

Creating the Future through Packaging

RENGO Integrated Report 2025

For Year Ended March 31, 2025

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GPI
The General Packaging Industry
 **RENGO**

Adorning, enclosing, and protecting.

The Rengo Group is Japan's largest
general packaging manufacturer group,
operating globally across a wide range of businesses.

Packaging Provider



Hexagonal business structure

The Rengo Group, under the banner of “General Packaging Industry (GPI) Rengo,” positions itself as a “packaging provider” that offers solutions to meet the packaging needs of all industries. We focus on six core businesses: paperboard, corrugated packaging, folding cartons, flexible packaging, heavy duty packaging, and overseas operations. Starting with planning products for customers, we are able to make complete proposals from flexible film packaging that directly wraps products to folding cartons, corrugated boxes, pallets, packaging systems, and sales promotion plans, in consideration of the sales promotion effect and total cost of the product.

Under our slogan of “Creating the Future Through Packaging,” we will continue contributing to the realization of a sustainable society and the resolution of socially relevant issues.

Value creation story

→p. 11-28

Vision120: Five years of strengthening the value creation foundation

In May 2025, we announced our medium-term vision Vision120 (Vision One-Twenty). The vision covers the five-year period leading up to our 120th anniversary in FY3/2030 the fiscal year ending March 2030. Vision120 is guided by the slogan “Creating the Future through Packaging.” It serves as a roadmap for increasing corporate value in the medium- to long-term by strengthening the value creation foundation and enhancing the quality of our business operations from a long-term perspective. Our main financial targets for FY3/2030 are net sales of 1.2 trillion yen, operating income of 70 billion yen, ordinary income of 72 billion yen, EBITDA of 135 billion yen, ROE of 8.5%, and a debt to equity ratio of 0.7. The value creation story in this report includes a summary of Vision120, the process of its formulation, and a message from management.

Message from the chairman →p. 11 Message from the president →p. 19
Medium-term vision Vision120 →p. 23



Business portfolio

→p. 29-52

Strengths of each business and targets under Vision120

This chapter outlines the strengths of each business, a review of FY3/2025, outlook for FY3/2026, and policies and targets under Vision120. The special features highlight key topics in recent years in each of our businesses to help readers gain a better understanding of the Group's growth strategy. We also introduce our initiatives in quality assurance and occupational health and safety, which support our business activities.

Paperboard and Packaging-Related Business →p. 31
Flexible Packaging-Related Business →p. 35 Heavy Duty Packaging-Related Business →p. 39
Overseas Business →p. 43 Other Businesses →p. 47

Sustainability

→p. 53-96

Revision of materiality in anticipation of the future

We have identified key issues addressed by the Group as materiality and disclosed their content in June 2023. Furthermore, in response to changes in the business environment and societal expectations, we revised the materiality in March 2025. The revised materiality defines four areas for the Rengo Group: 1) Creating New Value as a “Packaging Provider,” 2) Coexistence with the Global Environment, 3) People-Centric Management, and 4) Strengthening the Management Base for Sustainable Growth. This report introduces the Group's sustainability initiatives and governance structure, with a focus on our revised materiality. Going forward, we will promote measures to achieve each of the medium-term goals set for the materiality.

ESG management →p. 53 Rengo Group's materiality (key issues) →p. 55



Philosophy of the Rengo Group

Corporate Philosophy

Ever since founder Teijiro Inoue manufactured Japan's first corrugated board in 1909, the Rengo Group has been serving society, continually adapting to the times to deliver the very best packaging solutions to customers and enhance the value of its products.

We plan to continue comprehensive development of optimal packaging solutions for logistics in all industries, and as a “General Packaging Industry” that creates new value in packaging through a tireless commitment to continual changes in thinking and technological innovation, we adhere to the following guiding principles.

- 1
- Realize prosperity and ambitions for the future through dynamic business activities by earning the trust and satisfaction of customers.
- 2
- Act always with integrity, maintaining high ethical standards and ensuring strict legal compliance.
- 3
- Engage in communication with a broad section of society through proactive and accurate information disclosure.
- 4
- Respect the value of individual employees and strive to create safe and healthy work environments providing comfort and fulfillment.
- 5
- Take the initiative on environmental conservation efforts.
- 6
- Contribute to society as a good corporate citizen.
- 7
- Globalize by ensuring compliance with laws in each country or region and by contributing to economic and social development in those areas through business activities reflecting the different cultures and practices.

Management philosophy of founder Teijiro Inoue

“Kintoma Philosophy”

Written in hiragana, the term

“**Kin-To-Ma**” consists of:

“**Kin**,” which indicates

“money” and “iron will,” and

“**Ma**,” which means “sincerity” and “timing.”

“**To**” is a conjunction that connects

“**kin**” and “**ma**.”

The Chinese character meaning “**ma**” can be

combined with other Chinese characters to

create other words that variously mean

“**time**,” “**space**,” or “**human being**.”

Teijiro Inoue created corrugated board after a great deal of effort as well as trial and error. He is the person who came up with the name “danboru” for corrugated board, which is now a household term. After experiencing many difficulties, he developed his own management philosophy, called “Kintoma.”

“Kintoma,” coined by Teijiro, indicates an invariable principle of business. In line with this principle, he tells businesspeople that once they have acquired “iron will,” “money,” “sincerity,” and “timing” they should hold onto these qualities for life. He emphasizes that they should grasp business opportunities in a timely manner and value personnel, equipment, capital, and sincerity when managing their business. A modern translation of “Kintoma” would be that “businesspeople, having money and a strong will, must engage in the management of their business with sincerity while placing an emphasis on personnel, time, and equipment.” Since the foundation of Rengo, the “Kintoma” philosophy has been handed down from generation to generation as a guiding principle and code of conduct.

CONTENTS

About Rengo

- 1
- Who we are
- 3
- Executive summary
- 5
- Philosophy of the Rengo Group / CONTENTS / Editorial policy
- 7
- Rengo's strengths

Value creation story

- 11
- Message from the chairman
- 15
- Path of value creation
- 17
- Value creation process
- 19
- Message from the president
- 23
- Medium-term vision Vision120

Business portfolio

- 29
- At a glance
- 31
- Paperboard and Packaging-Related Business
- 35
- Flexible Packaging-Related Business
- 39
- Heavy Duty Packaging-Related Business
- 43
- Overseas Business
- 47
- Other Businesses

- 49
- Ensuring product quality and safety
- 51
- Establishing a safe and healthy working environment

Sustainability

- 53
- ESG management
- 55
- Rengo Group's materiality (key issues)

ENVIRONMENT

- 57
- Our environmental initiatives targeting 2050
- 59
- Environmental targets of the Rengo Group
- 61
- Providing sustainable packaging
- 63
- Addressing climate change
- 65
- Expansion of the circular economy
- 67
- Conserving natural capital

SOCIAL

- 69
- Building a sustainable logistics system
- 71
- Respecting human rights
- 73
- Fostering well-being and fulfillment
- 77
- Promoting DEI
- 79
- Strengthening business partnerships

Governance

- 81
- Members of the Board, Audit & Supervisory Board members, and executive officers
- 83
- Roundtable discussion by Outside Directors

- 87
- Enhancing Group governance

- 95
- Building foundations for DX

Data / Corporate information

- 97
- Consolidated 11-year summary
- 99
- Financial and Non-Financial Highlights
- 101
- Corporate information

United Nations Global Compact

Since 2009, Rengo has participated in the United Nations Global Compact.



The Rengo Group has its origin in corrugated board, which is an environmentally friendly packaging material. With “Less is more.” As our key concept, we have contributed to society by creating packaging that is friendly to people and the environment. “General Packaging Industry (GPI) Rengo”—which offers innovative and diverse solutions that meet the packaging needs of all industries—fully supports the Ten Principles advocated by the Global Compact and will continue to fulfill our responsibilities as a corporate citizen while respecting its spirit.

Kiyoshi Otsubo
Representative Director, Chairman & CEO,
Rengo Co., Ltd.

Editorial policy

Rengo issued the Integrated Report 2025 with the aim of explaining the details of the Rengo Group's business activities to stakeholders by integrating financial information and our environmental, social, and governance (ESG) activities. We hope that readers will deepen their understanding of the Group's initiatives toward the realization of a sustainable society by viewing the information available on our website and other materials as well as by reading this report.

Notations such as “3/2025” or “3/25” used in this report denotes the fiscal year (FY) or business year ending March 31 of each year, unless otherwise noted. Percentages may not add up to 100% due to rounding.

Disclaimer

This report contains forward-looking statements about the Rengo Group's plans, strategies, and determinations. These forward-looking statements are based on management's assumptions and beliefs in light of information available at the time of publication of this report, and there is no guarantee that these forward-looking statements will actually occur in the future.

