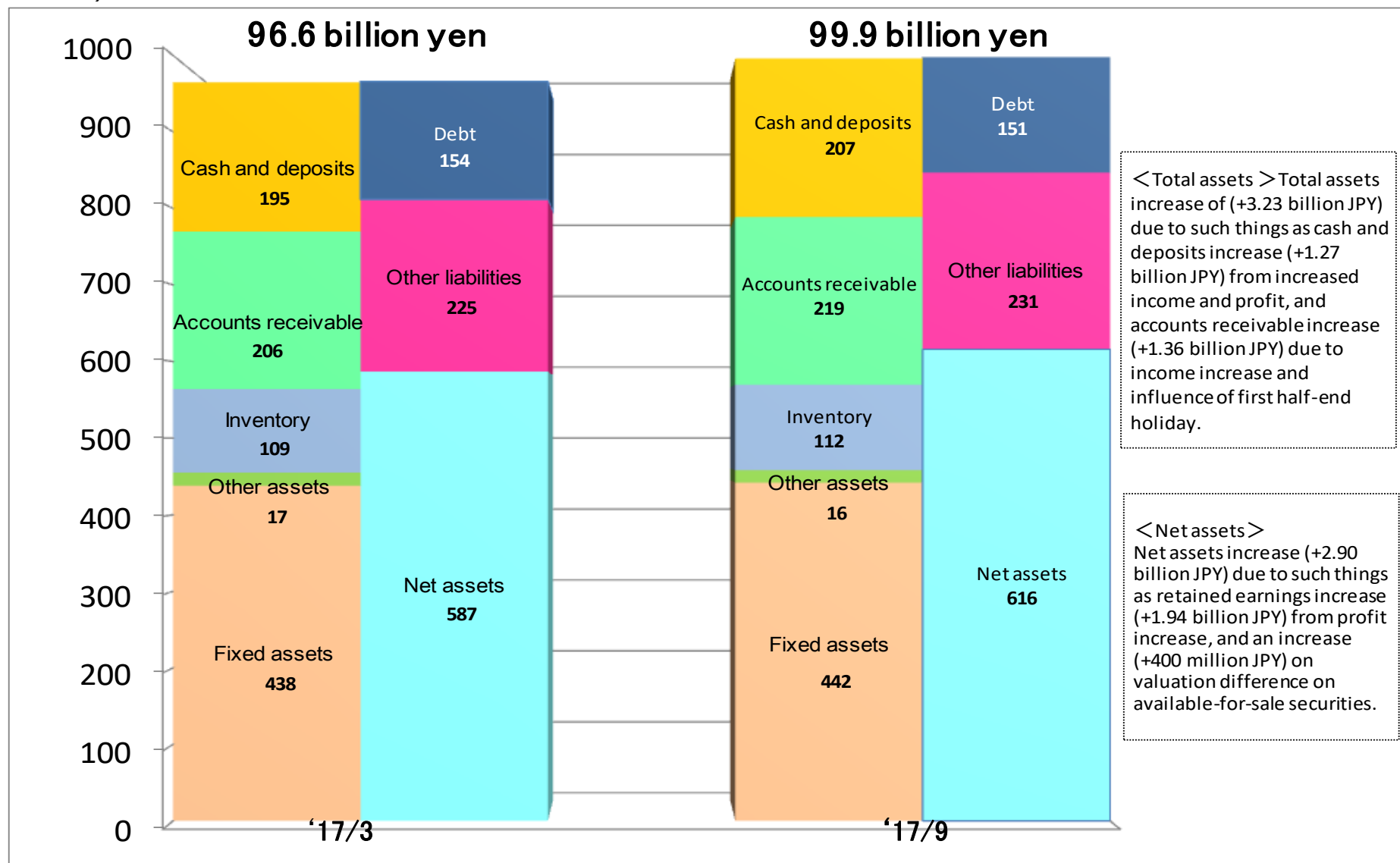
Transition of cash flow

(¥100 mil.)

