

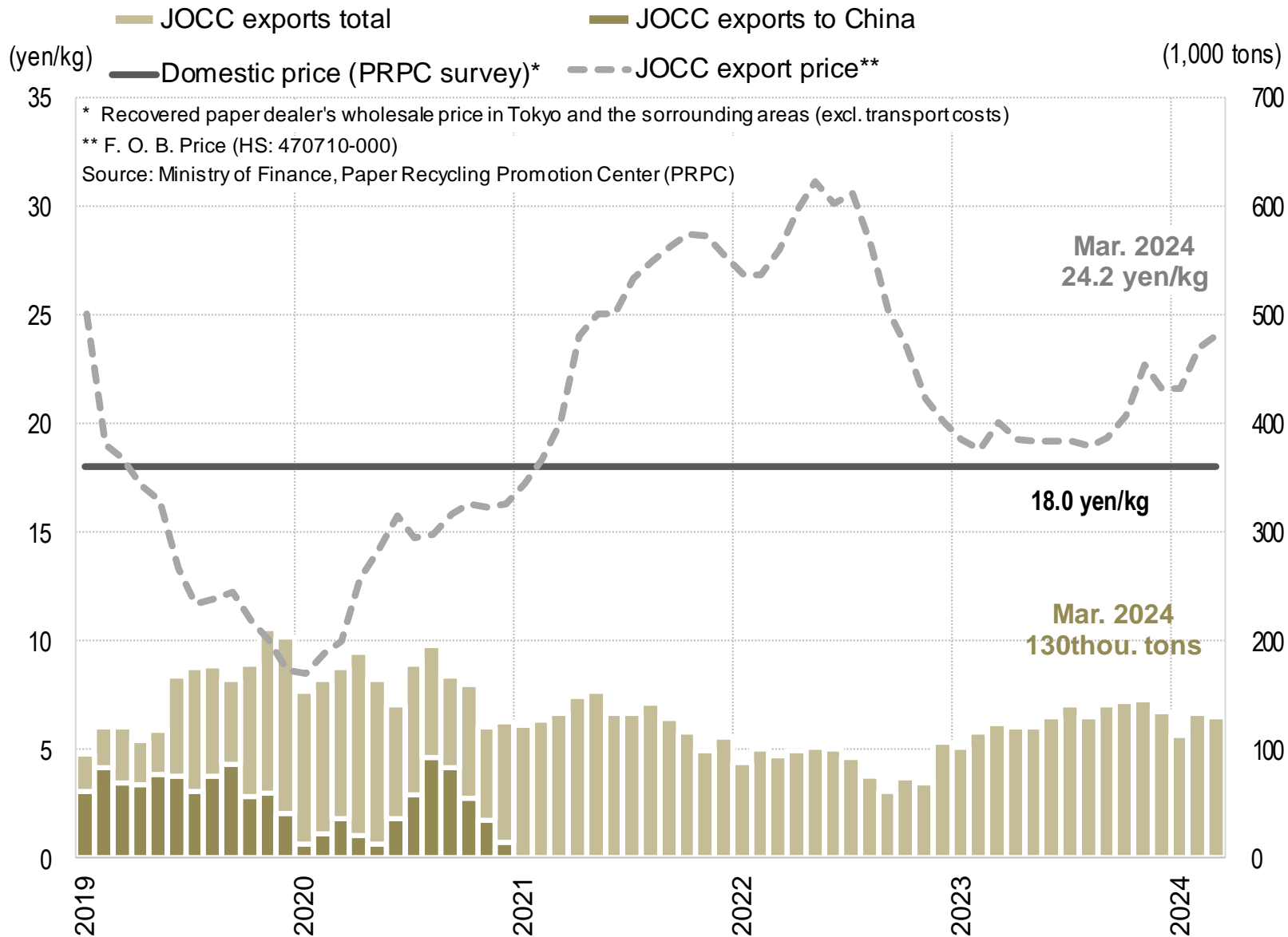
FY2023 (Apr. 2023-Mar. 2024)

