

May 9, 2025

Consolidated Financial Results for the Year Ended March 31, 2025(unaudited) [Japanese GAAP]

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 Listing: Tokyo Stock Exchange
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 Scheduled date of the ordinary general meeting of shareholders: June 27, 2025
 Scheduled date to file securities report: June 26, 2025
 Scheduled date to commence dividend payments: June 30, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate changes from the same period of previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	993,251	10.3	37,408	(23.4)	39,178	(18.4)	28,979	(12.3)
March 31, 2024	900,791	6.5	48,855	88.2	47,984	67.3	33,025	61.7

Note: Comprehensive income

Year ended March 31, 2025: 47,822 million yen (20.8%)

Year ended March 31, 2024: 60,415 million yen 60.1%

	Basic earnings per share	Diluted earnings per share	Return on Shareholders' equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Year ended	Yen	Yen	%	%	%
March 31, 2025	116.94	—	6.5	3.2	3.8
March 31, 2024	133.33	—	8.3	4.3	5.4

Reference: Share of profit (loss) of entities accounted for using equity method

Year ended March 31, 2025: 1,884 million yen

Year ended March 31, 2024: (1,910) million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	1,243,116	500,244	37.3	1,872.24
March 31, 2024	1,172,515	438,978	36.3	1,716.97

Reference: Shareholders' equity As of March 31, 2025: 463,968 million yen

As of March 31, 2024: 425,293 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	77,008	(97,283)	(14,485)	70,551
March 31, 2024	89,628	(76,033)	17,265	103,782

2. Cash Dividends

	Annual dividends per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Ratio of dividend payout to net assets (consolidated)
	1Q end	2Q end	3Q end	Fiscal Year-end	Total			
Fiscal year	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
ended March 31, 2024	—	12.00	—	18.00	30.00	7,487	22.5	1.9
ended March 31, 2025	—	15.00	—	15.00	30.00	7,487	25.7	1.7
ending March 31, 2026 (Forecast)	—	15.00	—	15.00	30.00		31.0	

Note: The year-end dividends for the year ended March 31, 2024 include commemorative dividends of 3.0 yen to mark the 115th anniversary of the Company's foundation.

3. Consolidated Financial Forecasts for the Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(Percentages indicate changes from the same period of previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2nd Quarter (cumulative)	502,000	1.4	20,000	1.0	20,000	(8.6)	12,000	(36.5)	48.42
Full fiscal year	1,005,000	1.2	40,000	6.9	40,000	2.1	24,000	(17.2)	96.85

4. Notes

(1) Changes in significant subsidiaries during the period

Newly included: 15 companies RM TOHCELLO CO., LTD.
Howa Matai Packaging (Thailand) Co., Ltd.
Pronk Multiservice India Private Limited and 12 other companies.

Excluded: 6 companies Sun-Tox Co., Ltd.
Shanghai Rengo Packaging Co., Ltd.
Takigawa Corporation Singapore PTE. LTD. and 3 other companies.

(2) Changes in accounting policies, changes in accounting estimates and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies other than (i) above: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)
 - As of March 31, 2025 271,056,029 Shares
 - As of March 31, 2024 271,056,029 Shares
- (ii) Number of treasury shares at the end of the period
 - As of March 31, 2025 23,241,683 Shares
 - As of March 31, 2024 23,355,661 Shares
- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)
 - Year ended March 31, 2025 247,808,355 Shares
 - Year ended March 31, 2024 247,700,629 Shares

(Note) The Company has introduced a stock compensation plan using a Trust for Directors and executive officers, and its shares held by the Trust are included in the number of treasury shares.

(April 1, 2024 - March 31, 2025)

(Percentages indicate changes from the same period of previous fiscal year.)

	Basic earnings per share	Diluted earnings per share
Year ended	Yen	Yen
March 31, 2025	46.37	—
March 31, 2024	73.65	—

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	699,894	212,464	30.4	857.35
March 31, 2024	718,788	210,478	29.3	849.73

* This report is not subject to audit by certified public accountants or audit corporations.

Any statement in this document regarding the forecasts is based on the information currently available to the Company and certain assumptions the Company considers reasonable. The actual results may differ significantly from these forecasts due to various factors.

* This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2025, although the Japanese economy faced various issues including rising prices and labor shortages, the gradual trend toward recovery continued with improvements in the employment and income environment, increases in inbound demand and a pickup in capital investment, despite some signs of stagnation remaining.

