Powering new lifestyles

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Financial Results for the Six Months Ended September 30, 2025

November 7, 2025

BANDO CHEMICAL INDUSTRIES, LTD.

BANDO

Creating New Value for the Future

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Ⅰ. Financial Results for the Six Months Ended September 30, 2025

Financial Highlight

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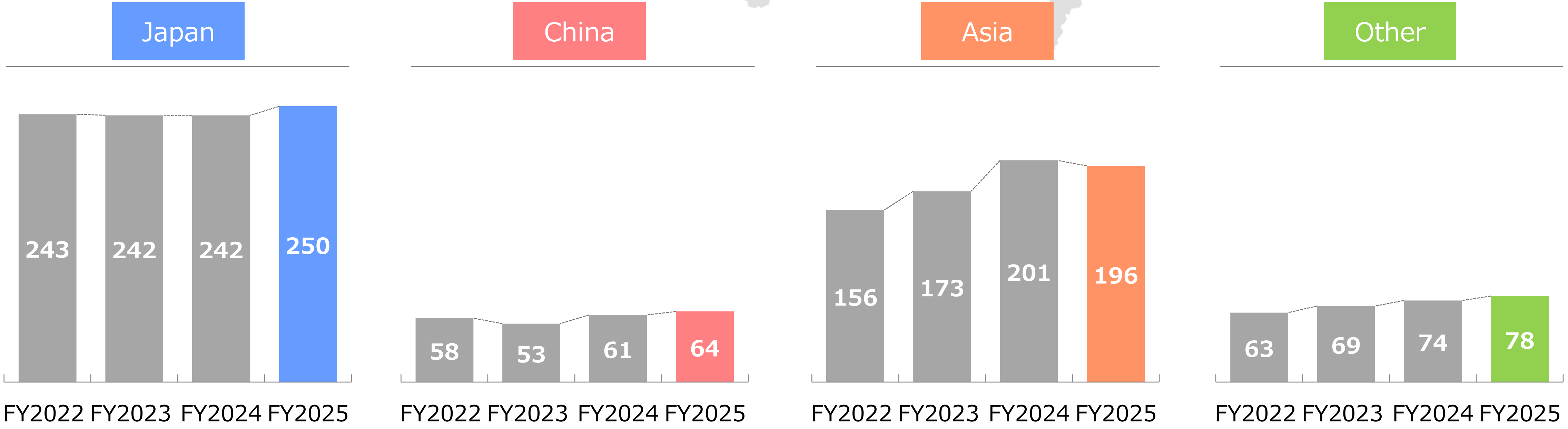
(Unit : million Yen、%)

	FY2024 Q2	FY2025 Q2		FY2025 Full year	
	Result	Result	Change	Forecast (Revised on November 7, 2025)	Achieved ratio
Revenue	58,098	**59,094**	+995	117,000	50.5%
Core Operating Profit	4,106	**4,463**	+356	8,200	54.4%
Operating Profit	5,048	**6,569**	+1,521	10,500	62.6%
Profit attributable to owners of parent	3,297	**4,819**	+1,521	7,400	65.1%
Exchange rate USD	152.46	146.04	-	145.00	-
Exchange rate THB	4.30	4.46	-	4.40	-
Exchange rate CNY	21.22	20.34	-	20.00	-

- Revenue increased due to steady growth on a local currency basis despite the Japanese yen strengthened
- Operating profit and profit attributable to owners of parent increased due to the recording of insurance claim income (1,524 million yen) for the hail damage that occurred at the Company’s Kakogawa Plant in the previous fiscal year

