

*Powering new lifestyles*



**Financial Results Briefing Material for the  
Fiscal Year Ended March 31, 2025**

**May 22, 2025**

**BANDO CHEMICAL INDUSTRIES, LTD.**



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# I . Financial Results for the Fiscal Year Ended March 31, 2025

# Financial Highlight

(Unit : Million Yen, % )

				FY2023	FY2024		
				Result	Result	Change	Achieved ratio
Revenue				108,278	<b>115,593</b>	+7,314	110,000 105.1%
Core Operating Profit				7,584	<b>7,743</b>	+159	7,000 110.6%
Operating Profit				7,772	<b>3,480</b>	(4,292)	7,500 46.4%
Profit attributable to owners of parent				6,180	<b>1,496</b>	(4,683)	5,000 29.9%
Return on Equity				7.6%	<b>1.8%</b>	(5.8)ppt	- -
Exchange rate	U	S	D	145.31	152.57	-	145.00 -
	T	H	B	4.12	4.40	-	4.10 -
	C	N	Y	20.21	21.13	-	20.00 -

- Revenue and core operating profit reached a new record high
- Operating profit and profit attributable to owners of parent decreased due to impairment losses and other factors

## Financial impact of major losses recorded for FY2024 and the reasons for such losses

(Unit : Million Yen)

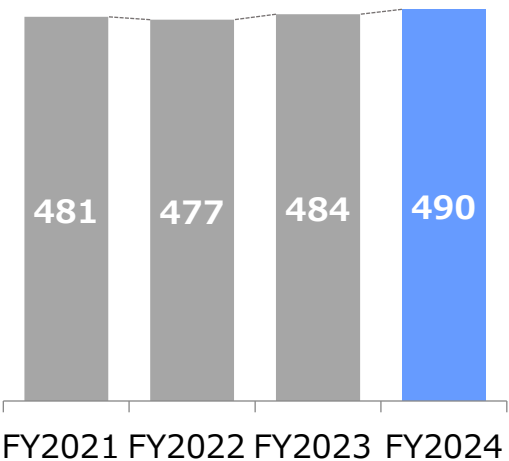
	Impairment loss on goodwill (Aimedic MMT Co., Ltd.)	Impairment loss in the Advanced Elastomer Products Business	Loss related to the decision to terminate production at U.S. subsidiary	Total
Operating Profit	(3,406)	(1,604)	(1,117)	(6,127)
Reason	<ul style="list-style-type: none"> <li>Reflected the delay of approval by Food and Drug Administration ("FDA") in U.S. on the latest business plan of Aimedic MMT Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Sales volume of products for office automation equipment decreased due to the impact of the paperless trend</li> <li>The profitability decreased due to higher costs such as raw material prices</li> </ul>	<ul style="list-style-type: none"> <li>The profitability decreased due to wage increase by inflation in U.S. and other factors</li> <li>Recorded losses including an impairment loss, due to the decision to terminate its production</li> </ul>	

# Revenue by Area for FY2024

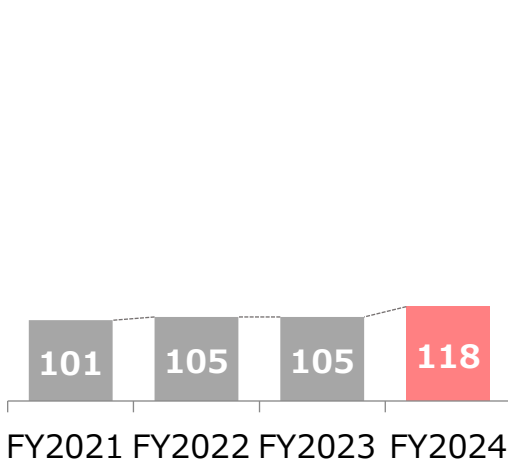


(Unit : 100 Millions Yen)