Information disclosure

Financial information	Sustainability
Integrated Report (main volume) Rengo publishes this report to provide our stakeholders with both financial and non-financial information, including our strategies for sustainable value creation, business activities, and initiatives related to environmental, social, and governance (ESG) issues.	
PDF Integrated Report (separate volume) Financial Data Includes the financial statements and related notes. ▶ https://www.rengo.co.jp/english/financial/annualreport.html	Website Sustainability Includes initiatives for sustainability. ▶ https://www.rengo.co.jp/english/sustainability/index.html
Website Investor relations Provides financial results, stock information, and other related disclosures. ▶ https://www.rengo.co.jp/english/financial/index.html	PDF Environmental Data Book Provides a variety of data related to the environment.
PDF Letter to shareholders (Japanese) Includes information on the business environment, initiatives, and results on a semiannual basis. ▶ https://www.rengo.co.jp/financial/report.html	PDF Environment Book Includes initiatives for environmental issues through business activities. ▶ https://www.rengo.co.jp/english/sustainability/info/report/index.html

A general packaging manufacturer that supports logistics and lifestyles

“General Packaging Industry (GPI) Rengo”

Packaging to support lifestyles and create the future

Since its founding in 1909, Rengo established its business foundation through the manufacturing and sales of corrugated packaging. In 1970, the company shifted focus to becoming a general packaging manufacturer. Then, in 2011, it further diversified its packaging business under the banner of “General Packaging Industry (GPI) Rengo.” We contribute to society by providing a wide range of essential packaging materials for logistics both in Japan and overseas. “General Packaging Industry (GPI) Rengo” is a “packaging provider” that opens up new markets and meets the packaging needs of all industries with comprehensive solutions.



Comprehensive proposal capabilities

We provide integrated proposals covering all products from flexible film packaging to folding cartons, corrugated boxes, pallets, packaging systems, and sales promotion planning.

A diverse product lineup meeting needs and expanding possibilities

- Corrugated packaging
- Paperboard
- Folding cartons
- Flexible packaging
- Heavy duty packaging
- Sales promotion
- Functional materials
- Other products
- Packaging machinery and packaging system

Innovation to enhance sustainability

Embracing the concept of “Less is more.” we create new added value by leveraging our packaging expertise to contribute to the realization of a sustainable society.



Sustainable pricing structure

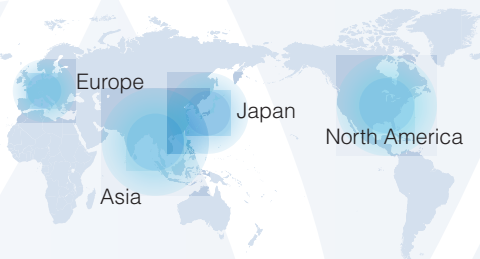
We establish a pricing structure that shares sustainable profits with all stakeholders, including customers and business partners.



Rooted locally and connected globally

We operate 121 companies in Japan with 207 plants/mills, and 206 companies overseas with 217 plants/mills. We meet the needs in each region with precision.

As of March 31, 2025



Systems to realize a recycling-oriented society

Creation of environmentally friendly packaging

The key concept for the Rengo Group's packaging manufacturing and environmental management

“Less is more.”

“Less is more.” is the key concept for both the Rengo Group's packaging manufacturing and environmental management. This is the ideal that the Rengo Group seeks through all of its business activities in fulfilling its social responsibilities as a corporation toward contributing to the development of a better and sustainable society. We pursue this through the manufacturing of high quality and high value-added packaging while effectively using resources and reducing impacts on the global environment.

“Less energy consumption”

“Less carbon emissions”

“High quality products with more value-added”

Decarbonization of the value chain

Acquisition of SBT* certification

In November 2023, the Rengo Group's greenhouse gas emissions reduction target obtained Science Based Targets (SBT) certification as a target based on scientific evidence. Rengo is the first domestic papermaking firm listed on the Tokyo Stock Exchange Prime Market to obtain SBT certification.

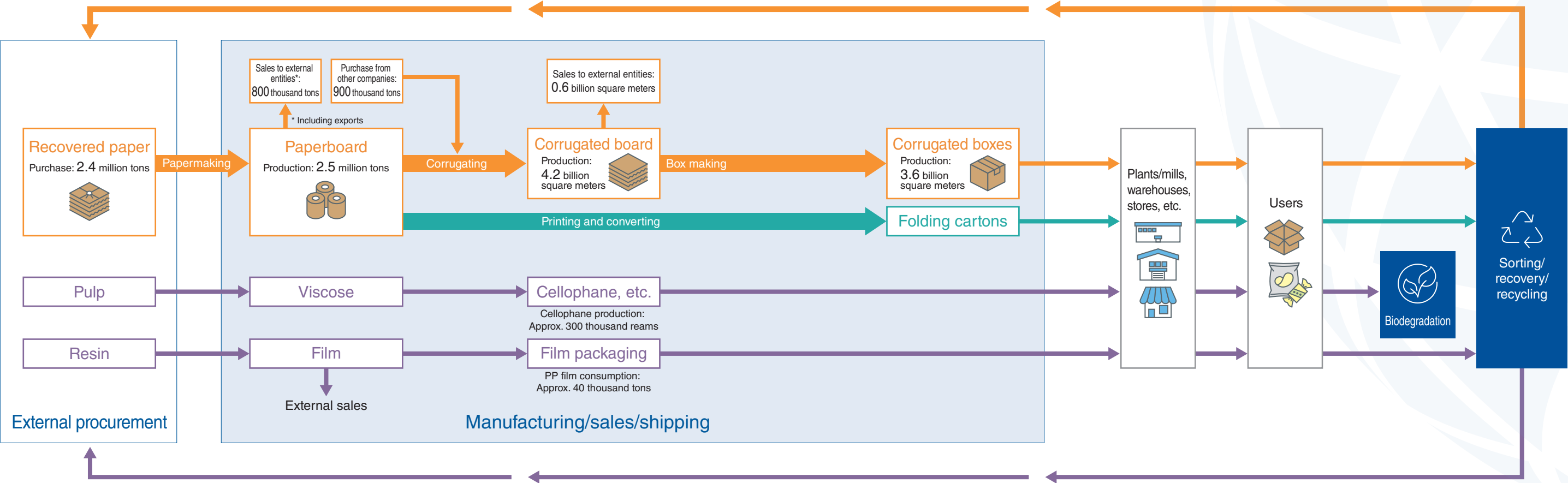
To achieve this target, the entire Group will continue efforts to reduce greenhouse gas emissions such as by completely eliminating the use of coal in Japan, installing new biomass boilers, introducing solar power generation equipment, and implementing multifaceted energy conservation measures when updating equipment.

* Greenhouse gas emissions reduction targets set by corporations that are in line with the levels required by the Paris Agreement.



Value chain of the Rengo Group

Note: Figures are based on FY3/2025 results for Rengo on a non-consolidated basis and consolidated subsidiaries in Japan.



Message from the chairman



Kiyoshi Otsubo

Representative Director,
Chairman & CEO

We aim to create further value by harnessing the power of taking on challenges and transformation as we move toward the future envisioned in our Vision120 medium-term vision, building on our founding spirit.

Our founding spirit, which lies at the core of Rengo's management, and our GPI strategy

The Rengo Group had been fully committed to the completion of its medium-term Vision115, with FY3/2025 as the final year. We have diligently worked to expand our business and increase our earning capacity through various initiatives, including enhancing marketing capabilities, proactive capital investment and M&A, as "General Packaging Industry (GPI) Rengo," offering solutions that meet the packaging needs of all industries.

In 1970, we changed our business policy from focusing solely on corrugated packaging to becoming a total packaging manufacturer. Then, in 2011, we established the new corporate statement "General Packaging Industry (GPI)" with an eye on the next 100 years. Through the term "GPI," I have clearly defined the kind of company that Rengo aspires to become, using it as a starting point for driving business growth and expanding the scope of our operations. During this process, the Rengo Group has built a hexagonal business structure consisting of six core businesses: paperboard, corrugated packaging, folding cartons, flexible packaging, heavy duty packaging, and overseas operations. When a new company joins our Group through M&A or new establishment, assigning it to one of the six areas helps clarify its position within the Group and enables a management approach that pursues synergies across businesses.

