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エラストマーで新事業の領域へ。
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Consolidated Business Results for the First Half of Fiscal 2019

Bando Chemical Industries, Ltd.

November 11, 2019

3年連続選定

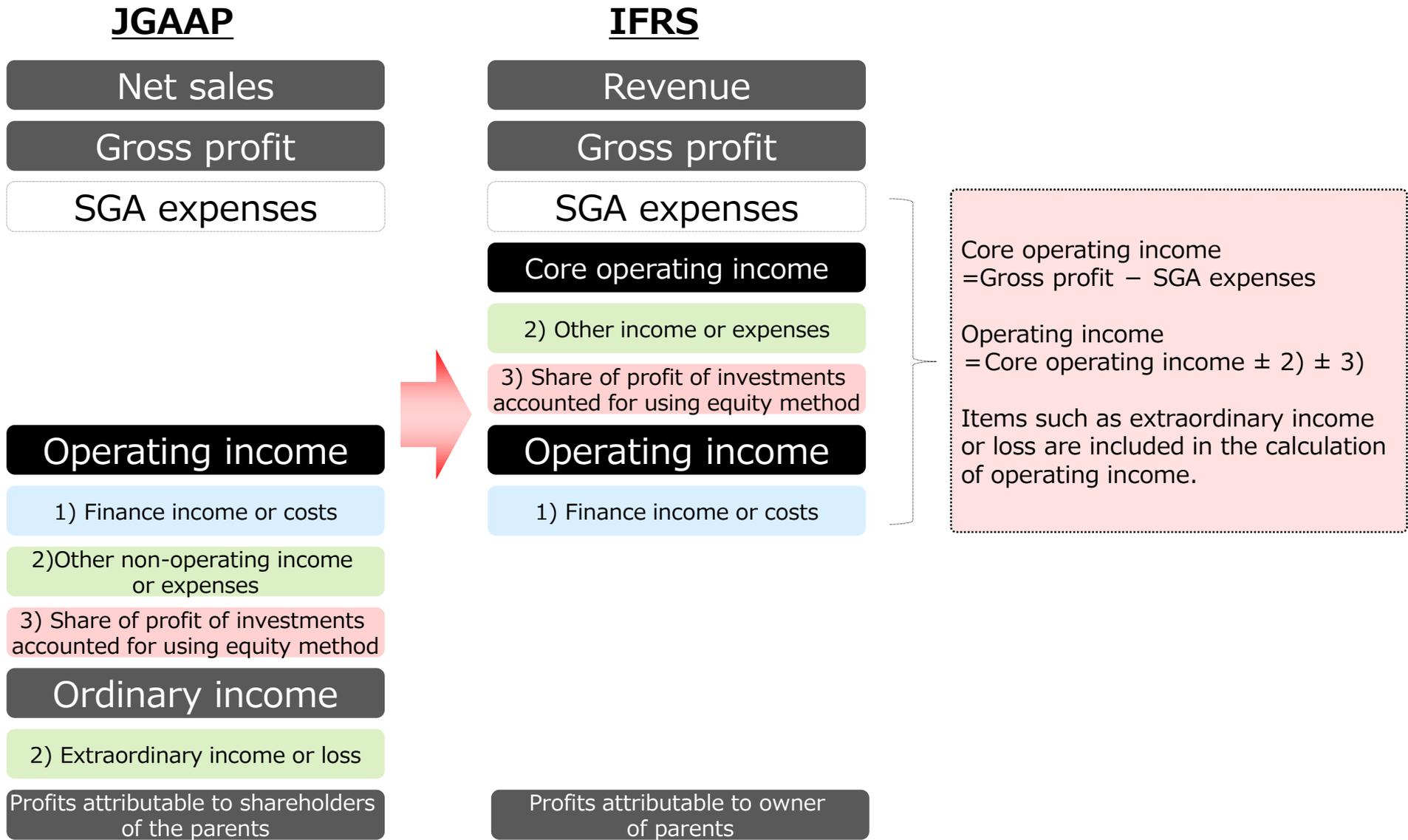


- I . First half financial summary for the fiscal year ending March 31, 2020

- II . Business forecast for the full fiscal year ending March 31, 2020

I . First half financial summary for the fiscal year ending March 31, 2020

Adoption of IFRS



FY2019 First Half Highlights



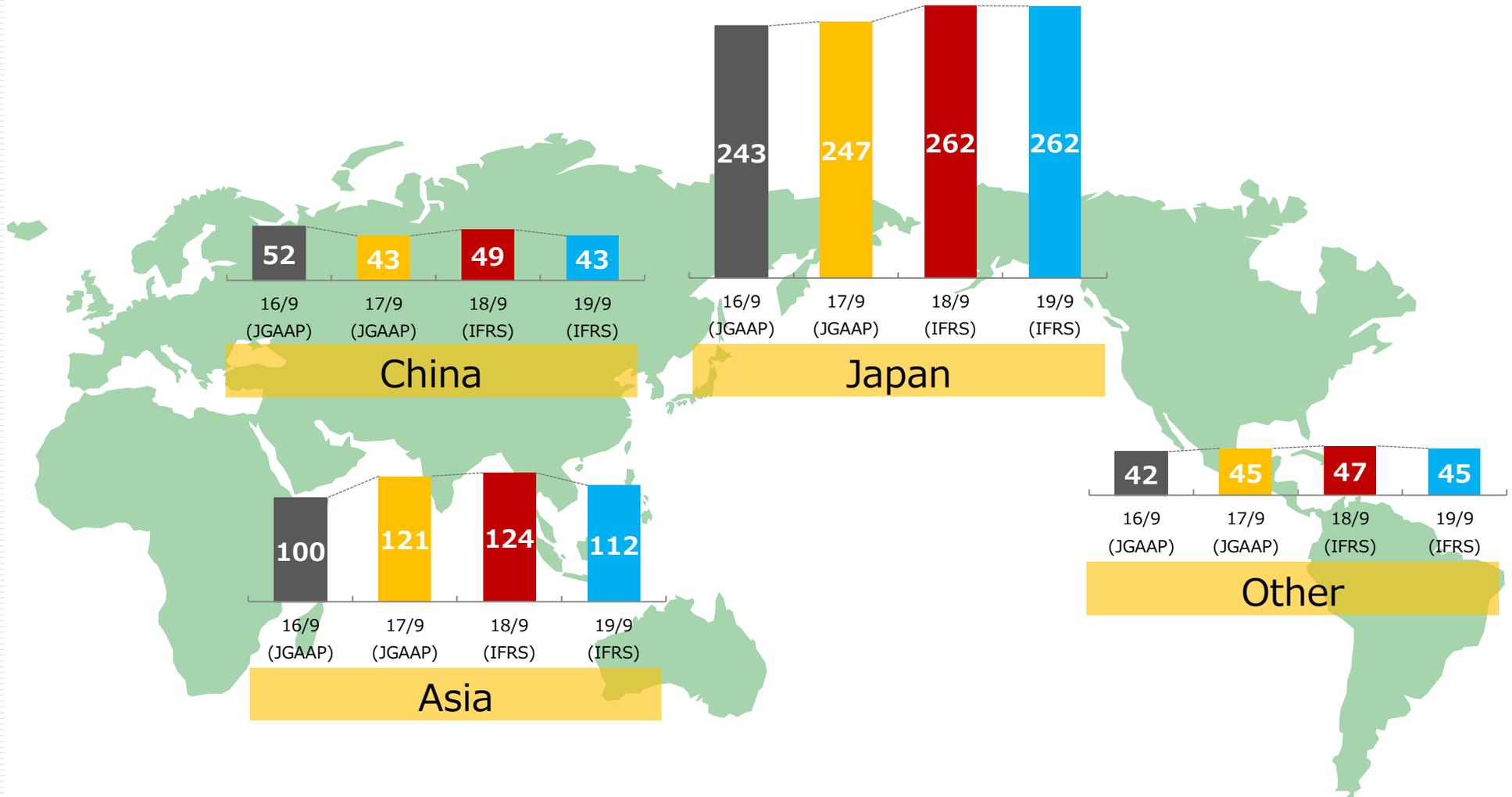
(yen mil.)

