



Moving Forward with Innovation!
ON THE RUN!

Consolidated Business Results for the First Half of Fiscal 2020

Bando Chemical Industries, Ltd.

November 11, 2020

- I . First half financial summary for the fiscal year ending March 31, 2021

- II . Business forecast for the full fiscal year ending March 31, 2021

I . First half financial summary for the fiscal year ending March 31, 2021

FY2020 First Half Highlights



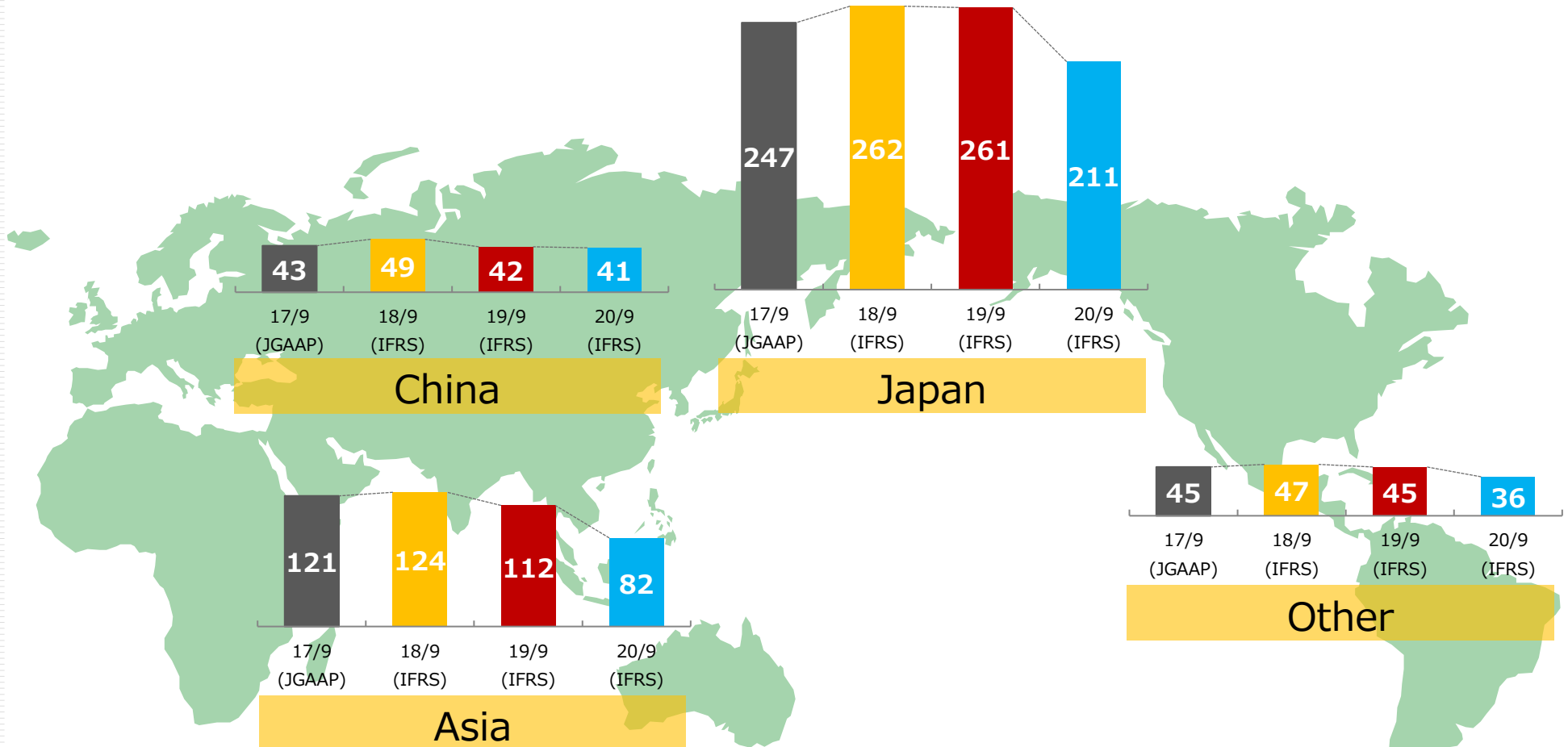
(yen mil.)

	2019/9	2020/9		2021/3	
	Result	Result	Year-on-year change	Forecast (11/11)	Progression rate
Revenue	46,234	37,116	-9,117	75,000	49.5%
Core operating income	2,935	1,325	-1,610	2,500	53.0%
Operating income	2,770	1,436	-1,333	2,500	57.5%
Profit before income tax	2,597	1,415	-1,182		
Profit attributable to owners of parent	2,066	1,028	-1,037	1,500	68.6%

- Revenue and core operating income decreased in all segment mainly due to economic deceleration by the spread of the novel coronavirus.
- The width of decline in operating income and profit attributable to owners of parent slightly shrank due to temporary losses in the previous year such as the amendment of retirement benefit plan (-447 million yen).

FY2020 First Half Revenue by region

(¥100 mil.)



