

Investor Meeting

Consolidated Performance

Results for the FY2014 and Projections for the FY2015

Rengo Co., Ltd.

May 22, 2015

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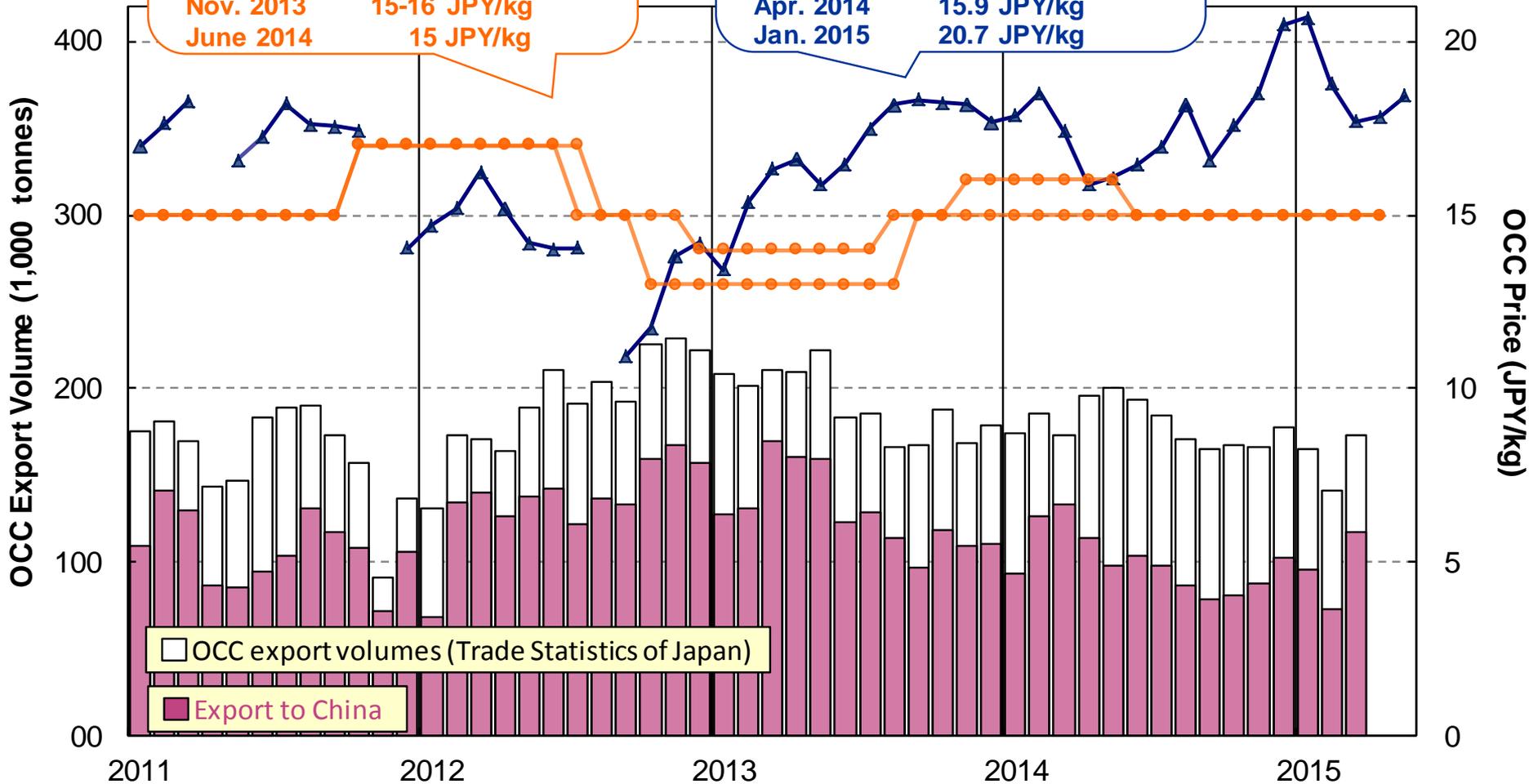
1. Status of Old Corrugated Containers (OCC)