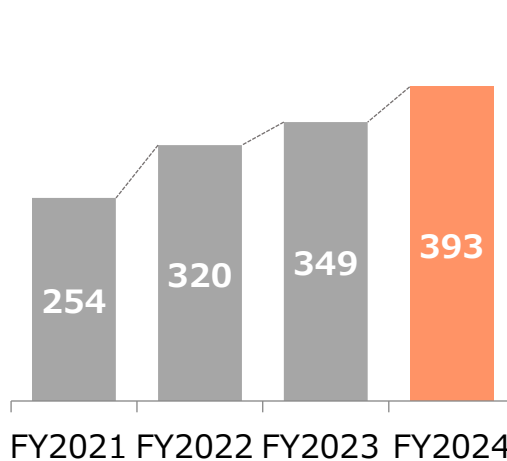
Japan



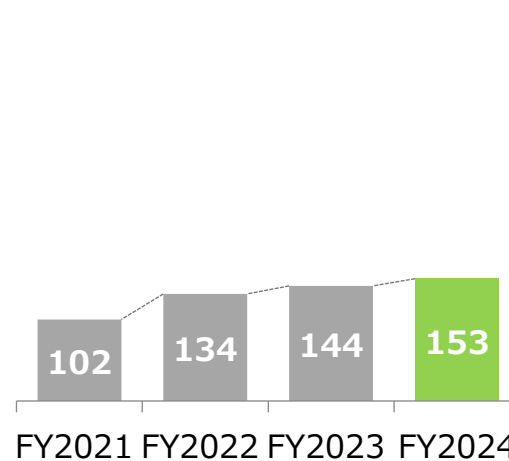
China



Asia



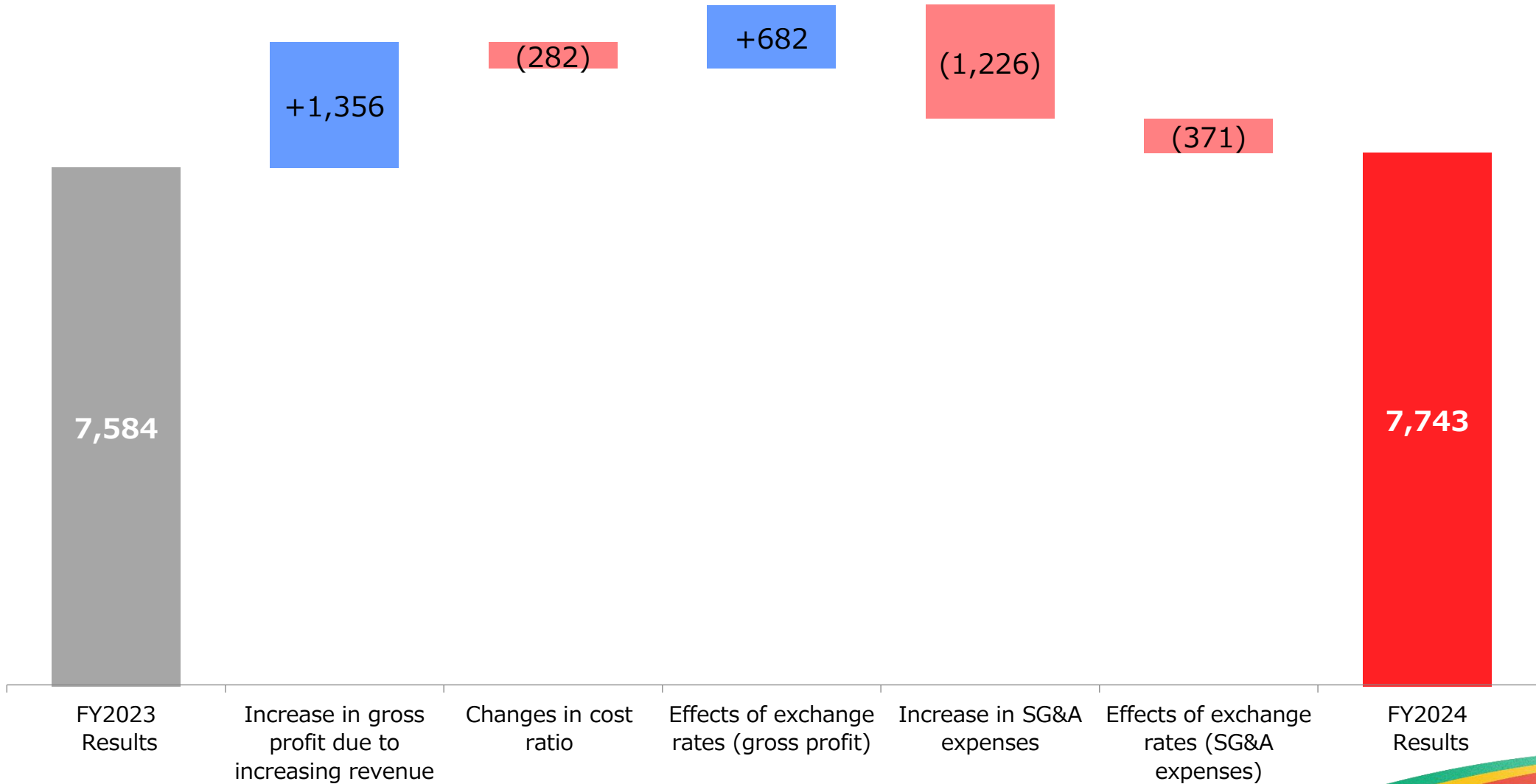
Other



(※) The above amount was after the elimination of intersegment transactions.

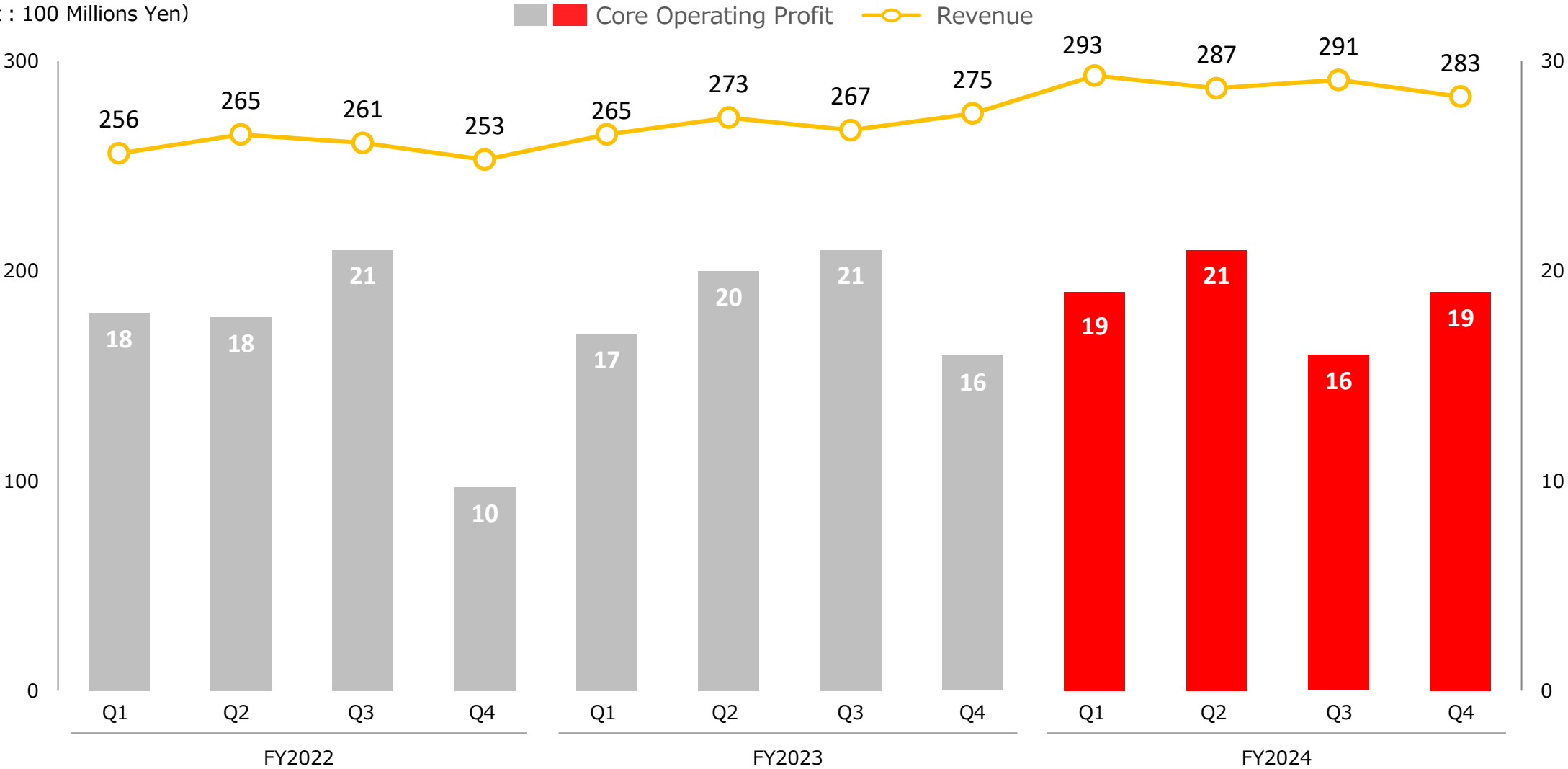
# Analysis of Core Operating Profit

(Unit : Million Yen)