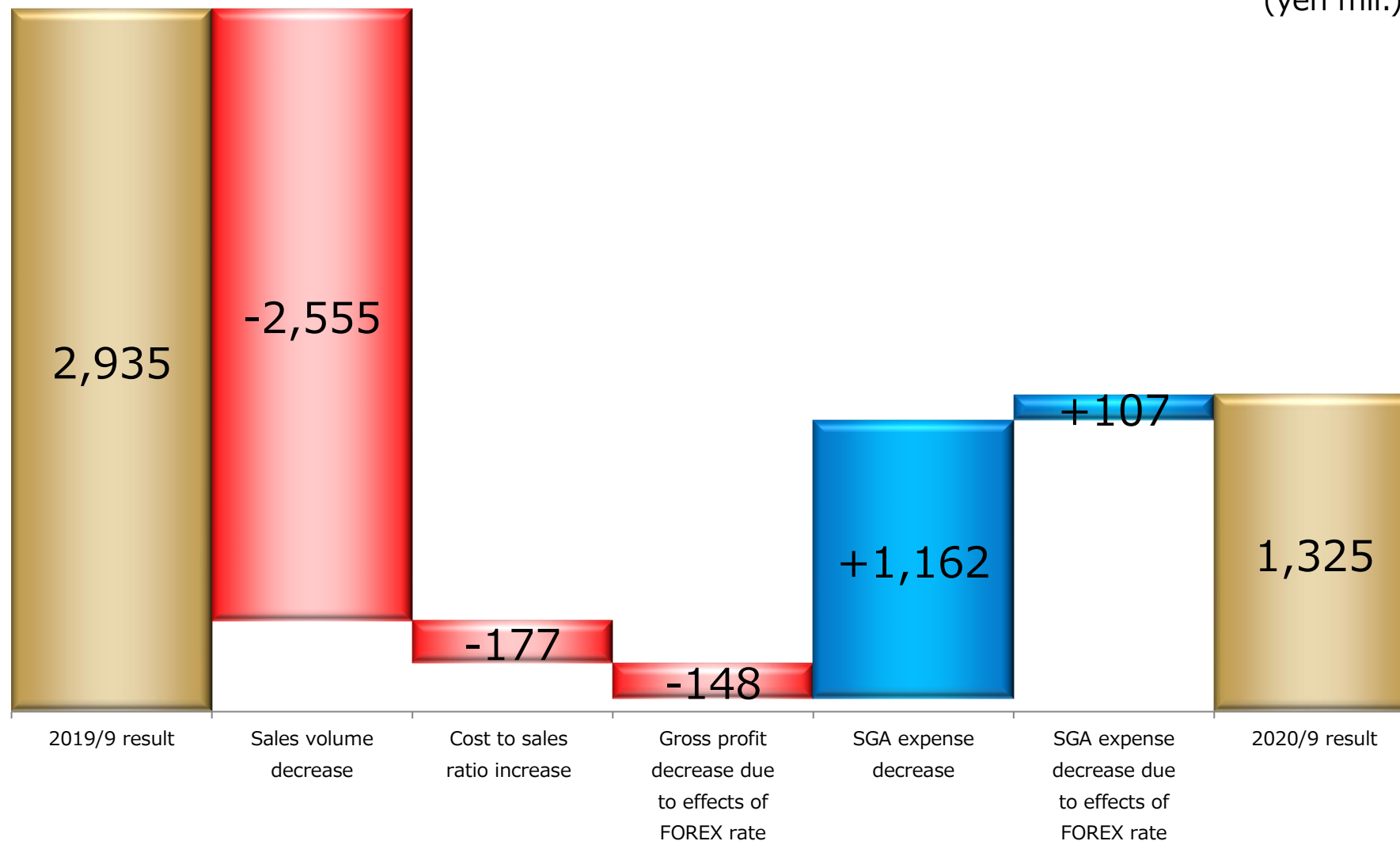
※1 Revenue by region above were after inter-segment elimination.

※2 Revenue in China, including Hong Kong, decreased due to decrease in Advance elastomer products and other segment despite of increase in Automotive parts and Industrial products segment.

FY2020 First Half Core operating income analysis



(yen mil.)



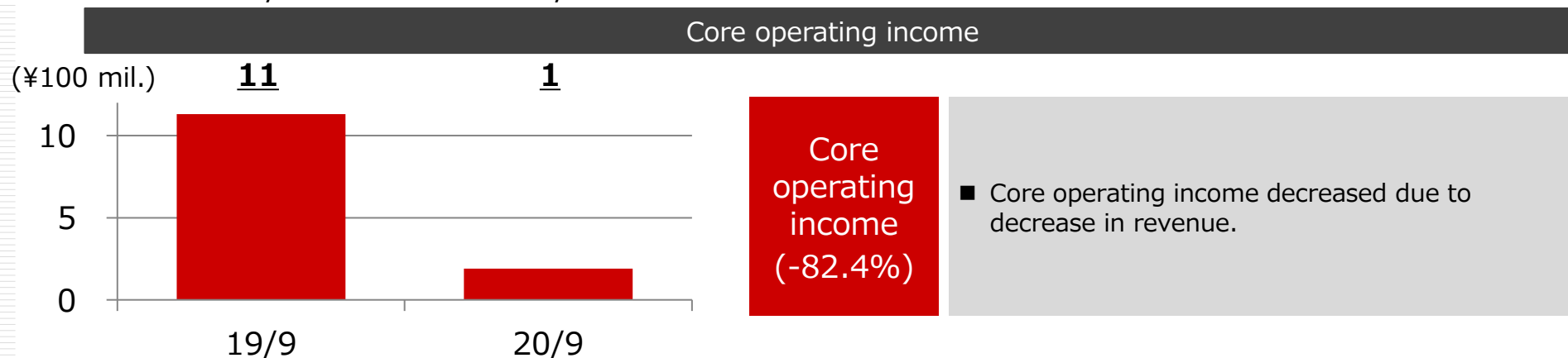
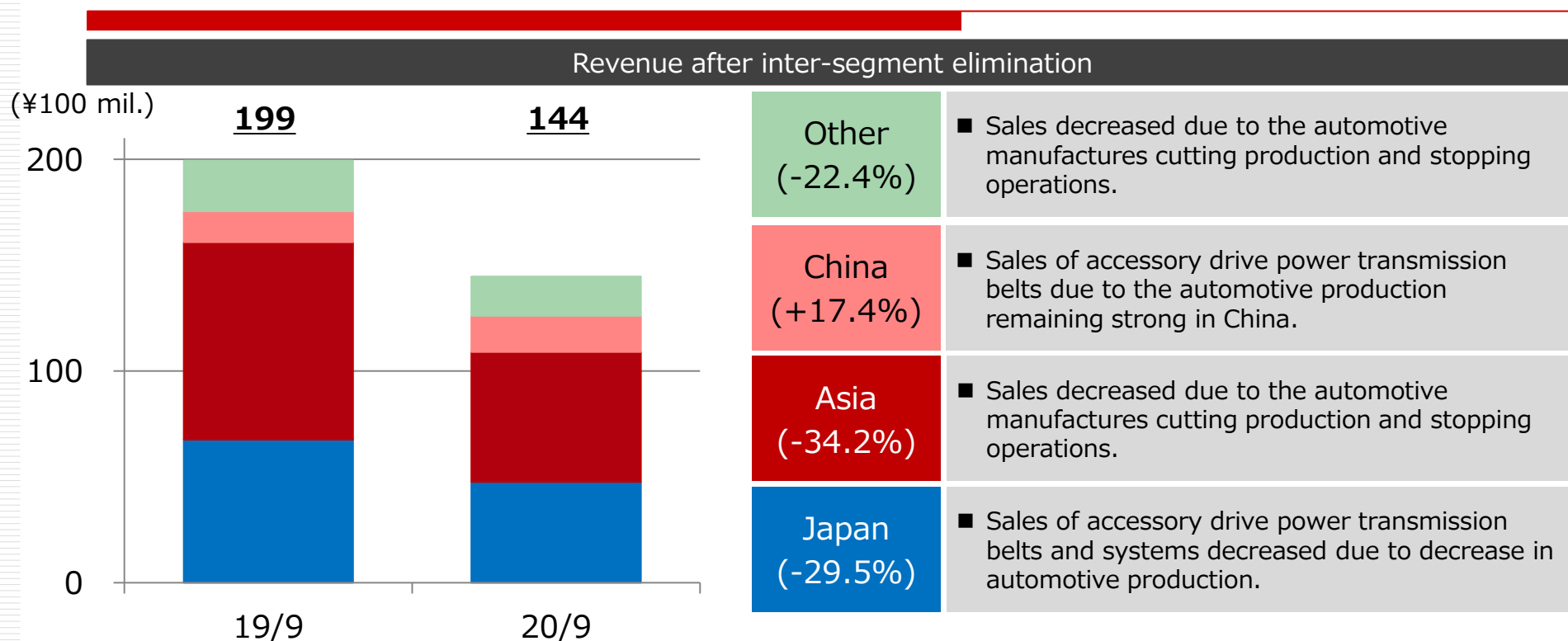
FY2020 First Half Segment performance