OCC prices in Japan*
(Paper Recycling Promotion Center)

Oct. 2011 17 JPY/kg
 Dec. 2012 13-14 JPY/kg
 Sept. 2013 15 JPY/kg
 Nov. 2013 15-16 JPY/kg
 June 2014 15 JPY/kg

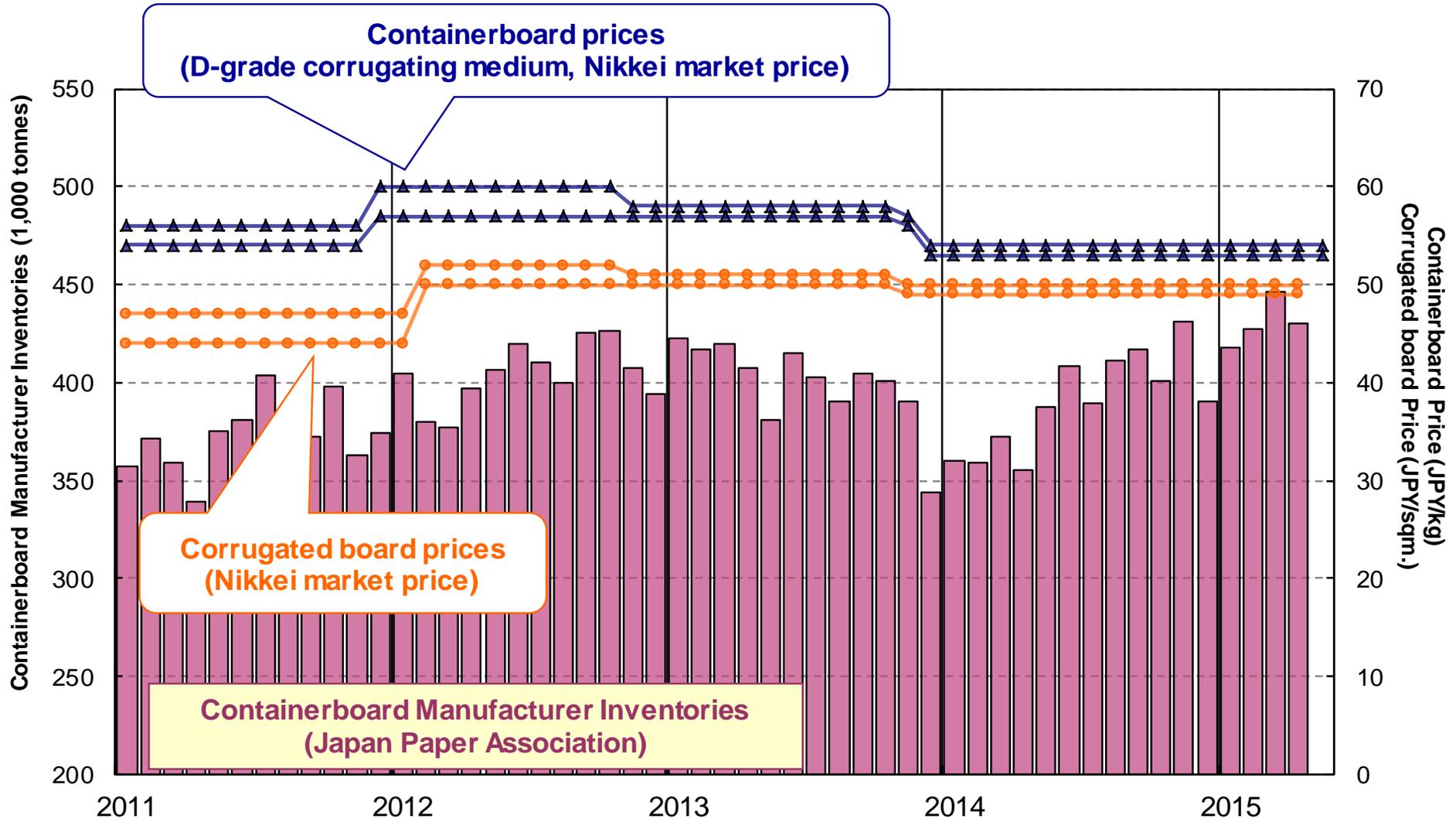
OCC export prices
(Kanto Recovered Paper Association)