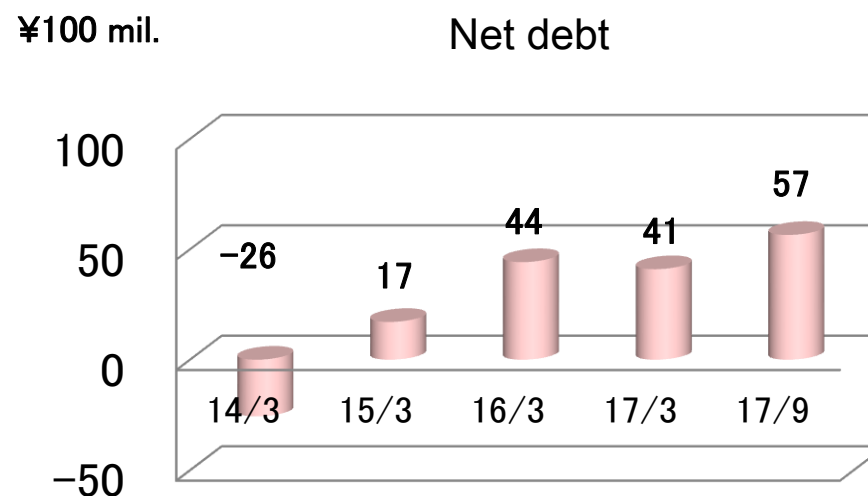
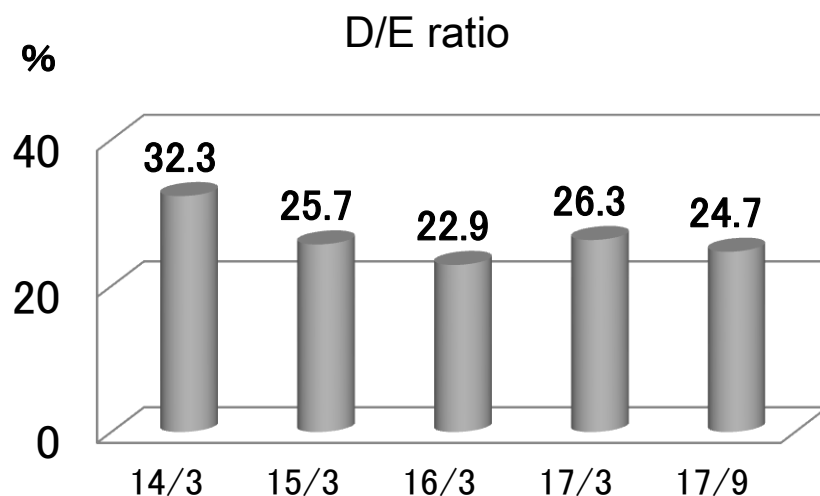
