

2Q FY2016 (Apr.-Sept. 2016)

Earnings Presentation

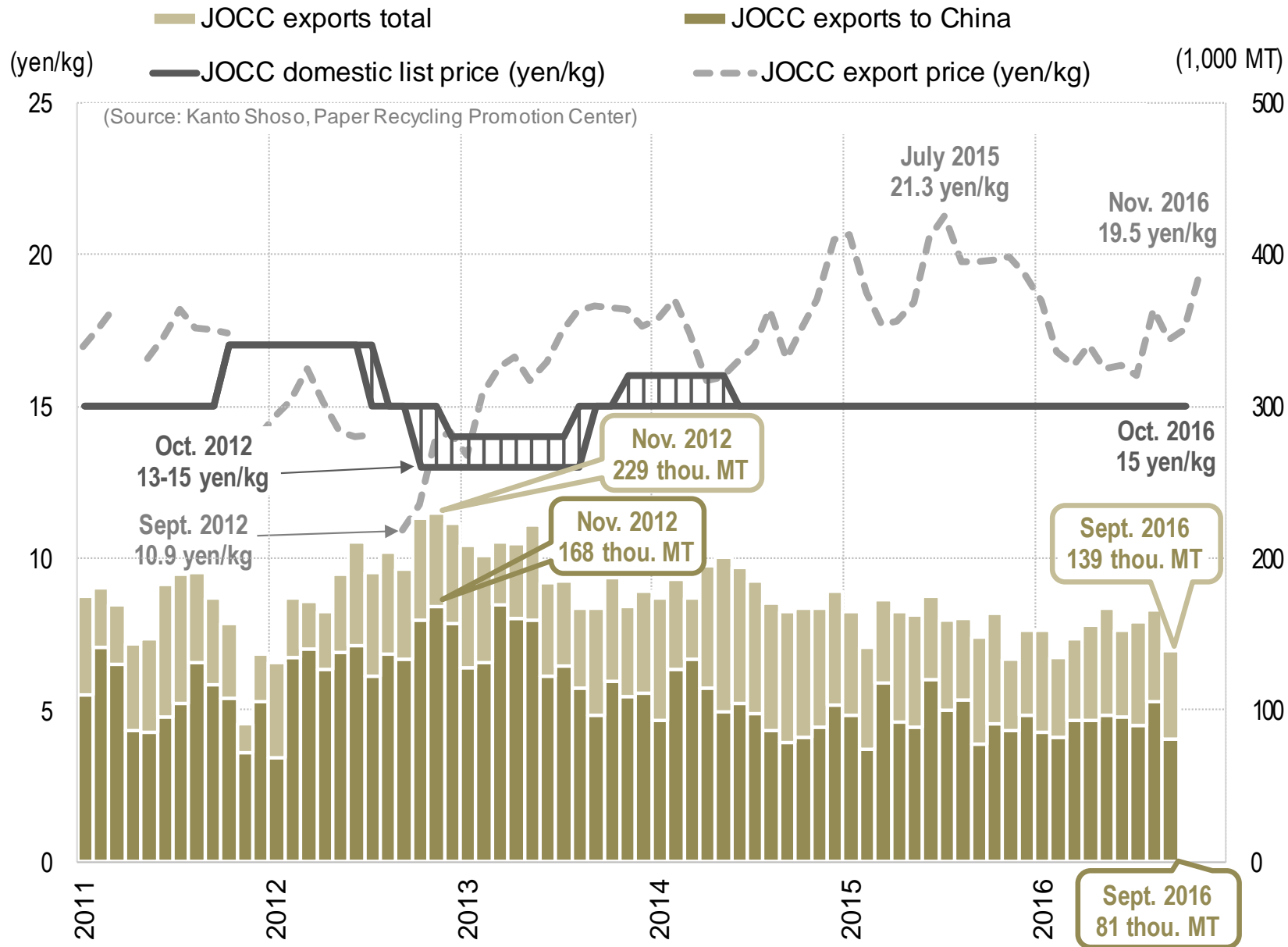
November 22, 2016

Rengo Co., Ltd.