July 2011 18.2 JPY/kg
 Sept. 2012 10.9 JPY/kg
 Nov. 2013 18.2 JPY/kg
 Apr. 2014 15.9 JPY/kg
 Jan. 2015 20.7 JPY/kg



* As for OCC prices in Japan, transportation costs to the paper mill (approx. 1 JPY/kg) are included.

2. Status of Corrugated Packaging and Containerboard



3. Rengo Group's Activities in the FY2014

3-Business Integration Reform	<p>July 2014 Subsidiary Yamato Shiki opened Setouchi Plant, a new corrugated facility</p> <p>Nov. 2014 TFP (Total Factor Productivity) Committee established at JCCA</p> <p>Feb. 2015 Completed construction work to renew containerboard machine at Marusan Paper Mfg.</p>
Measures to Enhance Group Capabilities	<p>June 2014 Acquired Fuji-Hoso Shiki, a folding cartons company</p> <p>Dec. 2014 Rengo subsidiaries Nihon Matai and Morishita to merge on April 1, 2015</p> <p>Dec. 2014 Affiliated company Tohoku Shiki became Rengo subsidiary</p> <p>Jan. 2015 Rengo subsidiaries Settsu Carton and Saito Shiki to merge on April 1, 2015</p> <p>Jan. 2015 Rengo subsidiaries Kyohei Danboru and Chuo Danboru to merge on April 1, 2015</p>
Measures to Reinforce Technological and Proposal Development Abilities	<p>Apr. 2014 Developed "Gas Q" gas adsorption sheets</p> <p>Sept. 2014 Successfully developed "Gaiaphoton γ," a new type of phosphor without using rare earth</p> <p>Oct. 2014 First RSDP exhibition presented for TOKYO PACK 2014</p> <p>Oct. 2014 Won Bronze Award in Pentawards 2014 worldwide packaging design competition</p> <p>Dec. 2014 Won World Packaging Organisation's WorldStar Award</p>
Environmental Activities	<p>Jan. 2015 Rengo Yashio Mill received Minister Prize of Economy, Trade and Industry for energy conservation</p> <p>Feb. 2015 Environment and Social Report 2014 awarded at Environmental Communication Awards</p>
Measures to Reinforce Overseas Business	<p>May 2014 Acquired shares in flexible packaging Manufacturer in Thailand</p> <p>May 2014 Opened a new corrugated plant in Hawaii</p> <p>Nov. 2014 Acquired shares in corrugated box manufacturer in Thailand</p> <p>Dec. 2014 Acquired shares in manufacturer of corrugated packaging and folding cartons in Indonesia</p> <p>Jan. 2015 Acquired shares in holding company of flexible packaging manufacturer in Thailand</p> <p>Mar. 2015 Subsidiary Settsu Carton completed new corrugated box plant in Vietnam</p>

4. Consolidated Statements of Income (YOY and comparison with projections)

(Billion yen)

	Results for FY2013	Results for FY2014	YOY	Difference	Projections for FY2014	A/F	Difference
Net sales	523.1	522.7	99.9%	-0.4	530.0	98.6%	-7.3
Operating income	14.2	5.6	39.1%	-8.6	10.0	55.7%	-4.4
Ordinary income	15.4	7.1	46.5%	-8.3	10.0	71.4%	-2.9
Extraordinary gain and loss	-5.6	4.9	—	10.5	7.0	70.6%	-2.1
Net income	3.7	5.7	154.5%	2.0	10.0	57.2%	-4.3