During the period of Vision115, we actively engaged in M&A, which led to significant business expansion under our hexagonal business structure. In the fiscal year immediately preceding Vision115, our consolidated net sales had not yet reached 700 billion yen. However, by the final year of the vision, consolidated net sales had grown to 993.3 billion yen. This increase is the successful result of the Rengo Group's strategies and efforts, and it now serves as a driving force for further growth going forward. As we approach the milestone of one trillion yen in net sales, I believe it is now essential not only to focus on net sales growth but also to emphasize how we create value and deliver it to society. To expand and provide social value, we must pursue management that considers multiple stakeholders and work toward achieving sustainable growth. While fulfilling our mission as General Packaging Industry, I have always kept in mind the management philosophy "Kintoma" created by our founder, Teijiro Inoue. I continue to convey Kintoma as a teaching that should

be shared throughout our entire Group. "Kin" in "Kintoma" refers not only to the value of money itself but also embodies the idea of having a steadfast will and strong conviction, as strong as iron. This teaching is deeply connected to our corporate stance and the individual mindsets of our employees. "Ma" carries the meaning of "sincerity" and "timing." "Ma" also symbolizes relationships among people, as well as connections between all things, including time and space. We recognize the importance of sincerely engaging not only with human relationships but also with surrounding elements such as space and the environment. It is crucial to advance our strategies boldly and swiftly while maintaining harmony. We strongly aspire to continue on this right path and become a company that embraces connections worldwide.

Timeless corporate management based on the human-capital approach

In terms of valuing people, I have always placed importance on the human-capital (human-centered) approach, along with our founding spirit. Originally proposed by Professor Hiroyuki Itami, Professor Emeritus, Hitotsubashi University, the human-capital approach respects human dignity, will, and creativity, and places people at the center of management. I have exchanged opinions with Professor Itami many times, and he has praised Rengo for incorporating the essence of the human-capital approach into our corporate management. Vision120 also sets the human-capital approach as one of its fundamental values. Going forward, the mindsets of people working within a company will be important in corporate management. The organizational values and culture of a corporation are also important factors. What kind of talents does the corporation develop? What kind of value do they create? I believe these factors are the source of corporate value.

The Rengo Group aims to be a corporate group that accurately grasps and swiftly adapts to the changing times, while also cherishing our founding spirit. Naturally, we cannot move forward if we are fixated on an old mindset. We risk being left behind if we do not break down stereotypes and create unprecedented value by embracing new challenges.

In order to pursue sustainable growth as a corporate group, we will continue to adhere to the human-capital approach, create an environment

where employees are motivated to work, and maintain a healthy organizational state. Such practices are deeply connected to our management philosophy. Drawing upon Adam Smith's *The Theory of Moral Sentiments*, our management is based on the five elements of philosophy, morality, ethics, sympathy, and sentiments. Combining these values with Keynes's "animal spirits"—that is, the mindset of never shrinking from bold challenges even in uncertain situations—creates the driving force behind innovation that also enables "creative destruction" as advocated by Schumpeter. Embracing the core of these economic theories and building a management foundation that realizes a virtuous cycle of growth and distribution will enhance a company's long-term competitiveness and sustainability. These values are more than a mere philosophy; instead, they serve as important guidelines for all aspects of decision-making by management.



The Rengo Group upholds the philosophy of "Less is more." and pursues groundbreaking innovations that anticipate potential needs. As part of related activities, we are working to develop sustainable packaging using biodegradable materials and compostable materials. Furthermore, in the flexible packaging field, where combined domestic and international net sales of the segment are approaching 20% of total consolidated net sales, we are taking on the challenge of enabling the recycling of plastic materials and building a new circular economy. Through these innovations, our Group aims to constantly stand at the forefront of the packaging industry and become the world's best "packaging provider." Going forward, I believe that corporate managements will be required to have an unwavering attitude of maintaining their stance as individuals and

organizations, without being preoccupied with only numerical targets and efficiency.

Achievement of Vision120, driven by a spirit of embracing challenges

During periods of great change, a courageous attitude of embracing challenges will be the driving force behind corporate growth and innovation. It is important to take on new challenges without fear of failure.

One of my favorite quotes is from Samuel Ullman's poem *Youth*: "Youth is not a time of life; it is a state of mind." The spirit here also applies to corporate management. Matters will not progress if we are paralyzed by fear of failure, or if we make bold statements at first only to hesitate midway through. The "state of mind" of each employee has a significant impact on productivity. At a conference of the European Productivity Agency held in Rome in 1959, it was stated that "Productivity is above all a state of mind. It is an attitude that seeks the continuous improvement of what exists." Improving productivity means more than simply increasing production volume. Rengo considers all aspects that affect productivity, as well as quantitative inputs such as capital. We believe in the importance of improving total factor productivity (TFP), including the state of mind of employees. In essence, productivity is a state of mind that one can do better today than yesterday and that tomorrow will be better than today. We are returning to this fundamental principle and aim to sustainably realize a "virtuous cycle of growth and distribution," in which the added value generated through improvements in TFP is to be appropriately distributed to employees and leads to the next stage of growth.

Recognizing employee growth as the source of a company's competitiveness and ensuring an environment and educational opportunities that allow employees to maximize their potential will help them develop the ability to attentively identify changes in the market environment and customer needs, and to respond flexibly. Furthermore, respecting diversity and creating a workplace where all employees can work with peace of mind is essential for incorporating diverse perspective, which in turn enhances creativity and innovation throughout the organization and promotes sustainable growth. In this way, respecting diversity while focusing on developing human resources and supporting capacity building is at the core of the human-capital approach, which is

essential for sustainably increasing TFP.

We have formulated our new Vision120 medium-term vision. Now that we have decided to pursue this vision, it is necessary to have the strong will to confidently achieve our goal. President Kawamoto fulfilled a central role in formulating Vision120, which was finalized after extensive internal discussions. In this way, we composed the vision that defines what kind of company Rengo should be as we reach the major milestone of 120 years since our founding, illustrating it from a medium- to long-term perspective.

The growth of a corporation is supported by the personal growth of each employee as they strive to maintain a healthy body and mind, and to build a strong spirit. To promote this kind of growth, it is important for each employee to eliminate their own prejudices and misconceptions, and to adopt a fundamental stance of questioning various phenomena and seeking the truth. Maintaining this stance while facing challenges will pave the way for realizing Vision120.

To achieve Vision120, we need to steadily increase profits in each segment. Growth in our Overseas Business is particularly essential. Human resources are becoming increasingly important to achieving this growth. Expanding our businesses overseas and linking them with our domestic business requires talented people who can drive this forward. It is also important that I faithfully pass on the relationships I have built with top management both in Japan and overseas to the next generation.

The modern world has entered an era of VUCA (volatility, uncertainty, complexity, and ambiguity). As these factors become entangled, the future of our economy and society is becoming increasingly uncertain. In particular, global stability is threatened by geopolitical issues and international trends of decoupling. Even in these circumstances, we are constantly striving to further strengthen our advantages as a corporate group and solidify our footing.

Raw material and fuel price trends are also factors in corporate management that cannot be ignored. In particular, trends in crude oil have a direct impact on many industries. I constantly monitor the New York Mercantile Exchange (NYMEX), London Metal Exchange (LME), and Chicago Board of Trade (CBOT) to analyze price trends for crude oil, metals, and agricultural products. Recently, prices of metals such as copper and aluminum on the LME have remained high. These trends are affecting manufacturing costs. Notably, rising copper prices are impacting the cost structure of manufacturing industries such as gravure printing.



Crude oil price trends based on West Texas Intermediate (WTI) are also important factors. It is necessary to pay close attention to not only Dubai crude oil but also trends in the New York market. Moreover, when trading agricultural products, it is necessary to keep an eye on price trends for crops such as corn, soybeans, and wheat. These external environmental factors could pose a risk, particularly when implementing a global growth strategy. However, by carefully assessing and appropriately managing these risks, we strive to ensure that we capture all growth opportunities.

The publication of Vision120 goes beyond merely presenting quantitative targets to internal and external stakeholders. We see it as an excellent opportunity to reexamine Rengo's *raison d'être*, reason for being, and its vision for the future. In this VUCA era, the Rengo Group will flexibly respond to market changes and promote our global strategy, while carefully assessing risks and reliably seizing growth opportunities. In FY3/2026, we will steadily improve our current figures under Vision120. We will also place the human-capital approach at the core of our management and support the growth of each and every employee. In this way, we will enhance the vitality of our entire organization and accelerate initiatives with an eye toward medium- to long-term growth. I look forward to continued support from all of our stakeholders.


Representative Director,
Chairman & CEO

Path of value creation

In addition to an integrated structure that consists of papermaking and corrugated manufacturing, Rengo operates businesses that include consumer packaging such as folding cartons and flexible packaging as well as heavy duty packaging that supports a wider range of industries. These businesses are demonstrating great synergy effects and creating a variety of packaging solutions, spreading both in Japan and overseas. Rengo pioneered the corrugated board business in Japan, to become “General Packaging Industry (GPI) Rengo,” which consists of six core businesses. The development of the Group is as follows.

