

# Rengo Group's Initiatives

The General Packaging Industry RENGO

Management Conference on May 26, 2023,  
Rengo Co., Ltd.

It is strictly prohibited to duplicate, use, or disclose to a third party all or part of the information contained in this document without permission.  
© 2023 Rengo Co., Ltd. All rights reserved.



# Contents

<b>Financial Report</b>	Financial results for FY2022 / forecasts for FY2023	3
<b>ESG Management</b>	ESG policies and plans leading to Corporate Philosophy	4
	Progress of Eco Challenge 2030	5
	Initiatives to reduce CO <sub>2</sub> emissions	6
	Developing chemical products and cellulose products	7
	Promoting DX in logistics	8
<b>M&amp;A Strategy</b>	Value chain enhancement through vertical integration	9
	Promoting group management (domestic)	10
	Growth strategy for group management (domestic)	11
	Promoting group management (overseas)	12
	Tri-Wall Group (overseas)	13

# Financial results for FY2022 / forecasts for FY2023

## FY2022

(Unit: billion yen)

Full year results		YoY	
Net sales	846.1	+99.2	113.3%
Operating profit	26.0	-7.3	78.0%
Ordinary profit	28.7	-7.9	78.3%
Profit attributable to owners of parent	20.4	-7.8	72.5%

- Personnel expenses increase
- Amortization and depreciation increase

- Revision of prices
- Increase in number of consolidated subsidiaries

## FY2023

(Unit: billion yen)

Full year forecasts		YoY	
	930.0	+83.9	109.9%
	47.0	+21.0	181.1%
	49.0	+20.3	170.8%
	32.0	+11.6	156.7%

# ESG policies and plans leading to Corporate Philosophy

## Environment

- Taking initiatives on environmental conservation efforts



Rengo Group Environmental Charter

“Less is more.”

Eco Challenge 2030

Rengo Group Environment Action 2050

## Social

- Earning the trust and satisfaction of our customers through dynamic business activities
- Contributing to society as a good corporate citizen
- Respecting the value of individual employees and striving to create safe and congenial work environments



## Supply Chain

- Rengo Group's Fundamental Policy on Procurement
- Procurement Policy for Wood Pulp
- Conflict Minerals Policy
- Statement attesting the Voluntary Action for Achieving Sustainable Logistics
- CS Action Policies / Quality Policy
- Basic Disaster Policy
- Declaration of Partnership Building
- Multi-Stakeholder Policy

## Human capital

- Rengo Group Human Rights Policy
- Rengo Good Health Declaration
- Action Plan for Empowering Female Workers
- Work Style Reform Action Plans
- Declaration of Work Style Reform
- Health and Safety Policy

## Governance

- Disclosing information proactively and accurately
- Acting always with integrity, maintaining high ethical standards and ensuring strict legal compliance



