Powering new lifestyles



Financial Results for the Six Months Ended September 30, 2026

November 13, 2026

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, 2026

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Financial Highlight

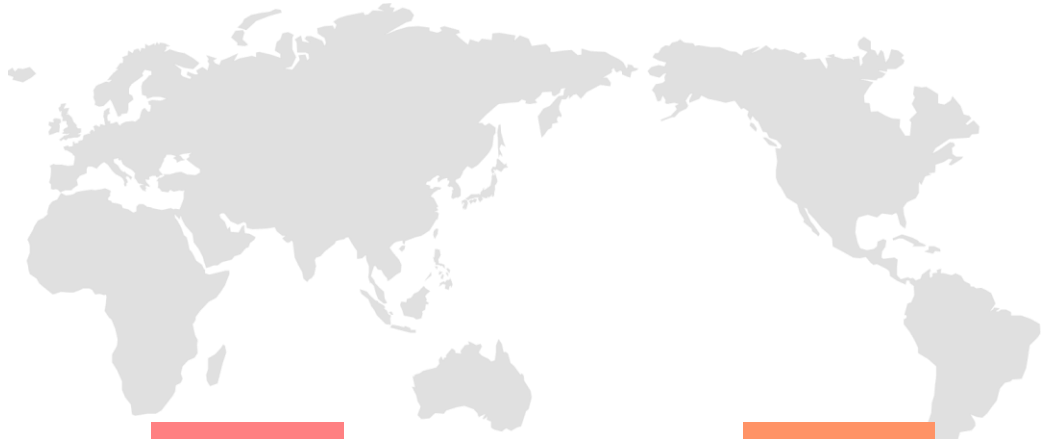
(Unit : Million Yen、%)

		FY2025 Q2	FY2026 Q2		FY2026 Full year	
		Result	Result	Change	Forecast (Revised on November13, 2026)	Achieved ratio
Revenue		59,094	**64,757**	+5,663	125,000	51.8%
Core Operating Profit		4,463	**5,938**	+1,475	10,000	59.4%
Operating Profit		6,569	**6,774**	+204	11,500	58.9%
Profit attributable to owners of parent		4,819	**5,134**	+315	8,200	62.6%
Exchange rate	U S D	146.04	160.04	-	155.00	-
	T H B	4.46	4.83	-	4.70	-
	C N Y	20.34	23.45	-	23.00	-

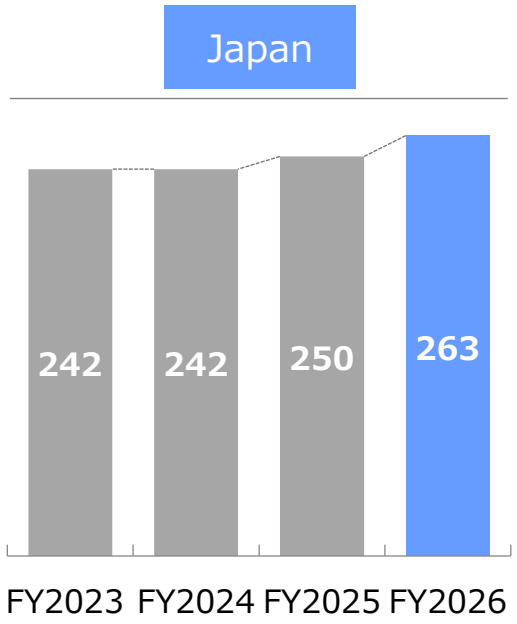
- Revenue increased due to solid sales both in Japan and overseas, as well as the depreciation of the yen
- Core operating profit increased due to an increase in revenue and improved profitability resulting from such factors as changes in sales mix
- Operating profit increased due to an increase in revenue and core operating profit despite the absence of insurance claim income (¥1,524 million) recorded in the previous year

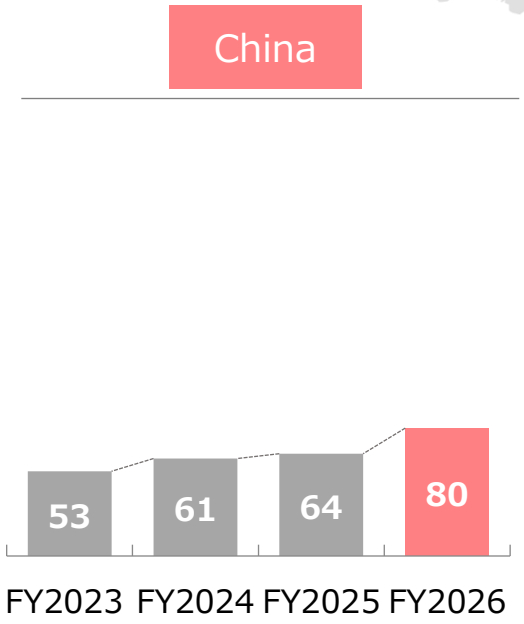
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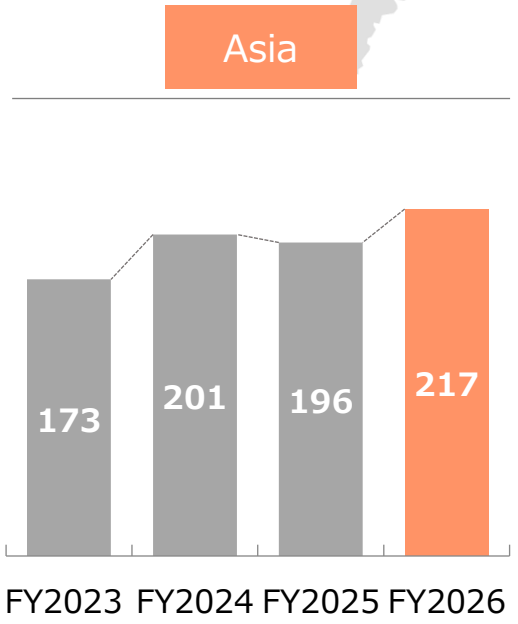
Revenue by Area for Q2

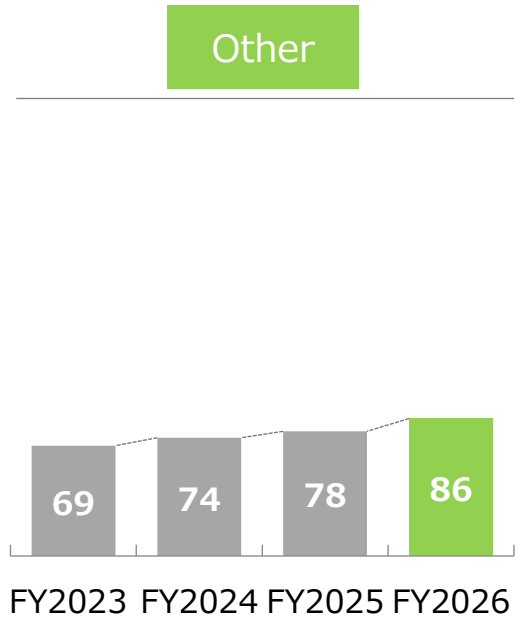


(Unit : 100 Millions Yen)







