

Consolidated Financial Results

3Q FY2017 (Apr.-Dec. 2017)

February 6, 2018

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1. Consolidated Statement of Income

(Year-on-year)

(billion yen)

	Apr.-Dec. 2016	Apr.-Dec. 2017	YoY	Diff.
Net sales	410.7	455.2	110.8%	44.5
Operating income	21.5	13.8	64.1%	-7.7
Ordinary income	22.7	15.6	68.9%	-7.1
Extraordinary gain and loss	-0.4	-1.0	-	-0.6
Profit attributable to owners of the parent	14.7	9.3	63.4%	-5.4

Main factors underlying extraordinary gain and loss

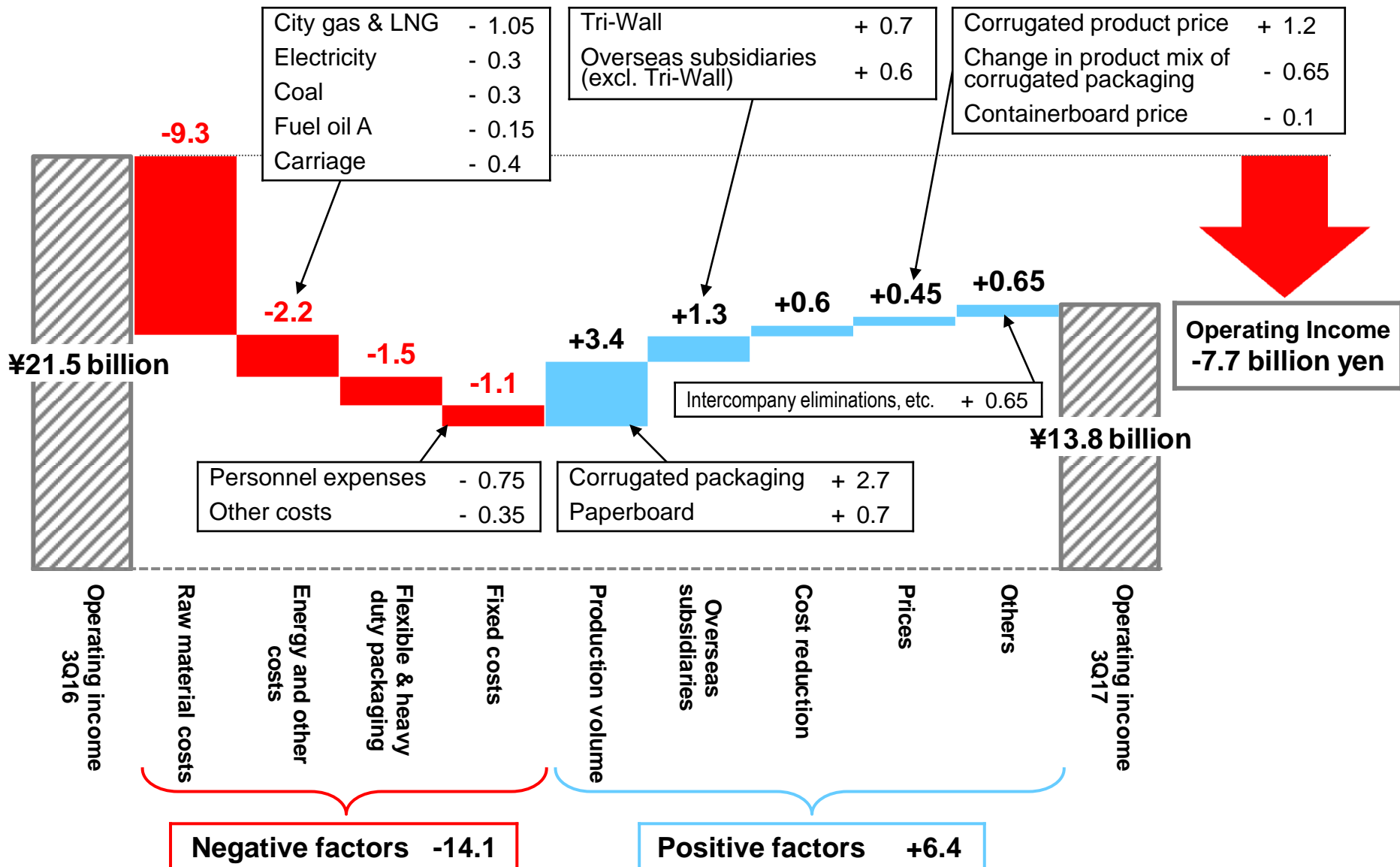
(billion yen)

