

Consolidated Financial Results

1Q FY2020 (Apr.-June 2020)

August 5, 2020

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1. Consolidated Statement of Income

(Year-on-year)

(billion yen)

	Apr.-June 2019	Apr.-June 2020	YoY	Diff.
Net sales	168.5	164.8	97.8%	-3.7
Operating income	10.9	9.5	87.4%	-1.4
Ordinary income	11.8	10.2	86.3%	-1.6
Extraordinary gain and loss	-0.2	-0.4	-	-0.2
Profit attributable to owners of the parent	8.0	6.9	86.9%	-1.1

Main factors underlying extraordinary gain and loss

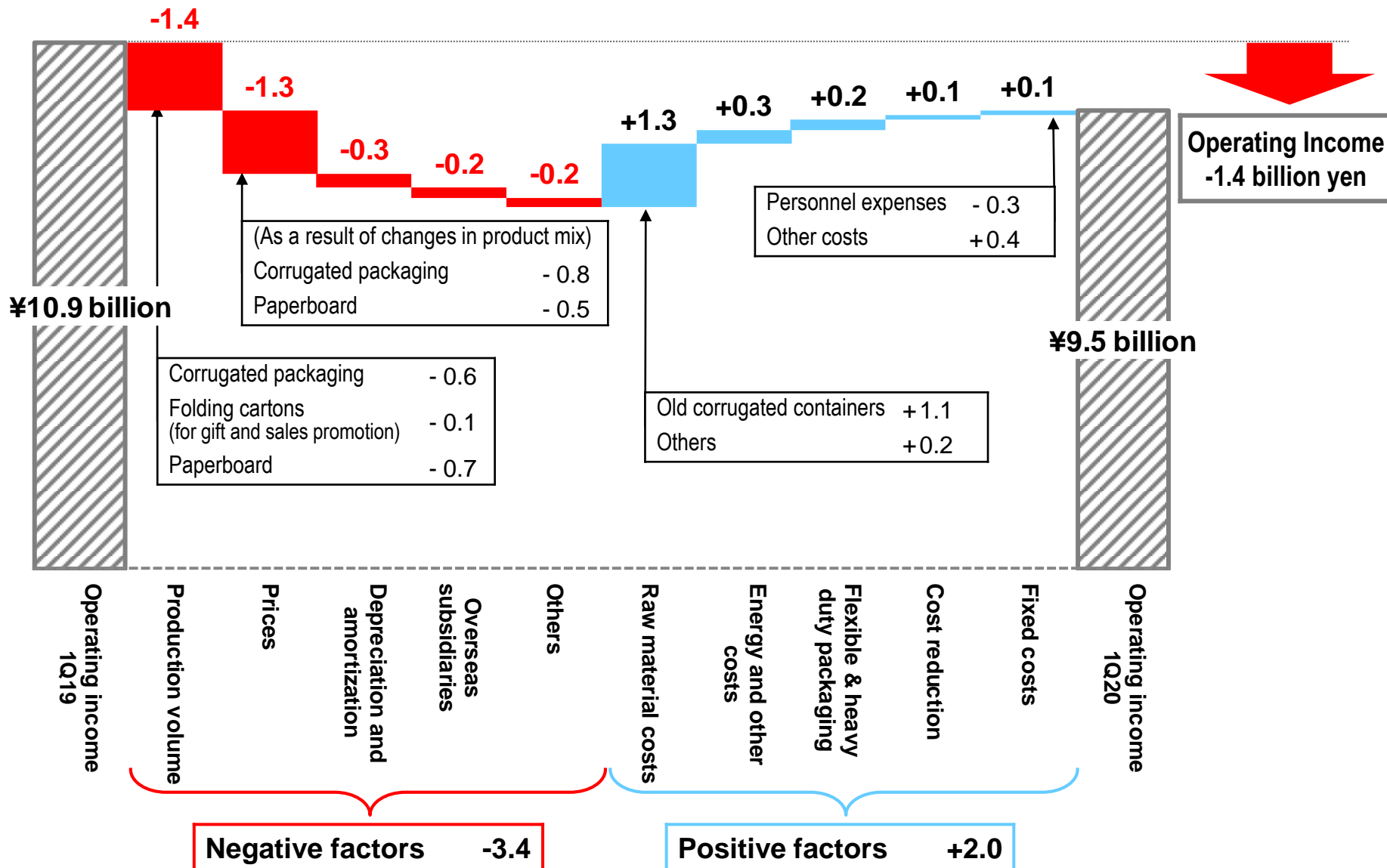
(billion yen)

	Apr.-June 2019
(Extraordinary gain)	
(Extraordinary loss)	
Loss on sales/retirement of noncurrent assets	0.1

	Apr.-June 2020
(Extraordinary gain)	
Gain on sales of investment securities	0.1
(Extraordinary loss)	
Loss on sales/retirement of noncurrent assets	0.2
COVID-19 related expenses	0.2

