

Packaging to Support Lifestyles and Create the Future

RENGO Integrated Report 2024

For Year Ended March 31, 2024

Integrated Report 2024

For Year Ended March 31, 2024

RENGO

 **RENGO** co., LTD.

Head Office Nakanoshima Central Tower, 2-2-7 Nakanoshima,
Kita-ku, Osaka, Japan 530-0005
TEL. +81-6-6223-2371 FAX. +81-6-4706-9909

Tokyo Head Office Shinagawa Season Terrace, 1-2-70 Konan,
Minato-ku, Tokyo, Japan 108-0075
TEL. +81-3-6716-7300 FAX. +81-3-6716-7330

<https://www.rengo.co.jp/english/>

GPI
The General Packaging Industry
 **RENGO**

Philosophy of the Rengo Group

Corporate Philosophy

Ever since founder Teijiro Inoue manufactured Japan's first corrugated board in 1909, the Rengo Group has been serving society, continually adapting to the times to deliver the very best packaging solutions to customers and enhance the value of its products.

We plan to continue comprehensive development of optimal packaging solutions for logistics in all industries, and as a “General Packaging Industry” that creates new value in packaging through a tireless commitment to continual changes in thinking and technological innovation, we adhere to the following guiding principles.

- 1 Realize prosperity and ambitions for the future through dynamic business activities by earning the trust and satisfaction of customers.
 - 2 Act always with integrity, maintaining high ethical standards and ensuring strict legal compliance.
 - 3 Engage in communication with a broad section of society through proactive and accurate information disclosure.
 - 4 Respect the value of individual employees and strive to create safe and congenial work environments providing comfort and fulfillment.
 - 5 Take the initiative on environmental conservation efforts.
 - 6 Contribute to society as a good corporate citizen.
- Globalize by ensuring compliance with laws in each country or region and by contributing to economic and social development in those areas through business activities reflecting the different cultures and practices.

Statement “General Packaging Industry (GPI) Rengo” Packaging Provider



Packaging to Support Lifestyles and Create the Future

No matter how great a product is, its value cannot reach people without the packaging it is packed or wrapped in. Because of this, the evolution of packaging has the potential to dramatically change the future. The entire range of assorted packaging solutions offered by “General Packaging Industry (GPI) Rengo” supports logistics and richness in lifestyles, and their innovation contributes toward solving socially relevant issues. As a “packaging provider” that is not a supplier which only delivers its products but designs and opens up new markets on its own capabilities, Rengo provides comprehensive solutions that meet the packaging needs of all industries.

The Key Concept for the Rengo Group's Packaging Manufacturing and Environmental Management

“Less is more.”

- “Less energy consumption”
- “Less carbon emissions”
- “High quality products with more value-added”

“Less is more.” is the key concept for the Rengo Group's packaging manufacturing and environmental management as well. This is the ideal that the Rengo Group seeks through all of its business activities in fulfilling social responsibilities as a company toward contributing to the development of a better and sustainable society through the manufacturing of high quality and high value-added packaging while effectively using resources and reducing impacts on the global environment.

CONTENTS

Introduction

Philosophy of the Rengo Group	01
Contents	03
Message from the Chairman	05
Path of Value Creation	09
Business Domains	11
Strengths of the Rengo Group	13
Financial and Non-Financial Highlights	15

Value Creation Story

Message from the President	17
Value Creation Process	21
Materiality (Core Issues) Initiatives	23

Business Development

At a Glance	25
Paperboard and Packaging-Related Business	27
Flexible Packaging-Related Business	29
Heavy Duty Packaging-Related Business	31
Overseas Business	33
Other Businesses	35
Special Feature: Group Company Profiles—RM TOHCELLO CO., LTD.	37
Special Feature: Chemical Products and Cellulose Products Development Group	39

WE SUPPORT



United Nations Global Compact

Since 2009, Rengo has participated in the United Nations Global Compact.

The Rengo Group has its origin in corrugated board, which is an environmentally friendly packaging material. With “Less is more.” as our key concept, we have contributed to society by creating packaging that is friendly to people and the environment. “General Packaging Industry (GPI) Rengo”—which offers innovative and diverse solutions that meet the packaging needs of all industries—fully supports the Ten Principles advocated by the Global Compact and will continue to fulfill our responsibilities as a corporate citizen while respecting its spirit.

Kiyoshi Otsubo
Representative Director, Chairman & CEO, Rengo Co., Ltd.

Management Foundation

Development of a Corporate Culture That Takes ESG and SDGs into Consideration	41
The Rengo Group’s Digital Transformation (DX) Strategy	42

ENVIRONMENT

Our Environmental Initiatives Aimed at the Year 2050	43
Environmental Management	45
Creation of Products That Solve Environmental Problems and Social Issues	47
Creation of a Carbon-Free Society	49
Improvement of Energy Efficiency	51
Creation of a Recycling-Oriented Society	52
Water Risk Management	55
Value Chain Management (Downstream)	56
Chemical Substance Management	57
Conservation of Biodiversity	58
Special Feature: Acquisition of SBT Certification	59
Response to TCFD	61

SOCIAL

Supply Chain Management	64
Creation of Workplaces Where Diverse Human Resources Can Demonstrate Their Unique Potential and Play an Active Role	67
Quality Assurance	75
Protection of Health and Safety	77
Communication with Stakeholders	79
Contribution to Society	80
Special Feature: Role of Corrugated Board at the Time of Disasters	81

GOVERNANCE

Roundtable Discussion by Outside Directors	82
Members of the Board, Audit & Supervisory Board Members, and Executive Officers	87
Corporate Governance	89
Compliance	93
Risk Management	94

Financial Data / Corporate Information

Consolidated 11-Year Summary	95
Corporate Information	97

Editorial Policy

Rengo issued the Integrated Report 2024 with the aim of explaining the details of the Rengo Group’s business activities to stakeholders by integrating financial information and our environmental, social, and governance (ESG) activities. We hope that readers will deepen their understanding of the Group’s initiatives toward the realization of a sustainable society by viewing the information available on our website and other materials as well as by reading this report.








Notations such as “3/2024” or “3/24” used in this report denotes the fiscal year (FY) or business year ending March 31 of each year, unless otherwise noted. Percentages may not add up to 100% due to rounding.

Disclaimer

This report contains forward-looking statements about the Rengo Group’s plans, strategies, and determinations. These forward-looking statements are based on management’s assumptions and beliefs in light of information available at the time of publication of this report, and there is no guarantee that these forward-looking statements will actually occur in the future.

Evaluations of Sustainability

Rengo has received high evaluations for its ESG efforts from various external evaluation organizations.

Evaluation/certification	Evaluation scope	Evaluation/certification status
CDP Climate Change	Initiatives for environmental management	Received the B score 
S&P Dow Jones Indices LLC S&P/JPX Carbon Efficient Index		Selected for index inclusion 
Corporate Knights Inc. / As You Sow Carbon Clean 200		Ranked 123rd (out of 200)
Science Based Targets initiative (SBTi)		Obtained SBT “1.5°C level” certification
FTSE Russell FTSE Blossom Japan Sector Relative Index	Overall ESG-related initiatives	Selected for index inclusion 
Sompo Asset Management Co., Ltd. Sompo Sustainability Index		Selected for index inclusion 
MSCI Inc. MSCI Nihonkabu ESG Select Leaders Index	Initiatives related to the empowerment of women	Selected for index inclusion 
Ministry of Health, Labour and Welfare Eruboshi certification		Received the Level 3 Eruboshi certification 
Ministry of Health, Labour and Welfare Kurumin certification / Platinum Kurumin certification	Initiatives related to support for childcare	Received the Kurumin certification and Platinum Kurumin certification 

* FTSE Russell (a registered trademark of FTSE International Limited and Frank Russell Company) certifies that Rengo meets the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index after assessment by a third party. The FTSE Blossom Japan Sector Relative Index is widely used to construct and evaluate sustainable investment funds and other financial instruments.

* The selection of Rengo for inclusion in an MSCI index and the use of MSCI logos, trademarks, or index names do not constitute an offer of investment in Rengo, a guarantee, or sales promotion by MSCI or its affiliates. The MSCI indices are the exclusive property of MSCI. The names and logos of MSCI and the MSCI indices are the trademarks of MSCI or its affiliates.

Period of Issue

October 2024

Referenced Guidelines

- “International Integrated Reporting Framework,” International Integrated Reporting Council
- “Guidance for Collaborative Value Creation,” Ministry of Economy, Trade and Industry
- “Environmental Reporting Guidelines 2018,” Ministry of the Environment
- TCFD Recommendations
- ISO26000

Scope of the Report

Organizational scope	This report covers Rengo Co., Ltd. and its subsidiaries. Information from certain affiliated companies is also included. The environmental data excludes sub-subsidiaries.
Target period	In principle, this report covers FY3/2024 (April 1, 2023 to March 31, 2024). Certain aspects of this report also include periods before and after FY3/2024.

Rengo’s Information Disclosure Media

Rengo provides appropriate and timely financial and non-financial information meeting the needs of stakeholders through our website, this report, and other publications.

Website

Top Page

<https://www.rengo.co.jp/english/index.html>



Investor Relations

<https://www.rengo.co.jp/english/financial/index.html>



Sustainability

<https://www.rengo.co.jp/english/sustainability/index.html>



Corporate Governance

<https://www.rengo.co.jp/english/sustainability/governance/index.html>



Integrated Report (PDF version)

Integrated Report (main volume)



Financial Data (separate volume)



Japanese
<https://www.rengo.co.jp/financial/ir.html>



English
<https://www.rengo.co.jp/english/financial/annualreport.html>



Message from the Chairman



Kiyoshi Otsubo

Kiyoshi Otsubo
Representative Director,
Chairman & CEO

With the environment surrounding corporate management changing drastically, we will constantly look to grasp the true nature of things and realize sustainable growth.

Aiming to Achieve a Virtuous Cycle of Growth and Distribution with the “Five Ps” Based on the Human-Capital Approach

Since becoming representative director and president of Rengo in 2000, I have strived to manage the “General Packaging Industry (GPI) Rengo,” which offers innovative and diverse solutions that meet the packaging needs of all

industries. During this time, we have pursued business growth, including overseas expansion, and have worked to reform the paperboard and corrugated packaging industry as well as to enhance the resiliency of our system for the recycling of recovered paper, the lifeline of our business. Currently, we are steadily moving forward on growth strategies for achieving Vision 115, our medium-term vision that ends in FY3/2025 when we mark our 115th anniversary. We seek to be the world’s best general

packaging manufacturer group as a “packaging provider.” In addition, with the human-capital (human-centered) approach as a pillar of our corporate management, and the idea that each employee’s development is the key to the company’s growth, the Rengo Group intends to achieve a “virtuous cycle of growth and distribution” continuously. This will be led by an appropriate distribution of the added value generated by raising total factor productivity (TFP) to employees, driving the next stage of growth. Such an idea aligns with the five Ps: people, planet, prosperity, peace, and partnership, which are consistent with the 17 goals and 169 targets of the Sustainable Development Goals (SDGs).

Setting the “Kintoma” Management Philosophy of Our Founder as the Cornerstone of Business Growth

Come to think of it, the axes of my brand of corporate management, starting with the human-capital approach, are the various management philosophies I encountered after being seconded from Sumitomo Corporation where I started my career. Teijiro Inoue, the founder who left behind one of them, built the basis for the development of the Rengo Group. He was the first in Japan to commercialize corrugated packaging, which is now part and parcel of industries and our lives, and also coined the name for corrugated packaging in Japanese, *danboru*. Inoue, who entered into an apprenticeship at age 14, changed jobs many times and eventually traveled around China, having an unconventional first half of his life. With no job and no money, by chance he was attracted to a help wanted notice he saw at a shop that sold carpenter’s tools and worked there as a sales clerk. In the back of the shop, he found a small machine. This machine would become the prototype for the manufacturing machines for corrugated board. Understandably, it was a series of challenges until Inoue created corrugated board, from manufacturing challenges to sales and financing obstacles. After much trial and error, he came to grasp “Kintoma,” his own management philosophy. Its meaning is this: “Kin,” which indicates “money” and “iron will,” and “ma,” which means “sincerity” and “timing.” “To” is a conjunction that connects “kin” and “ma.” The Kanji character meaning “ma” can be combined with other Kanji characters to create other words that variously mean “time,” “space,” or “human being.” Kintoma indicates an invariable principle of business in

which once one has acquired iron will, money, sincerity, and timing, they should hold onto these qualities for life. In other words, the Kintoma philosophy translates to “businesspeople, having money and a strong will, must engage in the management of their business with sincerity while placing an emphasis on personnel, time, and equipment.” The cornerstone of the Group up to today is truly Inoue’s philosophy. Simply upholding it and pursuing it have led to the Group’s prosperity of today. In addition, Vision 115, to be the world’s best general packaging manufacturer group, is the tireless pursuit of the Kintoma philosophy that the Group puts as the basis of the vision.

Emphasizing Workplaces in Corporate Management

In addition to the teachings of Teijiro Inoue, I had management philosophy pounded into me in my passionate 20s by the founder of Settsu Paperboard Mfg. Co., Ltd., with which Rengo had merged, Yoshio Masuda. I learned from him the importance of management that emphasized the workplaces. This was an irreplaceable experience that helped me grow as a businessperson. Masuda is a success story; he worked his way up from a used paper recovery business to create one of Japan’s leading paperboard manufacturers in just one generation. He was extremely strict about work and on occasion I was severely reprimanded, but he was also a warm-hearted person and would invite me to a Kaiseki restaurant, saying “Let’s go get something good to eat.” I clearly remember that he mentored me: when starting something, the workplaces are most important; “boots on the ground,” he would say. To understand this firsthand, I spent three days and nights at Settsu Paperboard’s mill in Amagasaki. I laid out a mat and laid down on it, and I could hear the water flowing from the pipes of the manufacturing equipment in the middle of the night. Through this experience, I thought I came to understand the meaning of one of Masuda’s sayings he repeated over and over: “Loss is profit that spills over.” To eliminate loss in manufacturing, it is essential to know the workplaces thoroughly. In this way, under a management philosophy that begins with the human-capital approach, I have strived to enhance Rengo’s corporate value. Going forward, we will continue to make steady progress in our growth strategy, taking a holistic perspective and ensuring our sustainable growth.



Accelerating New Development Aimed at Further Expansion of the Overseas Business

The Rengo Group is accelerating overseas development, but in the midst of doing so, management decisions are required based on even more accurate information than before with respect to global geopolitical risks. All sorts of situations, such as superpower confrontations as well as prolonged and expanding regional conflicts, must be assumed. At the same time, while the decoupling of politics and economics is progressing, it does not necessarily follow that there are no activities aimed at trying to sustain an equilibrium in the precarious balance of power globally. Regarding the global state of affairs, it will become more and more important to make decisions with an understanding of the true nature of things and not to be manipulated by superficial information or short-term trends.

Regarding the Chinese economy, economic stagnation has recently become more pronounced against the backdrop of the collapse of the real estate bubble, but from a long-term perspective, it is impossible to overlook the country's growth potential. Naturally, while this sustainability has its uncertainties for the Rengo Group, we position our medium- to long-term growth strategy, which responds to trends in major regions such as the United States, Europe, and India, as one of our core issues. In the future, further enhancement of our Group management will be necessary for us to expand our business foundation overseas. This includes strengthening human resources, which we recognize as a priority issue going forward.

Building CPS Essential for DX

With technological innovation progressing at a rapid pace, corporate executives must take a holistic perspective and have insight from a broad viewpoint. With regard to digital transformation (DX) today as well, it is extremely important to take measures based on a very clear view of the true nature of things from the standpoint of building a competitive advantage going forward. Information and communication technologies have developed rapidly over the past 30 years. Particularly from 2010 onward, a digital revolution has taken place, but I have apprehensions about an impending imbalance between digital technologies (cyber) and the human beings who use them (physical). In utilizing cutting-edge information and communication technologies, the Rengo Group therefore intends to build a unique cyber-physical system (CPS) that is built on a balance between the cyber and the physical, and works to foster a corporate culture that produces innovation based on CPS.

Going forward, it is expected that technologies, including generative AI, the metaverse, robots, and androids, will come to permeate society. There is certainly some utility in these technologies, but unless one looks closely at the true nature of technologies from the standpoint of CPS, there is a chance that human creativity will be deprived. A society in which only cyber prevails and the physical is neglected is on a dangerous path. Digitalization must be able to bring out the vitality that stems from the source of original human thought, such as sentiment, passion, and sympathy. The key points in the Group's own CPS are a respect for humanity, a balance between technologies and people, as well as an emphasis on integrity in corporate management.

Evolving into a Packaging Security Provider

One recent issue facing the Rengo Group is the importance of further strengthening the value chain, which is expanding in Japan and overseas. From procuring raw materials to manufacturing, logistics, sales, and after-sales service, we are aiming to further increase value at each workplace.

With regard to the mission the Group must fulfill beyond that, as an integrated manufacturer of packaging that designs its own products and develops new markets, we call ourselves a "packaging provider." While we have been

pursuing solutions to issues through packaging rather than simply creating packaging, in order to sincerely respond to issues facing customers, society, and the global environment in the era to come, I believe we should be a "packaging security provider (PSP)," which realizes appropriate transactions with pricing based on the full costs, in addition to ensuring stable supply through an integrated structure. We are creating new businesses such as by expanding packaging that uses digital printing and sustainable aviation fuel (SAF). At the same time, with the environment surrounding corporate management changing at a dizzying pace, it is necessary for us to enhance the value that is created not only within the Group but in the entire value chain, and to appropriately distribute it to produce a virtuous cycle that strengthens the value chain continuously. We will work to build a sustainable value chain that is able to constantly provide customers with value. Through DX initiatives, including existing process reforms and logistics efficiency improvement, and while promoting strategies for building a competitive advantage, we will further pursue solutions to issues through packaging.

As a PSP, our major mission is to promote environmental management. In recent years, we pledged our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and are focused on responding to them. In FY3/2023, we made disclosure of information in accordance with the recommendations of the TCFD, and in FY3/2024, we conducted scenario analysis on the Paperboard and Packaging-Related Business, which is one of our core businesses. In FY3/2025, we disclosed scenario analysis on the Flexible Packaging-Related Business and Heavy Duty Packaging-Related Business. With "Less is more." as our key concept, we will continue to position countermeasures against climate change as one of our important management issues, promote reduction of greenhouse gas emissions, and work to enhance information disclosure in line with the TCFD recommendations.

Shifting from Vision 115 to Our Next Vision, Vision 120

At present, the Rengo Group is collectively making efforts to achieve the Vision 115 medium-term vision, which

concludes in FY3/2025. Beyond that, we are currently formulating Vision 120, a medium-term vision that will start in FY3/2026. Under the next vision, we will fulfill the social responsibilities of a company through our business activities. Inheriting our strengths cultivated in our six core businesses of paperboard, corrugated packaging, folding cartons, flexible packaging, heavy duty packaging, and overseas operations, we will actively engage in DX with a focus on the SDGs. In addition, we will reduce environmental impact, make progress in workstyle reforms, engage in fair transactions based on the Declaration of Partnership Building, and further promote ESG management starting with legal compliance.

In this Reiwa era, we need to break free from Showa and Heisei era models, which were founded on mechanisms that assumed population increases and high economic growth as well as policies optimized for a deflationary economy, and quickly promote initiatives on the Reiwa model, which aims to realize a mutual aid economy and society. To do this, it will become more and more important to engage in management from a holistic perspective and not be controlled by any specific indicators.

We very much appreciate the continuing support for our efforts from all our stakeholders.

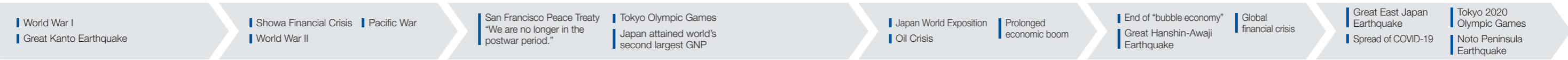


Path of Value Creation

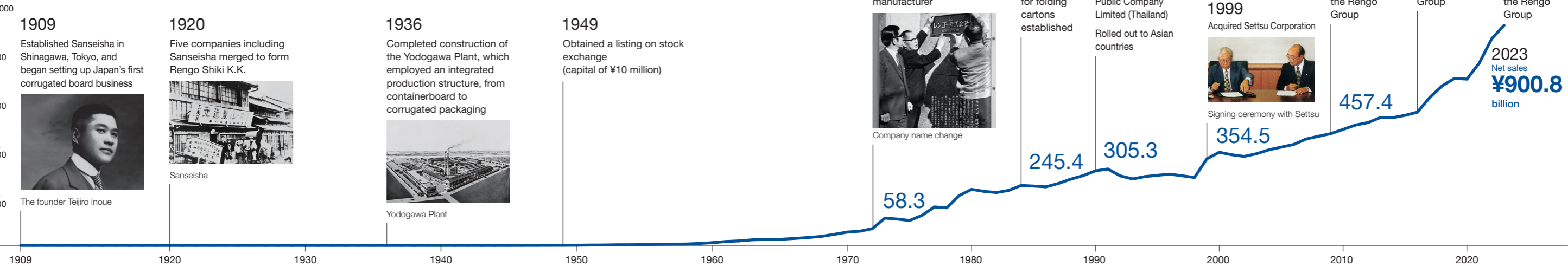
In addition to an integrated structure that consists of papermaking and corrugated manufacturing, Rengo operates businesses that include consumer packaging such as folding cartons and flexible packaging as well as heavy duty packaging that supports a wider range of industries. These businesses are demonstrating great

synergy effects and creating a variety of packaging solutions, spreading both in Japan and overseas. The Rengo Group started the corrugated board business in Japan, to become "General Packaging Industry (GPI) Rengo," which consists of six core businesses. The development of the Group is as follows.

World Development

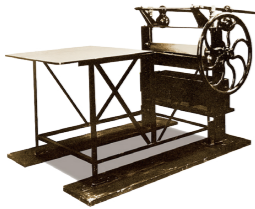


Net sales (non-consolidated in and before 1977)
(Billions of yen)



Core Businesses

Corrugated Packaging



The corrugated board manufacturing machine Teijiro Inoue used

In 1909, founder Teijiro Inoue established Sanseisha, the predecessor of Rengo, and it became the first company in Japan to commercialize corrugated packaging. It all started when Inoue named it *danboru* or corrugated board. In the 115 years since then, corrugated packaging has increasingly been used as a form of environmentally friendly packaging due to its high recycling rate. Today, corrugated packaging not only has a role as a packaging material to transport and protect products, but has also become in demand for its ability to promote sales by conveying attractive information of products in stores and online. We have proposed various forms of corrugated packaging such as DEGI-PAKE and Rengo Smart Display Packaging (RSDP) to solve socially relevant issues.

Paperboard



Unmanned clamp-type forklifts carrying containerboard rolls at the Yodogawa Logistics Center

We established the Yodogawa Plant in 1936 and the Tonegawa Mill in 1961. Then we acquired Fukui Chemical Industry in 1991 and Settsu in 1999, thus establishing the current structure of four directly operated plants in Japan. Other Group companies in Japan include Marusan Paper Mfg., Taiko Paper Mfg., and Osaka Paper, and we are Japan's top-class manufacturer of paperboard as packaging paper. We produce a wide range of products from containerboard, such as linerboard and corrugating medium, to boxboard, tube board, chipboard, and processed paper. We have established a stable supply structure through integrated production of packaging and are also working to reduce CO₂ emissions. We are also developing overseas operations in mainland China, Vietnam, and the Philippines.

Folding Cartons



Fruit and vegetable gift box with digital printing

In 1973, the Katsushika Plant was converted into a specialized plant for decorative printing boxes, and with the completion of the new Kyoto Plant in 1975, the former Kyoto Plant, which was a corrugated plant, became the Katsura Plant, a specialized plant for folding cartons (in 2008, the Katsura Plant was integrated with the Kyoto Plant and reorganized as the Shin-Kyoto Division). Through these and other changes, we reinforced our folding carton supply structure. Currently, we have built an integrated structure covering manufacturing to processing of paperboard for folding cartons and have manufacturing and sales bases nationwide for folding cartons including decorative printing corrugated packaging and multi-packs such as familiar canned beer six-packs sold by Rengo Riverwood Packaging, which was established in 1995 as a joint venture with Graphic Packaging International of the United States. We are also expanding our sales promotion (SP) business, which started with paper storefront displays.

Overseas Operations



TRICOR Packaging Systems GmbH (Germany)

The Rengo Group is expanding its network of packaging solutions overseas. Our overseas expansion began in earnest in the late 1980s. At that time, we were developing our businesses in the five primary target countries of Thailand, Singapore, Malaysia, Indonesia, and China, where Japanese companies were actively expanding their operations, with the fundamental policy of promoting partnerships with large international companies in Southeast Asia. Currently, the Group has expanded into Europe, North America, and other regions, and has 201 plants and 33 sites (as of March 31, 2024). We are leveraging the top-level packaging technology we have developed over the years to meet the packaging needs of our customers with a global structure, while contributing to economic development and the realization of prosperous lifestyles in various regions through packaging.

Flexible Packaging



Howa Sangyo's sandwich packaging and REBIOS® packaging

We integrated Howa Sangyo into the Rengo Group in 1998 to develop a supply structure for flexible packaging. This led to a diverse lineup of flexible packaging that gently protects products while expressing their attractive qualities in their packaging; for example, film packaging that protects products such as foods and daily necessities as well as labels that beautifully decorate beverage bottles. In 2020, we launched REBIOS®, a packaging series based on plant-derived, biodegradable cellophane and paper. In April 2024, we integrated Sun-Tox and the Packaging Solution business in Mitsui Chemicals Tohcello, and incorporated the integrated company into the Rengo Group as RM TOHCELLO CO., LTD. This further strengthened the integrated structure, which starts from raw materials, in the flexible packaging sector.

Heavy Duty Packaging



Nihon Matai's flexible container bag and Tri-Wall's Uni-Pak


Nihon Matai, a core company in the heavy duty packaging business, joined the Rengo Group in 2009. Products include flexible container bags with high functionality, high quality, and cleanliness, heavy duty polyethylene bags, which are essential for chemicals, horticulture, and rice milling, and kraft paper bags that meet the diverse needs of industries ranging from agriculture to food products and industrial raw materials. In particular, we have achieved the No. 1 share in the industry for flexible container bags and heavy duty polyethylene bags. We have also rolled out heavy duty corrugated packaging in Asia, Europe, the United States, and Mexico through Tri-Wall Limited which joined the Group in 2016.

Business Domains

Six Core Business Fields + Creativity and Research & Development Capabilities

Paperboard

We are particular about packaging, starting from the paperboard that forms its foundation.




Main products

- ▶ Containerboard
- ▶ Kraft paper
- ▶ Boxboard
- ▶ Kraft pulp
- ▶ Tube board
- ▶ Chipboard

Corrugated Packaging

As a pioneer, we are a leader in unwavering quality and ongoing evolution.




Main products

- ▶ Corrugated board
- ▶ Corrugated boxes

Folding Cartons

We bolster sales promotions with more attractive and appealing packaging.




Main products

- ▶ Folding cartons
- ▶ Decorative printing corrugated packaging
- ▶ Multi-packs

Flexible Packaging

Our film packaging and labels attractively wrap and gently protect objects.




Main products

- ▶ Film packaging
- ▶ Labels
- ▶ Cellophane

Heavy Duty Packaging

We offer reliable quality and a lineup that supports a wide array of industries.




Main products

- ▶ Flexible container bags
- ▶ Heavy duty polyethylene bags
- ▶ Kraft paper bags


Overseas Operations

We deliver the leading edge of packaging quality developed over the years to customers around the world.




Creativity and Research & Development


The Rengo Group responds to customers' diversifying packaging needs with optimal solutions, leading the industry in the fields of design and marketing, packaging technology, packaging systems, and research & development.




Design and Marketing



Packaging Technology



Packaging Systems

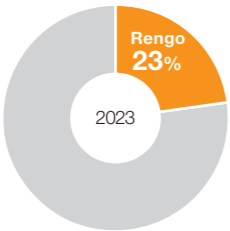


Research & Development

Industry Statistics for Paperboard, Corrugated Packaging, and Folding Carton Businesses

Rengo Groups' Share of the Containerboard Market in Japan

Source: Japan Paper Association



Rengo Groups' Share of the Corrugated Packaging Market in Japan

Source: According to our research



Paperboard Industry

A decline in demand for corrugated packaging, coupled with sluggish exports, caused the production volume to fall below the previous year's level.

Corrugated Packaging Industry

While demand remained strong in the e-commerce and parcel delivery sectors, demand in a wide range of other sectors slowed, causing the production volume to fall below the previous year's level.

Folding Carton Industry

Despite continued contraction in the gift-related market, the production volume was on par with the previous year due to a rebound in demand associated with increased flow of people, as well as POP and other display and promotional materials.

Industry Statistics for Flexible Packaging Business

Domestic Shipment Volume of PP Film (OPP*1, CPP*2)

Source: Japan Polypropylene Film Industry Association



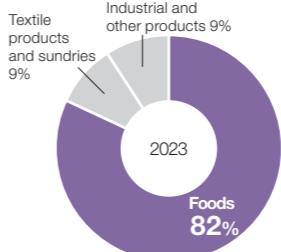
Composition of PP Film Domestic Shipment by Type

Source: Japan Polypropylene Film Industry Association



Composition of PP Film Domestic Shipment by Use

Source: Japan Polypropylene Film Industry Association



Words and Terms

***1 OPP (oriented polypropylene) film**
The OPP film is drawn vertically and horizontally in the manufacturing process. With lower specific gravity and excellent tensile strength, stiffness, and damp-proof property, the film is used in various fields, including packaging for foods.

***2 CPP (cast polypropylene) film**
The CPP film is manufactured with quickly cooling melted high-temperature resin. The film is widely used for various purposes, including packaging for foods, clothes, and textiles as polypropylene has excellent resistance to chemicals and heat.

Industry Statistics for Heavy Duty Packaging Business

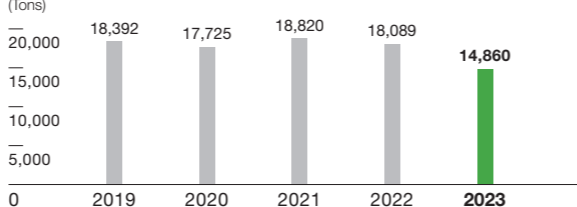
Import Volume of Flexible Container Bags

Source: Trade Statistics of Japan, Ministry of Finance



Shipment Volume of Heavy Duty Polyethylene Bags

Source: Japan Heavy Duty Polyethylene Bag Industry Association



Domestic Shipment Volume of Unglazed Shipping Sacks Kraft Paper

Source: Japan Paper Association



Composition of Heavy Duty Kraft Sacks by Use

Source: Japan Kraft Paper Sacks Association



Strengths of the Rengo Group

The Rengo Group, as “General Packaging Industry (GPI) Rengo”—which offers innovative and diverse solutions that meet the packaging needs of all industries—contributes to increasing the value of customers’ products through packaging and continues to grow together with our customers by utilizing the strengths developed over the years.

Increase in the Value of Customers’ Products
Sustainable Growth of the Rengo Group

“General Packaging Industry (GPI) Rengo,” which fulfills

Rengo Group's Strength 1

Comprehensive Capabilities by Six Core Businesses

The Rengo Group is promoting a hexagonal business structure that consists of six core businesses—paperboard, corrugated packaging, folding cartons, flexible packaging, heavy duty packaging, and overseas operations—in order to meet a wide range of packaging needs with comprehensive capabilities. As a creative “packaging provider” that develops new markets, we coordinate all core businesses to enhance our comprehensive capabilities.



Rengo Group's Strength 2

Total Solution

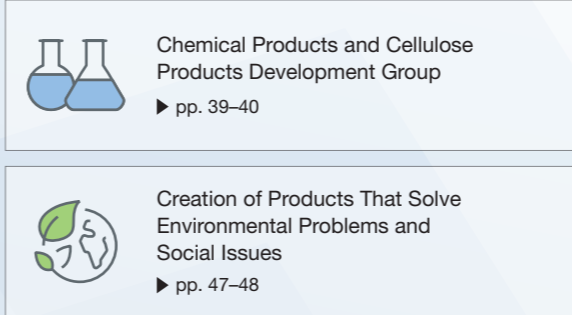
Starting with planning new products for customers, we make complete proposals from flexible packaging of film packaging that directly wraps products to folding cartons, corrugated boxes, pallets, and packaging systems, in consideration of the sales promotion effect and total cost of the product. We comprehensively propose all aspects of packaging while considering the optimal balance of quality, cost, and the environment.



Rengo Group's Strength 3

Ability to Solve Socially Relevant Issues

The Rengo Group continues our ceaseless efforts to realize a sustainable society through supplying products such as corrugated packaging with excellent recyclability. Creating packaging that is one step ahead of the times and is friendly to people and the environment has led to the creation of new added value.



Rengo Group's Strength 4

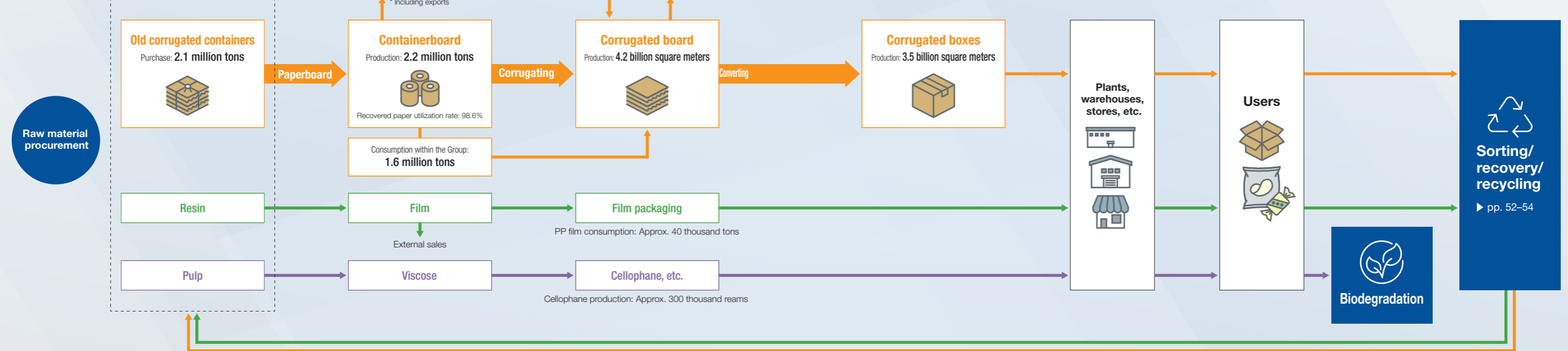
Group Network

The Rengo Group has 196 plants operated by 118 companies from Hokkaido to Kyushu. Plants in each region that provide community-based services constitute the Group network. In addition, we have 200 companies and 201 plants overseas, including Asia, Europe, and North America, and respond precisely to customer needs in each business domain (as of March 31, 2024).



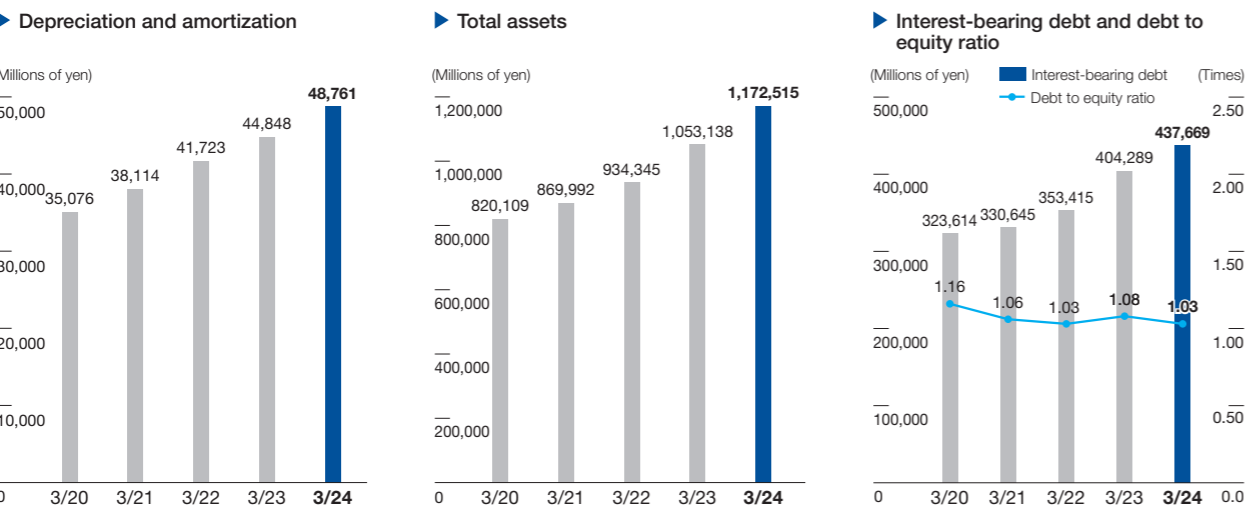
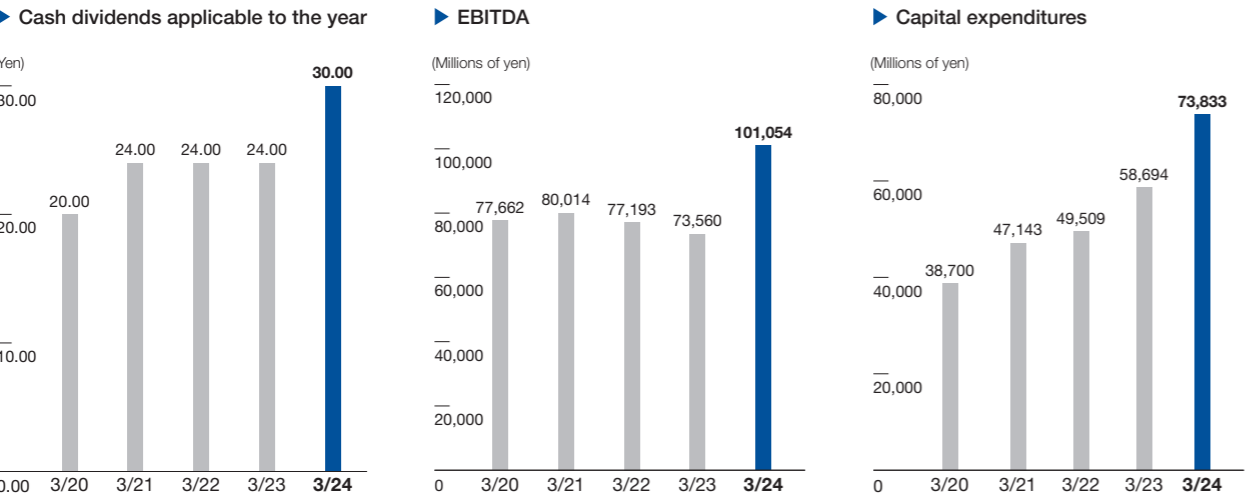
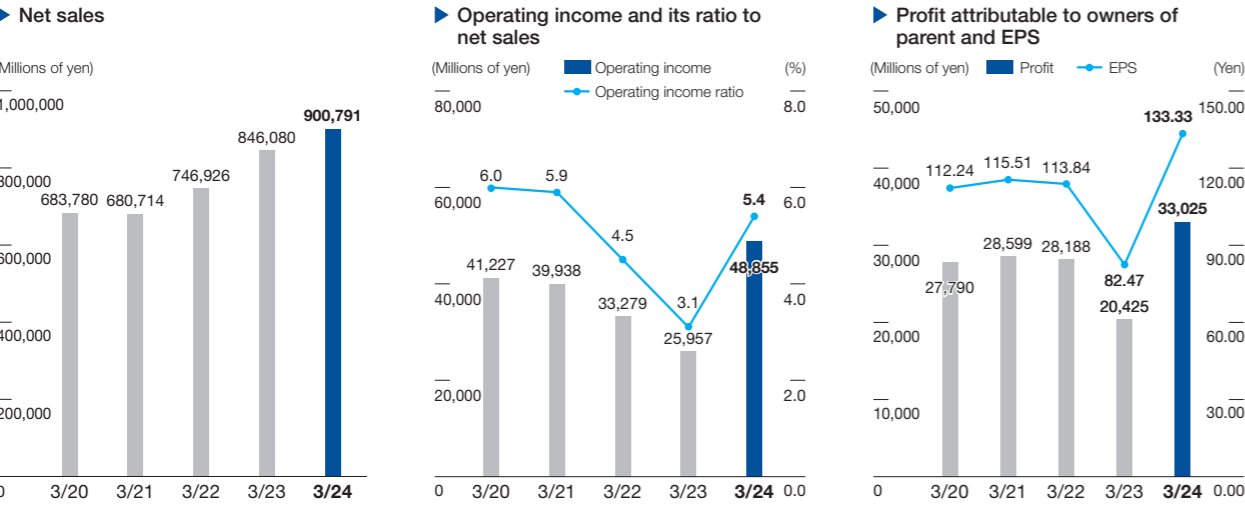
Product Stream

* Figures are based on FY3/2024 results for Rengo on a non-consolidated basis and consolidated subsidiaries in Japan.