Basic Policy on the Protection of Personal Information

Fundamental Policy on Information Disclosure

Basic Policy on the Protection of Specific Personal Information


Fundamental Policy on Information Security

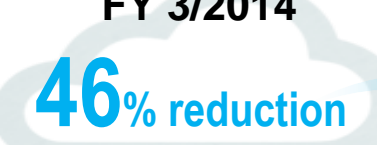
# Progress of Eco Challenge 2030

Items	FY 3/2023 <small>*provisional</small>		FY 3/2031
	Plans/targets	Results*	Targets
<b>CO<sub>2</sub> emissions derived from fossil fuels</b> <small>(Consolidated companies in Japan subject of the Act on the Rational Use of Energy)</small>	2% reduction <small>(compared to FY3/2014)</small>	<b>6.6%</b> reduction <small>(compared to FY3/2014)</small>	46% reduction <small>(compared to FY3/2014)</small>
<b>Energy intensity (five-year average)</b> <small>(Consolidated companies in Japan subject of the Act on the Rational Use of Energy)</small>	1% reduction per year	<b>2.7%</b> reduction per year	<b>1%</b> reduction per year
<b>Recovered paper utilization rate for paperboard</b> <small>(Paperboard manufacturing sites of consolidated companies in Japan)</small>	98% or more	<b>98.5%</b>	<b>98%</b> or more
<b>Effective utilization rate of waste</b> <small>(Manufacturing sites of consolidated companies in Japan)</small>	Increase in effective utilization rate	<b>98.3%</b>	<b>99%</b> or more
<b>Viscopearl<sup>®</sup> production volume</b>	65 tons/year or more	<b>44</b> tons/year	<b>200 tons</b> /year or more
<b>Adoption of REBIOS<sup>®</sup></b> <small>(Consolidated companies in Japan)</small>	5 projects <small>(by FY3/2023)</small>	<b>5 projects</b>	—
<b>Establishment of GPI Rengo's Sustainable Packaging Certification Standards</b> <small>(Consolidated companies in Japan)</small>	Establishment of certification standards	<b>In progress</b>	—
<b>Average basis weight of corrugated board</b> <small>(Corrugated board manufacturing sites of consolidated companies in Japan)</small>	0.5% reduction per year	<b>0.3%</b> reduction per year	<b>0.5%</b> reduction per year
<b>Implementation of water risk assessments and evaluations at manufacturing sites</b> <small>(Manufacturing sites of consolidated companies in Japan and overseas)</small>	Implementation of assessments	<b>Assessments implemented</b>	—
<b>Intensity of CO<sub>2</sub> emissions from the transportation of corrugated board/boxes</b>	3.8% reduction <small>(compared to FY3/2014)</small>	<b>3.4%</b> reduction	<b>13%</b> reduction

# Initiatives to reduce CO2 emissions

**Targets**

Compared to FY 3/1990  
  
 23% reduction  
 Eco Challenge 020

Compared to FY 3/2014  
  
 46% reduction  
 Eco Challenge 2030

**GHG emissions reduction target**  
  
 Net zero



**Environmental investments**

2022 (Tonegawa Div.)  
 A new biomass boiler  
 90 kt-CO<sub>2</sub> per year reduction

2024 (Tonegawa Div.)  
 Gas engine  
 7 kt-CO<sub>2</sub> per year reduction

2026 (Taiko Paper Mfg.)  
 Unit05 conversion  
 20 kt-CO<sub>2</sub> per year reduction

2027 (Yashio Mill)  
 Unit02 biomass boiler power generation equipment  
 25 kt-CO<sub>2</sub> per year reduction



**2026 (Kanazu Mill)**

**Energy transformation**  
 (from **coal** to **LNG**) to reduce  
**130** kt-CO<sub>2</sub> per year  
 Investment amount  
 9.4 billion yen

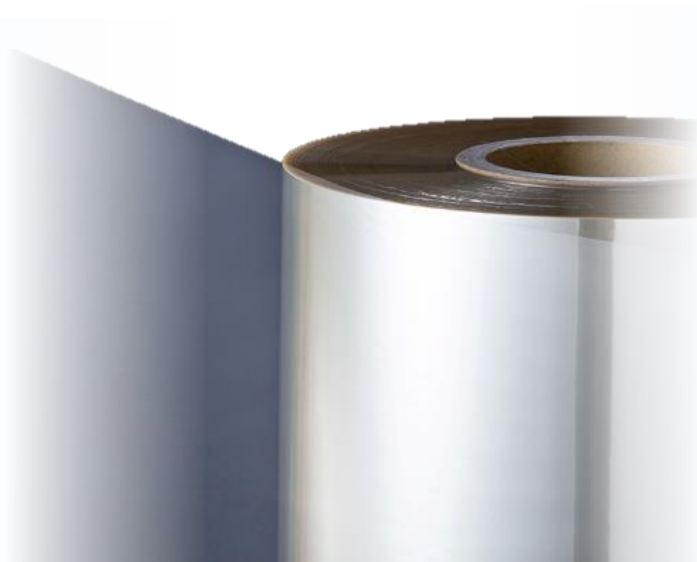
**Rengo**  
 achieves **ZERO-coal**  
 consumption

**2027 (Marusan Paper Mfg.)**

**Energy transformation**  
 (from **coal** to **LNG**) to reduce  
**48** kt-CO<sub>2</sub> per year  
 Investment amount  
 9.6 billion yen

**Rengo Group**  
 achieves **ZERO-coal**  
 consumption

# Developing chemical products and cellulose products



Cellophane



REBIOS®



Viscopearl®

- April 1, 2023  
**Chemical Products and Cellulose Products Development Group** launched as a new business unit
- The new unit leads cross-divisional projects including marketing to new business prospects, planning and promoting new businesses (e.g. recycling plastic waste), commercializing new products, etc.