In such an economic environment, the production volume in the paperboard industry was on par with the previous fiscal year, supported by steady domestic demand, despite sluggish exports.

The production volume in the corrugated packaging industry was on par with the previous fiscal year due to strong sales for beverages and other processed food products, despite sluggish demand for fruits and vegetables as a result of unfavorable weather conditions.

The production volume in the folding cartons industry was on par with the previous fiscal year due to strong demand for packaging for souvenirs and regional specialty products resulting from increases in the flow of people, despite continued contraction in the gift-related market.

The production volume in the flexible packaging industry was higher than in the previous fiscal year due to an increase in inbound demand as well as indications of a recovery in personal consumption from the latter half of the year.

The production volume in the heavy duty packaging industry was lower than in the previous fiscal year due to the decline in petrochemical-related demand.

Under such circumstances, the Rengo Group devoted itself to the competition of its medium-term vision, Vision 115, the final year of which was fiscal 2024, and worked diligently to expand business and increase earning capacity with strengthened marketing capabilities as well as active capital investment and mergers and acquisitions as “General Packaging Industry (GPI) Rengo.” In this way the Company offers innovative solutions that meet all the packaging needs of various industries.

In addition, the Company is pushing forward with efforts to establish a price system that enables reproduction for corrugated board products, folding carton products and boxboard as it has become difficult to cope with changes in cost structures across the entire value chain through in-house efforts alone, such as with rising logistics and personal expenses and capital investment for environmental measures and labor environment improvement.

In April 2024, with the aim of bolstering the integrated system in its flexible packaging business, the Rengo Group integrated Sun·Tox Co., Ltd. in Taito-ku, Tokyo, with the packaging solution business of Mitsui Chemicals Tohcello, Inc. in Chiyoda-ku, Tokyo, and then established a new subsidiary called RM TOHCELLO CO., LTD. in Chiyoda-ku, Tokyo. Additionally, looking to expand into the bio business, Biomaterial in Tokyo Co., Ltd., a bio venture in Onojo City, Fukuoka, was established as a subsidiary of the Company. In July, Shibata Cardboard Co., Ltd. in Toyohashi City, Aichi became a subsidiary, and in October, the Company acquired a stake in Murase Danboru Ltd. in Konan City, Aichi, strengthening the corrugated board business. Furthermore, Tri-Wall Japan Co., Ltd. in Minato-ku, Tokyo, acquired J-Pack Co., Ltd. in Kawasaki City, Kanagawa as a subsidiary, whereby it entered the comprehensive logistics business, providing a variety of services, including packaging for exports and customs clearance.

Overseas, in August 2024, Tri-Wall Limited in Hong Kong made a capital investment in Concept Packaging Group LLC, a heavy duty packaging materials manufacturer in the U.S., and in December acquired Pronk India in India. Furthermore, in March 2025, Tri-Wall Limited also acquired equity in Pronk Dubai in United Arab Emirates, further enhancing the Company’s global strategy.

Environmental initiatives as part of ESG management are top priority issues for the Rengo Group which advocates “Less is more.” as its key phrase. The Company has made further progress to address key issues, including creating a carbon-free society, creating a recycling-oriented society, and managing water risks, to achieve the greenhouse gas emission reduction target “46% reduction compared to FY2013” by FY2030.

As a result, for the fiscal year under review, net sales were ¥993,251 million (110.3% year on year),

operating profit was ¥37,408 million (76.6% year on year), ordinary profit was ¥39,178 million (81.6% year on year), and profit attributable to owners of parent was ¥28,979 million (87.7% year on year).

An overview of each segment for the fiscal year under review is as follows.

[Paperboard and Packaging-Related Business]

In the Paperboard and Packaging-Related Business, profit decreased due to higher fixed costs and increased prices for raw materials and fuels and other factors despite product price revisions helping realize improved sales.

As a result, net sales were ¥514,720 million (100.7% year on year) and operating profit was ¥23,443 million (67.0% year on year).

The production volume of main products was as follows.

(Paperboard products)

Paperboard production volume was 2,467 thousand tons (101.6% year on year) supported by strong domestic demand.

(Corrugated boards/boxes)

With regard to corrugated boards/boxes, the production volume was 4,226 million square meters (100.2% year on year) in corrugated boards and 3,581 million square meters (101.4% year on year) in corrugated boxes due to strong sales for beverages and other processed food products, despite sluggish demand for fruits and vegetables as a result of unfavorable weather conditions.