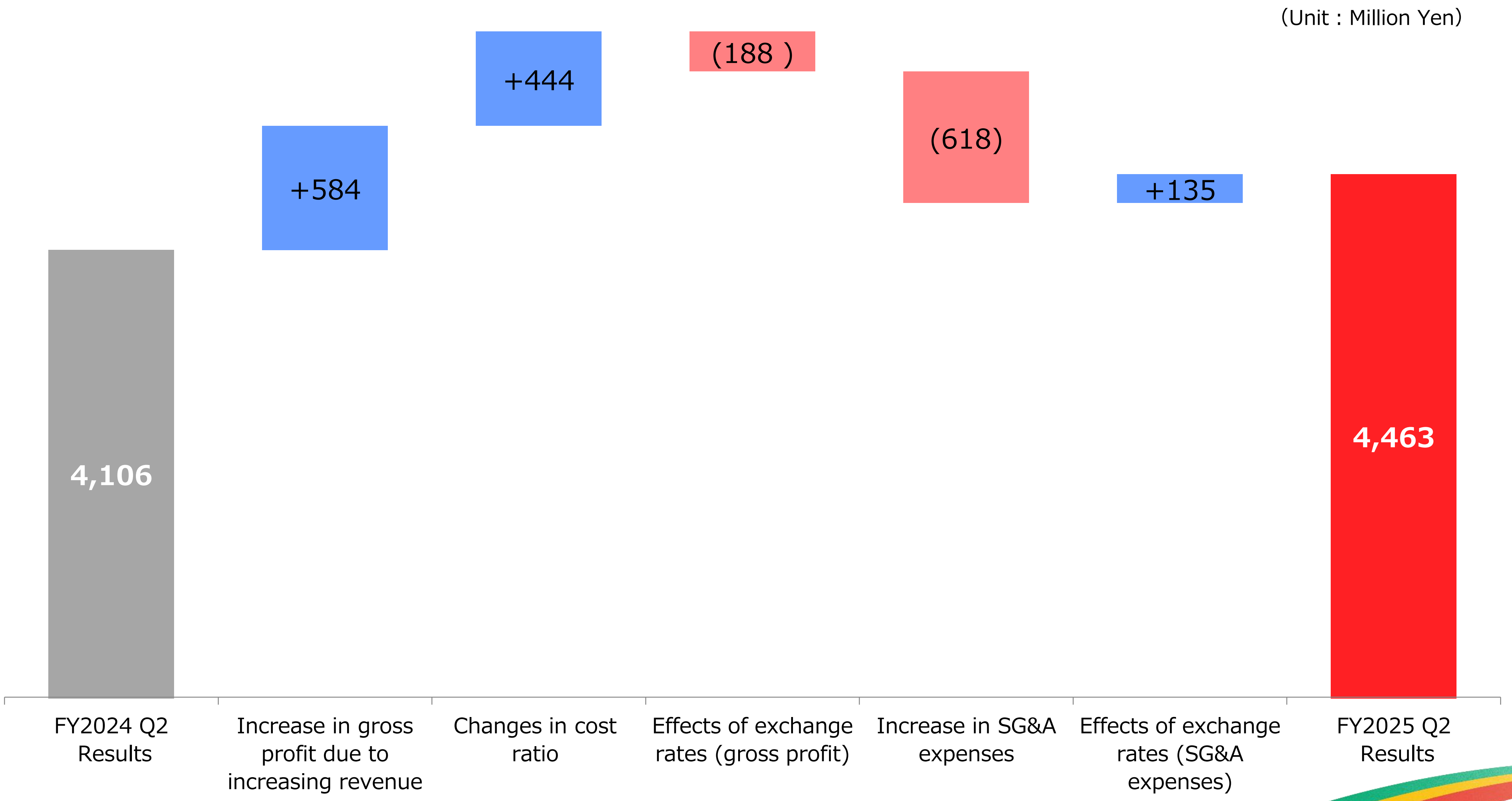
Revenue by Area for Q2

(Unit : 100 Million Yen)

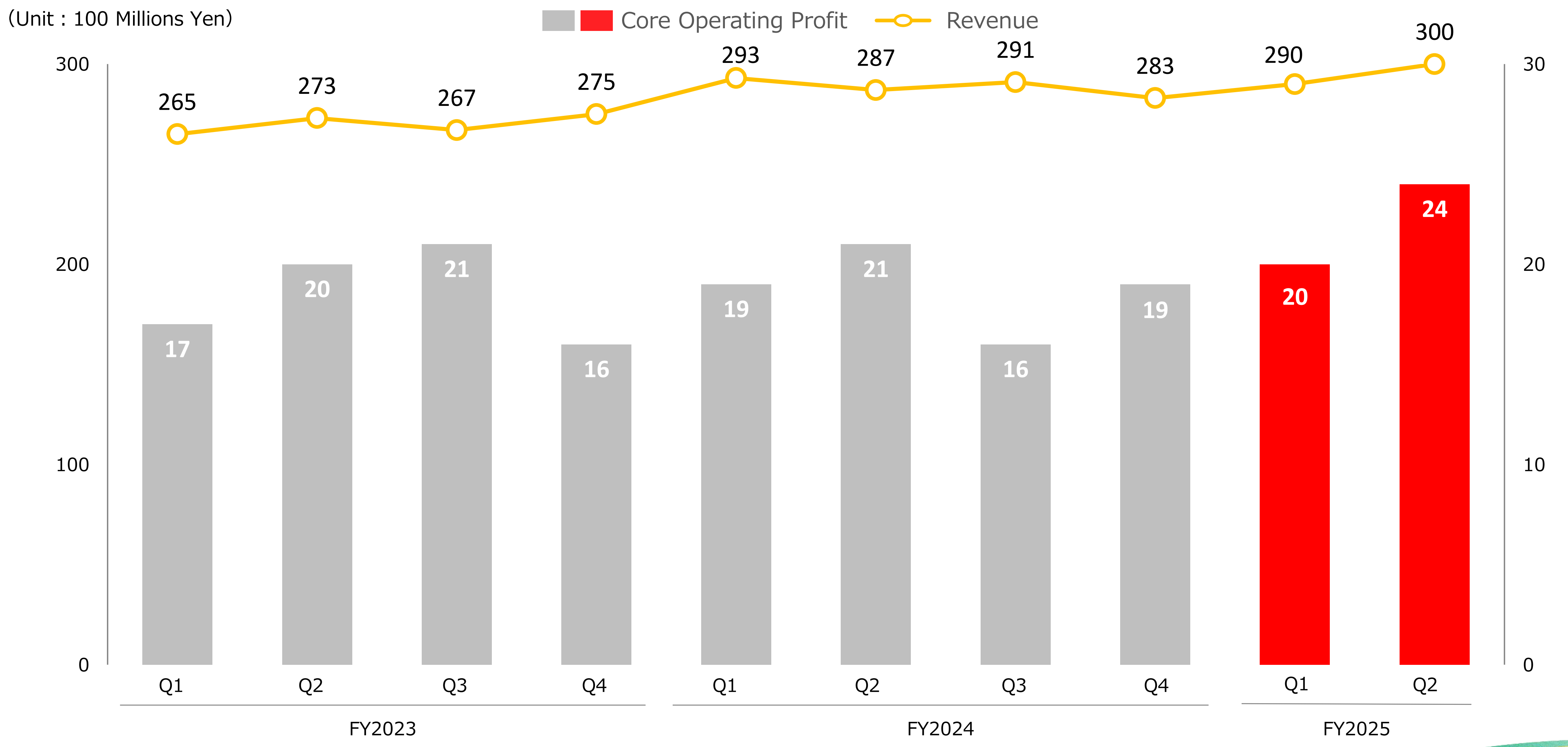


(※) The above amount was after the elimination of intersegment transactions.

Analysis of Core Operating Profit



Quarterly Operating Results (Revenue and Core Operating Profit)



Operating Results by Segment

(Unit : Million Yen 、%)

	FY2024 Q2	FY2025 Q2		
	Result	Result	Change	Change in ratio
Revenue	**58,098**	**59,094**	**+995**	**+1.7%**
Automotive Parts	29,257	29,481	+223	+0.8%
Industrial Products	19,267	19,731	+463	+2.4%
Advanced Elastomer Products	7,070	7,118	+48	+0.7%
Other	2,917	3,151	+233	+8.0%
Adjustments	(414)	(389)	+25	-
Core Operating Profit	**4,106**	**4,463**	**+356**	**+8.7%**
Automotive Parts	2,470	2,432	(38)	(1.6)%
Industrial Products	1,348	1,672	+323	+24.0%
Advanced Elastomer Products	(11)	140	+152	-
Other	164	81	(82)	(50.1)%
Adjustments	134	136	+1	+1.1%