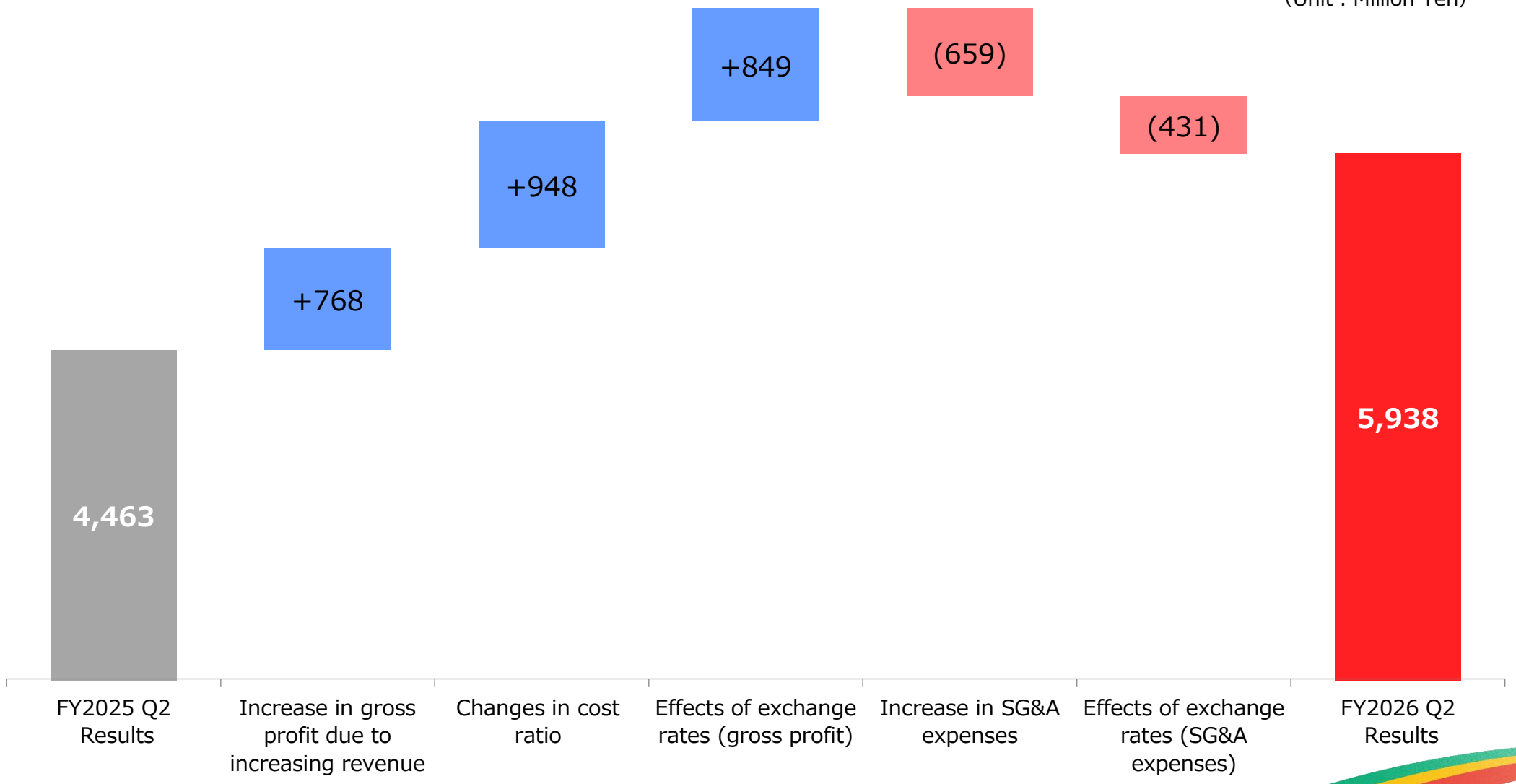


Note: The above amount was after the elimination of intersegment transactions.

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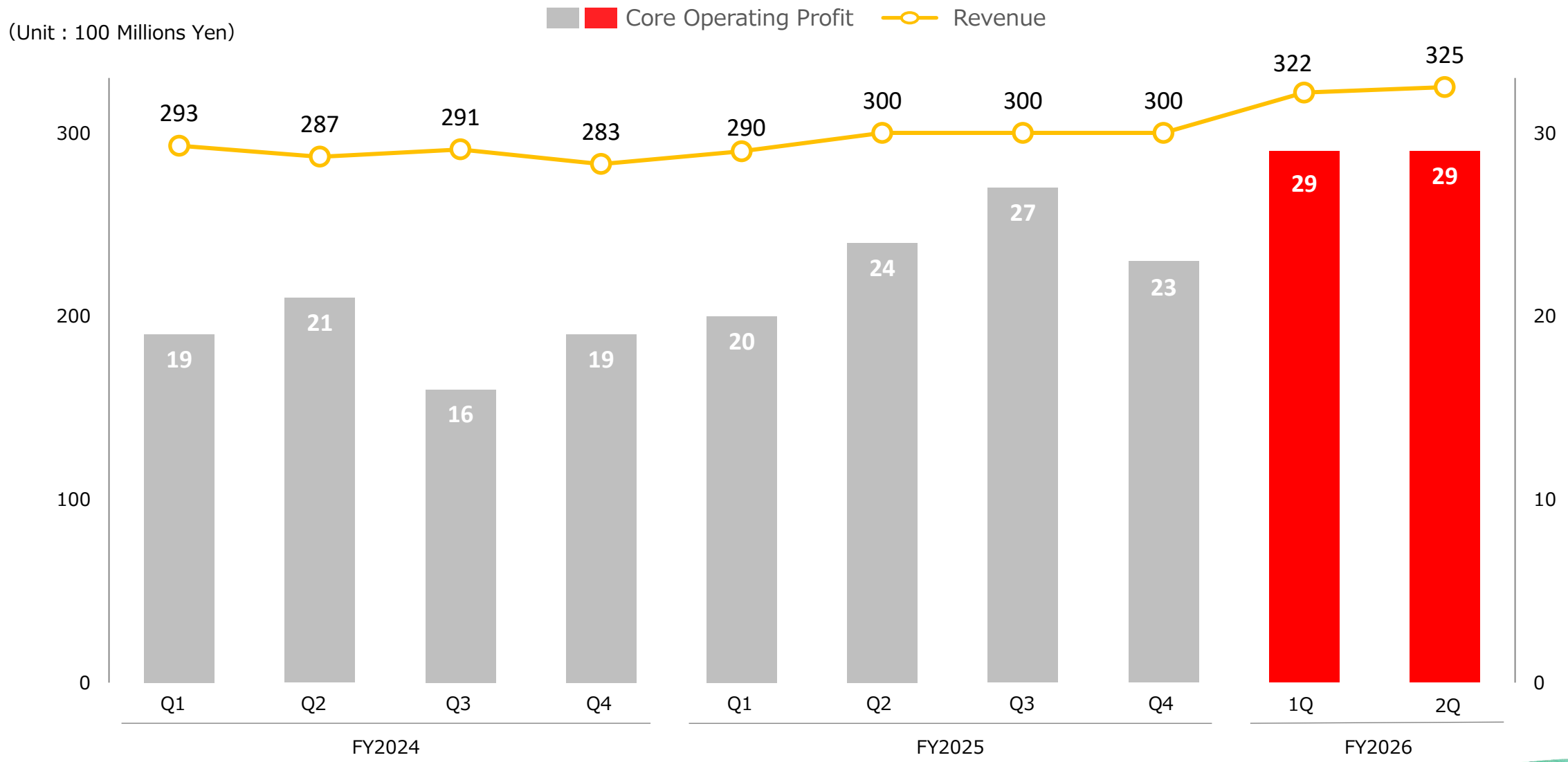
Analysis of Core Operating Profit