1909~

Foundation

Created corrugated board, a cushioning material that protects products

1909

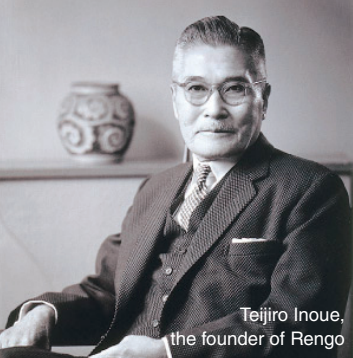
Established Sanseisha in Shinagawa, Tokyo, and launched Japan's first corrugated board business

1914

Began manufacturing corrugated boxes

1915

Established two subsidiaries in Osaka and a branch plant in Nagoya; relocated the Tokyo Head Office and Tokyo Plant to a newly constructed facility



1920~

Establishment of business foundation

Corrugated board business grew in conjunction with the industrialization of Japan

1920

Established Rengo Shiki K.K. (head office in Tokyo, with plants in Tokyo, Kawasaki, Nagoya, and Osaka)

1926

Relocated the head office from Tokyo to Osaka

1936

Completed the largest integrated paperboard and corrugated box production facility in East Asia (Yodogawa Plant)

1945

Six plants in Japan were destroyed by fire during the war; all overseas assets were seized


Yodogawa Plant


Corrugated packaging around 1960

1945~

Reconstruction and growth

Responded to shift in demand from wooden boxes to corrugated boxes

1949

Listed on stock exchange (capital of 10 million yen)

1961

Opened the Tonegawa Mill (Iwai City, Ibaraki Prefecture)

1956~65

Established new corrugated board and box plants (Sapporo, Hakodate, Sendai, Nagano, Maebashi, Kawasaki, Shimizu, Shiga, Kyoto, Wakayama, Hiroshima, Matsuyama, Tosu)

1963

President Teiji Inoue passed away (at the age of 82)


Tonegawa Mill


Offset printed corrugated boxes

1965~

Progress

Developed decorative corrugated boxes and functional corrugated board

1965

Developed pre-printed corrugated boxes (printing is done on the paperboard used for corrugated board)

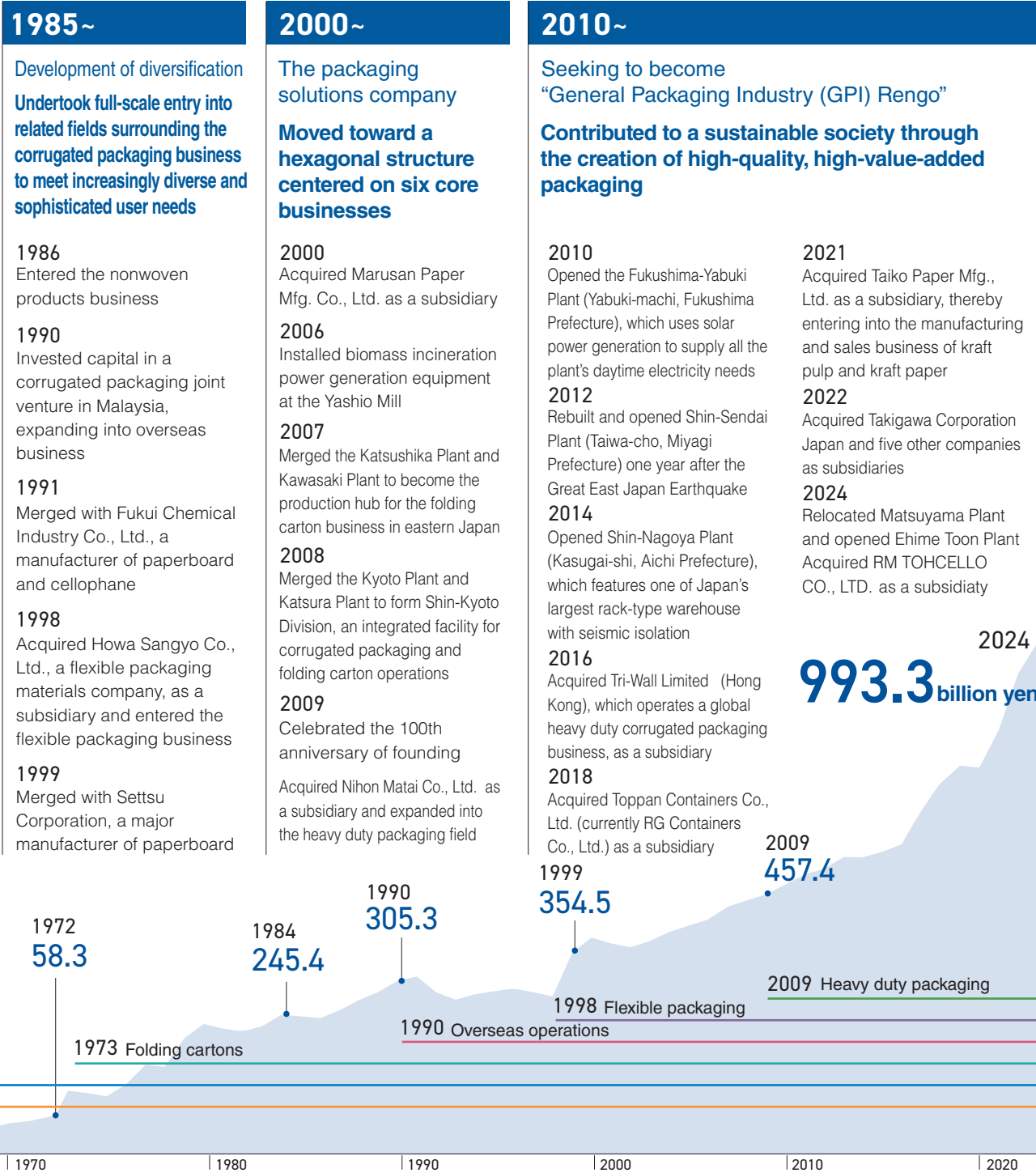
1972

Changed company name from Rengo Shiki K.K. to Rengo Co., Ltd.

1983

Introduced offset printing for corrugated boxes


Changed corporate name to Rengo Co., Ltd.



Value creation process

The Rengo Group, under the banner of “General Packaging Industry (GPI) Rengo,” positions itself as a “packaging provider” that offers solutions to meet the packaging needs of all industries. By further strengthening each core business and enhancing horizontal and vertical collaboration between them, we aim to seize all packaging related business opportunities. In addition to fulfilling the responsibility to supply our products as an industry member

supporting logistics and lifestyles, we will go forward to become the world’s best general packaging manufacturer and continue our ceaseless efforts to realize a sustainable society.

INPUT

FY2024 ended March 31, 2025

Financial capital

Total assets **1,243,116** million yen

ROA **2.3** %

Manufacturing capital

Group companies in Japan **121** companies **207** plants/mills

Overseas Group companies **206** companies **217** plants/mills

Capital expenditures **99,675** million yen

Intellectual capital

Research and development expenses **3,154** million yen

Human capital

Number of employees on a consolidated basis **25,011**

Breakdown:

Paperboard and Packaging-Related Business **9,068**

Flexible Packaging-Related Business **2,967**

Heavy Duty Packaging-Related Business **800**

Overseas Business **9,732**

Other businesses **2,444**

Social and relationship capital

- Relationship of trust with stakeholders based on our Declaration of Partnership Building

- Recycling system for recovered paper

- Recycling awareness shared among the next generation through dispatch lessons

- Supportiveness for the Orchestra Ensemble Kanazawa

- Supportiveness for the Japanese Antarctic Research Expedition

Natural capital

Energy usage **28,434** TJ

BUSINESS MODEL

Medium-term vision

VISION 120

(April 2025-March 2030)

Strengthening the value creation foundation

Value creation foundation

Hexagonal business structure

Packaging Provider

The General Packaging Industry

Paperboard

Corrugated Packaging

Folding Cartons

Flexible Packaging

Heavy Duty Packaging

Overseas Operations

RENGO GROUP

Value chain

- Integrated structure from paperboard to corrugated packaging and folding cartons
- Integrated structure from film used in flexible packaging to film packaging
- Acceleration of the establishment and strengthening of value chains overseas

Leveraging our extensive packaging knowledge cultivated over many years and our human resources, we create value by meeting the needs of our customers and society, from the product planning stage to sales promotion.