(yen mil.)

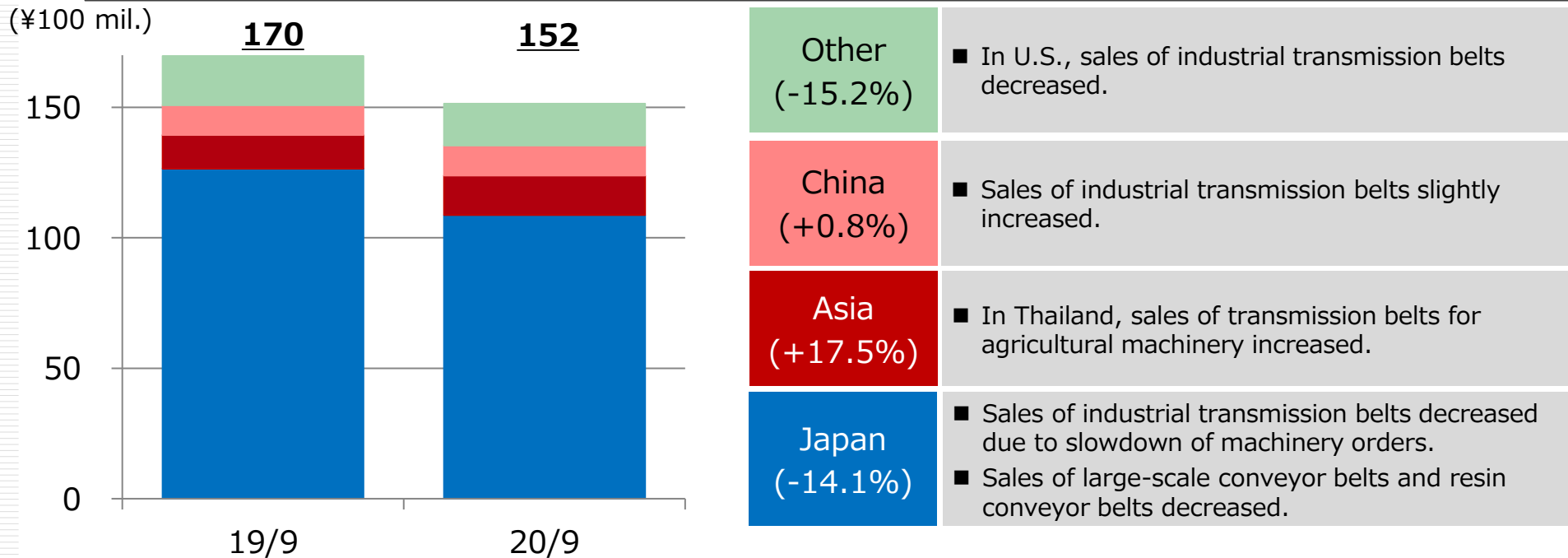
	2019/9	2020/9		
	Result	Result	Change	Rate of change
Revenue	46,234	37,116	-9,117	-19.7%
Automotive Parts	19,972	14,484	-5,487	-27.5%
Industrial Products	17,015	15,203	-1,812	-10.7%
Advance Elastomer Products	7,023	5,485	-1,537	-21.9%
Other	2,570	2,481	-88	-3.5%
Adjustments	-347	-538	-191	—
Core operating income	2,935	1,325	-1,610	-54.9%
Automotive Parts	1,130	198	-932	-82.4%
Industrial Products	1,252	1,081	-170	-13.6%
Advance Elastomer Products	213	-359	-572	—
Other	227	143	-83	-36.9%
Adjustments	112	261	+149	+132.7%