[Flexible Packaging-Related Business]

The Flexible Packaging-Related Business reported higher sales and profit due to product price revisions and the increase in the number of consolidated subsidiaries.

As a result, net sales were ¥181,614 million (149.8% year on year) and operating profit was ¥5,062 million (106.1% year on year).

[Heavy Duty Packaging-Related Business]

In the Heavy Duty Packaging-Related Business, sales and profit increased due to strong sales of industrial resins.

As a result, net sales were ¥44,977 million (101.4% year on year) and operating profit was ¥1,684 million (185.9% year on year).

[Overseas Business]

The Overseas Business reported higher sales supported by the increase in the number of consolidated subsidiaries and other factors. However, profit decreased in response to worsening profitability in the heavy duty packaging business in Europe and other factors.

As a result, net sales were ¥213,094 million (112.6% year on year) and operating profit was ¥4,931 million (72.7% year on year).

[Other Businesses]

In the Other Businesses, net sales and profit increased due to the increase in the number of consolidated subsidiaries, improved profitability in the transport business, and other factors.

As a result, net sales were ¥38,844 million (110.9% year on year) and operating profit was ¥1,963 million (168.9% year on year).

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets as of the end of the fiscal year under review were ¥ 1,243,116 million, an increase of ¥70,601 million from the end of the previous fiscal year. The increase was mainly due to increases in inventories; property, plant and equipment; and investment securities.

Total liabilities amounted to ¥742,872 million, an increase of ¥9,335 million from the end of the previous fiscal year. The increase was mainly due to increases in long- and short-term borrowings; lease liabilities; and notes and accounts payable - trade.

Net assets were ¥500,244 million, an increase of ¥61,266 million from the end of the previous fiscal year. This was due to an increase in retained earnings as a result of reporting profit attributable to owners of parent and an increase in foreign currency translation adjustment resulting from exchange rate fluctuation.

As a result, the shareholders' equity ratio increased by 1.0 percentage points from the end of the previous fiscal year to 37.3%.

(3) Overview of Cash Flows for the Fiscal Year under Review

As of the end of the fiscal year under review, cash and cash equivalents amounted to ¥70,551 million, a decrease of ¥33,231 million from the end of the previous fiscal year. The status of cash flows is as follows.

Net cash provided by operating activities amounted to ¥77,008 million, a decrease in inflows of ¥12,620 million compared to the previous fiscal year. The main items were profit before income taxes of ¥42,788 million, depreciation of ¥55,958 million and income taxes paid of ¥19,787 million.

Net cash used in investing activities was ¥97,283 million, an increase in outflows of ¥21,250 million compared to the previous fiscal year. The main items were purchase of property, plant and equipment amounting to ¥96,121 million, outflows associated with purchase of shares of subsidiaries resulting in change in scope of consolidation amounting to ¥7,546 million, and a net increase in time deposits amounting to ¥4,583 million.

Net cash flow used in financing activities was ¥14,485 million, a decrease in inflows of ¥31,750 million compared to the previous fiscal year. The main items were ¥5,800 million in net increases in long and short-term borrowings, ¥5,010 million for redemption of bonds, dividends paid amounting to ¥8,235 million, and repayments of lease liabilities amounting to ¥6,350 million.

(Reference) Trend in cash flow indicators

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Shareholders' equity ratio (%)	36.0	36.6	35.4	36.3	37.3
Shareholders' equity ratio on a market value basis (%)	27.3	20.7	20.2	24.7	15.8
Ratio of cash flow to interest-bearing debt (years)	5.0	6.1	8.8	4.9	5.6
Interest coverage ratio (times)	38.7	35.8	23.4	27.8	17.8

Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio on a market value basis: Market capitalization / Total assets

Ratio of cash flow to interest-bearing debt: Interest-bearing debt / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payments

(Notes)

- Each indicator is calculated using financial figures on a consolidated basis.
- Market capitalization is calculated as the product of the closing share price at the end of the fiscal year and the total number of issued shares at the end of the fiscal year (excluding treasury shares).
- Operating cash flow refers to "cash flows from operating activities" on the consolidated statements of cash flows.
- Interest-bearing debt refers to all liabilities recorded on the consolidated balance sheets on which interest is paid.
- Interest payments refer to "interest paid" on the consolidated statements of cash flows.