	2018/9	2019/9		2020/3	
	Result	Result	Year-on-year change	Forecast	Progression rate
Revenue	48,299	46,234	-2,064	93,000	49.7%
Core operating income	4,034	3,019	-1,015	6,000	50.3%
Operating income	4,417	2,854	-1,563	6,000	47.6%
Profit before income tax	4,769	2,681	-2,088		
Profit attributable to owners of parent	3,621	2,122	-1,499	4,500	47.2%

- Revenue decreased mainly in overseas area due to prolonging of U.S.-China trade friction.
- Core operating income decreased due to decrease in revenue and cost to sales ratio increase in existing business, despite increase in income by new consolidation of a subsidiary.
- Operating income decreased mainly due to the amendment of retirement benefit plan (-447 yen mil).
- Profit before income tax decreased due to the negative effects of FOREX rate and the above reasons.

FY2019 First Half Revenue by region

(¥100 mil.)

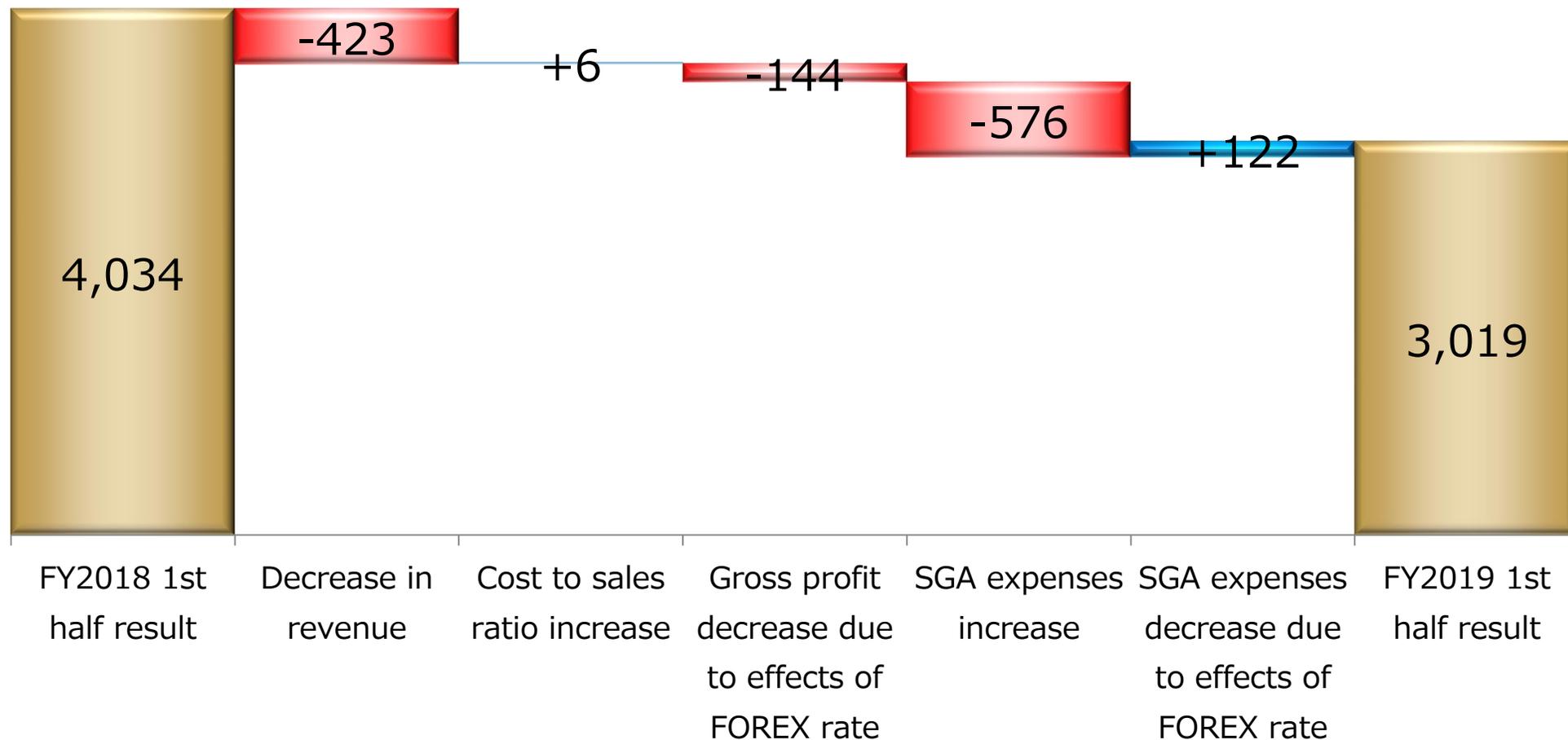


Note: Revenue by region above were after inter-segment elimination.

FY2019 First Half Core operating income analysis



(yen mil.)



