

Consolidated Financial Results

3Q FY2018 (Apr.-Dec. 2018)

February 6, 2019

Contents	
1	Consolidated Statement of Income (YOY)
2	Breakdown of Changes in Consolidated Operating Income (YOY)
3	Consolidated Balance Sheet
4	Detailed Consolidated Performance (YOY)

1. Consolidated Statement of Income

(Year-on-year)

(billion yen)

	Apr.-Dec. 2017	Apr.-Dec. 2018	YoY	Diff.
Net sales	455.2	495.6	108.9%	40.4
Operating income	13.8	21.0	151.7%	7.2
Ordinary income	15.6	23.0	147.5%	7.4
Extraordinary gain and loss	-1.0	-1.3	-	-0.3
Profit attributable to owners of the parent	9.3	14.9	159.1%	5.6

Main factors underlying extraordinary gain and loss

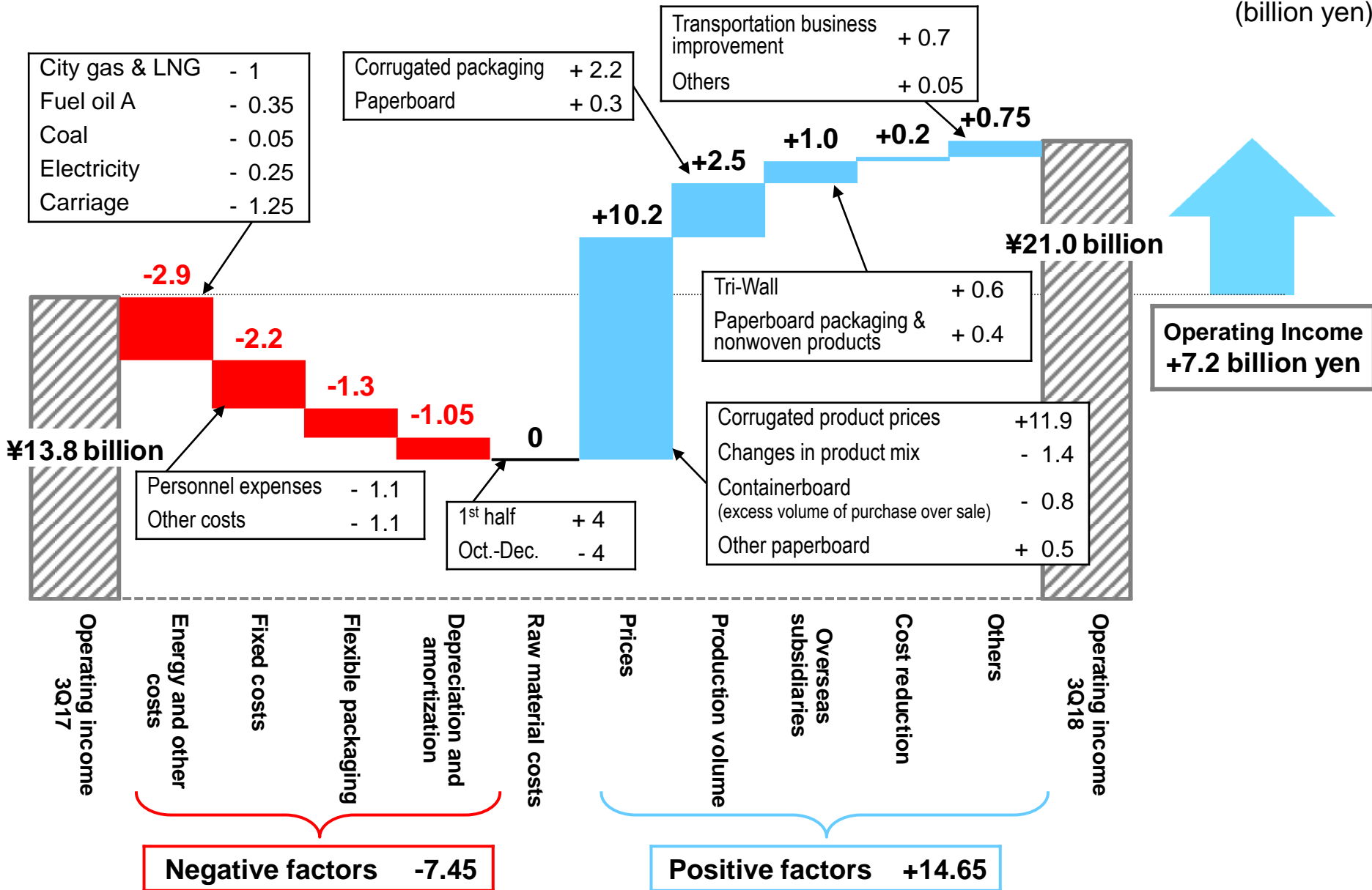
(billion yen)