Overview of Automotive Parts

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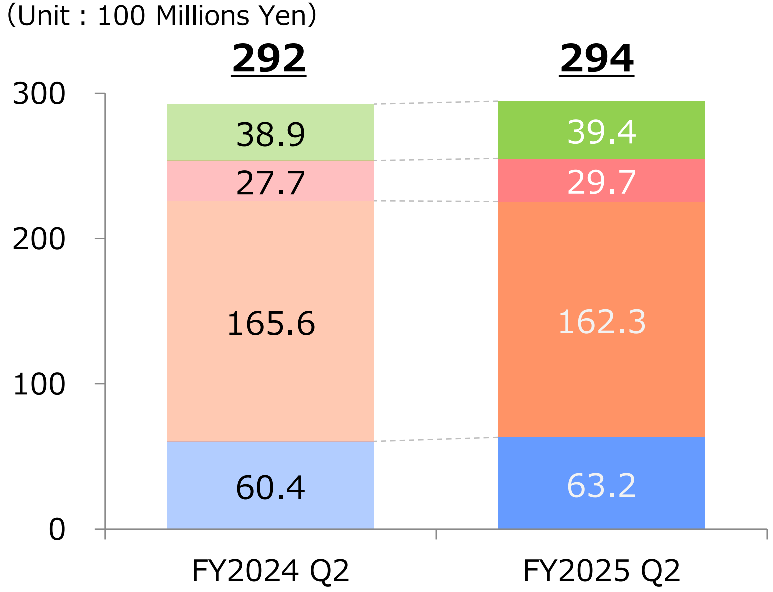
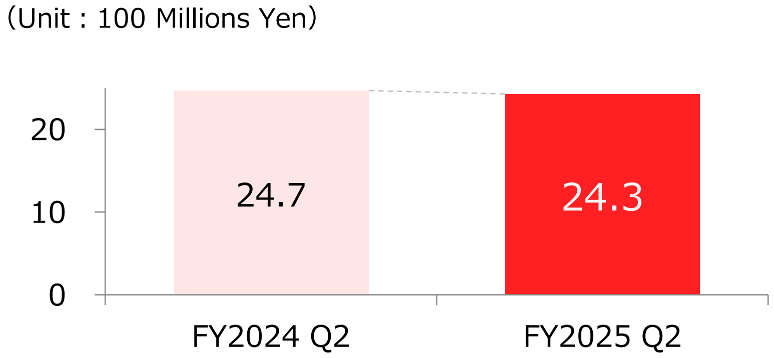
Revenue by Area



Other	+1.3%	■ Sales of products for aftermarket industries increased.
China	+7.6%	■ Sales of variable speed belts for scooters increased.
Asia	(1.9)%	■ Although sales of variable speed belts for scooters increased, sales of accessory drive power transmission system goods (such as Auto Tensioner) decreased.
Japan	+4.7%	■ Although automobile production volume decreased, sales of accessory drive power transmission belts (such as RIBACE™) increased due to an increase in the number of models adopting to the Company's products.

Core Operating profit

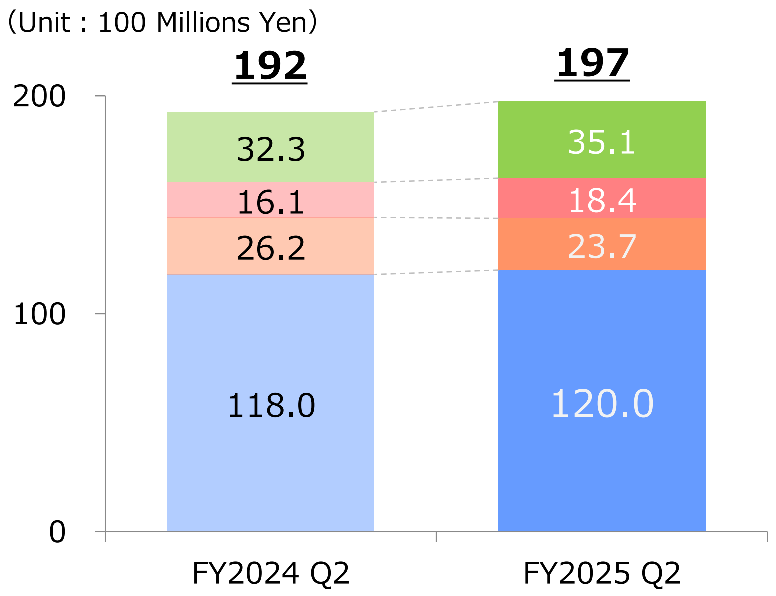


Core Operating Profit	(1.6)%	■ Core operating profit decreased due to changes in sales mix while revenue increased.

Note: The above amount of revenue was after the elimination of intersegment transactions.

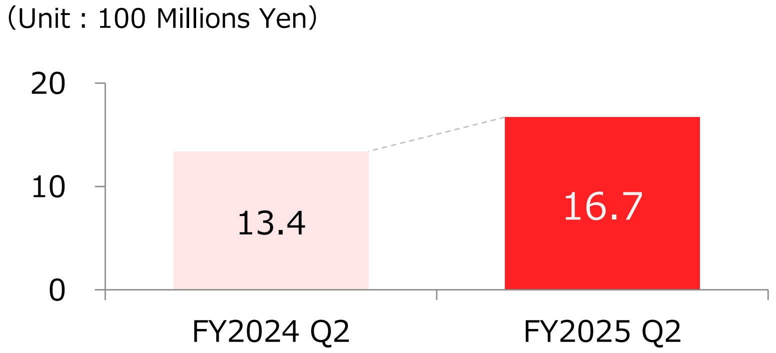
Overview of Industrial Products

Revenue by Area



Other	+8.7%	■ Sales of power transmission belts for industrial machinery increased.
China	+14.2%	■ Sales of power transmission belts for agricultural machinery increased.
Asia	(9.3)%	■ Sales of power transmission belts for agricultural machinery decreased.
Japan	+1.7%	■ Sales of power transmission belts for industrial machinery shifted the same level as the previous year. ■ Sales of heavy-duty conveyer belts and light-duty conveyer belts (such as SUNLINE™ belt) increased.

Core Operating Profit



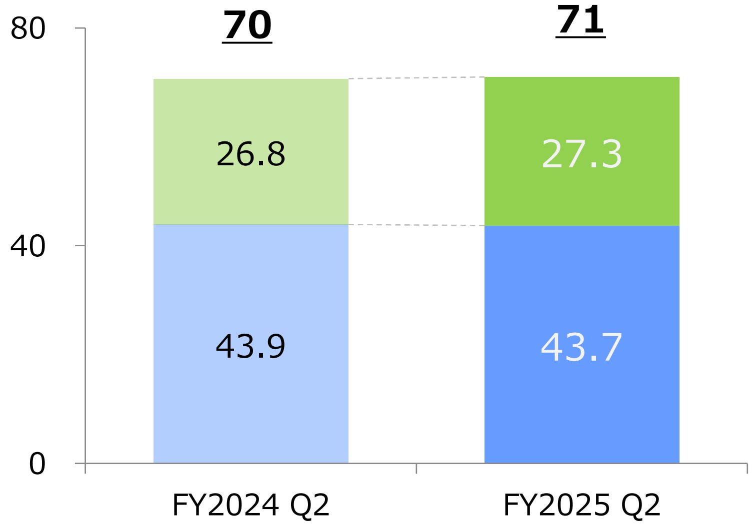
Core Operating Profit	+24.0%	■ Core operating profit increased due to an increase in revenue.