	Apr.-Dec. 2016
(Extraordinary gain)	
Gain on sales of noncurrent assets	0.3
(Extraordinary loss)	
Loss on sales/retirement of noncurrent assets	0.3
Impairment loss	0.3

	Apr.-Dec. 2017
(Extraordinary gain)	
Gain on sales of investment securities	0.4
Insurance income	0.3
(Extraordinary loss)	
Business structure improvement expenses	0.8
Loss on sales/retirement of noncurrent assets	0.5
Restructuring loss	0.2

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

(billion yen)



City gas & LNG	- 1.05
Electricity	- 0.3
Coal	- 0.3
Fuel oil A	- 0.15
Carriage	- 0.4

Tri-Wall	+ 0.7
Overseas subsidiaries (excl. Tri-Wall)	+ 0.6

Corrugated product price	+ 1.2
Change in product mix of corrugated packaging	- 0.65
Containerboard price	- 0.1

Personnel expenses	- 0.75
Other costs	- 0.35

Corrugated packaging	+ 2.7
Paperboard	+ 0.7

Intercompany eliminations, etc. + 0.65

Operating Income
-7.7 billion yen

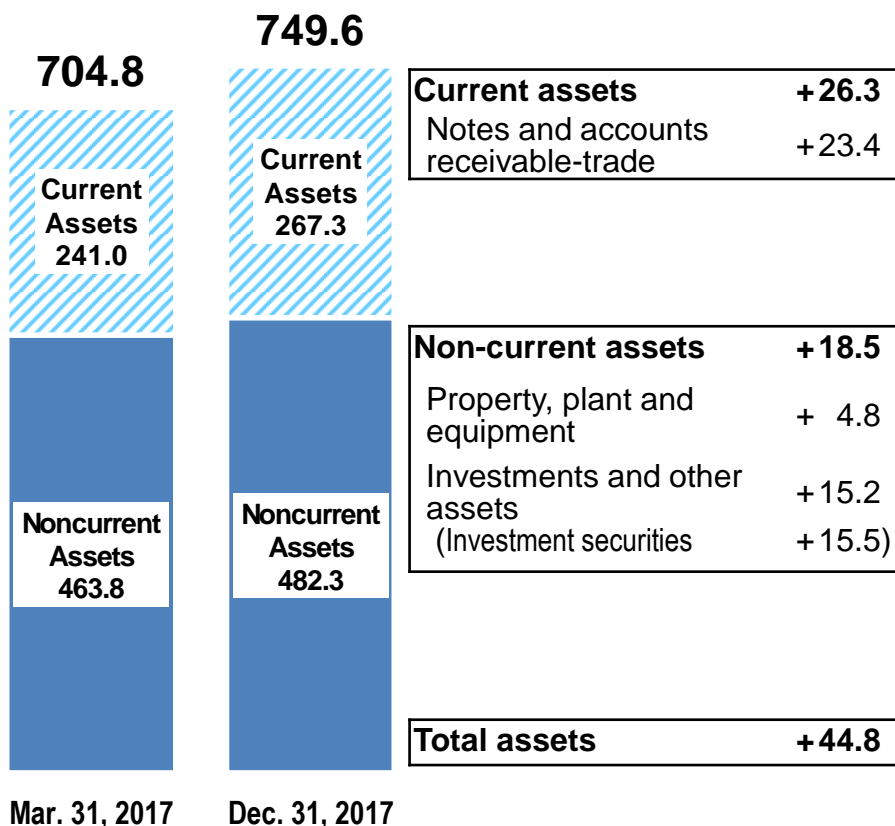
¥13.8 billion

Negative factors -14.1

Positive factors +6.4

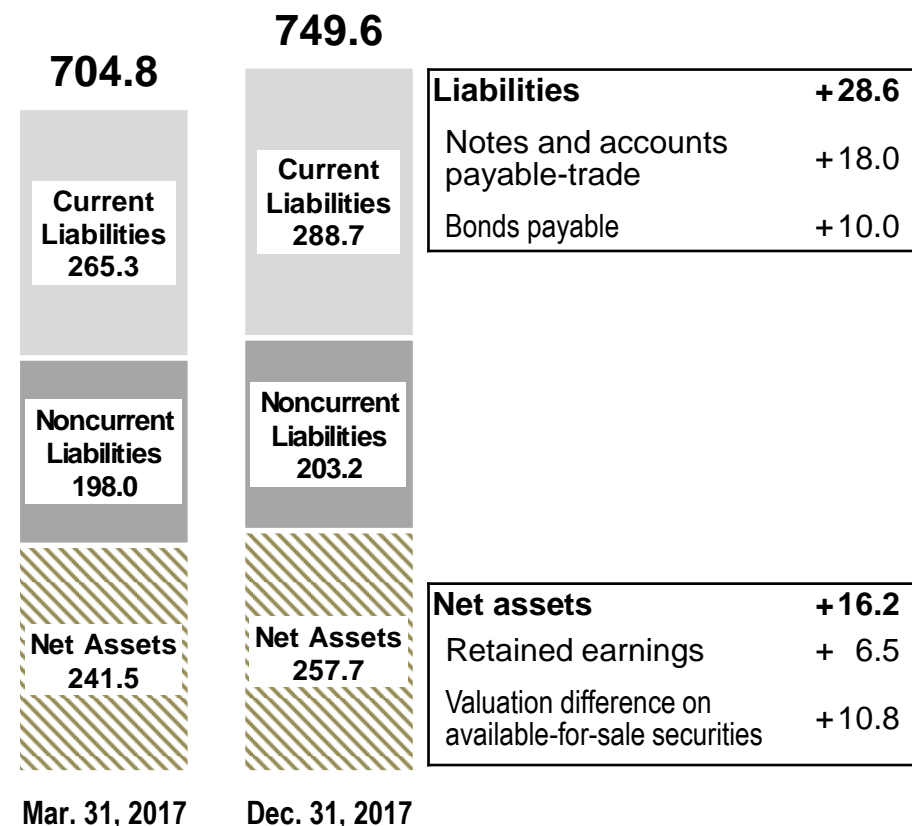
3. Consolidated Balance Sheet (Year-on-year)

Assets



Liabilities & Net Assets

(billion yen)



	Mar. 31, 2017	Dec. 31, 2017	
Interest-bearing debt	¥283.4 bn	¥297.1 bn	(+13.7 billion yen)
Capital adequacy ratio	33.2 %	33.4 %	(+0.2 pts)
D/E Ratio	1.21 times	1.19 times	(-0.02 pts)

4. 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.)		
		3Q16	3Q17	3Q16	3Q17	YoY %	Diff.	3Q16	3Q17	YoY %	Diff.	3Q16	3Q17	YoY %	3Q16	3Q17	YoY %
1	Rengo (unconsolidated)	1	1	218.3	231.0	105.8	12.7	9,430	6,180	65.5	-3,250	1,351	1,376	101.9	1,543	1,611	104.4
2	Paper manufacturing Subs	2	2	17.6	20.1	113.9	2.5	-85	-263	-	-178	276	299	108.3			
3	Paperboard packaging Subs	31	32	130.2	137.2	105.3	7.0	6,101	2,369	38.8	-3,732				1,428	1,489	104.3