SAFLON®



From Bioethanol to **SAF**



## Promoting DX in logistics

Promoting DX in order to achieve “White Logistics” (sustainable logistics) and to tackle the 2024 problem in the logistics industry

“Catmotion” on-site truck management system



The order controlling system for truck loading achieves smooth operation management working in conjunction with other systems.



Automated warehouse and unmanned clamp-type forklifts

Unmanned clamp-type forklifts can carry one ton of paperboard and save manpower in 24-hour automated operation.



Driver's waiting time

**Promoting DX achieved**  
**50%** reduction

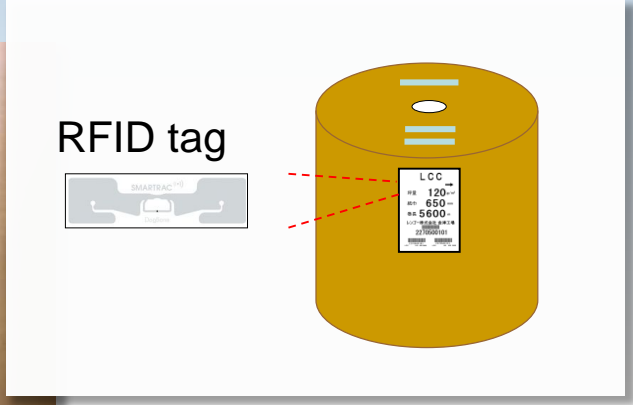
App for containerboard picking

Working in conjunction with truck operation, this application is used for checking/sharing load details and handling status on the specialized devices.



Product management using RFID

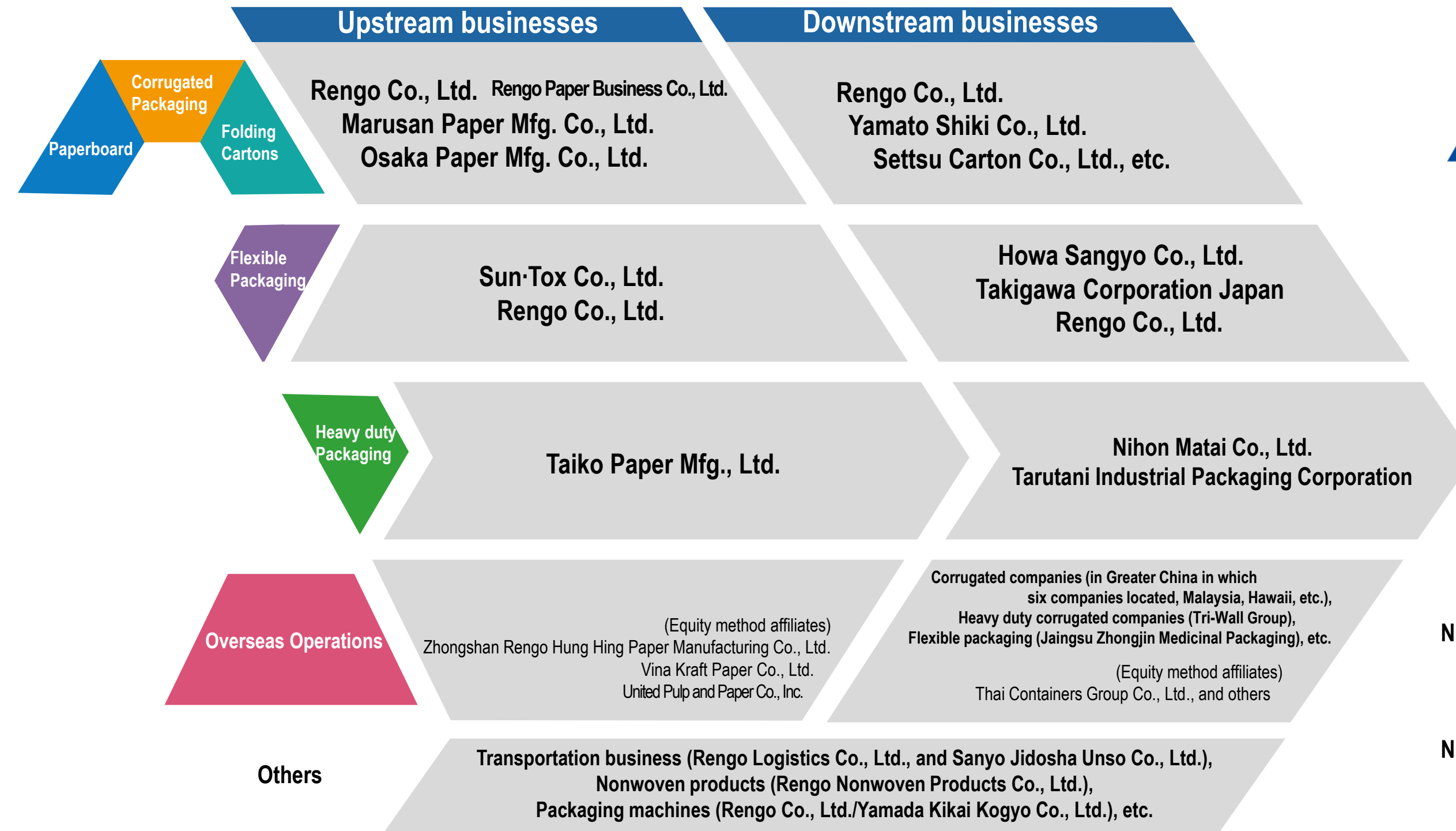
As far as the radio waves can reach, non-contact device can scan several RFID tags at once.