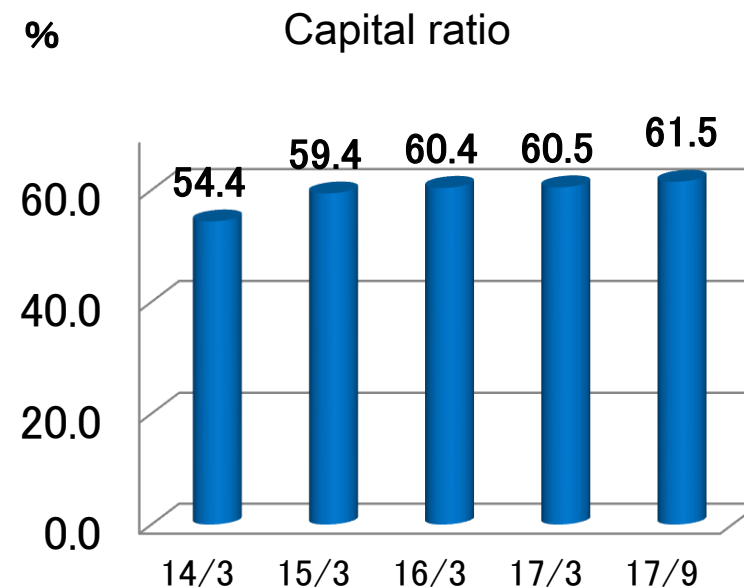
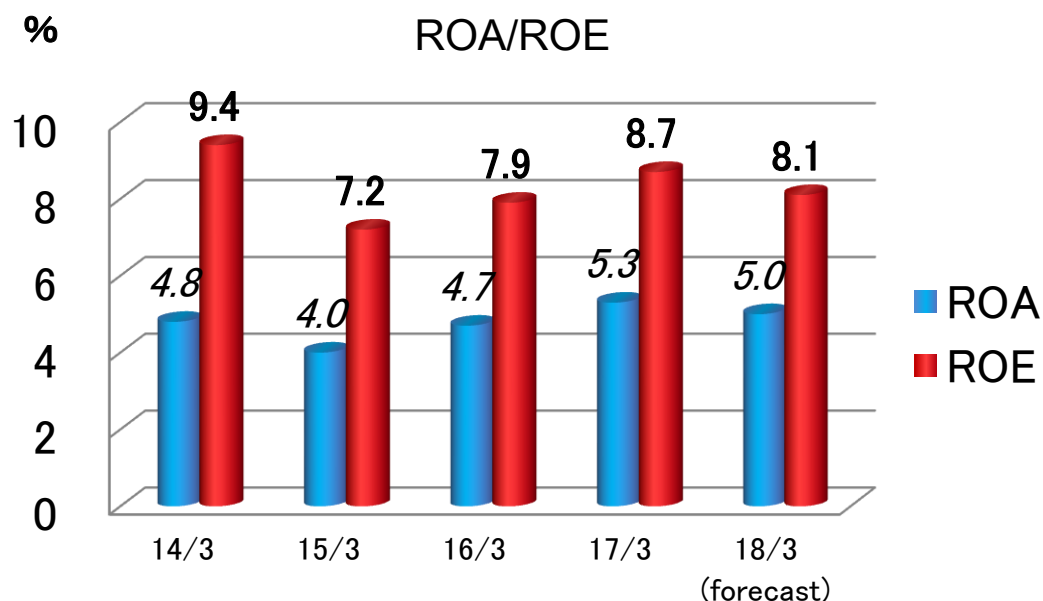