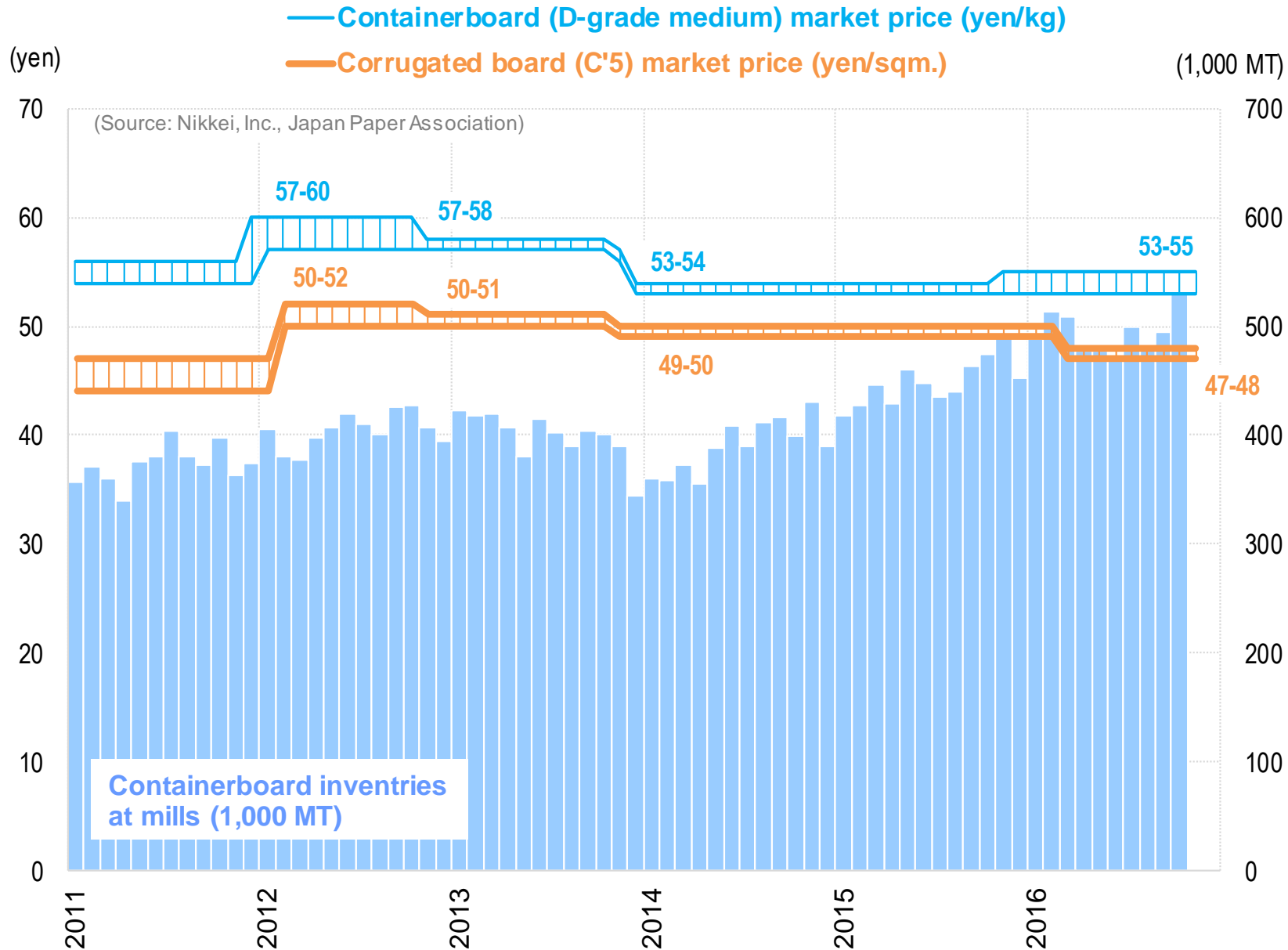
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1. Trends in Old Corrugated Containers (OCC)



2. Trends in Containerboard and Corrugated Board



3. Consolidated Statement of Income (Year-on-year)

(billion yen)