Tackling the 2024 problem towards “White Logistics”



# Value chain enhancement through vertical integration



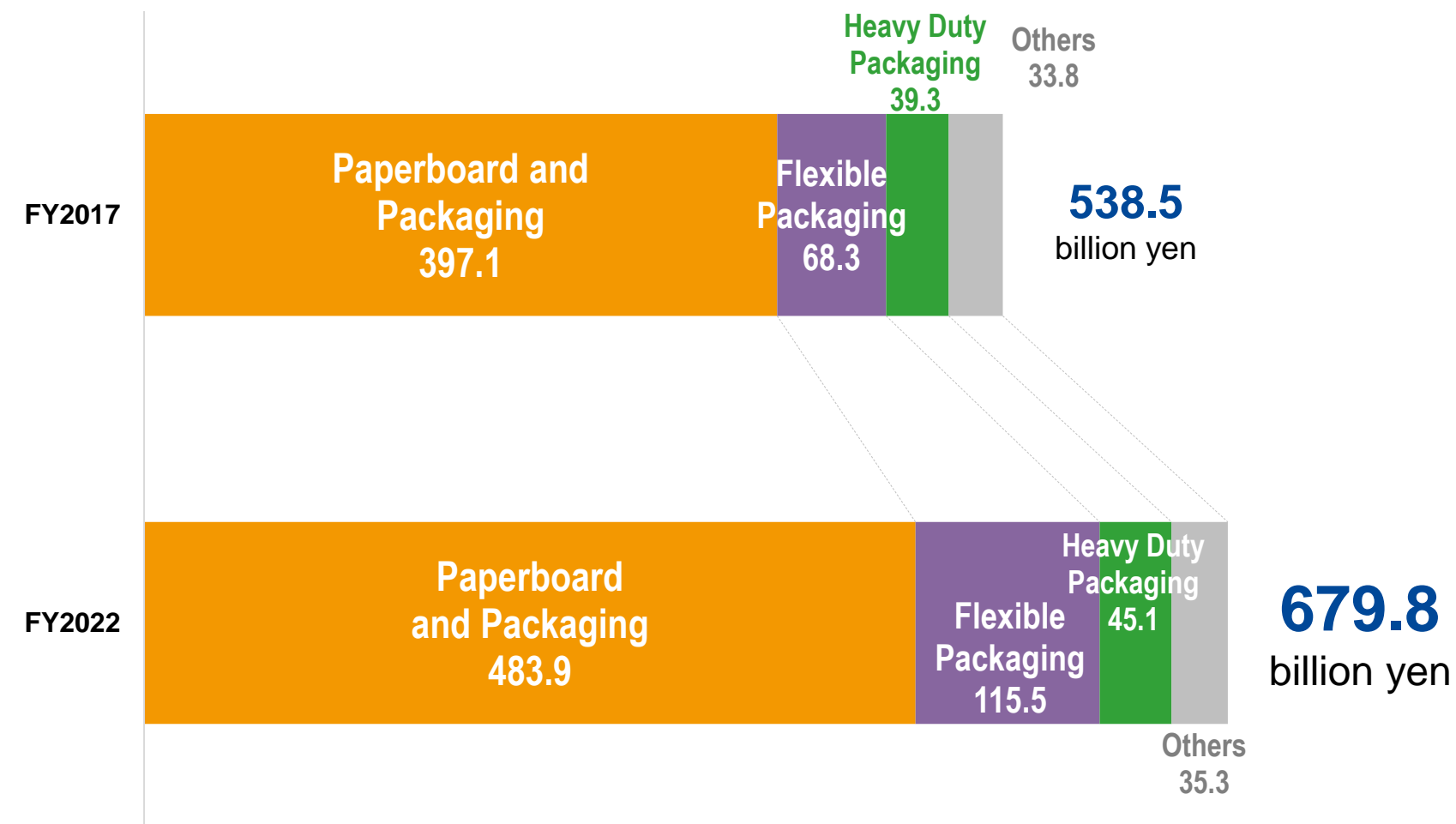
Number of consolidated companies\*  
**185** (52 domestic, 133 overseas)