Consolidated Balance Sheets

(¥100 mil.)



Financial indicators



Topics

2017

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

Jun • Exhibit at the International Food Machinery & Technology Exhibition 2017 (FOOMA JAPAN2017)

- Exhibit at the 21st M-Tec

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

Sep • Exhibit at the 44th Int. Home Care & Rehabilitation Exhibition 2017

- Exhibit at SID Vehicle Display Detroit
- Bando Group enacted Employee Health Management Declaration



TENSION METER FOR LASHINGBITE™



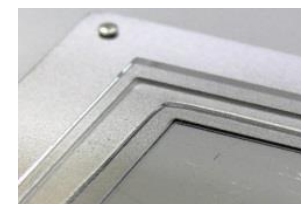
Food conveyor belt exhibited at FOOMAJAPAN



Bando Wiper Edge™ EX exhibited at M-Tech



Rice Hulling Rolls YELLOW BOY™



Optically clear adhesive sheets exhibited at SID Vehicle Display Detroit



Walking assist goods exhibited at Home Care & Rehabilitation Exhibition 2017



II . Business forecast for the full fiscal year ending March 31, 2018

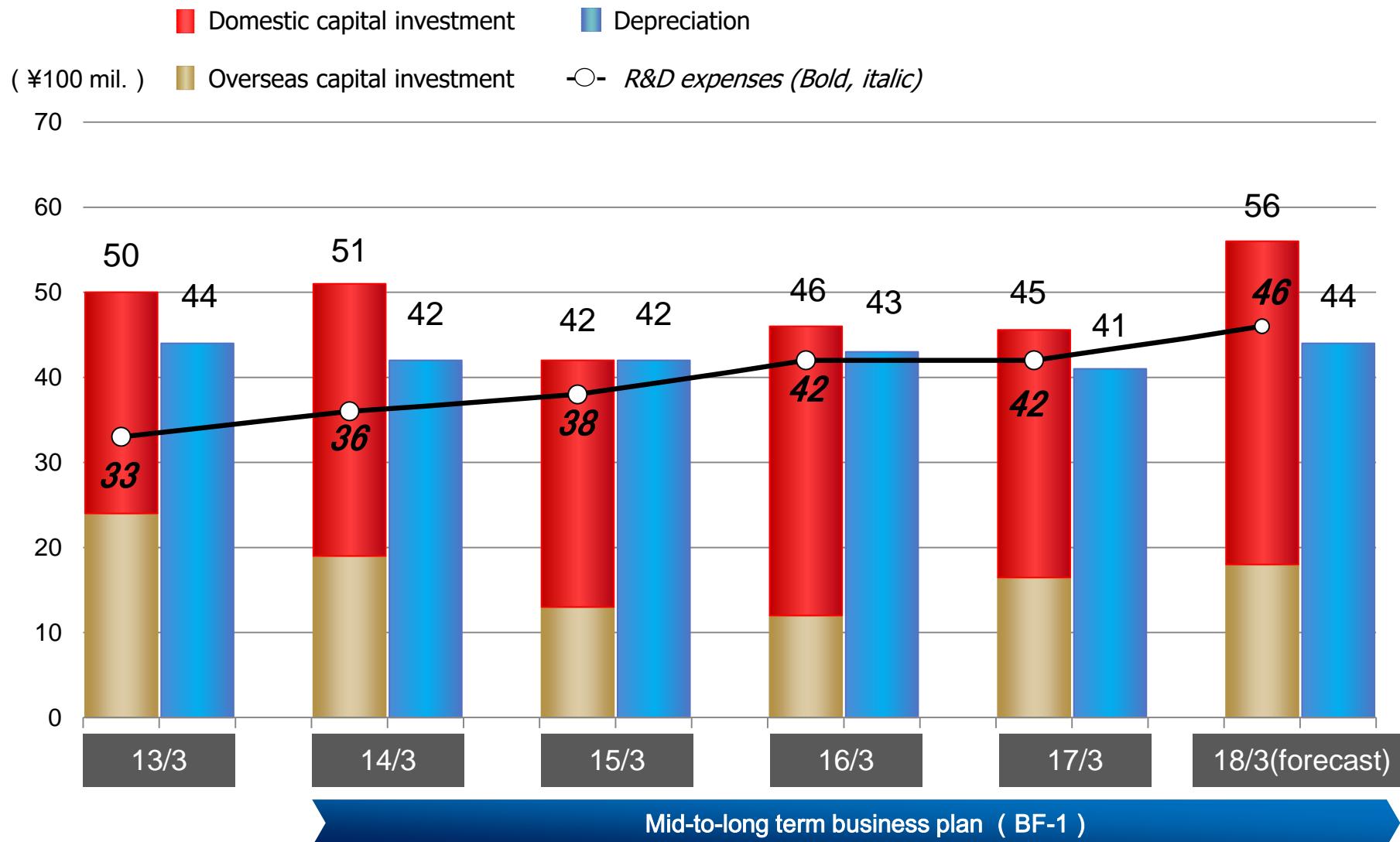
FY2017 Forecast

(yen mil. , %)