	Apr.-Sept. 2015	Apr.-Sept. 2016	YoY	Diff.
Net sales	265.8	270.5	101.8%	4.7
Operating income	5.8	13.7	235.2%	7.9
Ordinary income	6.4	14.1	220.1%	7.7
Extraordinary gain and loss	0.1	-0.6	-	-0.7
Profit attributable to owners of the parent	3.5	8.7	249.1%	5.2

Main factors underlying extraordinary gain and loss

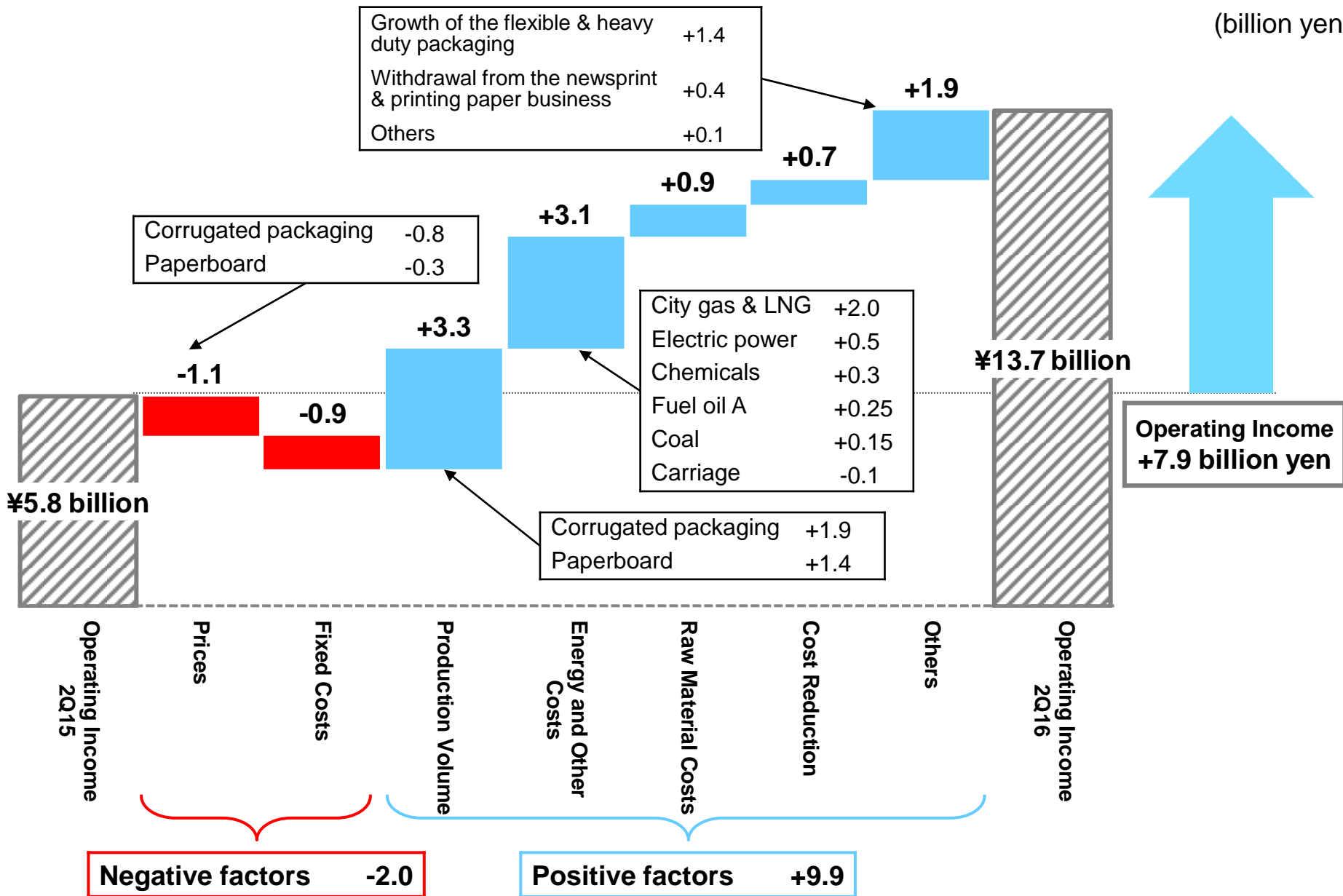
(billion yen)