Automotive Parts overview

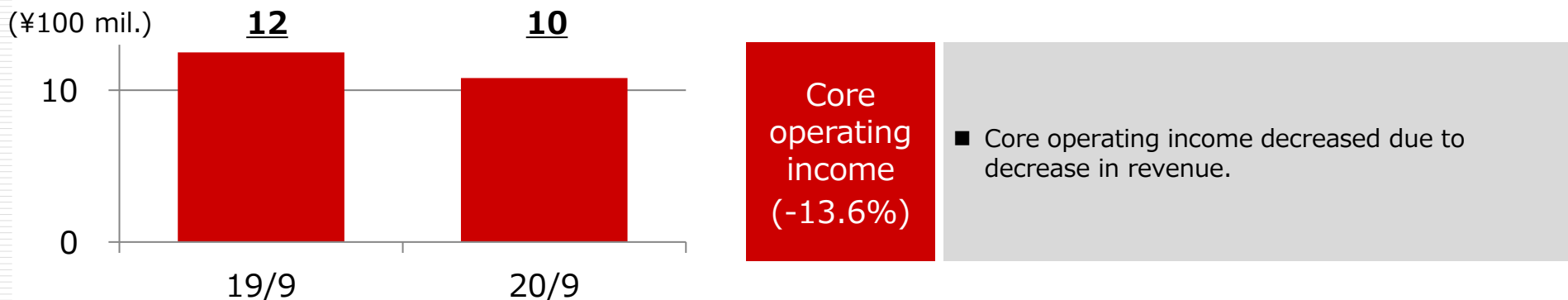


Industrial Products overview

Revenue after inter-segment elimination

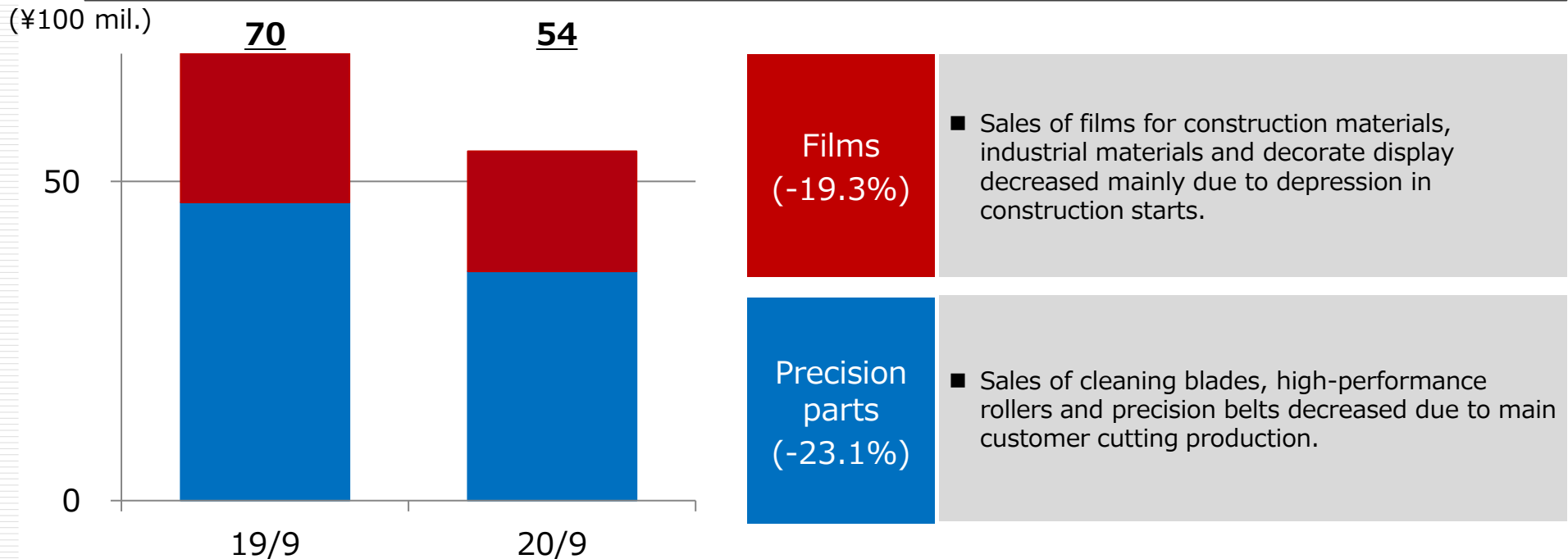


Core operating income

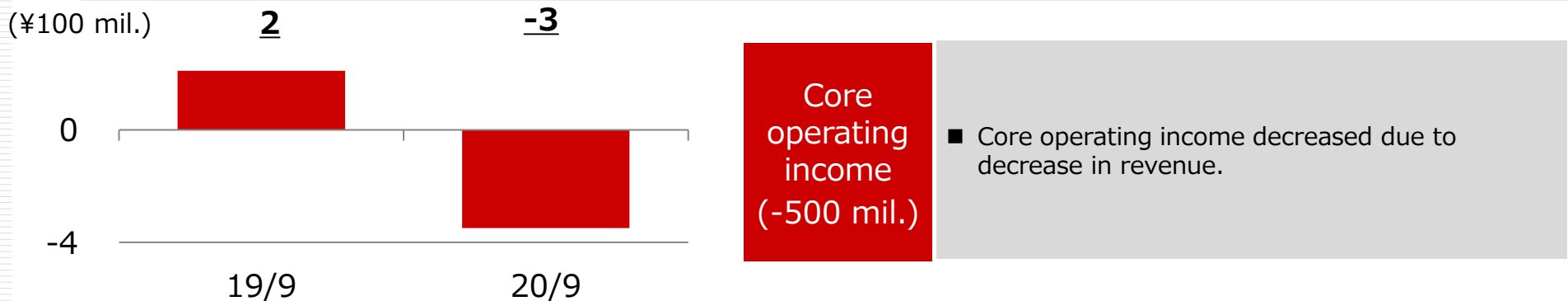


Advance Elastomer Products overview