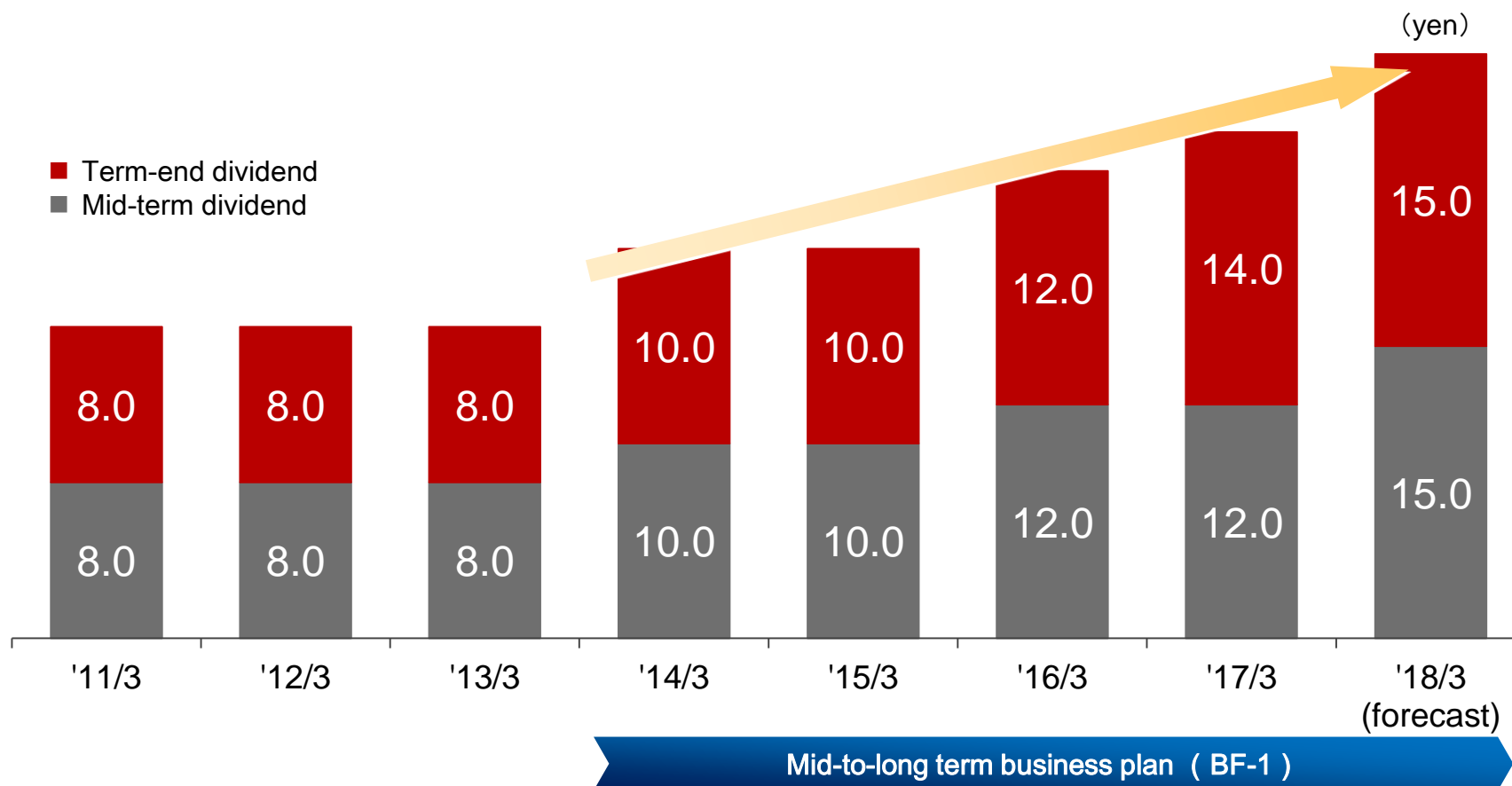
		2016/3	2017/3		2018/3 Forecast	
		Result	Result		Year on year change	
Net sales		93,272	88,387	91,000	+2,612	+3.0%
Operating income		5,960	5,896	6,000	+103	+1.8%
Ordinary income		6,363	6,571	6,600	+28	+0.4%
Profit attributable to owners of parent		4,386	4,951	4,900	-51	-1.0%
Exchange rates (yen)	U S D	¥ 119.95	¥ 108.69	¥ 110		
	T H B	¥ 3.42	¥ 3.10	¥ 3.1		
	Renminbi	¥ 18.80	¥ 16.09	¥ 16		

■ FY2017 Forecast announced May 12, 2017 remains unchanged.

Transition of capital investment, depreciation and R&D expenses



Shareholder returns



Dividend payout ratio	23.7%	53.9%	30.2%	22.0%	25.0%	25.7%	24.1%	28.1%
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※Dividend above is correction value after share consolidation at a rate of two shares of common stock into one took place October 1, 2016.