Earnings Presentation

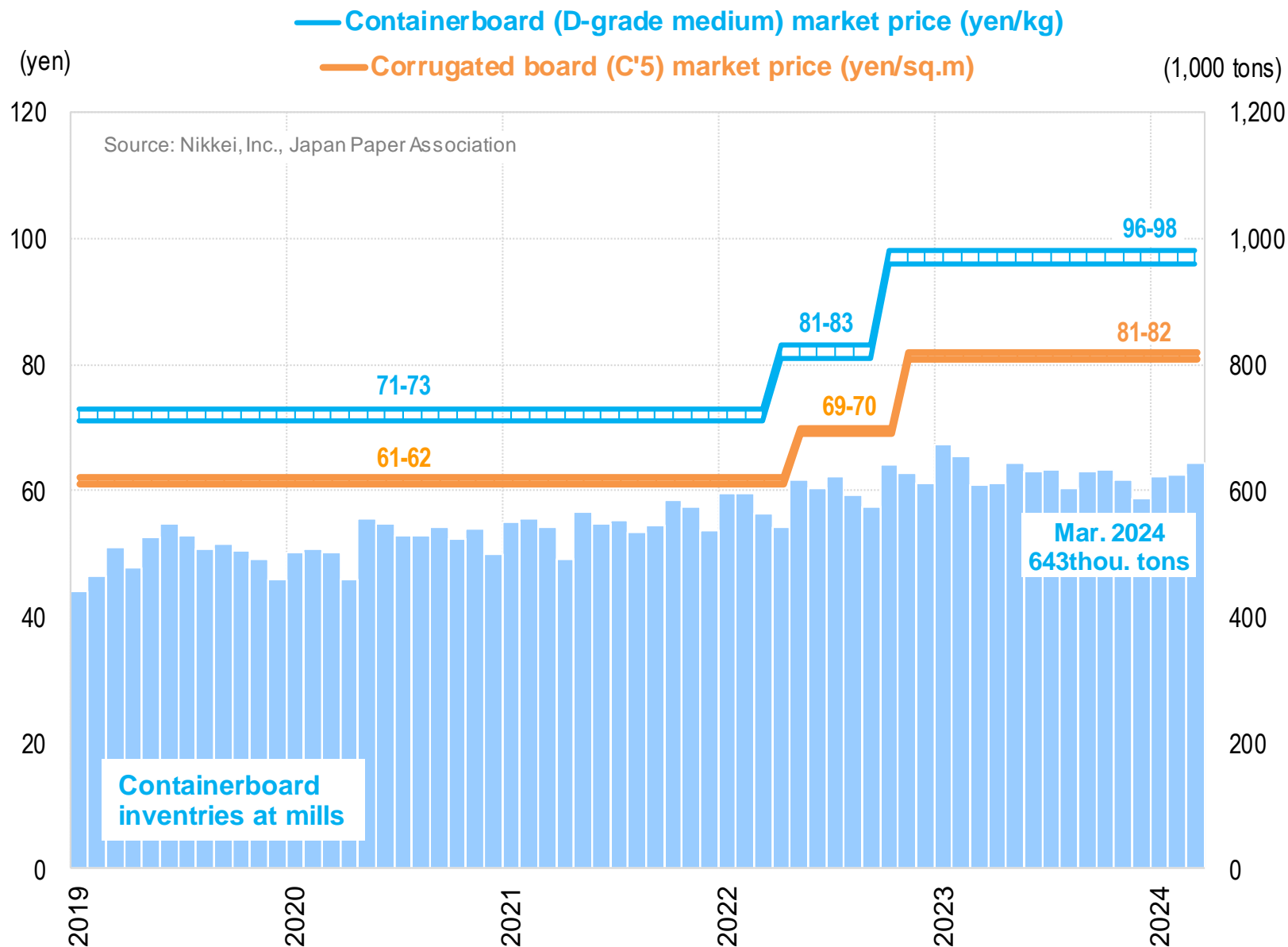
May 14, 2024

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1. Trends in Old Corrugated Containers (OCC)