Value provided by GPI RENGO

Product development that captures the hearts of consumers

- Concept planning
- Branding initiatives
- Packaging design

Flexible packaging

Packaging beautifully and preserving freshness

- Packaging that is easy-to-wrap and store, and that enhances product value
- Preservation of the freshness of fruits and vegetables
- Use of biomass-based raw materials

Folding cartons

Conveying the appeal of products

- Various decorative printing
- Integrated structure covering the process from paperboard development to packaging design

Heavy duty packaging

Supporting industry

- Optimal for transportation and storage
- High functionality, high quality, and cleanliness

Corrugated packaging

Protecting and delivering products

- Achievement of both recyclability and various functionality
- Paperboard selection and corrugated packaging design to match contents

Optimizing packaging lines

- Automation of assembly and sealing processes
- Variable packaging systems for e-commerce goods tailored to the contents of each box

Corrugated packaging

Folding cartons

Creating retail spaces that heighten purchase intention

- Use of variable printing to develop diverse designs
- A wide variety of sales promotion tools and displays
- Production of campaign planning

Food film packaging

LossLess (freshness preserving packaging)

Packaging for everyday items

Gift packaging

Supporting industry

- Optimization of packaging for long-distance heavy-duty transportation across national borders

Overseas operations

Paperboard

- Integrated structure from paperboard manufacturing to processing

J-RexS (Japanese height-adjustable packaging machine)

DEGI-PAKE®

Corrugated packaging optimal for promotional displays

Easy-to-set-up displays for creating retail spaces

Packaging needs

Planning

- Raising awareness of products to a wider range of consumers
- Planning sales of new products

Manufacturing (inner packaging)

- Maintaining the freshness and quality of contents
- Using materials with low environmental load

Packaging/Shipping

- Transporting heavy items such as granular materials
- Transporting products safely

In-store sales

- Automating shipping operations
- Increasing loading efficiency during transportation

- Creating attractive retail spaces with labor saving

Socially relevant issues

Environmental pollution caused by microplastics

Food waste

Increase in environmental load due to the use of packaging materials that are difficult to recycle

Insufficient logistics personnel

Insufficient sales personnel

OUTPUT

FY2024 ended March 31, 2025

Paperboard production **2,467** thousand tons

Corrugated production **4,483** million square meters

Corrugated board and boxes sales **4,719** million square meters

Flexible packaging (PP film production volume) Approx. **140,000** tons

Heavy duty packaging (resin consumption) Approx. **31,000** tons

OUTCOME

FY2024 ended March 31, 2025

Economic value

Net sales **993,251** million yen

Operating income **37,408** million yen

Debt to equity ratio **0.97** times

Environmental and social value

Renewable energy use rate **17.1** %

Recovered paper utilization rate **98.6** %

Logistics

Reducing driver waiting time and loading/unloading work through initiatives for white logistics

17 RENGO Integrated Report 2025

RENGO Integrated Report 2025 18

Message from the president



Yosuke Kawamoto
Representative Director,
President & COO

Based on people-centric management, we will strengthen our value creation foundation and improve profitability through Vision120.

Reflection on Vision115

Net sales approached one trillion yen, but profitability is an issue

As Vision115, our medium-term vision, reached its final year in FY3/2025, we have formulated and announced Vision120, our new medium-term vision. In the five years leading up to FY3/2030, which marks the 120th anniversary since our founding, we will work to strengthen our value creation foundation, along with the evolution and extension of our materiality and Rengo Group management. In Vision115, we set targets of one trillion yen in net sales and 60 billion yen in ordinary income. We ultimately achieved net sales of 993.3 billion yen, close to one trillion yen. On the other hand, in terms of profits, ordinary income was only 39.2 billion yen, resulting in a margin of just 3.9%. This was less than half of the average ordinary income margin on net sales for listed manufacturing companies, which is said to be around 8%. Even when looking at profitability by industry, the pulp and paper sector has a low profit margin at around 3%. I believe that we must raise that level.

Under Vision115, we have expanded our hexagonal business structure and steadily built a foundation for our next stage of growth. For example, in our overseas business, the German company TRICOR Packaging & Logistics AG joined our Group in 2019. At the time, I personally visited the local plant and examined the equipment and organizational structure. I decided that we could create synergies if we worked together as the Rengo Group. After this decision, the M&A took place. Since acquiring TRICOR Packaging & Logistics, we have been focusing on post-merger integration (PMI). Although it is difficult to say that the German economy was strong as of the first half of FY3/2026, we will steadily achieve results from the merger during the period of Vision120.

Similarly, in the field of flexible packaging, we welcomed RM TOHCELLO CO., LTD. into our Group. Going forward, we will establish an integrated structure from films to flexible packaging products and pursue synergies as a Group. Another decision made during the period of Vision115 was to renovate the Takefu Plant, which is our manufacturing base for cellophane. Construction is scheduled to be completed in 2027.

Our Group company Taiko Paper Mfg., Ltd. has begun the challenge of producing raw materials for sustainable aviation fuel (SAF). This initiative aims to develop a new profitable business in the future by attempting to produce bioethanol from non-edible biomass such as construction waste.

Under Vision115, the entire Group has been working toward the goal of one trillion in net sales. Going forward,

we will focus on further improving our business while keeping our sights set on net sales of more than one trillion yen. Due to the increase in investments, we expect that free cash flow will temporarily be negative in FY3/2025 and FY3/2026. We expect it to turn positive thereafter. Under Vision120, we will place greater emphasis on profits than ever before.

Formulation of Vision120, the new medium-term vision

Companywide promotion of a future-oriented vision created together with our employees

Looking back at previous medium-term visions up until Vision115, the Corporate Planning Department was primarily responsible for formulating the visions. Also, the visions were not even publicly disclosed. In contrast, for Vision120, we launched the Next Vision Preparation Committee in March 2024. The committee proceeded with the formulation process by gathering opinions from each department within our company. I personally visited as many locations as possible to have on-site conversations and listen to the opinions of employees. The committee worked to ensure that the content of the new vision reflected the opinions of the entire Group, including affiliates both in Japan and overseas. After about a year of formulation, we announced Vision120 in May 2025.

We have received various opinions from investors regarding the shareholder return policy stated in Vision120. We place priority on how to increase the “R (Return)” on the capital necessary to generate the profits that serve as the source of dividends, thereby aiming to improve ROE (Return on Equity). When formulating Vision120, we considered how to envision business development that would increase return in the future. I value the spirit of “true sincerity can overcome any obstacle.” Accordingly, I believe that an honest and sincere attitude is necessary for corporate management. Going forward, we will work to ensure that investors understand our thinking and direction, while also sincerely listening to the opinions of investors.

Awareness of domestic and international markets and future expansion

Initiatives to enter growth markets and expand high value-added products

Japan’s population is declining, so it is difficult to expect an increase in demand in the long term. Even in this situation, we are pursuing proposals and product

development with high added value. We strive to ensure our customers recognize the value we provide, translating that recognition into improved business performance. One example is the development of DEGI-PAKE®, a digitally printed corrugated packaging that can be used as a promotional tool. Although there is already a certain amount of demand for DEGI-PAKE®, we will work to further penetrate the market.

We are also promoting the development of high value-added products other than corrugated packaging. Spherical cellulose beads (Viscopearl®), which are an alternative to microplastic beads, are biodegradable in the ocean and soil, and are therefore attracting attention as an environmentally friendly material. In order to develop markets for such products, we established the Chemical Products and Cellulose Products Development Group in 2023. We are now conducting sales activities with a thorough fundamental attitude of interacting directly with customers. We will continue to leverage our nationwide packaging sales network to expand our business across a wide range of fields.

In overseas markets, we plan to expand sales volume and improve profit margins in countries with large populations such as China, India, the United States, and countries in Southeast Asia. In particular, India is expected to experience rapid growth on par with China over the next 10 years. A major theme for our future is establishing the Rengo Group's hexagonal business structure in regions such as India. However, entering the Indian market is no easy task. Therefore, we decided to first learn from a local partner. In 2023, we acquired shares in Velvin Containers Private Limited (now Velvin Rengo Containers Private Limited) and launched a corrugated plant. I became acquainted with Velvin Containers through the International Corrugated Case Association (ICCA), where I served as chairman until May 2025. We confirmed that the productivity and safety



awareness of Velvin Containers' local plant are at a much higher level than other Indian companies. We also determined that it has a structure which is highly regarded companies in Europe and the United States. Accordingly, we judged that Velvin Containers would be a trustworthy partner and began our collaboration. Using this partnership as a starting point, we will examine the market in India and explore the possibility of expanding our business, including flexible packaging and heavy duty packaging.

For the five-year period of Vision120, we have set numerical targets for increasing net sales in Overseas Business by approximately 90 billion yen, achieving 300 billion yen in net sales for our Group as a whole by FY3/2030, and reaching an operating income ratio of 5% (after amortization of goodwill). Even if we achieve these targets, net sales from Overseas Business are assumed to still only account for 25% of the total consolidated net sales. Another one of our initiatives is to raise this ratio to 30% and then to 40% as soon as possible.