(Unit : Million Yen)



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Quarterly Operating Results (Revenue and Core Operating Profit)



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Operating Results by Segment

(Unit : Million Yen 、%)

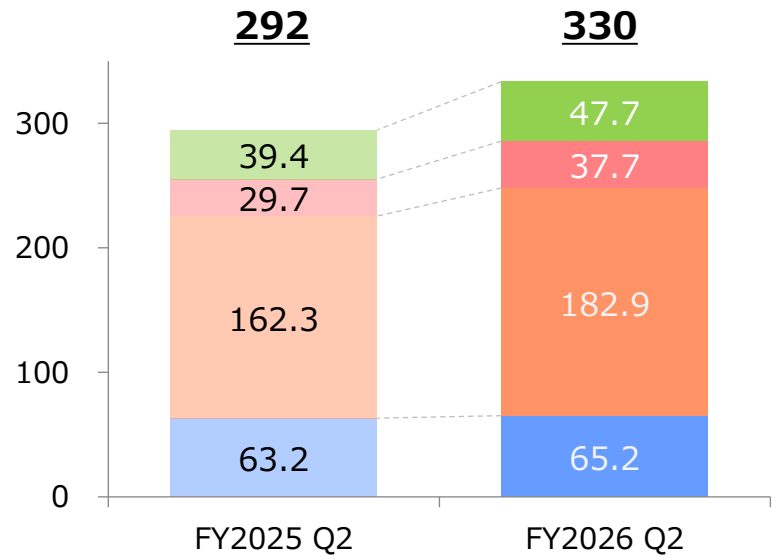
	FY2025 Q2	FY2026 Q2		
	Result	Result	Change	Change in ratio
Revenue	**59,094**	**64,757**	**+5,663**	**+9.6%**
Automotive Parts	29,481	33,065	+3,583	+12.2%
Industrial Products	19,731	20,606	+875	+4.4%
Advanced Elastomer Products	7,118	7,996	+877	+12.3%
Other	3,151	3,789	+638	+20.2%
Adjustments	(389)	(700)	(310)	-
Core Operating Profit	**4,463**	**5,938**	**+1,475**	**+33.0%**
Automotive Parts	2,432	3,225	+793	+32.6%
Industrial Products	1,672	1,954	+282	+16.9%
Advanced Elastomer Products	140	459	+318	+226.6%
Other	81	322	+240	+293.8%
Adjustments	136	(24)	(160)	-

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Overview of Automotive Parts

Revenue by Area

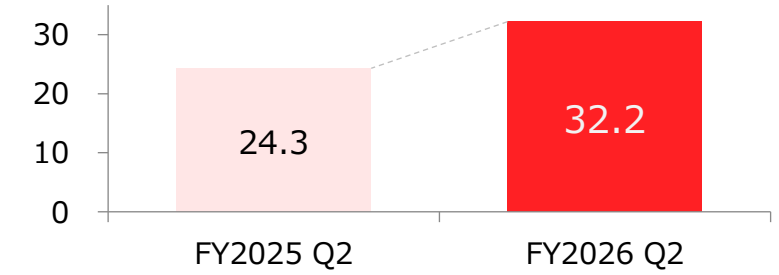
(Unit : 100 Millions Yen)



Other	+13.5%	■ Sales of products for aftermarket increased in the U.S. and Europe.
China	+26.8%	■ Although sales of accessory drive power transmission belts (such as RIB ACE™) decreased, sales of products such as variable speed belts for ATVs and UTVs increased.
Asia	+12.7%	■ Sales of products such as variable speed belts for scooters increased.
Japan	+3.1%	■ Sales of accessory drive power transmission belts (such as RIB ACE™) and accessory drive power transmission system goods (such as Auto-Tensioner) increased due to an increase in automobile production volume.

Core Operating profit

(Unit : 100 Millions Yen)



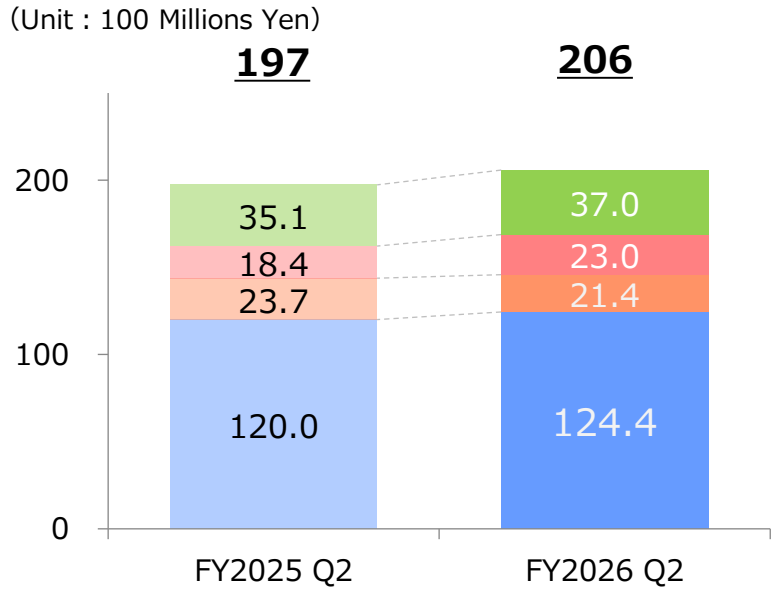
Core Operating Profit	+32.6%	■ Core operating profit increased due to such factors as an increase in sales revenue and changes in sales mix.

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

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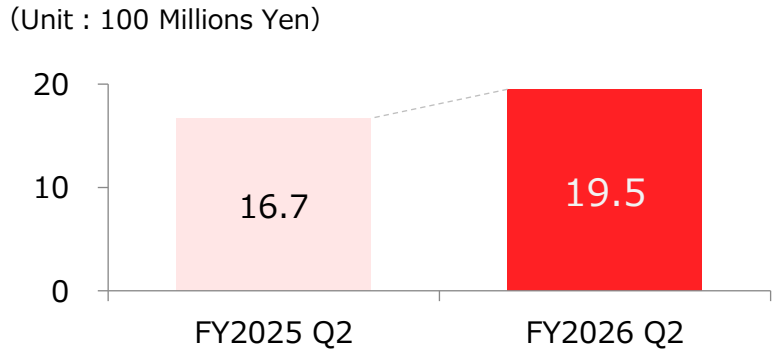
Overview of Industrial Products

Revenue by Area



Other	+4.4%	■ Sales of power transmission belts for industrial machinery increased.
China	+5.6%	■ Sales of power transmission belts for agricultural machinery increased.
Asia	(9.5)%	■ Sales of power transmission belts for agricultural machinery decreased.
Japan	+3.7%	■ Sales of power transmission belts for industrial machinery increased. ■ Sales of heavy-duty conveyor belts decreased, while sales of light-duty conveyor belts (such as SUNLINE™) remained at a level comparable to the previous year.