2. Trends in Containerboard and Corrugated Board



3. Rengo Group's Measures in FY2023

The General Packaging Industry

	Topics	Release date
Capital Investments, Establishments	Corrugated Packaging Rengo announces operation commencement of Ehime-Toon Plant in Toon-shi, Ehime Prefecture	January 2024
	Flexible Packaging Rengo announces business integration between Rengo subsidiary SunTox and Mitsui Chemicals Tohcello and acquisition of shares in RM TOHCELLO, the integrated company	June 2023
	Overseas Rengo subsidiary TRICOR Packaging & Logistics to construct a new plant in Germany	April 2023
Reorganization	Corrugated Packaging Rengo reorganizes consolidated subsidiaries through merger of Yamato Shiki with Nitto Shiki Kogyo and integration of Matai Shiko with Tachikawa Danboru Kogyo	February 2024
	Folding Carton Rengo subsidiaries Fuji-Hoso Shiki and Marufuku to merge	September 2023
	Flexible Packaging Rengo reorganizes water-based flexo printing business operated by its subsidiaries	July 2023
M & A	Overseas Rengo subsidiary Tri-Wall acquires a 100% stake in GECOINSA, a Spanish manufacturer of heavy duty packaging materials	October 2023
	Rengo acquires 30% of the shares in Velvin Containers, an Indian manufacturer of corrugated packaging	November 2023

4. Consolidated Operating Results (Year-on-year)

The General Packaging Industry

(billion yen)

	FY2022	FY2023	YoY	Diff.	FY2023 forecasted*	A/F	Diff.
Net sales	846.1	900.8	106.5%	54.7	930.0	96.9%	-29.2
Operating profit	26.0	48.9	188.2%	22.9	47.0	103.9%	1.9
Ordinary profit	28.7	48.0	167.3%	19.3	49.0	97.9%	-1.0
Extraordinary gain and loss	2.2	2.3	106.0%	0.1	-	-	-
Profit attributable to owners of parent	20.4	33.0	161.7%	12.6	32.0	103.2%	1.0

*Disclosed on May 12, 2023

Main factors underlying extraordinary gain and loss

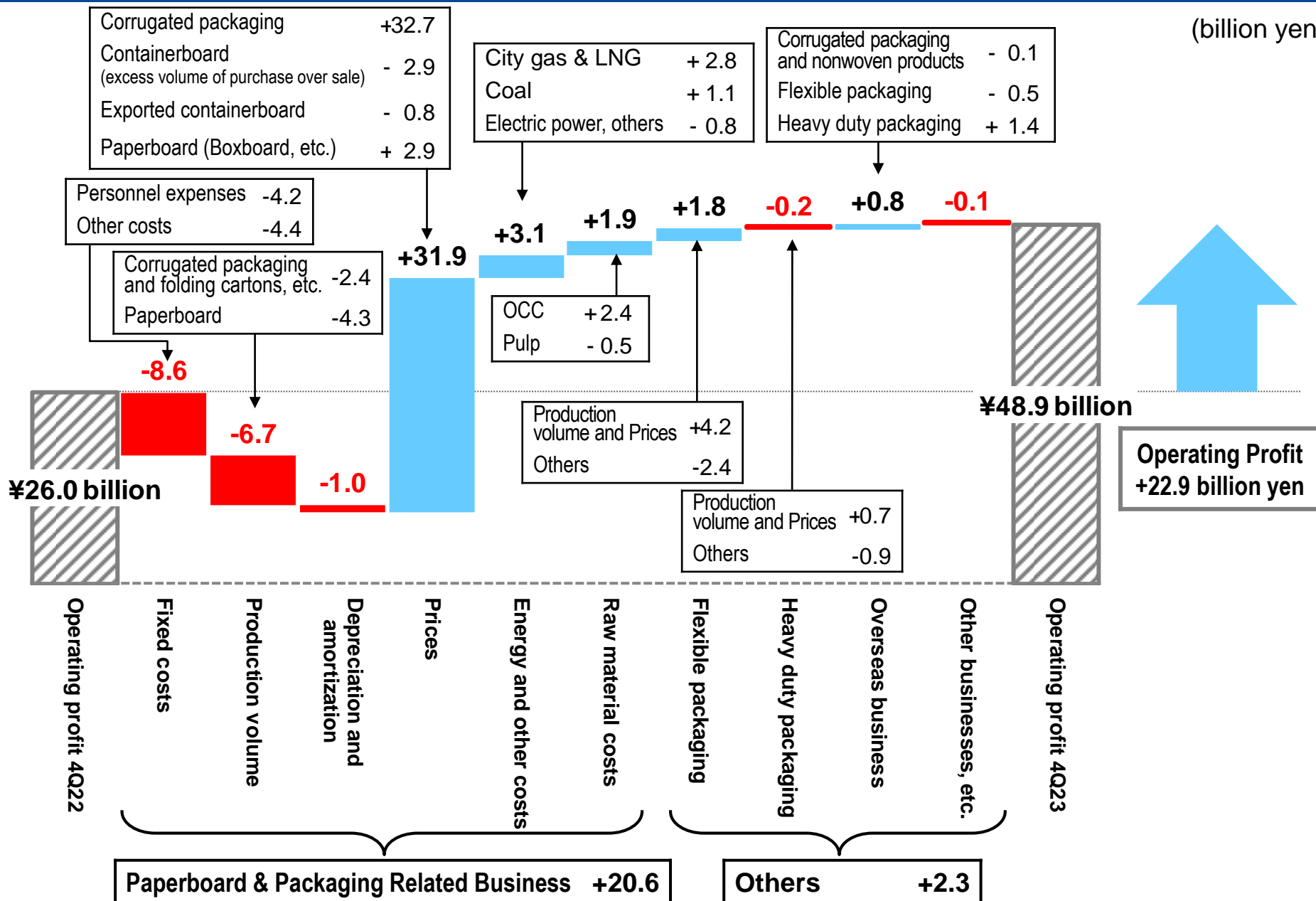
(billion yen)