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

Overview of Advanced Elastomer Products

Revenue by Products

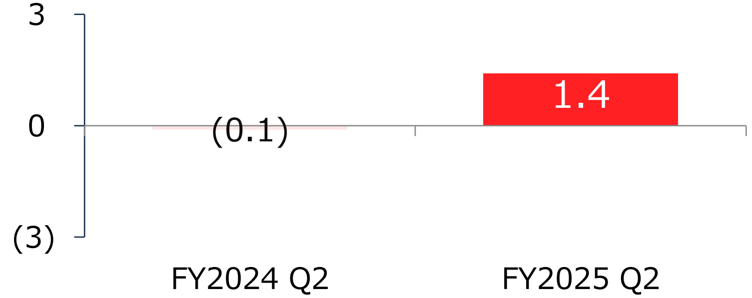
(Unit : 100 Millions Yen)



Functional Films	+2.1%	■ Sales of decorative display films increased.
Precision Functional Parts	(0.2)%	■ Sales of precision belts and cleaning blades decreased, although sales of high-performance rollers increased.

Core Operating Profit

(Unit : 100 Millions Yen)

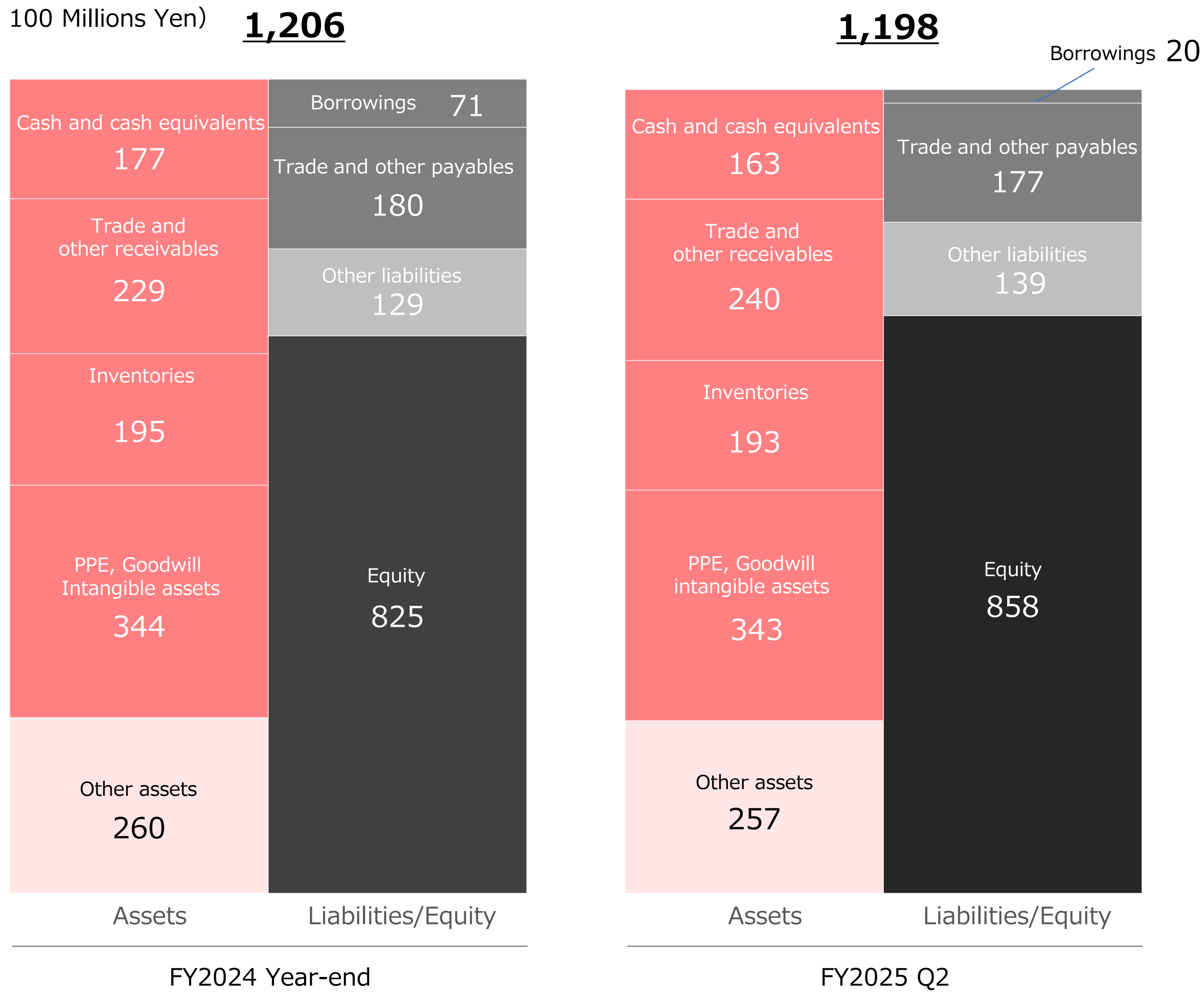


Core Operatiing Profit	+152 Million yen	■ Core operating profit increased due to an increase in revenue and changes in sales mix.

