

Consolidated Financial Results FY2018 (Apr. 2018-Mar. 2019)

May 10, 2019

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1. Consolidated Statement of Income

(Year-on-year)

The General Packaging Industry

(billion yen)

	FY2017	FY2018	YoY	Diff.	FY2018 previous forecast*	A/F	Diff.
Net sales	605.7	653.1	107.8%	47.4	662.0	98.7%	-8.9
Operating income	17.1	25.3	148.1%	8.2	23.0	110.0%	2.3
Ordinary income	23.2	27.5	118.5%	4.3	25.0	109.8%	2.5
Extraordinary gain and loss	0.2	-2.4	-	-2.6	-1.3	-	-1.1
Profit attributable to owners of the parent	16.6	17.2	103.3%	0.6	15.0	114.4%	2.2

*Disclosed on November 2, 2018

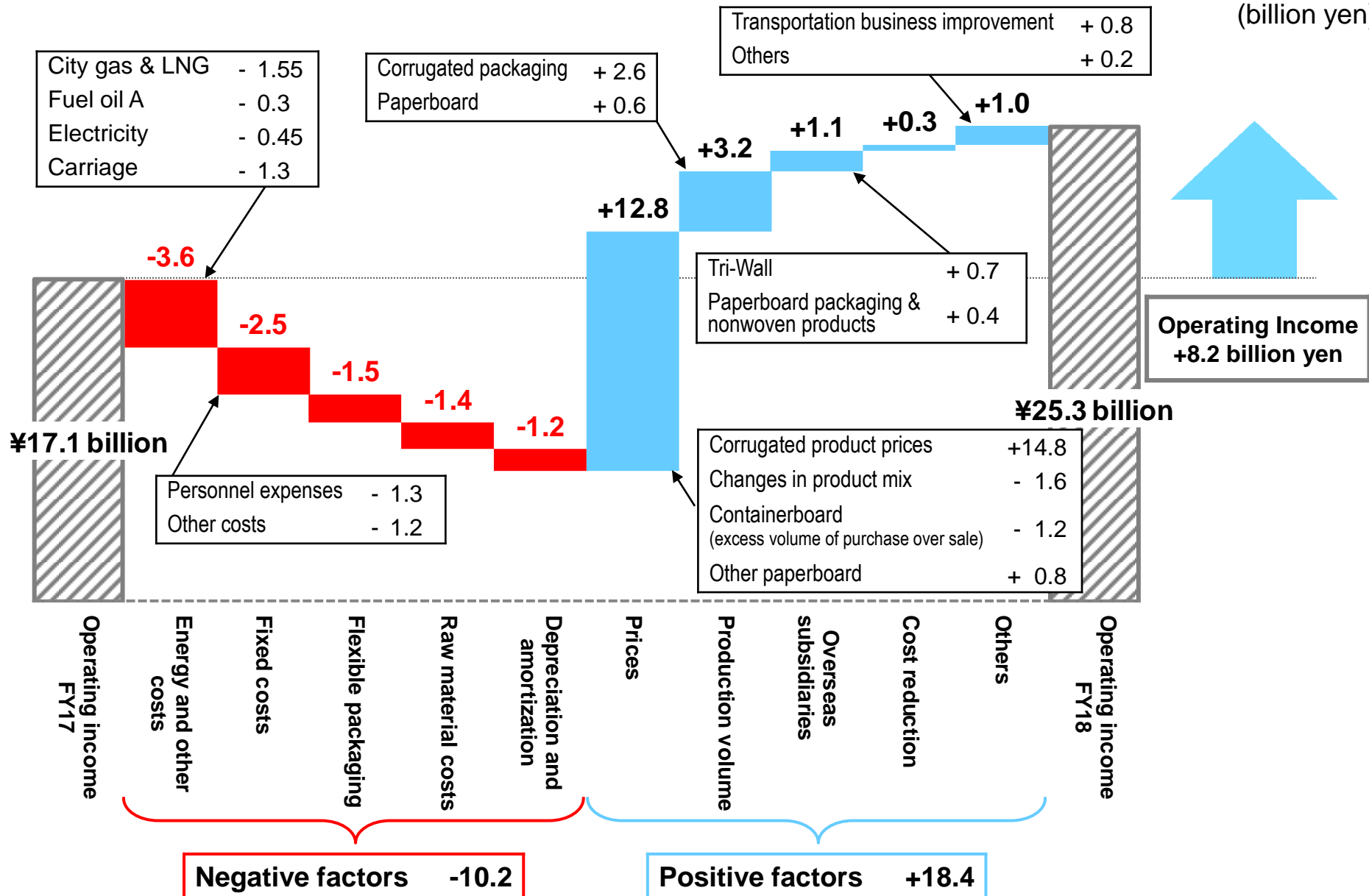
Main factors underlying extraordinary gain and loss

(billion yen)

	FY2017		FY2018
(Extraordinary gain)		(Extraordinary gain)	
Gain on sales of noncurrent assets	1.6	Insurance income	0.1
Gain on sales of investment securities	1.3		
(Extraordinary loss)		(Extraordinary loss)	
Business structure improvement expenses	1.1	Plant renewal expenses	0.7
Loss on sales/retirement of noncurrent assets	0.7	Loss on sales/retirement of noncurrent assets	0.5
		Loss on plant closing	0.4
		Loss on disaster	0.4
		Loss on liquidation of subsidiaries and associates	0.3