Initiatives for sustainability

Promotion of ESG management

Regarding environmental response by the Rengo Group, we plan to completely phase out the use of coal boilers at our paperboard mills in 2027. We are beginning to see a clear milestone in our main efforts for large-scale energy transition.

Going forward, we will continue to work on product development. We have already established a recycling structure for corrugated board. We currently have a high recovered paper utilization rate in the 98% range, and we are at a level where we can aim for 99% or higher. However, environmental response in the field of flexible packaging film is a future challenge. Our Group also has one of the top market shares in Japan in the field of film, and we need to fulfill our responsibility for environmental response. With that in mind, it is essential to develop environmentally friendly products and promote film recycling. We have launched an in-house project to build a circulation model for film products, and I am personally participating in its meetings. The committee discusses how to materialize a circular business system. Nevertheless, recycling efforts cannot be completed by Rengo alone; instead, collaboration across the industry is necessary. Our Group will work toward realizing a more sustainable society, with an eye toward expanding partnerships with other companies.

Furthermore, the previously mentioned SAF initiative is a new challenge in our efforts to address environmental

issues. The Japanese government has set a target of increasing the proportion of SAF to 10%. Our Group currently plans to increase our supply capacity of bioethanol for SAF to approximately 20,000 kL per year. After ensuring that we are capable of supplying 20,000 kL, we will then work to increase the supply scale even further. The business world presents many specific challenges and possibilities. Our Group will strive to generate profits from the SAF business while aiming to resolve social issues.

Vision120 has placed a human-capital approach (people-centric management) as our foundational values and the pillar of our management. This means prioritizing empathy and sympathy for others, respecting and accepting the diverse individuality of employees based on the idea of diversity, equity, and inclusion (DEI), and aiming to increase total factor productivity. By aiming to be an organization where motivated employees work enthusiastically, employees' engagement with the company and their work will heighten, and the economic value created will also increase. By appropriately distributing the added value generated through these efforts to our employees, we aim to sustain a virtuous cycle of growth and distribution that leads to further growth. However, there is room for improvement in the working environment compared to global standards, and we will strive to improve our working environment during the period of Vision120.

DEI efforts are being advanced by the DEI Promotion Department. In recent years, the United States has shifted to a slightly more subdued tone toward DEI. Even so, our Group continues to regard DEI as a vital issue that must be addressed sincerely. We remain committed to promoting DEI throughout the entire Group.

We believe that a human-capital approach must be consistently kept in mind not only within our company, but also in relationships with all stakeholders. This includes transactions with customers, relationships with business partners, the environment, and local communities. Treating all stakeholders with respect and sincerity will lead to strengthened mutual trust and fair relationships.

We place importance on strengthening corporate governance as part of Strengthening the Management Base for Sustainable Growth through our efforts to address materiality. Needless to say, the "comply or explain" principle in the Corporate Governance Code is something that should be reflected in corporate activities both in name and in reality. We do not treat this concept as a mere formality; rather, we are sincerely working to strengthen our governance structure in a substantive manner.

I also believe that it is important to have the perspective of improving the industry as a whole. As a leading company, Rengo possesses a business foundation that



can elevate the standard of the entire pulp and paper industry. First of all, we will set an example and work hard to strengthen our governance. In our relationships with external parties, we will conduct business activities in line with the spirit of our Declaration of Partnership Building while maintaining fair trade relationships.

During the period of Vision115, our Group steadily planted seeds for future growth. Following Vision120, we will enter a phase where the focus is on whether the seeds we have planted will grow, bear fruit, and yield great results. In the long-term plan up to 2050, Vision120 is positioned as Phase 01 until 2030. This will be followed by Phase 02 until 2040 and Phase 03 until 2050. Through this plan, we aim for growth of the entire Group from a long-term perspective. I am repeatedly conveying the message of THINK 2050 within our Group. Of course, 2050 is not the goal, and we must pursue sustainable growth with an eye beyond that. We need to make Rengo a truly good company; that is, a company where younger employees currently working for our Group want to continue working for us in the long term. Of course, even more new colleagues will join our Group in 2050, so it is important that we keep THINK 2050 in mind as we continue to energize and grow our company. Over the next five years, we will achieve results that meet the expectations of our stakeholders. At the same time, we will look further ahead and continue planting new seeds to pursue sustainable growth. I sincerely ask for your continued support and invite you to look forward to the future growth of the Rengo Group.

Y. Cato

Representative Director,
President & COO

Medium-term vision Vision120

(April 2025 to March 2030)

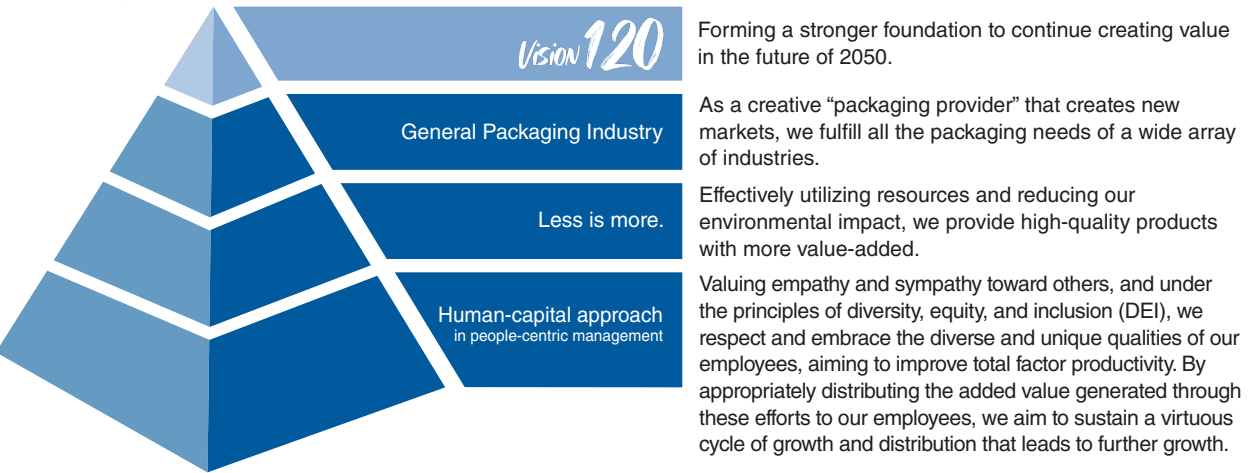
Establishment of the foundation for future value creation

We have formulated the medium-term vision Vision120 to continue delivering new and greater value in the future of 2050. Vision120 covers the period from FY3/2026 to FY3/2030, which marks the 120th anniversary of our founding. Through this vision, we strive to achieve sustainable growth and enhance our societal value, thereby meeting the expectations of our stakeholders.

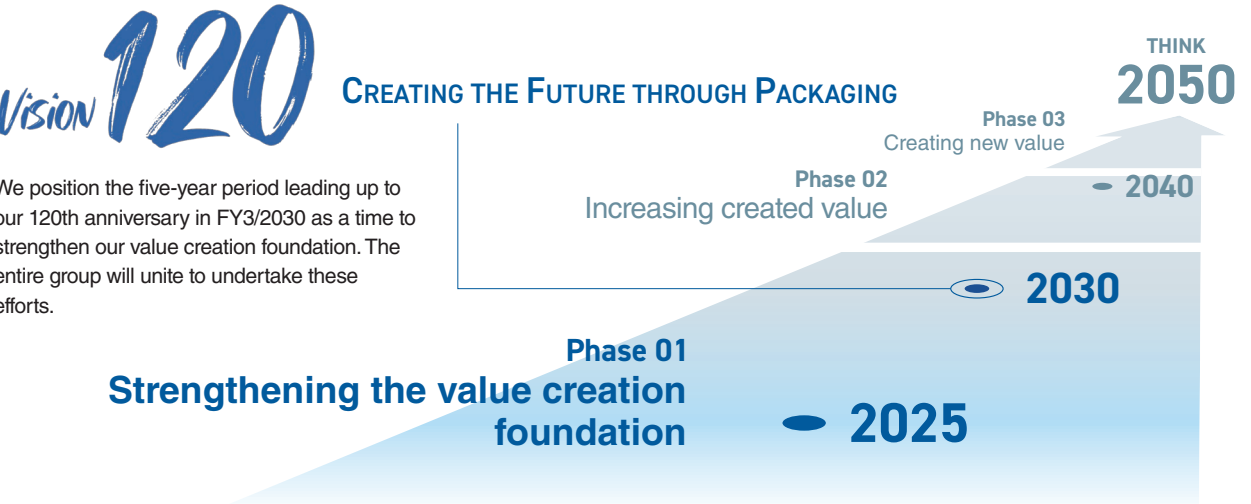
Fundamental philosophy (core values)

Packaging is essential for delivering products to consumers. We contribute to society by dressing, wrapping, and protecting our customers' products.