FY2019 First Half Segment performance

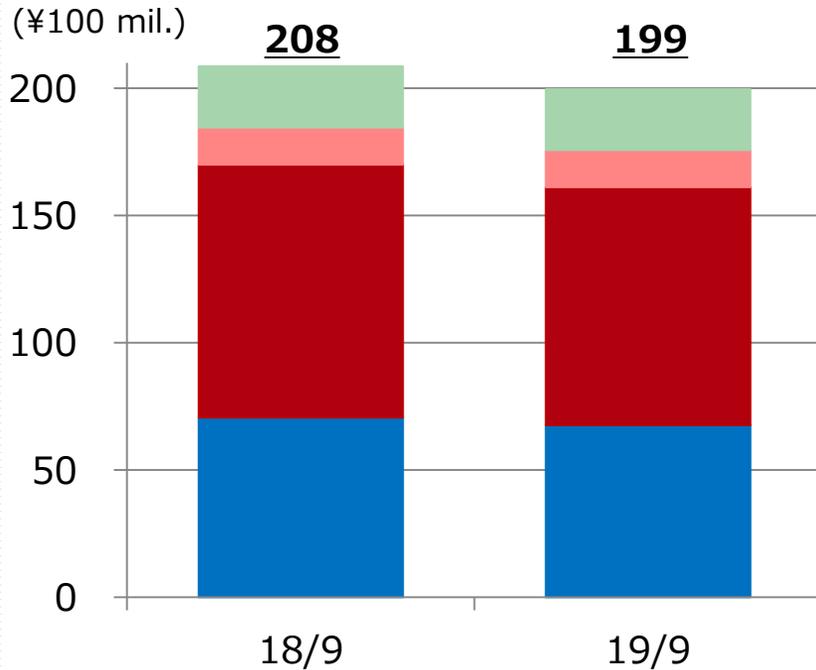


(yen mil.)

	2018/9	2019/9		
	Result	Result	Change	Rate of change
Revenue	48,299	46,234	-2,064	-4.3%
Automotive Parts	20,899	19,972	-927	-4.4%
Industrial Products	18,449	17,015	-1,433	-7.8%
Advance Elastomer Products	7,502	7,023	-479	-6.4%
Other	1,870	2,570	+700	+37.5%
Adjustments	-422	-347	+74	—
Core operating income	4,034	3,019	-1,015	-25.2%
Automotive Parts	1,684	1,130	-553	-32.9%
Industrial Products	1,229	1,252	+22	+1.9%
Advance Elastomer Products	367	213	-154	-41.9%
Other	462	310	-151	-32.7%
Adjustments	291	112	-179	—

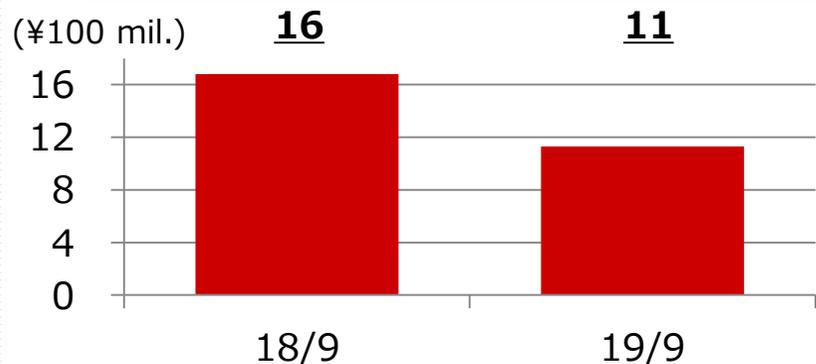
Automotive Parts overview

Revenue after inter-segment elimination



Other (-0.7%)	<ul style="list-style-type: none"> ■ In U.S., revenue decreased due to decrease in production of vehicles equipped with our accessory drive power transmission belts and systems, despite increase in aftermarket sales.
China (+0.3%)	<ul style="list-style-type: none"> ■ Aftermarket sales increased mainly due to the aggressive customer development.
Asia (-5.9%)	<ul style="list-style-type: none"> ■ Sales of accessory drive power transmission systems decreased in Thailand. ■ Sales of variable speed belts for scooters decreased in India.
Japan (-4.3%)	<ul style="list-style-type: none"> ■ Aftermarket sales increased, but sales of accessory drive power transmission systems decreased.

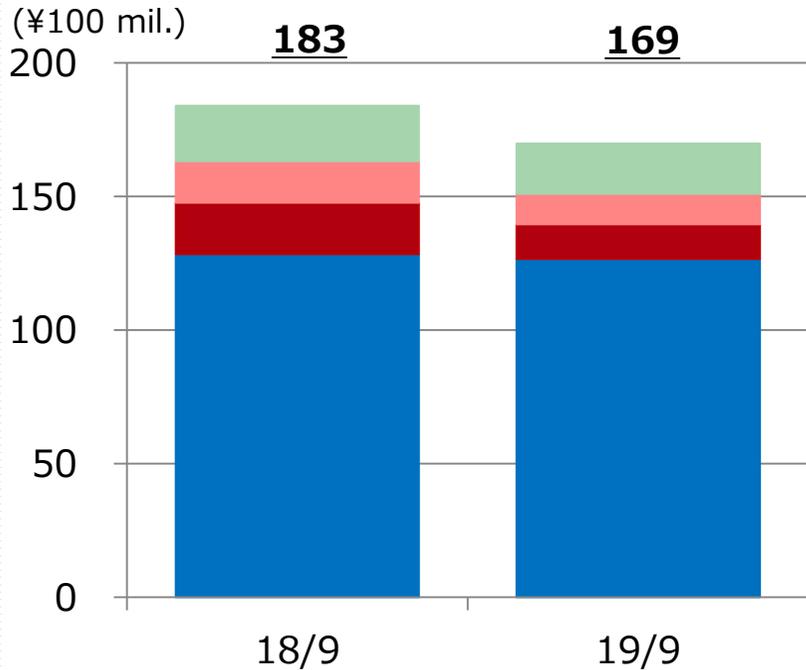
Core operating income



Core operating income (-32.9%)	<ul style="list-style-type: none"> ■ Core operating income decreased due to decrease in revenue.
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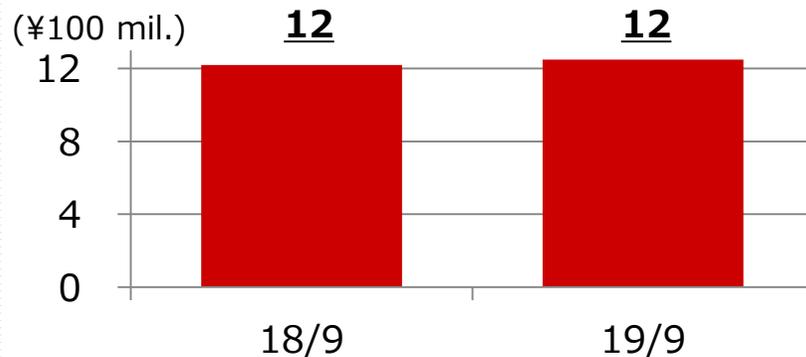
Industrial Products overview

Revenue after inter-segment elimination



Other (-8.9%)	<ul style="list-style-type: none"> ■ In U.S., sales of industrial transmission belts decreased. ■ In Turkey, sales of industrial transmission belts decreased due to economic deceleration.
China (-26.6%)	<ul style="list-style-type: none"> ■ Sales of transmission belts for agricultural machinery decreased mainly.
Asia (-32.3%)	<ul style="list-style-type: none"> ■ Sales of transmission belts for agricultural machinery increased mainly.
Japan (-1.5%)	<ul style="list-style-type: none"> ■ Sales of industrial transmission belts decreased due to slowdown of machinery orders. ■ Sales of large-scale conveyor belt and light-duty conveyor belt for logistics equipment increased.