Main factors underlying extraordinary gain and loss

(Billion yen)

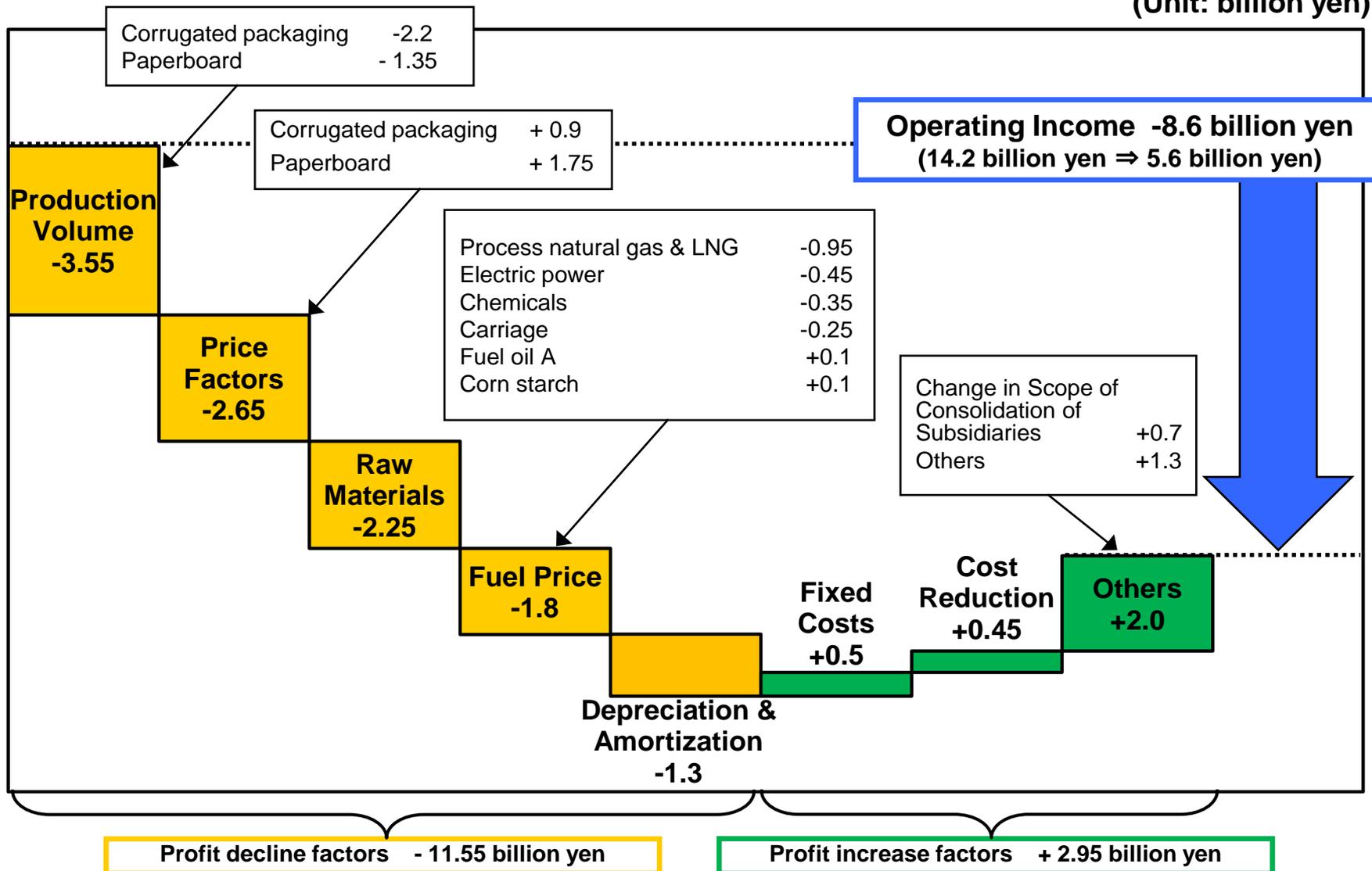
(FY2013)