This vision is based on the fundamental philosophy of a human-capital approach in people-centric management at the core of our framework. While consistently leading the industry in environmental management, we aim to provide comprehensive solutions for all packaging needs, support global logistics and people's lives, and create a bright future.



Main theme for the five-year period (April 2025–March 2030)



Financial strategy supporting value creation

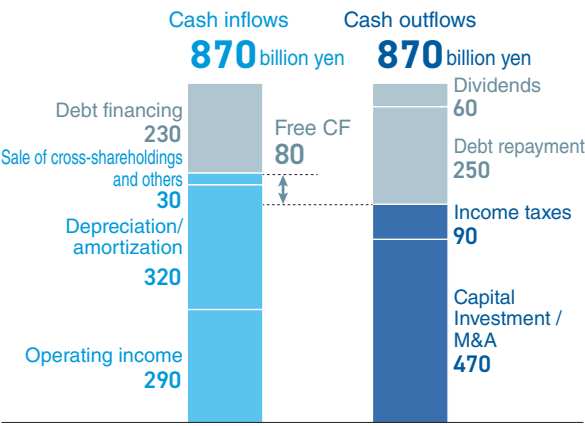
Key financial indicators for FY3/2030

Net sales	Operating income	Ordinary income	EBITDA	ROE	D/E ratio
1,200 billion yen	70 billion yen	72 billion yen	135 billion yen	8.5 %	0.7 x

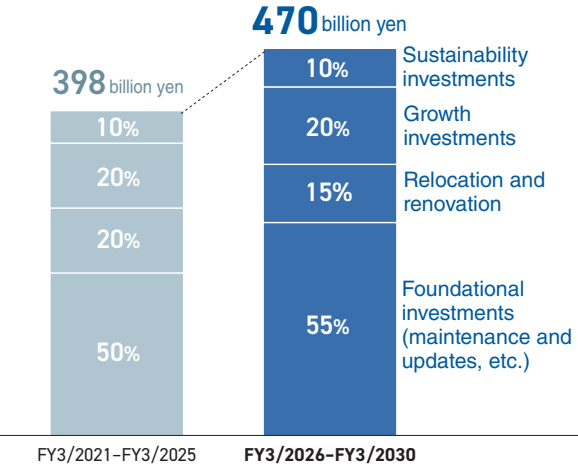
Cash allocation

Cash allocation policy	Dividend of retained earnings	Dividend payout ratio of 30 %	Balance of cross-shareholdings	Reducing to 10 % of net assets
	Progressive dividends aiming for increases in line with profit growth	by the end of March 2030		by the end of March 2030

Cash inflows and outflows over the five-year cumulative period FY3/2026–FY3/2030



Breakdown of capital investment and M&A Comparison with the cumulative total of the most recent five years



Message from the officer

A new step for designing the future: The challenge of Vision120

The Rengo Group has given its full effort to fulfilling Vision115, a medium-term vision with FY3/2025 as the final year. As "General Packaging Industry (GPI) Rengo," which offers solutions that meet the diverse packaging needs of all industries, we have worked to expand our business and enhance profitability through strengthening sales capabilities, aggressive capital investment, and M&A.

Building upon these efforts, we have formulated the new medium-term vision Vision120 and taken the first step toward the next stage. With a sense of mission as a "Packaging Provider" that designs the future and pioneers new markets, we will strengthen the value creation foundation and enhance the quality of our business operations.

With rapid changes in the business environment, we will achieve Vision120 by constantly pursuing flexibility and innovation, thereby meeting the expectations of all stakeholders. We look forward to your support.



Yoshizumi Nishi
Senior Managing Executive Officer, Member of the Senior Executives Meeting

Medium-term vision Vision120

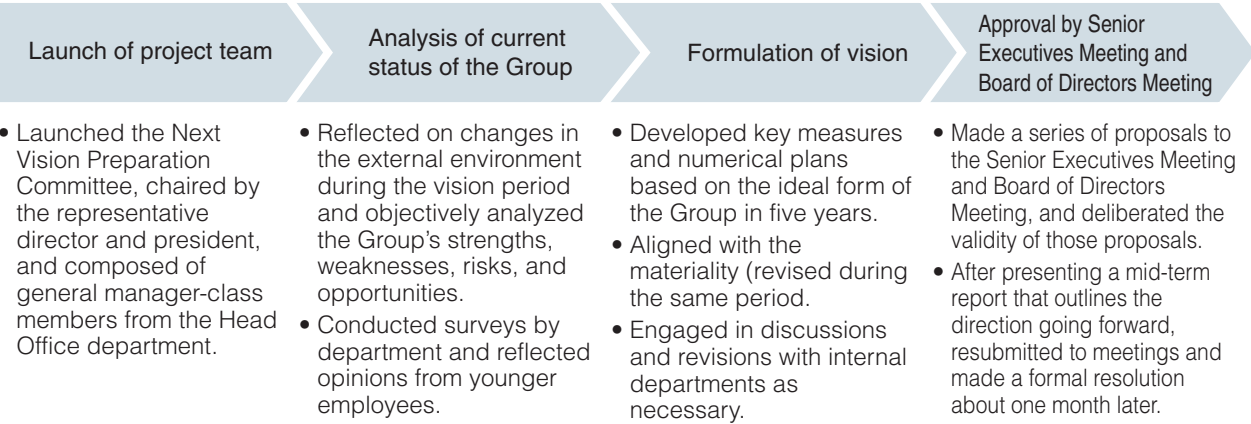
(April 2025 to March 2030)

Board of Directors involvement in formulating Vision120

In formulating the new medium-term vision Vision120, the Board of Directors of Rengo thoroughly deliberated the presented content and evaluated its validity and feasibility. In particular, outside directors received sufficient explanations prior to discussions by the Board, and provided opinions from an objective and neutral standpoint.

Following the formulation of Vision120, we will continue working with outside directors to consistently review progress and establish a structure that enables their active involvement in achieving the targets for FY3/2030, and in enhancing corporate value over the medium- to long- term.

Process of formulating Vision120



Key themes

1. Initiatives for each business

Target business performance

In addition to papermaking, corrugated packaging, and folding cartons, we are working to create added value by strengthening an integrated structure across the Rengo Group in the flexible packaging sector, from film manufacturing to printing and processing. We are leveraging our stable supply structure built on partnerships with customers and business partners to enhance flexibility and efficiency across all processes from development to supply and sales. Alongside business expansion, we aim to establish a foundation for sustainable growth both in Japan and overseas by quickly identifying potential market needs and strengthening our responsiveness to change.

	Net sales	Operating income	Detailed explanation page
Paperboard and Packaging*	590 billion yen	36 billion yen	→ p. 31
Flexible Packaging	210 billion yen	12 billion yen	→ p. 35
Heavy Duty Packaging	56 billion yen	3 billion yen	→ p. 39
Overseas	300 billion yen	16 billion yen	→ p. 43
Others	44 billion yen	3 billion yen	→ p. 47

*For segment information, the paperboard, corrugated packaging, and folding carton businesses are collectively classified as the Paperboard and Packaging-Related Business.

2. Initiatives for materiality

List of materiality

	Explanation	Initiative themes
Creating New Value as a “Packaging Provider”	In our core business of the Paperboard and Packaging-Related Business, we will focus on strengthening the foundation for creating new value, with an emphasis on expanding our lineup of environmentally friendly products.	- Providing sustainable packaging - Creating new businesses and products that resolve socially relevant issues - Building a sustainable logistics system
Coexisting with the Global Environment	We position climate change measures as the top priority in our management and reduce greenhouse gas (GHG) emissions throughout the entire product lifecycle based on a roadmap toward achieving carbon neutrality.	- Addressing climate change - Expanding the circular economy - Conserving natural capital
People-Centric Management	We are committed to “People-Centric Management,” which places a human-capital approach at the core of our company management. With respect for human rights as a fundamental principle, we aim to achieve sustainable growth and improve productivity through creating safe and congenial environments, fostering well-being and fulfillment, and promoting diversity, equity, and inclusion (DEI).	- Respecting human rights - Establishing a safe and healthy working environment - Fostering well-being and fulfillment - Promoting DEI
Strengthening the Management Base for Sustainable Growth	We will strengthen our management foundation by enhancing Group governance and promoting DX. Additionally, we will work to strengthen partnerships with business partners and ensure the quality and safety of our products.	- Strengthening Group governance - Establishing a foundation for DX - Strengthening business partnerships - Ensuring product quality and safety

Creating New Value as a “Packaging Provider”

Paperboard and Packaging-Related Business

Development of the next-generation containerboard



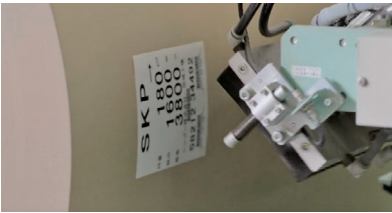
Business environment and outlook

With the growing awareness of environmental issues, the demand for high value-added containerboard that contributes to resource conservation and GHG emission reductions is expected to increase significantly.