(4) Future Outlook

Although expectations are for the Japanese economy to gradually recover, aided by improvements in the employment and income environment and the effects of various government policies, downside risks for the economy are increasing owing to the effects of U.S. trade policy. Furthermore, the effect of continued price increases on personal consumption are exerting downward pressure on the Japanese economy.

In view of this outlook, the Rengo Group projects the following financial results for the fiscal year ending March 31, 2026 due to expectations of increases in logistics and personnel expenses, higher depreciation associated with capital investment for environmental measures and labor environment improvement, and worsening profitability in the heavy duty packaging business in Europe because of the economic downturn in the region. However, we also expect that the effects of product price revisions that we implemented last year will have a positive effect on our financial results.

	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026 (Forecast)	Year-on-year
Net sales (millions of yen)	993,251	1,005,000	101.2%
Operating profit (millions of yen)	37,408	40,000	106.9%
Ordinary profit (millions of yen)	39,178	40,000	102.1%
Profit attributable to owners of parent (millions of yen)	28,979	24,000	82.8%
Profit per share (yen)	116.94	96.85	(20.09) yen
Capital expenditures (millions of yen)	99,675	107,500	107.9%
Depreciation and amortization (millions of yen)	55,958	59,000	105.4%

(5) Basic Policy on the Distribution of Profits and Dividends for the Fiscal Year under Review and the Next Fiscal Year

The Company's basic stance is to aim for a progressive dividend, while aiming for a progressive dividend policy to increase dividends in line with profit growth, based on a comprehensive and long-term consideration of factors such as performance trends, financial position, and future business expansion. The Company will retain some profits, utilizing them effectively for capital investment to enhance its competitive strength and fund new investments, including research, development, mergers and acquisitions, in areas where new growth can be expected, aiming to enhance corporate value and establish a foundation for sustainable growth.

Based on this policy, and upon consideration of its financial position and other factors, the Company has decided to pay a dividend of ¥15 per share.

For the next fiscal year, the Company plans to pay an interim dividend of ¥15 and a year-end dividend of ¥15 for annual dividends of ¥30 per share.

2. Basic Policy on Selection of Accounting Standards

The Rengo Group applies Japanese accounting standards, and will address the application of International Financial Reporting Standards (IFRS) appropriately after taking into consideration various circumstances in Japan and abroad.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	117,588	80,563
Notes and accounts receivable - trade	271,408	270,404
Merchandise and finished goods	43,668	56,066
Work in process	5,563	7,341
Raw materials and supplies	35,872	41,266
Other	11,078	14,993
Allowance for doubtful accounts	(982)	(1,154)
Total current assets	484,196	469,481
Non-current assets		
Property, plant and equipment		
Buildings and structures	337,538	376,177
Accumulated depreciation	(199,581)	(220,981)
Buildings and structures, net	137,956	155,196
Machinery, equipment and vehicles	681,054	761,529
Accumulated depreciation	(542,226)	(611,368)
Machinery, equipment and vehicles, net	138,828	150,161
Land	135,892	155,496
Leased assets	34,221	41,232
Accumulated depreciation	(16,312)	(20,370)
Leased assets, net	17,909	20,862
Construction in progress	19,387	36,219
Other	28,099	33,966
Accumulated depreciation	(21,606)	(25,785)
Other, net	6,493	8,180
Total property, plant and equipment	456,467	526,116
Intangible assets		
Goodwill	27,075	26,751
Other	21,333	20,947
Total intangible assets	48,408	47,698
Investments and other assets		
Investment securities	151,144	156,961
Long-term loans receivable	740	736
Retirement benefit asset	5,423	8,737
Deferred tax assets	2,414	2,409
Other	24,628	31,886
Allowance for doubtful accounts	(909)	(911)
Total investments and other assets	183,442	199,819
Total non-current assets	688,318	773,634
Total assets	1,172,515	1,243,116