(FY2014)

Compensation income	+ 1.0	Gain on sales of noncurrent assets	+ 10.5
Subsidy income	+ 0.5	Gain on sales of investment securities	+ 1.2
Gain on sales of noncurrent assets	+ 0.3	Subsidy income	+ 0.4
Provision for surcharge	- 5.9	Loss on reduction of noncurrent assets	- 3.1
Loss on reduction of noncurrent assets	- 0.5	Business structure improvement expenses	- 1.4
Loss on sales and retirement of noncurrent assets	- 0.5	Plant renewal expenses	- 0.7
Plant renewal expenses	- 0.4	Loss on sales and retirement of noncurrent assets	- 0.5
		Loss on plant closing	- 0.5

5. Factors Contributing to Change in Consolidated Operating Income (YOY)

(Unit: billion yen)



6. Detailed Consolidated Performance (Results for the FY2014)

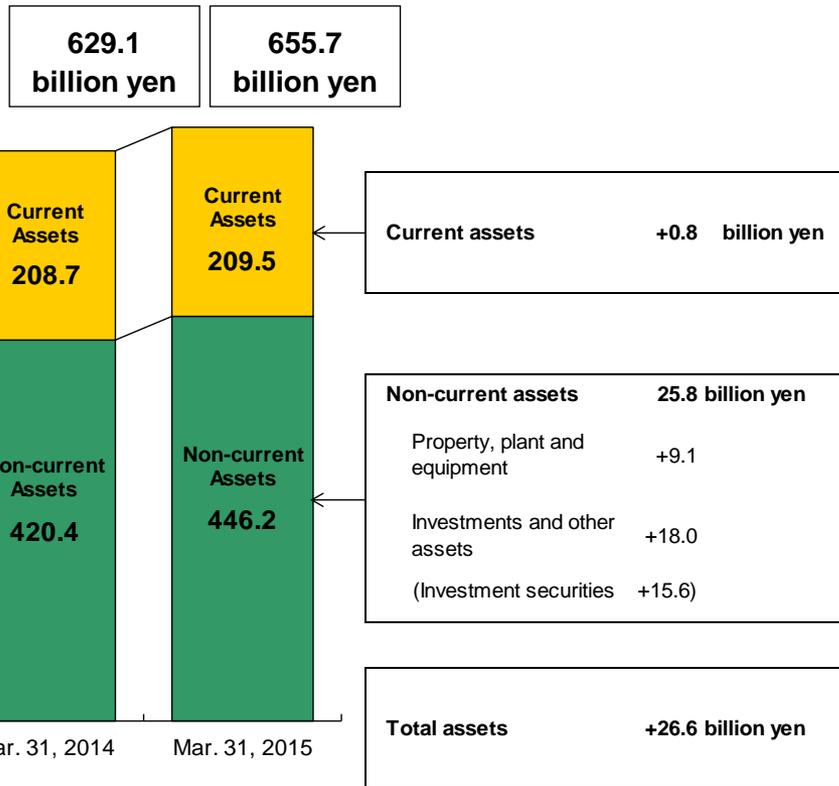
		No. of Companies subject to consolidated accounting *1		Net sales (billion yen)			Ordinary income (million yen)			Production volume of containerboard (thousand tons)			Production volume of corrugated board (million sqm.)		
		FY2013	FY2014	FY2013	FY2014	YOY	FY2013	FY2014	YOY	FY2013	FY2014	YOY	FY2013	FY2014	YOY
1	Rengo (unconsolidated)	1	1	284.1	273.4	96.3	5,315	1,689	31.8	1,683	1,578	93.8	2,113	1,985	93.9
2	Paper manufacturing subsidiaries in Japan	2	2	21.8	21.6	99.1	-259	-1,339	-	250	264	105.6			
3	Paperboard packaging subsidiaries in Japan	31	31	163.6	158.3	96.7	7,953	4,545	57.1				1,691	1,655	97.9
4	Flexible packaging subsidiaries in Japan	1	1	52.6	53.2	101.2	277	1,675	604.7						
5	Heavy duty packaging subsidiaries in Japan	4	2	33.6	42.7	127.1	1,400	1,555	111.1						
6	Other subsidiaries	5	5	116.7	119.0	102.0	1,866	1,425	76.4						
Consolidated totals for Japan		44	42	672.3	668.3	99.4	16,552	9,550	57.7	1,934	1,842	95.2	3,804	3,640	95.7
7	Overseas paper manufacturing subsidiaries	0	0	3.0	-	-	-207	-	-	70	-	-			
8	Overseas paperboard packaging subsidiaries	8	9	15.6	19.7	126.2	192	-358	-				222	256	115.3
9	Overseas flexible packaging subsidiaries	1	1	6.5	7.3	112.8	559	614	109.8						
10	Overseas heavy duty packaging subsidiaries	1	3	3.2	7.6	241.6	18	3	16.7						
Consolidated totals for overseas		10	13	28.2	34.6	122.7	562	259	46.1	70	-	-	222	256	115.3
11	Companies subject to the equity method	8	8				776	1,010	130.2						
Intersegment elimination				-177.4	-180.2	-	-2,536	-3,680	-						
Total		62	63	523.1	522.7	99.9	15,354	7,139	46.5						

