

Consolidated Financial Results

2Q FY2020 (Apr.-Sept. 2020)

October 30, 2020

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1. Consolidated Statement of Income

(Year-on-year)

(billion yen)

	Apr.-Sept. 2019	Apr.-Sept. 2020	YoY	Diff.
Net sales	338.0	329.4	97.5%	-8.6
Operating income	21.2	17.8	84.0%	-3.4
Ordinary income	22.3	19.3	86.6%	-3.0
Extraordinary gain and loss	-0.9	-0.8	-	0.1
Profit attributable to owners of the parent	14.9	13.0	87.3%	-1.9

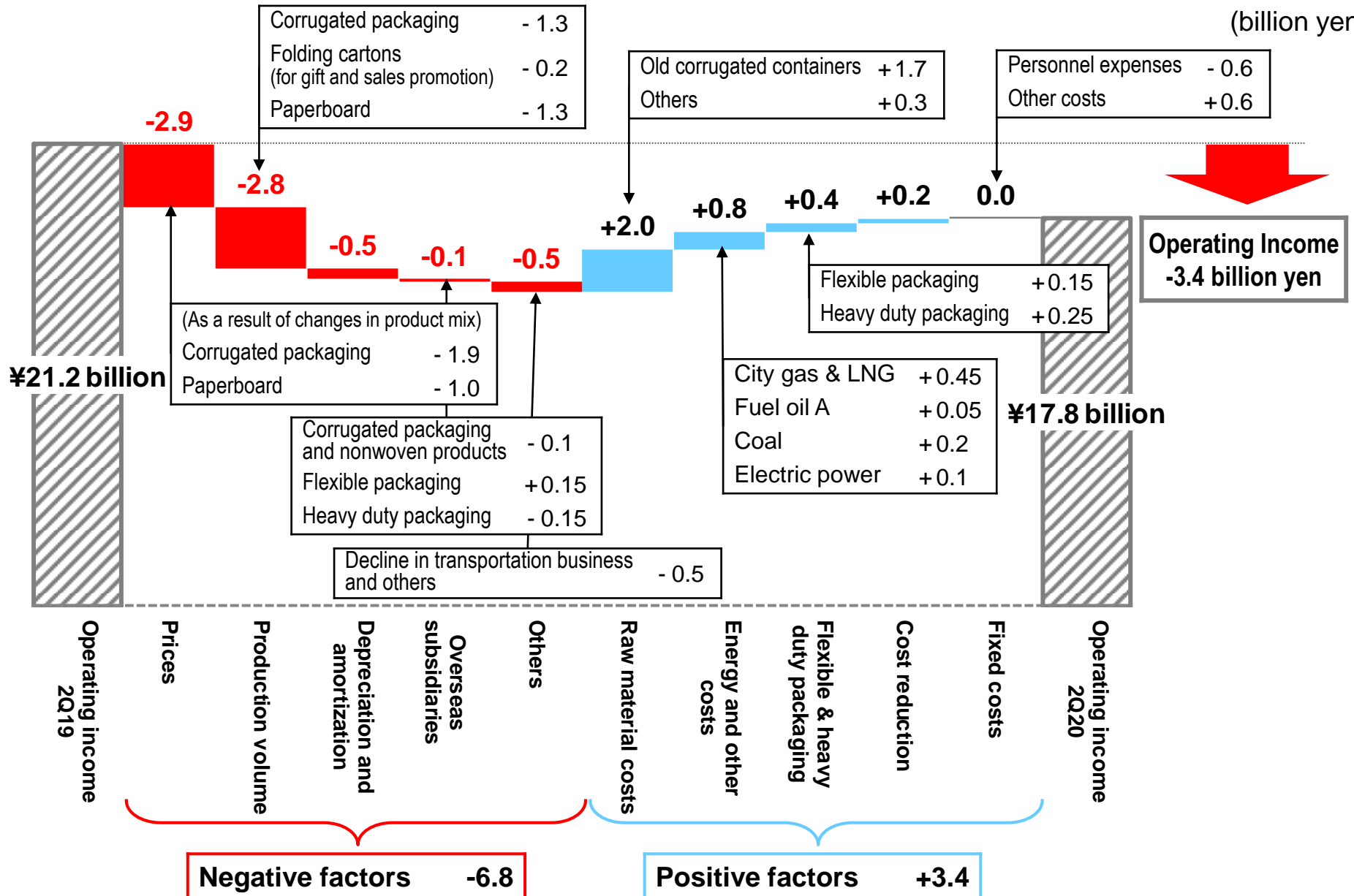
Main factors underlying extraordinary gain and loss