	FY2022		FY2023
(Extraordinary gain)		(Extraordinary gain)	
Compensation income	3.3	Gain on sales of investment securities	3.7
Gain on sales of noncurrent assets	3.1	Subsidy income	1.3
Gain on sales of investment securities	0.8	Gain on sales of noncurrent assets	0.4
		Insurance income	0.2
(Extraordinary loss)		(Extraordinary loss)	
Loss on reduction of noncurrent assets	2.0	Loss on sales/retirement of noncurrent assets	1.4
Loss on sales/retirement of noncurrent assets	0.9	Plant renewal expenses	0.7
Plant renewal expenses	0.7	Impairment loss	0.5
Loss on disaster	0.6	Loss on reduction of noncurrent assets	0.3

5. Breakdown of Changes in Consolidated Operating Profit (Year-on-year)

The General Packaging Industry

(billion yen)



6. Consolidated Performance Results at a Glance (Year-on-year)

The General Packaging Industry

		Number of companies*		Net sales (billion yen)				Ordinary profit (million yen)				Containerboard production (1,000 MT)			Corrugated board production (million sqm.)		
		FY22	FY23	FY22	FY23	YoY %	Diff.	FY22	FY23	YoY %	Diff.	FY22	FY23	YoY %	FY22	FY23	YoY %
1	Rengo (unconsolidated)	1	1	344.1	363.6	105.7	19.5	13,021	28,305	217.4	15,284	1,840	1,789	97.2	2,116	2,036	96.2
2	Paper manufacturing subsidiaries	3	3	47.2	50.1	106.1	2.9	2,590	4,393	169.6	1,803	422	405	96.0			
3	Paperboard packaging subsidiaries	36	37	237.5	253.6	106.8	16.1	2,505	7,814	311.9	5,309				2,220	2,181	98.2
4	Flexible packaging subsidiaries	4	4	111.1	117.0	105.4	5.9	3,503	4,748	135.5	1,245						
5	Heavy duty packaging subsidiaries	3	3	50.3	50.0	99.4	-0.3	1,919	1,894	98.7	-25						
6	Other subsidiaries	5	5	192.7	195.5	101.4	2.8	2,309	1,933	83.7	-376						
Domestic total (1 to 6)		52	53	982.9	1,029.9	104.8	47.0	25,847	49,087	189.9	23,240	2,262	2,194	97.0	4,336	4,217	97.3
7	Paperboard packaging & nonwoven products Subs.	9	9	24.1	22.9	95.2	-1.2	294	-97	-	-391				240	244	101.7
8	Flexible packaging subsidiaries	6	6	28.7	29.6	103.0	0.9	1,972	1,721	87.3	-251						
9	Heavy duty packaging subsidiaries	118	121	150.9	175.5	116.3	24.6	9,800	13,616	138.9	3,816						
Overseas total (7 to 9)		133	136	203.8	228.0	111.9	24.2	12,066	15,240	126.3	3,174	-	-	-	240	244	101.7
Simply aggregated (1 to 9)				1,186.7	1,257.9	106.0	71.2	37,913	64,327	169.7	26,414						
10	Companies subject to the equity method	17	17					1,377	-1,910	-	-3,287						
11	Intersegment eliminations			-340.6	-357.1	-	-16.5	-10,608	-14,433	-	-3,825						
Total (1 to 11)		202	206	846.1	900.8	106.5	54.7	28,682	47,984	167.3	19,302	2,262	2,194	97.0	4,575	4,461	97.5

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

- One company increased in the domestic paperboard packaging subsidiaries (Nitto Danboru Co., Ltd.).
- Three companies increased in the overseas heavy duty packaging (Tri-Wall group).