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	152,857	155,252
Short-term borrowings	131,820	157,722
Current portion of bonds payable	5,010	55
Lease liabilities	5,512	6,191
Accrued expenses	37,786	38,910
Income taxes payable	13,958	8,972
Provision for bonuses for directors (and other officers)	440	471
Other	44,895	43,903
Total current liabilities	392,280	411,479
Non-current liabilities		
Bonds payable	95,055	95,000
Long-term borrowings	188,061	174,717
Lease liabilities	12,209	14,842
Deferred tax liabilities	30,258	31,435
Provision for retirement benefits for directors (and other officers)	784	860
Provision for share awards for directors (and other officers)	800	997
Retirement benefit liability	10,928	10,661
Other	3,159	2,877
Total non-current liabilities	341,257	331,392
Total liabilities	733,537	742,872
Net assets		
Shareholders' equity		
Share capital	31,066	31,066
Capital surplus	33,663	34,776
Retained earnings	279,627	300,680
Treasury shares	(12,556)	(12,457)
Total shareholders' equity	331,801	354,065
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	44,310	42,210
Foreign currency translation adjustment	41,976	57,241
Remeasurements of defined benefit plans	7,204	10,451
Total accumulated other comprehensive income	93,491	109,903
Non-controlling interests	13,684	36,276
Total net assets	438,978	500,244
Total liabilities and net assets	1,172,515	1,243,116

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	900,791	993,251
Cost of sales	725,409	811,460
Gross profit	175,381	181,790
Selling, general and administrative expenses		
Freight and packing costs	28,860	32,127
Salaries and allowances	38,978	44,962
Amortization of goodwill	3,437	3,685
Other	55,249	63,606
Total selling, general and administrative expenses	126,526	144,382
Operating profit	48,855	37,408
Non-operating income		
Interest income	561	1,065
Dividend income	2,293	2,568
Rental income	681	1,133
Share of profit of entities accounted for using equity method	-	1,884
Other	3,404	3,352
Total non-operating income	6,940	10,004
Non-operating expenses		
Interest expenses	3,254	4,334
Salaries paid to dispatched employees	853	903
Share of loss of entities accounted for using equity method	1,910	-
Other	1,793	2,997
Total non-operating expenses	7,812	8,234
Ordinary profit	47,984	39,178
Extraordinary income		
Gain on bargain purchase	-	5,302
Gain on sale of investment securities	3,681	3,065
Subsidy income	1,320	2,338
Other	681	758
Total extraordinary income	5,683	11,465
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	314	2,354
Loss on sale and retirement of non-current assets	1,365	1,417
Renewal expenses of plants	686	935
Other	1,010	3,149
Total extraordinary losses	3,377	7,856
Profit before income taxes	50,290	42,788
Income taxes - current	17,988	13,082
Income taxes - deferred	(1,855)	(855)
Total income taxes	16,133	12,227
Profit	34,156	30,561
Profit attributable to non-controlling interests	1,130	1,581
Profit attributable to owners of parent	33,025	28,979

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	34,156	30,561
Other comprehensive income		
Valuation difference on available-for-sale securities	8,899	(2,086)
Foreign currency translation adjustment	9,653	10,404
Remeasurements of defined benefit plans, net of tax	3,357	3,485
Share of other comprehensive income of entities accounted for using equity method	4,347	5,458
Total other comprehensive income	26,258	17,261
Comprehensive income	60,415	47,822
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	58,891	45,414
Comprehensive income attributable to non-controlling interests	1,523	2,407

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	31,066	33,597	252,677	(12,167)	305,174
Changes during period					
Dividends of surplus			(5,977)		(5,977)
Profit attributable to owners of parent			33,025		33,025
Purchase of treasury shares				(910)	(910)
Disposal of treasury shares		396		521	918
Other		(330)	(98)		(428)
Net changes in items other than shareholders' equity					
Total changes during period	-	66	26,949	(388)	26,627
Balance at end of period	31,066	33,663	279,627	(12,556)	331,801

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	35,467	28,325	3,827	67,621	12,937	385,732
Changes during period						
Dividends of surplus						(5,977)
Profit attributable to owners of parent						33,025
Purchase of treasury shares						(910)
Disposal of treasury shares						918
Other						(428)
Net changes in items other than shareholders' equity	8,842	13,651	3,376	25,870	747	26,618
Total changes during period	8,842	13,651	3,376	25,870	747	53,245
Balance at end of period	44,310	41,976	7,204	93,491	13,684	438,978

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	31,066	33,663	279,627	(12,556)	331,801
Changes during period					
Dividends of surplus			(8,235)		(8,235)
Profit attributable to owners of parent			28,979		28,979
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		0		100	100
Other		1,113	308		1,421
Net changes in items other than shareholders' equity					
Total changes during period	-	1,113	21,052	98	22,263
Balance at end of period	31,066	34,776	300,680	(12,457)	354,065