# Quarterly Operating Results (Revenue and Core Operating Profit)

(Unit : 100 Millions Yen)





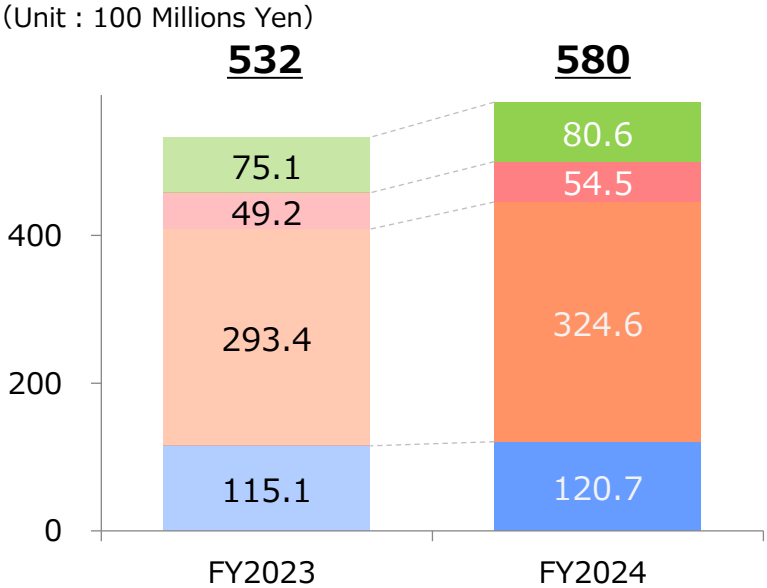
# Operating Results by Segment

(Unit : Million Yen , % )

	FY2023	FY2024		
	Result	Result	Change	Change in ratio
<b>Revenue</b>	<b>108,278</b>	<b>115,593</b>	<b>+7,314</b>	<b>+6.8%</b>
Automotive Parts	53,282	58,056	+4,773	+9.0%
Industrial Products	36,672	38,100	+1,427	+3.9%
Advanced Elastomer Products	13,769	14,216	+446	+3.2%
Other	5,352	6,095	+743	+13.9%
Adjustments	(798)	(875)	(76)	-
<b>Core Operating Profit</b>	<b>7,584</b>	<b>7,743</b>	<b>+159</b>	<b>+2.1%</b>
Automotive Parts	4,111	4,897	+785	+19.1%
Industrial Products	3,492	2,541	(951)	(27.2)%
Advanced Elastomer Products	(151)	(15)	+136	-
Other	73	296	+223	+306.2%
Adjustments	57	23	(34)	(59.9)%

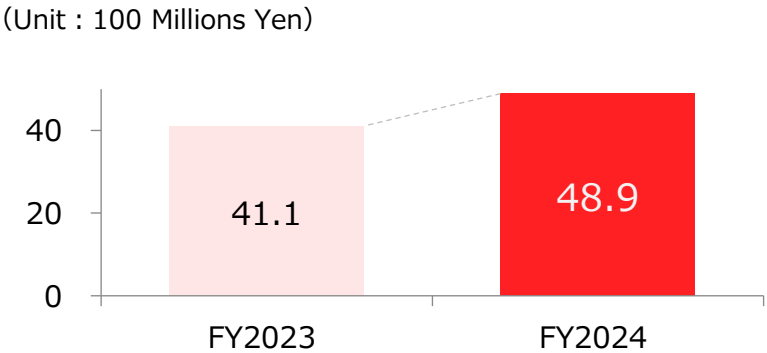
# Overview of Automotive Parts

## Revenue by Area



Other	+7.4%	Sales of products for aftermarket industries increased in the US.
China	+10.8%	Sales of variable speed belts for scooters increased.
Asia	+10.7%	Sales of variable speed belts for scooters increased.
Japan	+4.9%	Although automobile production volume decreased, sales of accessory drive power transmission belts and accessory drive power transmission system goods increased due to an increase in the number of models adopting the Company's products.

## Core Operating profit

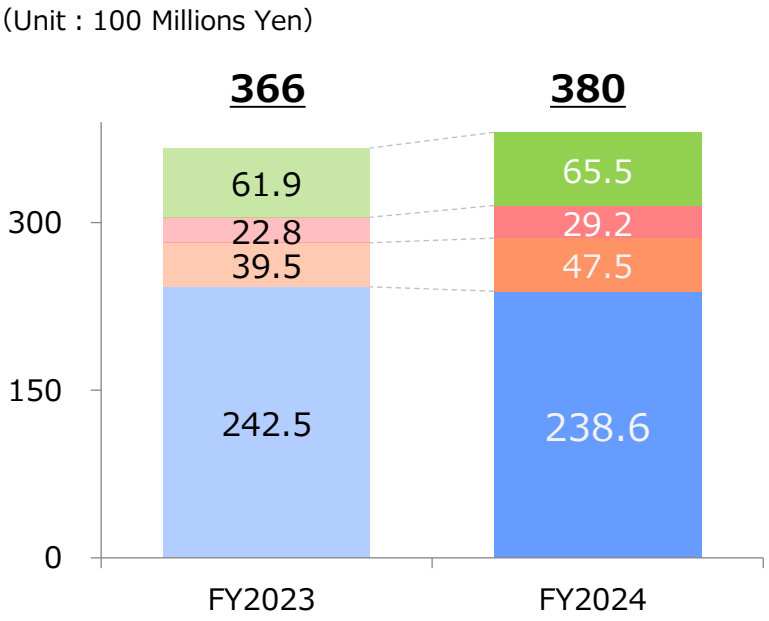


Core Operating Profit	+19.1%	Core operating profit increased due to increase in revenue.
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Note: The above amount of revenue was after the elimination of intersegment transactions.