	Apr.-Sept. 2015
(Extraordinary gain)	
Insurance income	0.4
Compensation income	0.3
Subsidy income	0.1
(Extraordinary loss)	
Loss on sales/retirement of noncurrent assets	0.4
Loss on valuation of investment securities	0.2
Loss on reduction of noncurrent assets	0.1

	Apr.-Sept. 2016
(Extraordinary gain)	
Gain on sales of noncurrent assets	0.1
(Extraordinary loss)	
Impairment loss	0.3
Loss on sales/retirement of noncurrent assets	0.2
Plant renewal expenses	0.1

4. Breakdown of Changes in Consolidated Operating Income (Year-on-year)

(billion yen)



5. Detailed Consolidated Performance (Year-on-year)

		No. of companies*		Net sales (billion yen)				Ordinary income (million yen)				Containerboard production (1,000 MT)			Corrugated board production (million sqm.)		
		2Q15	2Q16	2Q15	2Q16	YoY %	Diff.	2Q15	2Q16	YoY %	Diff.	2Q15	2Q16	YoY %	2Q15	2Q16	YoY %
1	Rengo (unconsolidated)	1	1	136.9	144.1	105.3	7.2	1,678	6,442	383.9	4,764	820	887	108.2	962	1,027	106.8
2	Paper manufacturing Subs	2	2	12.0	11.7	97.6	-0.3	-1,732	-58	-	1,674	148	180	121.6			
3	Paperboard packaging Subs	29	31	80.2	84.3	105.1	4.1	3,644	3,681	101.0	37				864	921	106.6
4	Flexible packaging Subs	1	1	27.4	28.2	102.9	0.8	1,844	2,511	136.2	667						
5	Heavy duty packaging Subs	1	1	21.6	20.6	95.5	-1.0	1,033	1,769	171.2	736						
6	Other Subs	5	5	60.6	63.4	104.7	2.8	885	1,116	126.1	231						
Domestic total (1 to 6)		39	41	338.7	352.4	104.0	13.7	7,352	15,461	210.3	8,109	968	1,068	110.3	1,826	1,948	106.7
7	Paperboard packaging & nonwoven products Subs	9	9	9.8	7.7	78.9	-2.1	-193	-356	-	-163				123	131	106.5
8	Flexible packaging Subs	1	1	4.0	3.4	85.1	-0.6	446	607	136.1	161						
9	Heavy duty packaging Subs	3	3	3.3	2.5	75.8	-0.8	-1	-79	-	-78						
Overseas total (7 to 9)		13	13	17.2	13.7	79.8	-3.5	252	172	68.3	-80	-	-	-	123	131	106.5
10	Companies subject to the equity method	8	9					628	606	96.5	-22						
Intersegment elimination				-90.0	-95.5	-	-5.5	-1,843	-2,178	-	-335						
Total		60	63	265.8	270.5	101.8	4.7	6,389	14,061	220.1	7,672	968	1,068	110.3	1,949	2,079	106.7

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

(Consolidated subsidiaries)

- Tohoku Shiki Co., Ltd. and Fuji-Hoso Shiki Co., Ltd. have been consolidated.

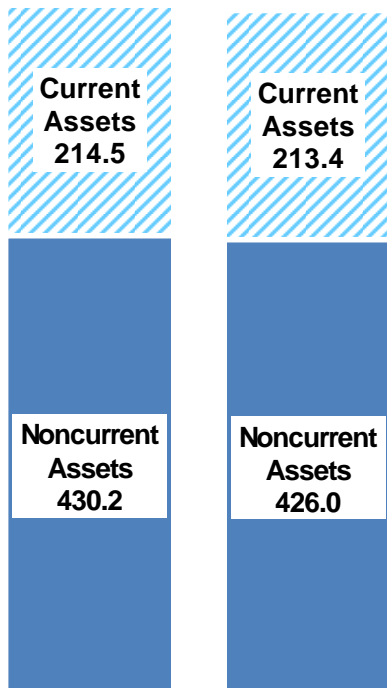
(Companies subject to the equity method)

- Sun-Tox Co., Ltd. became an affiliated company in the previous 3Q.