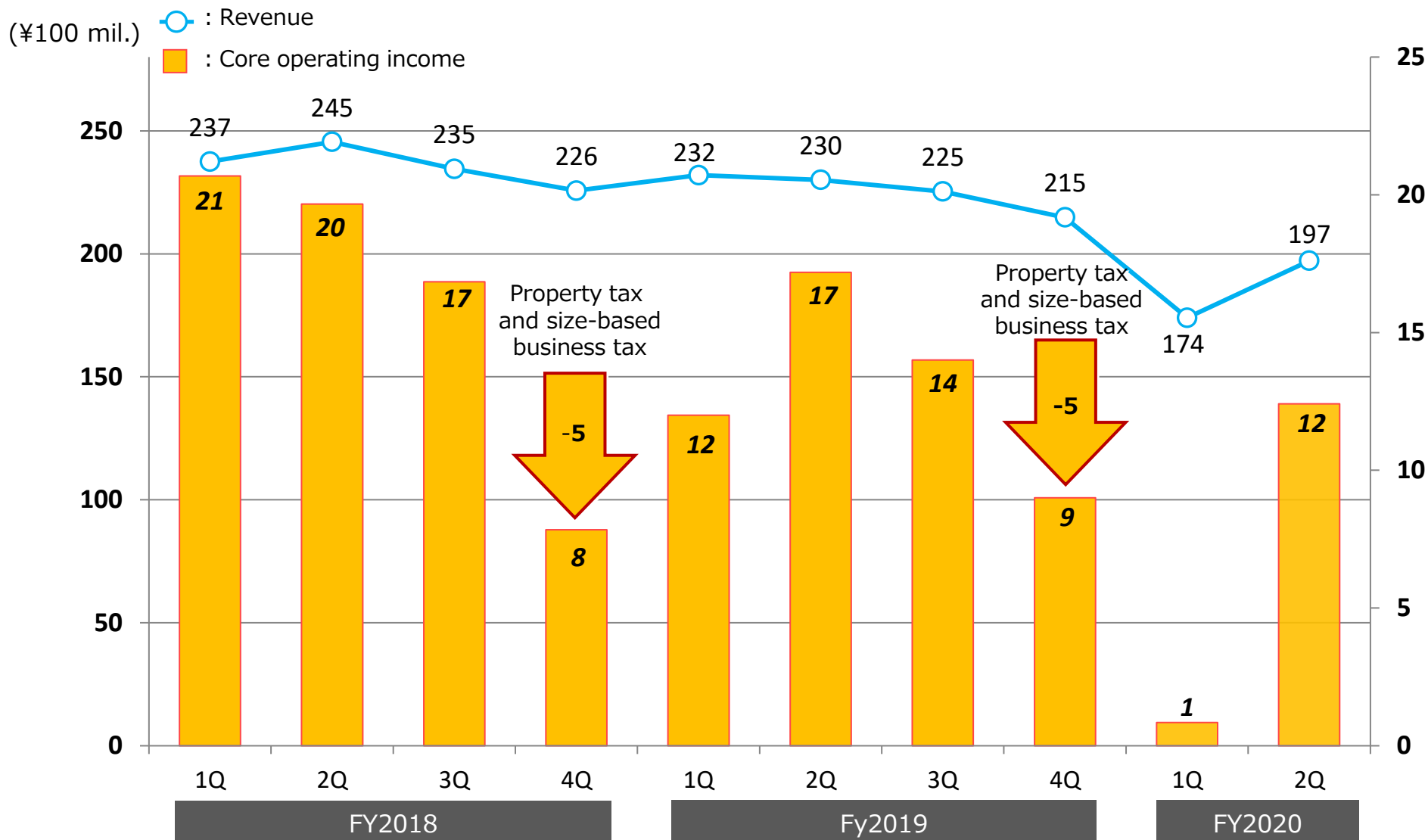
Revenue after inter-segment elimination



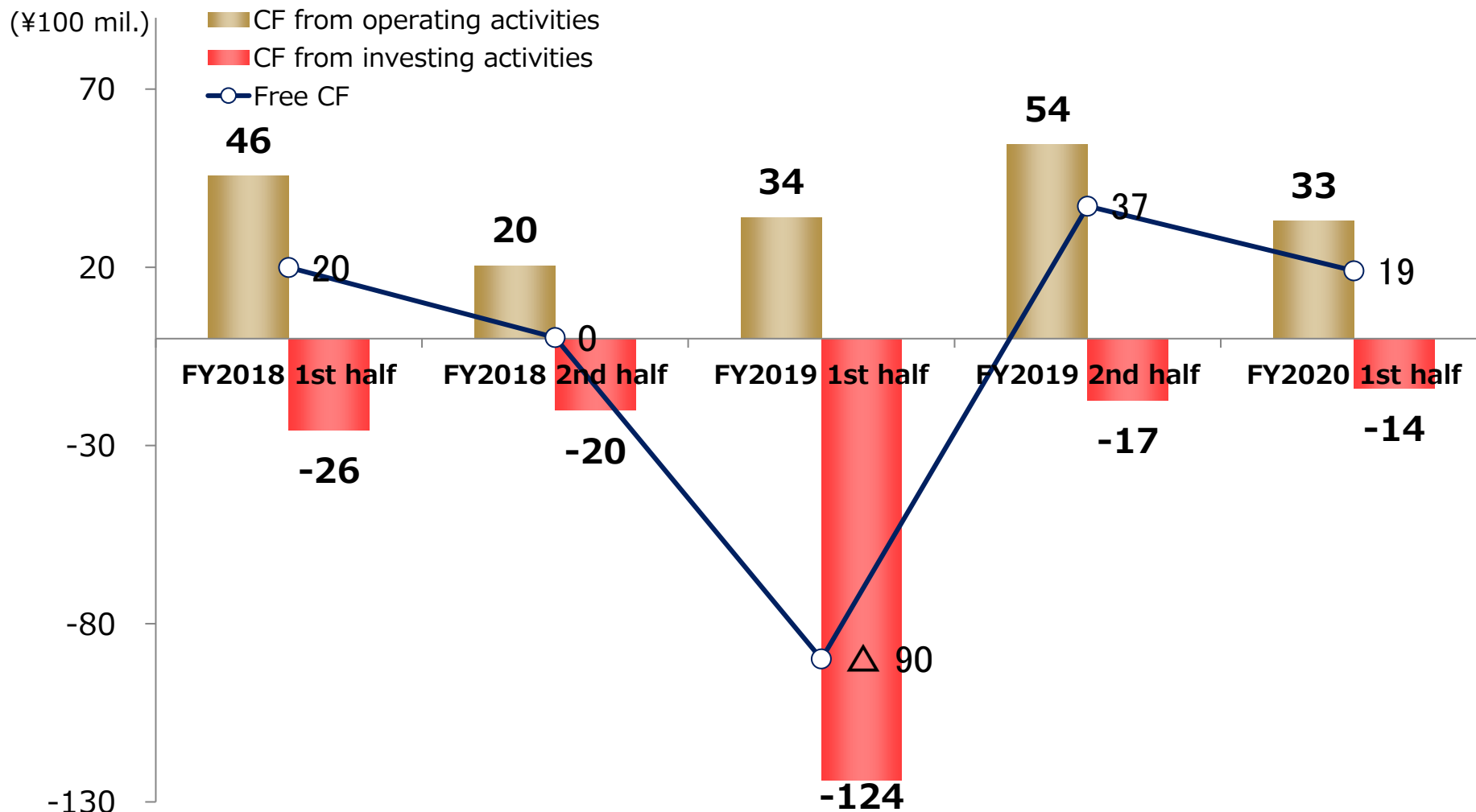
Core operating income



Quarterly transition of business result



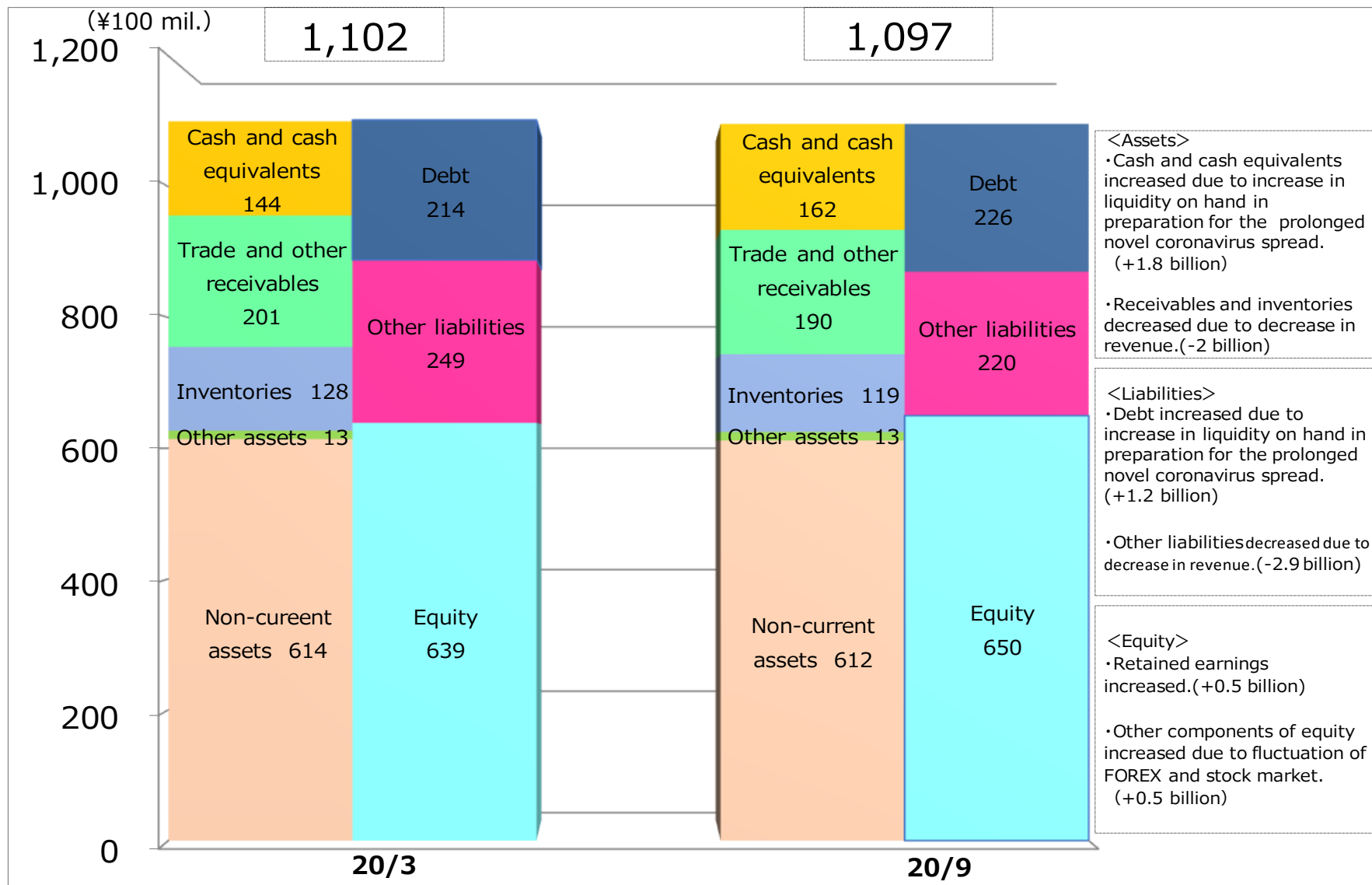
Transition of cash flow



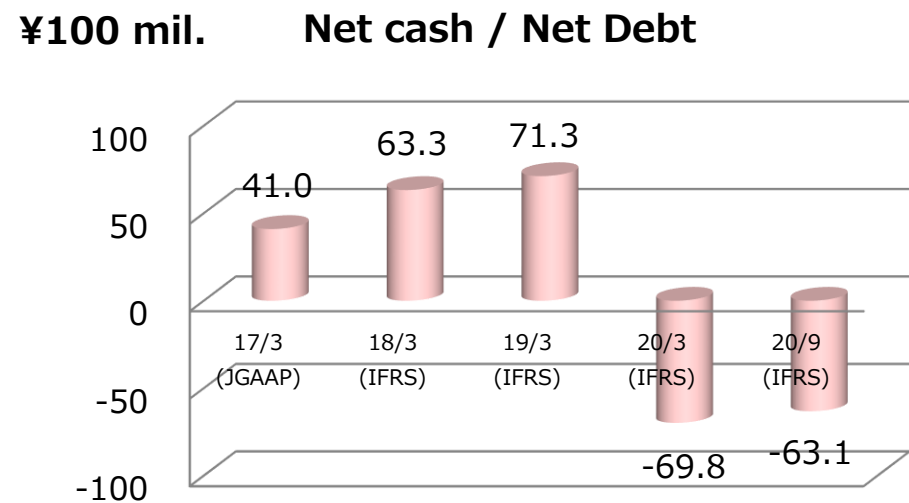
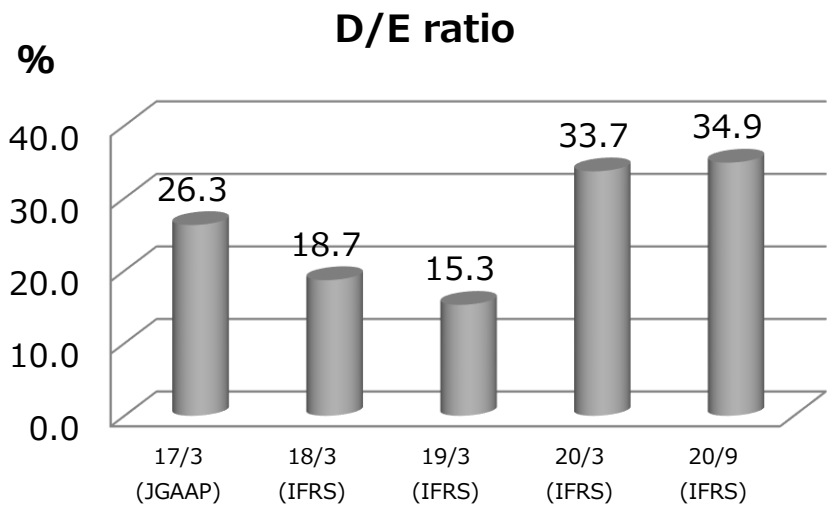