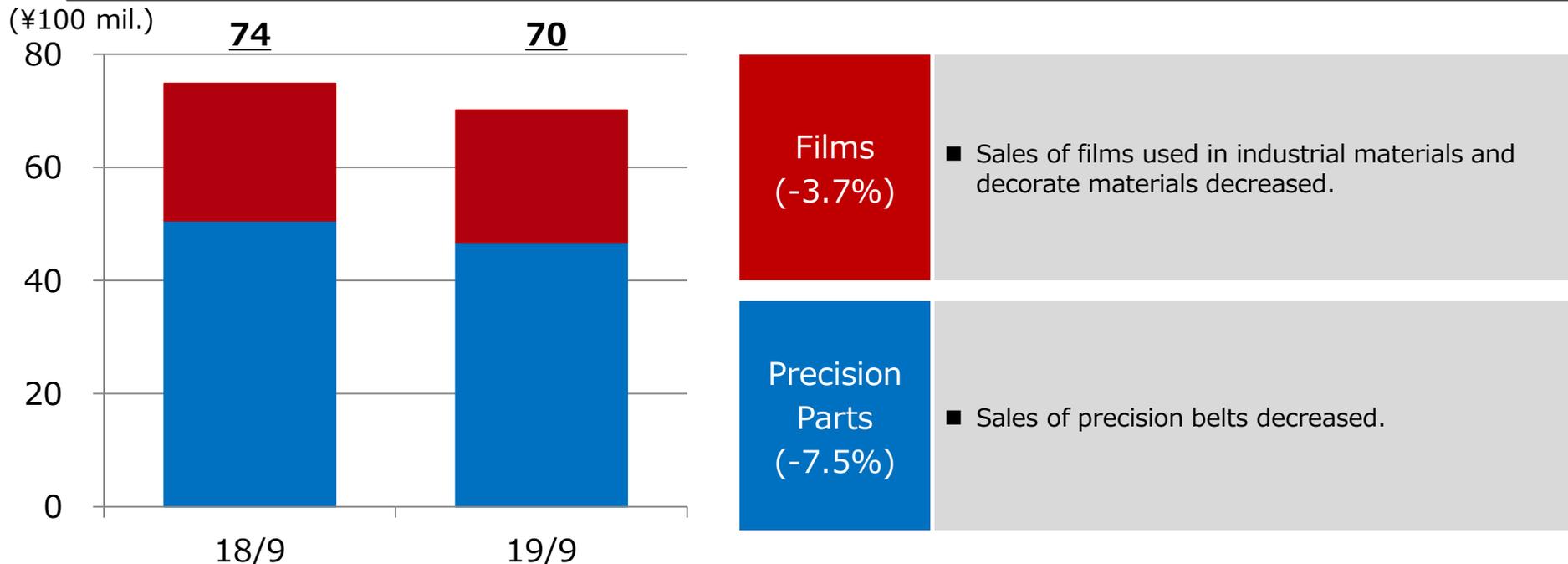
Core operating income



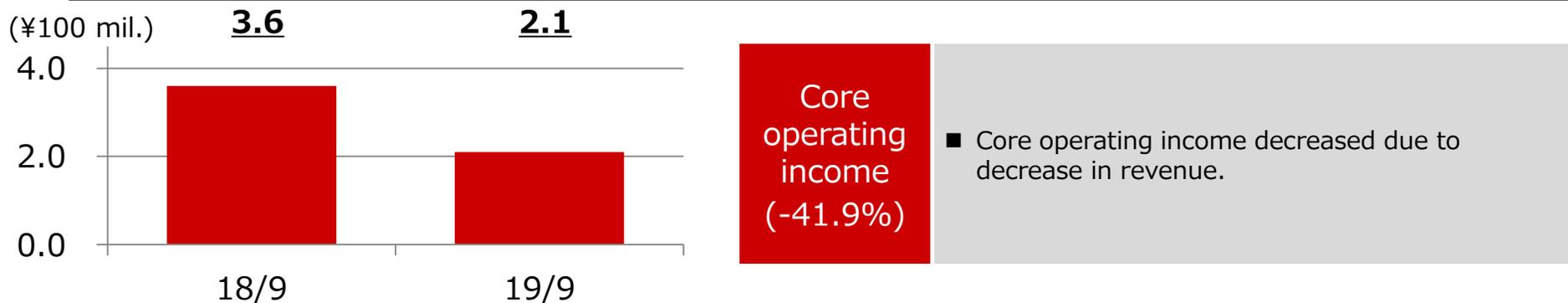
Core operating income (+1.9%)	<ul style="list-style-type: none"> ■ Dealing failures for customers occurred in the previous year, none in this year.
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Advance Elastomer Products overview