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

(billion yen)



3. Consolidated Balance Sheet

Assets

Liabilities & Net Assets

(billion yen)

747.7

769.4

747.7

769.4

Current Assets
265.1

Current Assets
280.2

Current Liabilities
288.8

Current Liabilities
290.3

Noncurrent Assets
482.6

Noncurrent Assets
489.2

Noncurrent Liabilities
196.3

Noncurrent Liabilities
204.4

Net Assets
262.6

Net Assets
274.7

Current assets	+15.1 [3.3]
Cash and deposits	+ 2.9 [1.3]
Notes and accounts receivable-trade	+ 9.6 [1.6]
Inventories	+ 2.8 [0.3]

Non-current assets	+ 6.6 [8.7]
Property, plant and equipment	+10.3 [8.6]
Intangible assets	- 1.4 [0.1]
Investments and other assets (Investment securities)	- 2.3 - 2.9)

Total assets	+21.7 [12.0]
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Liabilities	+ 9.6 [6.8]
Notes and accounts payable-trade	+12.4 [4.1]
Long-term and short-term loans payable	- 8.4
Bonds payable	+ 5.0

Net assets	+12.1 [3.0]
Retained earnings	+14.3 [-0.3]
Valuation difference on available-for-sale securities	- 1.4
Foreign currency translation adjustment	- 3.9
Non-controlling interests	+ 3.2 [3.3]

Mar. 31, 2018

Mar. 31, 2019

Mar. 31, 2018

Mar. 31, 2019

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

	Mar. 31, 2018	Mar. 31, 2019	
Interest-bearing debt	¥287.3 bn	¥283.1 bn	(-4.2 billion yen)
Capital adequacy ratio	34.1 %	34.3 %	(+0.2 pts)
D/E Ratio	1.13 times	1.07 times	(-0.06 pts)
EBITDA	¥49.6 bn	¥59.0 bn	(+9.4 billion yen)

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

		Number of companies*		Net sales (billion yen)				Ordinary income (million yen)				Containerboard production (1,000 MT)			Corrugated board production (million sqm.)		
		FY17	FY18	FY17	FY18	YoY %	Diff.	FY17	FY18	YoY %	Diff.	FY17	FY18	YoY %	FY17	FY18	YoY %
1	Rengo (unconsolidated)	1	1	303.4	324.0	106.8	20.6	6,654	12,569	188.9	5,915	1,814	1,837	101.3	2,094	2,170	103.6
2	Paper manufacturing subsidiaries	2	2	26.3	29.1	110.8	2.8	-278	2,116	-	2,394	382	398	104.2			
3	Paperboard packaging subsidiaries	32	33	181.3	201.5	111.2	20.2	3,281	4,669	142.3	1,388				1,952	2,061	105.6
4	Flexible packaging subsidiaries	1	1	57.6	61.0	105.9	3.4	3,359	1,607	47.8	-1,752						
5	Heavy duty packaging subsidiaries	1	1	41.7	43.6	104.6	1.9	2,633	2,491	94.6	-142						
6	Other subsidiaries	5	5	142.9	158.2	110.7	15.3	2,189	3,168	144.7	979						
Domestic total (1 to 6)		42	43	753.1	817.4	108.5	64.3	17,838	26,620	149.2	8,782	2,196	2,236	101.8	4,045	4,231	104.6
7	Paperboard packaging & nonwoven products Subs.	9	8	24.6	22.7	92.5	-1.9	332	957	288.3	625				308	269	87.3
8	Flexible packaging subsidiaries	3	3	10.2	10.4	102.7	0.2	981	679	69.2	-302						
9	Heavy duty packaging subsidiaries	86	93	48.3	58.9	122.1	10.6	2,636	4,213	159.8	1,577						
Overseas total (7 to 9)		98	104	83.0	92.1	110.9	9.1	3,949	5,849	148.1	1,900	-	-	-	308	269	87.3
10	Companies subject to the equity method	15	16					6,272	2,045	32.6	-4,227						
Intersegment eliminations				-230.4	-256.4	-	-26.0	-4,891	-7,060	-	-2,169						
Total		155	163	605.7	653.1	107.8	47.4	23,168	27,454	118.5	4,286	2,196	2,236	101.8	4,353	4,499	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).
- Eight companies increased, and one company 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.

5. Consolidated Income Statement Forecast for FY2019 (Year-on-year)

(billion yen)

	FY2018	FY2019 Forecasts	YoY	Diff.
Net sales	653.1	700.0	107.2%	46.9
Operating income	25.3	35.0	138.4%	9.7
Ordinary income	27.5	37.0	134.8%	9.5
Profit attributable to owners of the parent	17.2	25.0	145.7%	7.8

Assumption for the forecast

Production volume (domestic) YoY

Containerboard	101.8%	103.5%
Corrugated board	104.6%	105.2%

FX rate*	111	110	yen/US\$
Crude oil price (Dubai)	69	65	US\$/bbl

* Annual average of the spot rate at 17:00 in JST, Tokyo Market

The forecast of the financial results described in this material is based on the information currently available.
The figures indicated above do not constitute a guarantee of future performance.

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