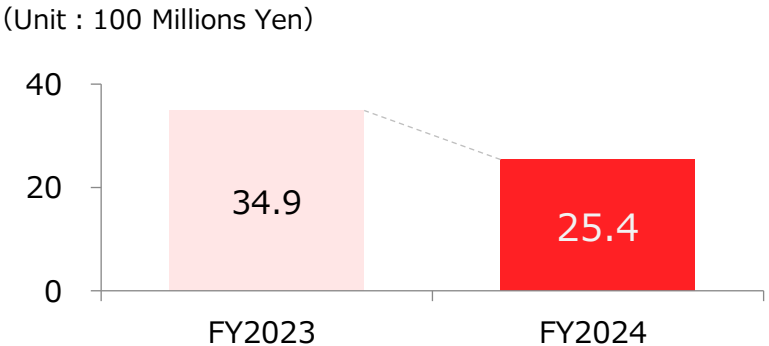
# Overview of Industrial Products

## Revenue by Area



Other	+5.8%	Sales of power transmission belts for industrial machinery increased.
China	+28.4%	Sales of power transmission belts for agricultural machinery increased.
Asia	+20.5%	Sales of power transmission belts for agricultural machinery increased.
Japan	(1.6)%	Sales of power transmission belts for industrial machinery shifted the same level as the previous year. Sales of heavy-duty conveyer belts decreased while sales of light-duty conveyer belts increased.

## Core Operating Profit

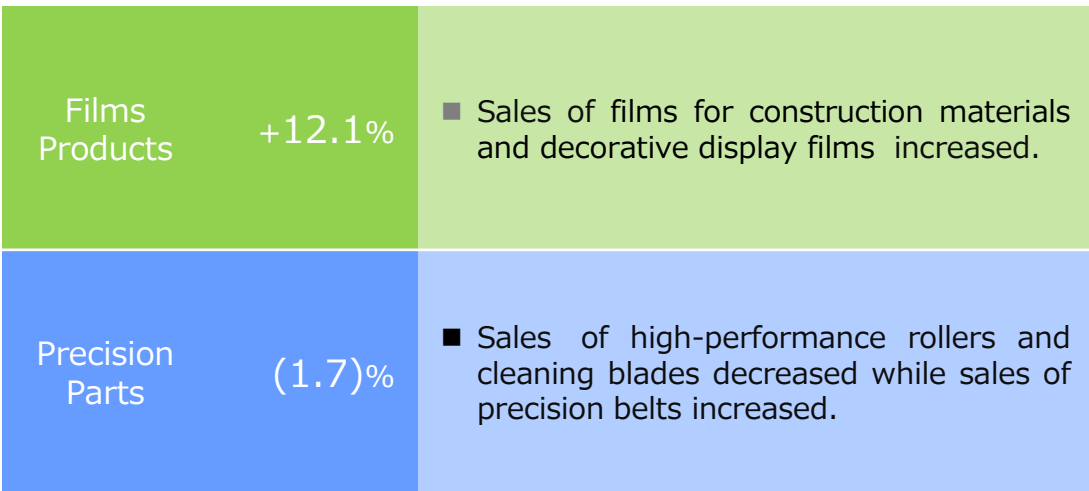
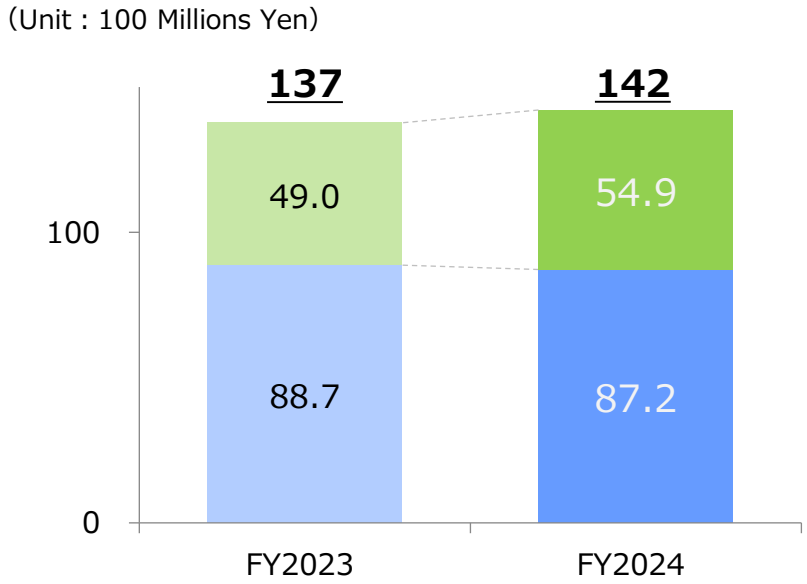


Core Operating Profit	(27.2)%	Core operating profit decreased mainly due to changes in sales mix and increased costs such as raw material prices while revenue increased.
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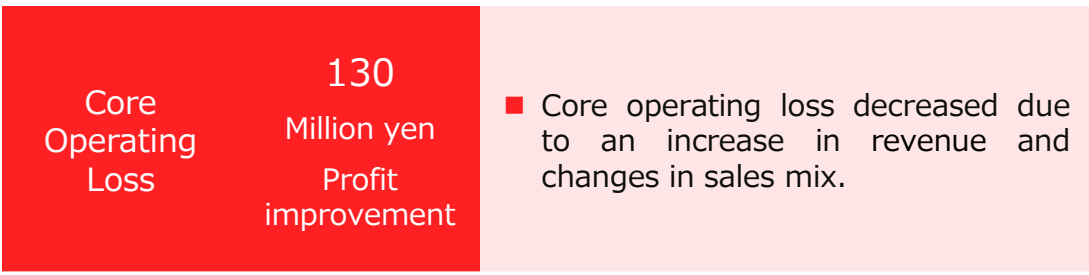
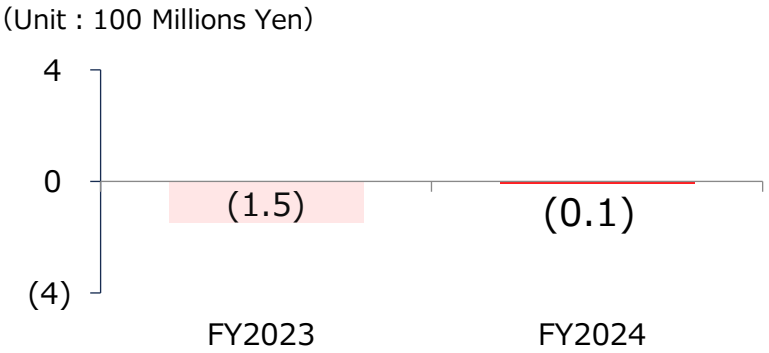
(※) The above amount of revenue was after the elimination of intersegment transactions.