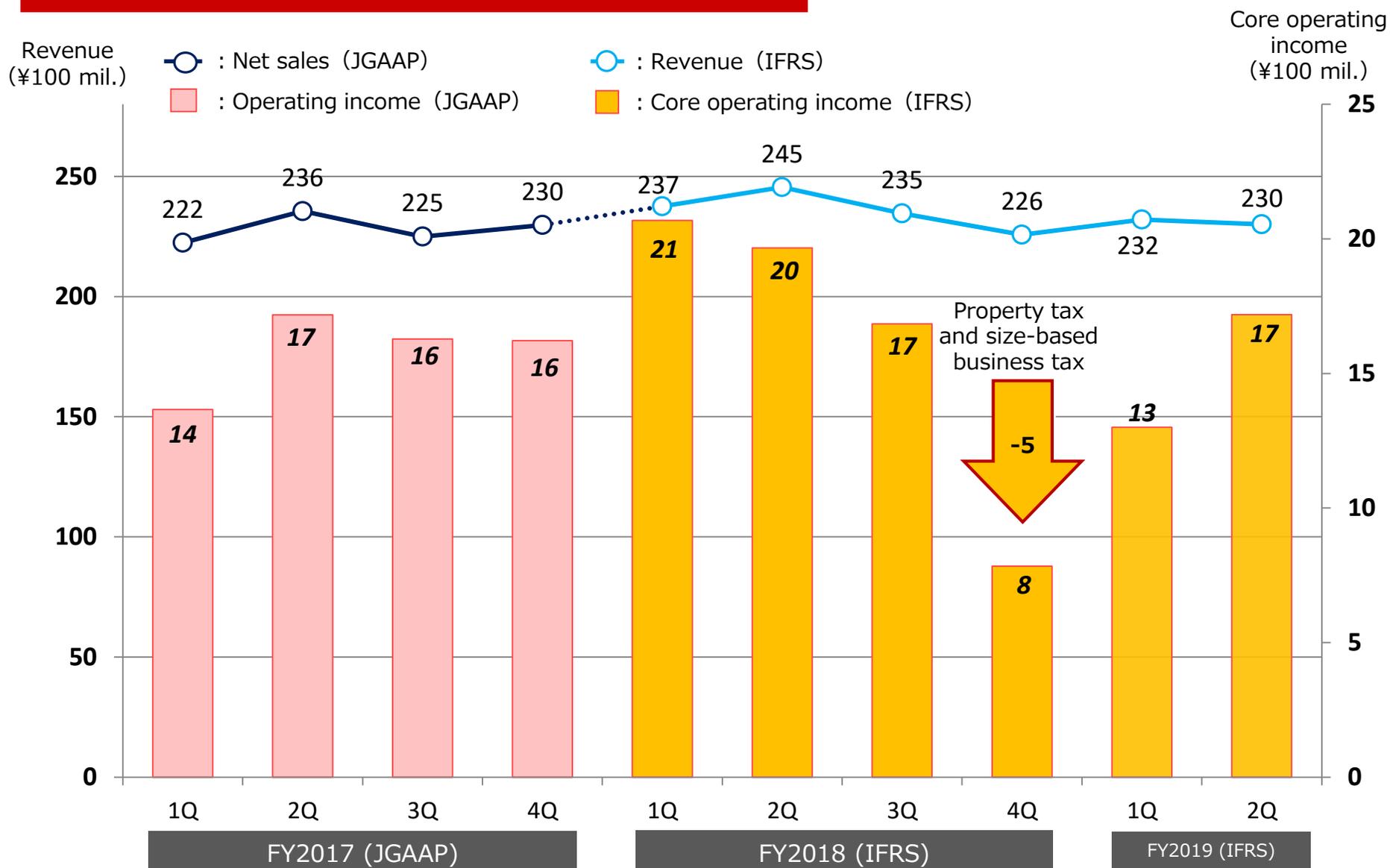
Revenue after inter-segment elimination



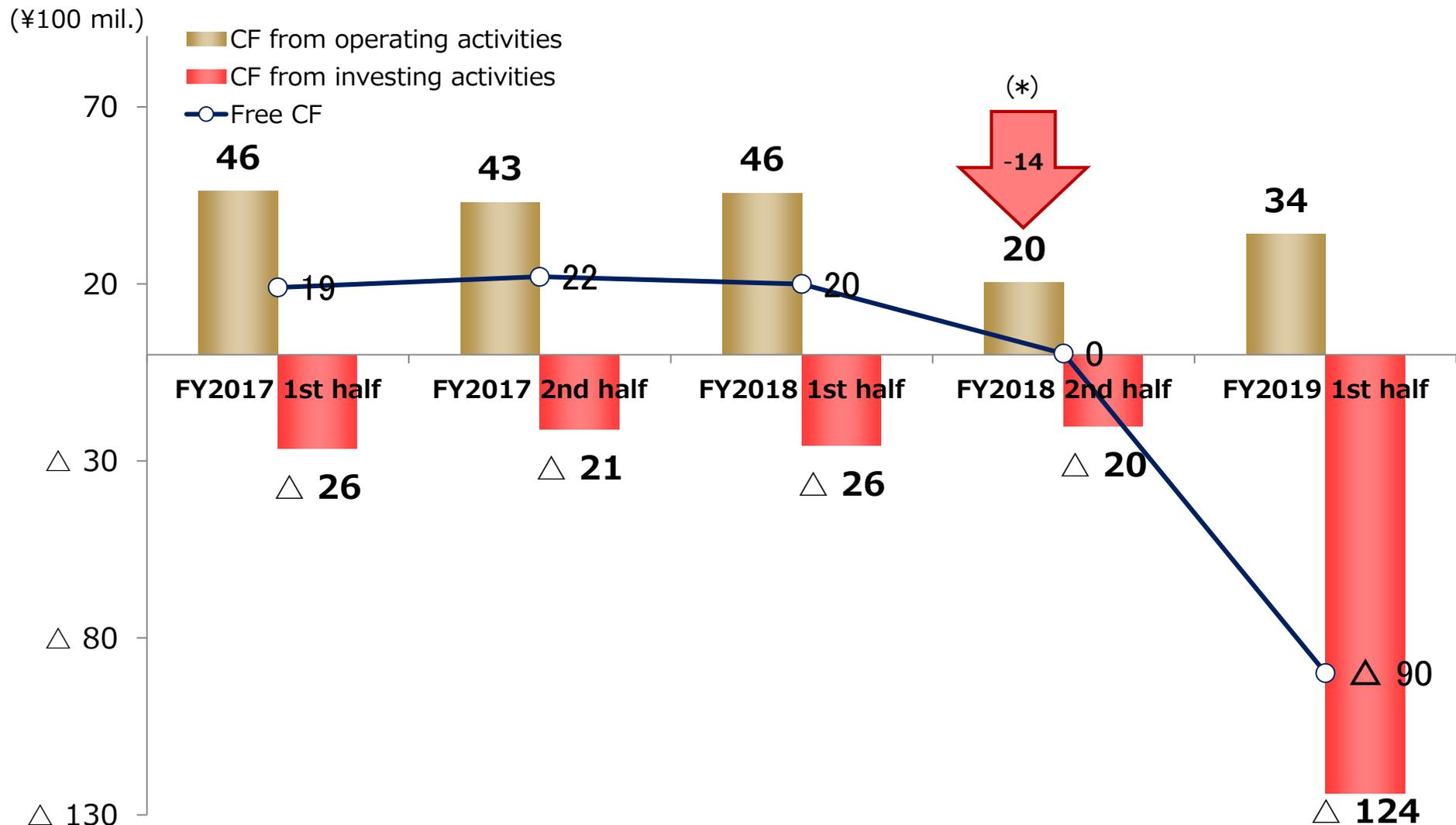
Core operating income



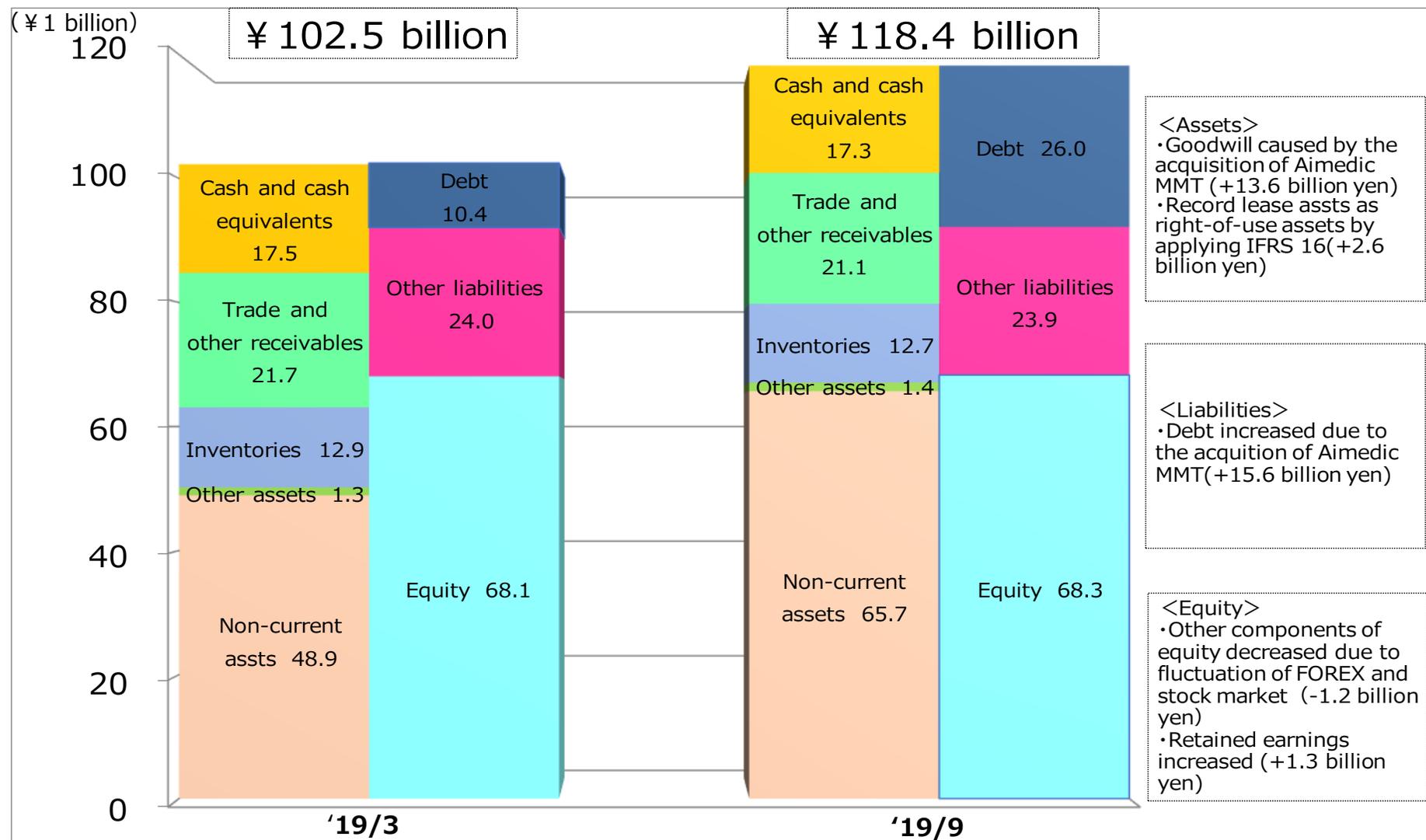