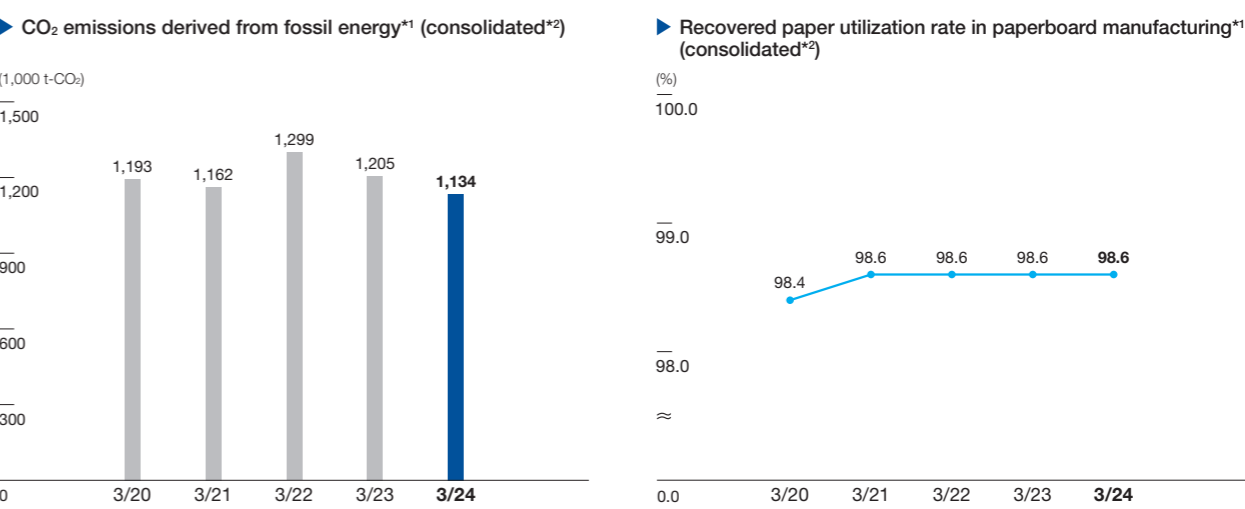
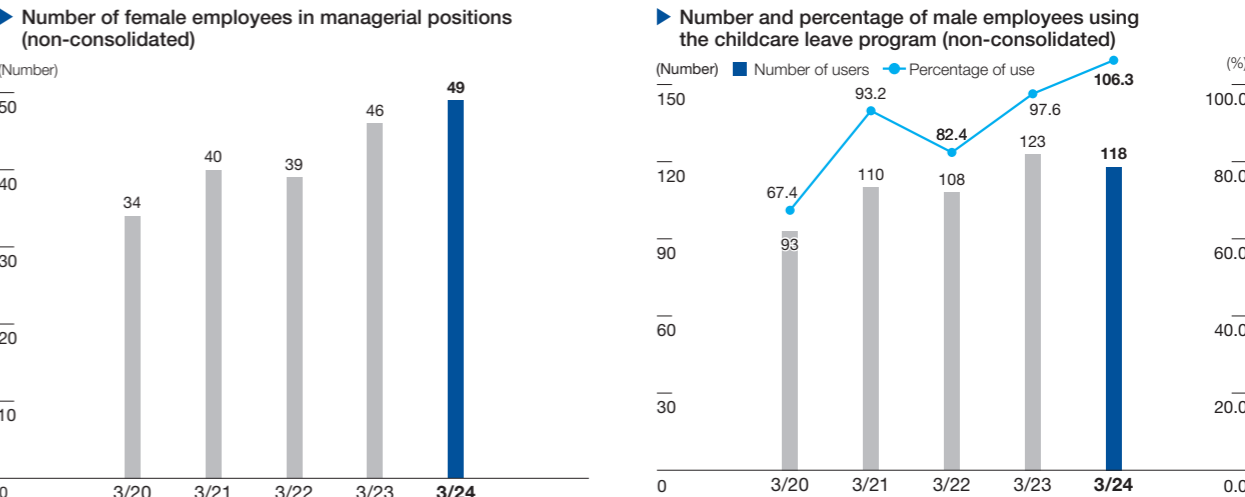
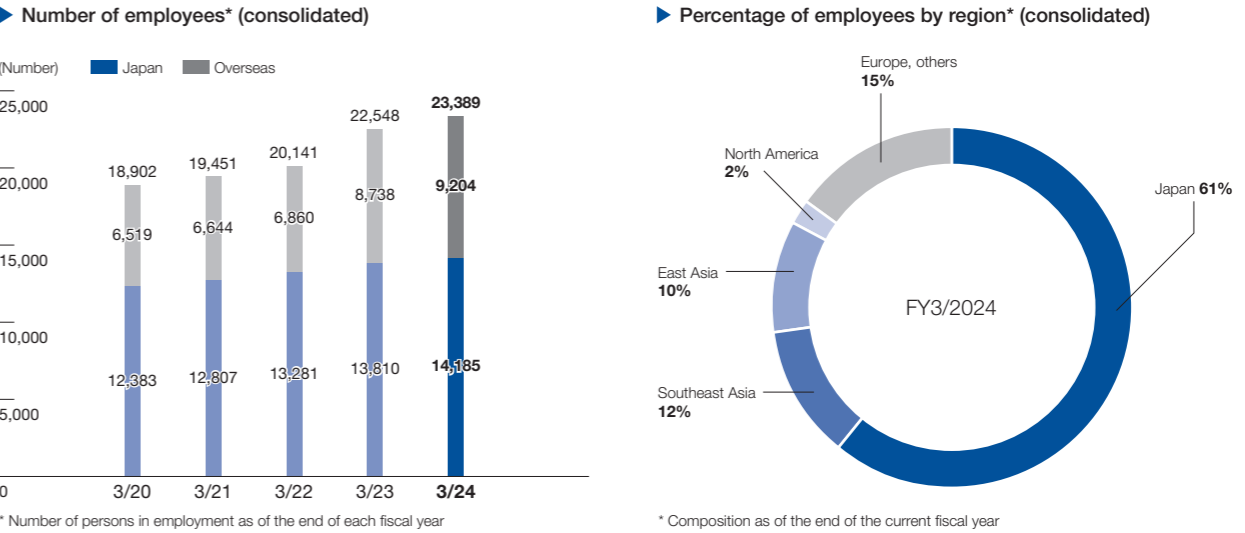


Financial and Non-Financial Highlights

Consolidated Financial Highlights



Non-Financial Highlights



Message from the President



Yosuke Kawamoto
Representative Director,
President & COO

While closely following market changes over the medium to long term, we will accomplish our mission as GPI Rengo through the domestic and overseas businesses.

Focusing on Enhancing Profitability to Set New Record Highs in Sales and Profit

In April 2024, Rengo celebrated its 115th anniversary. I would like to express my appreciation for the robust support from all our stakeholders.

Rengo is the company that coined the Japanese name for corrugated packaging, *danboru*, and has been at the heart of the history of the packaging industry's development. We have always had the confidence of being the leading company, and through providing packaging that is friendly to both people and the environment, we have contributed to achieving a better society, not to mention a

sustainable society. Today, as "General Packaging Industry (GPI) Rengo," which offers innovative and diverse solutions that meet the packaging needs of all industries, the Rengo Group is diligently working to expand its business and enhance profitability through measures including strengthened sales capabilities, proactive capital investment, and M&A.

In FY3/2024, the business environment was challenging due to rising prices for goods and a related downturn in consumption. In response, the Group's employees, who number over 23,000 at around 430 locations worldwide, shared a social mission as GPI Rengo, and each and every employee sincerely tackled business issues and battled against adverse circumstances. As a result, we were able

to achieve record high sales and profits.

These past several years have been difficult. They have seen the outbreak of the COVID-19 pandemic and mounting geopolitical risk, and due to economic stagnation and a slump in consumption, packaging demand, including for corrugated packaging, declined. Amid this, in FY3/2024, we refocused on qualitative management over quantitative and managed with an emphasis on enhancing profitability. The entire Group worked to cut costs and adjust prices with the understanding of customers. Moreover, we conducted M&A, which led to favorable business performance for FY3/2024.

For enhancing profitability, it is critical that we improve productivity at each site. For example, at the Kanazu Mill, our paperboard mill in Fukui Prefecture, IoT use was promoted and various systems were deployed for such purposes as paper breakage monitoring, rotating body vibration monitoring, and boiler abnormality predictive detection, which are serving to raise production efficiency. Based on its success at the Kanazu Mill, these IoT utilization projects are being developed out horizontally in the entire Paperboard Business Unit and results are steadily being generated. Moreover, in paperboard logistics, we are affixing RFID to containerboard shipped from paperboard mills, which allows us to share information on shipment acceptance or delivery at site warehouses and corrugated plants, and this has also led to reducing idle times for drivers. To solve logistics problems, we have introduced not only RFID but also various systems to reform the working styles of drivers. These are being applied to all plants and mills in the Group.

Raising the Motivation of Each and Every Employee as a Driving Force for Corporate Growth

The Rengo Group makes the human-capital (human-centered) approach a pillar of corporate management. Focusing on investing in our human resources, we are improving the workplace environment, conducting systematic education and training, and raising wages. When each and every employee works with a sense of meaning and purpose, it raises productivity and also helps to improve quality and reduce the loss ratio. Returning to the basic principle that productivity can depend on the human mind, we are raising total factor productivity (TFP) to improve business performance for the entire Group.

To unite employees toward improving business performance, I gladly visit to each site and work to discuss ideas with employees working there. FY3/2025 is the last fiscal year of the Vision 115 medium-term vision, so with the goal of having everyone work together to lead into the next vision, in the second half of FY3/2024 I visited all of our directly operated corrugated plants and held discussions with as many employees as possible. Going forward, I plan to visit the sites of Group companies so we can share our thoughts with one another. At Rengo, which

places great importance on the work frontlines, now more than ever, close communication is imperative as the scale of the Group is expanding in the world. Amid this, for the last two years, we have conducted productivity training under the slogan "Cultivate the Mind." We believe learning the proper attitude for developing good interpersonal relationships among colleagues in the workplace will help enhance work frontline capabilities in the future.

In addition, we have thus far diligently worked to strengthen sales capabilities, but we have not sought to acquire some special capabilities. Rather, boosting the motivation of each of our sales staff and building out their inherent human qualities has led to building unwavering trust with customers. In addition to human resources playing an active role in manufacturing and sales, we also employ several hundred specialists such as graphic designers and packaging engineers who increase the added value of our products and make them more distinctive from competitors. Such diverse personnel demonstrating individuality and determination is one of our strengths. Our personnel with various skills offer a one-stop solution for all types of packaging from corrugated board to flexible packaging and packaging systems. I am firmly convinced that this is a major source of added value for the Group.

Regarding issues going forward related to human resources, one is the promotion of diversity, equity, and inclusion (DE&I), which is directly related to the diversity of



our human resources. An environment where diverse human resources can flourish irrespective of gender, age, or nationality raises an individual's motivation and increases the vitality of the organization.

Also, we think it is important that we provide the opportunity for employees to experience various types of work while they are young. In particular, when employees working in Japan gain overseas experience, it fosters growth for both the individual and the organization. Further, job rotations between Group companies and Rengo itself are meaningful for career development and we intend to consider such personnel systems.

Building an Integrated Structure Providing One-Stop Solution for Packaging Issues

Along with wide-ranging initiatives, the results of M&A are also serving to expand business and improve business performance. In overseas development in particular, the Tri-Wall Group closely considers areas of demand throughout the world and actively expands into them, thereby building a robust business network that has become a growth driver for the Rengo Group.

More recently, in the Europe business, Germany's THIMM Packaging Systems GmbH & Co. KG (now TRICOR Packaging Systems GmbH) was added to the Group in FY3/2023, and in FY3/2024 TRICOR Packaging & Logistics AG began building a new plant in Germany. In Spain, we acquired a full ownership stake in Gestora Comercial Internacional, S.L.U. In addition to business development in North America and China, since FY3/2024 we have made progress in establishing a new plant in India as we aim to expand our overseas network.

At the same time, in the world's paper and pulp industry, restructuring is accelerating through large-scale mergers. For example, major manufacturers Smurfit Kappa Group plc and WestRock Company merged to create a company with net sales of five trillion yen, and International Paper Company acquired DS Smith Plc, also putting the company's net sales at around five trillion yen. This making and breaking of alliances has been remarkable.

Compared to this, the Rengo Group, which is finally getting close to one trillion yen in consolidated net sales, may appear inferior in business size. However, the giant global top-class companies are pursuing economies of scale focused solely on paper and pulp, whereas our Group, as discussed above, as the general packaging manufacturer group, differs from them in that we have an integrated structure, technological capabilities, and development capabilities to provide our customers in various industries with one-stop solutions for all packaging issues. Looking throughout the world, corporate groups like ours are rare, so I am confident that this allows us to demonstrate a competitive advantage that is distinctive to us.



At the same time, with regard to M&A within Japan, by connecting together companies with respective characteristics and strengths we are accelerating initiatives that raise competitiveness through synergies as we pursue further optimization of our business portfolio.

In FY3/2024, we engaged in structural reforms by reinforcing our structure to meet diversifying flexible packaging needs. In August 2023, our Group company Howa Sangyo Co., Ltd. merged and consolidated the water-based flexo printing businesses of Kinyosha Printing Co., Ltd. and Marufuku Co., Ltd. Then, in October, Fuji-Hoso Shiki Co., Ltd. and Marufuku Co., Ltd. merged to improve management efficiency in the folding carton business and strengthen competitiveness.

In January 2024, the Ehime Toon Plant began operations to further strengthen the corrugated packaging business in the Shikoku area. Furthermore, in April, with a view to expanding the integrated structure in the flexible packaging business, Sun-Tox Co., Ltd. and the Packaging Solution business in Mitsui Chemicals Tohcello, Inc. merged to form a new company, RM TOHCELLO CO., LTD. Going forward, we intend to strengthen the integrated structure for flexible packaging similar to paperboard and corrugated packaging.

In addition, Taiko Paper Mfg., Ltd., which is involved in the pulp business, started to reform its business portfolio, forming an alliance with Biomaterial in Tokyo Co., Ltd., a bio venture company, and began a demonstration project to produce second-generation bioethanol, one of the raw materials for sustainable aviation fuel (SAF), for which demand has been rising in the international aviation field.

Through Rengo-style M&A, based on the human-capital approach, we will establish a business model that enables both buyer and seller to grow as we work for the growth of the entire Group. Along with this, we will engage in developing human resources that have become our fellow employees through M&A. Taking an overview of Group companies in Japan and overseas, many talented human resources are active and it is important that we provide them with further opportunities for growth.

Focusing on Generating Results in the Last Fiscal Year of the Vision 115 Medium-Term Vision

In FY3/2025, which is the last year of the Vision 115 medium-term vision, the Rengo Group will focus on further improving business performance. Though we did set a new record high for profit, compared to our global competitors, it has to be said that our profitability is inferior. At present, to raise results in line with Vision 115, we are aiming to further improve profitability, and are currently formulating our next medium-term vision by incorporating the desires of stakeholders, including employees, and ensuring the vision is appropriate for the Group's next steps. Firmly addressing short-term issues goes without saying. We will identify

issues for engagement from a medium- to long-term perspective, in 10 or 20 years from now, and expand the capabilities of GPI Rengo.

In addition, there is strong demand for management that is aware of capital costs and share prices. We recognize this as an issue that needs to be addressed. In particular, to meet the expectations of shareholders that hold our shares for the long-term, we will not only enhance our businesses, but seriously engage in medium- to long-term issues. By steadily generating results, we will focus on achieving a scale and level of profitability that are appropriate for the leading company in the packaging industry.

Moving into FY3/2025, we see the Japanese economy is on a recovery path, aided by a tailwind from inbound tourism demand. At the same time, the so-called "2024 problem" in the logistics and other industries and the risk of accelerating inflation caused by the weak yen are cause for concern. However, we will not overestimate the risks, but will rather see business opportunities within them. It is important to be optimistic about them and take measures accordingly.

For instance, on the issue of decarbonization, we will not be overly concerned with costs alone. Rather, it is vital to see the profit opportunities by differentiating ourselves from competitors through initiatives to reduce greenhouse gas emissions. As exemplified by the SAF mentioned earlier, we are striving to generate new profit opportunities by developing decarbonization products. In this regard, firmly carrying out post-merger integration at RM TOHCELLO to build an environmentally friendly packaging film business is positioned as a key priority for FY3/2025.

Developing a Business Strategy Focused on Global Market Changes Over the Next 20 Years

For sustainable growth moving forward, as I mentioned at the outset, business development aimed at improving profitability will become increasingly important. In the Japanese market in particular, over the medium- to long-term, the impact of the population decline is expected to become tangible and quantitative growth will hit its limit. At the same time, even in a shrinking market, there are many issues to address including aging and labor shortages, so there should be numerous areas where packaging can contribute solutions. We believe our talented human resources in Japan and overseas will share their wisdom and find clues to solutions, and from there create innovation. In other words, the practice of co-creation, meaning creating together, will be an important keyword for doing business in Japan.

Along with business development in Japan, we are also engaged in overseas operations from a medium- to long-term perspective. Most recently, the Overseas Business accounts for 21% of net sales on a consolidated basis, and raising this ratio is a current pressing priority.

Looking at global production volume of corrugated board, it has reached 273.0 billion square meters. Of that, production volume in China is 93.4 billion square meters, 35.4 billion in the United States, and just 14.2 billion in Japan. Next is India at 12.3 billion square meters. Until the early 2000s, it was the United States, Japan, and then China. This shows that China currently produces corrugated board on an overwhelming scale. Thinking 20 years ahead, there is no doubt that India, currently fourth globally, will grow like China did. The Rengo Group must firmly grasp such changes and build an overseas strategy.

Regarding business development in India, we plan to build further trust with local corrugated board manufacturers who are our partners and conduct business while taking a humble approach to learn about the region from locals. Our partners are involved not only in corrugated board manufacturing but also in folding cartons like paper bags and paper cups, so we will be able to partner in these areas as well.

Additionally, in the flexible packaging business, where sharp growth can be expected in India, we will aim to expand based on collaborative relationships. We will first generate solid results through collaboration with local partners and then work to progress to the next stage.

Tackling Environmental Issues and Sustainability in Partnership with Customers

We are steadily executing measures to expand our business while also sincerely engaging in sustainability issues. Regarding carbon neutrality, an issue of ultimate importance, we have established Eco Challenge 2030 with environmental targets to be achieved by FY3/2031, and are developing initiatives beginning with energy conversion.

In June 2024, we revised the indicators and targets to further strengthen these efforts. To meet these goals, we expect to make approximately ¥70 billion in environmental investments. In November 2023, we became the first company in the industry to acquire the 1.5°C-level certification from the international Science Based Targets initiative (SBTi). As environmental measures are also advancing among the Rengo Group's customers, we believe it is critical that we take necessary steps together with them.

The Rengo Group started in corrugated board and now has a hexagonal business structure consisting of six core businesses—paperboard, corrugated packaging, folding cartons, flexible packaging, heavy duty packaging, and overseas operations. While further reinforcing this business structure, with a mission to be a "packaging provider" that designs and opens up new markets on its own capabilities, and having passed our 115th anniversary milestone, we will steadily continue onward to achieve further growth in the future. We sincerely hope we can count on your continued support.

Value Creation Process

As a “packaging provider” that designs and opens up new markets on its own capabilities, the Rengo Group aims to ensure the desirable scale and profitability for each core business within our hexagonal business structure. We plan to achieve this by bolstering sales capabilities and conducting active capital investments and M&A. Since FY3/2021, we have been working diligently to achieve the Vision 115 medium-term vision, which concludes in FY3/2025, the 115th anniversary of Rengo’s founding.

In addition to fulfilling the responsibility to supply our products as an industry member supporting logistics and lifestyles, we will go forward to become the world’s best general packaging manufacturer group and continue our ceaseless efforts to realize a sustainable society, with “Less is more.” which means generating more value with less resources, as our key concept for environmental management.

The World’s Best General Packaging Manufacturer Group

INPUT FY2023 ended March 31, 2024

Financial capital

Total assets

¥1,172,515 million

Manufacturing capital

Group companies in Japan

118 companies 196 plants

Overseas Group companies

200 companies 201 plants

Capital expenditures

¥73,833 million

Intellectual capital

Research and development expenses

¥2,175 million

Human capital

Number of employees on a consolidated basis

23,389

Social and relationship capital

Relationship of trust with stakeholders

Recycling of recovered paper

Natural capital

Energy usage

26,977 TJ

BUSINESS MODEL

Designing and opening up new markets

Packaging Provider

The General Packaging Industry

Paperboard

Corrugated Packaging

Folding Cartons

Flexible Packaging

Overseas Operations

Heavy Duty Packaging

RENGO GROUP

The Vision 115 medium-term vision p. 41

Eco Challenge 2030

Rengo Group Environment Action 2050 pp. 43–44

CORPORATE GOVERNANCE

OUTPUT FY2023 ended March 31, 2024

Paperboard production

2,427 thousand tons

Corrugated production

4,461 million square meters

Corrugated board and boxes sales

4,695 million square meters

Assorted packaging solutions

Net sales

¥900,791 million

Operating income

¥48,855 million

Debt to equity ratio

1.03 times

Renewable energy use rate

18 %

Recovered paper utilization rate

98.6 %

OUTCOME FY2023 ended March 31, 2024

“Less is more.”

Generating more value with less resources

Fulfilling the responsibility as a supporting industry member to supply our products

Materiality (Core Issues) Initiatives

Regarding the core issues that the Rengo Group engages with, we have specified as materiality those that correspond highly with social issues included in national and international guidelines and initiatives, and that are of particularly strong importance to both stakeholders and the Group.

We aim to ensure the desirable scale and profitability for each core business within our hexagonal business structure and will work to realize a virtuous cycle of growth and distribution while focusing on the human-capital (human-centered) approach as a pillar of our corporate management.

Rengo Group core issues: Achieving Vision 115 / Seeking to be the world’s best general

packaging manufacturer group as a “packaging provider”

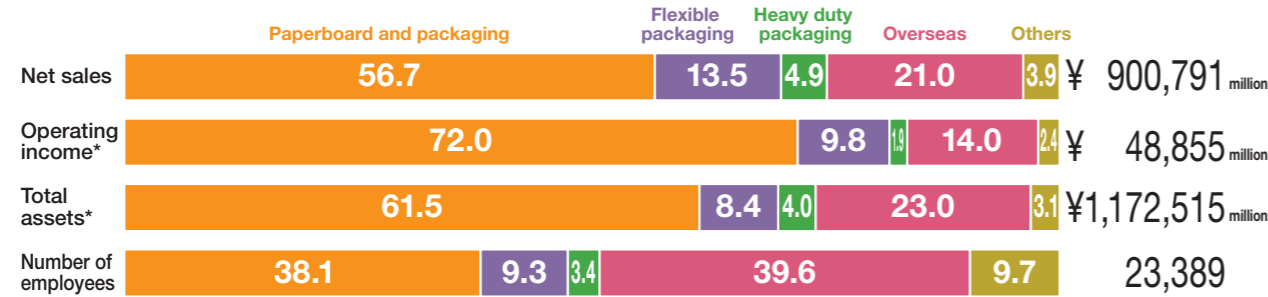
Core issues	Risks and opportunities	Specific initiatives/measures	Goals	Detailed pages
Value provision as “General Packaging Industry (GPI) Rengo”				
Ensuring the desirable scale and profitability for each core business within our hexagonal business structure	● Meet all the packaging needs of various industries	● Create added value by raising total factor productivity (TFP)	● Realize a virtuous cycle of growth and distribution	5-8
Promoting ESG management				
ENVIRONMENT & ECOLOGY Response to environmental problems based on the key concept of “Less is more.”				
Creation of products that solve environmental problems	● Higher market valuation and creation of profit opportunities by providing environmentally friendly products	● Create added value through low CFP containerboard and packaging ● Expand the development and provision of packaging and biodegradable materials that contribute to solving the problem of ocean plastic waste ● Develop and promote sustainable packaging ● Reduce packaging weight	● Achieve a Viscoppearl® (cellulose bead) production volume of 200 tons/year or more ● Reduce the average grammage of corrugated board (basis weight per square meter) by 0.5%/year	39-40 47-48
Creation of a carbon-free society	● Increased expenses from a delayed response to decarbonization ● Increased expenses from new laws and regulations and a carbon tax	● Reduce greenhouse gas emissions ● Promote fuel conversion ● Promote the deployment of renewable energy and increase its use	● Reduce greenhouse gas emissions*1 by 46% by FY3/2031 (compared to FY3/2014) Long-term goal: Take on the challenge of achieving net zero greenhouse gas emissions by 2050	49-50
Improvement of energy efficiency	● Unstable energy procurement	● Use energy efficiently	● Reduce energy intensity (5-year average) by 1%/year	51
Creation of a recycling-oriented society	● Creation of profit opportunities by promoting a recycling-oriented society ● Increased environmental pollution and expenses from waste treatment due to inappropriate treatment	● Use resources effectively (expand use of recovered paper, increase product quality) ● Reduce and properly manage waste	● Achieve recovered paper utilization rate for paperboard of 99% or higher by FY3/2028 ● Increase use of unused materials ● Aim to procure unbleached pulp generated from unused materials in Japan by FY3/2028 ● Achieve effective utilization rate of waste of 99% or higher by FY3/2031	52-54
Water risk management	● Impact on production activities from flood damage, water quality regulations, etc.	● Use water efficiently and assess and reduce water risk at manufacturing sites ● Strengthen measures against water damage and flooding	● Reduce water usage per unit production*2 by 22% by FY3/2031 (compared to FY3/2022)	55
Value chain management (downstream)	● Increased expenses due to an increase in CO2 emissions from transportation of products	● Improve logistics efficiency in transportation of products	● Reduce per-unit CO2 emissions*3 from the transportation of corrugated board/boxes by 13% by FY3/2031 (compared to FY3/2014) ● Promote decarbonization on the entire value chain and calculate Scope 3 emissions for the Rengo Group as a whole	56
SOCIAL Response to social matters through business activities				
Creation of products that solve social matters	● Customers acquired and profit opportunities created by providing products that meet customer needs	● Eliminate labor shortages in the manufacturing, distribution, and e-commerce industries and provide packaging that contributes to work style reforms ● Provide new value-added packaging that contributes to promoting customer sales ● Ensure fair transaction terms in accordance with the Declaration of Partnership Building ● Responsibly procure materials in accordance with the Rengo Group's Fundamental Policy on Procurement ● Promote “white logistics” emphasizing appropriate lead time in collaboration with the supply chain	● Develop and promote products that contribute to labor saving and have an added function to promote sales in manufacturing and retail, and develop and promote packaging systems for e-commerce	27-28
Supply chain management	● Suspended operations at suppliers ● Materialized human rights issues ● Customer retention by promoting sustainable procurement			64-66
Securing and development of human resources (investment in people, personnel development) Promotion of DE&I Creation of safe and congenial workplaces	● Response to lower birthrates, an aging population, and a decline in the productive-age population ● Creation of diversity ● Prevention of industrial accidents	● Conduct proactive recruitment and planned education and training ● Make appropriate distribution to employees (fair allocation of results) ● Maintain mechanisms by which diverse human resources can maximize their unique potential and play an active role ● Comply with the Rengo Group Human Rights Policy ● Promote health and productivity management based on the idea of lifetime careers	● Achieve the goals stated in the Action Plan for Empowering Female Workers (Period of plan: 5 years starting from April 1, 2021) ● Achieve an employment rate of 30% or more for female employees in career-path positions ● Achieve an employment rate of 20% or more for female employees assigned to office & production staff positions ● Achieve 1.5 times or more of the number of female employees in managerial positions (from 40 in FY3/2021 to 60 or more) ● Achieve a rate of 80% or more of male employees taking childcare leave ● Eliminate accidents (zero accidents)	67-74 77-78
GOVERNANCE Corporate governance for value co-creation with multiple stakeholders				
Corporate governance Compliance Risk management	● Increased credibility and trust from society by enhancing governance and management structures	● Establish a corporate governance structure for appropriate collaboration with multiple stakeholders (employees, customers, shareholders, suppliers, society) and strengthen a structure for promoting the SDGs ● Build a risk management structure and strengthen a structure for promoting compliance		89-94
Enhancement of the management foundation for sustainable growth				
Promoting digital transformation (DX)	● New value created through utilization of digital technologies ● Increased information security risk	● Build cyber-physical system (CPS) with a good balance between human and digital ● Create new business models, create new customer value, reform existing processes, and improve internal operation efficiency ● Strengthen information risk management ● Create resilient security systems ● Raise security-related awareness		42

*1 Greenhouse gas emissions after adjustment based on the Act on Promotion of Global Warming Countermeasures *2 Water usage divided by net sales *3 CO2 emissions during transportation by truck divided by sales volume

At a Glance

FY2023 ended March 31, 2024

Composition by business segment (%)



* Percentage of the total of operating income and total assets (excluding intersegment transactions eliminations) accounted for by each segment.

Paperboard and Packaging-Related Business

Net sales
¥510,945 million

Main products

Paperboard	<ul style="list-style-type: none"> Containerboard Tube board Kraft paper 	<ul style="list-style-type: none"> Boxboard Chipboard Kraft pulp
Corrugated packaging	<ul style="list-style-type: none"> Corrugated board 	<ul style="list-style-type: none"> Corrugated boxes
Folding cartons	<ul style="list-style-type: none"> Folding cartons Multi-packs 	<ul style="list-style-type: none"> Decorative printing corrugated packaging



Flexible Packaging-Related Business

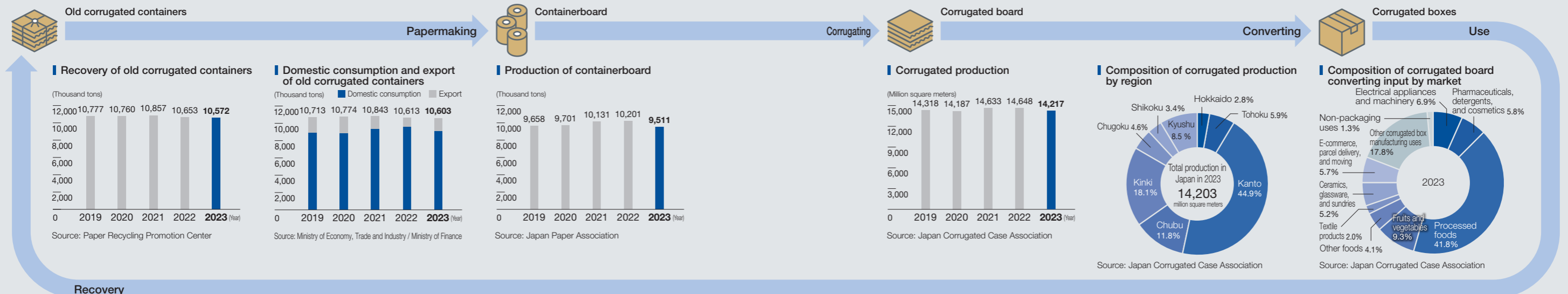
Net sales
¥121,278 million

Main products

Film	<ul style="list-style-type: none"> OPP film CPP film
Film packaging	<ul style="list-style-type: none"> Flat bags Gusset bags Pillow bags Standing pouches
Cellophane	



Market data (domestic)



Heavy Duty Packaging-Related Business

Net sales
¥ 44,348 million

Main products

Heavy duty packaging	<ul style="list-style-type: none"> Flexible container bags Kraft paper bags 	<ul style="list-style-type: none"> Heavy duty polyethylene bags
Resin-based products	<ul style="list-style-type: none"> Laminated products Industrial resins 	<ul style="list-style-type: none"> Cross lamination Netting materials



Operating income
¥ 906 million

Overseas Business

Net sales
¥189,177 million

Main businesses and Group companies

Paperboard	Vina Kraft Paper Co., Ltd.
Corrugated board/boxes	Dalian Rengo Packaging Co., Ltd.
Flexible packaging	Jiangsu Zhongjin Matai Medicinal Packaging Co., Ltd.
Heavy duty packaging	Tri-Wall Limited
Nonwoven products	Wuxi Rengo Packaging Co., Ltd.



Operating income
¥ 6,781 million

Other Businesses

Net sales
¥ 35,041 million

Main businesses and Group companies

Nonwoven products	Rengo Nonwoven Products Co., Ltd.
Packaging machines	Yamada Kikai Kogyo Co., Ltd.
Transportation business	Rengo Logistics Co., Ltd. Sanyo Jidosha Unso Co., Ltd.



Operating income
¥ 1,162 million

Paperboard and Packaging-Related Business

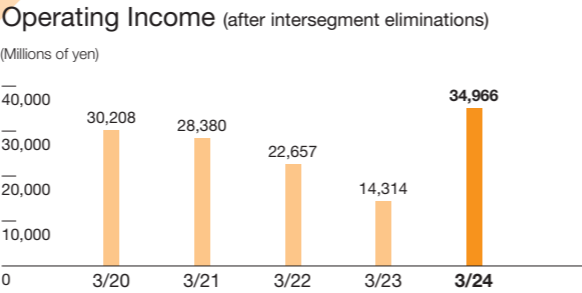
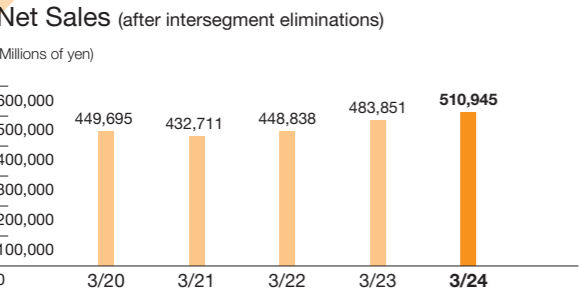
The main pillars of the Paperboard and Packaging-Related Business are the manufacturing and sales of paperboard and the manufacturing and sales of packaging materials including corrugated packaging and folding cartons made from paperboard.

Manufacturing of paperboard is carried out by Rengo, Marusan Paper Mfg. Co., Ltd., and Osaka Paper Co., Ltd. These companies and Rengo Paper Business Co., Ltd. sell their products through their own sales channels. In addition, paperboard is supplied within the Rengo Group as a principal raw material for corrugated packaging and folding

cartons.

Manufacturing and sales of corrugated packaging and folding cartons are conducted independently by Rengo, Yamato Shiki Co., Ltd., Settsu Carton Co., Ltd., and other Group companies.

The Group's integrated production structure from paperboard to corrugated packaging and folding cartons helps it understand the needs and insights of customers and society in a timely manner and enables it to work on solving issues with a view of the entire value chain.



Summary of Financial Results for FY2023 Ended March 31, 2024

Rengo Group's Status

In the Paperboard and Packaging-Related Business for FY2023 ended March 31, 2024, net sales and operating income increased due to product price revisions, although sales volume decreased due to slow demand in a wide range of fields.

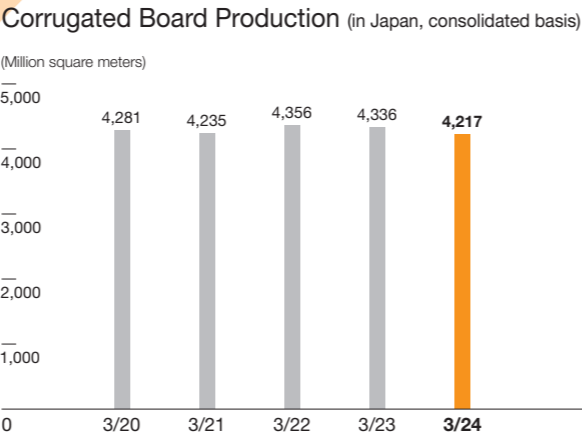
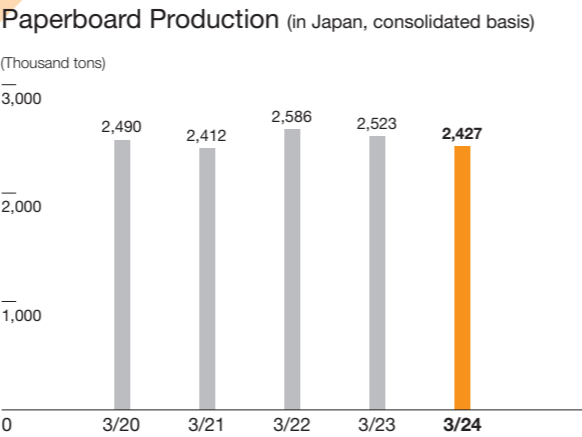
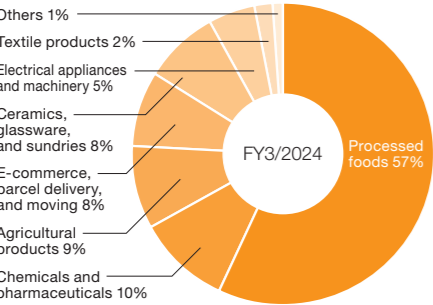
In the paperboard business, Taiko Paper Mfg., Ltd. started the restructuring of its business portfolio, and commenced a demonstration project to produce second-generation bioethanol, which is the raw material for sustainable aviation fuel (SAF).

In the corrugated packaging business, the directly operated Matsuyama Plant has been relocated and started operation as the Ehime Toon Plant.

In the folding carton business, Fuji-Hoso Shiki Co., Ltd. and Marufuku Co., Ltd. merged to establish FUJI-MARUFUKU CO., LTD. (see p. 36).

As a result, segment net sales were ¥510,945 million, up 5.6% year-on-year, and operating income was ¥34,966 million, up 144.3%.

Composition of Corrugated Box Sales by Market (Rengo, non-consolidated basis)



Business Environment

Response to Labor Shortages

Paperboard manufacturing is an equipment industry where a small number of people operate large-scale production equipment. Meanwhile, corrugated packaging and folding carton manufacturing that offers made-to-order products belongs to a labor-intensive industry, which has a range of processing processes. Corrugated packaging and folding carton manufacturing business operators have therefore faced the chronic issue of securing workers. The Rengo Group, however, takes the ongoing decrease in working population as an opportunity to advance labor saving and is developing and introducing labor saving equipment.

To maintain a stable supply of products, not only advancing labor saving but also securing human resources is essential. We strive to ensure a wage level appropriate for an industry where employees can feel rewarded for their

work, and actively make capital investments to improve working environments. In addition to the renovation of aging plants/mills, we strive for the creation of safe and secure workplaces for employees, such as by taking measures against heat to cope with sharp temperature rises in recent years (see p. 77).

Labor saving has become imperative for our customers as well. The Group develops packaging machines and systems that can contribute to labor saving in product packaging and other tasks. We propose such machines and systems to customers in combination with packaging materials. We will seek to solve the social issue of labor shortage by making comprehensive proposals based on long-standing expertise.