# Overview of Advanced Elastomer Products

## Revenue by Products



## Core Operating Loss



(※) The above amount of revenue was after the elimination of intersegment transactions.

# Statements of Financial Position

(Unit : 100 Millions Yen) **1,256**

Cash and cash equivalents	Borrowings	75
179	Trade and other payables	
Trade and other receivables	187	
233	Other liabilities	137
Inventories		
192		
PPE, Goodwill Intangible assets	Equity	855
403		
Other assets		
248		
Assets	Liabilities/Equity	

FY2023 Year-end

**1,206**

Cash and cash equivalents	Borrowings	71
177	Trade and other payables	
Trade and other receivables	180	
229	Other liabilities	129
Inventories		
195		
PPE, Goodwill Intangible assets	Equity	825
344		
Other assets		
260		
Assets	Liabilities/Equity	

FY2024 Year-end

	(34)	■ Decrease in goodwill related to acquisition of shares of Aimedic MMT Co., Ltd. due to recording an impairment loss
Assets	(16)	■ Decrease in property, plant and equipment and intangible assets due to recording an impairment loss in the Advanced Elastomer Products Business
	(6)	■ Decrease in trade and other payables due to the bank holiday at the end of the previous fiscal year
Liabilities		
	+5	■ Increase in other components of equity mainly due to rising share prices
Equity	(20)	■ Acquisition of treasury shares
	(16)	■ Decrease in retained earnings

## Ⅱ . Forecast for the Fiscal Year Ending March 31, 2026

# Financial results forecast

(Unit : Million yen, % )

				FY2024	FY2025	
				Result	Forecast	Change
Revenue				115,593	<b>115,000</b>	(593) (0.5)%
Core Operating Profit				7,743	<b>8,200</b>	+456 +5.9%
Operating Profit				3,480	<b>9,500</b>	+6,019 +172.9%
Profit attributable to owners of parent				1,496	<b>6,700</b>	+5,203 +347.7%
Capital Expenditure				5,992	<b>7,200</b>	+1,207 +20.1%
Depreciation and amortization				5,818	<b>5,600</b>	(218) (3.8)%
R&D expenses				4,259	<b>4,200</b>	(59) (1.4)%
Exchange rate	U	S	D	152.57	<b>140.00</b>	- -
	T	H	B	4.40	<b>4.00</b>	- -
	C	N	Y	21.13	<b>19.50</b>	- -

## III. Engagement for Mid-to Long-Term Management Plan “Creating New Value for the Future” 1<sup>st</sup> Stage

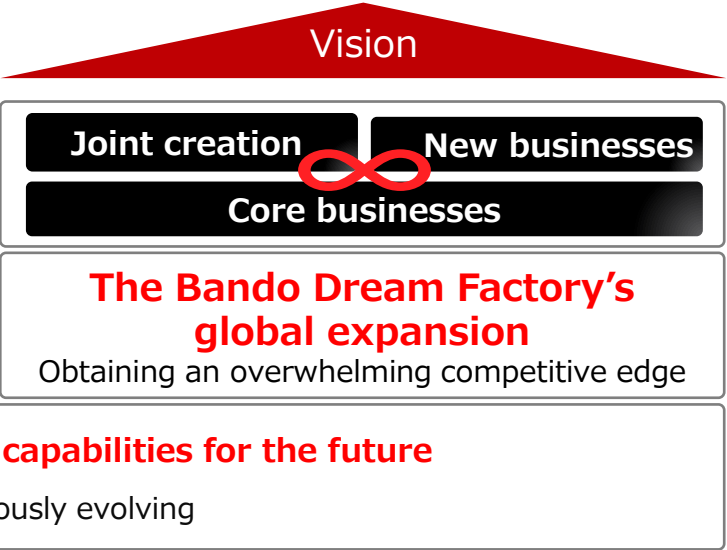


# Overview of Mid-to Long-Term Management Plan

FY2023 ← CV-1 → FY2026 FY2027 ← CV-2 → FY2030 FY2050

Vision 2050 Best Partner,supporting people and society,connecting the present and future

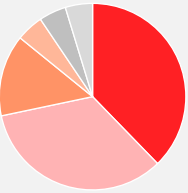
Creating New Value for the Future



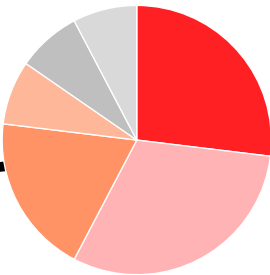
Medium-to-long term strategy	GUIDELINE1	<b>Creation of value</b> Evolution of new businesses and deepening of core businesses, accelerated by joint creation
	GUIDELINE2	<b>Creation of smart manufacturing</b> Preparing for the Bando Dream Factory of the future
	GUIDELINE3	<b>Evolution of organizational capabilities for the future</b> Laying down the groundwork to support evaluation

<b>Creation of value</b> Toward an optimum business portfolio
<b>Achieving the Bando Dream Factory model line</b> Safe, secure, and environmentally friendly manufacturing
<b>Evolution of organizational capabilities for the future</b> We are continuously evolving

Medium-to long term goals	Revenue	120 billion yen
	Core Operating Profit	12 billion yen
	R O E	12%