Quarterly transition of business result



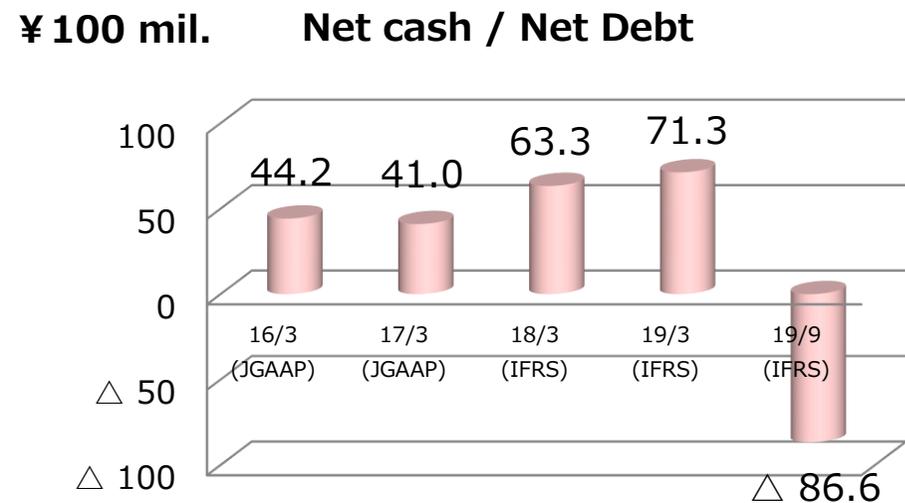
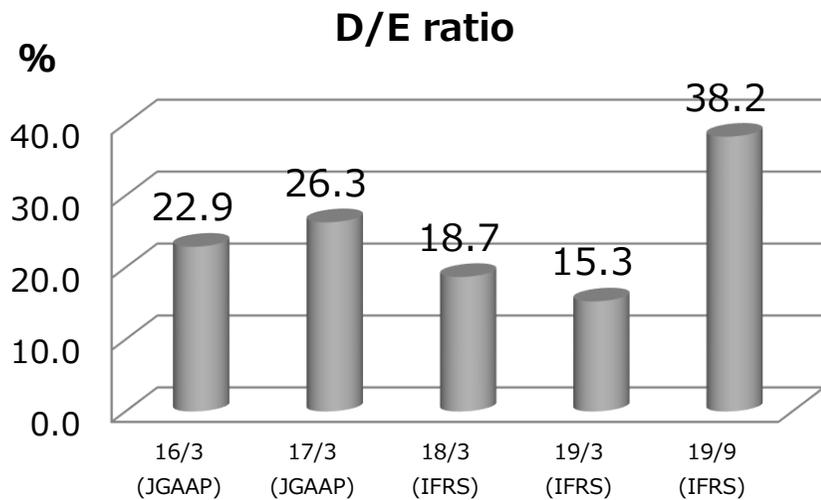
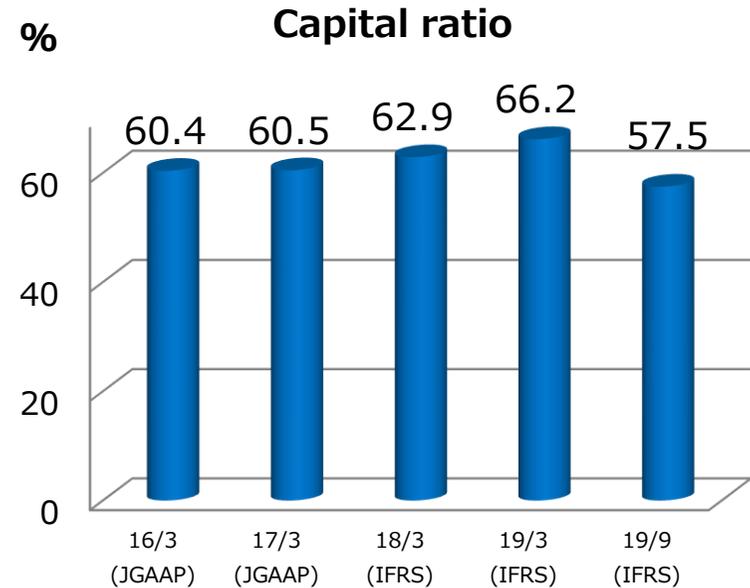
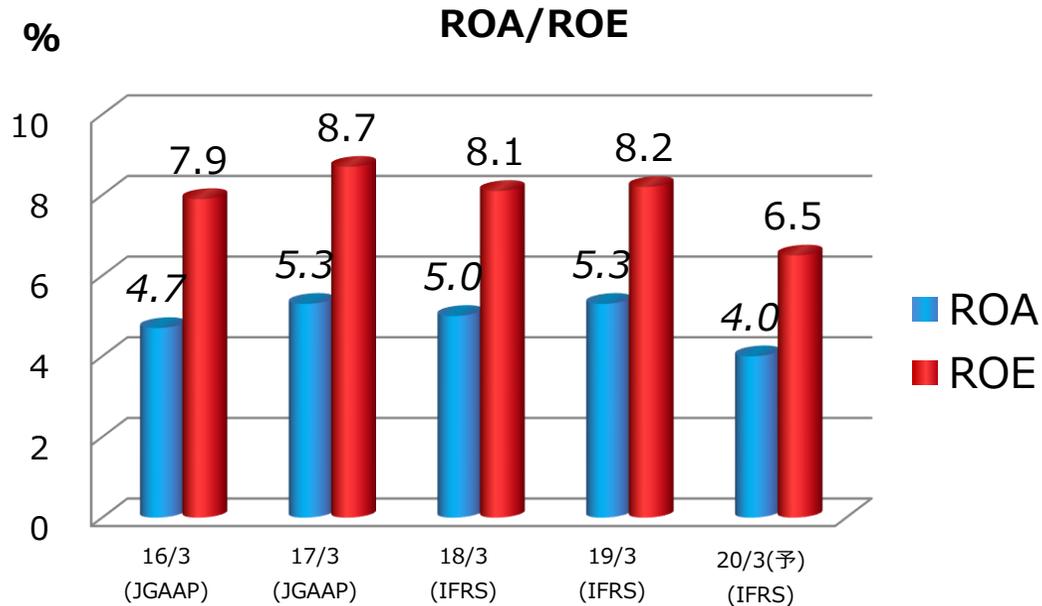
Transition of cash flow