Number of companies subject to the equity method\*  
**17** (2 domestic, 15 overseas)

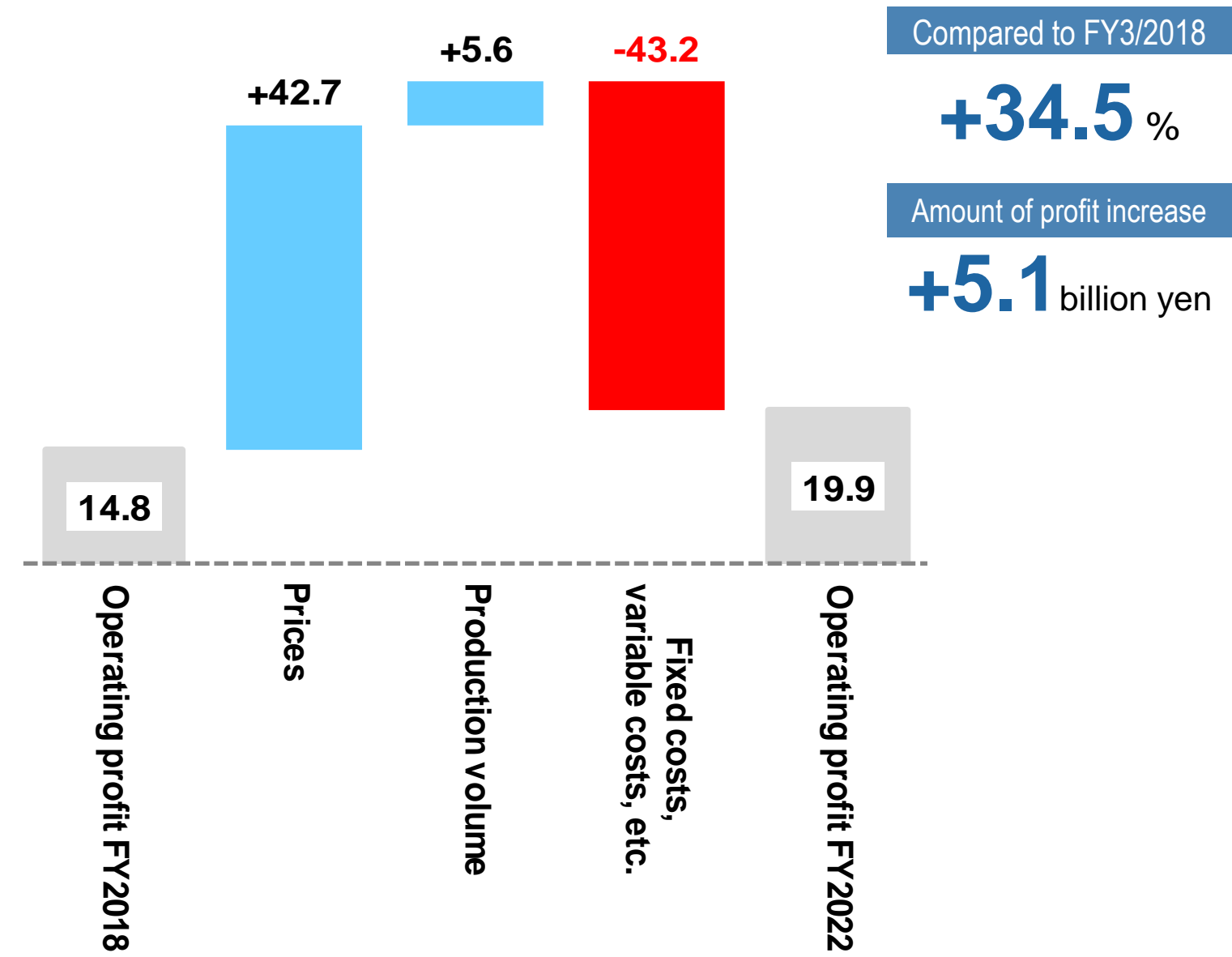
\* Parent company, subsidiaries and affiliates as of March 31, 2023