Non-financial Indicators	Reduction of CO2 emissions by 38% (compared to FY2013 levels)
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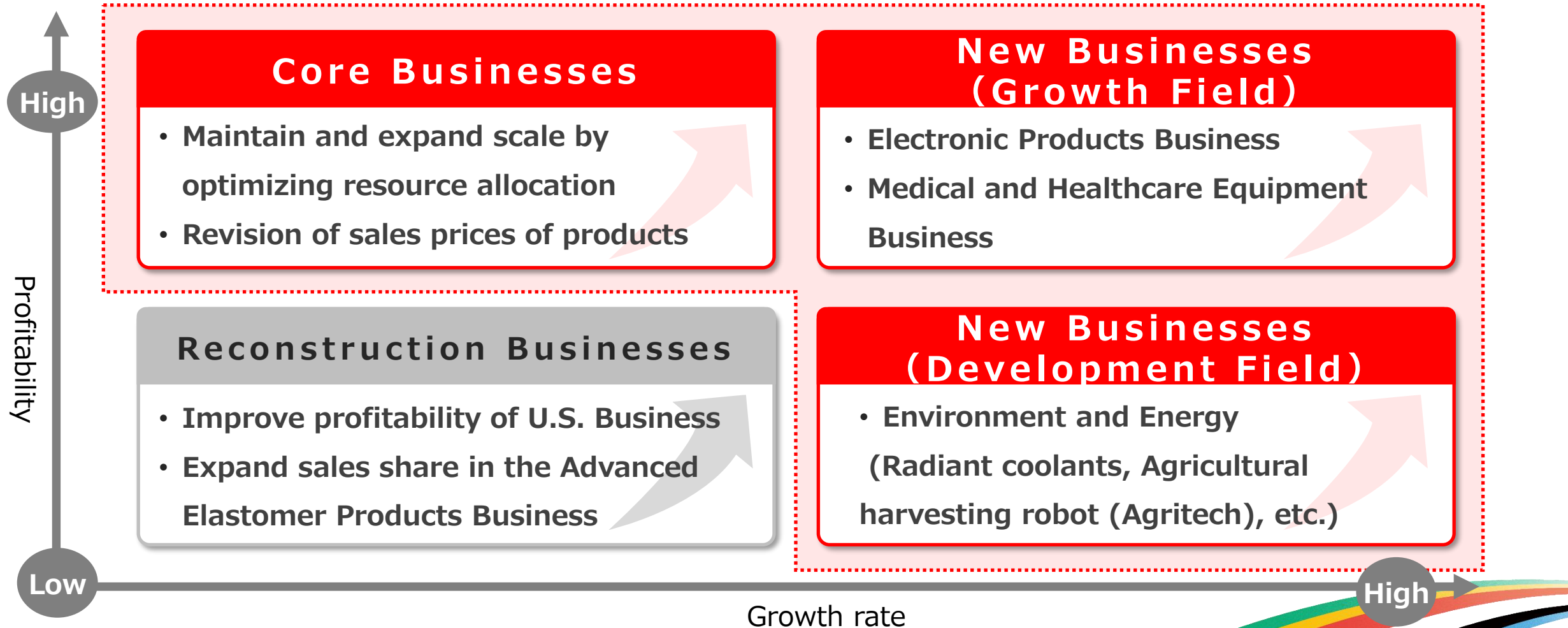


Toward sustainable growth

Achieving carbon neutrality

# Strengthen profitability

## Accelerate evolution of new businesses and deepening of core businesses to optimize business portfolio



## Medium-term Growth Strategy

### Automotive Parts

### Deepening the Personal Mobility Market

- Signed strategic partnership agreement with Inmotive Inc. in November 2024
- Develop products for electric two-wheelers and three-wheelers with Inmotive Inc. to prepare for future growth of their demand



### Industrial Products

### Expanding sales in the large agricultural machinery market

- Progress in developing new distributors in priority markets
- Promote initiatives to increase awareness, such as holding exhibitions



### Other Business

### Continuous launch into the medical and healthcare device market

- Ongoing efforts to expand sales of new products utilizing "C-STRETCH™"
- Aiming to further expand sales through joint research with external organizations, etc.



# Improve Capital Efficiency

## Basic Policy

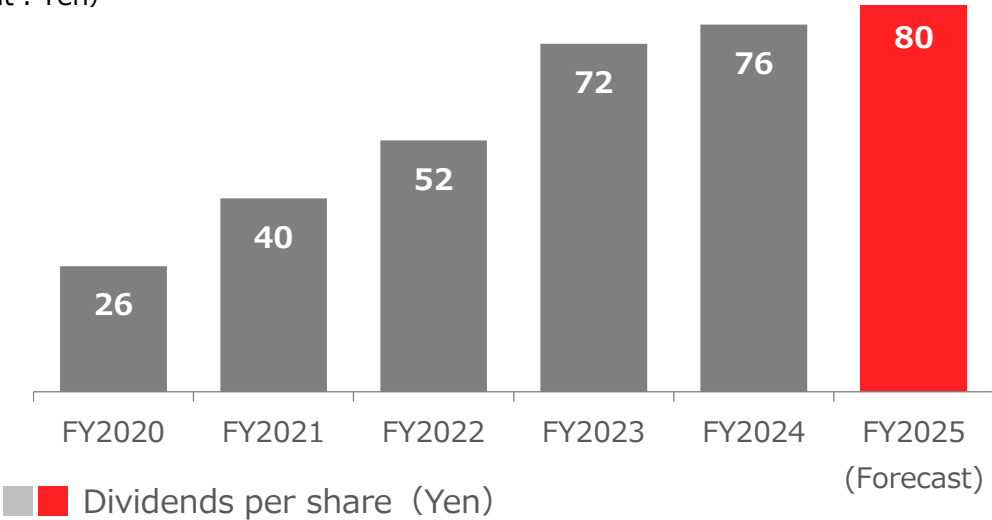
The Company’s basic policy of shareholder returns is to endeavor to enhance returns, with dividends as the foundation, considering consolidated earnings and financial position. The target annual dividends amount has been set at 26 yen or a consolidated dividend payout ratio 50%, whichever is higher.

## Engagement

Expect to increase an annual dividend per share for FY2025 by 4 yen to 80 yen, compared with that of the previous financial year  
Determined the acquisition of treasury shares in the stock market  
(Max 1.8Million Shares, 2 Billion yen, From May 16, 2025 to April 30, 2026)

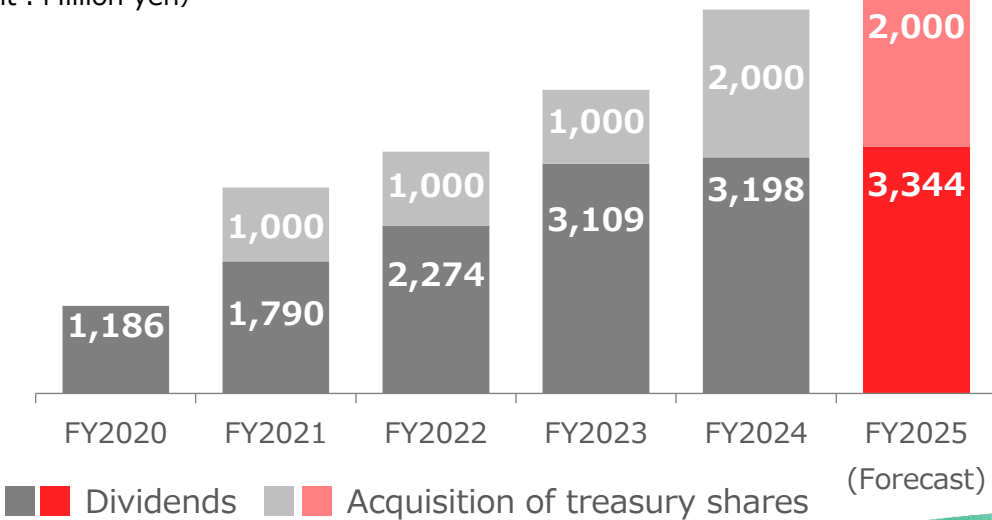
Dividends per share

(Unit : Yen)