Consolidated Statement of Financial Position



Financial indicators



Topics

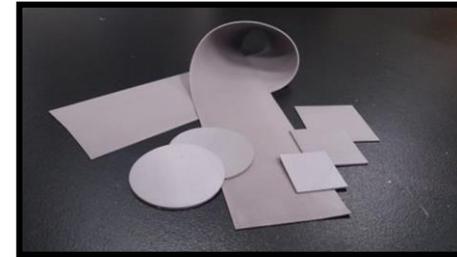
2019

May • Acquired all shares of Aimedic MMT Co., Ltd.



Providing orthopedic medical devices
"Aimedic MMT Co., Ltd."

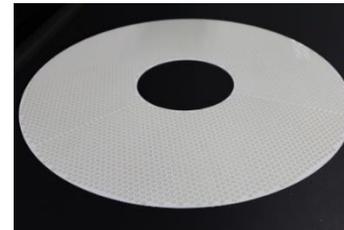
Jul • Exhibited at "NANO KOREA 2019"



NANO KOREA2019
Displayed thermal management products

• Exhibited at "International food machinery & technology exhibition 2019 (FOOMA JAPAN2019)"

• Exhibited at "2nd 5G/IoT Network Expo"



5G/IoT Network Expo
Displayed polishing materials "TOPX ®," etc.

Aug • Issued CSR Report 2019



Sep • Issued Annual Report 2019



FOOMA JAPAN2019
Promoted solving problems by using light-duty conveyor belt "Mr. series"