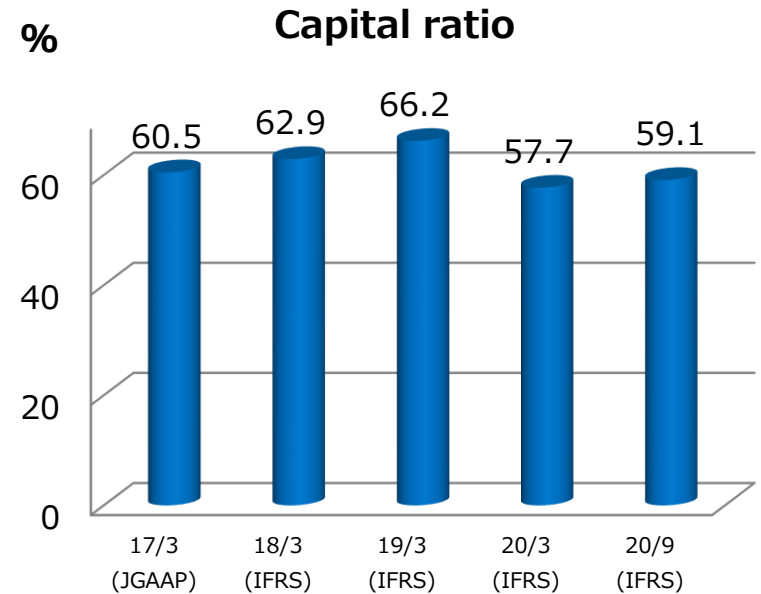
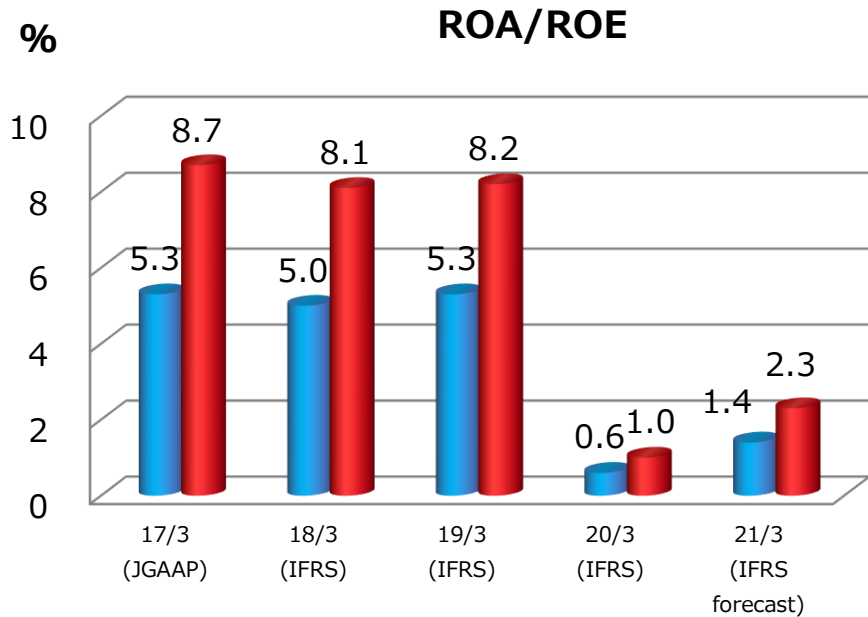
※1 CF from operating activities for FY2018 2nd half decreased by 1.4 billion yen due to addressing the revision of enforcement of "Act against Delay Payment of Subcontract Proceeds, etc. to Subcontractors."