Core Operating Profit



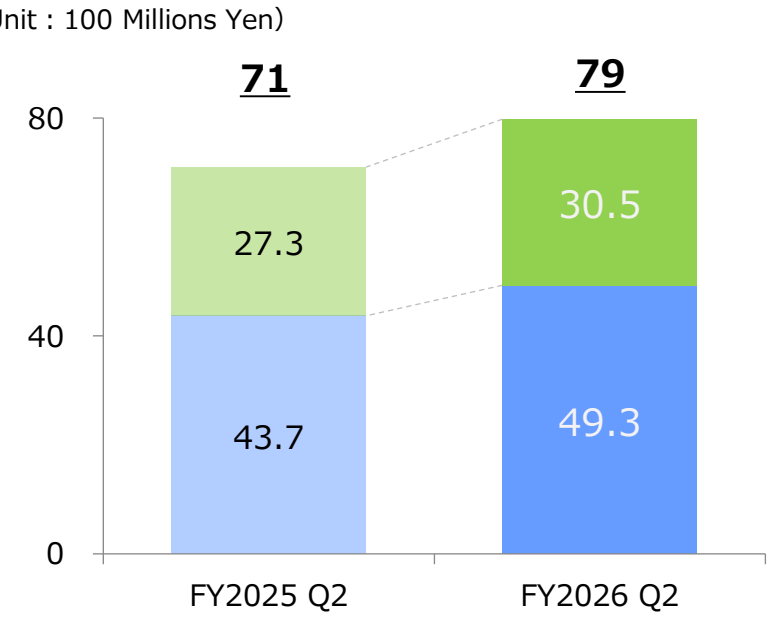
Core Operating Profit	+16.9%	■ Core operating profit increased due to such factors as an increase in sales revenue and changes in sales mix.

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

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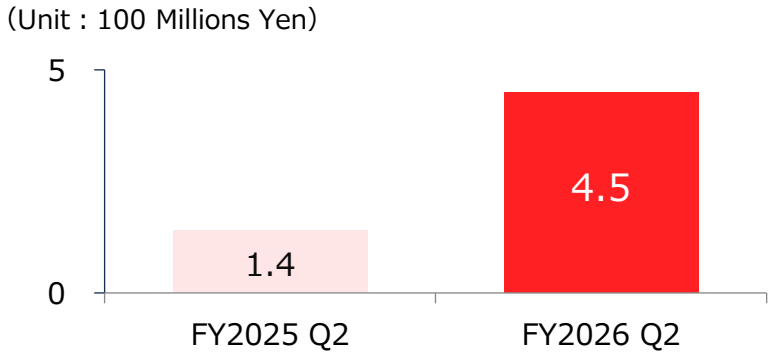
Overview of Advanced Elastomer Products

Revenue by Products



Functional Films	+11.6%	■ Domestic sales of products such as films for construction materials increased.
Precision Functional Parts	+12.8%	■ Although sales of high-performance rollers decreased, sales of other products, such as precision belts, increased.

Core Operating Profit



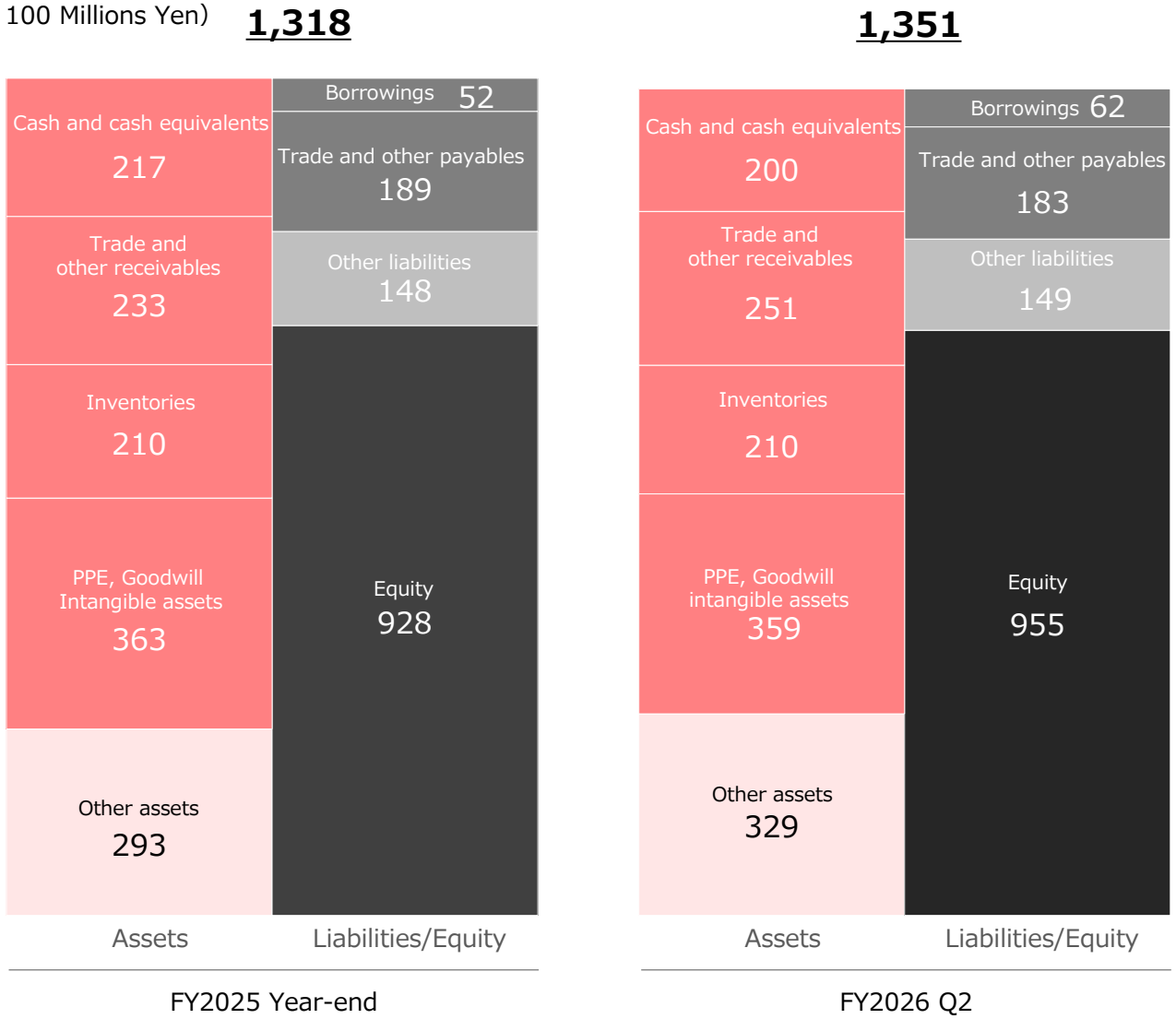
Core Operating Profit	+226.6 %	■ Core operating profit increased due to an increase in sales revenue.