# Promoting group management (domestic)

Net sales by business segment (domestic)






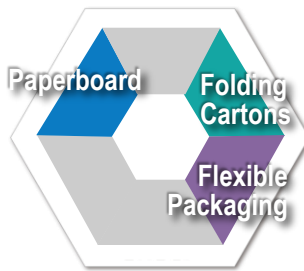

Breakdown of changes in consolidated Operating Profit (domestic)



Aiming to ensuring **the desirable scale** and **profitability** for **each core business** within our **hexagonal business structure**

Achieve both **profitability improvement** and **volume growth**

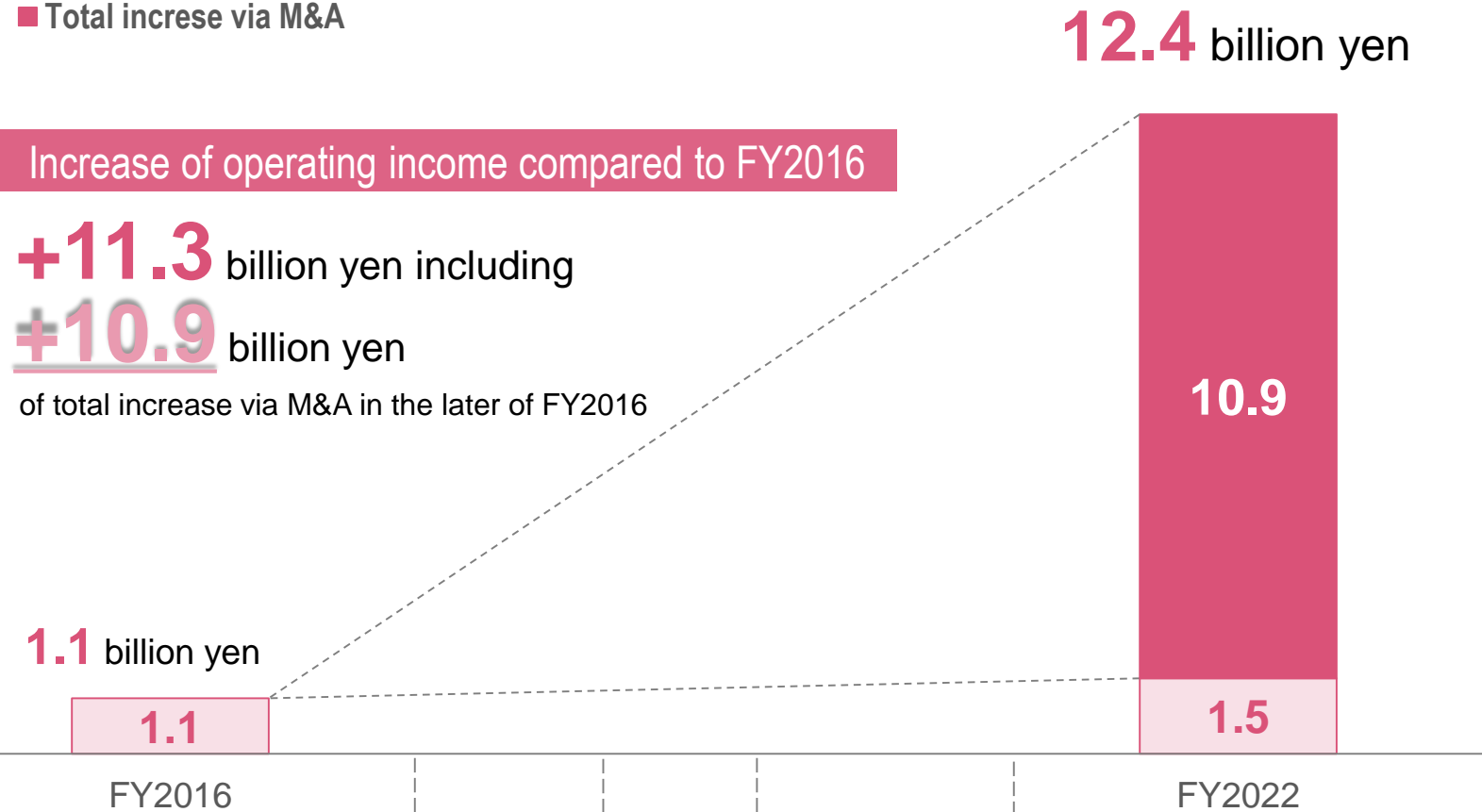
## Growth strategy for group management (domestic)