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

Statements of Financial Position

(Unit : 100 Millions Yen)



Assets	(13)	Decrease in cash and cash equivalents mainly due to a decrease in borrowings
Liabilities	(50)	Decrease in borrowings
Equity	+34	Increase in retained earnings
	(11)	Acquisition of treasury shares

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

Financial results forecast

(Unit : Million yen, %)

		FY2024	FY2025			
		Results	Previous forecast	Revised forecast	Change (YoY, based on revised forecast)	
Revenue		115,593	115,000	**117,000**	+1,406	+1.2%
Core Operating Profit		7,743	8,200	**8,200**	+456	+5.9%
Operating Profit		3,480	9,500	**10,500**	+7,019	+201.7%
Profit attributable to owners of parent		1,496	6,700	**7,400**	+5,903	+394.5%
Exchange rate	USD	152.57	140.00	**145.00**	-	-
	THB	4.40	4.00	**4.40**	-	-
	CNY	21.13	19.50	**20.00**	-	-

- Revenue has been revised upward from the previously announced forecast, due to steady growth on a local currency basis and the impact of the revised exchange rate assumptions.
- Operating profit and profit attributable to owners of parent have been revised upward from the previously announced forecast, primarily due to the recording of insurance claim income for the hail damage that occurred at the Company's Kakogawa Plant, despite a reduction in share of profit of investments accounted for using equity method.

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

Overview of Mid-to Long-Term Management Plan

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

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

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Vision

Medium-to-long term strategy

GUIDELINE1

CV-1	CV-2	Vision
Creation of value Evolution of new businesses and deepening of core businesses, accelerated by joint creation	**Creation of value** Toward an optimum business portfolio	Joint creation / New businesses / Core businesses

GUIDELINE2

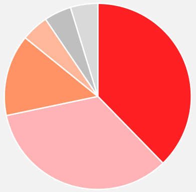
CV-1	CV-2	Vision
Creation of smart manufacturing Preparing for the Bando Dream Factory of the future	**Achieving the Bando Dream Factory model line** Safe, secure, and environmentally friendly manufacturing	**The Bando Dream Factory's global expansion** Obtaining an overwhelming competitive edge

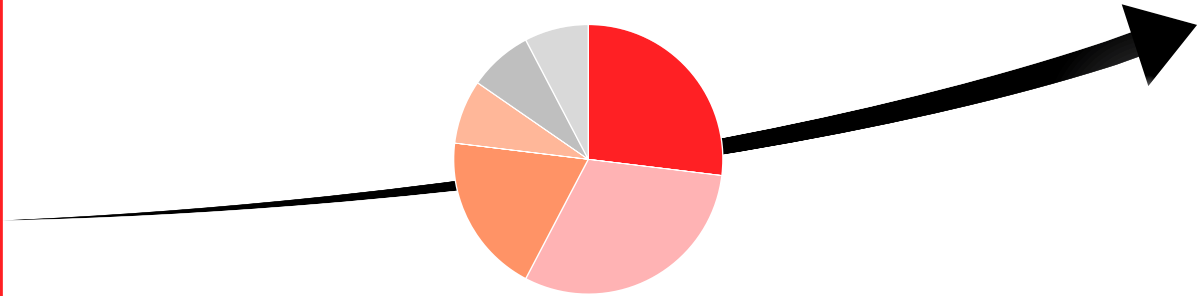
GUIDELINE3

CV-1	CV-2 and Vision
Evolution of organizational capabilities for the future Laying down the groundwork to support evaluation	**Evolution of organizational capabilities for the future** We are continuously evolving

Medium-to long term goals

Revenue	**120** billion yen
Core Operating Profit	**12** billion yen
ROE	**12**%





Toward sustainable growth

Non-financial Indicators	Reduction of CO_2 emissions by **38**% (compared to FY2013 levels)	Achieving **carbon neutrality**

Management Focused on Cost of Capital and Share Price

In November 2023, the Company published 'Towards growth of corporate value' and implemented various initiatives.

Goal

Achieve ROE of 12% by FY2026

- **Cost of equity (CAPM basis) is estimated around 8%.**
- **Although the current PBR is approaching 1x due to improved performance and rising a stock market, the ROE target remains unmet.**
- **We will continue to strengthen profitability and improve capital efficiency to achieve our ROE target.**

Policy

Strengthen Profitability and Improve Capital Efficiency, based on Mid-to Long-Term Management Plan "CV-1"

Profitability

- Change business portfolio to meet future needs
- Select the fields of investment by profitability and growth potential
  ex.) Restructuring business: suppress investments, principally
  Core business: focus on investments for profitable products
  New business: invest actively for business development
- Achieve manufacturing with both high quality and profitability: digitalization, optimum production, and shipping

Capital Efficiency

- Change of shareholder return policy and balance sheet management

Analysis of Current Situation for Growth of Corporate Value

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Current status

① **The current PBR is approaching 1x due to improved performance and rising a stock market.**

② **ROE temporarily declined due to the impact of impairment losses and other factors, but excluding these one-time factors, it is essentially trending upward.**