※2 CF from investing activities for FY2019 included payment for acquisition of Aimedic MMT(-9.2 billion yen.)

Consolidated Statement of Financial Position



Financial indicator



II . Business forecast for the full fiscal year ending March 31, 2021

FY2020 Business forecast



(yen mil., %)

		2020/3 Result	2021/3 Forecast			
			Initial	Amended	Year-on-year change	
Revenue		90,247	75,000	75,000	-15,247	-16.9%
Core operating income		5,252	2,000	2,500	-2,752	-52.4%
Operating income		2,056	2,000	2,500	+443	+21.5%
Profit attributable to owners of parent		682	1,000	1,500	+817	+119.7%
Exchange rates (yen)	U S D	108.93	107.35	105.65		
	T H B	3.51	3.39	3.34		
	C N Y	15.59	15.11	15.00		

- The spread of the novel coronavirus is still having a major impact on the world economy, but we amended our full fiscal year business forecast mainly due to the recovery of the economy and the result for the first half of the year.

Our action

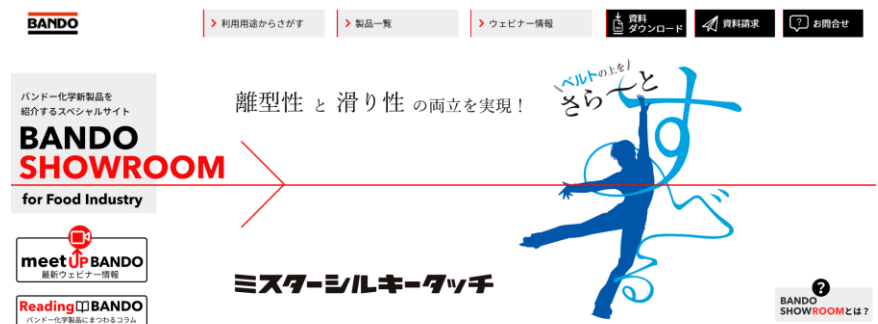
□ Strengthened profitability

- Cost reduction by integration of domestic business office and reconsideration of fixed overhead cost
- Aggressive sales expansion and diversification of revenue source
- Clarification of optimum production sharing and production line innovation