	2018	2019	2020	2021	2022	
<b>M&amp;A</b>						
	<b>Paperboard and Corrugated Packaging</b>	● RG Containers Co., Ltd.	● Takedashiki Co., Ltd.	● Kinyosha Printing Co., Ltd. ● Taiko Paper Mfg., Ltd.	● Hiropax Co., Ltd.	
	<b>Flexible Packaging</b>			● Sun-Tox Co., Ltd.	(● Kinyosha Printing Co., Ltd.)	● Takigawa Corporation Japan
	<b>Heavy Duty Packaging</b>		● Tarutani Industrial Packaging Corporation Sanyo Kakoshi Co., Ltd.			
<b>Capital investments</b>	<b>Paperboard and Corrugated Packaging</b>	<b>Rengo</b> modifies a paper machine	<b>Rengo</b> installs a digital pre-printing machine <b>RG Containers</b> renovates Saitama Plant	<b>Sanko</b> builds new plant	<b>RG Containers</b> improves die-cutting and finishing lines	<b>Settsu Carton</b> renovates Yashio Plant
	<b>Flexible Packaging</b>	<b>Howa Sangyo</b> completes construction of new factory building at Narashino Factory		<b>Howa Sangyo</b> installs additional nine-color gravure printing machine	<b>Howa Sangyo</b> installs additional laminating machine	<b>Howa Sangyo</b> installs additional nine sandwich bag making machines
	<b>Heavy Duty Packaging</b>		<b>Nihon Matai</b> renovates Hyogo Plant			
	<b>Others</b>	<b>Sanyo Jidosha Unso</b> completes construction of new Kyoto Branch Yashio Logistics Center opened		<b>Sanyo Jidosha Unso</b> renovates Hiroshima Branch	Yodogawa Logistics Center opened Yashio Second Logistics Center opened	

# Promoting group management (overseas)

## Operating income in the Overseas Business (simple aggregation base)

- Operating income (consolidated subsidiaries in FY2016)
- Total increase via M&A



Increase of operating income compared to FY2016

**+11.3** billion yen including  
**+10.9** billion yen  
of total increase via M&A in the later of FY2016

Major M&A\*

Q4/FY2017  
Tri-Wall Group

Q1/FY2019  
Settsu Carton Vietnam

Q2/FY2019  
TRICOR Group

Q1/FY2022  
Rengo Europe  
TPS Group  
Takigawa Group

\* Each period listed indicates the beginning of inclusion in the consolidated profit