*1. Changes in subsidiaries compared to the prior year are as follows.

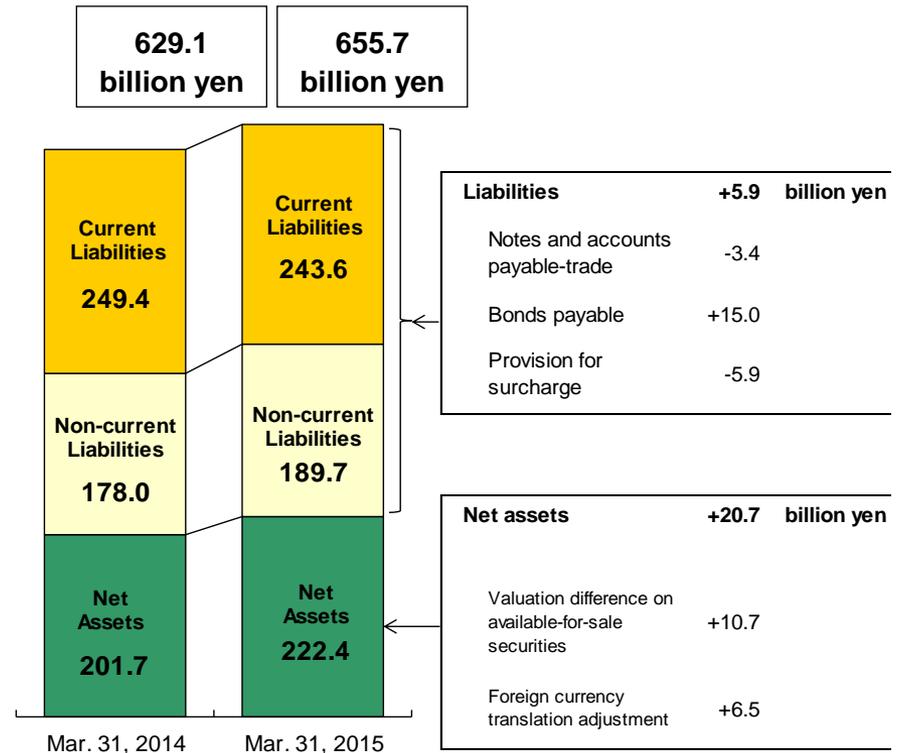
- Marsol Holdings Co., Ltd., Morishita Inc. and Morishita Chemical Industry Co., Ltd. had been merged into Morishita Inc.
- Zhongshan Rengo Hung Hing Paper Mfg. and Zhongshan Ren Hing Paper Mfg. were excluded from consolidation and became affiliates accounted for using equity method.
- Rengo Packaging Malaysia Sdn. Bhd., P.T. Marsol Abadi Indonesia and Thai Marsol Co., Ltd. became consolidated subsidiaries.