Environmental Initiatives

The impact of environmental problems and climate change has become serious, and society and consumers are increasingly aware of environmental issues.

Paperboard manufacturing requires an enormous amount of energy in the drying process. The Rengo Group therefore implements various measures to create a carbon-free society (see pp. 49–50). In 2022, we introduced a biomass incineration plant at the Amagasaki Mill and a biomass boiler for power generation at the Tonerigawa Division. We plan to continue to forge ahead with fuel conversion to reduce CO₂ emissions and end the use of any coal-fueled paper machines in the Group by 2027.

We are also spreading the use of thin containerboard, which has the same strength as conventional products despite reduced thickness, to reduce CO₂ emissions in the

manufacturing process and transportation. Corrugated packaging designed to the strength and size appropriate for the content contributes to resource saving, as well as to efficiency improvement in logistics.

Corrugated board is made principally from recovered paper, which makes it a recycle-oriented, renewable, and environmentally friendly packaging material. We work to solve environmental issues from all aspects, such as CO₂ reduction in the manufacturing process, resource saving in products, and contribution to efficiency improvement in logistics, and aim to provide corrugated packaging that is overwhelmingly friendly to the environment. Our reduction of CO₂ emissions (Scope 1 and Scope 2) will help decrease our customers' CO₂ emissions (Scope 3). Going forward, we will strive to decarbonize the entire value chain.

Development and Rollout of Products with High Added Value

Japan's population peaked in 2008 and has been decreasing since 2010. Demand for corrugated packaging has grown steadily thanks to the expansion of the e-commerce market, but may hit the ceiling sooner or later. Given such circumstances, we are eager to provide not just conventional products, but also products that add new value.

In understanding market trends from a medium- to long-term perspective and identifying new customer needs, proposal-based sales activities that take advantage of Rengo's unique development capabilities are key to

achieving a competitive advantage. For example, "box stores," where products are displayed while being kept in boxes, are increasing in the retail industry. In response to this, Rengo Smart Display Packaging (RSDP) and DEGI-PAKE were developed based on the needs for improved efficiency in sales promotions and displaying tasks at stores, which we identified at an early stage.

The manufacturing, sales, and development departments are working closely together toward the prompt market rollout of products with high added value that meet customer needs.

Details of RSDP and DEGI-PAKE are available on our website.



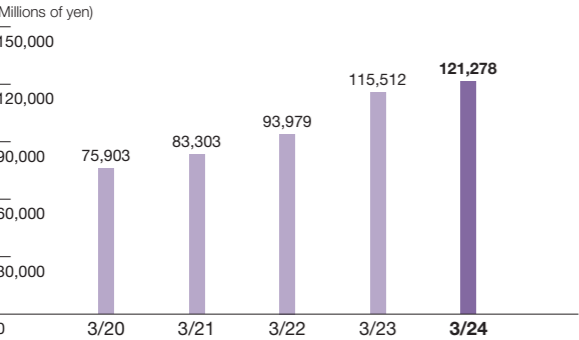
Flexible Packaging-Related Business

Manufacturing and sales of flexible packaging are carried out by Howa Sangyo Co., Ltd. Rengo is involved in sales only. Manufacturing and sales of cellophane are carried out by Rengo.

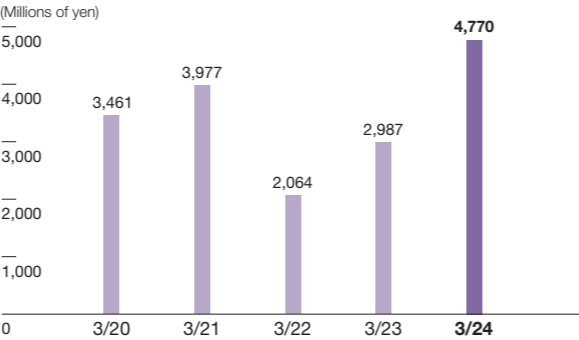
In addition, the product lineup, as well as manufacturing and

sales sites, including Takigawa Corporation Japan and three other companies, have been expanding for the flexible packaging business. The Rengo Group is thus reinforcing competitiveness and the earnings base of its flexible packaging business.

Net Sales (after intersegment eliminations)



Operating Income (after intersegment eliminations)



Strengths as the Rengo Group

The Rengo Group has the unique strength of offering integrated products from individual packaging to outer packaging, including flexible packaging, folding cartons, and corrugated packaging, that cover packaging materials in the upstream to packaging forms in the downstream. In the face of labor shortages in the logistics industry, we are contributing to the improvement of transportation efficiency by taking measures from every direction, from the review of flexible packaging standards and forms to the review of forms and materials of corrugated packaging.

In the Flexible Packaging-Related Business, Howa Sangyo plays a core role in manufacturing highly functional products with cutting-edge equipment, to meet the needs of customers. We offer products in a variety of forms, such as beverage labels, laminated products, retort pouches, and bags with zip fasteners.

Furthermore, in April 2024, with a view to enhancing the

integrated structure in the flexible packaging business, Sun-Tox Co., Ltd. which used to engage in the manufacturing and sales of packaging film in the Rengo Group, and the Packaging Solution business in Mitsui Chemicals Tohcello, Inc. merged to join the Group as RM TOHCELLO CO., LTD. The new company has eight plants in Japan, and will seek to enhance the supply structure and strengthen development capabilities as a front-runner of polyolefin films and foam-molded sheets, while aiming to maximize synergy by collaborating within the Group (see pp. 37–38).

The Group will strengthen the integrated structure from the upstream to the downstream not only in the Paperboard and Packaging-Related Business but also in the Flexible Packaging-Related Business.

Summary of Financial Results for FY2023 Ended March 31, 2024

In the Flexible Packaging-Related Business for FY2023 ended March 31, 2024, demand for mainstay OPP film and CPP film products stagnated in the upstream film business, resulting in a prolonged inventory adjustment phase. Net sales and operating income decreased for the full year, although the declined demand hit rock bottom and the business returned to profitability in the second half of FY3/2024. Demand is expected to recover in FY3/2025. We are also striving to improve profitability by passing on rising expenses to product prices and taking other measures.

In the downstream film packaging business, demand recovered at convenience stores and other major customers, as the COVID-19 pandemic was brought under control. Net sales and operating income increased, with sales volume, including that of products for food items, remaining steady.

As a result, segment net sales were ¥121,278 million, up 5.0% year-on-year, and operating income was ¥4,770 million, up 59.7%.

Environmental Initiatives

There are increasing expectations for the flexible packaging industry to take environmentally friendly measures, as society moves away from plastics against the backdrop of heightened environmental awareness.

RM TOHCELLO, a Rengo Group company, recycles almost all the film losses generated in the manufacturing process, thereby working to reduce industrial waste.

Cellophane manufactured and sold by the Group is a biodegradable and transparent film, and is made from pulp as paper is. It has been regaining attention as a packaging material alternative to plastics. In addition, a structure is in place where biomass raw materials and recycled raw materials are managed appropriately and product

information can be shared in the supply chain. Rengo obtained the ISCC PLUS certification* in October 2023. RM TOHCELLO and Howa Sangyo have already obtained the certification as well, which means that the traceability of mass balance in the manufacturing of film materials and products has been ensured for the entire Group.

As described above, we respond to customers' needs for environmental consideration by providing packaging that is environmentally friendly from manufacturing to sales.

* An international sustainability and carbon certification which conforms to EU guidelines for renewable energy and is applicable to a variety of markets and products except for biofuel. It certifies that an organization has a structure in place where biomass raw materials and recycled raw materials are managed appropriately and product information can be shared in the supply chain.

Development and Rollout of Products with High Added Value

There has been a trend of diversification in packaging forms to improve transportation efficiency and save resources. The Rengo Group meets all needs with each company that has a wide variety of product lineups. For example, RM TOHCELLO excels in manufacturing film with excellent barrier properties, while Takigawa Corporation Japan's strength lies in the expertise for large, special-formed pouches. We thus offer customers products with high added value that goes beyond packaging. In addition, Howa Sangyo's R&D center will be completed in October 2024. We will further accelerate the development of environmentally friendly products and effectively meet the diverse and higher level of needs of customers working on environmental conservation.



Conceptual image of the completed R&D center of Howa Sangyo Co., Ltd.

TOPICS

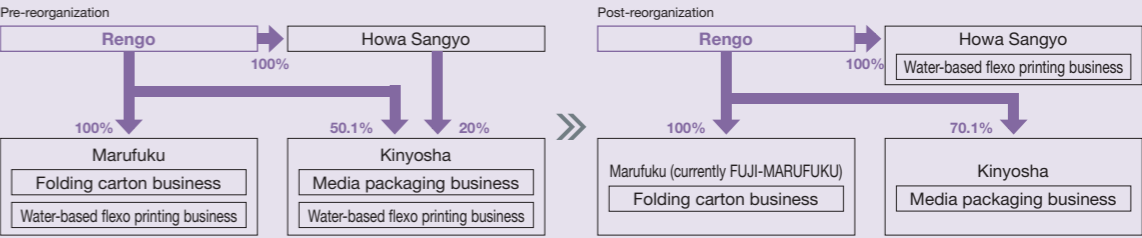
Reorganization of Water-Based Flexo Printing Business

On August 1, 2023, Howa Sangyo Co., Ltd. took over the water-based flexo printing business of Kinyosha Printing Co., Ltd. and Marufuku Co., Ltd. (currently FUJI-MARUFUKU CO., LTD.), both of which are Rengo subsidiaries.

To develop and introduce plastic film alternatives toward the achievement of a sustainable, recycling-

oriented society, Howa Sangyo had been committed to developing packaging materials that use such materials as composite film, which is partly made from paper. By merging and consolidating the water-based flexo printing business, which is highly relevant to paper, nonwoven fabric, and other materials, we will accelerate the development of environmentally friendly products.

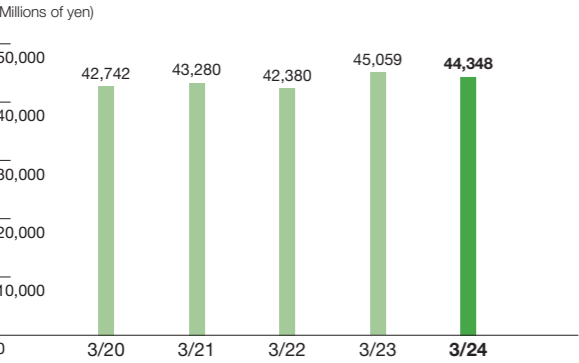
Capital Relationship After the Reorganization



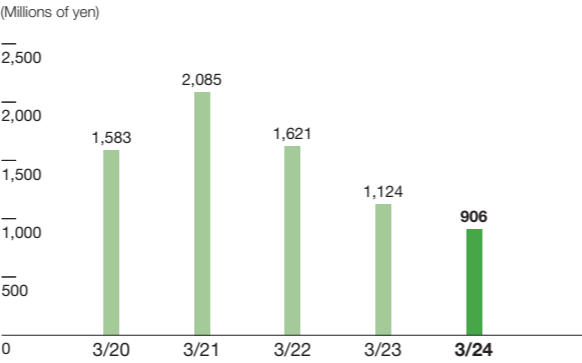
Heavy Duty Packaging-Related Business

Manufacturing and sales of heavy duty packaging are carried out by the Nihon Matai Group and Tarutani Industrial Packaging Corporation.

Net Sales (after intersegment eliminations)



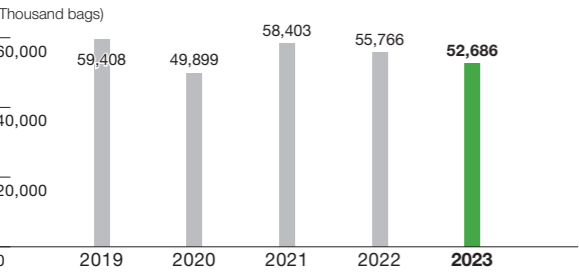
Operating Income (after intersegment eliminations)



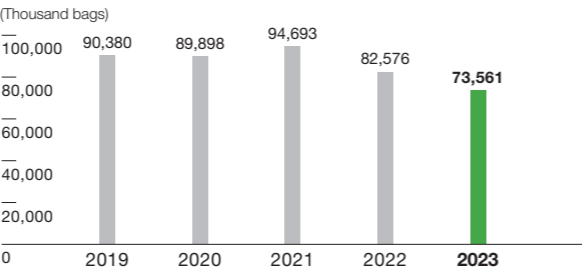
Business Environment

Shipment Trends in Japan (Rengo Group)

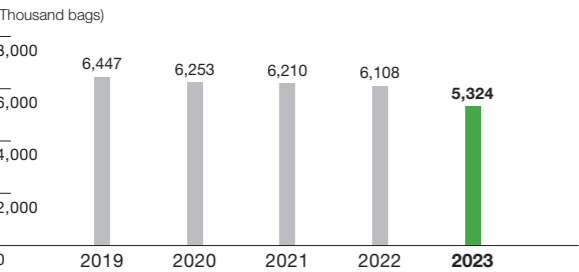
Shipment Volume of Kraft Paper Bags



Shipment Volume of Heavy Duty Polyethylene Bags



Shipment Volume of Flexible Container Bags



Actions and Measures

Nihon Matai Co., Ltd. played a central role in seeking synergistic effects within the Group while making technological innovations in response to changes in society so that we can continue providing heavy duty packaging that enhances the value of customer products.

increased costs to product prices, made capital investments to launch new businesses, improved productivity, developed new products, and took other measures to improve business operations.

As a result, segment net sales were ¥44,348 million, down 1.6% year-on-year, and operating income was ¥906 million, down 19.4%.

Summary of Financial Results for FY2023 Ended March 31, 2024

In the heavy duty packaging industry, the production volume decreased from the previous year. This was mainly due to the continued slowdown of the global economy since FY3/2023, which resulted in a decline in demand for petrochemical-related products, in addition to slow demand in Japan for heavy duty packaging intended for fertilizers.

Amid such circumstances, the Rengo Group passed on

TOPICS

Initiatives by Nihon Matai Co., Ltd.

Enhancement of Research and Development Structure

The research and development department of Nihon Matai Co., Ltd. has been conducting development activities to create new functions by combining material functions with core technologies and knowledge the company has cultivated over the years.

Based on its core competence in technology for melting, extracting, and processing thermoplastic resin, Nihon Matai strives for the development of laminate processing, coating, and other technologies. In addition, the company has introduced compound machines to add new functions with compounding technology and establish an integrated structure starting from materials. It is developing new, highly unique products while considering the environment.



Nihon Matai Co., Ltd.

Examples of Developed Products



Biodegradable Barrier Film

Aluminum vapor-deposited cellophane, developed by Rengo, has been adopted as a barrier film for tea packaging. Biodegradable materials are used for the adhesive layer as well.



Biodegradable Paper Cups

Paper cups used at soccer stadiums have been collected and composted in a composting facility. The compost is being used for growing agricultural produce, establishing a circular system that starts from paper cups.



Biodegradable Wrist Bands

These single-use wristbands are used for managing entry to and exit from event venues and other places. They are made of mono-material film composed solely of plant-based biodegradable resin.



Biodegradable Sandbags

These environmentally friendly sandbags are used to take measures against landslides and floods. They will be degraded after use in a composting facility or by bacteria in the soil.

Strengthening of Environmental Management Structure

Nihon Matai has pushed ahead with strengthening a structure based on its Environment Policy, with the fundamental philosophy of “harmony between corporate activities and the global environment.” The company is continuously developing and providing products that contribute to solving environmental problems while striving to minimize the impact of business activities on the environment.

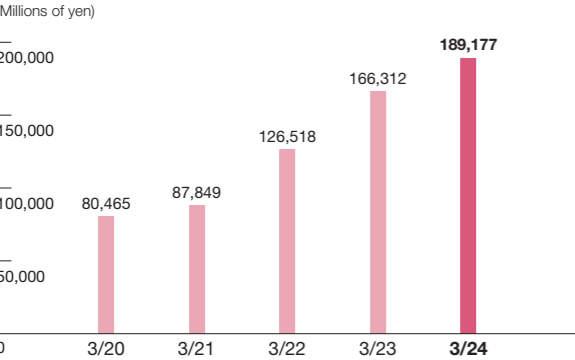
Nihon Matai has received ISO 14001 (JIS Q 14001) certification, the international standard for environmental management systems, for all six

business establishments (Headquarters, Osaka Branch, Saitama Plant, Shiga Plant, Hyogo Plant, and Okayama Plant). For laminated products (paper containers), the company has also received Chain of Custody (CoC) certifications under the Forest Stewardship Council (FSC)® and Programme for the Endorsement of Forest Certification (PEFC) programs, both of which are international certification programs. The CoC certifications certify that the process from producing forest-based raw materials to processing and distributing paper products is properly managed.

Overseas Business

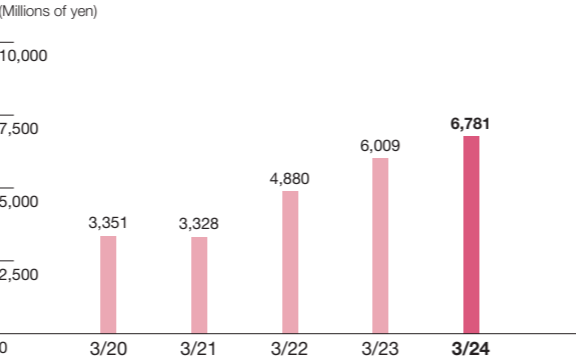
Manufacturing and sales of overseas products are carried out mainly by the following companies: paperboard by Vina Kraft Paper Co., Ltd.; corrugated board and boxes by Dalian Rengo Packaging Co., Ltd.; flexible packaging by

Net Sales (after intersegment eliminations)



Jiangsu Zhongjin Matai Medicinal Packaging Co., Ltd.; heavy duty packaging by Tri-Wall Limited; and nonwoven products by Wuxi Rengo Packaging Co., Ltd.

Operating Income (after intersegment eliminations)



Summary of Financial Results for FY2023 Ended March 31, 2024

In the overseas corrugated packaging and nonwoven products business for FY2023 ended March 31, 2024, the slowdown of demand due to the sluggish economy in China spread to a wider region including ASEAN countries. In addition, raw material and fuel prices, as well as logistics costs, continued to rise. Although the Rengo Group reviewed unprofitable transactions and cut costs, net sales and operating income decreased due to a large impact of depreciation and amortization cost increases and other factors. Meanwhile, the operations in Malaysia were fully restored from damage in the following year of the December 2021 torrential rain, and orders received from customers have been recovering.

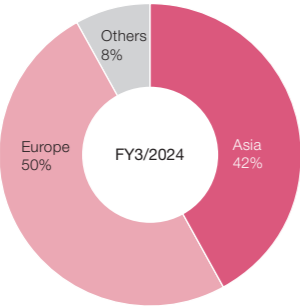
In the overseas flexible packaging business, the mainstay pharmaceutical packaging business in China remained steady. Meanwhile, fixed costs spent by a new plant in the United States were substantial, resulting in a decrease in operating income despite an increase in net sales. In FY3/2025, business is expected to expand as

SIAM TOHCELLO CO., LTD. will be included in the scope of consolidation.

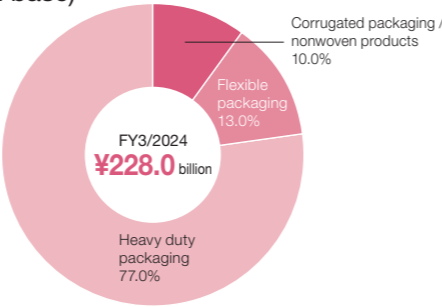
In the overseas heavy duty packaging business, both net sales and operating income were record high, with strong business performance in some regions compensating for weak performance in others. While Central and Eastern Europe, such as Poland and Austria, drove the overall performance, the outlook for economies in Western Europe, mainly Germany, remains tough in FY3/2025. In Asia, we continued to face difficulties due to the delayed recovery of the Chinese economy. Business performance, however, recovered in the second half of FY3/2024, thanks to sales promotion efforts. The business environment is favorable in North America, with price revisions making progress and cooperation between Group companies on track.

As a result, segment net sales were ¥189,177 million, up 13.7% year-on-year, and operating income was ¥6,781 million, up 12.8%.

Composition of Net Sales by Region



Composition of Net Sales by Product (simple aggregation base)



Growth Strategy / Focused Fields

Expansion of the Heavy Duty Packaging Business

Tri-Wall Limited, which joined the Rengo Group in October 2016, is rolling out the heavy duty packaging business on a global basis. Tri-Wall's path to growth has been stable with the base in Asia, and it has made investments in Europe and the United States in recent years. TRICOR Packaging & Logistics AG, which became a subsidiary of Tri-Wall in August 2019, has been growing according to the initial plan. In addition to its flagship plant in southern Germany, the construction of a new plant equipped with state-of-the-art corrugators is underway in northern Germany. Once the new plant starts operation in July 2025, TRICOR Packaging & Logistics will seek to diversify its customer base mainly in automobile-related markets, with an eye on demand

expansion in northern Germany and surrounding countries. In response to diverse customer needs, the company is also increasingly offering multi-material packaging, which uses plastics and wood, in addition to conventional heavy duty corrugated packaging. Diverse materials would not only respond to the shift to EVs in the automobile-related industry, which is its main market, but also meet the needs for broader packaging solutions.



Toward Future Global Growth

Expansion in India

As for individual markets, we expanded our business in India, where growth of the corrugated packaging business is expected. In the next few years, India's GDP per capita is projected to exceed US\$3,000, a level at which it can drive increased spending on consumer electronics and other consumer goods. Demand for corrugated packaging in India is also expected to grow accordingly. In addition to the Tri-Wall Group's heavy duty packaging business, Rengo entered into a joint venture with a local company to construct a new corrugated plant in the suburbs of Chennai in southeast India, which started operation in March 2024. We will continue to expand our business in India, a growing market.

New Company in India

Name	Velvin Rengo Containers Private Limited
Main business	Manufacturing and sales of corrugated packaging
Location	Plot No:A-23/2, SIPCOT Industrial Park Cheyyar Phase-II, Karanai Village, Cheyyar, Taluk 631701 Tamil Nadu, India
Capital	₹850 million
Ownership ratio	30%
Start of joint venture	October 11, 2023



Conceptual image of completed new plant in India

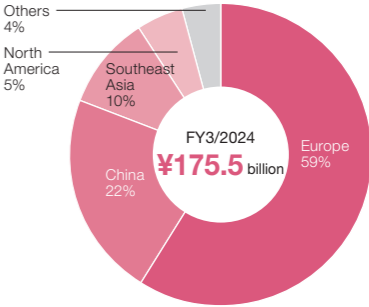
Expansion in the United States

Against the backdrop of steady automobile production and other factors, further economic growth is expected in the United States, the largest economy in the world. Our operations in the country's market include the Tri-Wall Group's heavy duty packaging business in the mainland, in addition to the corrugated packaging business in Hawaii. We seek to further expand our business in the country.

Risks and Opportunities in Overseas Operations

Germany	Risk	Economic downswing due to geopolitical risks in Europe
	Opportunity	Stable growth underpinned by high productivity and robust human capital
India	Risk	Excessive competition in the market; vulnerable infrastructure
	Opportunity	Growth market
United States	Risk	Tough competition environment
	Opportunity	Sustained high growth rate among developed countries

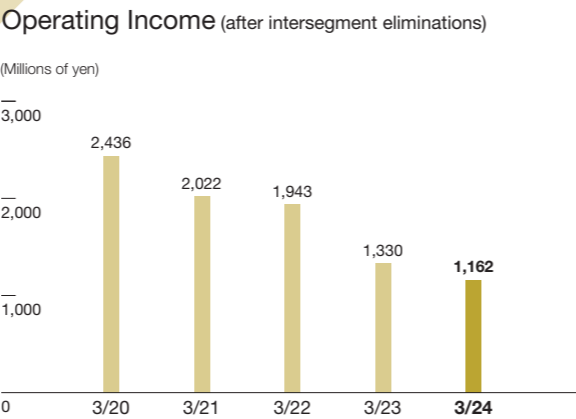
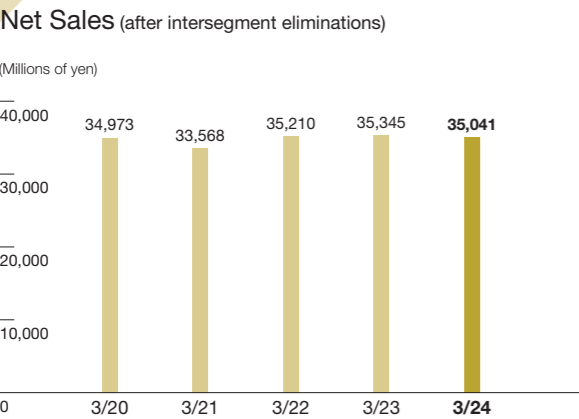
Composition of Heavy Duty Packaging Net Sales by Region (simple aggregation base)



Other Businesses

Manufacturing and sales of other products are carried out by the following companies: nonwoven products by Rengo Nonwoven Products Co., Ltd.; and packaging machines mainly by Yamada Kikai Kogyo Co., Ltd. Rengo is involved

only in sales of packaging machines. The transportation, insurance agency, leasing, and real estate businesses are carried out mainly by Rengo Logistics Co., Ltd. and Sanyo Jidosha Unso Co., Ltd.



Summary of Financial Results for FY2023 Ended March 31, 2024

In other businesses for FY2023 ended March 31, 2024, both net sales and operating income decreased mainly due to a decline in profitability in the transportation business. As

a result, segment net sales were ¥35,041 million, down 0.9% year-on-year, and operating income was ¥1,162 million, down 12.6%.

Growth Strategy / Focused Fields

Response to the 2024 Logistics Problem

Rengo Logistics, which is responsible for the Rengo Group's transportation business, has implemented several measures in response to the partial revision of the Standards for Improvement of Working Hours for Vehicle Drivers, which took effect in April 2024.

The company has perceived long overtime hours of drivers as an issue since 2017, and has been working with Rengo to reduce idle times and improve the efficiency of loading and unloading work at warehouses. In 2019, Rengo submitted a declaration of voluntary action aligned with the purpose of the movement, advocated by the Ministry of Land, Infrastructure, Transport and Tourism, Ministry of Economy, Trade and Industry, and Ministry of Agriculture, Forestry and Fisheries, to the White Logistics Movement secretariat. This accelerated the Group's initiatives. While we were working on the issue, demand for e-commerce surged due to the spread of COVID-19, and labor shortages in the logistics industry garnered attention as a "logistics crisis" or "delivery crisis."

In response to such challenges, the Group has worked to level out the workload by increasing the number of

drivers, using site warehouses to reduce drivers' hours on duty, and establishing a support system to level out the differences in workload among offices. As a result, the percentage of drivers whose monthly overtime exceeded 80 hours dropped to 6% in FY3/2023 from 92% in FY3/2018.

Sanyo Jidosha Unso, which mainly engages in the transportation business as well, faces the aging of drivers and the challenge of securing younger employees. The company worked to secure personnel by raising wages, revising prices to maintain and improve profitability, and changing the mindset of employees. Looking at the 2024 logistics problem not only from the negative side but as an opportunity for a better workplace environment, employees themselves are leveraging their wisdom to create an environment where they can demonstrate their ingenuity.

The Group has been one step ahead in addressing the 2024 logistics problem, while society started to take it seriously from 2023. We will continue to reach out to shippers and strive to establish a management method.

Topics in FY3/2024

Group Initiatives to Strengthen the GPI Rengo's Business Foundation

Merger of Fuji-Hoso Shiki Co., Ltd. and Marufuku Co., Ltd.

Rengo's major subsidiaries in the folding carton business, Fuji-Hoso Shiki Co., Ltd. and Marufuku Co., Ltd. merged on October 1, 2023, and their trade name changed to FUJI-MARUFUKU CO., LTD. The goal of this merger is to improve management efficiency and further strengthen the competitiveness of the folding carton business.



Head Office Plant of FUJI-MARUFUKU CO., LTD.

Overview of FUJI-MARUFUKU CO., LTD. (New Company)

Head Office location	5-2 Hino Daini Industrial Park, Kitawaki, Hino-cho, Gamo-gun, Shiga Prefecture	Production sites	Head Office Plant (Hino-cho, Shiga Prefecture), Hakusan Plant (Hakusan-shi, Ishikawa Prefecture)
Representative	Naohiro Kubota, President	Main business	Manufacturing and sales of folding carton products, functional fancy boxes, and other products
Capital	¥50 million		
Number of employees	173		

Biomaterial in Tokyo Co., Ltd. Made into a Subsidiary

Rengo made Biomaterial in Tokyo Co., Ltd. (bits) into a subsidiary in March 2024. Going forward, the Rengo Group will deepen collaboration with bits in research and development and take initiatives toward creating a carbon-free society through the development of biorefinery technology that has been built by bits.

Overview of Biomaterial in Tokyo Co., Ltd.

Head Office location	1-3-22 Kawakubo, Onojo-shi, Fukuoka Prefecture
Representative	Yoshiya Izumi, President & Representative Director
Capital	¥75 million
Number of employees	20
Main business	Technological development, manufacturing of products, and consulting business related to biomass

Relocation of Tarutani Industrial Packaging Corporation's Kraft Paper Bag Production Site

In November 2023, Tarutani Industrial Packaging Corporation relocated its kraft paper bag production site Ibuki Plant to Nagahama-shi, Shiga Prefecture, 4 km northwest of the original location. The plant started operation as the Nagahama Plant.

The company will take the opportunity of this relocation to improve productivity and quality by consolidating scattered field offices and enhancing production facilities.



Nagahama Plant of Tarutani Industrial Packaging Corporation

Tarutani Industrial Packaging Corporation Nagahama Plant

Location	130-8 Sumainiwa-cho, Nagahama-shi, Shiga Prefecture	Building area	5,164 m²
Site area	20,359 m²	Main business	Manufacturing of kraft paper bags

Relocation of Tokai Shiki Co., Ltd.'s Hamamatsu Plant

In January 2024, Tokai Shiki Co., Ltd. relocated its Hamamatsu Plant to a location 7 km north of the original plant.

The new plant seeks to improve productivity and quality by expanding warehouses, optimizing layouts, introducing new facilities, and taking other measures.



Hamamatsu Plant of Tokai Shiki Co., Ltd.

Tokai Shiki Co., Ltd. Hamamatsu Plant

Location	8808-1 Miyakoda-cho, Hamana-ku, Hamamatsu-shi, Shizuoka Prefecture	Building area	4,457 m²
Site area	9,398 m²	Main business	Manufacturing of corrugated boxes

(As of March 31, 2024)

Group Company Profiles: RM TOHCELLO CO., LTD.

Business Opportunities and Risks

Opportunities

- Strengthening of integrated structure in the flexible packaging-related business, expansion of product lineup, strengthening of development capabilities, and enhancement of supply structure
- Expansion of overseas flexible packaging supply structure

Risks

- Fluctuations in demand for plastic film
- Tightening of environmental regulations for plastic packaging

Corporate Profile

On April 1, 2024, Sun-Tox Co., Ltd. and the Packaging Solution business in Mitsui Chemicals Tohcello, Inc. merged to form the new company RM TOHCELLO CO., LTD. and joined the Rengo Group.

RM TOHCELLO became one of the manufacturers that has the greatest market presence in polyolefin film and foam-molded sheet markets in Japan. The company will further grow and develop by making the most of the management resources established by the two companies before the merger.

Head Office location

Representatives

Capital

Main business

Number of employees

Sumitomo Fudosan Kanda Bldg., 7 Kanda Mitoshiro-cho, Chiyoda-ku, Tokyo

Shigeharu Matsuzaka, Representative Director, President & CEO

Yoshitaka Iijima, Representative Director, Vice President and Executive Officer

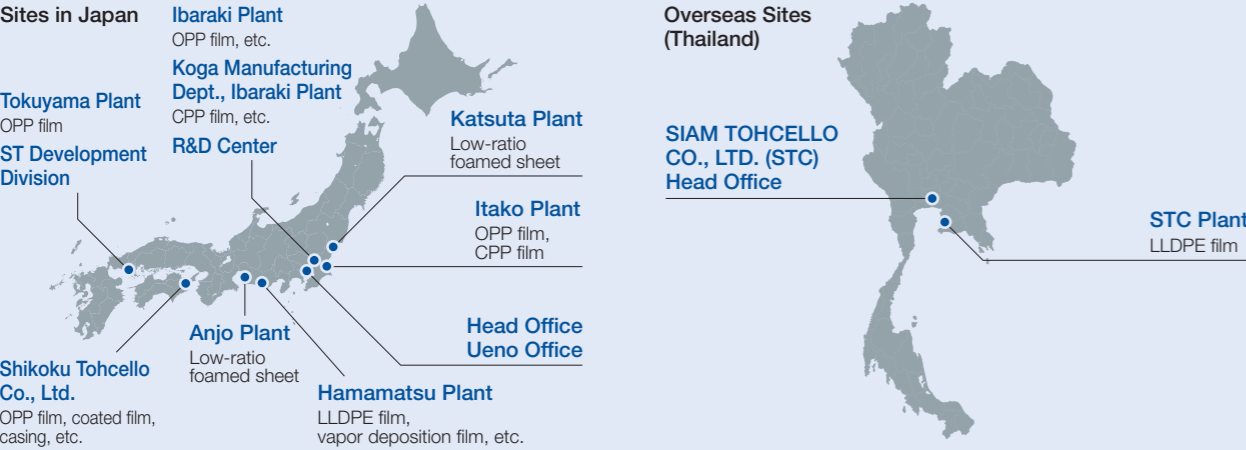
¥3,450 million

Manufacturing and sales of plastic films for packaging and foam-molded sheets

1,254 (as of April 1, 2024)

Sites

RM TOHCELLO, including its affiliates, has eight plants in Japan and one plant overseas, establishing a production structure that enables a stable supply of high-quality films and sheets.



History

Mitsui Chemicals Tohcello was established in 2010 through the integration of Tohcello Co., Ltd., which was formed through the integration of Tokyo Cellophane Co., Ltd., established in 1929, and Tohcello Chemical Co., Ltd., along with Shin-Tohcello Shoji Co., Ltd. and the form sheet business and the others in Mitsui Chemicals Fabro Inc.

Sun-Tox Co., Ltd. was established in 1992. After becoming a wholly owned subsidiary of Tokuyama Corporation in 2003, the company accepted capital participation by Rengo in 2015 and became a Rengo subsidiary in 2020.

On April 1, 2024, Sun-Tox and Mitsui Chemicals Tohcello's Packaging Solution business were merged to establish RM TOHCELLO.

1929 Tokyo Cellophane

1974 Shin-Tohcello Shoji

1969 Tohcello Chemical

1972 Hi-Sheet Industries

1972 Anjo Resin

1992 Sun-Tox

1993 Tohcello

1999 Mitsui Kagaku Iatche

2005 Mitsui Chemicals Fabro

2009 Became a subsidiary of MITSUI CHEMICALS

2010 Mitsui Chemicals Tohcello

2015 Capital participation by Rengo

2020 Became a subsidiary of Rengo

2024 RM TOHCELLO

Products

RM TOHCELLO's product lineup includes a range of packaging materials with various functions, centered around packaging films for food, beverages, and household products.

Product name	Main application
OPP film	Processed foods, fresh vegetables
Milky-white OPP film	Frozen desserts, sweet buns
PVDC coated transparent high-barrier film	Dried foods, luxury grocery items
Transparent high-barrier film	Retort-pouch foods
Aluminum-metallized film	Frozen foods, sweets and pastries, coffee
Transparent vapor deposition film	Sweets and pastries, retort-pouch foods
PVA coated OPP film	Sweets and pastries, dried bonito flakes
CPP film	Sweet buns, retort-pouch foods, sundries
Easy-peel film	Gelatin desserts, tofu
LLDPE film	Processed foods, liquid food, rice bags
PE-based sanitary and antibacterial film	Freshness-keeping bags, antibacterial bags
Low-ratio foamed PE sheet (cap liners and seals)	Cap liners for cosmetics, beverages, etc.
Low-ratio foamed PP/PE sheet	Returnable containers, partition materials, and other logistics applications



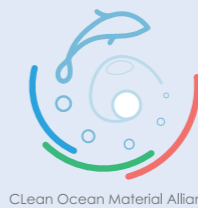
Initiatives to Address Environmental Problems

To achieve carbon neutrality by 2050 as set out in the Rengo Group Environment Action 2050, RM TOHCELLO will work on research and development to use biomass raw materials*1, to improve recyclability by using mono-materials*2, and to reduce plastic use by combining plastics with paper and other materials.

*1 To shift to renewable, organic resources of biological origin
*2 To reduce the types of materials used and use a single material

Accession to CLOMA

As a member of Japan Clean Ocean Material Alliance (CLOMA), to solve the problem of ocean plastic waste, RM TOHCELLO is developing environmentally friendly products, such as products with high recyclability or products that use less petroleum-derived raw materials.

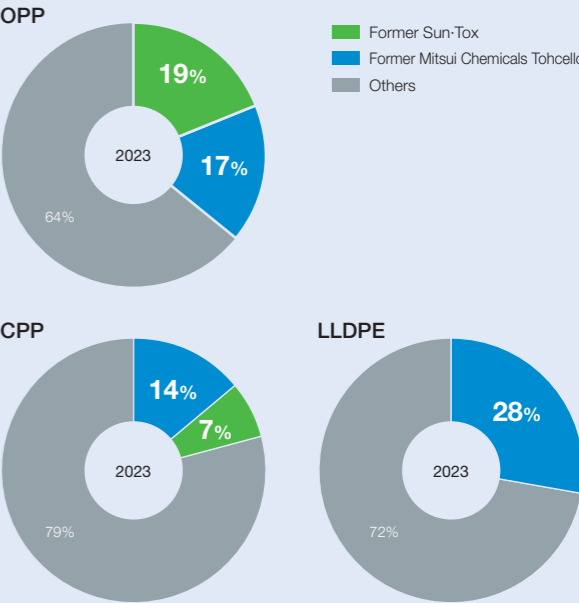


Market Share in Japan

RM TOHCELLO boasts top-class market shares in Japan for its mainstay OPP film, CPP film, and LLDPE film products.

Market Share in Japan by Mainstay Product

(according to Rengo research)



Acquisition of ISCC PLUS Certification

The Ibaraki Plant (including the Koga Manufacturing Dept.), the Itako Plant, the Hamamatsu Plant, and the Tokuyama Plant obtained the ISCC PLUS certification from the International Sustainability and Carbon Certification. RM TOHCELLO will further enhance the supply structure of environmentally friendly products by expanding manufacturing and sales networks for biomass PP and PE films that use ISCC PLUS certified biomass raw materials.

Utilization of Products with Biomass Mark Certification

RM TOHCELLO contributes to the reduction of greenhouse gas emissions by rolling out plastic films that contain biomass raw materials.



Chemical Products and Cellulose Products Development Group

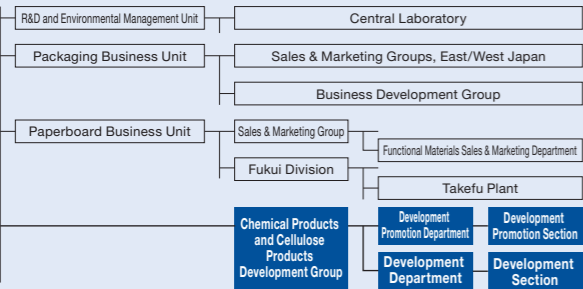
Significance and Purpose of the Establishment of the Group

In response to demand for plastic alternatives and growing calls to increase the recycling of plastic resources in Japan and overseas, Rengo established the Chemical Products and Cellulose Products Development Group in April 2023 as an organization that drives forward cross-departmental projects in the entire Rengo Group.

The group was established to accelerate the rollout of functional materials*¹, including cellulose-related products, developed and manufactured by Rengo and its Group companies, as well as to establish a structure to promote new businesses that lead to the transition from petroleum-based chemical products to non-petroleum-based products*² and the reduction of CO₂ emissions. The group is independent from the Packaging Business Unit and Paperboard Business Unit, and aims to work across organizational boundaries to grow the aforementioned areas into one of the pillars in our businesses.