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

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Statements of Financial Position

(Unit : 100 Millions Yen)



Assets	(17)	■ Decrease in cash and cash equivalents due to factors such as dividend payments
	+18	■ Increase in trade receivables due to factors such as an increase in revenue
	+36	■ Increase in other financial assets due to rising share prices
Equity	+18	■ Increase in retained earnings
	+17	■ Increase in other components of equity due to rising share prices and the depreciation of the yen
	(8)	■ Acquisition of treasury shares

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Ⅱ. Revisions to Financial Results Forecast and Dividend Forecast for the Fiscal Year Ending March 31, 2027

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Financial results forecast

(Unit : Million Yen, %)

	FY2025	FY2026			
	Results	Previous forecast	Revised forecast	Change (YoY, based on revised forecast)	
Revenue	119,257	120,000	**125,000**	+5,742	+4.8%
Core Operating Profit	9,551	9,600	**10,000**	+448	+4.7%
Operating Profit	12,073	11,000	**11,500**	(573)	(4.7)%
Profit attributable to owners of parent	10,568	8,000	**8,200**	(2,368)	(22.4)%
Exchange rate USD	151.06	150.00	**155.00**	-	-
Exchange rate THB	4.68	4.65	**4.70**	-	-
Exchange rate CNY	21.35	21.50	**23.00**	-	-

- During the six months ended September 30, 2026, financial results exceeded the initial forecast due to solid sales both in Japan and overseas, as well as the impact of foreign exchange rates
- The Company has revised its consolidated financial results forecast for the full year due to a revision of its full-year exchange rate assumptions in light of recent foreign exchange rates

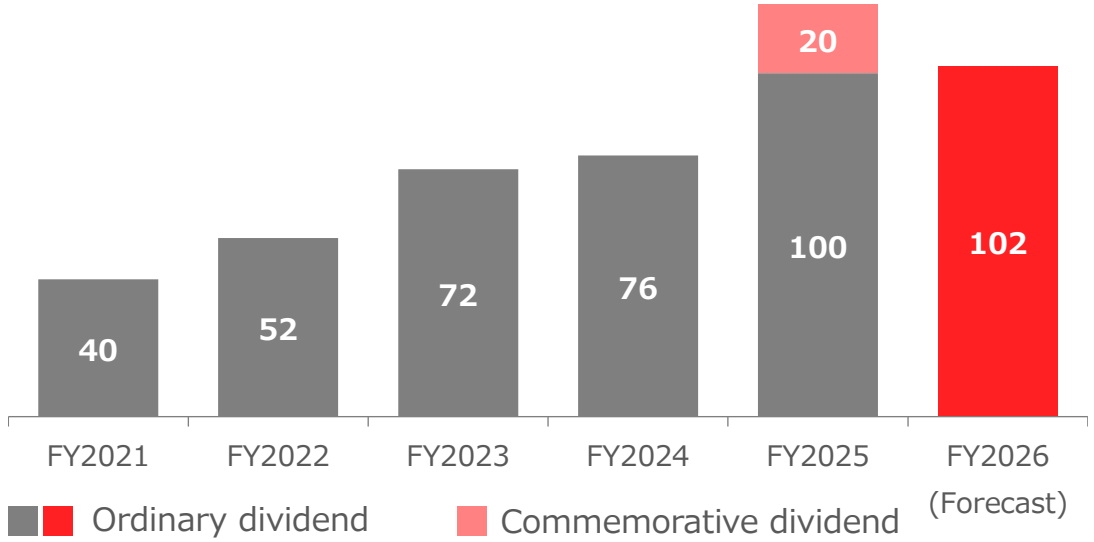
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Revision to Dividend Forecast

- **The Company has revised upward its year-end dividend forecast for the fiscal year ending March 31, 2027, from ¥50 to ¥52 per share, in light of the upward revision to the full-year earnings forecast and other factors**
- **The annual dividend forecast will be ¥102 per share, an increase of ¥2 from the ordinary dividend of ¥100 per share**

Dividends per share

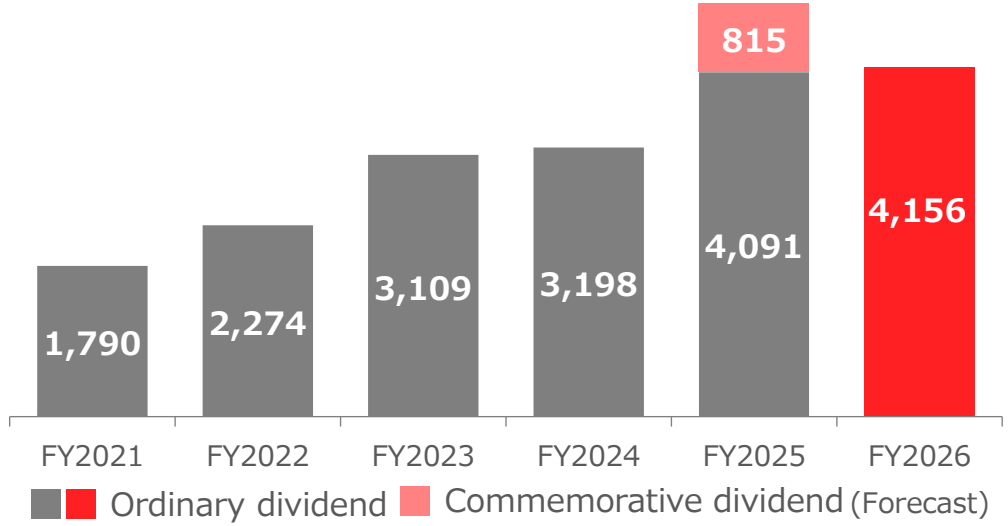
(Unit : Yen)



Note: FY2025 dividend includes a commemorative dividend of ¥20 per share

Total annual dividends

(Unit : Million Yen)



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

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

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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

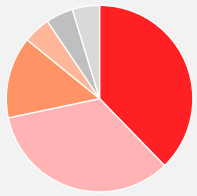
Vision

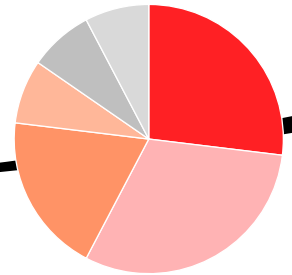
Medium-to-long term strategy

GUIDELINE1	**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	**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 adge
GUIDELINE3	**Evolution of organizational capabilities for the future** Laying down the groundwork to support evolution	**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**%
Non-financial Indicators	Reduction of CO_2 emissions by **38**% (compared to FY2013 levels)





Toward sustainable growth

Achieving **carbon neutrality**

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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 end of FY2026