7. Consolidated Balance Sheets

Consolidated Assets



Consolidated Liabilities and Net Assets



	March 31, 2014	March 31, 2015	YOY
Change in interest-bearing debt (including discounted bills)	264.3 billion yen	276.9 billion yen	+126 billion yen
D/E Ratio	1.35 times	1.28 times	-0.07 pts.
EBITDA	42.8 billion yen	35.2 billion yen	-7.6 billion yen

8. Consolidated Statements of Cash Flows

(Unit: billion yen)

	FY2013	FY2014
Net cash provided by (used in) operating activities	39.2	19.4
Net cash provided by (used in) investing activities	-56.6	-29.6
Net cash provided by (used in) financing activities	16.3	6.2
Exchange rate changes	2.1	0.8
Change in cash and cash equivalents	1.0	-3.1
Balance of cash and cash equivalents at beginning of year	21.9	22.1
Cash and cash equivalents from newly consolidated subsidiaries	0.2	0.5
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-1.0	-
Balance of cash and cash equivalents at end of year	22.1	19.5
Interest coverage ratio (times)	18.1	9.4

9. Projections of Consolidated Statements of Income for the FY 2015 (YOY)

(Billion yen)

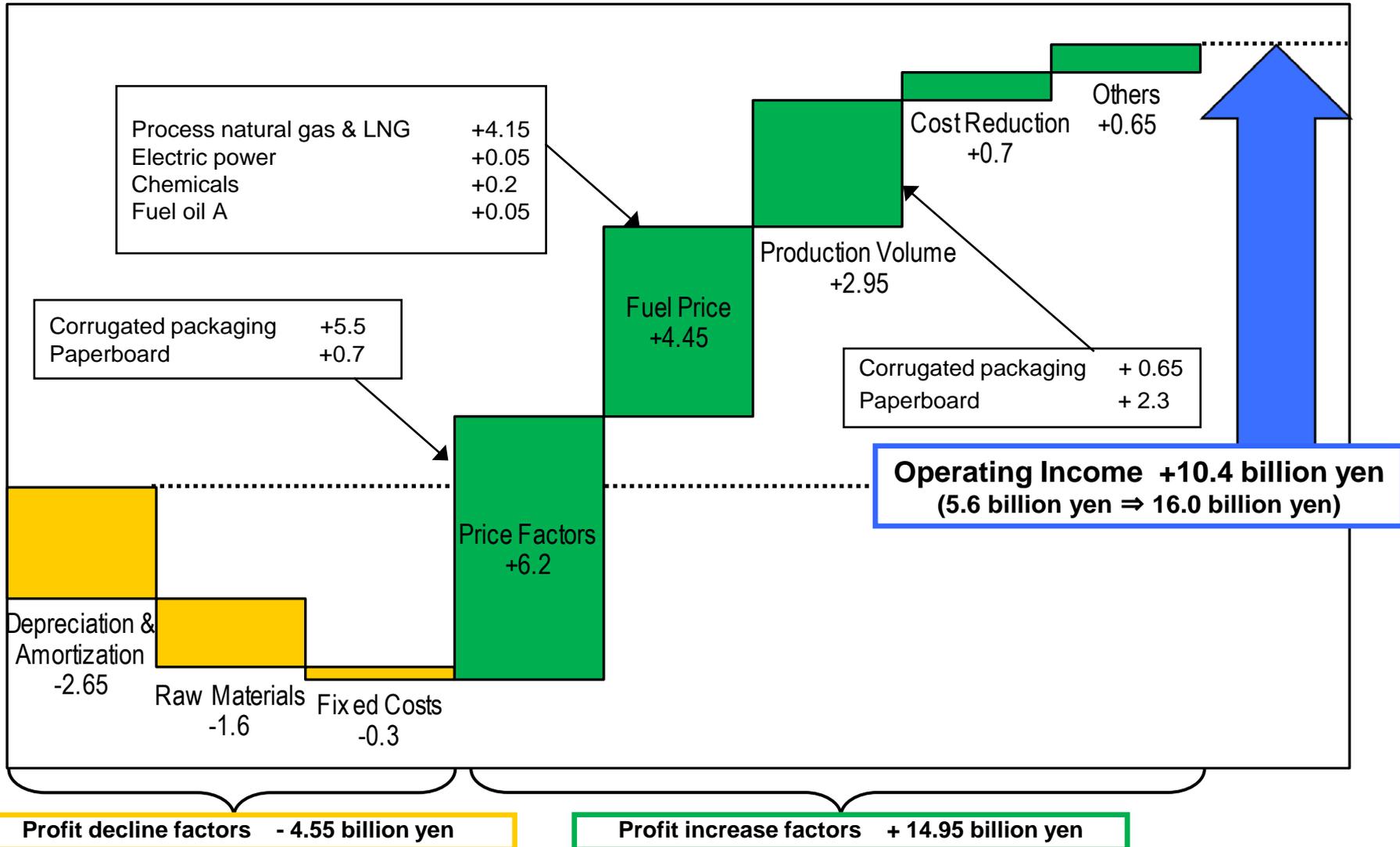
	Results for FY2014	Projections for FY2015	YOY	Difference
Net sales	522.7	542.0	103.7%	19.3
Operating income	5.6	16.0	287.4%	10.4
Ordinary income	7.1	17.0	238.1%	9.9
Net income	5.7	10.0	174.9%	4.3