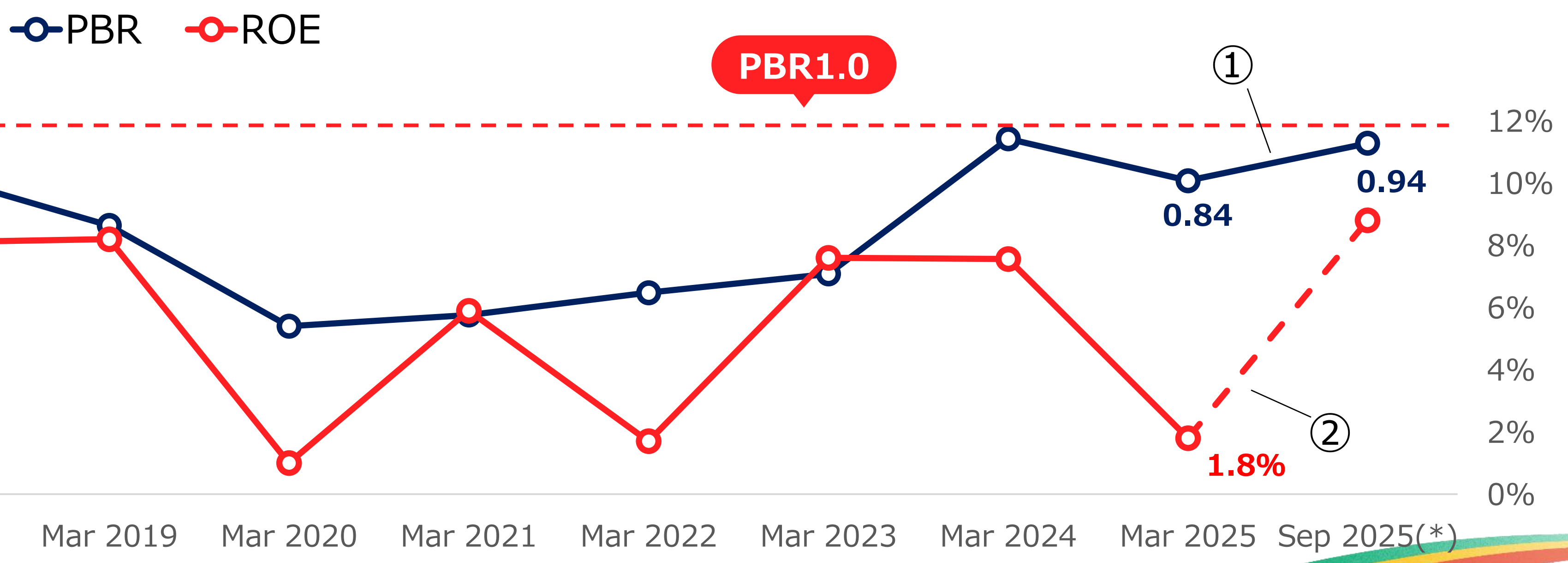
Future initiatives

To further improve PBR, improve ROE by

・Strengthening profitability

・Improving capital efficiency

Trend for PBR and ROE



*ROE for the six months ended September 30, 2025 calculated based on revised earnings forecast for the fiscal year ending March 31, 2026

Progress on Initiatives to Strengthen Profitability

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Automotive Parts

- Expansion of products compatible with electric vehicles and environmentally compliant products
- Expand sales into the global aftermarket and business expansion into the personal mobility market

Industrial Products

- Launch new products aligned with customer needs
- Expand sales of agricultural machinery belts, light conveyor belts, and synchronous belts in key markets, while entering growth markets and increasing market share

Advanced Elastomer Products

- Expand sales of urethane belts
- Expand sales of film products that excel in environmental compatibility and design appeal

Other Business

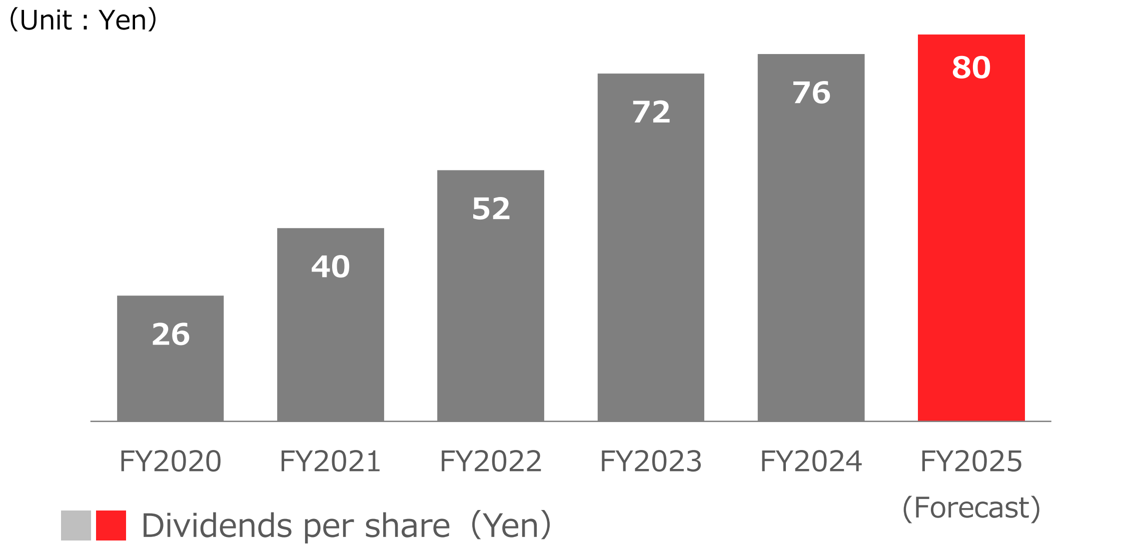
- In the Electronic Products Business, inquiries are increasing for products such as Ultra-thick transparent adhesive sheet for optical use “Free Crystal™” and high thermal conductive sheet “HEATEX™”
- In the Medical and Healthcare Equipment Business, sales for products utilizing capacitance-type sensor “C-STRETCH™” and amine modified resorbable bone regeneration material “e=Bone™” expanded

Improve capital efficiency

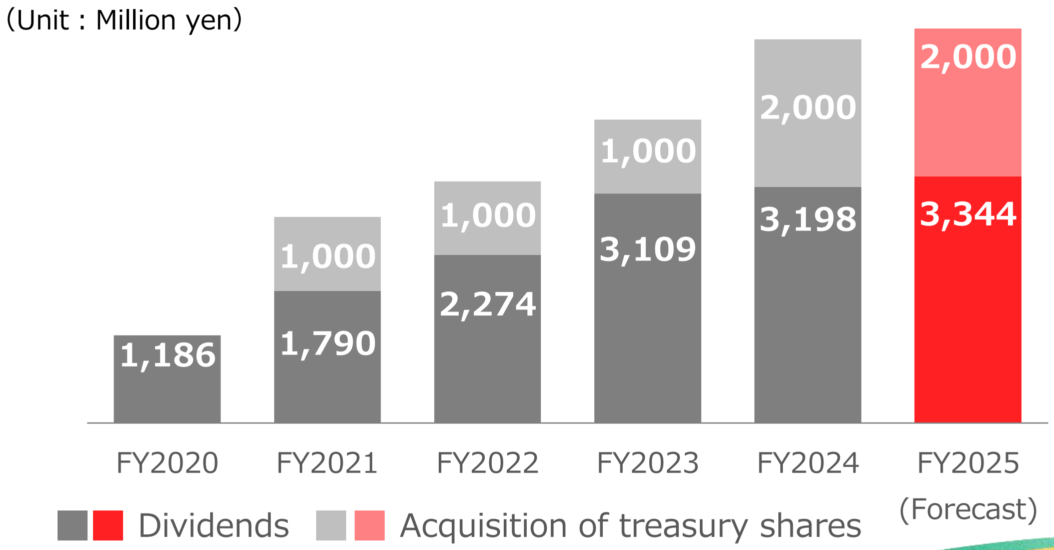
- **Annual dividend per share for the current financial year is expected to be 80 yen**
  (+4 yen compared to the previous year)
- **Acquisition of treasury shares by market purchases is in progress**

Shares	1.8 Million shares (Maximum)
Amounts	2 Billion yen (Maximum)
Periods	From May 16, 2025 to April 30, 2026