## Sales by product (simple aggregation base)



Increase of sales compared to FY2016  
**172.4** billion yen

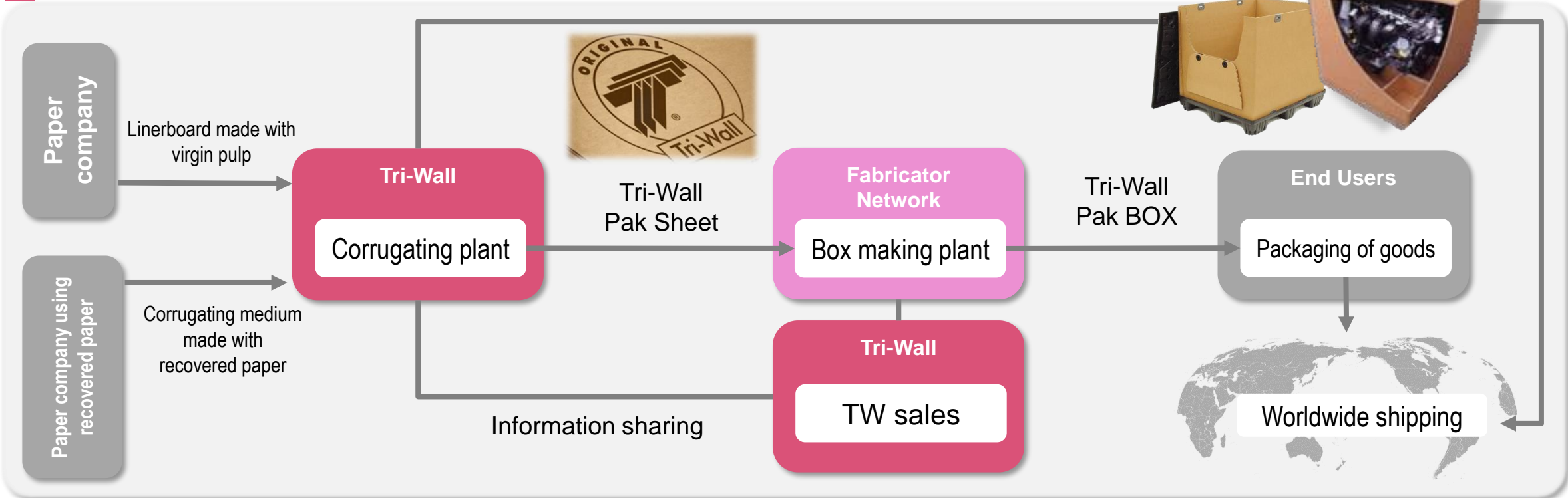
Tri-Wall Group and the businesses on heavy duty corrugated packaging drives our growth

# Tri-Wall Group (overseas)

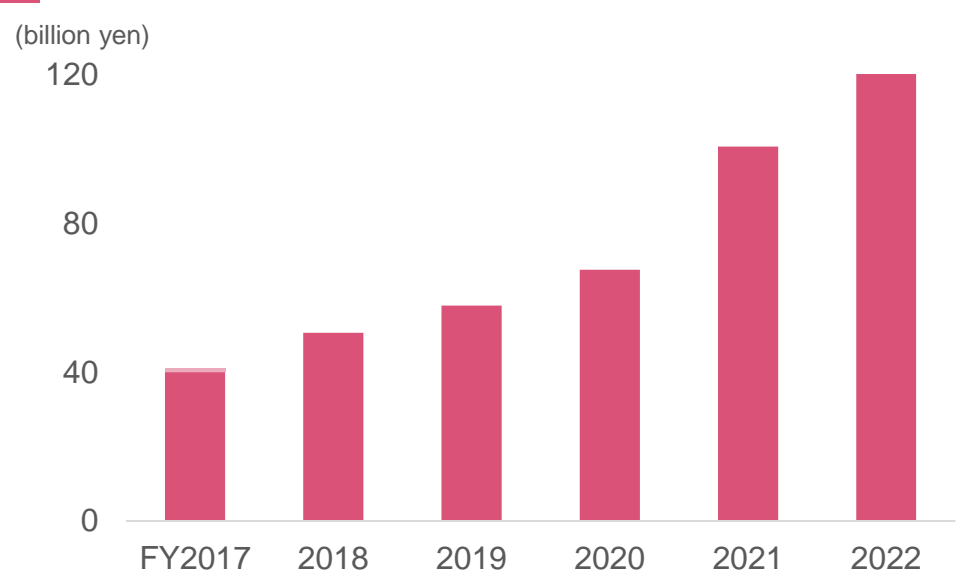
## Group Organisation



## Production & supply flow (International Follow-Up System)



## Tri-Wall Group's sales (simple aggregation base)



## TRICOR Packaging & Logistics to construct new plant

Tri-Wall Limited and a Tri-Wall's subsidiary TRICOR Packaging & Logistics AG have decided to construct a new TRICOR plant in Germany.

### Overview of the new plant

Location	Nordrhein-Westfalen in northwestern Germany
Total site area	Approx. 166,000 sqm
Products	Heavy duty corrugated board/boxes
Investment amount	Approx. 170 million euros (Approx. 24.6 billion yen)
Construction completion	In July 2025 (expected)



Conceptual image of new plant on completion



Nakanoshima Central Tower 25-27F, 2-2-7 Nakanoshima, Kita-ku,  
Osaka, Japan 530-0005

Email: [ir@rengo.co.jp](mailto:ir@rengo.co.jp)

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

“Less is more.”

The development of packaging using less resources to generate more value,  
the fundamental concept of Rengo’s approach to packaging innovation.

“Less energy consumption”

“Less carbon emissions”

“High quality products with more value-added”