□ Continued new products launching

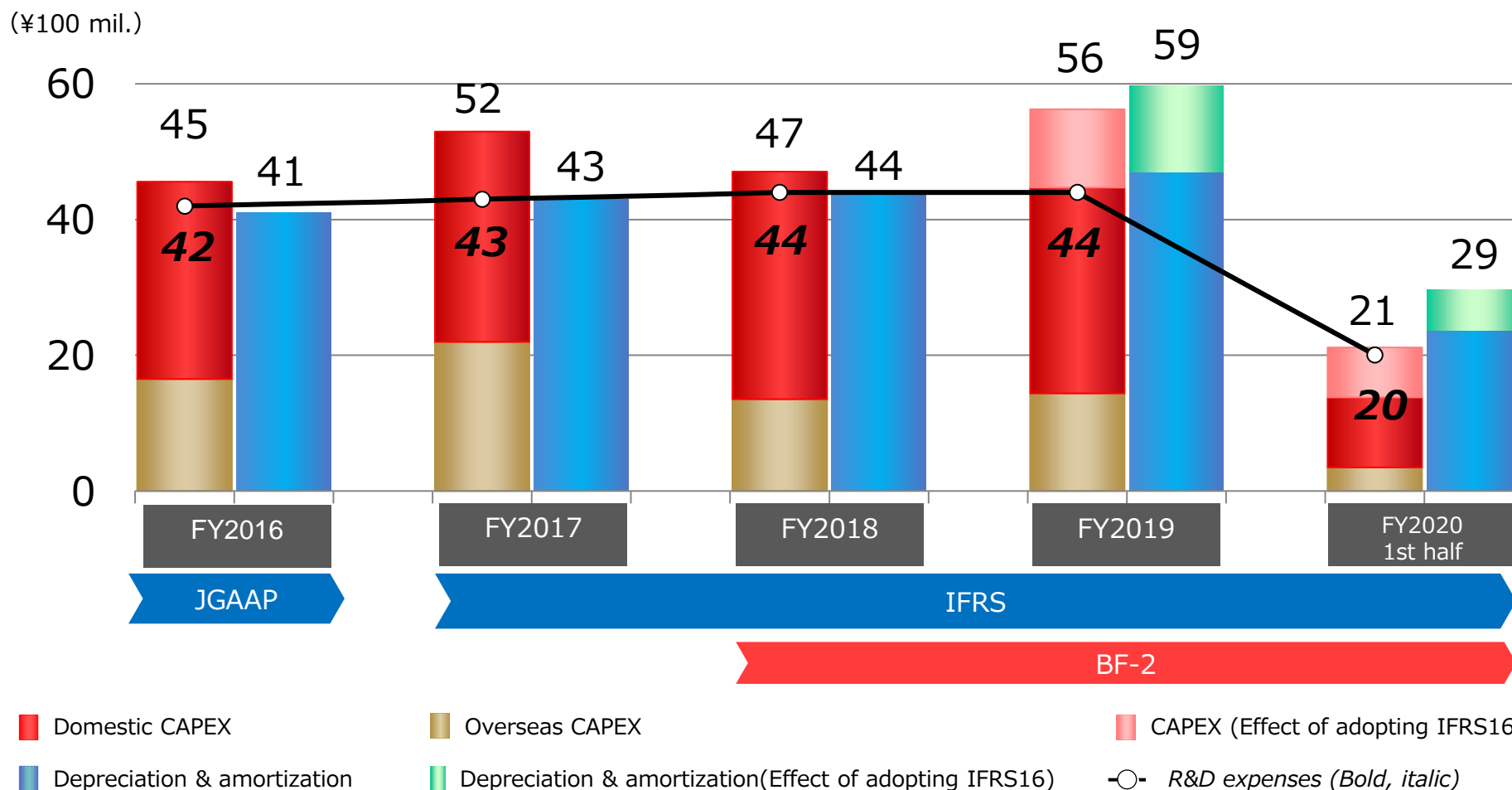
- Priority resource allocation to development and launching of new product

□ Spread digital marketing



Transition of CAPEX, depreciation and R&D expenses

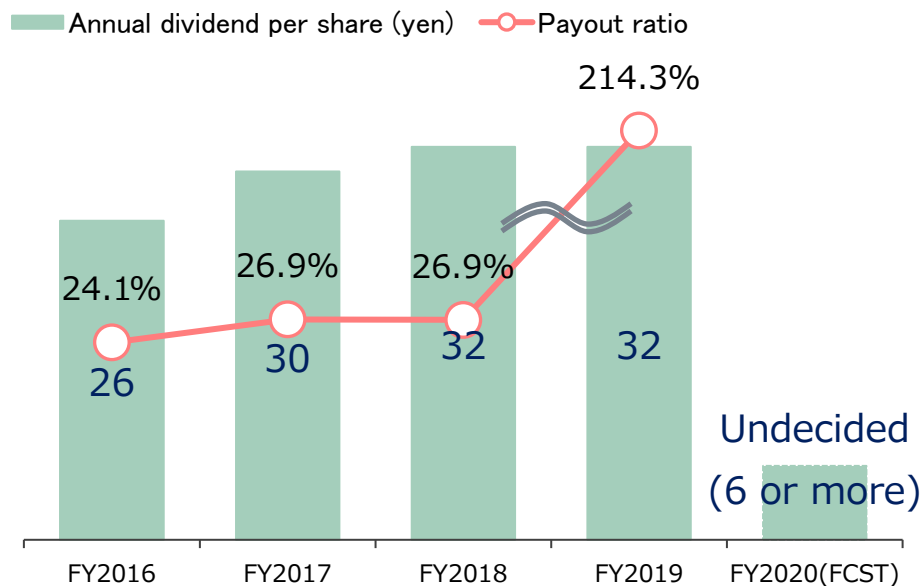
We reconsidered the capital expenditure plan due to the spread of the novel coronavirus, but actively continued R&D for the future despite severe business environment.



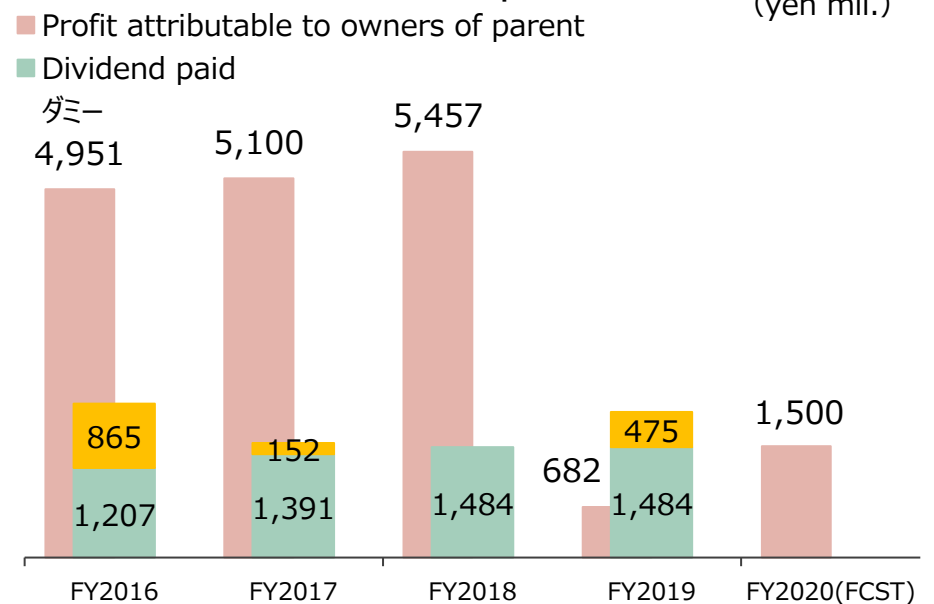
Shareholders return

The amount of interim dividend per share will be ¥6 based on the business forecast. The forecast of year-end dividend per share is still undecided.

Annual dividend per share & Payout ratio



Return of profits



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.