Total shareholder returns

(Unit : Million yen)



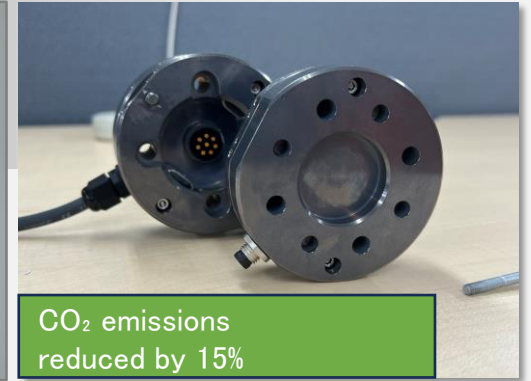
Note: The above amount is after elimination of dividends paid to ESOP and BIP trusts.

## Safe, secure, and environmentally friendly manufacturing

- Develop products that reduce waste and CO<sub>2</sub> emissions in the production process
- Aim to achieve more than 50% share of environmentally friendly products among new products launching into the market by FY2026



Double cog belts made from cellulose nanofibres (CNF)



Tool changer for cooperative robots [QUICK-CHANGE ATOM™]

## Facing climate change risks and contributing to social development

- Sequentially introduce solar power generation systems, energy-saving equipment, etc. in Japan and overseas
- Promote initiatives to achieve CO<sub>2</sub> reduction target for FY2030 at each Group company

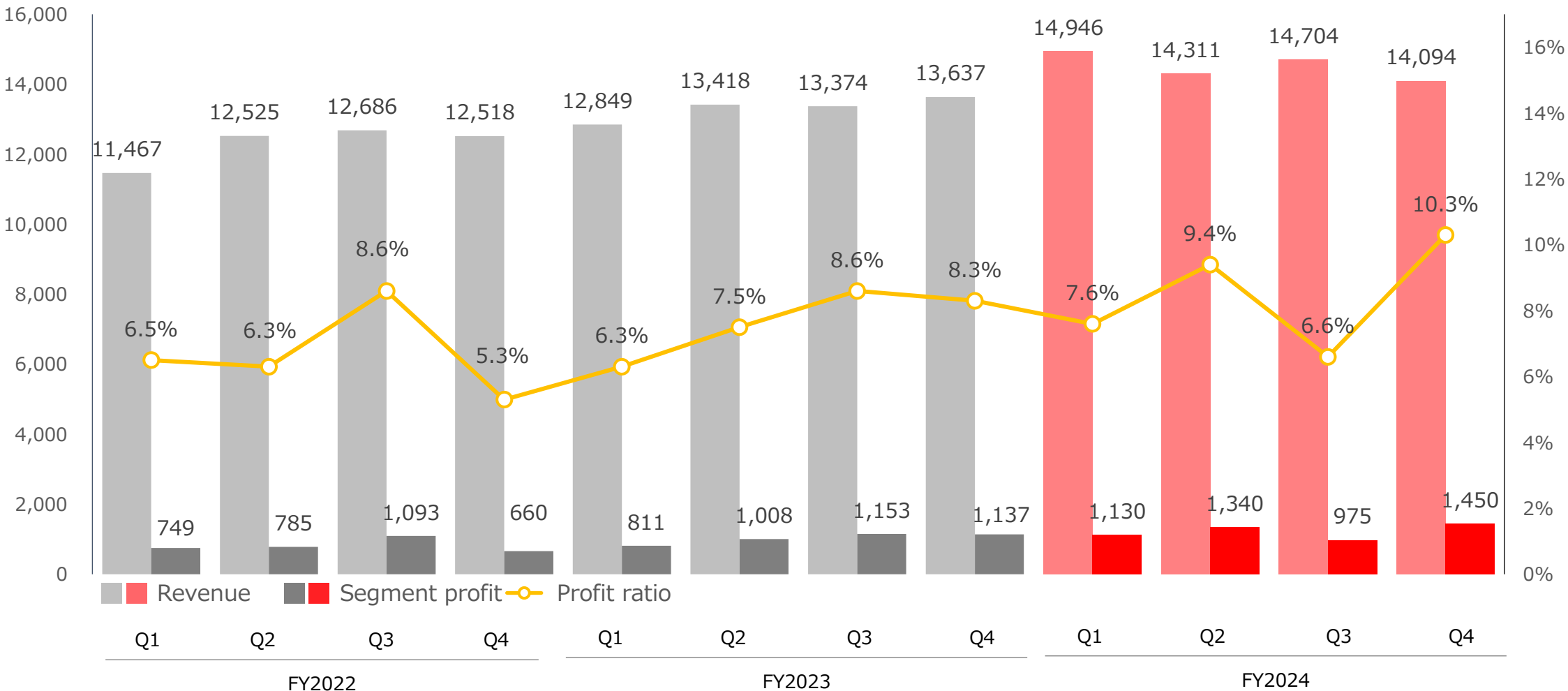


Bando Manufacturing (Thailand) Ltd.