6. Consolidated Balance Sheet

Assets

644.7 **639.4**



Mar. 31, 2016

Sept. 30, 2016

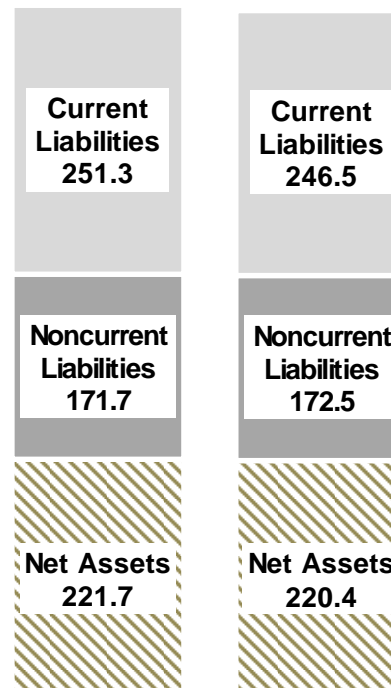
Current assets	- 1.1
Cash and deposits	- 2.2
Notes and accounts receivable-trade	+ 1.5

Noncurrent assets	- 4.2
Investments and other assets	- 4.4
(Investment securities)	- 2.5)
(Long-term loans receivable)	- 1.8)

Total assets	- 5.3
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Liabilities & Net Assets

644.7 **639.4**



Mar. 31, 2016

Sept. 30, 2016

Liabilities	- 4.0
Bonds payable	- 5.0

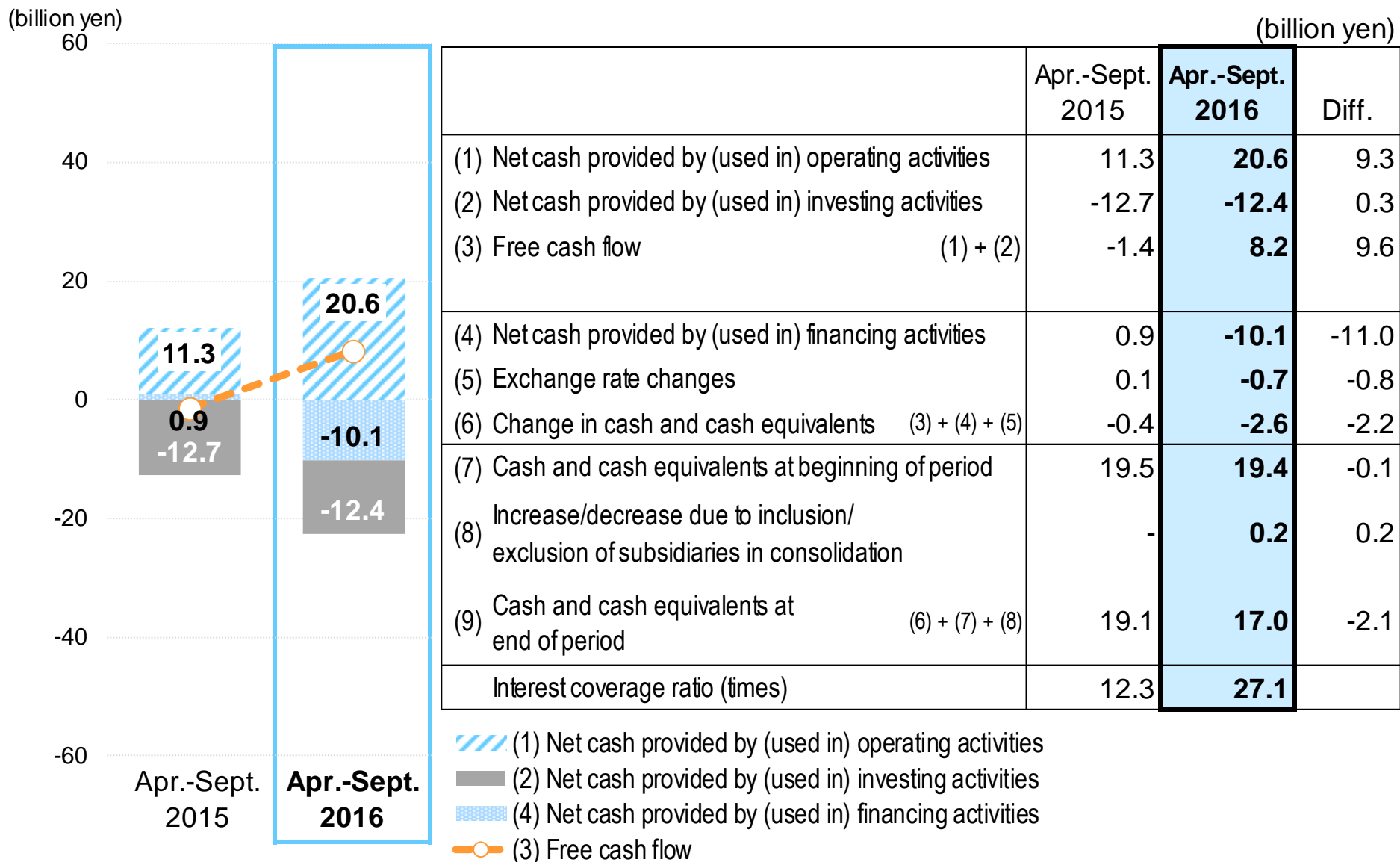
Net assets	- 1.3
Retained earnings	+ 6.8
Foreign currency translation adjustment	- 8.3