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	44,310	41,976	7,204	93,491	13,684	438,978
Changes during period						
Dividends of surplus						(8,235)
Profit attributable to owners of parent						28,979
Purchase of treasury shares						(1)
Disposal of treasury shares						100
Other						1,421
Net changes in items other than shareholders' equity	(2,100)	15,264	3,247	16,411	22,591	39,002
Total changes during period	(2,100)	15,264	3,247	16,411	22,591	61,266
Balance at end of period	42,210	57,241	10,451	109,903	36,276	500,244

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	50,290	42,788
Depreciation	48,761	55,958
Impairment losses	518	571
Amortization of goodwill	3,420	3,668
Gain on bargain purchase	-	(5,302)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(28)	69
Increase (decrease) in provision for share awards for directors (and other officers)	200	197
Increase (decrease) in retirement benefit liability	(1,364)	(3,640)
Interest and dividend income	(2,855)	(3,633)
Interest expenses	3,254	4,334
Share of loss (profit) of entities accounted for using equity method	1,910	(1,884)
Loss (gain) on sale of investment securities	(3,675)	(3,065)
Loss (gain) on valuation of investment securities	158	419
Loss (gain) on sale of property, plant and equipment	(304)	(222)
Loss on retirement of property, plant and equipment	1,621	1,769
Decrease (increase) in trade receivables	(25,297)	24,117
Decrease (increase) in inventories	3,671	(6,119)
Increase (decrease) in trade payables	6,376	(10,351)
Other, net	10,360	(4,242)
Subtotal	97,018	95,430
Interest and dividends received	4,318	5,700
Interest paid	(3,228)	(4,334)
Income taxes paid	(8,479)	(19,787)
Net cash provided by (used in) operating activities	89,628	77,008
Cash flows from investing activities		
Net decrease (increase) in time deposits	(11,988)	4,583
Purchase of property, plant and equipment	(63,975)	(96,121)
Proceeds from sale of property, plant and equipment	845	1,441
Purchase of intangible assets	(1,060)	(2,187)
Purchase of investment securities	(475)	(272)
Proceeds from sale and redemption of investment securities	4,864	4,436
Purchase of shares of subsidiaries and associates	(2,012)	(2,182)
Purchase of investments in capital of subsidiaries and associates	-	(2,522)
Net decrease (increase) in short-term loans receivable	(108)	(1,231)
Long-term loan advances	(323)	(102)
Proceeds from collection of long-term loans receivable	84	105
Subsidies received	-	4,114
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	316
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(7,546)
Purchase of investment in capital of subsidiaries resulting change in scope of consolidation	(1,882)	-
Other, net	0	(115)
Net cash provided by (used in) investing activities	(76,033)	(97,283)

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(6,397)	2,357
Proceeds from long-term borrowings	63,851	39,206
Repayments of long-term borrowings	(37,557)	(35,763)
Proceeds from issuance of bonds	20,000	-
Redemption of bonds	(10,110)	(5,010)
Purchase of treasury shares	(910)	(1)
Proceeds from sale of treasury shares	918	100
Dividends paid	(5,977)	(8,235)
Repayments of lease liabilities	(5,558)	(6,350)
Other, net	(992)	(788)
Net cash provided by (used in) financing activities	17,265	(14,485)
Effect of exchange rate change on cash and cash equivalents	1,934	3,014
Net increase (decrease) in cash and cash equivalents	32,795	(31,745)
Cash and cash equivalents at beginning of period	70,912	103,782
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	74	308
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	(1,794)
Cash and cash equivalents at end of period	103,782	70,551

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes,” etc.)

The Rengo Group has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter the “2022 Revised Accounting Standard”) and other standards from the beginning of the fiscal year ended March 31, 2025. This does not affect the consolidated financial statements.

Regarding the revision to accounting classification of income taxes (taxation on other comprehensive income), the Rengo Group follows the transitional treatment stipulated in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment stipulated in the proviso to Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022).

(Business combinations)

Business combination through acquisition

1. Summary of the combination

(1) Name and business of the company acquired

Name: Mitsui Chemicals Tohcello, Inc.