- **The current PBR has reached approximately 1.0x, reflecting improved profitability and the resulting increase in the share price.**
- **ROE reached 12% in the fiscal year ended March 31, 2026.**
- **The Company will continue to strengthen profitability and improve capital efficiency.**

Policy

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

Strengthen Profitability

- Change business portfolio to meet future needs
- Select investments based on business profitability and growth potential
- Achieve manufacturing that combines high quality with profitability (digitalization, and optimized production and procurement)

Improve Capital Efficiency

- Balance sheet management, including changes to shareholder return policy

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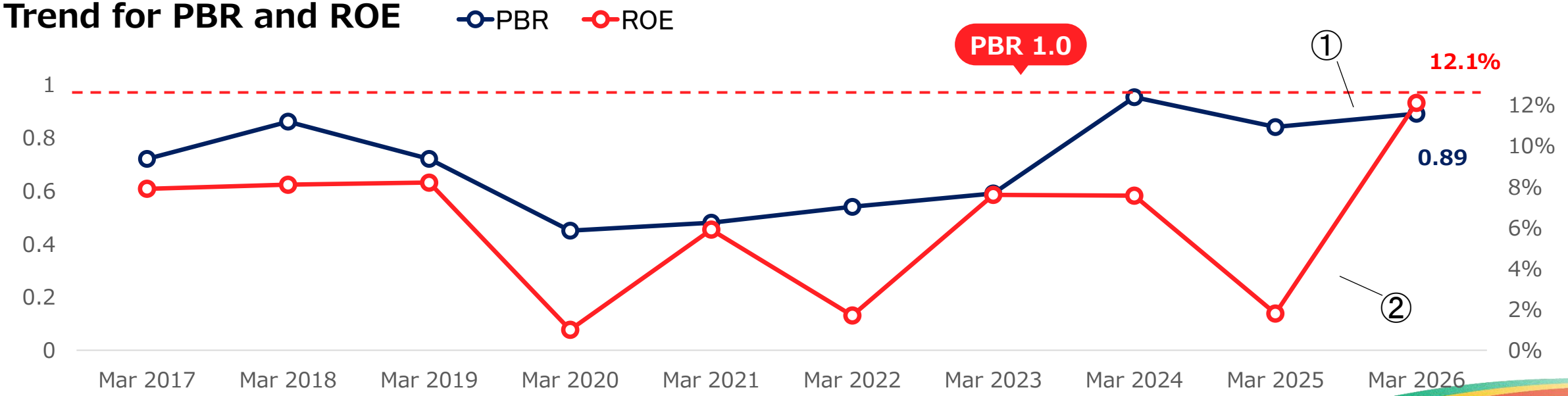
Analysis of Current Situation for Growth of Corporate Value (Equity Value)

① The current PBR has reached approximately 1.0x, reflecting improved profitability and the resulting increase in the share price.

② ROE reached 12% in the fiscal year ended March 31, 2026; this figure includes one-off factors such as insurance claim income.

Strengthening profitability + Improving capital efficiency
= Sustainable enhancement of corporate value

Trend for PBR and ROE



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Progress on Initiatives to Strengthen Profitability

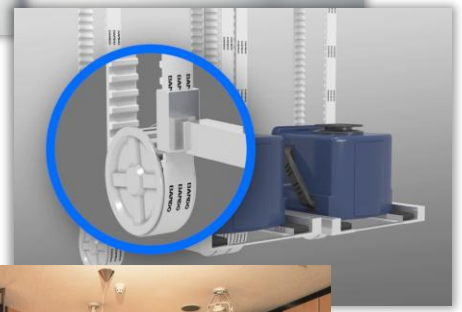
Automotive Parts

- Expanding sales by capturing robust demand in the overseas two-wheeler market
- Promoting sales expansion in the global aftermarket and business development in the personal mobility field



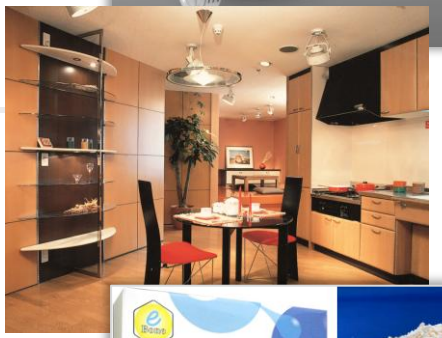
Industrial Products

- Continuously launching new products that contribute to solving customer issues
- Expanding the sales base, particularly in the agricultural machinery and material handling sectors, to strengthen the Company's presence in growth markets



Advanced Elastomer Products

- Promoting the expansion of urethane belt sales
- Expanding adoption of film products that combine environmental performance with superior design appeal



New Business

- Expanding sales of the resorbable bone regeneration material "e=Bone™" in the Medical and Healthcare Equipment Business
- Invested in Pyrenee Inc. in May 2026, thereby strengthening the foundation for medium- to long-term growth



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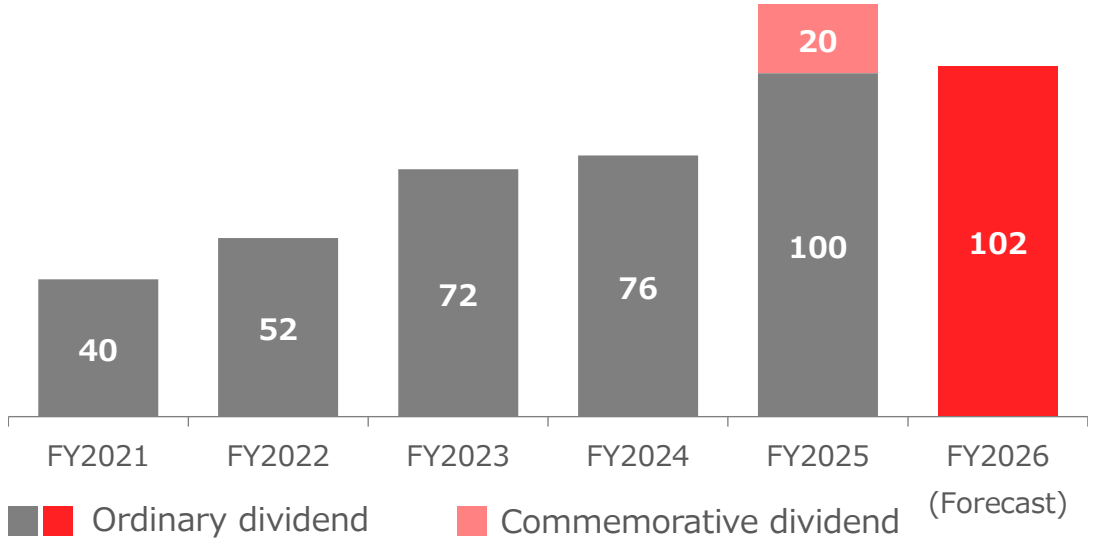
Improvement of Capital Efficiency

- **Annual dividend for the current financial year is projected to be 102 yen per share**
- **Acquisition of treasury shares by market purchases is in progress**