(billion yen)

	Mar. 31, 2016	Sept. 30, 2016	
Interest-bearing debt*	¥264.7 bn	¥258.4 bn	(-6.3 billion yen)
Capital adequacy ratio	33.5 %	33.6 %	(+0.1 pts)
D/E Ratio	1.23 times	1.20 times	(-0.03 pts)

*Including discounted bills.

7. Consolidated Statement of Cash Flow



8. Consolidated Income Statement Forecast for FY2016 (Year-on-year)

Income statement

(billion yen)

	2Q16 Forecast	2Q16 Actual	YoY	FY2016 Forecast	YoY	Diff.
Net sales	279.0	270.5	-8.5	558.0	104.8%	25.5
Operating income	12.5	13.7	1.2	24.0	152.6%	8.3
Ordinary income	12.5	14.1	1.6	24.0	144.3%	7.4
Profit attributable to owners of the parent	7.5	8.7	1.2	14.5	147.7%	4.7

Production volume (domestic)

	2Q15	2Q16	YoY	FY2016 Forecast	YoY
Containerboard (1,000 MT)	968	1,068	110.3%	2,072	103.7%
Corrugated board (million sqm.)	1,826	1,948	106.7%	3,921	107.0%

9. Major Financial Indicators

				(million yen)		
		FY2015	2Q16	FY2016 Forecast		
(1) Net sales		532,534	270,549	558,000		
(2) Operating Income		15,727	13,724	24,000		
(3) Ordinary Income		16,633	14,061	24,000		
(4) Profit attributable to owners of the parent		9,816	8,729	14,500		
(5) Total assets		644,689	639,376	690,000		
(6) Total shareholder's equity ^{*1}		215,962	214,782	221,000		
(7) Net assets		221,733	220,418	227,000		
(8) Interest-bearing debt		264,748	258,402	290,000		
(9) Capital expenditures		29,656	15,823	30,500		
(10) Depreciation and amortization		29,333	14,244	30,000		
*1 Total shareholders' equity = Net assets - non-controlling interests						
(11) Return on equity (ROE) ^{*2}	%	4.5	-	6.6	(4) / (6)	
(12) Capital adequacy ratio	%	33.5	33.6	32.0	(6) / (5)	
(13) EBITDA	million yen	46,454	-	54,000	(2)+(10)+Amortization of goodwill	
(14) D/E Ratio	times	1.23	1.20	1.31	(8) / (6)	
(15) Ratio of net sales to interest-bearing debt	%	49.7	-	52.0	(8) / (1)	
(16) Ordinary income margin	%	3.1	5.2	4.3	(3) / (1)	
*2 Calculated with the average of equity at the beginning and the end of the year						
Cash dividends applicable to the period	yen	12	6	12		

Rengo Co., Ltd.

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The description of the business plan and the financial forecasts is based on the information currently available.
Any forward-looking information is not a guarantee of future performance.