*¹ Viscopearl®, cellophane, REBIO®[®], RCNF®, Cellgaia®, etc.
*² Chemical recycling of plastics, mono-material film, bioethanol, etc.

Positioning in Rengo's Organizational Structure



Launched as a group independent from the existing business units

Acceleration of Cellulose-Related Products Rollout

Rengo positions the creation of products that solve environmental problems as a core issue. For higher market valuation and the creation of profit opportunities by providing environmentally friendly products, we will strive to develop and promote packaging and biodegradable materials that contribute toward solving the problem of ocean plastic waste.

Promotion of New Businesses

As for products that solve environmental problems, Rengo will not only provide conventional cellulose-related products but also roll out new businesses, including the production of bioethanol. In addition, we have participated in the operation of R Plus Japan Ltd., which aims for social implementation of chemical recycling (see p. 53). As the Rengo Group expands the flexible packaging business, we need to actively work on plastic resource circulation. We will accelerate the promotion of these new businesses by involving and working with relevant departments and Group companies.

External Environment and Future Development

Rengo will create new market value and contribute to the achievement of a sustainable society by taking advantage of the diverse and extensive networks it has developed over the years as well as adapting to changes in the business environment.

Tightening of Plastic Regulations

Plastic regulations have rapidly become tighter in recent years. In September 2023, the United Nations Environment Programme published a draft of an international treaty that regulates plastic pollution, with an eye to establishing a binding treaty by 2025. Markets are expanding for relevant technologies and services, including alternative materials to plastics, waste collection systems led by the private sector, and chemical recycling technologies. This is affecting a wide range of industries. Rengo will respond to changes in the social environment and create profit opportunities by promoting cellulose products as alternatives to plastics as well as working on the development of plastic recycling technologies and the creation of a resource recycling scheme.

Regulations on the Use of Microplastics

The September 2023 amendment of the REACH Regulation Annex is likely to gradually advance regulations on the use of microplastics in Europe over the next decade. As an alternative to microplastics that are intentionally used, the use of biodegradable Viscopearl is expected to increase.

Regional and National Regulations

Region/ country	Regulation details
EU	The REACH Regulation: Prohibits the market launch of products that intentionally contain microplastics (solid polymer particles of 0.1 μm ≤ X ≤ 5 mm) at a density of 0.01% or more of the weight (since September 2023) * Transitional measures are set for each sector.
France	Prohibits the manufacturing and distribution of rinse-off cosmetics for exfoliating or cleansing that contain microbeads or plastics smaller than 5 mm (since 2018)
Italy	Prohibits the manufacturing and sales of rinse-off cosmetics that contain plastics 5 mm or smaller and insoluble in water(since 2020)
Sweden	Prohibits the market launch of rinse-off cosmetics that contain solid plastic particles smaller than 5 mm and insoluble in water (since 2018)
U.K.	Prohibits the use of solid plastic particles 5 mm or smaller and insoluble in water for rinse-off personal care products, as well as the sales of products that contain such particles (since 2019)
U.S.	Prohibits the manufacturing and market launch of rinse-off cosmetics for exfoliating or washing (manufacturing prohibited since 2017; sales prohibited since 2018) * Prohibition does not apply to pharmaceuticals other than cosmetics.
Canada	Prohibits the manufacturing, import, and market launch of toothpaste, face wash, natural health products, among others that contain microplastics (since 2018)
Korea	Prohibits the manufacturing and sales of cosmetics and hygiene products (mouth wash and toothpaste) that contain microbeads (manufacturing and distribution prohibited since 2017, sales prohibited since 2018)
Japan	Asks Japan Cosmetic Industry Association member companies for a voluntary prohibition on the use of microbeads

Spherical Cellulose Bead Viscopearl®

With its diameter ranging from 3 μm to 4 mm, Viscopearl can meet the needs for different diameters in different industries or for different applications. In addition, it also has either a porous or nonporous structure, and demonstrates various effects based on each structure's features. This is expected to open up new markets. With the establishment of new manufacturing facilities in 2022, Rengo is prepared to increase production and is able to actively respond to new needs.



Increased Use of Sustainable Aviation Fuel (SAF)

Demand for SAF is expected to increase in the international aviation sector. Japan has set the target of replacing 10% of aircraft fuel used with SAF by 2030, and established a legal framework, including the target for SAF supply set in the Act on the Promotion of Use of Non-Fossil Energy Sources and Effective Use of Fossil Energy Materials by Energy Suppliers.

Demand for SAF in 2050 is projected to be 4.9 billion kiloliters in the world and 23 million kiloliters in Japan. Taiko Paper Mfg., Ltd. in the Rengo Group has launched a demonstration project for bioethanol production, using kraft pulp, generated from construction waste and other unused biomass resources, as raw materials. The bioethanol will be converted to SAF by fuel companies that purchase it.

Utilization of Packaging Business Unit's Networks

Cellulose products have been manufactured at Rengo's Takefu Plant and sold by the Functional Materials Sales & Marketing Department, one of the Paperboard Business Unit. Going forward, we will take advantage of the Packaging Business Units sales networks for corrugated packaging, thereby responding to wider needs, acquiring new customers, and creating profit opportunities. For a stable supply of corrugated board, which is essential for logistics that support daily lives, day-to-day communication with customers is crucial. Through this communication, we will tap potential needs for cellulose products and find their new markets and applications.

Promotion of Cellulose Products

The global heightening of environmental awareness is acting as a tailwind for the expansion of the Rengo Group's cellulose business. Rengo will grow this business into one of the main revenue sources by promoting cellulose that contributes to solving environmental problems through its biodegradability.

Raw Materials

Rengo's cellulose products are made from wood pulp, a sustainable material. We are considering the development of cellulose products that use different raw materials. In the future, we intend to expand the business by broadening the lineup of cellulose products and responding to more diverse needs.

Recycling

Rengo's cellulose products are biodegradable and will ultimately be degraded into water and CO₂. Wood, from which the products are made, grows by absorbing water and CO₂. To make cellulose, which is a circulative resource, even more environmentally friendly, we plan to recycle products in the cellophane manufacturing process going forward.

Cost Competitiveness

Plastics have become widespread due to their low prices and ease of processing. Meanwhile, manufacturing costs of products made from biomass and biodegradable materials tend to be more expensive than general-purpose plastics. Viscopearl can be more expensive than plastics as well, hindering the transition from plastics. Going forward, Rengo will work to cut costs by reviewing the manufacturing process, boosting efficiency through production increase, and taking other measures, and improve competitiveness.

Development

An increasing number of companies have come to deal with plant-derived alternative materials to plastics. Research and development is underway at those companies to improve functions, such as biodegradability, durability, and barrier properties. The development of bioplastics* has also made progress, and competition is expected to intensify in terms of costs and functionality. Rengo will strive to establish a competitive advantage by taking measures such as the development of secondary processing technology to add further functions to Viscopearl.

* A collective term for biomass plastics and biodegradable plastics that use renewable organic resources, such as plants, as raw materials

Development of a Corporate Culture That Takes ESG and SDGs into Consideration

Groupwide Activities Under Vision 115

With the aim of becoming the world's best general packaging manufacturer group as a "packaging provider," the Rengo Group implements environmental, social, and governance (ESG) management to improve the sustainability of the Group itself, contributing to the achievement of the Sustainable Development Goals (SDGs) in accordance with the principles of the United Nations Global Compact, which Rengo participates in and supports.

In April 2020, Rengo formulated the Vision 115

medium-term vision, which concludes in FY3/2025 when the company marks the 115th anniversary of its founding, and the entire Group is working together to achieve the ESG targets set in the vision, which are shown below.

"General Packaging Industry (GPI) Rengo," which offers innovative and diverse solutions that meet the packaging needs of all industries, is constantly aware of its role in society and will support people's prosperous lifestyles by contributing to society as a whole through packaging.

Vision 115 ESG Targets

ENVIRONMENT

- Targets**
- Pursue further reduction of environmental impact by expanding the use of renewable energy.
 - Promote the development and provision of packaging and biodegradable materials that contribute toward solving the problem of ocean plastic waste.
- Key activities**
- Acquired 1.5°C level certification from the Science Based Targets initiative (SBTi) by introducing biomass-related equipment and solar power generation equipment.
 - Established the Chemical Products and Cellulose Products Development Group under direct supervision of the president to promote the development of biodegradable materials.
 - Launched REBIOS®, a biodegradable packaging series.



SOCIAL

- Targets**
- As a business corporation, first create employment opportunities and maximize profits through economic activities in accordance with the spirit of legal and regulatory compliance, and contribute back to society.
 - Refine the circular recycling system formed by a good balance of recovered paper, paperboard, and corrugated packaging.
 - Provide products that contribute toward improving work efficiency in the distribution and retail industries.
 - Promote "white logistics" emphasizing appropriate lead time in collaboration with the supply chain.
- Key activities**
- Raised wages constantly, made investments related to environmental measures, and supported cultural and academic activities.
 - Developed Rengo Smart Display Packaging (RSDP) and the New Smart Display Packaging (NSD) series that improve work efficiency in distribution and retail operations.
 - Increased the efficiency of loading and unloading work and improved drivers' working environments through digital transformation (DX).



GOVERNANCE

- Targets**
- Establish a corporate governance structure that responds to the corporate group's expansion with consideration for our stakeholders, namely employees, shareholders, and society.
 - Improve sustainability as a company by emphasizing the ESGs and promoting SDG initiatives.
 - Build safe and secure working environments where people can work with vigor by establishing mechanisms embracing "lifetime careers" and introducing labor-saving facilities.
 - Aim to be a corporate entity where diverse human resources (in terms of gender, age, nationality, etc.) can maximize their unique potential.
- Key activities**
- Strengthened the corporate governance structure by increasing outside directors and disclosing the skills matrix.
 - Formulated the Rengo Group's Policies for Human Resource Development and Internal Environment Development.
 - Empowered female employees.
 - Promoted health and productivity management.



The Rengo Group's DX Strategy

Creation of Greater Value by Connecting the Cyber and Physical Worlds

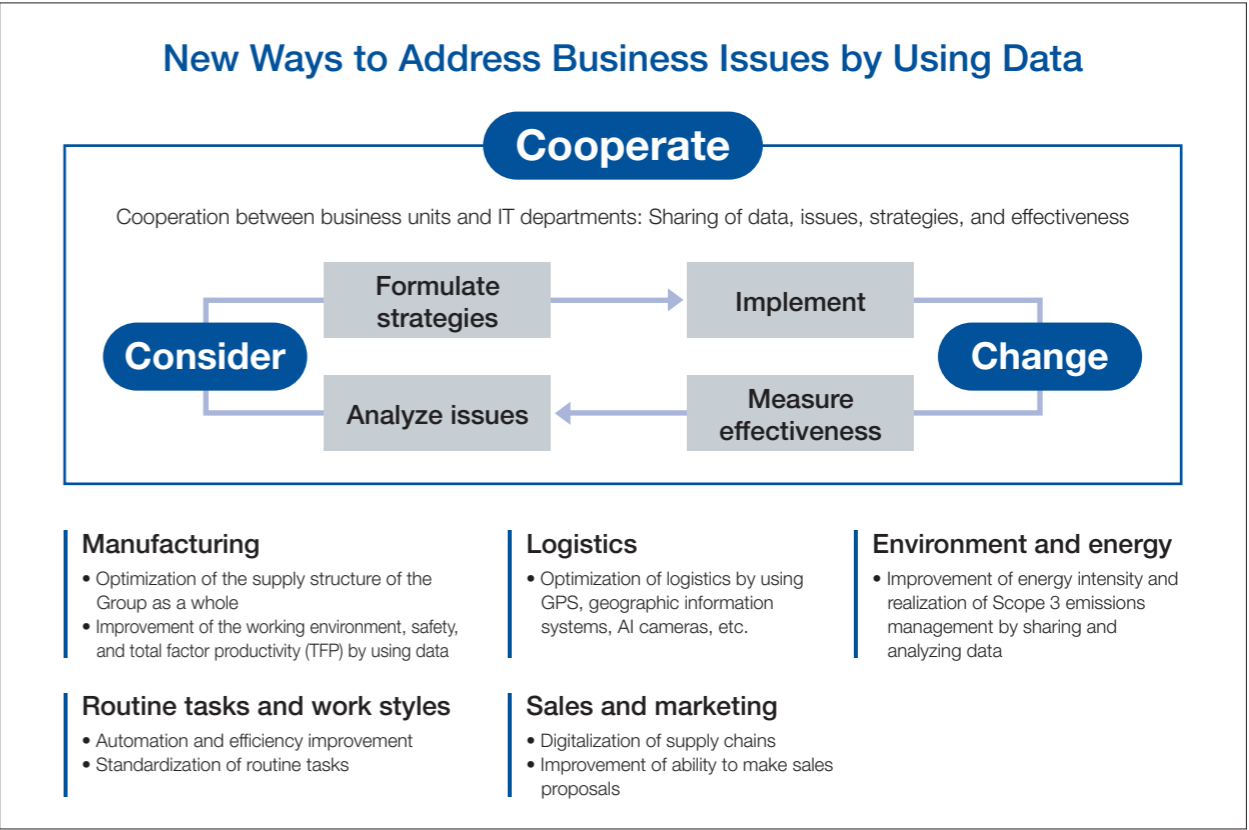
The Rengo Group uses data for solving issues, under the five keywords of "manufacturing," "logistics," "environment and energy," "routine tasks and work styles," and "sales and marketing." To lay the foundation for data use, we consider it necessary to enhance both human and technological capabilities, by developing human resources for data analysts, expanding data infrastructure, conducting research on emerging technologies, and improving security.

What makes the use of digital technologies possible is nothing other than the wisdom of physical human beings. In promoting digital transformation (DX), the Group considers it ideal to establish a cyber-physical system, where digital

technologies (cyber) and the people who handle them (physical) work in harmony together. This can be achieved when the departments that are well-versed in knowledge accumulated at workplaces and the departments that mainly handle data cooperate with each other to work together to solve issues.

With the three Cs (Cooperate, Consider, and Change) in mind, the Group will promote DX to establish a cyber-physical system by taking advantage of data as well as knowledge accumulated at workplaces. We will thus strive to provide greater value to our stakeholders.

Promotion of DX at the Rengo Group



Initiatives as a Basis for Data Use

Securing of DX human resources	● Data analysis training sessions	Enhancement of execution Preparation for staff shortages Accumulation of knowledge Ensuring of the IT safety
Expansion of data lake	● Collection of IoT data	
Testing and introduction of emerging IT technologies	● Generative AI	
Continuous improvement of security	● Protection by system + Internal education	

ENVIRONMENT

Our Environmental Initiatives Targeting 2050

In 2021, the Rengo Group identified six key environmental issues to be tackled with higher priority and formulated its long-term targets, Rengo Group Environment Action 2050, based on which the Group takes on challenges to achieve net zero greenhouse gas emissions by 2050 and medium-term targets, Eco Challenge 2030, to be accomplished by FY3/2031, as medium- to long-term environmental targets to solve the issues. Three years have elapsed since we identified the environmental materiality, and we are now proceeding to review it, in light of changes in the external environment such as more diversifying environmental issues and expectations from stakeholders, as well as the expansion of the business domains of the Group.

We are committed to initiatives to achieve targets in Eco Challenge 2030 with the aim of creating a sustainable society and further improving the value of the Group.

Eco Challenge 2030

Eco Challenge 2030, which has a target year of FY3/2031, sets forth specific targets aligned with the Rengo Group's six key issues, and the Group is working on initiatives thereunder. In 2023, we revised the indicators and targets for FY3/2025 and onward to further strengthen initiatives related to the three core issues, namely, "Creation of a carbon-free society," "Creation of a recycling-oriented society," and "Water risk management." In order to achieve these new targets, we will incorporate approximately ¥70 billion in environmental investment.

Reviewed Indicators and Targets Under Eco Challenge 2030

Creation of a carbon-free society	Expand the gases and scope covered, and work to reduce greenhouse gas emissions through the united efforts of Group companies in Japan
Creation of a recycling-oriented society	Raise the target for the recovered paper utilization rate for paperboard, aim for increased use of unused materials, and thereby work on effective use of resources
Water risk management	Set the new target for reduction of water use and work to reduce water risk through united efforts of Group companies in Japan

Eco Challenge 2030

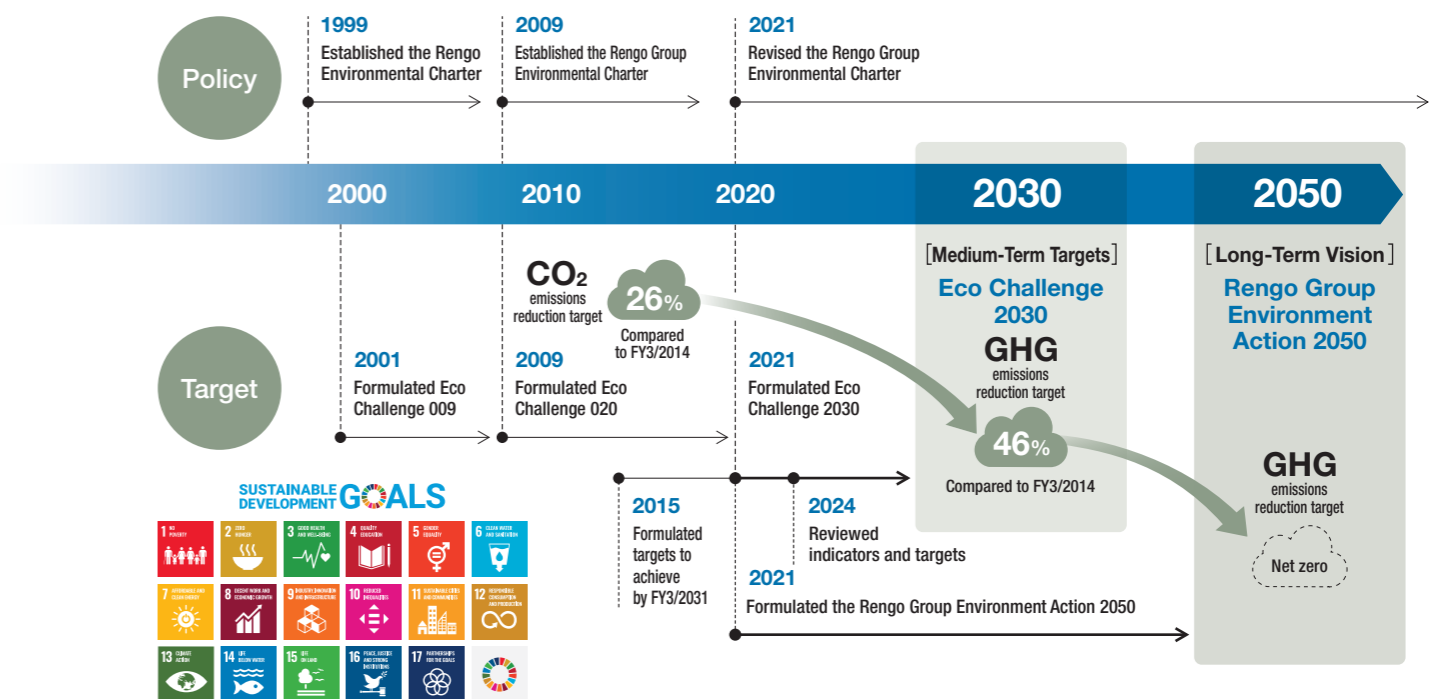
Related SDGs	Core issue	Item	Indicator	FY3/2024			FY3/2025 target	FY3/2031 target	Scope	Related page
				Target	Result	Evaluation				
7 12 13 17	Creation of a carbon-free society	Greenhouse gas emissions reductions	CO ₂ emissions derived from fossil energy (compared to FY3/2014)	10% reduction	14.5% reduction	✓	—	—	Rengo on a non-consolidated basis and consolidated subsidiaries in Japan subject to the Act on the Rational Use of Energy ^{*4}	p. 49
		NEW Greenhouse gas emissions ^{*1} (compared to FY3/2014)		—	—	—	13% reduction	46% reduction	Rengo on a non-consolidated basis and consolidated subsidiaries in Japan (excluding non-manufacturing sites such as offices, warehouses, etc.)	
7 12 13 17	Improvement of energy efficiency	Efficient energy usage	Energy intensity (5-year average)	1% reduction per year	0.7% reduction per year	×	1% reduction per year	1% reduction per year	Rengo on a non-consolidated basis and consolidated subsidiaries in Japan subject to the Act on the Rational Use of Energy ^{*4}	p. 51
12 15	Creation of a recycling-oriented society	Recovered paper utilization rate for paperboard		98% or more	98.6%	✓	98% or more	NEW 99% or more [*] With the deadline being FY3/2028	Rengo on a non-consolidated basis and paperboard manufacturing sites of consolidated subsidiaries in Japan	p. 52
		NEW Increased use of unused materials		—	—	—	Aim to procure unbleached pulp sourced from unused materials in Japan	Aim to procure unbleached pulp sourced from unused materials in Japan [*] With the deadline being FY3/2028	Rengo on a non-consolidated basis and paperboard manufacturing sites of consolidated subsidiaries in Japan	
11 12		Reduction of waste volume	Effective utilization rate of waste	98% or more	98.6%	✓	98% or more	99% or more	Rengo on a non-consolidated basis and manufacturing sites of consolidated subsidiaries in Japan ^{*4}	p. 54
9 12 14 15 17	Creation of products that solve environmental issues and social issues	Development and promotion of products made with biodegradable cellulose	Viscopear® (cellulose bead) production volume	65 t/year or more	59.1 t/year	×	65 t/year or more	200 t/year or more	Rengo on a non-consolidated basis	p. 48
12		Development and promotion of sustainable packaging through collaboration with suppliers	Identification and selection of sustainable packaging	Identify and select sustainable packaging	Continued consideration toward FY3/2026	×	—	—	Rengo on a non-consolidated basis	—
9 12 13 15		Packaging weight reduction	Average grammage of corrugated board (basis weight per square meter)	0.5% reduction per year	0.8% reduction per year	✓	0.5% reduction per year	0.5% reduction per year	Rengo on a non-consolidated basis and corrugated board manufacturing sites of consolidated subsidiaries in Japan ^{*4}	p. 47
6 11 12 14	Water risk management	Consideration of water risk policies (With the deadline being FY3/2024)		Determine water risk management policies at each site	Formulated the water usage target as response to water resource risks	✓	—	—	Rengo on a non-consolidated basis and manufacturing sites of consolidated subsidiaries in Japan and overseas ^{*5}	p. 55
		NEW Water usage per unit production ^{*2} (compared with FY3/2022)		—	—	—	16% reduction	22% reduction	Rengo on a non-consolidated basis and manufacturing sites of consolidated subsidiaries in Japan ^{*4}	
7 8 12 15 17	Value chain management (downstream)	Logistics efficiency improvement in transportation of products	Per-unit CO ₂ emissions from the transportation of corrugated board/boxes ^{*3} (compared to FY3/2014)	4% reduction	1.6% reduction	×	3.5% reduction	13% reduction	Rengo on a non-consolidated basis	p. 56

^{*1} Greenhouse gas emissions after adjustment based on the Act on Promotion of Global Warming Countermeasures ^{*2} Water usage divided by net sales

^{*3} CO₂ emissions during transportation by truck divided by sales volume ^{*4} Excluding subsidiaries of consolidated subsidiaries in Japan

^{*5} Excluding subsidiaries of consolidated subsidiaries in Japan and overseas

Timeline of the Rengo Group's Environmental Policies and Eco Challenge Environmental Targets



Environmental Management



Basic Stance

Rengo has positioned addressing environmental issues as a core management issue and promotes Groupwide environmental management. As the environment surrounding the company undergoes tremendous changes, we revised the Rengo Group Environmental Charter in April 2021 to clarify our environmental management stance. Led by this Environmental Charter, we contribute to the creation of a sustainable society through our environmental improvement activities integrated with business management.

Rengo Group Environmental Charter

Fundamental Philosophy

The Rengo Group contributes to a sustainable society through further reducing the environmental impact of its business, and by supplying environmentally friendly products.

Fundamental Policy

1. Observation of Environmental Related Laws and Establishment of Own Standard

The Rengo Group observes all laws, regulations, and protocols relating to the environment, and establishes our own management standard to further reduce our environmental impact.

2. Promotion of Global Warming Countermeasures

The Rengo Group actively engages in energy saving and conversion to renewable energy, and reduces greenhouse gas emissions.

3. Promotion of Effective Use of Resources

The Rengo Group actively uses environmentally friendly materials such as recycled materials, as well as minimizes use of resources.

4. Reduction of Waste and Promotion of Effective Use of Waste

The Rengo Group curbs waste generation and reduces the volume of final disposed waste through reuse and recycle.

5. Supply of Environmentally Friendly Products

The Rengo Group conducts research and development based on socially relevant issues, and supplies more environmentally friendly products.

6. Reduction of Environmental Impact in Supply Chain

The Rengo Group reduces its environmental impact throughout the supply chain by procuring environmentally friendly materials and optimizing production and logistics.

7. Establishment of Collaborative Relationships with Stakeholders

The Rengo Group communicates with various stakeholders by raising environmental awareness, and at the same time, through proactive information disclosure related to the environment and activities in harmony with nature and communities.

Established on April 12, 2009
Revised on April 12, 2021

Environmental Management Structure

To promote environmental management, Rengo has established the Environment Subcommittee overseeing the entire company, along with Division Environment Subcommittees at divisions, plants, and mills. The Environment Subcommittee's purpose is to strengthen environmental management across the company. It is chaired by the senior managing executive officer responsible for the Environmental Management Department, and its members are officers and general managers in charge of production departments and related organizations.

At meetings, the current state of achievement for environmental targets and state of legal compliance are reviewed for the entire Group, and discussions and decisions are made on items such as Groupwide directions, targets, and plans related to the environment. These are then reported to the CSR Committee. Decisions made by the Environment Subcommittee are further deliberated in detail at the Division Environment Subcommittees to develop environmental improvement activities rooted in their respective local communities. To effectively promote environmental management, Rengo has introduced ISO 14001, the international standard for environmental management systems, since 2001. All divisions, plants, and mills have obtained certification by 2006.

Environmental Management Structure



Implementation of Environmental Audits

The Rengo Group utilizes environmental management systems at divisions, plants, and mills based on ISO 14001. In addition, internal audits by internal auditors and external inspections by external certification agencies are regularly carried out to verify that environmental management systems are appropriately operated. The internal audits

check the status of environmental improvement activities, compliance with environmental laws, and appropriate response to state of emergency declarations with the aim of making continual improvements to the management systems. In FY3/2024, as well, the external inspections found no deficiencies.

Handling of Environmental Laws and Regulations and Environmental Accidents

State of Compliance with Environmental Laws and Regulations

Rengo complies with environmental laws and regulations such as those aimed at preventing air and water pollution. To minimize environmental risks, we conduct environmental law and regulation self-checks twice each year. Through these self-checks, we work to prevent legal non-compliance from occurring by exposing hidden environmental risks and identifying anomalies at the earliest possible time. As a result of these risk management activities, for FY3/2024, as well, there were no environmental legal compliance violations.

Countermeasures Against Environmental Accidents

Besides preventing risk by implementing various measures such as daily inspections, we also conduct emergency response drills simulating the occurrence of environmental accidents—such as oil, chemical, or wastewater leaks that may affect the environment of surrounding areas—at least once a year at Rengo's divisions, plants, and mills.

We share information within the Rengo Group promptly in accordance with the internal reporting standards and communication routes in the event of environmental accidents. At the same time, we are striving to prevent similar incidents from occurring by disseminating case studies across the Group.

Complaints Related to the Environment

In FY3/2024, Rengo received a total of six complaints regarding problems such as noise and vibration. We identified the causes of these complaints, and took steps such as implementing equipment-related measures and reviewing operations. We strive to gain an understanding when complaints are made by explaining the causes and response to them.

Going forward, we will work to prevent noise, vibration, and other disturbances so that they do not cause problems and keep in close communication with community residents.

Number of Complaints Related to the Environment in FY3/2024 (non-consolidated)

(Number of complaints)						
Atmosphere	Water quality	Waste	Noise/vibrations	Odor	Others	Total
1	0	0	5	0	0	6

Provision of Environmental Education

Rengo continuously provides environmental education and awareness-raising activities, such as seminars and Group newsletters, so that all employees can take a closer interest in environmental issues in all aspects at work and at home. In FY3/2024, environmental education was provided for new employees, as well as a course to develop ISO 14001



Environmental education session for new employees

internal auditors targeting employees. Environmental education was also integrated into rank-specific training courses, such as the training provided to newly appointed general managers of plants or mills, and we are raising the skill levels needed for different positions.

Education Provided by Rengo in FY3/2024 (non-consolidated)

(Number)	
Course	Participants
Environmental education session for new employees	59
A course to develop ISO 14001 internal auditors	17
Training for newly appointed general managers of plants or mills	6

Creation of Products That Solve Environmental Issues and Social Issues



Basic Stance

Based on the wealth of packaging technologies Rengo has built up over the years, we research, develop, and supply environmentally friendly products. Through this, we help reduce the environmental impact of our entire supply chain. We are particularly dedicated to developing and promoting the use of lightweight packaging and products made with biodegradable cellulose.

Reduction of Corrugated Packaging Weight

The Rengo Group is reducing the weight of its core product, corrugated packaging. We are making corrugated board and boxes more lightweight while maintaining their strength and other performance factors by combining three methods: (1) reducing the weight of containerboard, (2) making corrugated board thinner, and (3) optimizing packaging design of corrugated boxes. Under Eco Challenge 2030, we are working toward a target of reducing the average grammage of corrugated board (basis

weight per square meter) by 0.5% per year. In FY3/2024, this figure decreased by 0.8% compared to FY3/2023. Making corrugated board and boxes more lightweight not only reduces the amount of raw material used, but also helps improve transportation efficiency, lowering the environmental impact of entire supply chains. We will continue to work on reducing the weight of our corrugated packaging.

Three Pillars of Corrugated Packaging Weight Reduction

Containerboard
Weight reduction
Development of lightweight containerboard

Corrugated packaging weight reduction

Corrugated boxes
Optimization of packaging design

Corrugated board
Thickness reduction
Introduction of thinner corrugated board

Containerboard Weight Reduction
Development of lightweight containerboard and reinforced lightweight containerboard

Structure of Corrugated Board
Corrugating medium, Linerboard, Flute, Linerboard

Lightweight Containerboard Types and Basis Weights

Type	Containerboard grammage*	Product name
Lightweight containerboard		
Linerboard	120 g/m ²	ETSL120
Corrugating medium	100 g/m ²	RCM100
Reinforced lightweight containerboard		
Corrugating medium	120 g/m ² (same strength as conventional 160 g/m ²)	LCC120
Corrugating medium	90 g/m ² (same strength as conventional 120 g/m ²)	LCCX90

* Basis weight per square meter of containerboard

Reduction of Corrugated Board Thickness
Introduction of C-flute and Delta-flute

Flute Types and Thicknesses

E-flute (1.5 mm)	
DELTA FLUTE (2 mm)	
B-flute (3 mm)	
C-flute (4 mm)	
A-flute (5 mm)	

C-flute features

Reduced thickness by approx. 20% compared to A-flute

Maintains the strength equivalent to A-flute

Delta-flute features

Reduced use of corrugating medium by approx. 8% compared to B-flute

Reduced thickness by approx. 25% compared to B-flute

Improved compression intensity by approx. 35% compared to E-flute

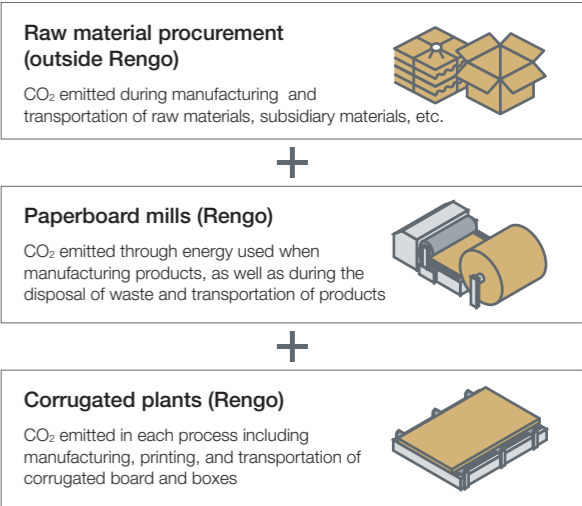
Calculation of Corrugated Board Carbon Footprint (CFP)*

In order to reduce greenhouse gas emissions across the entire supply chain, the importance of greenhouse gas emissions data in the product lifecycle is increasing. Rengo has collected data from paperboard and corrugated board manufacturing and established a structure that enables the calculation of CO₂ emitted during the period from raw material procurement to delivery of each corrugated packaging since December 2023. In this way, we respond to customers' demand for CFP disclosure.

In addition to CO₂ emissions per product, we have visualized the total CO₂ emissions from the corrugated packaging that we have delivered. By proposing products with less CO₂ emissions, we support customers' initiatives to reduce CO₂ emissions related to packaging materials. We will continue to contribute to the reduction of greenhouse gas emissions across the entire supply chain through prompt provision of data.

* To indicate the amount of greenhouse gases emitted throughout the lifecycle of products and services, by converting them into CO₂ emissions

Scope of Calculation of Corrugated Board CFP at Rengo



Development and Promotion of Products Made with Biodegradable Cellulose

Rengo began manufacturing cellophane, which is made from wood pulp (cellulose), in 1934. Utilizing over 80 years of cellophane manufacturing technology, we have developed Viscopearl® cellulose beads, RCNF® cellulose nanofiber, and also REBIOS®, a new series of high biomass, biodegradable packaging product made with cellophane and paper.

Our cellophane and Viscopearl are characterized by being biodegradable in seawater, which has less

microorganisms than soil*. By developing and popularizing products made with biodegradable cellulose and promoting plastic alternative innovations, we are working to solve a variety of environmental issues, including the issue of ocean plastics.

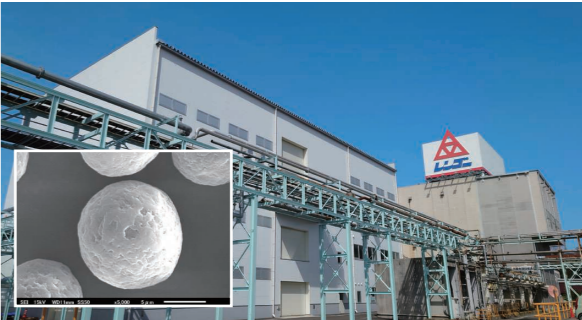
* Received "OK biodegradable MARINE" certification for marine biodegradability

Initiatives to Increase Production Volume of Viscopearl® (Spherical Cellulose Bead)

Ocean pollution caused by microplastics, which are plastics 5 mm or smaller in size, has become a worldwide problem in recent years.

Viscopearl is a spherical cellulose bead that is 3 μm to 4 mm in diameter made from wood pulp. Because the product is biodegradable in soil and seawater, it is expected to serve as an alternative to microplastic beads. Under Eco Challenge 2030, we have set a target for a production volume of 65 tons per year or more, and we produced 59.1 tons in FY3/2024.

Currently, the beads are mainly used as an ingredient in cosmetics, but application development is underway for their use in other products like paints, inks, and resin and rubber modifiers, so we plan to increase production volume with a target of 200 tons or more by FY3/2031.



Micro-sized Viscopearl and the plant in the Kanazu Mill

Creation of a Carbon-Free Society

Related
SDGs



Basic
Stance

The problem of climate change is an urgent issue that needs to be tackled on a global scale, and poses a business continuity risk. The Rengo Group considers the creation of a carbon-free society to be the most important issue for its environmental management, and promotes the reduction of greenhouse gas emissions with the aim of reducing risks and capturing market opportunities by offering low-carbon products.

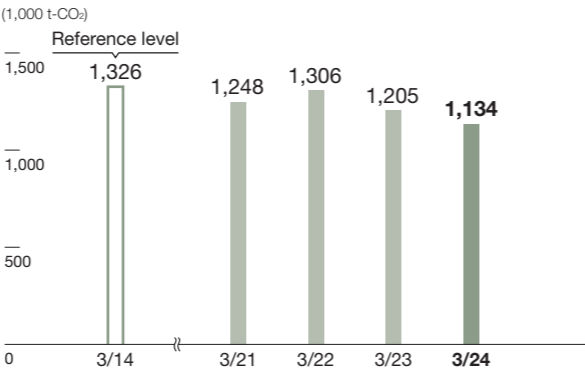
Reduction of Greenhouse Gas Emissions

Reduction of Scope 1 and 2 Emissions

Under Eco Challenge 2030, as its target for greenhouse gas emissions reductions, the Rengo Group has been striving to reduce CO₂ emissions derived from fossil energy by 46% at production sites by FY3/2031 compared to FY3/2014. In FY3/2024, we reduced CO₂ emissions derived from fossil energy by 14.5% compared to FY3/2014 by operating biomass boilers and reducing private power generation.

Starting from FY3/2025, we have set new targets to reduce greenhouse gas emissions at production sites by 46% by FY3/2031 compared to FY3/2014. In order to achieve the target, we are implementing energy-saving measures, converting coal and fuel oil boilers to other fuels, installing biomass boilers, and developing solar power generation and other renewable energies.

CO₂ Emissions Derived from Fossil Energy*¹ (consolidated*²)



*¹ Including purchased electricity

*² Rengo on a non-consolidated basis and consolidated subsidiaries in Japan (as of FY3/2024) subject to the Act on the Rational Use of Energy

Reduction of Scope 3 Emissions

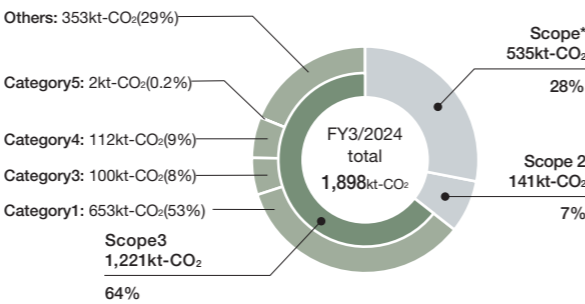
Scope 3 emissions of the Rengo Group in FY3/2024 amounted to 1,221 t-CO₂, and of which, Category 1 accounts for 53% of the total emissions. Within the Group, purchased containerboard, resin raw materials, plastic film rolls, and other materials account for the majority of Category 1 emissions. We are considering future initiatives to reduce emissions in the whole supply chain.

Scope 1: Direct emissions of greenhouse gases by business operators (fuel combustion and industrial processes)

Scope 2: Indirect emissions of greenhouse gases from the use of electricity, heat, and steam supplied by other companies

Scope 3: Indirect emissions of greenhouse gases other than Scope 1 and 2 (emissions by other companies related to the business operator's own activities)

CO₂ Emissions Breakdown (non-consolidated)



* CO₂ emissions derived from fossil energy

Acquisition of SBT Certification

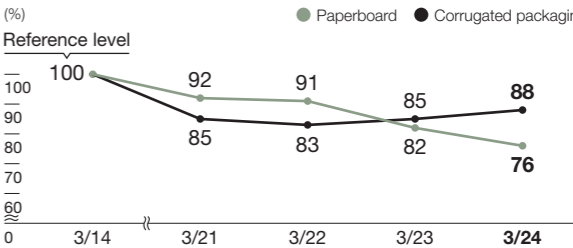
The Rengo Group has set a greenhouse gas reduction target for the entire Group, including overseas sites, and obtained the Science Based Targets (SBT)* certification in November 2023 (see p. 59).