Shares	1.3 million shares (maximum)
Amount	2 billion yen (maximum)
Period	From May 15, 2026 to April 30, 2027

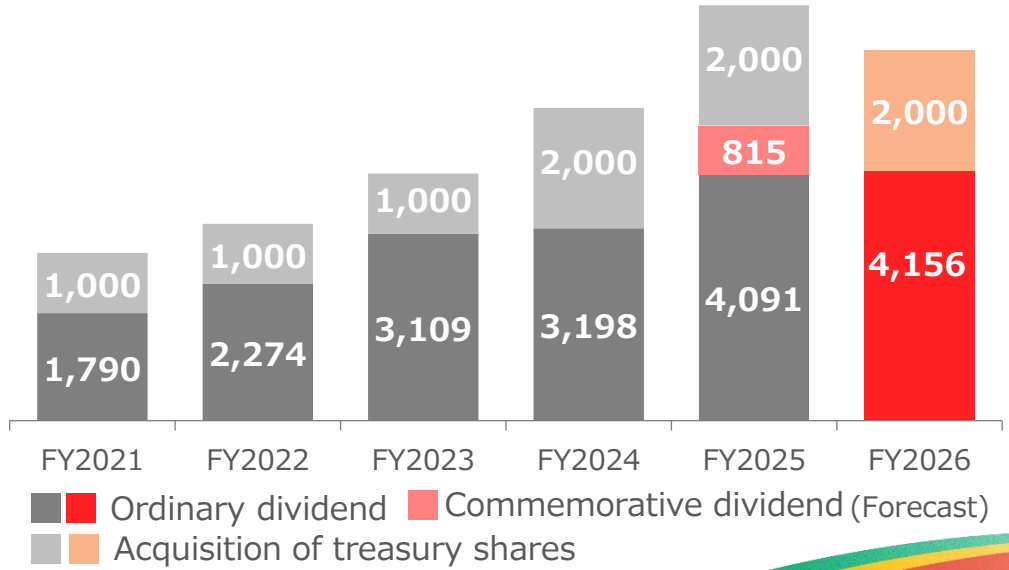
Trend in annual dividends per share

(Unit : Yen)



Trend in total shareholder returns

(Unit : Million Yen)



Note: The above amount is after elimination of dividends paid to BIP trusts for executive compensation.

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Dialogue with Shareholders and Investors

Dialogue Context

We continuously hold individual meetings and briefing sessions with institutional investors and analysts.

Individual **Meetings with Investors** Annual total 20 meetings (FY2025)

Content	Frequency	Participants
Individual meetings	Quarterly	IR personnel

Overall **Financial Results Briefings**

Content	Frequency	Participants
Interim and full-year results	Twice a year	Management and IR personnel

Key Topics and Areas of Interest

- **Growth strategy and business portfolio**
- **Capital policy and cash allocation**
- **Measures to improve ROE and PBR**
- **Response to EVs and development status of products for electrification**
- **Impact of the Middle East situation, raw material prices, and price revisions**

Initiatives to Enhance the Effectiveness of Dialogue

We share investor feedback internally and incorporate it into management decisions, business activities, and disclosures.

01. Feedback to Management

Organize feedback and areas of interest identified through dialogue and regularly share them with management.

02. Incorporation into Management and Business Activities

Use investor feedback to improve the medium-term management plan, capital policy, business initiatives, and disclosures.

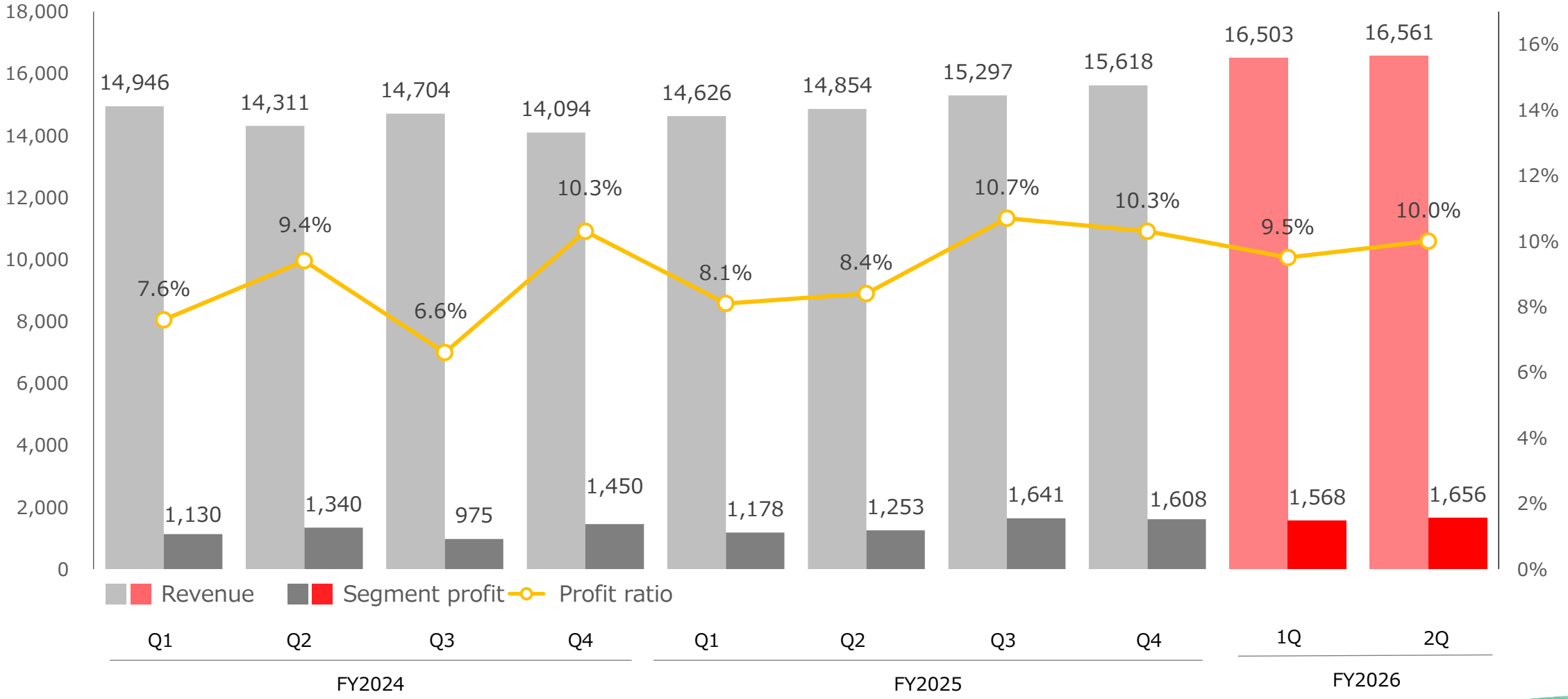
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Ⅳ. Appendix

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Quarterly Operating Results for Automotive Parts