Business: Manufacturing and sales of packaging-use polyolefin film and foam-molded sheets

(2) Reason for the combination

By making a subsidiary of the Company through after the management integration of Sun·Tox Co., Ltd. and Mitsui Chemicals Tohcello, Inc., the Rengo Group will respond flexibly to changes in the business environment surrounding the plastic packaging materials industry, promote high profitability in the polyolefin film and foamed sheets business, accelerate the development of environment-friendly new products and expand overseas business, which will lead to achieving its sustainable growth strategy.

(3) Date of the combination

April 1, 2024

(4) Legal form of the combination

Acquisition of equity shares for cash consideration

(5) Post-combination name of the acquired company

RM TOHCELLO CO., LTD.

(6) Percentage of voting rights acquired

51.0%

(7) Basis for determining acquiring company

The Company acquired shares of Mitsui Chemicals Tohcello, Inc. from Mitsui Chemicals, Inc. so that the Company will own 51.0% of voting rights of the acquired company after Mitsui Chemicals Tohcello, Inc. absorbed Sun·Tox Co., Ltd.

2. Period for which the financial results of the acquired company are included within the consolidated financial statements

April 1, 2024 to March 31, 2025

3. Acquisition cost and type of consideration paid

Consideration paid for acquisition	Cash	¥10,929 million
Acquisition cost		¥10,929 million

4. Principal acquisition related expenses

Advisory fees, etc.: ¥305 million

5. Amount, cause and amortization of goodwill arising from the acquisition

(1) Amount of gain on bargain purchase

¥5,302 million

(2) Cause

Because the fair value of net assets of the acquired company at the time of the business combination exceeded the acquisition cost, the difference is recorded as gain on bargain purchase

6. Details of the assets acquired and the liabilities assumed at the date of the business combination

Current assets	¥38,212 million
Non-current assets	¥24,005 million
Total assets	¥62,217 million
Current liabilities	¥19,922 million
Non-current liabilities	¥3,897 million
Total liabilities	¥23,820 million

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Company's reportable segments are the business units for which separate financial information is available and which are periodically reviewed by the Board of Directors for the purposes of monitoring to determine the allocation of business resources and evaluate business performance.

To fulfill the multiple needs of packaging as "General Packaging Industry (GPI)," the Companies expanded the business field into flexible packaging and heavy duty packaging also overseas, and had been making plans for a comprehensive strategy about products in each business fields, in addition to the integrated production from paperboard to corrugated boxes. The Company has designated four reportable segments, which are the "Paperboard and Packaging-Related Business," "Flexible Packaging-Related Business," "Heavy Duty Packaging-Related Business," and "Overseas Business" segments, based on the business field.

The "Paperboard and Packaging-Related Business" segment includes manufacturing and sales of paperboard, corrugated board, and corrugated boxes domestically. The "Flexible Packaging-Related Business" segment includes manufacturing and sales of flexible packaging and cellophane domestically. The "Heavy Duty Packaging-Related Business" segment includes manufacturing and sales of heavy duty packaging products domestically. The "Overseas Business" segment includes manufacturing and sales of paperboard, corrugated board, corrugated boxes, flexible packaging, heavy duty packaging and nonwoven products in overseas operations.

2. Method of calculating sales, profit or loss, assets and other material items by reportable segment

Figures for reportable segment income are based on operating income. Internal transactions are based on the current market prices.

3. Information on sales, profit or loss, assets and other material items by reportable segment
For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment					Other Businesses *1	Adjustments *2	Total *3
	Paperboard and Packaging-Related Business	Flexible Packaging-Related Business	Heavy Duty Packaging-Related Business	Overseas Business	Subtotal			
Sales								
Sales to third parties	510,945	121,278	44,348	189,177	865,749	35,041	-	900,791
Intersegment sales and transfers	2,657	528	3,355	5,615	12,156	28,068	(40,224)	-
Total sales	513,602	121,806	47,704	194,792	877,906	63,110	(40,224)	900,791
Segment profit	34,966	4,770	906	6,781	47,425	1,162	267	48,855
Segment assets	815,618	111,762	52,714	305,046	1,285,142	41,604	(154,231)	1,172,515
Other items								
Depreciation and amortization	28,487	4,873	1,604	12,457	47,423	1,354	(72)	48,705
Amortization of goodwill	342	165	69	2,859	3,437	-	-	3,437
Investment in equity method associates	753	-	-	57,552	58,305	1,126	-	59,432
Increase in property, plant and equipment and intangible assets	48,963	4,984	1,820	17,062	72,832	1,115	(114)	73,833

*1 “Other Businesses” are businesses which are not included in reportable segments and include domestic manufacturing and sales of nonwoven products, paper packaging machinery and other businesses such as transport, insurance agency, leasing and real estate.