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

	Apr.-Dec. 2018
(Extraordinary gain)	
Insurance income	0.1
Gain on sales of noncurrent assets	0.1
(Extraordinary loss)	
Loss on liquidation of subsidiaries and associates	0.3
Loss on disaster	0.3
Plant renewal expenses	0.3
Loss on sales/retirement of noncurrent assets	0.2

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

(billion yen)



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

Assets

Liabilities & Net Assets

(billion yen)

747.7

769.0

Current
Assets
265.1

Current
Assets
286.0

Noncurrent
Assets
482.6

Noncurrent
Assets
483.0

Current assets	+ 20.9 [4.1]
Cash and deposits	+ 3.5 [2.1]
Notes and accounts receivable-trade	+ 15.3 [1.6]
Inventories	+ 2.0 [0.3]

Non-current assets	+ 0.4 [8.5]
Property, plant and equipment	+ 7.7 [8.2]
Investments and other assets (Investment securities)	- 6.6 [0.1] - 7.1)

Total assets **+21.3 [12.5]**

747.7

769.0

Current
Liabilities
288.8

Current
Liabilities
292.2

Noncurrent
Liabilities
196.3

Noncurrent
Liabilities
205.8

Net Assets
262.6

Net Assets
271.0

Liabilities	+ 12.9 [7.3]
Notes and accounts payable-trade	+ 15.4 [4.3]

Net assets	+ 8.4 [3.2]
Retained earnings	+ 11.9 [-0.1]
Valuation difference on available-for-sale securities	- 4.5
Foreign currency translation adjustment	- 2.0
Non-controlling interests	+ 3.0 [3.3]

Mar. 31, 2018

Dec. 31, 2018

Mar. 31, 2018

Dec. 31, 2018

* The figures in parenthesis [] indicate increase with the acquisition of Rengo Toppan Containers.

	Mar. 31, 2018	Dec. 31, 2018	
Interest-bearing debt	¥287.3 bn	¥289.9 bn	(+2.6 billion yen)
Capital adequacy ratio	34.1 %	33.9 %	(-0.2 pts)
D/E Ratio	1.13 times	1.11 times	(-0.02 pts)

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

		No. of companies*		Net sales (billion yen)				Ordinary income (million yen)				Containerboard production (1,000 MT)			Corrugated board production (million sqm.)		
		3Q17	3Q18	3Q17	3Q18	YoY %	Diff.	3Q17	3Q18	YoY %	Diff.	3Q17	3Q18	YoY %	3Q17	3Q18	YoY %
1	Rengo (unconsolidated)	1	1	231.0	247.5	107.1	16.5	6,180	11,052	178.8	4,872	1,376	1,388	100.9	1,611	1,681	104.3
2	Paper manufacturing Subs	2	2	20.1	22.3	111.2	2.2	-263	1,997	-	2,260	299	311	104.0			
3	Paperboard packaging Subs	32	33	137.2	151.0	110.1	13.8	2,369	3,522	148.7	1,153				1,489	1,558	104.6
4	Flexible packaging Subs	1	1	43.7	46.6	106.8	2.9	2,898	1,509	52.1	-1,389						
5	Heavy duty packaging Subs	1	1	31.4	33.3	106.1	1.9	2,140	2,033	95.0	-107						
6	Other Subs	5	5	107.5	119.4	111.0	11.9	1,627	2,467	151.6	840						
Domestic total (1 to 6)		42	43	570.8	620.1	108.6	49.3	14,951	22,580	151.0	7,629	1,675	1,699	101.4	3,100	3,238	104.5
7	Paperboard packaging & nonwoven products Subs	9	8	17.3	17.2	99.0	-0.1	216	712	329.6	496				230	204	88.7
8	Flexible packaging Subs	3	3	7.4	7.9	106.5	0.5	771	509	66.0	-262						
9	Heavy duty packaging Subs	88	88	34.2	45.5	133.2	11.3	1,996	3,510	175.9	1,514						
Overseas total (7 to 9)		100	99	58.9	70.6	119.8	11.7	2,983	4,731	158.6	1,748	-	-	-	230	204	88.7
10	Companies subject to the equity method	15	16					1,547	1,797	116.2	250						
Intersegment eliminations				-174.5	-195.1	-	-20.6	-3,880	-6,096	-	-2,216						
Total		157	158	455.2	495.6	108.9	40.4	15,601	23,012	147.5	7,411	1,675	1,699	101.4	3,330	3,442	103.4

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

- One company increased in the domestic paperboard packaging subsidiaries (Rengo Toppan Containers Co., Ltd.).
- One company decreased in the overseas paperboard packaging and nonwoven products subsidiaries (Guangdong Rengo Packaging).
- Three companies increased, and three companies decreased in the overseas heavy duty packaging subsidiaries (each of them belongs to the Tri-Wall Group).
- One company, an affiliate in the Tri-Wall Group, increased in the companies subject to the equity method.

RENGO co., LTD.

Nakanoshima Central Tower, 2-2-7 Nakanoshima, Kita-ku,
Osaka, Japan 530-0005

Tel: +81-6-4706-9648 / 9683

Email: ir@rengo.co.jp

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

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