Dividends per share



Total shareholder returns



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

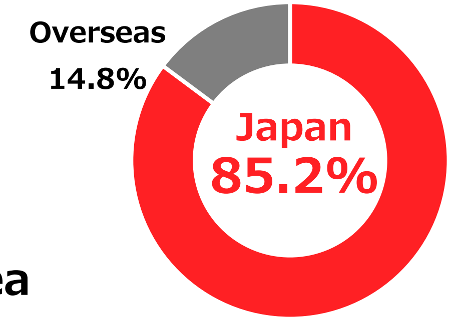
Dialogue with Shareholders and Investors

Dialogue context

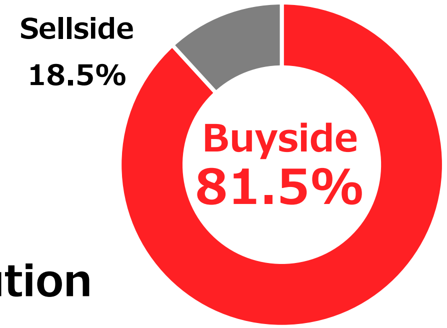
Conduct individual meetings with institutional investors and analysts and briefings

Overview of Shareholders and Investors Engaged in Dialogue (FY2024 Results)

Area



Attribution



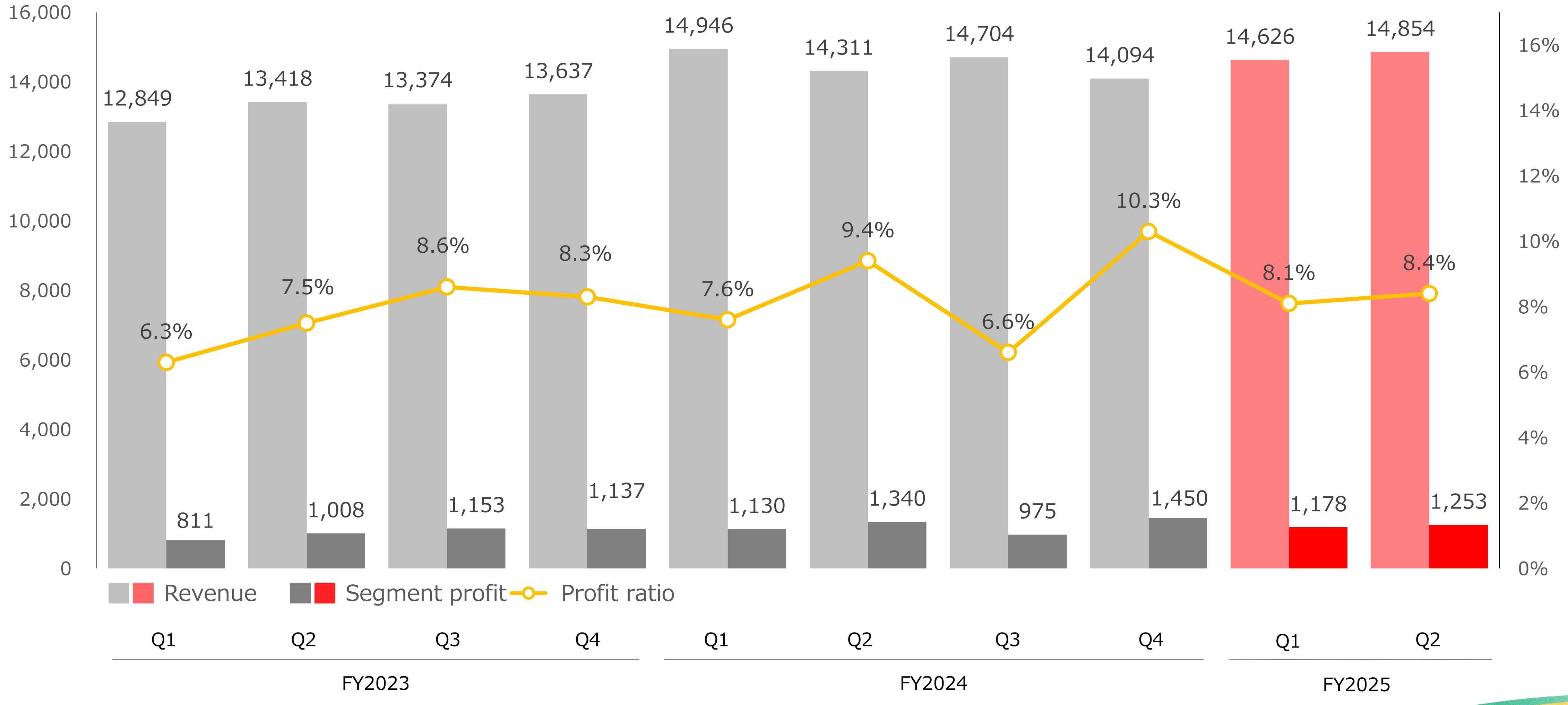
Main Dialogue Topics

- Growth drivers for Mid-to Long-Term Management Plan
- Progress on New Businesses and products compatible with electric vehicles
- Status of external joint creation (M&A, Investments in Startups, etc.)
- Initiatives and outcomes related to Reconstruction Businesses
- Impact of U.S. tariff policies and countermeasures