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

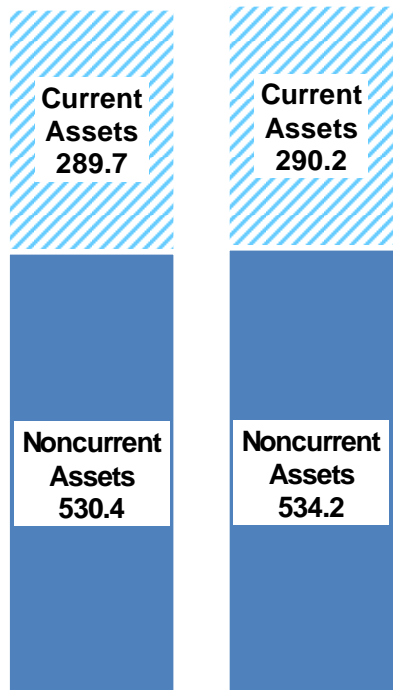
(billion yen)



3. Consolidated Balance Sheet

Assets

820.1 **824.4**



Mar. 31, 2020

June 30, 2020

Current assets	+ 0.5
Notes and accounts receivable-trade	- 2.2
Inventories	+ 2.7

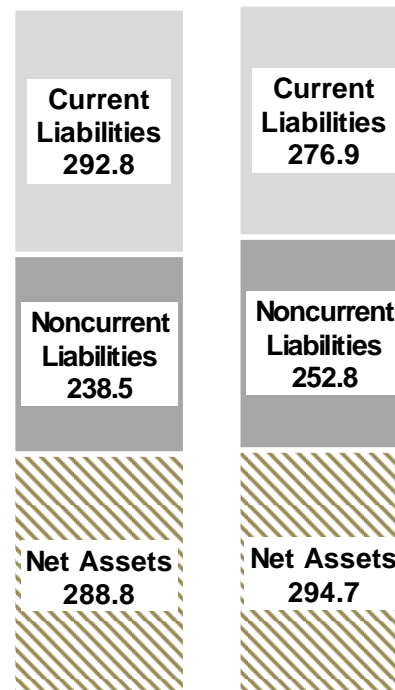
Non-current assets	+ 3.8
Property, plant and equipment	- 1.5
Intangible assets	- 0.8
Investments and other assets (Investment securities)	+ 6.1 (+ 6.5)

Total assets	+ 4.3
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Liabilities & Net Assets

(billion yen)

820.1 **824.4**



Mar. 31, 2020

June 30, 2020

Liabilities	- 1.6
Notes and accounts payable-trade	- 3.5
Long-term and short-term loans payable	+ 9.7
Income taxes payable	- 7.6

Net assets	+ 5.9
Retained earnings	+ 4.0
Valuation difference on available-for-sale securities	+ 5.4
Foreign currency translation adjustment	- 3.3

	Mar. 31, 2020	June 30, 2020	
Interest-bearing debt	¥323.6 bn	¥332.8 bn	(+9.2 billion yen)
Capital adequacy ratio	33.9 %	34.5 %	(+0.6 pts)
D/E Ratio	1.16 times	1.17 times	(+0.01 pts)

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.)		
		1Q19	1Q20	1Q19	1Q20	YoY %	Diff.	1Q19	1Q20	YoY %	Diff.	1Q19	1Q20	YoY %	1Q19	1Q20	YoY %
1	Rengo (unconsolidated)	1	1	84.0	79.0	94.1	-5.0	8,978	8,817	98.2	-161	465	440	94.6	558	534	95.7
2	Paper manufacturing subsidiaries	2	2	7.9	7.3	92.6	-0.6	1,291	1,209	93.6	-82	115	107	93.0			
3	Paperboard packaging subsidiaries	33	35	53.0	50.9	96.2	-2.1	1,365	555	40.7	-810				527	519	98.5
4	Flexible packaging subsidiaries	1	1	15.8	16.2	102.2	0.4	692	783	113.2	91						
5	Heavy duty packaging subsidiaries	1	3	10.4	11.5	110.8	1.1	822	1,051	127.9	229						
6	Other subsidiaries	5	5	41.6	39.0	93.9	-2.6	776	638	82.2	-138						
Domestic total (1 to 6)		43	47	212.6	204.0	95.9	-8.6	13,924	13,053	93.7	-871	580	547	94.3	1,085	1,053	97.1
7	Paperboard packaging & nonwoven products Subs.	9	9	5.5	4.3	78.3	-1.2	145	-63	-	-208				70	61	87.1
8	Flexible packaging subsidiaries	3	3	2.9	2.8	96.2	-0.1	244	249	102.0	5						
9	Heavy duty packaging subsidiaries	95	102	15.0	19.0	126.4	4.0	856	1,193	139.4	337						
Overseas total (7 to 9)		107	114	23.4	26.1	111.4	2.7	1,245	1,379	110.8	134	-	-	-	70	61	87.1
10	Companies subject to the equity method	16	16					406	343	84.5	-63						
Intersegment eliminations				-67.5	-65.3	-	2.2	-3,807	-4,617	-	-810						
Total		166	177	168.5	164.8	97.8	-3.7	11,768	10,158	86.3	-1,610	580	547	94.3	1,155	1,114	96.5

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

- Two companies increased in the domestic paperboard packaging subsidiaries (Takedashiki Co., Ltd. and Tarutani Packaging Co., Ltd.).
- Two companies increased in the domestic heavy duty packaging subsidiaries (Tarutani Industrial Packaging Corporation and Sanyo Kakoshi Co., Ltd.).
- Seven companies increased in the overseas heavy duty packaging subsidiaries (each of them belongs to the Tri-Wall Group including TRICOR Packaging & Logistics and Gutmann).

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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.