NOTICE

Although the earnings forecast was prepared using data and information to the best of our knowledge at the present time, we cannot guarantee the accuracy of the projections in the future.

10. Factors Contributing to Change in Projected Consolidated Operating Income for the FY2015 (YOY)

(Unit: billion yen)



11. Major Financial Indicators

(Million yen)

	Results for FY2013	Results for the first half of FY2014	Projections for FY2015
Net sales	523,141	522,671	542,000
Operating Income	14,221	5,567	16,000
Ordinary Income	15,354	7,139	17,000
Net income	3,702	5,718	10,000
Total assets	629,054	655,674	666,000
Total shareholder's equity ¹	196,359	216,353	223,000
Net assets	201,658	222,390	230,000
Interest-bearing debt	264,328	276,926	280,000
Capital expenditures	52,849	39,982	30,000
Depreciation and amortization	28,581	29,611	32,000
Return on equity (ROE) ²	2.0%	2.8%	4.6%
Capital adequacy Ratio ³	31.2%	33.0%	33.5%
EBITDA ⁴	42,802	35,178	48,000
D/E Ratio ⁵	1.35	1.28	1.26
Ratio of net sales to interest-bearing debt ⁶	50.5%	53.0%	51.7%
Recurring profit margin	2.9%	1.4%	3.1%

1. Total shareholders' equity = Net assets – Minority interests

2. Return on equity (ROE) = Net income/average equity capital during the fiscal year × 100 (%)

3. Capital adequacy ratio = Total shareholder's equity at end of year/total assets at end of year × 100 (%)

4. EBITDA = Operating income + depreciation and amortization expenses

5. D/E ratio = Interest-bearing debt/Total shareholder's equity (times)

6. Ratio of net sales to interest-bearing debt = Interest-bearing debt/Net sales × 100 (%)

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