Ⅳ. Appendix

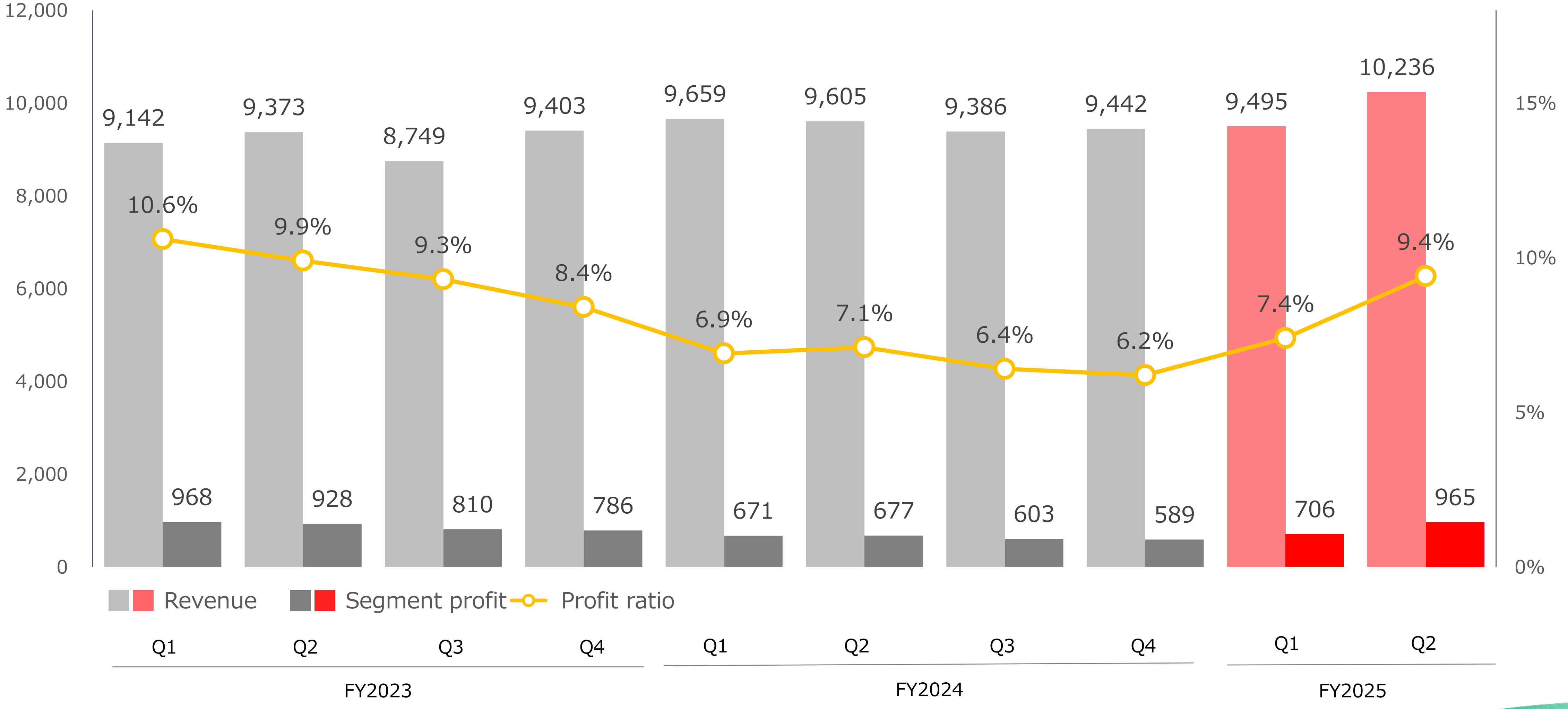
Quarterly Operating Results for Automotive Parts

(Unit : Million Yen)

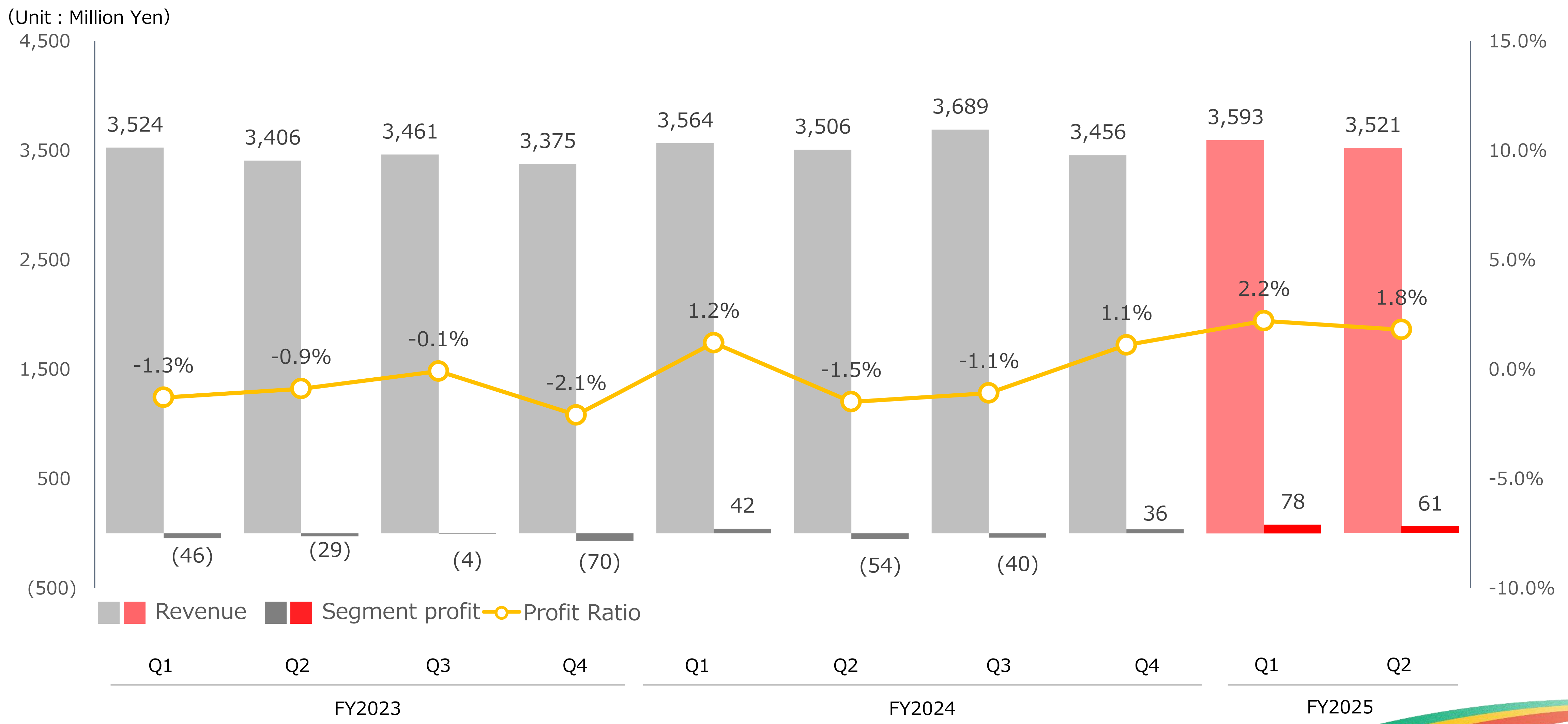


Quarterly Operating Results for Industrial Products

(Unit : Million Yen)



Quarterly Operating Results for Advanced Elastomer Products



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