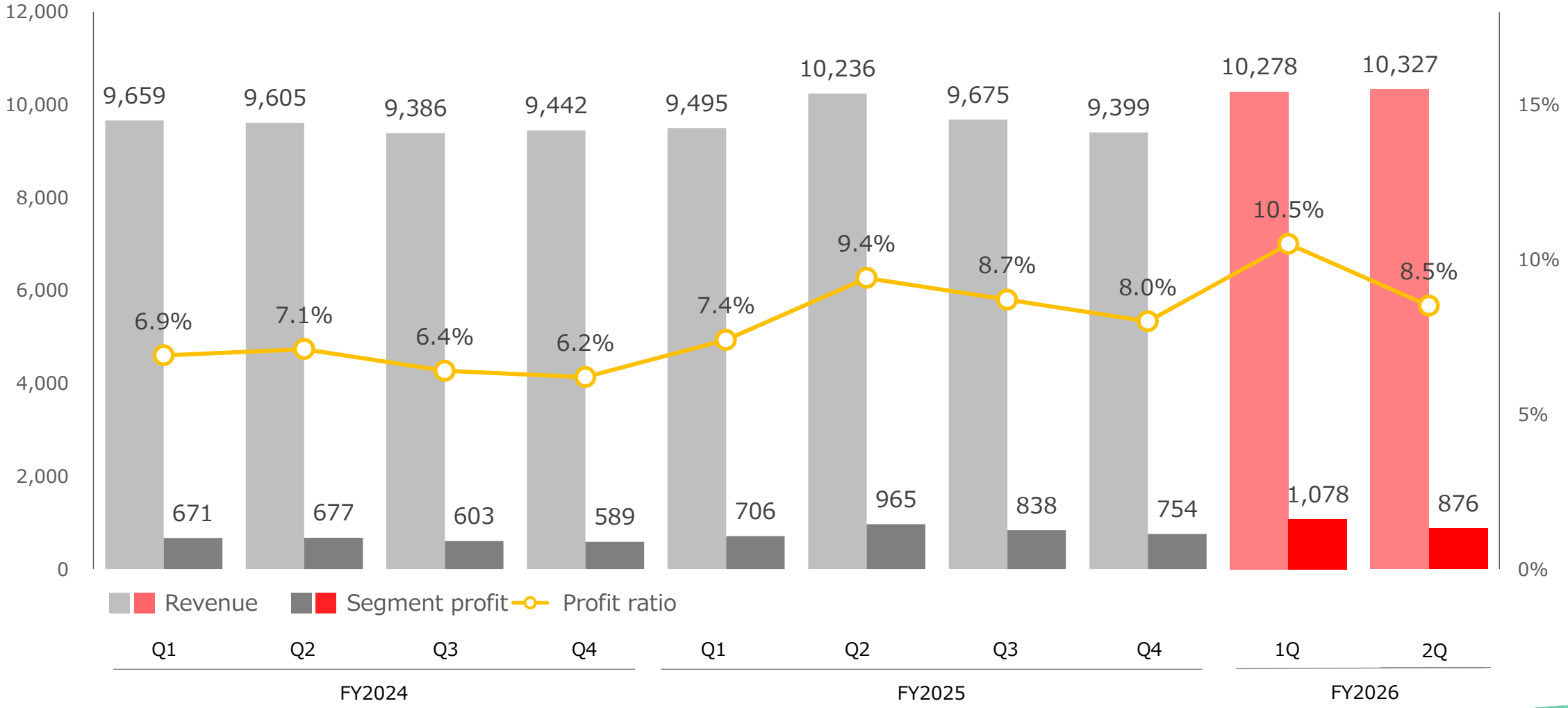
(Unit : Million Yen)



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Quarterly Operating Results for Industrial Products

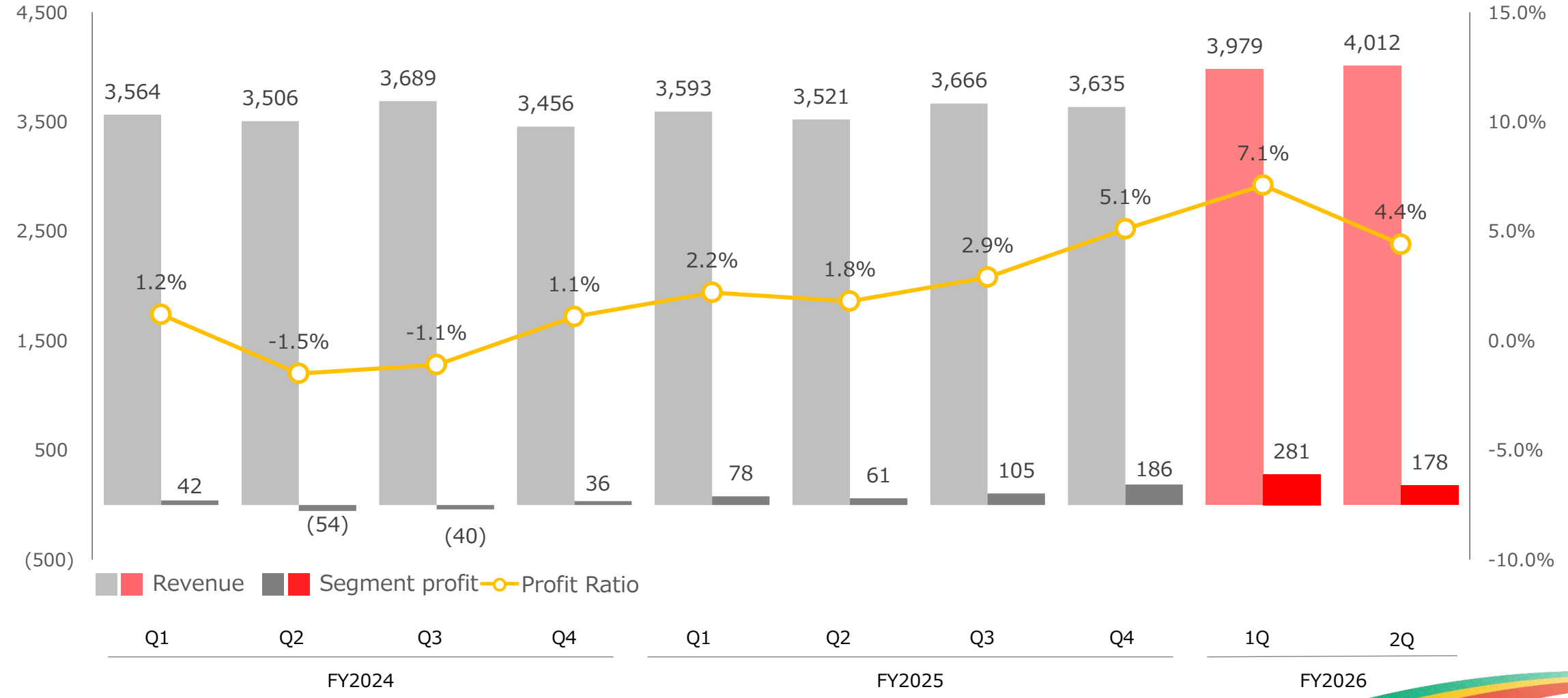
(Unit : Million Yen)



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Quarterly Operating Results for Advanced Elastomer Products

(Unit : Million Yen)



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