7. Consolidated Balance Sheet

The General Packaging Industry

Assets

1,172.5

1,053.1

Current Assets
413.5

Current Assets
484.2

Noncurrent Assets
639.6

Noncurrent Assets
688.3

Current assets	+70.7
Cash and deposits	+45.1
Notes and accounts receivable-trade	+28.5

Non-current assets	+48.7
Property, plant and equipment	+33.5
Investments and other assets	+15.3
(Investment securities)	+12.3)

Total assets **+119.4**

Mar. 31, 2023

Mar. 31, 2024

Liabilities & Net Assets

(billion yen)

1,172.5

1,053.1

Current Liabilities
368.2

Current Liabilities
392.3

Noncurrent Liabilities
299.2

Noncurrent Liabilities
341.2

Net Assets
385.7

Net Assets
439.0

Liabilities	+ 66.1
Notes and accounts payable-trade	+ 8.9
Bonds payable	+ 9.9
Long-term and short-term loans payable	+ 22.6
Income taxes payable	+ 8.9

Net assets	+ 53.3
Retained earnings	+ 27.0
Valuation difference on available-for-sale securities	+ 8.8
Foreign currency translation adjustment	+ 13.7

Mar. 31, 2023

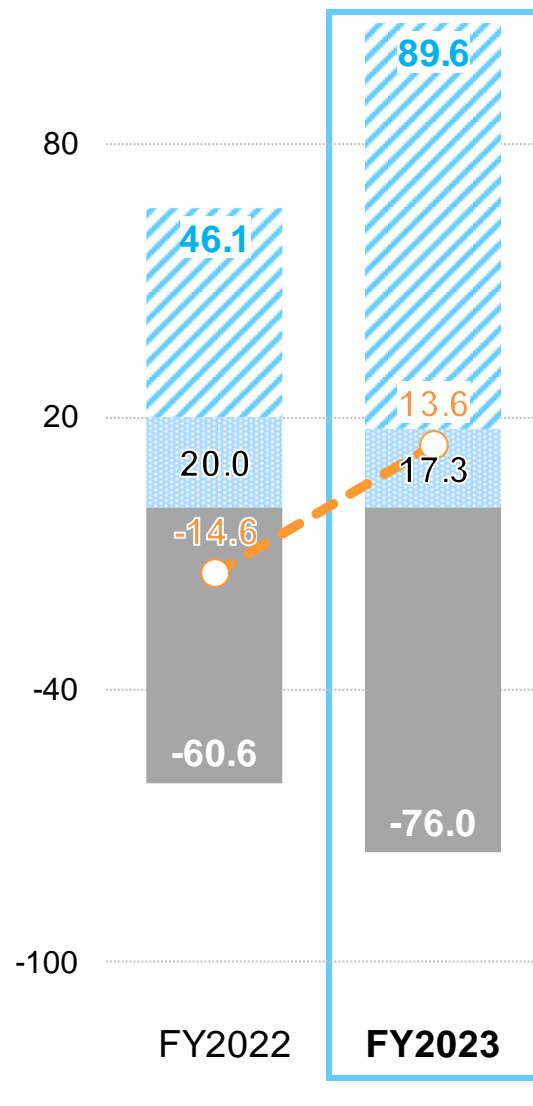
Mar. 31, 2024

	Mar. 31, 2023	Mar. 31, 2024	
Interest-bearing debt	¥404.3 bn	¥437.7 bn	(+33.4 billion yen)
Shareholders' Equity ratio	35.4 %	36.3 %	(+0.9 pts)
D/E Ratio	1.08 times	1.03 times	(-0.05 pts)
EBITDA	¥73.6 bn	¥101.1 bn	(+27.5 billion yen)