*2 “Adjustments” were as follows:

- (1) The adjustment of segment profit of ¥267 million was from the elimination of intersegment transactions.
- (2) The adjustment of segment assets of ¥(154,231) million was from the elimination of intersegment transactions.
- (3) The adjustment of depreciation and amortization of ¥(72) million was from the elimination of intersegment transactions.
- (4) The adjustments of increase in property, plant and equipment, and intangible assets of ¥(114) million were from the elimination of intersegment transactions.

*3 The segment profit was reconciled with operating profit in the consolidated statements of income.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment					Other Businesses *1	Adjustments *2	Total *3
	Paperboard and Packaging-Related Business	Flexible Packaging-Related Business	Heavy Duty Packaging-Related Business	Overseas Business	Subtotal			
Sales								
Sales to third parties	514,720	181,614	44,977	213,094	954,406	38,844	-	993,251
Intersegment sales and transfers	2,425	738	4,212	8,791	16,167	33,566	(49,734)	-
Total sales	517,145	182,352	49,190	221,886	970,574	72,411	(49,734)	993,251
Segment profit	23,443	5,062	1,684	4,931	35,122	1,963	322	37,408
Segment assets	781,227	171,494	54,405	353,183	1,360,311	46,600	(163,795)	1,243,116
Other items								
Depreciation and amortization	31,203	7,148	1,394	14,601	54,348	1,520	(90)	55,778
Amortization of goodwill	218	128	34	3,261	3,643	42	-	3,685
Investment in equity method associates	776	-	-	65,595	66,372	1,221	-	67,593
Increase in property, plant and equipment and intangible assets	63,127	8,450	881	25,686	98,147	1,762	(234)	99,675

*1 "Other Businesses" are businesses which are not included in reportable segments and include domestic manufacturing and sales of nonwoven products, paper packaging machinery and other businesses such as transport, insurance agency, leasing and real estate.

*2 "Adjustments" were as follows:

- (1) The adjustment of segment profit of ¥322 million was from the elimination of intersegment transactions.
- (2) The adjustment of segment assets of ¥(163,795) million was from the elimination of intersegment transactions.
- (3) The adjustment of depreciation and amortization of ¥(90) million was from the elimination of intersegment transactions.
- (4) The adjustments of increase in property, plant and equipment, and intangible assets of ¥(234) million were from the elimination of intersegment transactions.

*3 The segment profit was reconciled with operating profit in the consolidated statements of income.

(Per share information)

Net assets per share and the basis of calculation thereof and basic earnings per share and the basis of calculation thereof are shown below.

	As of March 31, 2024	As of March 31, 2025
(1) Net assets per share (yen)	1,716.97	1,872.24
(Basis for calculation)		
Total net assets on the consolidated balance sheets (millions of yen)	438,978	500,244
Total net assets relating to common shares (millions of yen)	425,293	463,968
Main differences		
Non-controlling interests (millions of yen)	13,684	36,276
Total number of issued shares that are common shares (thousand shares)	271,056	271,056
Number of treasury shares that are common shares (thousand shares)	23,355	23,241
Number of common shares used to calculate net assets per share (thousand shares)	247,700	247,814

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
(2) Basic earnings per share (yen)	133.33	116.94
(Basis for calculation)		
Profit attributable to owners of parent (millions of yen)	33,025	28,979
Profit attributable to owners of parent relating to common shares (millions of yen)	33,025	28,979
Average number of common shares outstanding during the period (thousand shares)	247,700	247,808

- (Notes)
1. Diluted earnings per share is not presented for the fiscal year under review as there are no dilutive shares.
 2. Shares of the Company held in the trust account for the Stock Compensation Plan are included in the number of treasury shares (1,873 thousand shares and 1,757 thousand shares for the fiscal years ended March 31, 2024 and 2025, respectively) that are deducted from the total number of issued shares at the end of the fiscal year for the purposes of calculating net assets per share. Shares of the Company held in the trust account for the Stock Compensation Plan are included in the number of treasury shares (1,539 thousand shares and 1,763 thousand shares for the fiscal years ended March 31, 2024 and 2025, respectively) that are deducted from the average number of shares outstanding during the period for the purposes of calculating basic earnings per share.

(Significant subsequent events)

Not applicable.