* Targets for reducing greenhouse gas emissions scientifically aligned with the targets set forth in the Paris Agreement

Per-Unit CO₂ Emissions from the Manufacturing of Paperboard and Corrugated Packaging

As a result of Rengo's initiatives to reduce greenhouse gas emissions undertaken since FY3/2014, the per-unit CO₂ emissions in FY3/2024 decreased by 24% compared to FY3/2014 in the manufacturing of paperboard, and by 12% in the manufacturing of corrugated packaging. By utilizing the carbon footprint (CFP) calculation system (see p. 48) introduced in December 2023, we will work to further reduce greenhouse gas emissions in collaboration with customers.

Per-Unit Index of CO₂ Emissions from the Manufacturing of Paperboard and Corrugated Packaging (non-consolidated)



* CO₂ emissions derived from fossil energy divided by product volume

Increased Introduction of Non-Fossil Energy

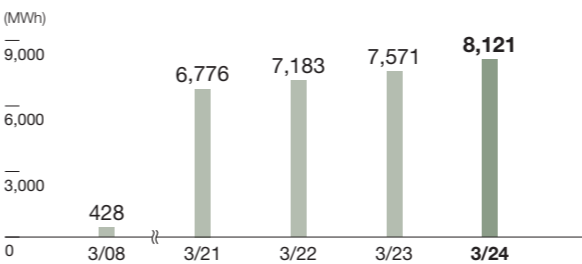
The Rengo Group is working to increase its use of non-fossil energy to address the problem of climate change and from the standpoints of energy source diversification and effective use of resources.

Solar power generation equipment has been introduced since FY3/2008 with consideration given to the characteristics of the locations and plants/mills where the installation takes place. We have introduced solar power generation equipment at 23 sites across the Group. In FY3/2024, we generated 8,121Mwh(29TJ) of electricity for the year, 3,516Mwh(13TJ) of which was consumed on-site.

At paperboard mills, we generate our own electricity by

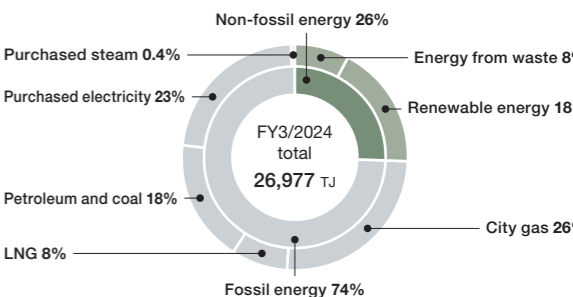
using wood chips made from construction waste materials, waste tires, and black liquor given off through the pulp creation processes as fuels. We also make effective use of heat energy generated when incinerating waste generated in the papermaking process, such as paper sludge. At printing plants, we make effective use of heat energy generated from incinerating VOC components contained in the exhaust as the heat source for drying and other purposes. In FY3/2024, we used 6,908 TJ of non-fossil energy annually (renewable energy: 4,756TJ; waste energy: 2,152TJ), and the ratio of non-fossil energy accounted for 26% of our total energy consumption.

Volume of Electricity Generated from Solar Power Generation Equipment (consolidated*)



* Rengo on a non-consolidated basis and consolidated subsidiaries in Japan

Total Energy Input and Energy Ratios in Manufacturing Sites by Type (consolidated*)



* Rengo on a non-consolidated basis and manufacturing sites of consolidated subsidiaries in Japan

Rengo Yashio Mill Obtained ZEB Certification

The new office building of Rengo's Yashio Mill, opened in May 2024, obtained the highest five-star grade under the Building-Housing Energy-efficiency Labeling System (BELS) by combining energy savings achieved through exterior walls with excellent thermal insulation and high-efficiency air conditioning equipment with energy generation using solar power generation. The Yashio Mill also obtained the ZEB certification, which is given to buildings with net zero or negative annual primary energy consumption.



New office building of the Yashio Mill

Improvement of Energy Efficiency



Basic Stance

The Rengo Group uses a large amount of energy in production. We are carrying out thorough energy-saving activities to make effective use of energy from the perspectives of avoiding risks associated with energy cost hikes and responding to the problem of climate change.

Efficient Energy Usage

The Rengo Group uses various forms of energy, including fossil energy, energy from waste, and renewable energy. Under Eco Challenge 2030, we are working to use energy more efficiently, having set a target to reduce the five-year average energy intensity at our manufacturing sites by 1% per year. However, we could not achieve the target, with energy intensity for FY3/2024 amounting to 100.3% year-on-year, and the five-year average amounting to 99.3%.

Year-on-Year Comparison of Energy Intensity at Manufacturing Sites*1 (consolidated*2)

	3/20	3/21	3/22	3/23	3/24	5-year average
Eco Challenge results	99.7	99.6	98.3	99.0	100.3	99.3

*1 Total energy usage including fossil energy, energy from waste, and renewable energy divided by production volume
*2 Rengo on a non-consolidated basis and consolidated subsidiaries in Japan (as of FY3/2024) subject to the Act on the Rational Use of Energy

TOPICS

Rengo Kanazu Mill Receives Director-General's Prize of Agency for Natural Resources and Energy at Energy Conservation Grand Prize

Rengo's Kanazu Mill received the Director-General's Prize (Industrial Sector) of the Agency for Natural Resources and Energy at the Energy Conservation Grand Prize 2023 for productivity improvement initiatives at the paperboard mill.

The Kanazu Mill modified its containerboard production equipment (paper machine) in October 2017 to improve productivity, save energy, and save labor by increasing drying efficiency, improving product quality, strengthening drying capacity, and saving steam. In addition, the Kanazu Mill worked to improve efficiency through digital transformation (DX) technology by introducing systems such as for paper breakage monitoring, rotating body vibration monitoring, and boiler abnormality predictive detection, as well as reducing truck fuel consumption and idle time of drivers by using on-site warehouses.

Through these efforts, the Kanazu Mill reduced energy consumption by 6,950 kL per year (a 10.7%

reduction compared to FY3/2019; crude oil equivalent) and fuel consumption by 3,089 L per year (crude oil equivalent) by utilizing site warehouses, leading to the mill receiving the prize.



Then Fukui Business Unit General Manager Masayuki Kumashita (left) and Kanazu Mill Deputy Manager Takaaki Fujisawa (right)

Creation of a Recycling-Oriented Society



Basic Stance

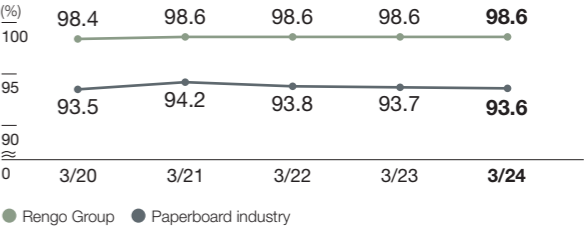
The Rengo Group is working to recycle resources that have a low environmental impact and a high economic effect, and to reduce its resource consumption to create a sustainable society. Furthermore, we collaborate with other companies and industrial organizations to develop new recycling technologies, and conduct recycling awareness-raising activities at various educational institutions, thereby promoting a recycling-oriented society.

Effective Use of Recovered Paper

In its laboratories and mills, the Rengo Group is developing technologies that raise the recovered paper content ratio while maintaining product quality. We are also making advances in the effective use of recovered paper, such as employing previously unused recovered paper resources as raw materials for papermaking. As a result, the recovered paper utilization rate in FY3/2024 reached 98.6%.

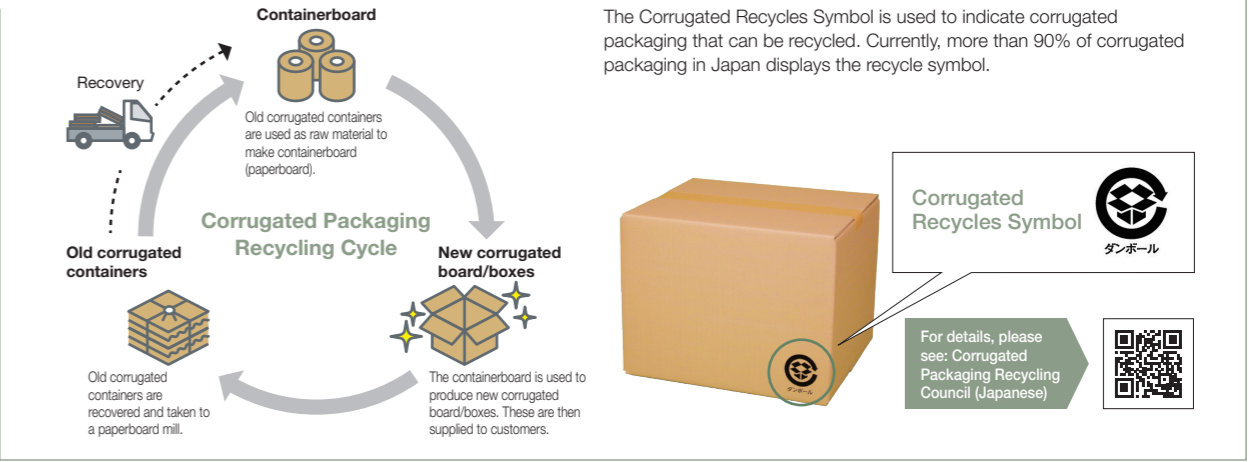
In addition, under Eco Challenge 2030, we raised the recovered paper utilization rate target in raw materials used in paperboard manufacturing from the previous 98% or more to 99% or more, starting in FY3/2025. We have set the deadline to achieve the target as FY3/2028, and are committed to promoting further initiatives to achieve it.

Recovered Paper Utilization Rate in Paperboard Manufacturing*1 (consolidated*2)



Source: Paper Recycling Promotion Center
*1 Percentage of recovered paper in the raw materials used in all paperboard
*2 Rengo on a non-consolidated basis and paperboard manufacturing sites of consolidated subsidiaries in Japan
Note: Industry figures are on a calendar year basis (FY3/2023 corresponds to the year from January to December 2022).

Corrugated Packaging Recycling Cycle



Increased Use of Unused Materials

Under Eco Challenge 2030, the Rengo Group aims to increase the use of unused materials as a new target for FY3/2025 onward. While we aim to achieve a recovered paper utilization rate of 99% or more, for the remaining 1% of pulp, we also aim to procure unbleached pulp generated

from unused materials in Japan, such as residuals from lumber sawing and construction waste materials. We have set the deadline to achieve the target as FY3/2028, and are committed to promoting initiatives across the entire supply chain to achieve it, for example, by encouraging suppliers.

Improvement of Recovered Paper Quality

Thermal foaming coated paper, sublimation transfer paper, or waste paper with odors, such as detergents, soaps, or incense, may cause problems if mixed into products, and must be removed before paper is recovered. As such materials (known as prohibitive items) will significantly reduce the quality of paperboard, Rengo widely promotes proper recycling that does not mix in prohibitive items through its website and dispatch lessons (see p. 80).

For details, please see:
Paper Recycling Promotion
Center (Japanese)



Common Examples of Prohibitive Items

Paper products that cannot be used as raw materials for papermaking	
Perfumed paper and paper with odors	Paper wrapping, paper boxes, corrugated boxes, and other paper packaging for products such as detergents, soaps, and incense
Sublimation transfer paper	Dye-sublimation paper, iron-on transfer paper
Thermal foaming coated paper	Non-flat copy paper (such as for Braille)
Wax coated corrugated box	Wax coated corrugated boxes containing imported fruits and vegetables, processed seafood, etc.
Paper with food leftovers	Packaging with food leftovers such as pizza or cake
Soiled paper	Paper stained with oil, used tissue paper and paper towels, paper stained with pet excrement, etc.

Items other than paper

Nonwoven products (sanitary masks, moist towelettes), disposable diapers, etc.

Source: Excerpt from the Paper Recycling Promotion Center's Recovered Paper Quality Standards

Sniffer Dogs
Playing an
Active Role at
Paperboard
Mill



Since 2014, Rengo's Yashio Mill has used sniffer dogs to prevent contamination by recovered paper with odors. Since the sniffer dogs were introduced, the number of cases of contamination has significantly dropped, resulting in a steady reduction in product issues and loss. Sniffer dogs are currently in active service at the Yashio Mill and Toneyawa Division.

Sniffer dog Chako uses its front paws to indicate when recovered paper has an odor.

TOPICS

In-Store Demonstration Experiment for Recovery of Used Plastic Containers by 12 Cross-Industry Companies

Rengo has participated in R Plus Japan Ltd. (RPJ), a joint venture that works to promote the development and practical application of recycling technologies for used plastics. RPJ conducted a demonstration experiment for the recovery of used plastic containers at the Ito-Yokado Yokohama Bessho store from September 8 to December 6, 2023.

This experiment was part of initiatives to put into practice the chemical recycling technology that is developing by RPJ, which enables plastics to be recovered to the original material without being dependent on their type. RPJ verified the issues surrounding the recovery and sorting methods for a wide range of food containers, including containers for boxed lunches and natto, the recovery of which was previously difficult.

The experiment was featured in the mass media

as an initiative of 12 cross-industry companies that participate in RPJ, including Rengo, toward the realization of plastic resource recycling and also attracted public attention. We will promote the initiative to practical application of the chemical recycling technology based on the results of the experiment.

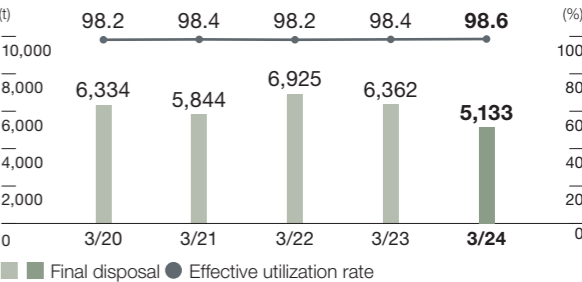


Recovery boxes

Reduction of Waste Volume

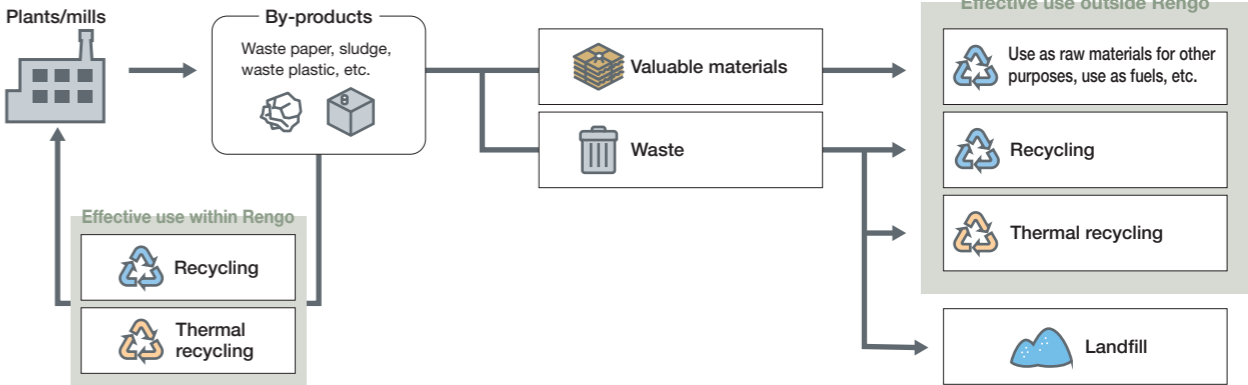
In order to realize a recycling-oriented society, the Rengo Group is actively using environmentally friendly materials such as recycled materials, recycling byproducts from our divisions, plants, and mills, and minimizing the waste we generate. Under Eco Challenge 2030, we have been endeavoring to increase our effective utilization rate of waste. In the outsourcing of waste disposal at our divisions, plants, and mills, wherever possible, we select contractors that are capable of recycling the waste to increase the effective utilization rate. As a result of these efforts, final disposal for FY3/2024 amounted to 5,133 tons and the effective utilization rate was 98.6%. We will continue to minimize the waste generation and raise the effective utilization rate of waste.

Final Disposal and Effective Utilization Rate (consolidated*)



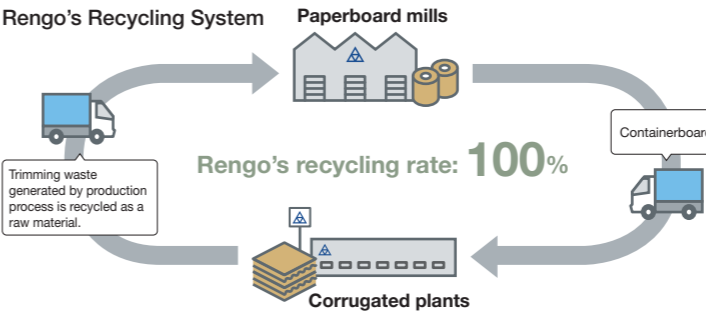
* Rengo on a non-consolidated basis and manufacturing sites of consolidated subsidiaries in Japan

Waste Disposal Process



Recycling of Old Corrugated Containers Within Rengo

Rengo recycles old corrugated containers within the Group. Trimming waste of corrugated board/boxes, generated during the production process at our corrugated plants, is transported back to paperboard mills where it is recycled as a raw material for papermaking, using the return trips of trucks transporting containerboard from our paperboard mills.



Trimming waste to be recycled as a raw material for papermaking

Recycling of Plastics Within Rengo

RM TOHCELLO CO., LTD., a Rengo Group subsidiary that manufactures and sells plastic films, recycles almost all the film losses generated in the manufacturing process, thereby working to reduce industrial waste.



Film losses recycled as raw materials

Water Risk Management



Basic Stance

Droughts, flooding, and other effects of climate change are growing more severe, both in Japan and overseas. Rengo considers the efficient use of water resources and the assessment and management of water risks to be vital issues. Flood damage, water quality regulations, and other water-related risks have a major impact on the activities of production sites, so we appropriately assess and manage water risks on an individual site basis.

Analysis of Water Risks

In order to make our business activities as sustainable as possible going forward, the Rengo Group has been engaging in assessment since FY3/2022 to identify water risk factors such as water supply per production site and flood frequency, and to establish appropriate measures. In FY3/2024, in addition to the 145 sites that we have already assessed, we included overseas subsidiaries' subsidiaries as the sites to be assessed with the aim of monitoring water risks at the manufacturing sites of the entire Group. For the assessment, we use Aqueduct*, a catchment basin-specific water risk assessment tool released by the World Resources Institute (WRI), to identify water issues in regions in which our sites are located.

* Water risk assessment tool developed by WRI

WRI Aqueduct Water Risk Assessment Results

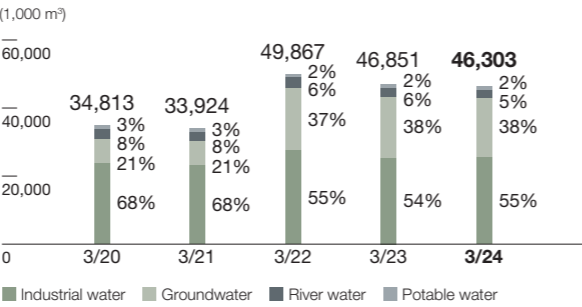
Water stress level	Number of production sites	Percentage (%)
Low	71	23
Low-medium	98	32
Medium-high	93	30
High	21	7
Very high	23	8
Total	306	100

Note: Assessed using the five-scale assessment of Water Risk Atlas Baseline Water Stress of WRI Aqueduct, a catchment basin-specific water risk assessment tool

Efficient Use of Water Resources

The Rengo Group has set a new target value for water usage per unit of production (water usage divided by net sales) to appreciate and make effective use of limited water resources. The Group uses potable water, industrial water, groundwater, and water taken from nearby rivers at each site. The volume of water intake for FY3/2024 was 46,303,000 m³. We will work to reduce the total water use and water usage per unit of production across the entire Group in the future.

Total Water Intake and Water Resource Ratios by Type (consolidated*)



* Rengo on a non-consolidated basis and manufacturing sites of consolidated subsidiaries in Japan and overseas

Value Chain Management (Downstream)



Basic Stance

Rengo aims to contribute to the realization of a sustainable society by providing products and services that offer added value. We are striving to minimize the environmental impact associated with our logistics, particularly in transportation.

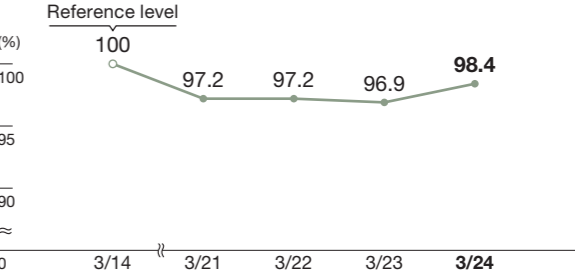
Rengo's Value Chain

Rengo's value chain faces challenges related to the transportation of its mainstay products, corrugated board and boxes, due to the numerous plants and diverse destinations involved. Nonetheless, we believe that addressing these challenges can reveal significant value. Therefore, we are aiming not only to meet delivery deadlines, but also to realize transportation with a lower environmental impact, by identifying specific issues and implementing improvements.

Reduction of CO₂ Emissions During Corrugated Board and Box Transportation

Under Eco Challenge 2030, we are working toward a 13% reduction in per-unit CO₂ emissions from corrugated board and box transportation by FY3/2031. In FY3/2024, per-unit CO₂ emissions decreased by 1.6% compared to FY3/2014. We will continue to seek further reductions in our environmental impact by using large trucks to increase load capacity and reduce transportation frequency, and by optimizing the locations of distribution sites and warehouses to shorten transportation distances.

Per-Unit CO₂ Emissions* Index for Corrugated Board/Box Transportation (non-consolidated)

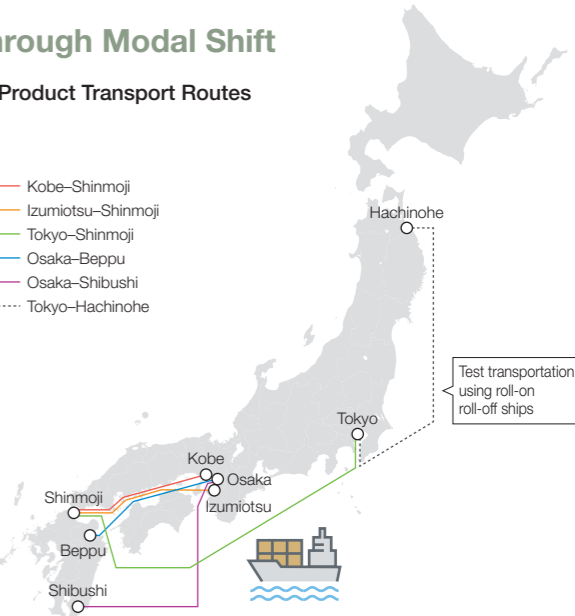


* CO₂ emissions during transportation by truck divided by sales volume

Initiatives to Improve Logistics Efficiency Through Modal Shift

The Rengo Group promotes modal shift, the switching of transportation from land to sea, as an initiative that contributes to solving issues ranging from the shortage of truck drivers to environmental concerns. Thus far, we have switched transportation from land to sea for Tokyo-Kyushu transportation of multi-packs (canned beer six-packs, etc.) manufactured by Rengo and Osaka-Kyushu/Okinawa transportation of containerboard. To further expand these initiatives, in March 2024, we tested switching of Tokyo-Aomori transportation of containerboard to transportation using trailers on roll-on roll-off ships*. Switching from conventional land transportation to sea transportation enables a reduction in CO₂ emissions by approximately 60%. We will continue to promote initiatives to reduce CO₂ emissions in logistics.

* Cargo vessels on which trucks or trailers carrying cargo can board by self-driving and be transported



Chemical Substance Management



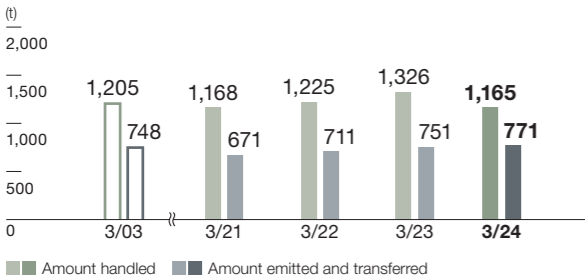
Basic Stance

Rengo strives to prevent its business activities from causing pollution by appropriately managing chemical substances and reducing the amount of waste it disposes of. Besides adhering to laws and regulations concerning the disposal of hazardous substances that can harm people's health and negatively affect ecosystems and other aspects of the environment, we also engage in thorough management by setting our own, even stricter standards.

Reduction of Emissions and Transfers of PRTR Chemical Substances

Rengo's emissions and transfers of relevant substances subject to the PRTR Act (the Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement) measured 771 tons in FY3/2024. The amount increased from the previous year, mainly due to increased production volume, but we are working on initiatives to reduce emissions, which include augmenting cleaning equipment for gases emitted during the manufacturing process at the Takefu Plant.

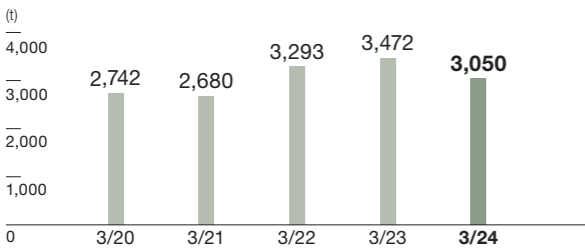
PRTR Chemical Substances Amount Emitted and Transferred (non-consolidated)



Reduction of VOC Emissions

The Rengo Group uses ink and processing agents containing volatile organic compounds (VOCs) in the printing and processing of paperboard and film. VOCs are emitted into the atmosphere once they dry. To reduce VOC emissions, we cooperated with our suppliers to switch to low-VOC solvents and VOC-free inks. Thanks to these efforts, emissions in FY3/2024 measured 3,050 tons.

VOC Emissions*1 (consolidated*2)



*1 Refers to the top five substances discharged by members of Japan Paper Association (toluene, methyl ethyl ketone, ethyl acetate, isopropyl alcohol, and methanol).
*2 Rengo on a non-consolidated basis and manufacturing sites of consolidated subsidiaries in Japan

Conservation of Biodiversity



Basic Stance

On Earth, many different living things coexist while maintaining balance with the natural environment, and the blessings of abundant biodiversity support our lives and business activities. In conducting business, which uses wood materials sourced from forests, the Rengo Group strives to protect biodiversity while sustainably using these materials to maintain sustainable business activities and harmony with the natural environment in its locations.

Assessment of Relationship with Rengo's Business Activities and Biodiversity

The Rengo Group is working on initiatives to identify how its business activities relate to and affect nature. Currently, we are conducting an assessment of the entire supply chain, including Rengo itself, covering major raw materials, in reference to the Taskforce on Nature-related Financial Disclosures (TNFD)'s LEAP approach.

In addition to identifying the dependence and impact on nature using ENCORE*, an environmental impact analysis tool recommended by TNFD, and other tools, we are striving to ascertain the natural environment surrounding the Group's manufacturing sites.

* A nature-related risk analysis tool developed by the Natural Capital Finance Alliance (NCFA) jointly with the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC)

Overview of LEAP Approach and Current Status of Initiatives



TOPICS

Biotope of Rengo Fukushima-Yabuki Plant Was Certified as Nationally Certified Sustainably Managed Natural Sites

The biotope of Rengo's Fukushima-Yabuki Plant was certified by the Ministry of the Environment as a "Nationally Certified Sustainably Managed Natural Sites" for the second half of FY3/2024. It is the first certified site in Fukushima Prefecture*1.

Nationally Certified Sustainably Managed Natural Sites refer to areas where biodiversity is conserved

through private-sector initiatives, and the Ministry of the Environment started the certification framework in FY3/2024. The framework is one of the initiatives to realize nature positive by achieving the "30by30"*2 target.

*1 A site of another company was concurrently certified.
*2 A global target to effectively conserve at least 30% of land and sea as sound ecosystems by 2030

Initiatives to Conserve Ecosystems in Biotopes

Biotopes are created within the sites of Rengo's Fukushima-Yabuki Plant and the Takefu Plant, and the Okazaki Plant of Tokai Shiki Co., Ltd., a Rengo Group company. Rengo has been conducting ecological monitoring surveys for more than 10 years to examine the trends of ecosystems in the surrounding environments.



A scene from an event at the biotope



Nationally Certified Sustainably Managed Natural Sites certification logo

Acquisition of SBT Certification



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

In November 2023, the Rengo Group's greenhouse gas emissions reduction target obtained Science Based Targets (SBT) certification as targets based on scientific evidence. Rengo is the first domestic paper manufacturer listed on the Tokyo Stock Exchange Prime Market to obtain SBT certification.

The entire Group will continue to work on reducing greenhouse gas emissions to achieve the targets by, for example, totally eliminating the use of coal in Japan, newly building biomass boilers, introducing solar power generation equipment, and promoting energy-saving efforts through facility renovation.

SBT

Science Based Targets (SBT) refer to greenhouse gas emissions reduction targets set by corporations that are in line with the levels required by the Paris Agreement*. Corporations set targets that are evidenced by science to promote countermeasures against climate change, and such targets are certified by the Science Based Targets initiative (SBTi), a certification body. After obtaining certification, corporations must report and announce their

greenhouse gas emissions and the progress toward their targets on an annual basis.

* The Paris Agreement is an international agreement related to the problem of climate change adopted in December 2015 in Paris, France. As a globally common long-term target, it requires efforts to hold the increase in the global average temperature to well below 2°C above pre-industrial levels, and to limit the temperature increase to 1.5°C.

Significance of Obtaining SBT Certification

The Rengo Group has worked on various socially relevant issues as “General Packaging Industry (GPI) Rengo,” offering innovative and diverse solutions that meet the packaging needs of all industries. In recent years, environmental awareness has been increasing globally, and demand from customers to reduce greenhouse gas emissions based on the SBT standards is also increasing year by year. Against this backdrop, we deemed it a corporate mission to work on initiatives by setting SBT targets to realize a carbon-neutral world by 2050, and thus obtained the certification.

Under SBT, corporations need to set reduction targets for not only Scope 1 and 2, but also Scope 3. After obtaining certification, corporations must report and announce their greenhouse gas emissions and progress toward their targets on an annual basis. Corporations will work with customers to reduce greenhouse gases and disclose the process and results of these initiatives. It is expected that such SBT-standard initiatives will spread to many companies, resulting in progress in climate change countermeasures.

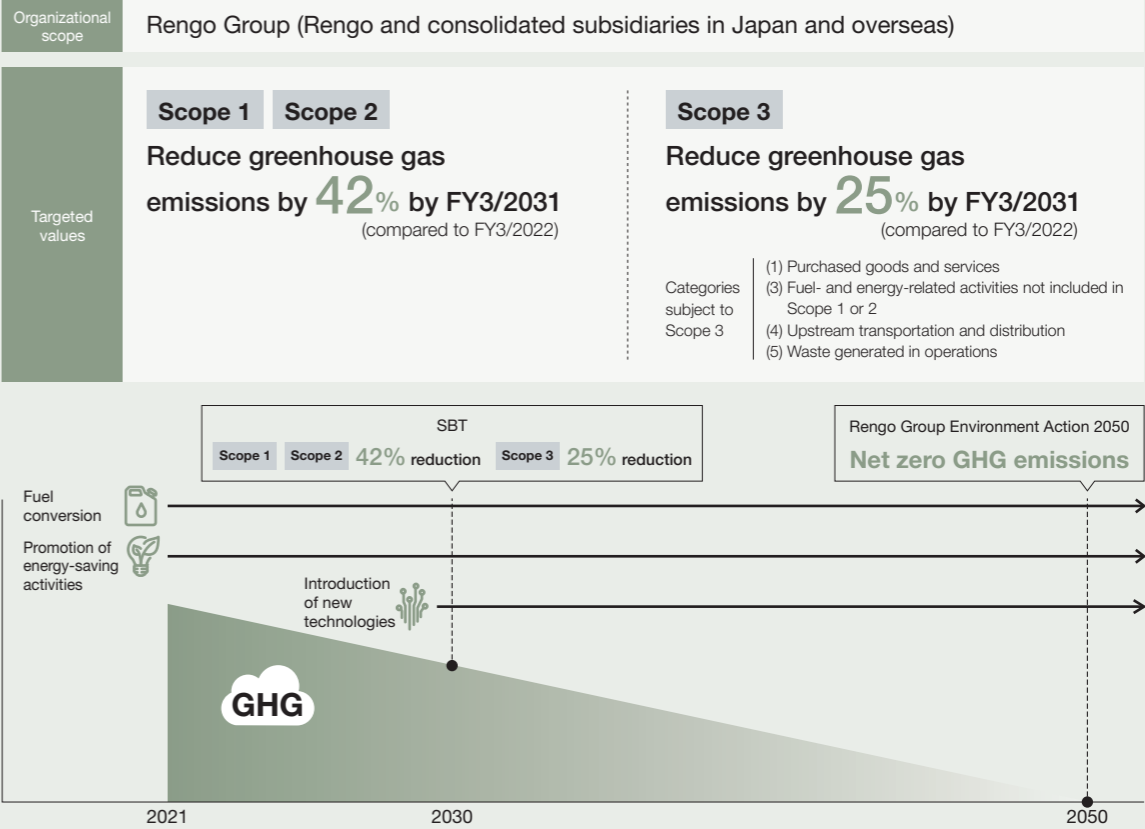
Toward Achievement of Targets

The Rengo Group formulated the Rengo Group Environment Action 2050 as a long-term vision aimed at 2050 to create a sustainable society, and is accelerating its efforts to achieve carbon neutrality. Our efforts include aiming to eliminate the use of coal at manufacturing sites in Japan by FY3/2028, as well as to newly build biomass boilers, introduce solar power generation equipment, and promote energy-saving efforts

through facility renovation by FY3/2031. In addition to these efforts, we are working to establish a structure aimed at introducing new energy sources such as hydrogen and new technologies such as CCUS*.

* Carbon dioxide Capture, Utilization, and Storage Referring to CO₂ separation and recovery to store in the ground or other places, or to convert and use it as chemical products, fuels, etc.

Rengo’s SBT



Improvement of Value Through Initiatives

There is a growing demand from customers to reduce greenhouse gas emissions and a need for low-carbon products in the market. Therefore, we believe that by strengthening our ability to respond to achieve our targets, we can improve our competitive advantage and capture market opportunities. We aim to create a sustainable society with various stakeholders, while improving our social and economic value.

VOICE



Taku Furuta,
Managing Executive
Officer, Member of the
Senior Executives Meeting

Generation of a Virtuous Cycle of the Environment and Economy Toward Creation of a Sustainable Society

The Rengo Group has set “Less is more.” in which it reduces an environmental impact and provides maximum value as the key concept for creating packaging and environmental management. In recent years, environmental issues have become more diverse and more serious. In this context, we deem the creation of a carbon-free society as a globally common urgent issue, and the fact that we recently obtained SBT certification is a statement of our commitment to working on such issues. In addition, we will invest approximately ¥70 billion by 2030 to achieve the SBT and net zero greenhouse gas emissions by 2050, for the purpose of enhancing effectiveness. We will continue to contribute to the creation of a sustainable society by further focusing on our initiatives together with the entire Group and stakeholders, and by generating new value and creating a virtuous cycle of the environment and economy.

Response to TCFD



The Rengo Group announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in December 2021, with the aim of evaluating impacts related to risks and opportunities arising from climate change as well as formulating and implementing countermeasures. In FY3/2023, we assessed risks and opportunities in the Paperboard and Packaging-Related Business, which is one of our core businesses, as part of the disclosure of information in accordance with the recommendations. In FY3/2024, we expanded the scope of the assessment to include the Flexible Packaging-Related Business and the Heavy Duty Packaging-Related Business and disclosed information, including the detailed results of the assessment, on our website* and other media.

* URL of the detailed information: <https://www.rengo.co.jp/english/sustainability/environment/tcfd/2023/index.html>

Corporate Governance

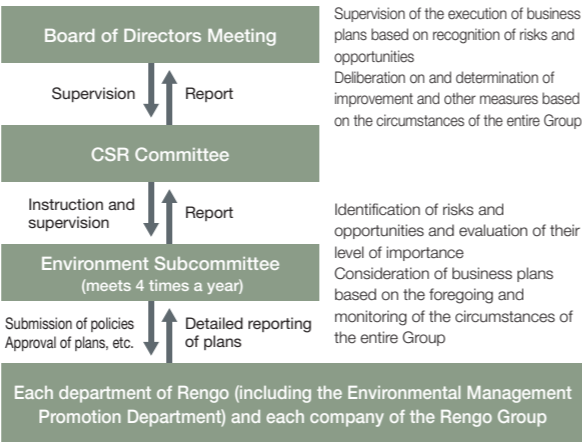
Rengo has established a CSR Committee chaired by the chairman & CEO with the aims of improving management quality and reducing and avoiding future risks. Under this CSR Committee, an Environment Subcommittee chaired by the senior managing executive officer in charge of the Environmental Management Promotion Department has been established. The Environment Subcommittee meets four times a year, and the results are reported to the CSR Committee. The matters reported to the CSR Committee are also reported to the Board of Directors as necessary, depending on the importance and urgency of each case, so that monitoring and guidance on environmental management function effectively.

The following have been established as subordinate organizations of the Environment Subcommittee.

- Decarbonization Working Group**
The Decarbonization Working Group consists of members gathered from among various departments, including the members of the Environment Subcommittee, and works on reducing greenhouse gas emissions by collecting information and deliberating on action plans and the progress of individual departments of Rengo.
- Group Environmental Activities Council**
The Group Environmental Activities Council manages the progress of activities for the reduction of greenhouse gas emissions in the entire Rengo Group.

The Decarbonization Working Group and the Group Environmental Activities Council, which are subordinate organizations of the Environment Subcommittee, collect information on the reduction of greenhouse gas emissions and manage action plans and the progress of each department of Rengo and the Rengo Group as a whole.

Governance Structure for Measures Against Climate Change and Risk Management



Risk Management

Framework to Identify Risks and Opportunities and to Respond to Them Through the Management System

Rengo identifies risks and opportunities related to business plans for promoting environmental management through deliberation by the Environment Subcommittee, in consideration of such factors as important environmental aspects as well as environmental laws and regulations.

The Environment Subcommittee and the CSR Committee identify risks and opportunities and evaluate their likelihood of occurrence and impact. At the same time, they prioritize initiatives bearing in mind the time frame of immediate and medium- to long-term actions, and consider business plans in line with the risks and opportunities. In addition, they direct the formulation of internal regulations and creation of manuals, and monitor the circumstances of the entire Rengo Group.

The Board of Directors, based on the recognition of the risks and opportunities identified, supervises the execution of the business plans for environmental management. The Board also deliberates and determines improvement measures and other matters as necessary,

taking into account the circumstances of the entire Group.

The Environmental Management Promotion Department coordinates and provides guidance on general operation, including support for the development of human resources at workplaces, and monitoring activities, in order to establish a more specific strategic scheme for actions in line with the recognition of these risks and opportunities, and operate the scheme in each department of Rengo and the entire Group. The Group strives to improve its resilience to climate change by identifying opportunities for improvement in the performance of all such initiatives and implementing measures to improve future performance, as well as by continuing the cycles of monitoring the effects of the measures. The top-level executives are involved in the entire process of the management system and take command in the continuous improvement of environmental performance, ensuring their own effectiveness as a part of the management system of the Group as a whole.

Metrics and Targets

The Rengo Group formulated the Rengo Group Environment Action 2050 as long-term targets to be achieved by 2050, and is aiming to achieve net zero greenhouse gas emissions. In April 2021, we established a target for the reduction of CO₂ emissions of the domestic Group companies as part of Eco Challenge 2030, which presents medium-term targets to be achieved by FY3/2031. The reduction target in and after FY3/2025 under Eco Challenge 2030 is greenhouse gas emissions. In addition, as we obtained the Science Based Targets (SBT) certification in November 2023, the reduction targets for Scope 1, Scope 2, and Scope 3 of Group companies in Japan and overseas are now aligned with the greenhouse gas emissions reduction targets required by the Paris Agreement. With the aim of achieving these targets, the Decarbonization Working Group has formulated a roadmap

for reducing greenhouse gas emissions and is managing the progress of the promotion of energy conservation as well as conversion into renewable energy. As such, we are pushing forward with the reduction of greenhouse gas emissions.