8. Consolidated Statement of Cash Flow

The General Packaging Industry

(billion yen)



(billion yen)

	FY2022	FY2023	Diff.
(1) Net cash provided by (used in) operating activities	46.1	89.6	43.5
(2) Net cash provided by (used in) investing activities	-60.6	-76.0	-15.4
(3) Free cash flow (1) + (2)	-14.6	13.6	28.2
(4) Net cash provided by (used in) financing activities	20.0	17.3	-2.7
(5) Exchange rate changes	2.5	1.9	-0.6
(6) Change in cash and cash equivalents (3) + (4) + (5)	7.9	32.8	24.9
(7) Cash and cash equivalents at beginning of period	57.8	70.9	13.1
(8) Increase/decrease due to change in scope of consolidation	5.2	0.1	-5.1
(9) Cash and cash equivalents at end of period (6) + (7) + (8)	70.9	103.8	32.9

- (1) Net cash provided by (used in) operating activities
- (2) Net cash provided by (used in) investing activities
- (4) Net cash provided by (used in) financing activities
- (3) Free cash flow

9. Consolidated Financial Forecast for FY2024 (Year-on-year)

The General Packaging Industry

(billion yen)

	FY2023	FY2024 Forecasts	YoY	Diff.
Net sales	900.8	1,000.0	111.0%	99.2
Operating profit	48.9	50.0	102.3%	1.1
Ordinary profit	48.0	52.0	108.4%	4.0
Profit attributable to owners of parent	33.0	35.0	106.0%	2.0

Assumption for the forecast

Production volume (domestic) YoY

Containerboard	97.0%	101.6%
Corrugated board	97.3%	103.0%

FX rate*	145	151 yen/US\$
Crude oil price (Dubai)	82	89 US\$/bbl

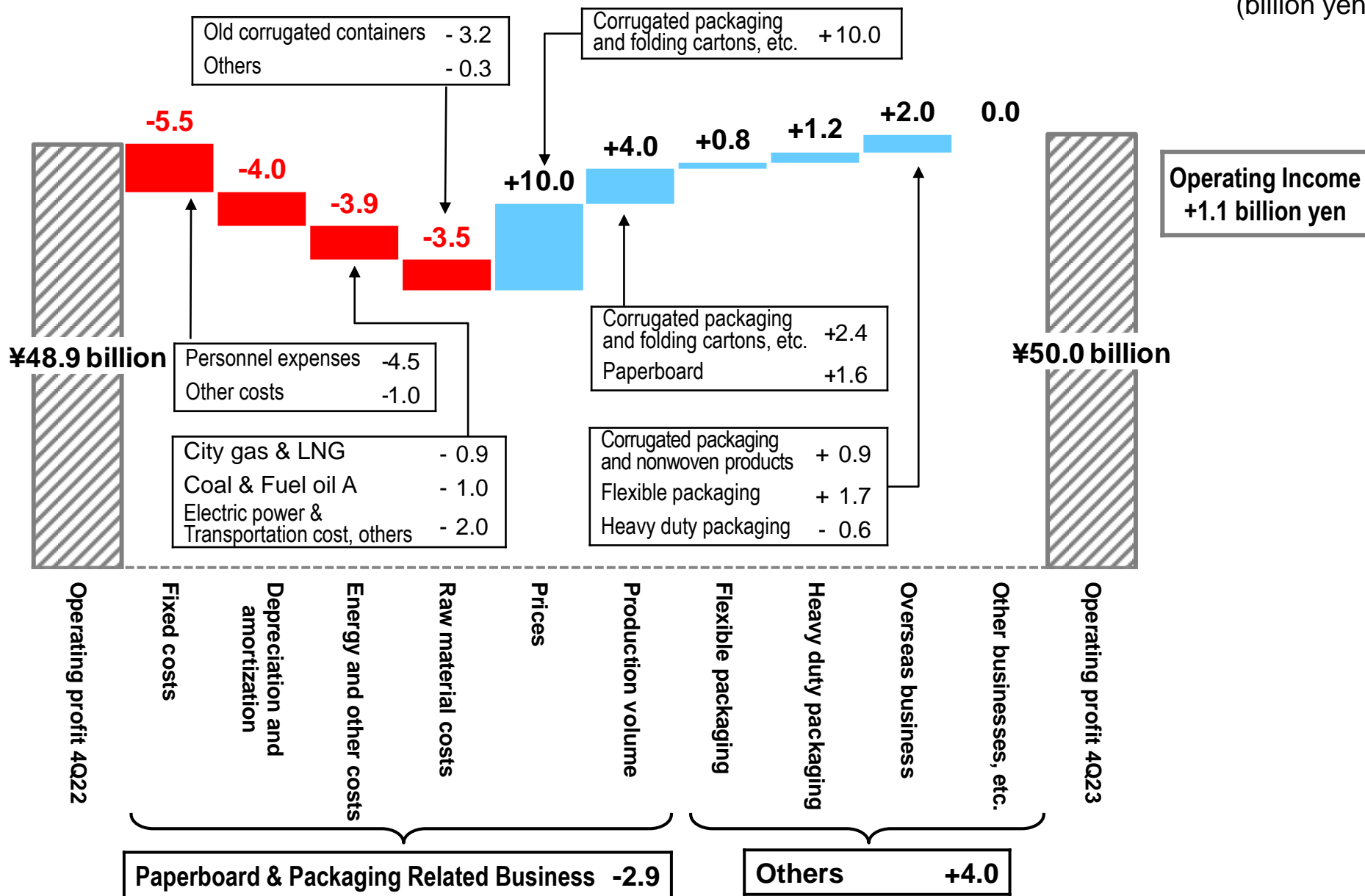
* Annual average of the spot rate at 17:00 in JST, Tokyo Market