II . Business forecast for the full fiscal year ending March 31, 2020

FY2019 Business forecast

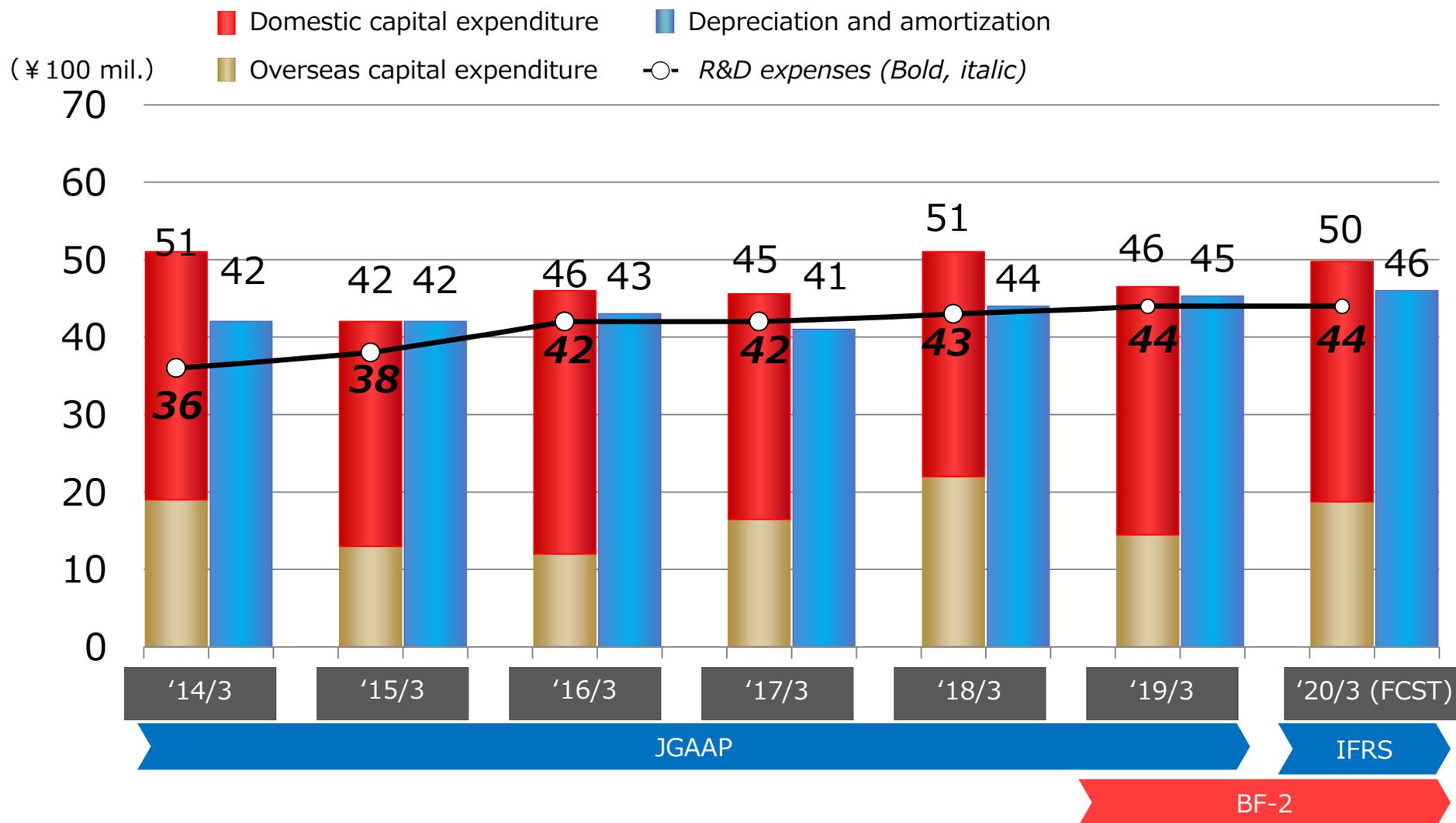


(yen mil., %)

		2019/3		2020/3 Forecast	
		Result		Year on year change	
Revenue		94,318	93,000	-1,318	-1.4%
Core operating income		6,503	6,000	-503	-7.7%
Operating income		6,815	6,000	-815	-12.0%
Profit attributable to owners of parent		5,457	4,500	-957	-17.5%
Exchange rates (yen)	U S D	111.04	106.83		
	T H B	3.43	3.40		
	C N Y	16.49	15.42		

- FY2019 business forecast announced on August 9, 2019 remains unchanged.

Transition of CAPEX, depreciation and R&D expenses



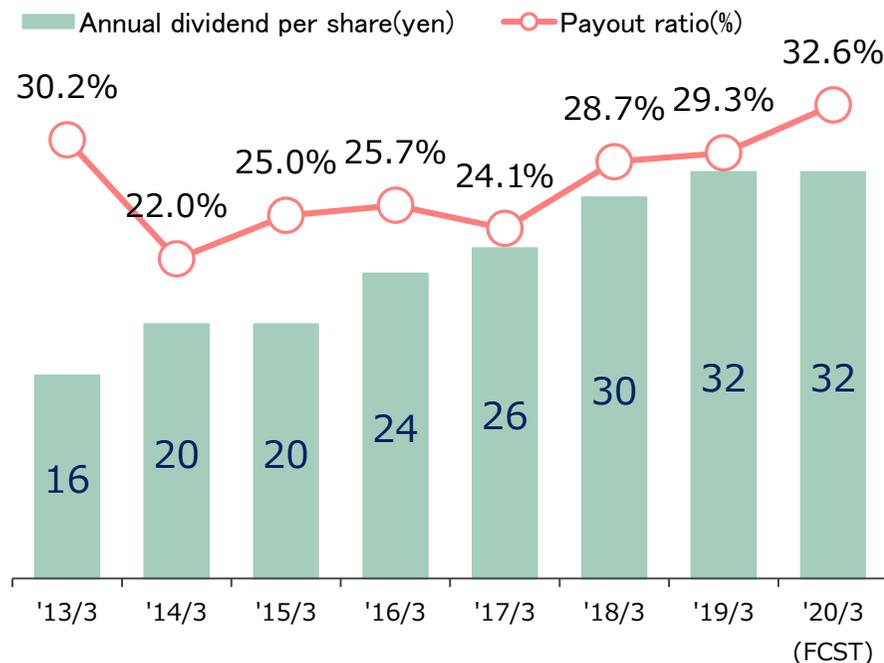
Note: The impact of acquisition of Aimedic MMT Co., Ltd. is excluded from the amount of '20/3(FCST).
 Depreciation and amortization for '20/3(FCST) are calculated based on IFRS.

Shareholders returns

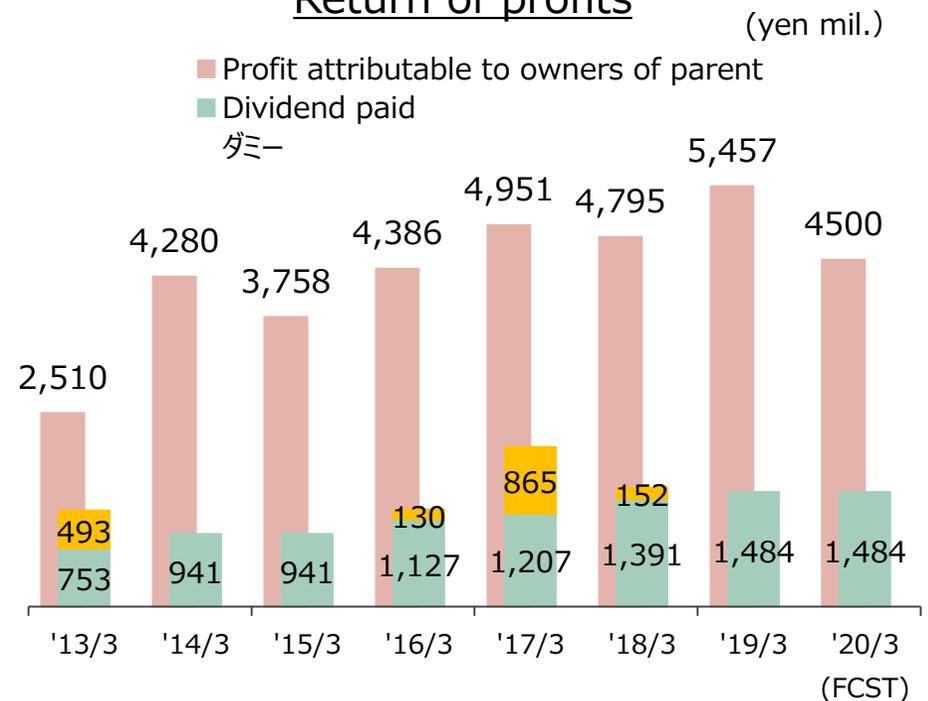
Basic Policy

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 Oct. 1, 2016.