Long-term goal	Take on the challenge of achieving net zero greenhouse gas emissions by 2050
Medium-term goal	Reduce greenhouse gas emissions by 46% by FY3/2031 (compared to FY3/2014)*

* The scope is Rengo on a non-consolidated basis and consolidated subsidiaries in Japan excluding non-manufacturing sites.

Strategy: Risks, Opportunities, and Countermeasures Related to Climate Change

Identification of Risks and Opportunities Based on Scenario Analysis

In FY3/2023, Rengo conducted scenario analysis for the Paperboard and Packaging-Related Business, our core business, based on the projections on the external environment in 2030. In FY3/2024, we expanded the scope of scenario analysis to include the Flexible Packaging-Related Business and the Heavy Duty Packaging-Related Business. As for scenarios, we used the 1.5°C scenario in which a transition to a low-carbon economy is made in accordance with the Paris Agreement and the 4°C scenario in which no measures are implemented against climate change beyond current assumptions.

Repeated discussions were made in cross-departmental workshops and other meetings, risks and opportunities related to climate change were narrowed down, and deliberations were made to identify expected financial impact and countermeasures. As a result, we have come to the realization that, while it has been confirmed that there is a possibility of an impact on both risks and opportunities in the 4°C scenario as well, in the 1.5°C scenario where the transition to a low-carbon society progresses, an impact from transition risks and opportunities is likely to be bigger. The Rengo Group is promoting its environmental management in consideration of risks and opportunities of each scenario.

Recognition of and Countermeasures Against Risks and Opportunities

Based on its scenario analysis, as factors that pose concern over impact on business continuity or profits in FY3/2031, Rengo has recognized transition risks that include changes in policies, laws, and regulations such as the introduction of carbon tax and increases in electricity retail and other prices, as well as physical risks that may affect facilities due to the increased severity and frequency of disasters.

As countermeasures against these risks, for transition risks, the Rengo Group has been working to control the risk of raw material and fuel price fluctuations by equalizing plant/mill operations and procurement, while making it its basic policy to make capital investment for energy conversion and realize appropriate product prices which minimize financial impact. For physical risks, we have formulated and ensured the effectiveness of the BCP, implemented flood damage countermeasures at production sites (levee raising and installation of water stops, emergency power supply, etc.), and strengthened supply chain management to enable diversification of procurement sources in case of emergency.

In addition, while avoiding these risks, we strive to strategically promote packaging design that contributes to logistics efficiency, green logistics, and low carbon emissions based on life cycle assessment (LCA), and to acquire new opportunities by expanding and deepening the disclosure of information related to the series of initiatives.

The details of our recognition of and countermeasures against these risks and opportunities are disclosed on our website (see the above-mentioned URL) and other media.

Summary of Major Risks, Opportunities, and Significance

Type of risks/opportunities	Events	Qualitative evaluation of significance*1		Evaluation of financial impact*2
		4°C scenario	1.5°C scenario	1.5°C/4°C scenario
Transition risks	Policy and legal regulations	Introduction of and enhancing carbon tax	Low	High
		Further tightening of regulations for plant/mill equipment	Low	High
		Regulation of emissions and energy use	Low to medium	Medium to high
	Market risks	Rise in retail price of electricity	Low	High
		Natural gas price volatility	High	Low
		(Paperboard and Packaging-Related Business) Tight supply and demand for recovered paper	Medium	High
Opportunities	Market opportunities	(Flexible Packaging-Related Business / Heavy Duty Packaging-Related Business) Soaring prices of petroleum-derived raw materials	Low to high	Low to high
		Rising demands from financial market and stakeholders for climate change countermeasures and information disclosure	Medium	High
		Development of leading-edge low-carbon technologies and expansion in demand for low CFP	Low	High
Physical risks	Acute	Improvement in resource efficiency	Medium	High
		CO ₂ reduction in logistics and improvement in logistics efficiency	Medium	High
Physical risks	Acute	Such as impact on facilities from higher intensity and frequency of disasters (torrential rains, floods, and storm surges)	Low/high	Low/high
			Low/high	Low/high*3

*1 For the qualitative evaluation of significance, likelihood and impact were divided into low = 1 point, medium = 2 points, and high = 3 points, and a three-level scale was established based on a combined matrix: low = 1 or 2 points, medium = 3 or 4 points, and high = 6 or 9 points.

Likelihood	Impact	Significance evaluation matrix												
For transition risks and opportunities 3: Already manifested / likely to occur in the future 2: Partially manifested / may occur 1: Latent / unlikely to occur	Severity of impact: Rate of increase/decrease in net sales, rate of increase/decrease in costs, impact on assets, amount of damage, impact on human life, and other perspectives Scope of impact: Affected business units' percentages within the entire company, in terms of net sales amount, costs, and other perspectives Probability of recovery: In the case of occurrence, need for transformation of business model, number of days needed for recovery of equipment, and other perspectives	<div>Impact</div> <table><tr><td>High</td><td>3</td><td>6</td><td>9</td></tr><tr><td>Medium</td><td>2</td><td>4</td><td>6</td></tr><tr><td>Low</td><td>1</td><td>2</td><td>3</td></tr></table> <div>Low Medium High Likelihood</div> <div>Risk/opportunity significance High Medium Low</div>	High	3	6	9	Medium	2	4	6	Low	1	2	3
High	3	6	9											
Medium	2	4	6											
Low	1	2	3											

Evaluation of risk/opportunity significance = likelihood × impact

Evaluation of risk/opportunity significance = likelihood × impact

*2 For the evaluation of financial impact, a three-level threshold of high, medium, and low was set based on 6% of consolidated net sales (five-year average from FY2018 ended March 31, 2019 to FY2022 ended March 31, 2023) for amounts estimated under certain assumptions.

Financial impact (3-level evaluation)	Low	Medium	High
Thresholds common to all businesses	Less than ¥2.0 billion	From ¥2.0 billion to ¥5.5 billion	¥5.5 billion or more

*3 For the evaluation of financial impact of physical risks, a three-level threshold of high, medium, and low was set on the amounts estimated, based on 6% of net sales of each segment of the Paperboard and Packaging-Related Business, the Flexible Packaging-Related Business, and the Heavy Duty Packaging-Related Business (five-year average for the period from FY2018 ended March 31, 2019 to FY2022 ended March 31, 2023).

Financial impact (3-level evaluation)	Low	Medium	High
Paperboard and Packaging-Related Business	Less than ¥1.3 billion	From ¥1.3 billion to ¥3.5 billion	¥3.5 billion or more
Flexible Packaging-Related Business	Less than ¥0.25 billion	From ¥0.25 to ¥0.65 billion	¥0.65 billion or more
Heavy Duty Packaging-Related Business	Less than ¥0.12 billion	From ¥0.12 to ¥0.32 billion	¥0.32 billion or more

SOCIAL

Supply Chain Management



Basic Stance
In order to take into consideration conservation of resources, environmental protection, and social harmony and avoid risks of suspension of operations and materialization of human rights issues at suppliers, the Rengo Group strives to procure materials responsibly. We will increase cooperation with suppliers and promote sustainable procurement throughout the supply chain.

Sustainable Raw Material Procurement

Rengo Group's Fundamental Policy on Procurement

For the Rengo Group to reduce its impact on the global environment while sustainably and stably providing high quality and high value-added products to earn the satisfaction of our customers, it is essential to improve the quality of procurement of materials in a manner that is environmentally and socially friendly.
To build healthy trading relationships with suppliers, we formulated Rengo's Fundamental Policy for Procurement in April 2017, followed by establishing the new Rengo Group's Fundamental Policy on Procurement in April 2018 which comprehensively encompasses all the Group's companies.

Requests to Our Suppliers

To supply safe and secure products to customers, and to carry out business activities trusted by society, Rengo has formulated the Requests to Our Suppliers, which stipulates nine items with which it requests suppliers' compliance. We have posted the details of these items on our website in an

Rengo Group's Fundamental Policy on Procurement

The following fundamental policy governs our responsible procurement of materials, in accordance with our Corporate Philosophy:

- We will comply with laws, regulations, and social norms.
- We will have consideration for conservation of resources, environmental protection, and social harmony beyond economic rationales.
- We will select suppliers in a fair and impartial manner, irrespective of country and trading history with Rengo.
- We will ensure proper management, protection, and no divulgence of information assets (confidential corporate data, personal information, intellectual property, etc.) acquired in the course of operations, and ensure that information is not used for purposes other than for which it was obtained.
- We will build trust with suppliers and strive for mutual development.

Established on April 1, 2018

effort to obtain the understanding of our suppliers.

Requests to Our Suppliers / Supply Chain Management



Supplier CSR Questionnaires

In order to conduct responsible procurement in compliance with the Rengo Group's Fundamental Policy on Procurement, it is necessary to avoid risks that occur due to the existence of a company that does not consider conservation of resources, environmental protection, and social harmony in the supply chain.

Once a year, Rengo conducts CSR questionnaires to gain an understanding of the CSR initiatives of its suppliers, clarify related issues, and thereby promote sustainable procurement throughout the supply chain.

In FY3/2024, we distributed questionnaires to 57 suppliers of containerboard, recovered paper, pulp, chemicals, fuels, and others, and 60 companies including their subsidiaries returned their answers. In FY3/2024, we achieved the targeted questionnaire coverage rate of 80%.

CSR questionnaire collection status (Non-consolidated)					
	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Number of suppliers	22	25	40	55	60
Questionnaire return rate	100%	100%	100%	100%	100%
Coverage rate*	45%	55%	70%	75%	80%

* Based on the purchase amount

Overview of FY3/2024 CSR Questionnaire Results

In the CSR questionnaires, Rengo uses the CSR Procurement Self-Assessment Question Table created by Global Compact Network Japan. The average percentage scores of the 60 responding companies were high in the areas of "information security," "environment," and "labor" but low in the areas of "supply chains" and "human rights."



We give feedback on the results and confirm the implementation status so that our suppliers can reconfirm the impact and risks they will pose on society and the environment through improvement activities undertaken based on their answers. Going forward, we will work to maintain and increase the coverage rate and improve the scores.

Procurement of Wood Raw Materials

Procurement Policy for Wood Raw Materials

The Rengo Group uses wood raw materials (wood chips, pulp, and wood fuel) to produce pulp, paper, paperboard, and cellulose-related products. Our Procurement Policy for Wood Raw Materials states that, when procuring the raw materials for these products, we must not only consider the

global environment and biodiversity, but we must also procure the raw materials from suppliers that do not use illegally logged wood to ensure the effective use of sustainable wood resources.

Procurement Policy for Wood Raw Materials

The Rengo Group procures raw materials derived from wood produced from sustainably managed forests to protect the global environment and biodiversity and combat deforestation. This procurement policy applies to wood chips, pulp, and wood fuel procured by Rengo Co., Ltd. and its Group companies.

Procurement Policy

- 1. We will procure wood raw materials that have been produced in properly managed forests that comply with local laws and regulations.
- 2. We will prioritize the procurement of reused and unused materials such as waste timber, thinned wood, and low-quality timber to ensure effective use of resources. Also, in order to make sustainable use of forest resources while recycling them, we will give priority to procurement of raw materials derived from timber plantations.
- 3. We will not procure raw materials sourced from illegal logging, wood from conservation-worthy forests, and wood obtained in circumstances that have infringed human rights or traditional rights.
- 4. We will procure from suppliers that comply with laws, regulations and social norms, which show due consideration for human rights, the environment, and society.
- 5. We will prioritize procurement of wood raw materials that have received third-party forest certification. In particular, we will only procure pulp that has received third-party forest certification.

- 6. We will strive to ensure traceability and confirm the legality of wood used for raw materials.

Initiatives Against Illegal Logging

- 1. We will keep the relevant documents for a minimum of five years and make them available at the request of auditors or other such persons.
- 2. We will undertake an annual audit by the Japan Paper Association's Monitoring Service against Illegal Logging.
- 3. We will regularly provide summaries of the Rengo Group's initiatives against illegal logging on our website and other media.

Established October 2007
Revised April 2017
Revised April 2018
Revised October 2023

Illegal Logging Countermeasures

Roughly 90% of the wood pulp Rengo uses is procured domestically, while roughly 10% is imported. In 2020, the pulp used in the manufacture of cellulose-related products at the Takefu Plant received Forest Stewardship Council (FSC®) certification. With this, all of the wood pulp we procure, including the pulp used in the manufacture of paperboard, now receives forest management certification from third-party certification bodies.

As part of our illegal logging countermeasures, in order to confirm that raw materials are procured in accordance with our procurement policy, we undertake annual audits by the Japan Paper Association's Monitoring Service against Illegal Logging.

The wood raw materials procured in FY3/2023 were audited by the Monitoring Service in September 2023. This audit confirmed that all of them were manufactured using wood that were obtained legally. The wood raw materials procured in FY3/2024 will also be audited by the Monitoring Service by the end of FY3/2025.

Pulp Procurement Sources and Management Conditions (FY3/2024)

Country of origin	Composition (%)	FSC certification
Japan	91.0	Certified
Brazil	5.4	Certified
Chile	2.4	Certified
South Africa	1.2	Certified

Supply of FSC-Certified Products

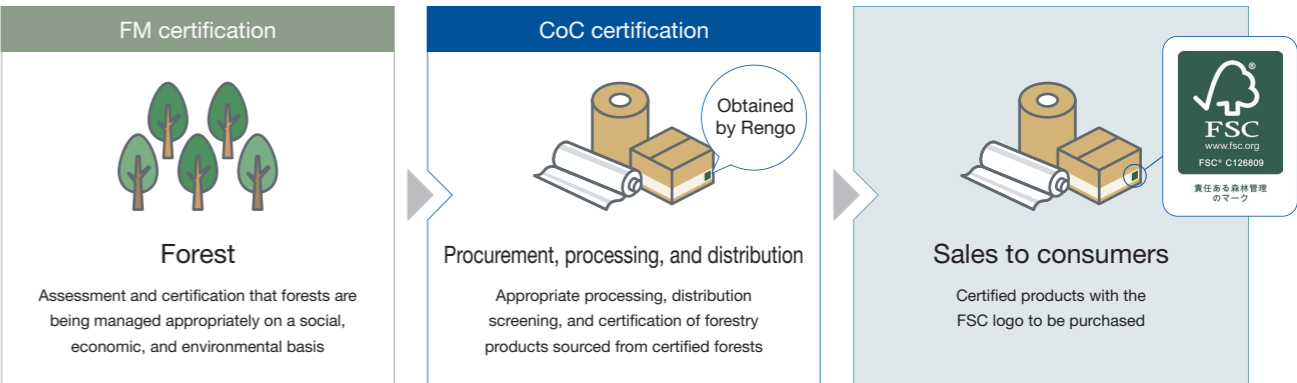
Rengo uses FSC certification to promote sustainable procurement and purchase appropriately managed wood raw materials. We also promote the more widespread use of FSC-certified products.

FSC certification includes FM certification and CoC certification. It is an international system for authenticating and certifying both appropriately managed forests and the appropriate processing and distribution of lumber harvested from these forests. In the case of corrugated packaging, FSC certification must be obtained not only by the corrugated plant that processes the corrugated packaging but also by the paperboard mill that produces containerboard, the raw material of corrugated packaging. As an integrated manufacturer of both paperboard and corrugated packaging, we obtained FSC certification (CoC

certification) in 2016 for all of our containerboard and corrugated packaging, excluding cellulose-related products, and we established a nationwide supply structure for certified products. Apart from corrugated packaging, we have also obtained FSC certification (CoC certification) for our clay-coated board and chipboard, which are used in packaging for food items and daily necessities.

In September 2020, we also acquired FSC certification (CoC certification) for cellulose-related products at the Takefu Plant. With this, all of the products we supply that are made using wood pulp are FSC-certified products. We will continue to contribute to responsible forest management through our raw material procurement, product manufacturing, and supply activities.

Structure of the FSC Certification System



Clean Wood Act Initiatives

Japan's Act on Promoting the Distribution and Use of Legally Harvested Wood and Wood Products (the Clean Wood Act) went into force in May 2017, and the Rengo Group became a registered wood-related business operator in March 2018. To minimize the risk of purchasing wood or wood products that have been illegally harvested, we created and use a legal certification due diligence system manual. The Group will continue to implement

measures in accordance with the Clean Wood Act. This manual is available on our website (Japanese).

The legal certification due diligence system manual (Japanese)



Response to Conflict Minerals

The Rengo Group implements measures to ensure that we do not provide benefits to organizations such as anti-social armed groups that infringe on human rights. In April 2017 we established the Conflict Minerals Policy and also confirm with our suppliers that measures and audits related to conflict minerals are being taken.

Conflict Minerals Policy

Certain minerals mined from the Democratic Republic of the Congo and its adjoining countries pose major problems internationally in that they are a source of funds for armed groups and exacerbate conflicts, human rights abuses, and environmental degradation. The Rengo Group implements measures to avoid sourcing or using raw materials containing conflict minerals, namely tantalum, tin, tungsten, and gold, that have been extracted or brokered by armed groups.

Creation of Workplaces Where Diverse Human Resources Can Demonstrate Their Unique Potential and Play an Active Role



Basic Stance	The Rengo Group is working to achieve sustainable growth and productivity improvement through investment in and development of human resources, focusing on the human-capital (human-centered) approach as a pillar of its corporate management.
Risks	Labor shortages due to lower birthrates, an aging population, and a decline in the productive-age population
Opportunities	Innovations through the generation of diversity and further enhancement of on-site strength

Policies for Human Resource Development and Internal Environment Development

Rengo Group's Policies for Human Resource Development and Internal Environment Development

The Rengo Group focuses on the human-capital (human-centered) approach as a pillar of its corporate management and believes that the growth of each and every employee is the key to the growth of the company. Based on this idea, we are developing our human resources and improving the internal environment as described below.

1. Human Resource Development Policy

We will provide our employees with a variety of opportunities for growth so that we can develop human resources who are independent and self-motivated and who learn, think, and act to the very end on their own.

We will return to the basic principle that productivity can depend on the human mind and work to develop human resources who will strive to improve total factor productivity (TFP).

In addition, we will promote efforts through the united cooperation of labor and management to achieve a "a virtuous cycle of growth and distribution" over the medium- to long-term, through

which the added value generated by improving TFP is appropriately allocated to employees, thereby leading to the next stage of growth.

2. Internal Environment Development Policy

We will actively promote DE&I so that diverse human resources can respect and accept each other and maximize their unique potential to play an active role.

Based on the idea of "lifetime careers," we will create work environments where each individual can work in good physical and mental health, safely, energetically, and enthusiastically. We will encourage work styles that lead to a good work-life balance.

Human Resource Education Through Which Employees Can Feel Their Growth

With regard to human resource development, the Rengo Group secures and properly allocates outstanding human resources, and is implementing initiatives that enable its employees to feel their own growth by developing and expanding education programs, such as developing global

talents and supporting self-development, in addition to systematically implementing job-specific and rank-specific education that meets the needs of each workplace, based on the motto of "boots on the ground."

Rank-Specific Career Education

Rengo has enhanced its education and training according to the careers of its employees to actively support their growth. In addition to on-the-job training, in which employees learn through their day-to-day work at their respective workplaces, we are also working to improve the abilities and motivation of employees through job-specific and rank-specific education.

We have particularly extensive education and training structures for employees who have been with the company for up to three years. Departments coordinate with each other to provide employees with knowledge, skills, and positive attitudes, and on-the-job training is used in plant and mill workplaces, based on the principle of the hands-on approach. Employees review their own work styles, and regular follow-up training is used to support the future growth of young employees, who will play an important role in the future. For mid-career employees, we provide more highly specialized training, and for

management employees we provide opportunities to improve the knowledge and skills that are essential for management.

In addition, we have created a system that supports the development of employees' capabilities through employee self-fulfillment as an opportunity to achieve growth.



New employee training session

Small-Group Improvement Activities

The Rengo Group has employees participate in small-group improvement activities with the aim of further increasing employee growth, invigorating workplaces, and creating the world's best workplaces. In FY3/2024, we focused on related to initiatives for improving total factor productivity (TFP) such as safety, quality, the environment, productivity improvement, cost reduction, 6S, and customer satisfaction. In total, nearly 6,500 employees in 659 teams from within the Group took part in the activities. Besides leading to the resolution of companywide issues, workplace improvements also further reinforce the frontline strength of the Group.



Small-group improvement activities companywide presentation meeting

"Cultivate the Mind" Productivity Training

The Rengo Group is promoting efforts through the united cooperation of labor and management to increase total factor productivity (TFP) while being conscious of technological innovations and people's work styles and state of mind, by analyzing the many different factors behind productivity. Starting from FY3/2023, we have been conducting a companywide training program for human resource development under the slogan "Cultivate the Mind," returning to the basic principle that productivity can depend on the human mind. All employees are required to participate in the program over three fiscal years, and the first round of the program was held as nationwide training for assistant managers in manufacturing departments. Later on, the training program was deployed in stages to divisions in Japan, each division and business unit, and each rank and job. As of March 2024, the number of participants totaled about 3,500. We believe that communication, especially in workplaces, is an important source of organizational and on-site strengths, bringing all workers together. We are focusing more than ever on investing in and developing human resources by further strengthening on-site strength and improving productivity.



Productivity training session

Development of Global Talents

Amidst further globalization, Rengo has embarked on a Global Talent Development Program to develop human resources for the future. This is a program that takes place over a period of one and a half years, with training in Japan and overseas. Since 2010, a total of 46 employees have been selected and assigned to this program.

In addition, we are also promoting the development of human resources who are able to adapt to globalization, such as awarding monetary incentives of ¥100,000 to ¥300,000 to those who achieve a certain level of language proficiency (English/Chinese).

Creation of an Appropriate Evaluation System

Rengo provides clear evaluation criteria to employees to have a fair and transparent system for performance assessment. Superiors conduct interviews with their subordinates to provide them with feedback regarding the evaluation results. These feedback interviews help to increase subordinates' acceptance of the results and advance their understanding of the ideal employee profile for their superiors and the company. At the same time, superiors are able to assist subordinates in the direction of goal setting and competency development.

Also, employee satisfaction and needs are confirmed at yearly self-assessment and career interviews, which are also used as an opportunity for employees to express their career plans and assignments they desire.

Promotion of DE&I

Rengo is promoting and reinforcing DE&I with the aim of being a corporation where diverse human resources can respect and accept each other, and everyone can maximize their unique potential.

Empowerment of Female Employees

Rengo established the Section for the Promotion of Women Employees in April 2014 (reorganized into the D&I Promotion Office in April 2022) and has been taking initiatives starting with reinforcing the system to empower female workers, creating a corporate culture, and developing an environment where diverse human resources are able to demonstrate their abilities even further. In March 2016, we formulated the Action Plan for Empowering Female Workers and disclosed information on the empowerment of women. Rengo was recognized for its initiatives and received Eruboshi certification (level 2) from the Minister of Health, Labour and Welfare in May 2016 for complying with standards as a general business enterprise in accordance with the Act on Promotion of Women's

Participation and Advancement in the Workplace. We have dedicated ourselves to hiring, actively promoting, and expanding the areas of responsibility of women. As a result of these efforts, in November 2020, our certification level was raised one level (to level 3).
We achieved all of the targets in our action plan for the FY3/2017 to FY3/2021 period, and in our five-year action plan starting from FY3/2022, we have set targets with the aim to further accelerate our efforts. We are working to raise the percentage of female employees throughout the company and strengthen and enhance initiatives related to education and career formation for them. We will also actively promote female employees to managerial positions, leading to the appointment of female officers.



Goals Stated in the Action Plan

Period of plan: Five years starting from April 1, 2021

- 1 Achieve an employment rate of 30% or more for female employees in career-path positions
- 2 Achieve an employment rate of 20% or more for female employees assigned to office and production staff positions
- 3 Achieve 1.5 times or more of the number of female employees in managerial positions (from 40 in FY3/2021 to 60 or more)
- 4 Achieve a percentage of 80% or more of male employees taking childcare leave

Encouragement of Employment of Older Workers

To further encourage employment of older workers, Rengo increased the retirement age from 60 to 65 years in April 2019. In addition, based on the national government's Measure to Secure Working Opportunity for employees up to the age of 70, in April 2020, we changed our previous re-employment program for employment up to 65 years to allow workers to continue working up to a maximum age of 70 years if they wish to do so and agree to our proposal for the working conditions. In FY3/2023, we also established a system to continue the employment of retirees by mandatory retirement at age 65 who will emerge in FY3/2025.
We are raising productivity and creating congenial workplaces so that all employees can work with enthusiasm and determination and uphold "lifetime careers" while maintaining good health and high motivation.

Encouragement of Employment of Persons with Disabilities

Rengo is actively working to employ more persons with disabilities and expand their areas of responsibility, while creating congenial work environments for all employees. As of March 2024, the employment rate of persons with disabilities was 2.6%, satisfying the statutory requirement.
Furthermore, we conduct universal manner certification training to increase employees who are able to act with proper understanding of disabilities and a sense of ownership. This training covers basic knowledge of appropriate ways to support and communicate with persons with disabilities. This includes the definitions of disabilities and ways of speaking to persons with disabilities. Using case studies, they also learn about specific mentalities and actions necessary for putting the training into practice. We will continue to create and improve work environments where people with disabilities can thrive for a long time.

		FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Number of employees		4,042	4,132	4,180	4,251	4,344
	Number of females	454	480	513	556	596
	Percentage of females	11.2	11.6	12.3	13.1	13.7
Average age		40.3	40.5	40.9	41.3	41.7
	Males	40.6	40.9	41.4	41.9	42.4
	Females	37.6	37.7	37.6	37.5	37.4
Average employment tenure (years)		14.9	15.3	15.7	16.1	16.4
	Males	15.4	15.8	16.3	16.8	17.2
	Females	11.2	11.5	11.5	11.5	11.4
Number of new employees (career-path positions)		70	77	90	84	83
	Number of females	20	20	28	26	25
	Percentage of females	28.6	26.0	31.1	31.0	30.1
Number of new employees (office & production staff)		187	128	122	137	138
	Number of females	15	19	26	40	34
	Percentage of females	8.0	14.8	21.3	29.2	24.6
Number of employees in managerial positions		716	754	764	789	832
	Number of females	34	40	39	46	49
	Percentage of females	4.7	5.3	5.1	5.8	5.9
Mid-career employment rate (%)		71.3	38.0	50.5	54.8	51.6
Employment rate of persons with disabilities (%)		2.2	2.3	2.3	2.4	2.6

Respect for Human Rights

One of the elements of the Rengo Group's Corporate Philosophy is to “respect the value of individual employees and strive to create safe and congenial work environments providing comfort and fulfillment.” Based on this action guideline, we have formulated the Rengo Group Human Rights Policy and work to create environments of respect for human rights.

Human Rights Policy

Rengo Group Human Rights Policy

The Rengo Group has regard for the value of each individual who works for the Group as a part of our Corporate Philosophy. The Rengo Group establishes this Rengo Group Human Rights Policy to codify respect for human rights as our corporate social responsibility and undertake initiatives relating to human rights.

1. Compliance with international norms, laws, and regulations

The Rengo Group will support and comply with international norms relating to human rights.
In addition, the Rengo Group will comply with applicable laws and regulations in all countries and regions where it conducts business. In the event of a discrepancy between national or regional laws and regulations and international norms, we will pursue means of complying with international norms.

2. Responsibility to respect human rights in business activities

- (1) The Rengo Group will respect human rights in its business activities and respond promptly and appropriately when issues relating to violations of human rights occur.
- (2) We will respect the human rights and dignity of each individual, eliminate all forms of discrimination and harassment on the basis of gender, age, disability, nationality, race, religion, belief, gender orientation, gender identity, social standing, and so on, and will create work environments where employees are treated fairly.
- (3) We will prohibit human trafficking, forced labor, child labor, other improper labor practices, and all forms of discrimination and protect the human rights of workers including the freedom of association and collective bargaining, ensuring the payment of minimum wages, and appropriately managing working hours.
- (4) We will create work environments where each individual can work in good physical and mental health, safely, energetically, and enthusiastically. We will encourage work styles that lead to a good work-life balance.

3. Implementation of human rights due diligence

The Rengo Group will continuously implement human rights due diligence to prevent violations of human rights.

4. Corrective and remedial measures

The Rengo Group will take corrective and remedial measures in order to respond appropriately in cases where we receive information concerning incidents or problems relating to human rights violations arising from our business activities.

5. Education and training

The Rengo Group will conduct appropriate employee education and training for the purposes of firmly establishing this policy in all business activities and ensuring practice based on a proper understanding of this policy so that risks relating to human rights can be prevented.

6. Dialogue and collaboration with stakeholders

The Rengo Group will engage in dialogue and collaboration with relevant stakeholders in an effort to enhance and improve initiatives for respecting human rights.

7. Information disclosure

The Rengo Group will disclose information relating to its initiatives for respecting human rights in accordance with this policy through websites and reports.

8. Scope of application

This policy applies to all Rengo Group directors, officers, and employees. In addition, all concerned parties and partners involved in Rengo Group business activities are expected to support this policy and are urged to fulfill their social responsibilities including respect for human rights in collaboration with the Rengo Group.

Established on November 2, 2021

Initiatives for Human Rights Due Diligence

The Rengo Group implements the human rights due diligence set forth in the Human Rights Policy as a series of cycles as follows.

- We will identify visible and potential human rights risks and understand the current situation.
- We will take appropriate measures to prevent and mitigate risks. Specifically, we will provide human rights-related education and training on the theme of harassment and diversity for employees, and develop and improve facilities, regulations, labor practices, and other matters.
- We will strengthen our initiatives by conducting monitoring (follow-up surveys) to verify our initiatives.
- We will disclose information to stakeholders through our websites and other means.

- We will establish a system to receive and respond to complaints, consultations, and whistleblowing regarding human rights-related issues from employees and related stakeholders.
- We will build a management structure by the Ethics Subcommittee, evaluate these initiatives, strive to improve them, and ensure greater effectiveness.

Human Rights Due Diligence Process



Creation of Environments of Respect for Human Rights

Recognizing differing values with respect for individuality is the foundation of corporate activities. To protect basic human rights, Rengo clearly states in its rules of employment that it does not practice discrimination based on nationality, religious belief, gender, social standing, or any other reasons. In addition, we work on preventing infringements on human rights by having in place programs within and outside the company for a whistleblower system and various kinds of consultation hotlines.

Education and Training on Human Rights

To foster a more accurate understanding and deeper awareness of human rights, each year, Rengo provides human rights lectures by external instructors as a part of its internal education programs. For FY3/2024, lectures were conducted along four themes: 1) the relationship between society and human rights; 2) human rights issues and stereotype prejudices; 3) understanding the various human rights issues related to corporate activities; and 4) respect for human rights required of companies. We continuously strive to create congenial workplaces where each and every employee respects the rights of others.

In addition, as an initiative to prevent harassment, we provide training for management employees and share information in the Rengo Group's newsletters distributed to all employees.

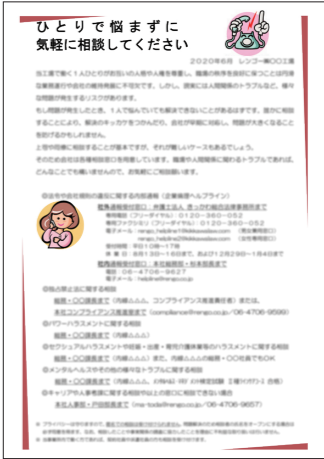


Human rights lecture

Establishment of Consultation Hotlines

Many different kinds of issues can occur at the workplace. Rengo has put in place and made employees thoroughly aware of separate consultation hotlines depending on the type of issue—such as harassment, mental health care, and performance assessment—so that in the event a problem occurs, employees have someone to consult with to deal with the issue, and the company can respond promptly.

Not only can Group company members make use of external hotlines, but privacy is strictly protected and issues are handled appropriately so that whistleblowers are not treated unfairly.



Consultation hotline awareness poster

Building Healthy Relations Between Labor and Management

Once each month at the Rengo Group's divisions, plants, and mills, executive branches of the labor union and those in managerial positions hold labor-management councils. Labor-management councils between the labor union headquarters and our Head Office are also held four times each year. These councils provide opportunities to share information on a variety of topics related to division, plant, and mill operations, develop a common understanding of issues, and engage in frank exchanges of opinions. Across the entire company, council meetings are held more than 400 times each year. Steady and ongoing efforts such as these help to deepen mutual understanding and build positive relations between labor and management.



Labor-management council

Creation of Congenial Workplaces

Based on the idea of “lifetime careers,” Rengo creates work environments where each individual can work in good physical and mental health, safely, energetically, and enthusiastically. We encourage work styles that lead to a good work-life balance.

Development of Work Environments That Support a Good Work-Life Balance

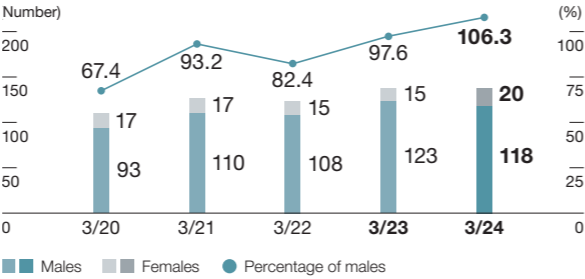
Rengo creates working environments that promote work-life balance, such as with programs to support balancing work with childcare and family care so that every employee can feel fulfilled and satisfied and adopt working styles suited to their stage of life. In November 2018, Rengo received Kurumin certification from the Osaka Labour Bureau of the Ministry of Health, Labour and Welfare for meeting certain standards as a general business enterprise under the Act on Advancement of Measures to Support Raising Next-Generation Children for the fourth time and received Platinum Kurumin certification, a special certification, as an outstanding childcare-supporting company that implements high-level measures.

To make it easy for both men and women to take childcare leave and to establish environments where they can readily return to the workplace, we have raised awareness by explaining our programs and preparing pamphlets and Group newsletters that describe personal experiences.

We have placed particular emphasis on encouraging male employees to take childcare leave, and the percentage of eligible employees taking leave is rising year by year.



Number and Percentage of Employees Using the Childcare Leave Program



Systems to Support Balancing Work and Family

Systems	Details
Childcare leave at the time of childbirth	Possible to take within 8 weeks after childbirth, and for up to 4 weeks.
Childcare leave	Possible to take until children are 1 year and 2 months old. The leave period can be extended until children are 2 years old if they cannot be placed in nursery care. The first 7 days from the start of the leave period, including the period of childcare leave at the time of childbirth, are paid.
Reduced working hours for childcare	Working hours per day can be shortened to 6 or 7 hours until children have completed their 3rd year of elementary school. This can be combined with the flextime system.
Child nursing leave	Possible to take until children have completed their 3rd year of elementary school. Up to 5 days per year can be taken for a single child. Up to 10 days can be taken for 2 or more children.
Family care break	Possible to take up to 3 times per person requiring nursing care. Up to a total of 2 years per person requiring nursing care can be taken, with each leave period lasting up to 1 continuous year.
Reduced working hours for family care	Working hours per day can be shortened to 6 or 7 hours. This can be combined with the flextime system. * Possible to use for up to 3 years. If this system is used in conjunction with other work hour measures related to family care, the combined total period of the systems is limited to 3 years.
Family care leave	Up to 5 days per year can be taken per person requiring nursing care. Up to 10 days can be taken for 2 or more people requiring nursing care.
Other working hour measures related to childcare and family care	Flextime system and staggered work start times.
Childcare and family care service usage supplementation	Usage fees are partly subsidized by outsourced benefit services.
Congratulatory bonus for childbirth	¥20,000 for the 1st child, ¥50,000 for the 2nd child, ¥1,000,000 for the 3rd and subsequent children.

Measures for Declining Birth Rate and Support for the Development of Future Generations

To address the declining birth rate and support the development of future generations, Rengo gives congratulatory bonuses of ¥1,000,000 on the birth of an employee's third or subsequent child. Since this program was introduced in April 2006, a total of 490 employees have received the payments (as of March 31, 2024). We are providing not only institutional leave, but also economic support for childcare.

Promotion of Health and Productivity Management

In conjunction with setting mandatory retirement at age 65, effective from April 2019, Rengo formulated the Rengo Good Health Declaration in January 2019 to maintain and improve the health of employees and their families. We are promoting day-to-day healthy living and creating safe, secure workplaces so that all employees can enjoy healthy and active work and private lives throughout their entire lives. We have set up a Good Health Committee and Plant/

Mill Good Health Committees and are expanding the priority measures of the declaration companywide. The Good Health Committee is composed of the company, labor union, and health insurance association. The Plant/Mill Good Health Committees consist of general managers of general affairs departments of the divisions, plants, and mills, along with two Good Health Leaders (one each from the company and the labor union).

Rengo Good Health Declaration

Priority Measures

Actions to Promote Good Health

- Promote smoking cessation
- Curtail lifestyle-related diseases and prevent serious conditions
- Hold seminars to encourage good health practices

Actions to Support Mental Health

- Conduct stress checks and use the results of analysis
- Conduct mental health education
- Establish internal consultation hotlines

Actions to Create Congenial Workplaces for All Employees

- Reduce overtime work
- Encourage employees to take paid annual leave
- Increase the safety and labor-saving of machinery, and develop and improve work environments

Actions to Promote Good Health

Since FY3/2020, Radio Taiso (radio-guided calisthenics) facilitated by specialized instructors and health promotion lectures have been conducted companywide. Leaders in health promotion have actively led efforts to provide instruction and explanations to ensure that Radio Taiso is

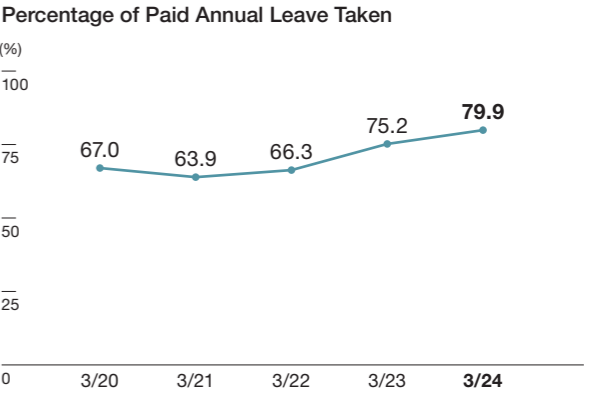
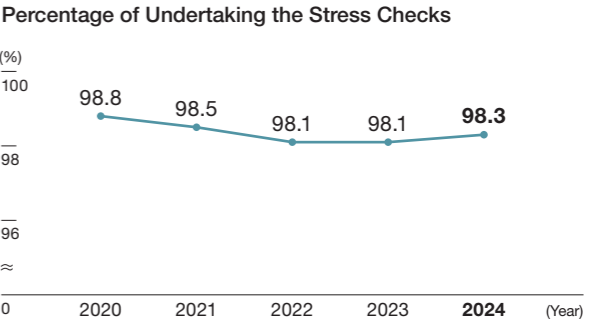
performed properly, promote smoking cessation, and encourage communication by gathering opinions and reaching out to others. In addition to improving individual health consciousness, these activities lead to better workplace safety and productivity.

Actions to Support Mental Health

Rengo supports the mental health of its employees through internal training and by setting up internal and external consultation hotlines. Since 2010, we have recommended that employees take the Mental Health Management Exam Class II (Line Care Course), and 260 employees have passed so far (as of June 2024). In 2012, we documented our initiatives in the form of the Plan for the Promotion of Good Mental Health, which was rolled out companywide. In 2014, we established rules for a gradual return to work so that those taking a break due to mental health issues can smoothly return to the workplace.

Reduction of Overtime Work and Encouragement of Taking Paid Annual Leave

As the work style reform movement to address long working hours has been taken up by the national government, Rengo has been implementing an initiative since 2015 to reduce total hours actually worked by improving total factor productivity (TFP). By analyzing the various factors behind productivity, we are working to raise productivity while also being conscious of technological innovations, as well as people's work styles and state of mind. Labor and management are united in reducing overtime hours and encouraging employees to take paid annual leave. As a result of raising awareness and making improvements to the work environment, the percentage of paid annual leave taken in FY3/2024 has consistently surpassed the targeted 60%. We are making progress in further reducing total actual working hours, including raising the annual paid leave target.