(billion yen)

	Apr.-Sept. 2019		Apr.-Sept. 2020
(Extraordinary gain)		(Extraordinary gain)	
Insurance income	0.2	Gain on sales of investment securities	0.1
		Insurance income	0.1
(Extraordinary loss)		(Extraordinary loss)	
Loss on sales/retirement of noncurrent assets	0.4	Loss on sales/retirement of noncurrent assets	0.6
Loss on plant closing	0.3	COVID-19 related expenses	0.2
Plant renewal expenses	0.3	Loss on valuation of investment securities	0.1
Loss on disaster	0.1	Plant renewal expenses	0.1

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

(billion yen)



3. Consolidated Balance Sheet

Assets

Liabilities & Net Assets

(billion yen)

820.1

836.0

Current Assets
289.7

Current Assets
297.9

Noncurrent Assets
530.4

Noncurrent Assets
538.1

Current assets	+ 8.2
Cash and deposits	+12.4
Notes and accounts receivable-trade	- 4.0

Non-current assets	+ 7.7
Property, plant and equipment	+ 1.2
Intangible assets	- 1.6
Investments and other assets (Investment securities)	+ 8.1 (+ 8.0)

Total assets **+15.9**

Mar. 31, 2020

Sept. 30, 2020

820.1

836.0

Current Liabilities
292.8

Current Liabilities
289.3

Noncurrent Liabilities
238.5

Noncurrent Liabilities
245.4

Net Assets
288.8

Net Assets
301.3

Liabilities	+ 3.4
Notes and accounts payable-trade	- 6.8
Long-term and short-term loans payable	+18.1
Bonds payable	- 5.1

Net assets	+12.5
Retained earnings	+10.0
Valuation difference on available-for-sale securities	+ 5.8
Foreign currency translation adjustment	- 3.1

Mar. 31, 2020

Sept. 30, 2020

	Mar. 31, 2020	Sept. 30, 2020	
Interest-bearing debt	¥323.6 bn	¥336.8 bn	(+13.2 billion yen)
Capital adequacy ratio	33.9 %	34.8 %	(+0.9 pts)
D/E Ratio	1.16 times	1.16 times	-

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.)		
		2Q19	2Q20	2Q19	2Q20	YoY %	Diff.	2Q19	2Q20	YoY %	Diff.	2Q19	2Q20	YoY %	2Q19	2Q20	YoY %
1	Rengo (unconsolidated)	1	1	168.6	159.2	94.4	-9.4	13,432	12,066	89.8	-1,366	909	865	95.2	1,105	1,068	96.7
2	Paper manufacturing subsidiaries	2	2	15.7	14.2	90.5	-1.5	2,448	1,997	81.6	-451	212	204	96.2			
3	Paperboard packaging subsidiaries	33	35	107.9	102.5	95.1	-5.4	3,463	2,654	76.6	-809				1,054	1,031	97.8
4	Flexible packaging subsidiaries	1	1	31.6	32.2	101.8	0.6	1,323	1,445	109.2	122						
5	Heavy duty packaging subsidiaries	1	3	21.7	23.3	107.5	1.6	1,284	1,643	128.0	359						
6	Other subsidiaries	5	5	83.0	77.4	93.3	-5.6	1,486	1,138	76.6	-348						
Domestic total (1 to 6)		43	47	428.5	408.9	95.4	-19.6	23,436	20,943	89.4	-2,493	1,120	1,069	95.4	2,159	2,098	97.2
7	Paperboard packaging & nonwoven products Subs.	9	9	10.6	9.3	87.3	-1.3	364	132	36.3	-232				143	131	91.6
8	Flexible packaging subsidiaries	3	3	5.4	5.8	106.1	0.4	500	641	128.2	141						
9	Heavy duty packaging subsidiaries	95	103	28.0	34.6	123.5	6.6	1,464	1,934	132.1	470						
Overseas total (7 to 9)		107	115	44.1	49.6	112.6	5.5	2,328	2,707	116.3	379	-	-	-	143	131	91.6
10	Companies subject to the equity method	16	16					981	1,357	138.3	376						
Intersegment eliminations				-134.6	-129.1	-	5.5	-4,426	-5,681	-	-1,255						
Total		166	178	338.0	329.4	97.5	-8.6	22,319	19,326	86.6	-2,993	1,120	1,069	95.4	2,302	2,229	96.8

* 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.).
- Eight 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.