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.

10. Breakdown of Changes in Consolidated Operating Profit Forecast (Year-on-year)

The General Packaging Industry

(billion yen)



11. Forecast by Reportable Segment for FY2024 (Year-on-year)

The General Packaging Industry

(billion yen)

	Net sales				Operating profit			
	FY2023	FY2024 Forecasts	YoY	Diff.	FY2023	FY2024 Forecasts	YoY	Diff.
Paperboard and Packaging-Related Business	510.9	512.4	100.3%	1.5	35.0	32.1	91.8%	△ 2.9
Flexible Packaging-Related Business	121.3	184.4	152.0%	63.1	4.8	5.5	116.0%	0.8
Heavy Duty Packaging-Related Business	44.3	51.1	115.2%	6.8	0.9	2.1	235.4%	1.2
Overseas Business	189.2	212.4	112.3%	23.2	6.8	8.8	129.5%	2.0
Other Businesses, etc.	35.0	39.7	113.3%	4.7	1.4	1.5	102.0%	0.0
Total	900.8	1,000.0	111.0%	99.2	48.9	50.0	102.3%	1.1

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.

Other Businesses, etc. including rounding error may not match with the total.

12. Major Financial Indicators

The General Packaging Industry

		(million yen)			
		FY2022	FY2023	FY2024 Forecast	
(1) Net sales		846,080	900,791	1,000,000	
(2) Operating profit		25,957	48,855	50,000	
(3) Ordinary profit		28,682	47,984	52,000	
(4) Profit attributable to owners of parent		20,425	33,025	35,000	
(5) Total assets		1,053,138	1,172,515	1,267,000	
(6) Total shareholders' equity ^{*1}		372,795	425,294	452,000	
(7) Net assets		385,732	438,978	467,000	
(8) Interest-bearing debt		404,289	437,669	450,000	
(9) Capital expenditures		58,694	73,833	105,000	
(10) Depreciation and amortization		44,848	48,761	54,500	
*1 Total shareholders' equity = Net assets - non-controlling interests					
(11) Return on equity (ROE) ^{*2}	%	5.7	8.3	8.0	(4) / (6)
(12) Shareholders' Equity ratio	%	35.4	36.3	35.7	(6) / (5)
(13) EBITDA	million yen	73,560	101,054	108,000	(2)+(10)+Amortization of goodwill
(14) D/E Ratio	times	1.08	1.03	1.00	(8) / (6)
(15) Ratio of net sales to interest-bearing debt	%	47.8	48.6	45.0	(8) / (1)
(16) Ordinary profit margin	%	3.4	5.3	5.2	(3) / (1)
*2 Calculated with the average of equity at the beginning and the end of the year					
Cash dividends applicable to the period	yen	24	30	30	

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.



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