Quality Assurance

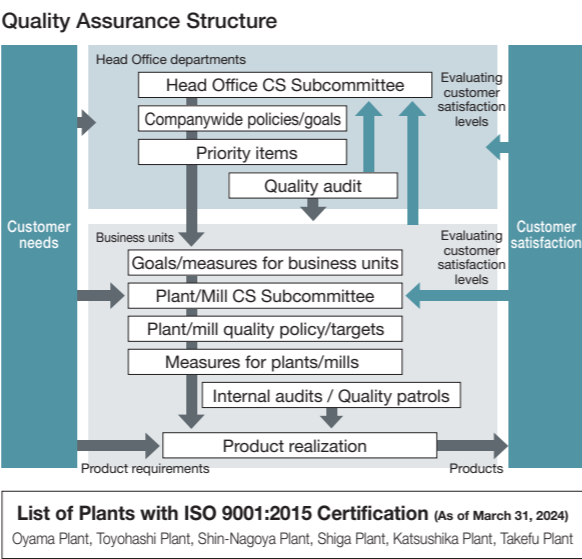


Basic Stance	Based on the idea that 6S activities (Sort, Set in order, Shine, Standardize, Sustain, and Sophisticated manners) are the foundation of all, Rengo works on quality improvement throughout the company to provide products that meet the needs of its customers and are safe to use.
--------------	--

CS Action Policies for FY3/2024 Create new value through Zero Defect (ZD)	
Fundamental philosophy	Improve customer satisfaction to the maximum limit amidst economic activities in pursuit of profits
Priority items	(1) Improve by speaking aloud; (2) Understand and follow the rules; (3) Eliminate contamination and handling errors; (4) Improve quality of purchased items

Quality Assurance Structure

Based on our customer satisfaction (CS) action policies, Rengo operates its own unique quality management system to ensure product quality. We established the Head Office CS Subcommittee to provide companywide oversight so that we can promote quality assurance activities. The subcommittee meets twice a year and ascertains the status of companywide activities, including those suppliers in the Paperboard Business Unit and the Packaging Business Unit. It also identifies risks related to quality based on customer information, and deliberates and determines the companywide action policies, priority items, and other matters. Each business unit decides on measures in line with the action policies established by the subcommittee. Plants and mills set more concrete measures and targets and work to improve quality by confirming the status of quality activities and evaluating defect countermeasures through monthly Plant/Mill CS Subcommittee meetings.



List of Plants with ISO 9001:2015 Certification (As of March 31, 2024)
Oyama Plant, Toyohashi Plant, Shin-Nagoya Plant, Shiga Plant, Katsushika Plant, Takefu Plant

Quality Control Activities

Implementation of Quality Patrols

Every year, each business unit performs Quality Patrols assessing the Sales & Marketing Departments and Production Departments of plants/mills overseen by the business unit. The level of improvement activities is rising year by year by responding to suggestions from patrolling staff of other plants/mills and the Head Office Quality Assurance Department. In FY3/2024, audits were conducted with a focus on whether operations are implemented in compliance with rules and whether the existing countermeasures against defects have lost substance, in addition to checking the work environment and the description of ledger sheets and other forms.



Quality Patrol

Efforts to Prevent Occurrence of Defects

In FY3/2024, Rengo focused on activities to eliminate contamination and handling errors. Information on defect cases was shared in companywide quality meetings, and case studies were conducted at plants and mills. Through these and other means of horizontal sharing of information, we worked to prevent the recurrence of similar defects. We have created educational materials related to handling and are using them for new hires and transferred personnel in the Sales & Marketing Departments. We also strive to stabilize quality by systematically updating or remodeling equipment and preventing the distribution of defective products by holding study group meetings nationwide to deepen understanding of inspection equipment. We have established our traceability system so that we can promptly respond when customers report quality defects and bring peace of mind to them.

Strengthening of the Quality of Procurement Sources and Subcontractors

Rengo strives to build relationships with suppliers by increasing the number of visits to them and holding regular meetings, and to establish a stable quality control structure by strengthening collaboration.

Initiatives for Paperboard

The Paperboard Business Unit takes charge of upstream business in the Rengo Group and conducts CS activities that leverage our strengths as an integrated manufacturer to deliver products that satisfy customers' requirements even more. The activities include holding of semi-annual Paperboard Business Unit CS Meetings with the aim of improving customer satisfaction and strengthening collaboration among business units, where the progress of

ZD activities is confirmed and future initiatives are shared. In addition, the business unit visits users on a regular basis to confirm the status of use of containerboard, striving to capture customers' latent needs and improve quality. Furthermore, quality exchange meetings are held to strengthen collaboration with Group companies. In FY3/2024, the business unit achieved more than a 30% year-on-year reduction in the number of defects.

Initiatives for Corrugated Packaging and Folding Cartons

Since FY3/2022, the Corrugated Packaging and Folding Carton Business Units have been undertaking quality assurance activities, mainly ZD activities that represent the companywide unified CS action policies. ZD activities places the most emphasis on improvement achieved by speaking aloud, and the business units work to improve and stabilize quality by picking up comments on defects in the upstream processes discovered in the process they are in charge and comments that lead to improvement. As a result of these activities, in FY3/2024, the business units successfully reduced the number of defects by more than 10% year on year, and there was an increasing number of divisions where their zero-defect target was achieved on a monthly basis. While we have not yet succeeded in achieving the zero-defect target on a companywide basis, we are committed to further stabilizing and improving quality by continuing the ZD activities.

Zero Defect (ZD) Activities

The term refers to a series of activities undertaken with the aim of achieving zero defects in products. The basic policies to improve quality are that each and every one at the workplace thoroughly follows pre-determined rules in their work and has an awareness that zero defects is just a natural thing to be achieved.

Internal awareness-raising poster

Initiatives for Flexible Packaging

Departments related to flexible packaging in the company strive for stable supply while satisfying stringent quality standards required for primary packaging that has direct contact with the content, such as food. We thoroughly inform Group companies and other manufacturing contractors of our ZD activities and quality policy through Quality Patrols and other measures. We also share information on customers' quality policies and defect cases that occurred at other plants and mills to prevent defects. Since FY3/2016, as a new initiative for collaboration between the Sales & Marketing Departments of our corrugated plants and the flexible packaging related departments, we have been working to increase sales of flexible packaging by utilizing the nationwide sales and marketing network of corrugated packaging. At the

beginning of the initiative at corrugated plants, there were many issues in handling and specification management, for reasons such as that the persons in charge were not accustomed to handling flexible packaging. However, we strived to deepen the understanding of the persons in charge through online seminars for the Sales & Marketing Departments, study group meetings at various places, and other means. In FY3/2024, there were no significant cases of defective product shipment (requiring recall, company announcement, etc.). Quality Assurance Departments will lead collaboration with Administration Departments and continue to build a quality assurance structure at corrugated plants nationwide that is at the same level as that of the flexible packaging related departments.

Protection of Health and Safety



Basic Stance

To create workplaces where all employees can work healthily and safely, labor and management work as one at Rengo under its Health and Safety Policy. We not only prevent severe accidents such as those that are fatal, but also identify sources of latent risks in workplaces, aiming to eliminate any accidents and promote inherent safety, measures to prevent falls, and work environment improvement. We also conduct health and safety education on an ongoing basis.

Industrial Accident Occurrence Conditions

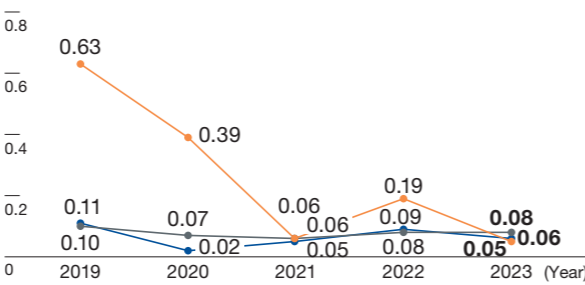
Rengo works on health and safety activities in a planned manner to achieve the elimination of accidents at divisions, plants, and mills. In 2023, the lost working days decreased by three from the previous year to 14. As a result, the frequency rate improved to 1.22. The severity rate was 0.06, an improvement below the manufacturing industry average. We will continue to promote health and safety activities through cooperation between labor and management to eliminate accidents, mitigate industrial accident risks, and allow each and every employee to act with a safety-first mindset.

Frequency Rate* (CY)

	2019	2020	2021	2022	2023
Frequency rate	1.16	0.53	0.97	1.50	1.22

* Frequency rate represents the frequency of industrial accidents, calculated by the number of casualties (fatal accidents and accidents where one or more working days are lost) due to industrial accident for every million hours of cumulative work.

Severity Rate* (CY)



Source: Survey on Industrial Accidents, Ministry of Health, Labour and Welfare
* Severity rate represents the severity of an accident, calculated by the number of working days lost for every thousand hours of cumulated work.
Note: The number of employees at Rengo (on a non-consolidated basis) accounts for 18.6% of the entire Rengo Group.

Health and Safety Patrol with Group Companies

The Rengo Group is working to improve the health and safety of workplaces through annual patrols covering all divisions, plants, and mills conducted by persons in charge of safety at divisions, plants, and mills of Rengo, as well as such persons from Group companies, allowing them to identify latent risks from an objective perspective. We strive to improve the level of health and safety and prevent industrial accidents by horizontally spreading information on risky locations and effective improvement measures. In addition, at the Kanto Region Group and Chugoku-Shikoku-Kyushu Region Group of

the Packaging Business Unit, as well as the Paperboard Business Unit, Group companies participate in Rengo's health and safety patrols and carry out mutual health and safety patrols to promote interaction. We will continue to work to eliminate accidents through close information sharing with Group companies in Japan.



Health and safety patrol

Measures Against Heat for Equipment

The risk of heatstroke is growing as the number of extremely hot days with temperatures over 35°C is increasing due to the impact of global warming. As it is expected that the summer heat will become more severe, Rengo is promoting measures against heat for equipment. We have enhanced the ventilation system for areas with many heat sources so that the temperature inside plants/mills is close to the outside temperature. We are working to create working environments where employees can work safely and comfortably by implementing zone air conditioning that utilizes environmentally friendly evaporative cooling fans.



Evaporative cooling fan

Automatic Corrugated Board Transportation

At corrugated plants, floors are covered with many roller conveyors for transporting corrugated board. Rengo has automated the corrugated board transportation by replacing roller conveyors with plastic module conveyors and is promoting the automation of corrugated board delivery by changing hand-pushed traversers to electric

ones. We are also striving to eliminate falling accidents onto roller conveyors by saving labor and promoting the inherent safety of machinery.



Automatic corrugated board transportation

Seminar for Those in Charge of Production Management

In FY3/2024, Rengo held a safety seminar led by the Production Group for those in charge of production management to increase awareness of safety. We have set up opportunities to consider improvement measures necessary for the inherent safety of machinery by examining risky locations using actual machines. In

addition, we held educational sessions on how persons in charge of production management should be, to increase awareness of safety.



Safety seminar session

Safety Experiencing Education

Rengo provides safety experiencing education to actually feel what frequent accidents are like when they occur, such as being caught in or between machines and the impact of a falling accident. By having first-hand experience of being caught in a machine (despite the speed being low, the person will be pulled into the machine with a force that is too strong to resist) or the severity of the impact of a fall, participants feel

the danger of accidents through personal experience. By implementing such sessions, we allow them to have a stronger awareness of preventing accidents.



Safety experiencing education session

Safety Education Through VR Experiencing Device

Rengo provides safety education using a virtual reality (VR) experiencing device to simulate major accidents such as a fall from a high place, being caught in a conveyor, and electric shock, in a virtual space. The fear of accidents that cannot be communicated through just theoretical safety

education can be experienced in VR, leading to higher abilities to predict dangers.



VR experience session

VOICE



Katsuhiro Kubota
Assistant Manager
Paperboard Section 1,
Production Department,
the Yashio Mill

Received a 2023 Special Award for Outstanding Foremen in Occupational Safety by Japan's Minister of Health, Labour and Welfare

I have received a 2023 Special Award for Outstanding Foremen in Occupational Safety by Japan's Minister of Health, Labour and Welfare. The Yashio Mill, where I work, boasts Japan's largest production volume as a paperboard manufacturing plant, with an annual production capacity of at least one million tons. The No. 5 paper machine I am in charge of is a large machine capable of producing 1,100 tons of liners per day. It operates at a high speed of 1,000 meters per minute, and it is really dangerous to get caught in. In order to never cause an accident, I strictly adhere to, and make others adhere to, the rules.

The No. 5 paper machine was installed in 1982, and since then, it has been repeatedly modified to respond to the demands of the times, such as energy-saving and thickness reduction. It boasts one of the highest performance levels among machines in Japan. I will also strive to keep up with the times just like the machine, and actively share my knowledge and expertise necessary to operate high-speed machines safely with younger generations to improve on-site capabilities.



Safety education session

Communication with Stakeholders

Active communication with stakeholders is indispensable to grow together with society. Rengo aims to build relationships of solid trust and manage the company in a way that meets the expectations of society by recognizing each other's value, sharing information, and solving issues.

Dialogue with Stakeholders

Rengo engages in dialogues with stakeholders through a variety of communication opportunities. Through these dialogues, we understand stakeholder expectations and requests, which come from stakeholders' diverse perspectives, and leverage them in our activities as we strive to increase our corporate value.

	Main dialogue settings	Dialogue frequency
Customers	● Sales activities, CS activities	Year-round
	● Tours, exhibitions	As appropriate
	● Information communications (website) / Report publication (Integrated Report, etc.)	Year-round / Once per year
Shareholders and investors	● General Meeting of Shareholders / Earnings presentations / Management Conference	Once per year / Twice per year / Twice per year
	● Individual meetings	As appropriate
	● Information disclosure (website) / Report publication (Annual Securities Report, Integrated Report, etc.)	Year-round / Once per year
Suppliers	● Supplier CSR questionnaires	Once per year
	● Round-table discussions	As appropriate
	● Information communications (website) / Report publication (Integrated Report, etc.)	Year-round / Once per year
Local communities and society	● Activities that contribute to society	As appropriate
	● Exchange of opinions and coordination with NGOs, NPOs, municipal governments, and neighboring companies	As appropriate
	● Recruitment	As appropriate
Employees	● Information disclosure (website) / Report publication (Integrated Report, etc.)	Year-round / Once per year
	● Labor-management councils	Once per month
	● Human resource development	Year-round
	● Group newsletter publication / Web-based internal newsletters / Report publication (Integrated Report, etc.)	Four times per year / As appropriate / Once per year
	● Whistleblower system	As appropriate

Evaluations of Products and Technology Development

Rengo actively collaborates with partners to develop products and technologies that use packaging to solve socially relevant issues, which are constantly changing along with the times.

Product name	Partners (Customers)	Name of contest/competition
Environmentally Friendly Package for ZV-E1 Vlog Camera	Sony Global Manufacturing & Operations Corporation Sony Group Corporation Japan Pulp & Paper Co., Ltd. Fujikyowa Seishi Co., Ltd.	Japan Packaging Contest 2023
Uni Mechanical Pencil Lead Refill Packaging	Mitsubishi Pencil Co., Ltd.	
Amazon SIOC Compatible Box for 3M Greener Clean Net & Mesh	3M Japan Ltd.	
Gift Box with Reduced Can Dents "Can-Sho-Zai"	Asahi Soft Drinks Co., Ltd.	
Jumble Convertible Carton	Prima Meat Packers, Ltd.	
Quick Open, Quick Display! Pop-Open Corrugated Box	Coca-Cola (Japan) Co., Ltd.	
Saishunkan Pharmaceutical Plastic-Free E-Commerce Box	Saishunkan Pharmaceutical Co., Ltd.	
Expandable Corrugated Sheet for Standard Pallet (Expansion Solution for Standard Pallets)	—	WorldStar Competition 2024
Pizza Hut Trick Box / Hut Stadium Box	Pizza Hut Japan Ltd.	Pentawards 2023
Export Box for 5 kg Produced-in-Japan Sweet Potatoes	Wismettac Foods, Inc. Tokyo Seika Co., Ltd. Nomura Research Institute, Ltd.	
Candy US CAN	Meito Sangyo Co., Ltd.	52nd JPM POP Creative Awards
Three Ichikami Shampoo and Conditioner Fragrance Samples	Kracie, Ltd.	
Three Types of Ichikami Treatment Counter Display	Kracie, Ltd.	
Uni Smudge-Proof Leads Metal Case Debut Display Stand	Mitsubishi Pencil Co., Ltd.	
Uni Smudge-Proof Leads Eco Pack Debut Display Stand	Mitsubishi Pencil Co., Ltd.	
Hadabisei Genmai Gakuen One-Touch Paper Hook Hanger	Kracie, Ltd.	
Kirei Kirei All-Paper Generic Fragrance Samples	Lion Corporation	

Contribution to Society

Basic Stance

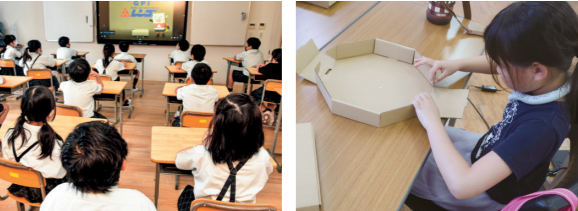
Rengo strives to contribute to the sustainable development of society by actively engaging with local communities as a good corporate citizen, through our business, and through our activities aimed at addressing social issues. We engage in various initiatives that leverage our business in unique ways and implement measures to solve community issues.

Developing Future Generations

Conducting Dispatch Lessons

Every year since FY3/2011, Rengo has provided dispatch lessons for children who will lead the future. These lessons teach the origin of the name “corrugated board,” the secret of its strength, its high recycling rate, and the importance of material separation to maintain this high recycling rate, all in a fun and easy-to-understand manner. Over the past 14 years, we have conducted a total of 170 dispatch lessons, reaching roughly 7,000 children. Since FY3/2013, we have given lectures on manufacturing through the participation of our Takefu Mill, as part of Echizen City's Ambitious Children's Educational Program, teaching about the features

of cellophane and the joys of manufacturing. We convey the appeal and potential of corrugated board to many children through various means, including online lessons.



Online lesson

Promoting Culture

Supporting the Orchestra Ensemble Kanazawa

Orchestra Ensemble Kanazawa was established in November 1988 as the first permanent professional chamber orchestra in Japan, under the leadership of the late music director Hiroyuki Iwaki, with the support of Ishikawa Prefecture and Kanazawa City. Rengo has provided continuous support by sponsoring concerts and lending a renowned Stradivarius violin, “Lang” (manufactured in 1714).



Orchestra Ensemble Kanazawa

Providing Science and Technology Support

Supporting the Japanese Antarctic Research Expedition

Rengo supplied the first Japanese Antarctic Research Expedition in 1956 with corrugated boxes and has continued to support the expedition's survey and research. Our corrugated boxes are used as packaging materials for transporting important materials and daily necessities essential in the Antarctic, and to protect rare items collected.

In July 2023, we proposed and produced a new design that uses the mascot of the National Institute of Polar Research as a motif, and provided the 65th Japanese Antarctic Research Expedition with the product. A two-dimensional code is printed on the corrugated boxes, through which the expedition members can view messages of support from their families and Rengo. We will continue to work on initiatives to raise interest in the expedition's activities within and outside of the company.



Photo source: National Institute of Polar Research



We have been certified as an Antarctic research partner company of the National Institute of Polar Research.



Role of Corrugated Board at the Time of Disasters

Supporting Local Government Disaster Countermeasures

Rengo provides a number of corrugated products, such as corrugated beds, mats, and space dividers that can be used at evacuation sites, as well as corrugated boxes used

in transporting relief supplies, at the time of earthquakes, typhoons, and other natural disasters.

Corrugated Beds

Rengo hopes that the corrugated beds will be actively used as useful means to alleviate lower-back pain and prevent deep-vein thrombosis for people living at evacuation sites for prolonged periods of time. Corrugated board used in the corrugated beds is also recyclable, as in the case of corrugated boxes used in transportation, and will be used as raw materials for corrugated board if folded and collected as recovered paper after use.

In addition, at divisions and plants in Japan, we have concluded agreements with local municipalities and prefectural governments to provide relief supplies at the time of disasters, thereby aiding in disaster prevention in the event of an emergency. The Rengo Group has entered into disaster prevention agreements with more than 300 municipalities (of which, about 70 municipalities for Rengo alone) located throughout Japan.



We have established a structure to supply corrugated beds through the industrial association in a speedy manner upon request for support.

Response to the 2024 Noto Peninsula Earthquake

In order to be of even the slightest help for the safety and relief for the lives of everyone in the area affected by the disaster, Rengo supplied corrugated beds through the industry association.

While the company provided 80 beds from the Fukui Plant and 100 beds from the Tokyo Plant, the Group as a whole provided 880 beds.

Assembly Experience in Disaster Prevention Drills

In events such as Disaster Prevention Day held by municipal governments nationwide, Rengo provides the actual corrugated beds so that local residents can experience the assembly.

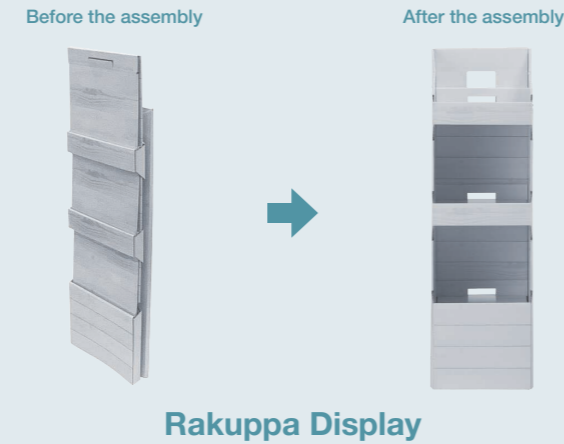


Comprehensive disaster prevention drill session

Corrugated Boxes and Others for Transporting Relief Supplies

There are many cases in which corrugated boxes are needed to transport relief supplies at the time of disasters.

Rengo received requests from support organizations such as the nonprofit Maui Food Bank to donate corrugated boxes for transporting relief supplies at the time of the wildfire on the island of Maui, Hawaii that occurred in August 2023, and donated about 11,000 corrugated boxes through its subsidiary Rengo Packaging, Inc. (Hawaii). In March 2022, we also provided 210 units of Rakuppa Display to the COVID-19 large-scale medical care center in Osaka Prefecture.



GOVERNANCE

Roundtable Discussion by Outside Directors



Koichi Sumida × **Yoshio Sato** × **Masayuki Oku** × **Kaoru Tamaoka**
Outside Director Outside Director Outside Director Outside Director

We will sincerely discuss management issues related to increasing corporate value.

As in FY3/2023, Rengo held a roundtable discussion with its outside directors. They evaluated the company's management and provided recommendations on the current state of corporate governance and issues for growth going forward. We have listened carefully to their opinions and will draw on them as we address the issues facing management.



Background to Strong Results in FY2023 Ended March 31, 2024

Oku: In FY2023 ended March 31, 2024, Rengo's net sales and operating income set new record highs. The strong results were not from a recovery in the economy. They came first of all from the tireless efforts of management and employees working together to reduce costs amid continued increases in raw material prices, energy prices, and fixed costs since 2021. When it was not possible to offset the cost increases, the company promptly made preparations and decided to revise prices. I commend their success as the result of steady and stable efforts.

Sato: I have heard that the penetration of the price revisions was extremely difficult for sales staff on the frontlines. It is just as Mr. Oku has said, this was the result of conscientious discussions with customers with management and sales staff working together. One might say it is the fruit of the trusting relationships built over many years with customers.

Tamaoka: With various risks rising, starting with geopolitical risk, in regions around the world, developing business with the goal of being the world's best general packaging manufacturer group, I think, lies in the background of Rengo's record high results. On a recent tour of divisions, I visited the Tokyo showroom. There I experienced firsthand the weight and breadth of the trust that has been built with

customers over the company's 115 years of history. Amid this, I sympathized with the company's stance toward sharing issues with customers and proposing solutions to them beyond paperboard and packaging. I think there is a firmly rooted desire to create packaging that is even easier to use for the people who come into direct contact with it. I felt like I saw the essence of the human-capital approach put forth by the company.

Sumida: I was made an outside director in June 2023. When I was appointed, I thought about how to fulfill my duty, and I concluded that I would provide recommendations to Rengo on its role at this turning point in the times. Over the short term, I will focus in particular on discussions about how the company should accommodate the changing times now that lifestyles have changed greatly after several years of the pandemic. From a long-term perspective, for around a half-century, packaging materials that used materials derived from oil like polystyrene foam were popular, but now sustainable raw materials have become more and more important from the standpoint of the circular economy, and discussions on these matters are essential.

At present, a tailwind is blowing on Rengo's business, but the times could change at any moment, so the company is called on to be able to express its purpose in any environment. Rengo is not simply a corrugated board and packaging company; it is actually a chemical manufacturer, a material manufacturer, and a fuel manufacture—it has these other sides, so I would like to discuss ways of doing business going forward bearing in mind that it is a company that generates a wide range of value.

Risks and Opportunities in Future Business Growth

Oku: FY2023 ended March 31, 2024 was a year when a variety of risks were faced directly. Starting in particular with the “2024 problem” in logistics, prices for raw materials, fuel, and labor spiked, and this trend is expected to continue. The risk that profitability will decline related to these issues is a risk faced by many companies regardless of the industry, and I think it is important for Rengo as the industry leader to set guidelines and lead the way.

Sato: With regard to risks and opportunities surrounding the business, in reading through the Integrated Report published in 2023, I reaffirmed the importance of the five Ps viewpoint: people, planet, prosperity, peace, and partnership. Moreover, as the world's best general packaging manufacturer group, Rengo should respond to issues that include risks related to the environment and logistics, expansion of business opportunities, and distribution of profits, including the treatment of employees.

Sumida: As someone who experienced the Great Hanshin-Awaji Earthquake, I would like Rengo to think even more about being ready for disaster risk. The quick recovery at the Shin-Sendai Plant in the wake of the Great East Japan Earthquake and more recently the response at its sites in the Hokuriku area to the Noto Peninsula Earthquake are to be commended. At the same time, if the company further raises its sensitivity to disaster risk estimation going forward, it will no doubt lead to sustainable growth in the future.

Sato: In the times to come, Rengo must steadfastly prepare for a variety of risks. The company must not only strengthen its defenses but also turn the risks around and tie them to business development. We can have high hopes for the company's noteworthy offensive stance. For example, for carbon neutrality, the company strives to eliminate the use of coal in Japan by 2027. At the same time, the company is accelerating conversion to biomass fuels. On the product side, the company is promoting an alternative material to plastic beads using the spherical cellulose bead Viscoppear®, which is made from wood pulp. Furthermore, the company is turning environmental issues into earnings opportunities, like its plan to produce ethanol for sustainable aviation fuel (SAF) using scrap wood materials from construction. Regarding such initiatives, I think it is one of the missions of outside directors to provide support for new challenges while keeping an eye on risks.

Tamaoka: Regarding risks and business styles, what I think is unique to Rengo is how no matter the situation the company is facing, it identifies the optimal direction based on a multifaceted grasp of conditions and has the decision-making ability to execute response measures single-mindedly and take the shortest possible path without waste. Along with this, with respect to carbon neutrality targets as well, the company has set lofty targets after considering business from a long-term perspective and is making environmental investment at production sites and elsewhere to realize the targets. The company is tackling the problem in a way that is easy for outside directors to

understand. This includes not only theoretical discussions but specifically on how the figures are to be achieved and the progress being made.

Sumida: Rengo's Board of Directors does not simply go through procedures with respect to items up for resolution, and the Board vigorously discusses each item from multiple perspectives with opinions being roundly exchanged. There are also Q&A sessions that go into environmental problems and specialty areas related to chemistry. In addition, in decision-making by the Board, the human-capital approach that the company cherishes is emphasized as its set of values. For example, in building a logistics system using RFID, the purpose is to increase the efficiency of operations, but at root is the viewpoint of how much the burden on drivers who engage in logistics operations can be lessened, which makes a favorable impression.

Oku: When driving a car at night, you switch between low



beams and high beams and focus on illuminating what is close and what is far. Managing a company is similar. If you look far ahead with the high beams you lose sight of your immediate results, but with only the low beams there is no hope of sustainable growth. On this point, at Rengo, as an organization as a whole, while embracing the value of effective communication between the management team and the frontlines of execution, the company ensures a good job switching between high beams and low beams.

Sato: Starting with Chairman Otsubo, senior executives frequently visit plants/mills and other sites. Rengo has over 180 consolidated subsidiaries, so it is difficult, but everyone is doing their best. The underlying strength of the company is its comprehensive capabilities—it raises value by effectively combining the functions of diverse plants/mills and subsidiaries.

Looking ahead, it will no doubt be necessary for the company to further raise its sensitivity to risks as overseas development accelerates. Against the backdrop of the Chinese and European economies, where instability is increasing, I think it will be necessary to communicate even more closely with the people on the frontlines involved in the local operations.

Oku: Regarding the response to local risks, for example, TRICOR Packaging & Logistics, which is in the Tri-Wall Group, possesses technologies and expertise in production management and other areas cultivated over many years and has a high level of crisis management capacity with respect to changes in demand. I think it is necessary to focus on Rengo Group management to adequately harness the strengths of subsidiaries including TRICOR Packaging & Logistics.

Issues in the Human Resources Base Starting with Succession Planning

Oku: Corporate governance at Rengo is being appropriately conducted as I conveyed in the Integrated Report 2023. Stating an issue for 2024, I think debate focused on the future needs to be enhanced in the Nomination Committee and Remuneration Committee, which were established in 2019. As an outside director, I intend to deepen discussions about the development of human resources for management as well as the ideal state of DE&I. In particular, from the perspective of the next group of leaders, I think we can engage as outside directors in considering selection standards for candidates and holding interviews with them.

Sato: With regard to succession planning, it is necessary to secure a candidate group at an early stage, one that is appropriate for the next group of leaders and without regard for gender or nationality, and take time to educate them in a manner appropriate to a Board member. Rengo should create a pool of human resources to serve as Board

member candidates as well as candidates for the next generation of leaders. The company should start succession planning including overseas subsidiaries and not just Rengo itself.

Sumida: I agree with what the two of you have said. Succession planning I see as a major issue for Rengo.

Oku: This problem should not be brought up in a nebulous way but discussed under specific themes such as succession planning, DE&I, and human resources for management at overseas subsidiaries.

Sato: We touched on overseas business risks a moment ago, but the question is whether Rengo has enough human resources adequate for coping with expansion in overseas business. Of course, a response must be already considered internally. I think it is necessary for the Nomination Committee and Board of Directors to hold discussions geared to developing human resources for overseas business.

Toward Securing Human Resources Essential to Sustainable Growth

Sato: In FY2023 ended March 31, 2024, Rengo achieved record-high operating income, but it is difficult to say that world markets are stable, so there needs to be a focus on political and economic conditions. Regarding the overseas development of the Rengo Group as well, country risk



needs to be kept in mind, and I have conveyed this to the Board of Directors.

Tamaoka: Even though trends have been favorable so far, focus needs to be placed on the future.

Oku: Packaging materials are an essential product, so even when the economy slows, a certain amount is always needed. However, demand trends in key industries and in other daily necessities need to be separated and the trends examined.

Sato: Even supposing there is risk in overseas business, since Japan is a mature market, it is important to take on the challenge of acquiring new earnings opportunities even while acknowledging the risks involved. Other than China, economic growth in India is remarkable.

Sumida: As for business opportunities in Japan, I think the expectations are still substantial. I look forward to seeing how Rengo combines packaging with digital technologies.

Tamaoka: For example, RFID greatly contributes to raising the efficiency of logistics operations and to automation, so I think Rengo should broadly expand them to the industry as a whole.

Sumida: For the spread of digital technologies, it will not be completed with the deployment of a device. Ultimately, the people who utilize the technologies are important. Going forward, efforts to hire, develop, and utilize human resources will become more and more important.

To secure talented human resources, I do not think Rengo is fully promoting what kind of company it is, and I think this is an issue. With regard to digital technologies as well, the company is implementing a series of progressive initiatives, but I do not think this is being fully conveyed outside the company. If Rengo's initiatives were broadly known by society, talented human resources who sympathize with the company's activities would gather here.

Oku: It is essential that Rengo promote its appeal to the younger generation and provide enhancements in terms of both compensation and motivation.

Sumida: Additionally, the younger generation wants to feel like they are contributing to society, and this is one aspect they want in a job. Rengo has a diverse range of jobs, so how to promote itself as a company where employees can contribute to society through their work is something we should discuss going forward.

Tamaoka: In this age, social media is pervasive and it is possible to convey a company's appeal at less cost than in the past. There are many things that can be done with a little ingenuity.

Oku: Going forward, remuneration for officers will come to



be understood as an extension of the wage system for employees and I think this will help retain talented human resources. Today, even in Japan, human resources liquidity is high, and I understand this as a theme to be discussed by the Remuneration Committee.

Sumida: To repeat myself, Rengo has a lot of appeal, so it should put more effort into communicating it. I plan to contribute to further conveying this appeal, including latent value.

Tamaoka: Finally, as an outside director, I would like to say that I will not rest on Rengo's laurels after achieving record-high results in FY2023 ended March 31, 2024, and will sincerely face the issues before the company, including the human resources problem.

Sato: Going forward, labor shortages will become pronounced and will be a risk to corporate management. Rengo should focus on measures for securing talented human resources for its sustainable growth. As an outside director, I intend to support the company in this area as well.

Oku: With the working population decreasing, the awareness of people who work will be changing. These changes must be understood and coped with. Rengo is a company that has grown by promptly taking measures in response to changes in the times, so I expect it will be capable of responding to new issues as well in the future. As an outside director, I intend to offer my full support.

Members of the Board, Audit & Supervisory Board Members, and Executive Officers

(As of June 27, 2024) * Number of shares owned as of March 31, 2024

Members of the Board



Kiyoshi Otsubo
Representative Director,
Chairman & CEO

April 1962 Joined Sumitomo Corporation
June 1992 Member of the Board of Sumitomo Corporation
June 1996 Managing Director of Sumitomo Corporation
April 2000 Executive Vice President of Sumitomo Corporation
June 2000 Representative Director, President & CEO of Rengo Co., Ltd.
April 2014 Representative Director, Chairman, President & CEO of Rengo Co., Ltd.
April 2020 Representative Director, Chairman & CEO of Rengo Co., Ltd. (to present)

Number of shares owned: 172,300
Meeting attendance in FY3/2024
Board of Directors Meetings: 9/9



Moriaki Maeda
Representative Director,
Executive Vice President

April 1973 Joined Rengo Co., Ltd.
June 2003 Member of the Board of Rengo Co., Ltd.
April 2007 Member of the Board, Managing Executive Officer of Rengo Co., Ltd.
April 2011 Member of the Board, Senior Managing Executive Officer of Rengo Co., Ltd.
April 2013 Representative Director, Executive Vice President of Rengo Co., Ltd. (to present)

Number of shares owned: 104,400
Meeting attendance in FY3/2024
Board of Directors Meetings: 9/9



Ichiro Hasegawa
Member of the Board,
Executive Vice President

April 1976 Joined Sumitomo Corporation
March 2002 Adviser of Rengo Co., Ltd.
June 2002 Member of the Board of Rengo Co., Ltd.
June 2003 Member of the Board, Managing Director of Rengo Co., Ltd.
April 2007 Member of the Board, Senior Managing Executive Officer of Rengo Co., Ltd.
April 2013 Representative Director, Executive Vice President of Rengo Co., Ltd.
April 2021 Member of the Board, Executive Vice President of Rengo Co., Ltd. (to present)

Number of shares owned: 622,600
Meeting attendance in FY3/2024
Board of Directors Meetings: 9/9



Yoshio Sato
Outside Director

April 1973 Joined Sumitomo Life Insurance Company
July 2000 Director of Sumitomo Life Insurance Company
April 2002 Managing Director of Sumitomo Life Insurance Company
July 2007 President & CEO of Sumitomo Life Insurance Company
July 2011 President & Representative Director, CEO of Sumitomo Life Insurance Company
April 2014 Chairman of the Board of Sumitomo Life Insurance Company
July 2015 Chairman of the Board, Representative Executive Officer of Sumitomo Life Insurance Company
June 2018 Outside Director of Rengo Co., Ltd. (to present)
April 2021 Director of Sumitomo Life Insurance Company
July 2021 Senior Corporate Advisor to Sumitomo Life Insurance Company (to present)

Number of shares owned: 0
Meeting attendance in FY3/2024
Board of Directors Meetings: 9/9



Yosuke Kawamoto
Representative Director,
President & COO

April 1978 Joined Rengo Co., Ltd.
April 2007 Executive Officer of Rengo Co., Ltd.
June 2011 Member of the Board, Executive Officer of Rengo Co., Ltd.
April 2014 Member of the Board, Managing Executive Officer of Rengo Co., Ltd.
April 2019 Member of the Board, Senior Managing Executive Officer of Rengo Co., Ltd.
April 2020 Representative Director, President & COO of Rengo Co., Ltd. (to present)

Number of shares owned: 114,800
Meeting attendance in FY3/2024
Board of Directors Meetings: 9/9



Yasuhiro Baba
Member of the Board,
Executive Vice President

April 1974 Joined Fukui Chemical Industry Co., Ltd. (currently Rengo Co., Ltd.)
April 2007 Executive Officer of Rengo Co., Ltd.
June 2009 Member of the Board, Executive Officer of Rengo Co., Ltd.
April 2012 Member of the Board, Managing Executive Officer of Rengo Co., Ltd.
April 2014 Member of the Board, Senior Managing Executive Officer of Rengo Co., Ltd.
April 2021 Member of the Board, Executive Vice President of Rengo Co., Ltd. (to present)

Number of shares owned: 89,800
Meeting attendance in FY3/2024
Board of Directors Meetings: 9/9



Sadatoshi Inoue
Member of the Board,
Executive Vice President

April 1985 Joined Rengo Co., Ltd.
April 2007 Executive Officer of Rengo Co., Ltd.
June 2012 Member of the Board, Executive Officer of Rengo Co., Ltd.
April 2014 Member of the Board, Managing Executive Officer of Rengo Co., Ltd.
April 2019 Member of the Board, Senior Managing Executive Officer of Rengo Co., Ltd.
June 2021 Senior Managing Executive Officer, Member of the Senior Executives Meeting of Rengo Co., Ltd.
April 2022 Executive Vice President of Rengo Co., Ltd.
June 2022 Member of the Board, Executive Vice President of Rengo Co., Ltd. (to present)

Number of shares owned: 91,500
Meeting attendance in FY3/2024
Board of Directors Meetings: 9/9



Masayuki Oku
Outside Director

April 1968 Joined Sumitomo Bank, Limited
June 1994 Director of Sumitomo Bank, Limited
November 1998 Managing Director of Sumitomo Bank, Limited
January 2001 Representative Director & Senior Managing Director of Sumitomo Bank, Limited
April 2001 Representative Director & Senior Managing Director of Sumitomo Mitsui Banking Corporation
December 2002 Representative Director & Senior Managing Director of Sumitomo Mitsui Financial Group, Inc.
June 2003 Representative Director & Deputy President of Sumitomo Mitsui Banking Corporation
June 2005 Chairman of the Board of Sumitomo Mitsui Financial Group, Inc. Representative Director & President of Sumitomo Mitsui Banking Corporation
April 2011 Chairman of the Board of Sumitomo Mitsui Financial Group, Inc.
April 2017 Director of Sumitomo Mitsui Financial Group, Inc.
June 2017 Honorary Advisor to Sumitomo Mitsui Financial Group, Inc. (to present)
June 2019 Outside Director of Rengo Co., Ltd. (to present)

Number of shares owned: 0
Meeting attendance in FY3/2024
Board of Directors Meetings: 9/9



Kaoru Tamaoka
Outside Director

June 1989 Worked in literary circles as a writer (to present) winning the Kobe Literary Prize (award-winning work: *Yume-kui-sakana no blue-goodbye*)
April 2008 Professor of Osaka University of Arts (to present)
November 2009 Oda Sakunosuke Prize (award-winning work: *Oie-san*)
October 2012 Member of the Hyogo Prefectural Board of Education
April 2014 Visiting professor of Kansai University (to present)
April 2018 Director of the Administrative Agency for Osaka City Museums (to present)
June 2021 Outside Director of Rengo Co., Ltd. (to present)

Number of shares owned: 0
Meeting attendance in FY3/2024
Board of Directors Meetings: 9/9



Koichi Sumida
Outside Director

April 1983 Joined Japan Broadcasting Corporation
July 1992 Tokyo Broadcasting Center Announcement Room, Japan Broadcasting Corporation
March 2003 Osaka Broadcasting Station Programming Department, Japan Broadcasting Corporation
June 2011 Executive announcer of Japan Broadcasting Corporation
January 2020 Retired from Japan Broadcasting Corporation
April 2020 Professor of Osaka University of Arts (to present)
April 2022 Visiting professor of Kansai University
June 2023 Outside Director of Rengo Co., Ltd. (to present)

Number of shares owned: 0
Meeting attendance in FY3/2024
Board of Directors Meetings: 8/8*
* Since Koichi Sumida assumed office, the Board of Directors has met eight times.