4	Flexible packaging Subs	1	1	42.6	43.7	102.6	1.1	3,850	2,898	75.3	-952						
5	Heavy duty packaging Subs	1	1	30.9	31.4	101.6	0.5	2,606	2,140	82.1	-466						
6	Other Subs	5	5	97.3	107.5	110.5	10.2	1,820	1,627	89.4	-193						
Domestic total (1 to 6)		41	42	536.9	570.8	106.3	33.9	23,722	14,951	63.0	-8,771	1,627	1,675	103.0	2,972	3,100	104.3
7	Paperboard packaging & nonwoven products Subs	9	9	11.6	17.3	149.0	5.7	-399	216	-	615				204	230	112.7
8	Flexible packaging Subs	1	3	5.0	7.4	148.2	2.4	887	771	86.9	-116						
9	Heavy duty packaging Subs	3	88	3.8	34.2	907.8	30.4	-64	1,996	-	2,060						
Overseas total (7 to 9)		13	100	20.4	58.9	288.8	38.5	424	2,983	703.5	2,559	-	-	-	204	230	112.7
10	Companies subject to the equity method	9	15					1,116	1,547	138.6	431						
Intersegment eliminations				-146.5	-174.5	-	-28.0	-2,603	-3,880	-	-1,277						
Total		63	157	410.7	455.2	110.8	44.5	22,659	15,601	68.9	-7,058	1,627	1,675	103.0	3,175	3,330	104.9

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

- Kato Danboru Co., Ltd. has been consolidated as a domestic paperboard packaging subsidiary.
- Howa Taiwan Co., Ltd. and Sichuan Zhongjin Medicinal Packaging Co., Ltd. have been consolidated as overseas flexible packaging subsidiaries.
- 84 companies of the Tri-Wall Group and Shanghai Matai Trading Co., Ltd. have been consolidated as overseas heavy duty packaging subsidiaries.
- 6 companies of the Tri-Wall Group have been included as equity-method affiliates.

cf. Consolidated financial performance of the Tri-Wall Group (after intercompany eliminations): net sales of 20.7 billion yen, ordinary income of 1,578 million yen

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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.