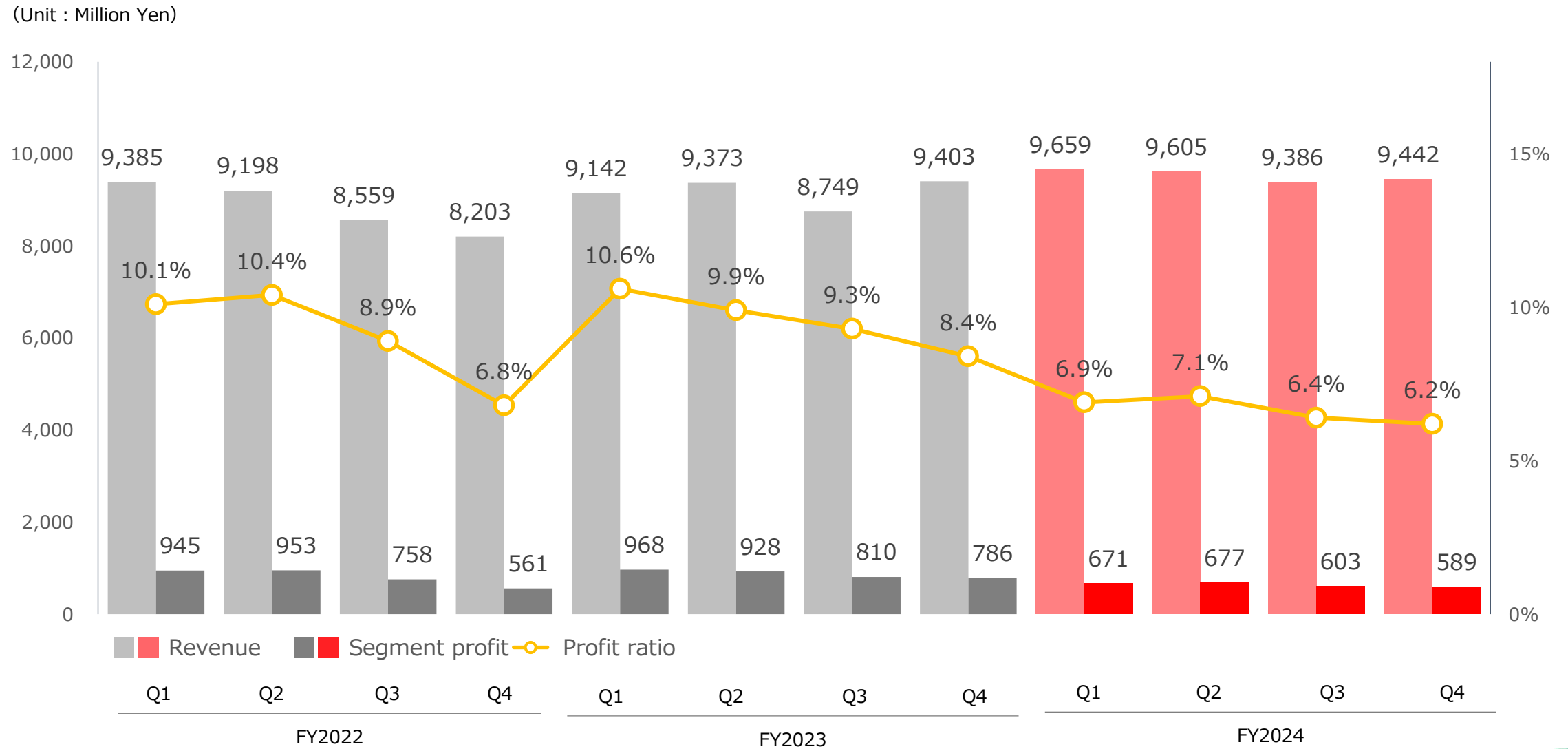
## IV. Appendix

# Quarterly Operating Results for Automotive Parts

(Unit : Million Yen)

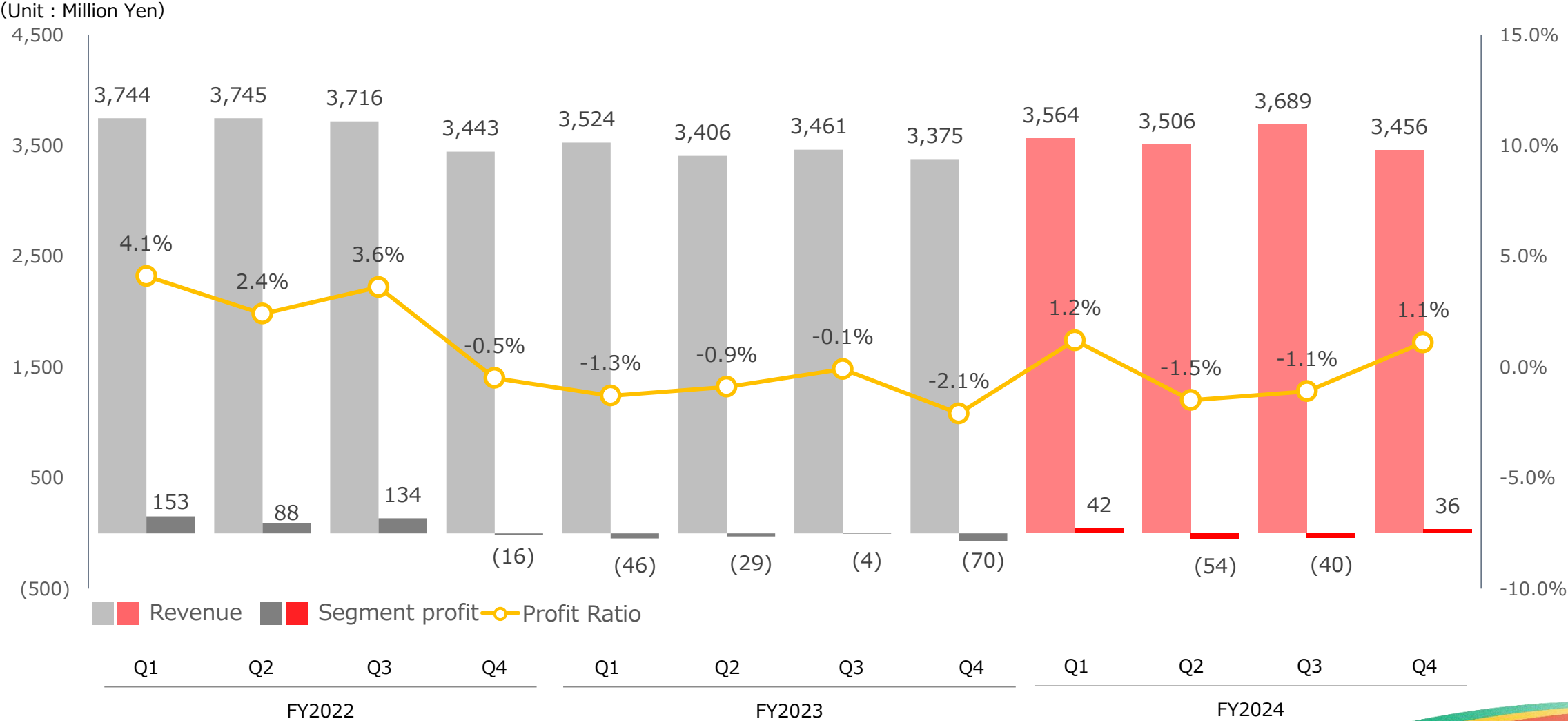


# Quarterly Operating Results for Industrial Products





# Quarterly Operating Results for Advanced Elastomer Products



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