Audit & Supervisory Board Members



Kiwamu Hashimoto
Full-time Audit & Supervisory
Board Member

April 1974 Joined Rengo Co., Ltd.
June 2004 Member of the Board of Rengo Co., Ltd.
April 2007 Member of the Board, Executive Officer of Rengo Co., Ltd.
April 2009 Member of the Board, Managing Executive Officer of Rengo Co., Ltd.
April 2013 Member of the Board, Senior Managing Executive Officer of Rengo Co., Ltd.
April 2015 Member of the Board of Rengo Co., Ltd.
June 2015 Full-time Audit & Supervisory Board Member of Rengo Co., Ltd. (to present)

Number of shares owned: 71,100
Meeting attendance in FY3/2024
Board of Directors Meetings: 9/9
Audit & Supervisory Board Meetings: 10/10



Hitoshi Tsunekage
Outside Audit & Supervisory
Board Member

April 1977 Joined The Sumitomo Trust and Banking Co., Ltd.
June 2004 Executive Officer of The Sumitomo Trust and Banking Co., Ltd.
June 2005 Director & Managing Executive Officer of The Sumitomo Trust and Banking Co., Ltd.
January 2008 President & CEO of The Sumitomo Trust and Banking Co., Ltd.
April 2011 Chairman of the Board, President of The Sumitomo Trust and Banking Co., Ltd. Representative Director & Chairman of Sumitomo Mitsui Trust Holdings, Inc.
April 2012 Representative Director & President of Sumitomo Mitsui Trust Bank, Limited
April 2017 Director of Sumitomo Mitsui Trust Bank, Limited
June 2017 Director & Chairman of Sumitomo Mitsui Trust Bank, Limited
Director of Sumitomo Mitsui Trust Holdings, Inc.
June 2020 Audit & Supervisory Board Member of Rengo Co., Ltd. (to present)
April 2021 Senior Corporate Advisor to Sumitomo Mitsui Trust Bank, Limited (to present)

Number of shares owned: 0
Meeting attendance in FY3/2024
Board of Directors Meetings: 8/9
Audit & Supervisory Board Meetings: 9/10



Mitsuhiro Hamamoto
Outside Audit & Supervisory
Board Member

October 2000 Registered as an attorney in Japan (to present)
Joined Tadashi Yamada Law Office
October 2004 Joined Kikkawa Law Offices
February 2019 Established Hamamoto Law Office - Representative Partner (to present)
June 2023 Audit & Supervisory Board Member of Rengo Co., Ltd. (to present)

Number of shares owned: 1,400
Meeting attendance in FY3/2024
Board of Directors Meetings: 8/8*
Audit & Supervisory Board Meetings: 8/8*
* Since Mitsuhiro Hamamoto assumed office, the Board of Directors and the Audit & Supervisory Board have met eight times, respectively.



Tsutomu Shoju
Full-time Audit & Supervisory
Board Member

April 1985 Joined Rengo Co., Ltd.
April 2010 General Manager of Information Systems Department of Rengo Co., Ltd.
April 2015 Corporate Officer of Rengo Co., Ltd.
April 2016 General Manager of Information Systems Group of Rengo Co., Ltd.
April 2020 Assistant to the Senior Managing Executive Officer responsible for General Affairs Department of Rengo Co., Ltd.
June 2020 Full-time Audit & Supervisory Board Member of Rengo Co., Ltd. (to present)

Number of shares owned: 25,100
Meeting attendance in FY3/2024
Board of Directors Meetings: 9/9
Audit & Supervisory Board Meetings: 10/10



Tadazumi Fujino
Outside Audit & Supervisory
Board Member

March 1981 Registered as a certified public accountant in Japan (to present)
May 1981 Registered as a certified public tax accountant in Japan (to present)
Opened Tadazumi Fujino Certified Public Accountant Office (to present)
Opened Tadazumi Fujino Certified Public Tax Accountant Office (to present)
April 2008 Osaka District Court Civil Conciliation Commissioner
April 2010 Director of Osaka City University
June 2010 Member of the Independent Committee on Takeover Defense Measures of Rengo Co., Ltd.
April 2013 Director of Osaka Prefecture University
June 2022 Audit & Supervisory Board Member of Rengo Co., Ltd. (to present)

Number of shares owned: 9,400
Meeting attendance in FY3/2024
Board of Directors Meetings: 9/9
Audit & Supervisory Board Meetings: 10/10

Corporate Governance

Basic Stance

To remain deserving of the firm trust and confidence society has placed in it, Rengo's goal is timely and accurate information disclosure combined with sound and highly transparent management with the mission of solving social issues through packaging. In keeping with our fundamental philosophy whose essence is "The truth is in the workplace," we are enhancing corporate governance by strengthening the current system of directors and Audit & Supervisory Board members while delegating authority and accelerating decision-making. In response to the Corporate Governance Code, we have disclosed our approaches to corporate governance in the form of a Corporate Governance Report to the Tokyo Stock Exchange. The most recent report was submitted on June 28, 2024. Considering the purpose of the Corporate Governance Code, we are continuing to work toward sustained growth for our company and improving our corporate value in the medium- to long-term.

Corporate Governance Structure

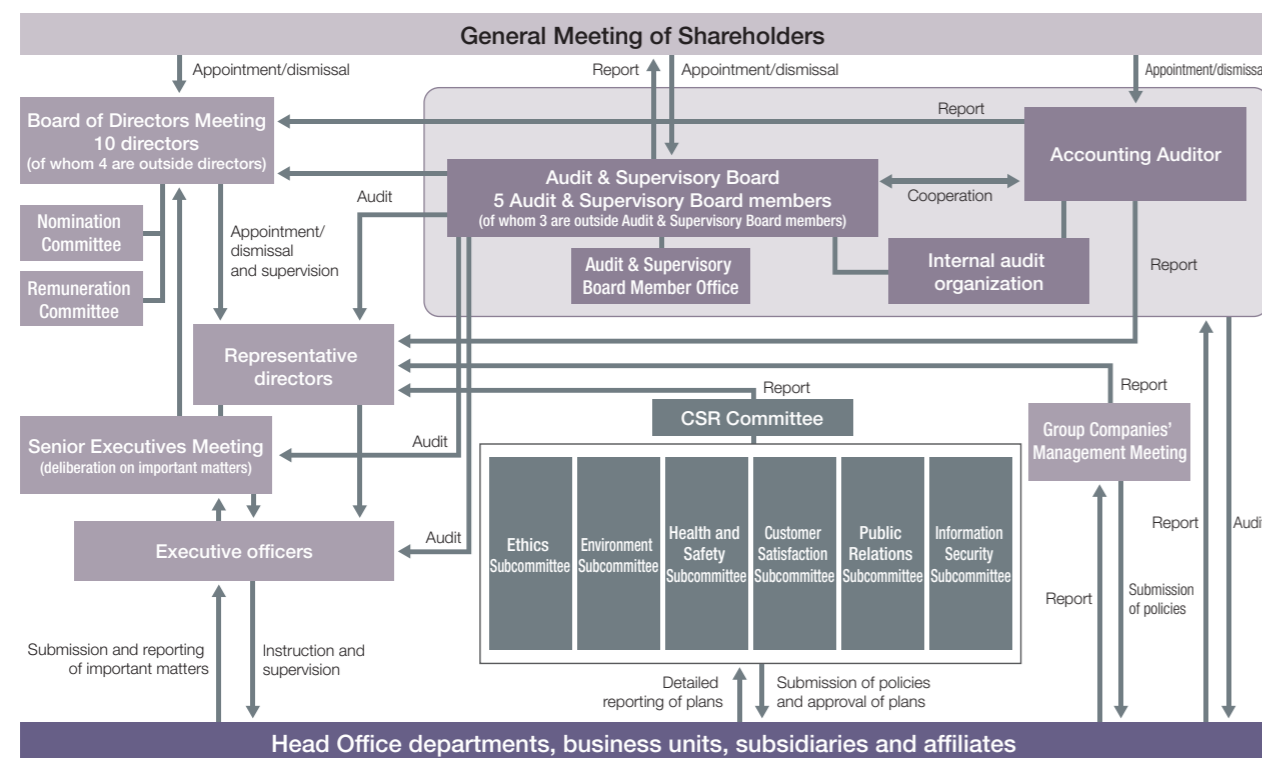
As a company with an Audit & Supervisory Board, Rengo is making efforts to enhance its management transparency and strengthen its supervision of management. Our Audit & Supervisory Board, our internal audit organization, and other related bodies work together to secure audit schedules and audit structures, as well as appropriate auditing by the external Accounting Auditor. Audit & Supervisory Board members monitor the directors' performance of duties and the operations, as well as the business and financial conditions of Rengo and its subsidiaries.

In addition to the Board of Directors Meetings, as a general rule, Senior Executives Meetings, Internal Officers Meetings (attended by full-time officers), Department Liaison Meetings, and other meetings are held at least once per month to make decisions promptly and share important information, thereby performing duties in an efficient manner.

Corporate Governance Structure

Organizational form	Company with an Audit & Supervisory Board		
Number of directors	10		
	Number of outside directors		4
	Number of independent outside directors		4
Number of Audit & Supervisory Board members	5		
	Number of outside Audit & Supervisory Board members		3
	Number of independent outside auditors		3
Term of office of directors	1 year		

Corporate Governance Structure (As of June 27, 2024)



History of Governance

1. Introduction of an Executive Officer System

Rengo introduced an executive officer system in April 2007 to strengthen the decision-making, supervisory, and business execution functions of the management.

2. Reduction in the Number of Directors

At the Ordinary General Meeting of Shareholders held in June 2007, the Articles of Incorporation were amended to reduce the maximum number of directors from 24 to 18. The number of directors appointed at the meeting decreased to 15. The total number of directors as of the conclusion of the Ordinary General Meeting of Shareholders held in June 2024 is 10.

3. Appointment of Outside Directors

Rengo has conventionally appointed outside directors and has taken the following actions in response to the establishment of the Corporate Governance Code:

1. Appointed two independent outside directors at the Ordinary General Meeting of Shareholders held in June 2017
2. Appointed three independent outside directors at the Ordinary General Meeting of Shareholders held in June 2020
3. Appointed four independent outside directors at the Ordinary General Meeting of Shareholders held in June 2021*

* A total of 10 directors were appointed at the meeting mentioned in 3 above. Outside directors have come to account for one-third or more of the Board of Directors, and the diversity of the Board increased with the appointment of one female outside director.

4. Evaluation and Disclosure of the Effectiveness of the Board of Directors

Rengo disclosed an overview of the questionnaire-style evaluation of effectiveness in the Corporate Governance Report filed on June 30, 2017. The evaluation has been carried out every year since then.

5. Abolition of Takeover Defense Measures

Due to the expiration of the effective period, takeover defense measures were abolished at the conclusion of the Ordinary General Meeting of Shareholders held in June 2019.

6. Adoption of Independent Consultation Committees

Effective December 17, 2019, we established a Nomination Committee and a Remuneration Committee as voluntary consultation bodies for the Board of Directors. The committees deliberate on matters consulted by the Board.

* The committees are chaired by an outside director.

7. Disclosure of Skills Matrix

Rengo started to disclose the skills matrix of director candidates in the notice of the Ordinary General Meeting of Shareholders held in June 2022.

Overview of Meeting Bodies and Committees

Board of Directors Meeting	To achieve sustainable growth and improve medium- to long-term corporate value, the Board of Directors strives to ensure the effectiveness of its business execution and supervisory functions from an objective standpoint, taking into account the fiduciary duties and accountability to shareholders and attaching importance to the roles of independent outside directors.
Senior Executives Meeting	Senior Executives Meetings are attended by the chairman & CEO, the president & COO, and executive officers who are at the managing executive officer level or higher and have been appointed as members of the meeting. In principle, meetings are held at least once a month to discuss and resolve matters to be submitted to the Board of Directors, important matters concerning the performance of duties, and important matters to be approved, among other matters.
Nomination Committee	The Nomination Committee meets regularly and deliberates on matters such as the appointment and dismissal of directors, in response to consultation by the Board of Directors. The committee consists of six members: four outside directors, the chairman & CEO, and the president & COO. An outside director chairs the committee.
Remuneration Committee	The Remuneration Committee meets regularly and deliberates on matters such as remuneration for directors and other officers, in response to consultation by the Board of Directors. The committee consists of six members: four outside directors, the chairman & CEO, and the president & COO. An outside director chairs the committee.
Group Companies' Management Meeting	Group Companies' Management Meetings are held regularly, attended by Rengo's officers, including the chairman & CEO and the president & COO, and representatives from Rengo Group companies. The meeting thus ensures that important managerial matters and risk management measures are shared across the Group.

Appointment Process of Directors and Audit & Supervisory Board Members

In nominating candidates for directors and Audit & Supervisory Board members, Rengo nominates persons who have a wealth of experience, high levels of insight, and expertise conducive to effective corporate governance, sustainable growth, and medium- to long-term corporate value improvement. The Nomination Committee, a

consultation body for the Board of Directors, deliberates on the nomination before the Board thoroughly deliberates on the matter and nominates the candidates. Candidates for Audit & Supervisory Board members are nominated with the consent of the Audit & Supervisory Board.

Matters Deliberated by the Board of Directors

Rengo's Board of Directors holds not only regular meetings but extraordinary meetings as necessary. The Board makes decisions on matters stipulated by laws and regulations and important managerial matters, as well as constantly supervises the status of business execution.

In FY3/2024, nine regular Board of Directors Meetings

were held, where the Board deliberated on 43 items to be resolved or approved and 38 items reported.

At the Board of Directors Meetings, outside directors and outside Audit & Supervisory Board members have made suggestions to further enhance the Board functions. Steady efforts are underway for the enhancement.

Skills Matrix

The skills matrix below outlines Rengo’s expectations by field for directors based on their knowledge, experience, and abilities.

Name	Position in the company	Outside	Corporate management	Sales & marketing	Finance & accounting	Governance	Sustainability	Global	Nomination Committee	Remuneration Committee
Kiyoshi Otsubo	Representative Director, Chairman & CEO		●			●		●	○	○
Yosuke Kawamoto	Representative Director, President & COO		●			●		●	○	○
Moriaki Maeda	Representative Director, Executive Vice President					●	●			
Yasuhiro Baba	Member of the Board, Executive Vice President				●	●				
Ichiro Hasegawa	Member of the Board, Executive Vice President			●			●			
Sadatoshi Inoue	Member of the Board, Executive Vice President			●			●			
Yoshio Sato	Director	○	●			●			○	○
Masayuki Oku	Director	○	●			●			○ (Chair)	○ (Chair)
Kaoru Tamaoka	Director	○				●	●		○	○
Koichi Sumida	Director	○				●	●		○	○

* Regarding the knowledge, experience, and abilities expected of each director, we have noted up to three fields of expertise for the chairman & CEO and the president & COO, and up to two for other positions within the company.
The above matrix does not represent all the knowledge, experience, and abilities of each director.

Evaluating the Effectiveness of the Board of Directors

Regarding the effectiveness of the Board of Directors, Rengo works to enhance the functions of the Board by conducting an annual questionnaire survey (self-evaluation) of directors and Audit & Supervisory Board members, including outside officers, followed by the report and discussion about the results of its analysis at a Board of Directors Meeting.

Based on the results of the FY3/2024 questionnaire survey, it was confirmed that the overall effectiveness of the

Board is being maintained. Directors and Audit & Supervisory Board members have provided constructive input and suggestions regarding improvements to the composition, roles, and operation of the Board, and have shared issues facing the Board.

Discussions and efforts are underway to put these input and suggestions into practice.

We will continue to work to enhance the functions of the Board by regularly analyzing and evaluating its effectiveness.

Ensuring the Expertise, Independence, and Diversity of the Board of Directors

As of June 27, 2024, the Company forms its Board of Directors with 10 members. In nominating directors, we comprehensively evaluate candidates’ experience, knowledge, and expertise and make holistic decisions. To ensure the effectiveness of supervision and practical discussions among the directors, we nominate directors with an eye towards the overall balance and diversity of the Board of Directors.

Furthermore, we have appointed four independent outside directors, thus allowing for opinions stated from an independent stance during discussions at the Board of Directors Meetings. In addition to meeting the criteria for outside directors in accordance with the Companies Act and satisfying the qualifications for independent directors/auditors with no potential

conflicts of interest with ordinary shareholders stipulated by the Tokyo Stock Exchange, candidates who can contribute to sustainable growth and increasing corporate value over the medium- to long-term are selected as outside directors.

One of our 10 directors is a female outside director. With this appointment, outside directors now account for one-third or more of the Board of Directors and the diversity of its membership has also been ensured.

Three outside Audit & Supervisory Board members have been appointed, and they will fulfill their roles and duties independently, making full use of their high level of specialist knowledge and broad experience, as well as offering an appropriate level of input at the Board of Directors Meetings.

Activities of the Nomination Committee and the Remuneration Committee

Rengo has established a Nomination Committee and a Remuneration Committee as voluntary consultation bodies for the Board of Directors. Each of these committees consists of three or more directors appointed through the Board’s resolution, a majority of whom are outside directors, and the position of chair in each committee is held by an outside director.

To strengthen the independence, objectivity, and

accountability of the Board functions with appropriate engagement of and advice from outside directors, the Nomination Committee and the Remuneration Committee meet regularly and deliberate on matters such as the appointment and dismissal of directors and other officers and remuneration of them respectively, in response to consultation by the Board.

Remuneration for Officers

Rengo has adopted a remuneration system for officers that is linked to medium- to long-term performance in order to provide healthy incentives for achieving sustainable growth. We also provide stock compensation, appropriately set the ratio of cash remuneration to stock compensation, and have a shareholders’ association made up of officers so that the company is managed with an eye towards increasing corporate value.

The amount of remuneration for directors is determined within the scope of the total amount of remuneration (including the amount of remuneration based on the stock compensation plan) approved by the General Meeting of Shareholders. In determining the remuneration level, consideration is given to social trends in director remuneration, our business performance, balance with employee salaries, and other matters that should be taken into account. Directors’ remuneration consists of basic remuneration, performance-based remuneration (bonuses), and non-monetary remuneration (stock compensation). To ensure independence and other points of view, remuneration for outside directors consists solely of basic remuneration.

recipients serve concurrently, with consideration given to business performance for the fiscal year (mainly operating income and ordinary income) and with other factors. If the company decides to pay performance-based remuneration, the payment is made at a certain timing after the end of the relevant fiscal year.

Stock compensation in the form of board benefit trust constitutes non-monetary remuneration. The number of shares granted is equivalent to the number of points given in accordance with the rank of executive officers as which the recipients serve concurrently, and is set within the scope of the upper limit of cash contributed by the company and the maximum number of points given to eligible directors, which have been approved by the General Meeting of Shareholders. Shares are granted to eligible directors at a certain timing after their retirement (after their retirement as executive officers if they continue to serve as executive officers).

The details of remuneration for individual directors are determined by resolution of the Board of Directors, after deliberation by the Remuneration Committee, a consultation body for the Board.

Basic remuneration is paid monthly as fixed monetary remuneration. The amount is determined in accordance with the rank of executive officers as which the recipients serve concurrently.

Performance-based remuneration is paid in the form of monetary bonuses. The amount is determined in accordance with the rank of executive officers as which the

Disclosure of remuneration	Total amount*
Policy on determining remuneration amounts and calculation methods	Established

* Information is disclosed separately for directors with a total remuneration amount of ¥100 million or more.

Cross-Shareholdings

To build and strengthen stable, long-term relationships with business partners, Rengo may acquire and hold their shares if doing so is considered conducive to the company’s sustainable growth and medium- to long-term corporate value improvement. All cross-shareholdings are reviewed in terms of effectiveness, such as medium- to long-term economic rationality and contribution to the maintenance

and strengthening of comprehensive relationships with business partners. The outcome of the review is reported to the Board of Directors. We consider reducing cross-shareholdings that are found, in the review process, to have lost significance, after examining whether the risks and benefits of holding the shares are worth the cost of shareholder’s equity.

Succession Planning

Rengo proactively engages in succession planning for the CEO and other officers by appointing and nominating senior executives and directors at the Board of Directors Meetings.

We provide appropriate supervision so that sufficient time and resources are invested systematically in the development of successor candidates.

Compliance

Basic Stance

Rengo states in our Corporate Philosophy that we will “Act always with integrity, maintaining high ethical standards and ensuring strict legal compliance.” Compliance does not only entail simply complying with the letter of the law. We also strive to understand the purpose of the laws and regulations beneath the text and to meet the expectations and demands of society in order to practice fair and good-faith management.

Structure for Promoting Compliance

Rengo’s Ethics Subcommittee has formulated policies on compliance with laws and regulations, and related duties are performed by the Legal Affairs Department and Compliance Promotion Office. Compliance promotion managers are appointed at all divisions, plants, and mills to coordinate with each other and further enhance compliance activities. Furthermore, Group companies are carrying out similar activities.

In June 2014, Rengo and some Group companies received cease-and-desist orders and administrative monetary penalties from the Japan Fair Trade Commission in regard to violations of the Antimonopoly Act. Our appeal was rejected in February 2021, but we have filed litigation rescinding the trial decision, and proceedings are still underway as of March 31, 2024.

Compliance Education

Rengo conducts training and education on a regular basis to raise the compliance awareness of each and every employee. Since FY3/2013, this training has focused primarily on the Antimonopoly Act and has been provided to employees of Group companies as well.

Rank-specific education includes education on the basic stance of compliance for new employees when joining the company and lectures on compliance as a whole on occasions such as the promotion of employees to the General Managers of the plants or managerial positions. In addition, regular lectures by legal advisors are conducted at the beginning of meetings attended by officers, general managers, and Group companies’ top management.

Training Workshops and Rank-Specific Education Conducted in FY3/2024

	Frequency/timing	Main content	Participants
All employees, including Group company employees	4 times per year or more	- Antimonopoly Act	210
New employees	1 time after joining company	- Basic related laws and regulations - Compliance	62
Employees promoted to general managers of the plants or managerial positions	1 time when being promoted/appointed	- Related laws and regulations - Compliance	6
Officers, general managers, and Group companies’ top management	2 times per year	- Antimonopoly Act	148

Whistleblower System

In order to prevent violations of laws and regulations, Rengo, separate from the ordinary business report process via immediate superiors, has established whistleblower hotlines inside and outside the company (within a law firm) so that employees can report and consult on compliance matters. The whistleblower system can be used by officers, employees, temporary and contract employees working at Rengo, and retirees (within one year after retiring), and the external hotlines can also be used by employees of Group companies. The system can be used anonymously as well. In cases of whistleblowing, we strictly protect the privacy of whistleblowers, and at the same time handle issues appropriately so that whistleblowers are not treated unfairly.

Division Visits

Since FY3/2018, personnel have visited divisions in Japan, verifying the status of compliance with the Antimonopoly Act, the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, and other laws and regulations, checking for incidents of harassment, gathering information and sharing opinions regarding relations with local communities, and furthering understanding and awareness regarding compliance. In FY3/2024, four such visits were carried out. We intend to continue conducting visits, including visits to Group companies, in the future.

Protecting Intellectual Property

Rengo recognizes the importance of protecting its own intellectual property and observing the intellectual property rights of other companies, and has therefore established a dedicated department with a patent attorney for handling these issues. We also conduct investigations with the aim of securing rights for our own intellectual property and preventing infringement of intellectual property rights of others, and strive to utilize and manage intellectual property rights appropriately. We post educational materials regarding intellectual property and investigative materials regarding the technical fields in which we are active on our intranet. We also have established opportunities for educating sales personnel and research and development personnel. In FY3/2024, we received no claims of infringement of rights.

Risk Management

Basic Stance

The Rengo Group’s highest priority is to ensure the safety of employees and their family members. Meanwhile, to fulfill our responsibility as a supporting industry member to supply products that assist with the delivery of living essentials to consumers, we set a range of fundamental policies and strive to improve relevant structures to prepare for disasters.

Risk Management Structure

Rengo has established the CSR Committee chaired by the chairman & CEO with the aims of improving management quality and reducing and avoiding future risks. With regard to the management of compliance, environmental, disaster, quality, information, and other risks, individual departments and the six subcommittees under the CSR Committee for ethics, environment, health and safety, customer satisfaction, public relations, and information security work together to formulate internal regulations, create manuals, and monitor companywide conditions.

In addition, the Board of Directors receives reports on the status of initiatives from the directors who manage or oversee each business unit, group, and department, and from the chairs of each subcommittee. The Board deliberates and makes decisions on improvement initiatives and other matters as necessary.

Infectious Disease Countermeasures

Fundamental Policy

- 1. Place the highest priority on safety**
We will place the highest priority on ensuring the safety of employees and their family members.
- 2. Take measures against infections**
We will systematically take measures against infections, taking into account requests from the government and relevant institutions.
- 3. Maintain and continue corporate activities**
We will fulfill our social responsibilities (such as employment and supply) by maintaining and continuing our corporate activities.

Structure (Infectious Disease Outbreak)

- Taking into account the status of infections, a central emergency management headquarters, led by Rengo’s CEO, will be established.
- Under the central emergency management headquarters, organizations in charge of relevant matters will be set up to drive a unified approach as the Group.
- The central emergency management headquarters will set guidelines based on the fundamental policy, and organizations in charge will implement specific measures in accordance with the guidelines.

Under the COVID-19 pandemic, the greatest crisis Japan has faced in the post-war period, the Rengo Group established the Rengo Group Novel Coronavirus Emergency Management Headquarters in April 2020 and made the best efforts to prevent the infectious disease from spreading. We also fulfilled our social responsibilities through business activities.

To prepare for an infectious disease outbreak, we will continue to formulate infection prevention plans in accordance with the level of infection spread, prepare, raise awareness, and collect information.

Natural Disaster Countermeasures

Fundamental Policy

- 1. Place the highest priority on safety**
We will place the highest priority on ensuring the safety of employees and their family members.
- 2. Restore facilities quickly**
We will strive to assess the damage conditions of Rengo facilities, restore them as quickly as possible, and continue operations to the greatest degree possible.
- 3. Maintain and continue corporate activities**
We will fulfill our social responsibilities (such as employment and supply) by maintaining and continuing our corporate activities.

Structure (Natural Disaster Occurrence)

- If a large-scale natural disaster occurs, a central emergency management headquarters, led by Rengo’s CEO, will be established.
- Under the central emergency management headquarters, emergency management headquarters in charge of specific matters (including local emergency management headquarters) will be set up as necessary.
- If a Group company is affected by a natural disaster, Rengo’s department in charge of related businesses will serve as the point of contact for support.
- The central emergency management headquarters will give instructions based on the fundamental policy to emergency management headquarters in charge of specific matters. Emergency management headquarters in charge of specific matters will cooperate with each other to handle the situation.

In consideration of the frequent occurrence of natural disasters such as earthquakes and typhoons, Rengo has established a fundamental policy that outlines the company’s response in the event of a disaster. Following the Great East Japan Earthquake, all sites have maintained stocks of emergency supplies since June 2011. In addition, satellite phones were installed at all sites in March 2012.

Since April 2012, we have developed a structure that uses automatically sent emails to confirm the safety of employees and assess damage in the event of a large-scale earthquake. Test emails are sent every six months in preparation for disasters.

Information Security

As advances are made toward digitalization throughout society, information management is becoming increasingly important. Having formulated information security policies, including the Fundamental Policy on Information Security, Rengo is implementing thorough risk management and building a robust security structure, centered around the Information Security Subcommittee, chaired by the officer in charge of the Information Systems Group.

Consolidated 11-Year Summary

Rengo Co., Ltd. and consolidated subsidiaries
(From FY2013 ended March 31, 2014 to FY2023 ended March 31, 2024)

	3/2014	3/2015	3/2016	3/2017		3/2018	3/2019	3/2020	3/2021	3/2022	3/2023	3/2024
For the fiscal year (millions of yen):												
Net sales	¥ 523,141	¥ 522,671	¥ 532,534	¥ 545,489		¥ 605,712	¥ 653,107	¥ 683,780	¥ 680,714	¥ 746,926	¥ 846,080	¥ 900,791
Gross profit	82,606	76,428	87,288	98,586		99,710	111,197	132,461	133,281	135,716	141,918	175,381
Operating income	14,221	5,567	15,727	23,642		17,082	25,292	41,227	39,938	33,279	25,957	48,855
Profit before income taxes and non-controlling interests	9,687	12,081	16,268	24,186		23,366	25,075	41,090	41,204	41,437	30,857	50,290
Profit attributable to owners of parent	3,702	5,718	9,816	13,876		16,622	17,163	27,790	28,599	28,188	20,425	33,025
Research and development expenses	1,421	1,405	1,441	1,448		1,483	1,531	1,593	1,900	2,151	2,066	2,175
Depreciation and amortization	28,581	29,611	29,333	29,524		30,880	32,259	35,076	38,114	41,723	44,848	48,761
Capital expenditures	52,849	39,982	29,656	30,445		41,527	36,512	38,700	47,143	49,509	58,694	73,833
EBITDA	42,802	35,179	46,454	54,372		49,616	59,028	77,662	80,014	77,193	73,560	101,054
At the fiscal year-end (millions of yen):												
Total assets	¥ 629,054	¥ 655,674	¥ 644,690	¥ 704,826		¥ 747,700	¥ 769,355	¥ 820,109	¥ 869,992	¥ 934,345	¥ 1,053,138	¥ 1,172,515
Working capital	(40,772)	(34,146)	(36,801)	(24,288)		(23,760)	(10,142)	(3,041)	14,229	39,411	45,332	91,916
Interest-bearing debt	263,430	276,906	264,728	283,350		287,322	283,071	323,614	330,645	353,415	404,289	437,669
Net assets	201,658	222,390	221,733	241,510		262,580	274,697	288,820	324,463	354,289	385,732	438,978
Equity capital*1	196,359	216,353	215,962	234,241		255,015	263,948	278,254	313,326	341,909	372,795	425,293
Per share amounts (yen):												
Basic earnings per share	¥ 14.95	¥ 23.09	¥ 39.64	¥ 56.04		¥ 67.14	¥ 69.32	¥ 112.24	¥ 115.51	¥ 113.84	¥ 82.47	¥ 133.33
Diluted earnings per share	—	—	—	—		—	—	—	—	—	—	—
Cash dividends applicable to the year	12.00	12.00	12.00	12.00		12.00	14.00	20.00	24.00	24.00	24.00	30.00
Net assets per share*2	792.78	873.60	872.17	946.06		1,029.98	1,066.07	1,123.86	1,265.53	1,380.74	1,505.09	1,716.97
Ratio:												
Return on equity (%)	2.0	2.8	4.5	6.2		6.8	6.6	10.3	9.7	8.6	5.7	8.3
Return on total assets (%)	0.6	0.9	1.5	2.1		2.3	2.3	3.5	3.4	3.1	2.1	3.0
Debt to equity ratio (times)	1.34	1.28	1.23	1.21		1.13	1.07	1.16	1.06	1.03	1.08	1.03
Capital adequacy ratio (%)	31.2	33.0	33.5	33.2		34.1	34.3	33.9	36.0	36.6	35.4	36.3
Other data:												
Number of shares of common stock (thousands)	271,056	271,056	271,056	271,056		271,056	271,056	271,056	271,056	271,056	271,056	271,056
Number of employees	13,095	14,060	13,999	16,038		16,532	16,968	18,902	19,451	20,141	22,548	23,389
Share prices (yen):												
High	¥ 651	¥ 558	¥ 619	¥ 717		¥ 968	¥ 1,078	¥ 1,071	¥ 1,012	¥ 990	¥ 928	¥ 1,209
Low	438	443	459	546		603	787	660	776	730	688	825

*1 Equity capital = Net assets - Non-controlling interests
*2 The amount of net assets used for calculation of net assets per share is the amount of net assets on the consolidated balance sheets, excluding non-controlling interests.

Corporate Information As of March 31, 2024

Corporate Profile

Name	Rengo Co., Ltd.	
Head Office locations	Head Office	Nakanoshima Central Tower, 2-2-7 Nakanoshima, Kita-ku, Osaka, Japan 530-0005
	Tokyo Head Office	Shinagawa Season Terrace, 1-2-70 Konan, Minato-ku, Tokyo, Japan 108-0075
Founded	April 12, 1909	
Incorporated	May 2, 1920	
Capital stock	¥31.066 billion	
Stock listing	Tokyo Stock Exchange (securities code: 3941)	
Number of consolidated companies	189 (parent company and subsidiaries)	
Number of companies under the equity method	17	
Number of employees	23,389 (consolidated)	



Head Office



Tokyo Head Office

Main Divisions and Plants/Mills

Rengo Co., Ltd.

Corrugated plants	Eniwa (Hokkaido)	Shimizu (Shizuoka Prefecture)
	Asahikawa (Hokkaido)	Toyohashi (Aichi Prefecture)
	Aomori (Aomori Prefecture)	Shin-Nagoya (Aichi Prefecture)
	Shin-Sendai (Miyagi Prefecture)	Fukui (Fukui Prefecture)
	Fukushima-Yabuki (Fukushima Prefecture)	Shiga (Shiga Prefecture)
	Shin-Kyoto (Kyoto Prefecture)	Shin-Kyoto (Kyoto Prefecture)
	Sanda (Hyogo Prefecture)	Sanda (Hyogo Prefecture)
	Wakayama (Wakayama Prefecture)	Wakayama (Wakayama Prefecture)
	Okayama (Okayama Prefecture)	Okayama (Okayama Prefecture)
	Hiroshima (Hiroshima Prefecture)	Hiroshima (Hiroshima Prefecture)
	Hofu (Yamaguchi Prefecture)	Hofu (Yamaguchi Prefecture)
	Ehime Toon (Ehime Prefecture)	Ehime Toon (Ehime Prefecture)
	Tosu (Saga Prefecture)	Tosu (Saga Prefecture)
Folding carton plants	Katsushika (Tokyo)	Shin-Kyoto (Kyoto Prefecture)
	Tonegawa (Ibaraki Prefecture)	Shin-Kyoto (Kyoto Prefecture)
Paperboard mills	Tonegawa (Ibaraki Prefecture)	Kanazu (Fukui Prefecture)
	Yashio (Saitama Prefecture)	Amagasaki (Hyogo Prefecture)
Cellophane plant	Takefu (Fukui Prefecture)	
Laboratories	Central Laboratory (Osaka Prefecture)	
	Central Laboratory (Fukui Prefecture)	

Subsidiaries

Yamato Shiki Co., Ltd.	Ibaraki-shi, Osaka Prefecture
Settsu Carton Co., Ltd.	Itami-shi, Hyogo Prefecture
Tokai Shiki Co., Ltd.	Nagoya-shi, Aichi Prefecture
Hinode Shiki Kogyo Co., Ltd.	Hioki-shi, Kagoshima Prefecture
RG Containers Co., Ltd.	Kawaguchi-shi, Saitama Prefecture
Rengo Riverwood Packaging, Ltd.	Minato-ku, Tokyo
Marusan Paper Mfg. Co., Ltd.	Minamisoma-shi, Fukushima Prefecture
Taiko Paper Mfg., Ltd.	Fuji-shi, Shizuoka Prefecture
Rengo Paper Business Co., Ltd.	Amagasaki-shi, Hyogo Prefecture
Howa Sangyo Co., Ltd.	Funabashi-shi, Chiba Prefecture
Sun-Tox Co., Ltd.	Taito-ku, Tokyo
Takigawa Corporation Japan	Funabashi-shi, Chiba Prefecture
Nihon Matai Co., Ltd.	Taito-ku, Tokyo
Rengo Logistics Co., Ltd.	Osaka-shi, Osaka Prefecture
Sanyo Jidosha Unso Co., Ltd.	Higashiosaka-shi, Osaka Prefecture
Tri-Wall Limited	Hong Kong, China
TRICOR Packaging Systems GmbH	Thüringen, Germany
Jiangsu Zhongjin Matai Medicinal Packaging Co., Ltd.	Jiangsu, China

Status of Shares

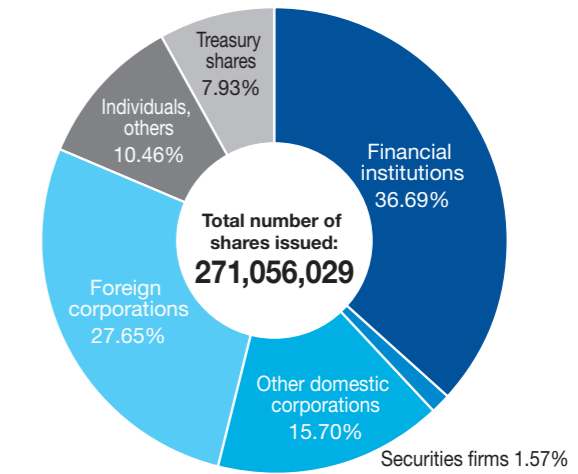
Number of shares authorized	800,000,000
Total number of shares issued	271,056,029 (including 21,482,461 treasury shares)
Number of shareholders	29,010
Number of shares per trading unit	100

Major Shareholders

Shareholder name	Number of shares held (thousands)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (trust account)	30,433	12.2
Custody Bank of Japan, Ltd. (trust account)	21,960	8.8
Sumitomo Mitsui Banking Corporation	9,562	3.8
Sumitomo Life Insurance Company	6,808	2.7
The Norinchukin Bank	5,965	2.4
Government of Norway	4,609	1.8
Rengo Employee Shareholding Association	4,522	1.8
State Street Bank and Trust Company 505223	4,278	1.7
The Bank of New York Mellon 140044	3,718	1.5
Yakult Honsha Co., Ltd.	3,326	1.3

(Notes) 1. In addition to the above list, Rengo Co., Ltd. holds 21,482 thousand shares of treasury shares.
2. Percentages are calculated after deducting treasury shares.

Shareholder Distribution



	Number of shares held (thousands)	Percentage (%)
Financial institutions	99,458	36.69
Securities firms	4,246	1.57
Other domestic corporations	42,565	15.70
Foreign corporations	74,960	27.65
Individuals, others	28,341	10.46
Treasury shares	21,482	7.93

IR Calendar

	April	May	June	July	August	September	October	November	December	January	February	March
Financial Results Announcement		● Announcement of annual financial results ● Earnings presentation ● Management Conference			● Announcement of 1st quarter results			● Announcement of 2nd quarter results ● Earnings presentation ● Management Conference			● Announcement of 3rd quarter results	
Letter to Shareholders			● Submission of Annual Securities Report ● Posting of Annual Letter to Shareholders				● Publication of Integrated Report	● Submission of Semi-Annual Securities Report	● Posting of Interim Letter to Shareholders			
General Meeting of Shareholders			● Notice of General Meeting of Shareholders ● Ordinary General Meeting of Shareholders									