The Group's initiatives

We are working on the development of lightweight and high-strength containerboard, following the success of our Less Caliper and Carbon (LCC) containerboard.

Dissemination of containerboard management systems with RFID*



Business environment and outlook

With the enforcement of regulations limiting drivers' overtime hours starting in FY3/2025, reducing the burden of logistics operations and improving drivers' working conditions remain ongoing challenges.

*RFID: Radio Frequency Identification

The Group's initiatives

In the papermaking and corrugated industry, we will disseminate containerboard management systems with RFID, aiming to standardize it in logistics operations.

Entry into the bioethanol business



Business environment and outlook

As the use of sustainable aviation fuel (SAF) is mandated as a GHG reduction measure in the aviation industry, the demand for bioethanol, which serves as a raw material for SAF, is expected to increase. There are high expectations for the development of technology to produce second-generation bioethanol (ethanol made from non-food biomass resources) derived from pulp, which is an intermediate product in the papermaking process.

The Group's initiatives

We aim to develop production technology for second-generation bioethanol, as well as its commercial production and business development, by utilizing the pulp production facilities of Taiko Paper Mfg., Ltd. in Fuji-shi, Shizuoka Prefecture, and the biotechnology of Biomaterial in Tokyo Co., Ltd. in Onojo-shi, Fukuoka Prefecture.

Medium-term vision Vision120

(April 2025 to March 2030)

Creating New Value as a “Packaging Provider”

Paperboard and Packaging-Related Business

Strengthening of the lineup of environmentally friendly products and socially responsible products



Business environment and outlook

The demand for packaging that reduces environmental impact and addresses socially relevant issues such as labor shortages is expected to continue to grow in the future.

The Group’s initiatives

We will enhance our lineup of recyclable functional corrugated packaging and the Retail Mate series, which improves efficiency in distribution operations, to meet the needs of society.

Expansion of sales promotion (SP) business and contract packaging (CP) business



Business environment and outlook

The SP business, which supports customers in various promotional activities, and the CP business, which handles product packing, are expected to grow as high value-added services.

The Group’s initiatives

We will expand the scope of our SP and CP businesses, establishing a system that can meet all packaging needs with a one-stop solution.

Other Businesses

Strengthening of the development and sales of packaging systems



Business environment and outlook

As the e-commerce and online shopping markets continue to expand, the demand for automation and labor saving in packaging processes is expected to keep growing.

The Group’s initiatives

We will expand our lineup of packaging systems and strengthen our maintenance services. By collaborating within the Group, we will work to identify potential demand and enhance sales.

Flexible Packaging-Related Business

Strengthening of the development and sales of environmentally friendly film products



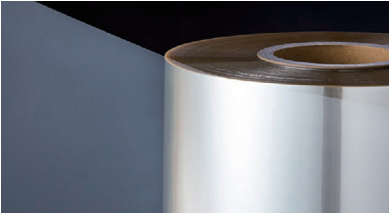
Business environment and outlook

In response to the growing environmental awareness, there is an expected increase in societal expectations for the use of biomass and the recycling of plastic packaging materials.

The Group’s initiatives

Group companies will collaborate under an integrated system to accelerate the development of biomass packaging materials and mono-material packaging, as well as initiatives for plastic resource recycling.

Renovation of cellophane production facilities



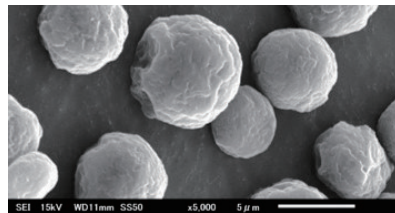
Business environment and outlook

In response to the increasing demand for biodegradable materials and films with higher biomass content, steady demand is expected for cellophane and the REBIOS® series.

The Group’s initiatives

We will conduct a comprehensive renewal of our Takefu Plant to establish a production system that is competitive in both quantity and quality.

Development of applications and enhancement of production capacity for cellulose beads



Business environment and outlook

Cellulose beads with soil biodegradability and marine biodegradability are expected to see demand increase as alternatives to plastic microbeads.

The Group’s initiatives

Through Group-wide cross-functional proposal activities, we will develop applications in various fields and work to expand production volume.

3. Evolution/Extension of Group Management

Evolving/extending integrated systems

In the Flexible Packaging-Related Business, we are strengthening our integrated system from film manufacturing to printing and converting across the entire Group through M&A and other initiatives. We are working on optimizing the entire value chain and creating added value through collaboration with other business segments. Based on a stable supply system built on unwavering trust with our customers, we maximize synergies through vertical integration, enhancing flexibility and efficiency in all processes from development to supply and sales. This approach enables us to respond quickly to changing market needs and aims to achieve sustainable growth and establish a competitive advantage.

Primary activities

We have strengthened the integrated system from plastic film raw material production to printing and converting through the acquisition of RM TOHCELLO CO., LTD. as a subsidiary.

Film manufacturing

Shipping and receiving of film

Printing and converting

Research and development

Quality control

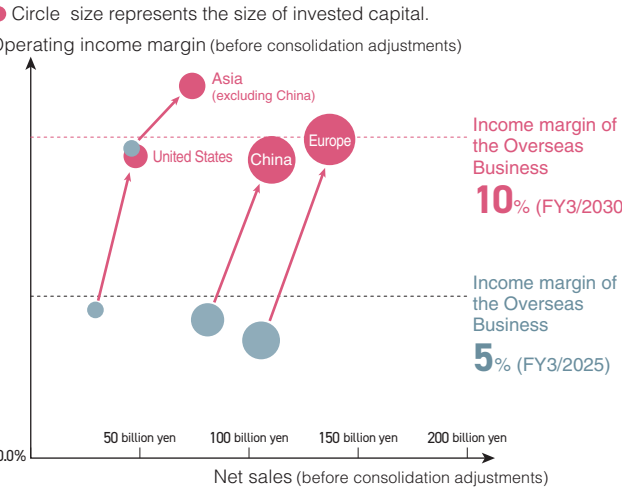
Marketing

We will lead the sustainable growth of the film packaging market by solidifying our integrated system.

Evolving/extending global management

Over the next five years, we will accelerate the growth of the Overseas Business, expanding our scale and improving profitability in Asia, Europe, and the United States. By expanding our global talent pool, promoting DEI, and strengthening human capital, as well as establishing an efficient and flexible management structure through digitalization, we will enhance the value creation foundation in our global operations. This will contribute to our medium- to long-term growth and enhance the sustainability of the Group.

Growth image of each business



China	- In the heavy duty packaging field, we will continue our expansion strategy and aim to improve income margins. - In the flexible packaging field, we will further strengthen our established competitive advantage locally and aim to improve income margins. - In the corrugated packaging field, we will strengthen our trust relationships with customers and aim to improve profitability through selection and concentration.
Asia (excluding China)	- In the heavy duty packaging field, we will pursue business expansion and improve income margins, similar to our strategy in China. - In the flexible packaging field, we will maintain the existing high income margins and ensure stable revenue. - In the corrugated packaging field, we will aim to improve profitability through productivity enhancements and cost reductions.
Europe	- In the heavy duty packaging field, we will diversify our customer base and aim to drive medium- to long-term growth of our Overseas Business through business expansion.
United States	- We will establish a growth foundation to enhance our presence in the world's largest economy, where many leading customer companies are concentrated.

At a glance

Information by segment

	Main products and businesses	Total assets (billion yen) / ROA (%)	EBITDA (billion yen)	Number of employees	Capital investments (billion yen)
Paperboard and Packaging-Related Business Net sales: 514,720 million yen 51.8%	Paper and Paperboard Containerboard Kraft paper Boxboard Kraft pulp Tube board Chipboard Corrugated packaging Corrugated board Corrugated boxes Folding cartons Folding cartons Decorative printing corrugated packaging Multi-packs	649.7 4.4 672 3.4 740.6 2.0 815.6 4.5 781.2 2.9 3/213/223/233/243/25	54.2 50.1 42.0 63.8 54.9 3/213/223/233/243/25	7,995 8,453 8,663 8,904 9,068 3/213/223/233/243/25	33.5 35.8 39.1 49.0 63.1 3/213/223/233/243/25
Flexible Packaging-Related Business Net sales: 181,614 million yen 18.3%	Film OPP film CPP film Film packaging Flat bags Gusset bags Pillow bags Standing pouches Cellulose-related products Cellophane Spherical cellulose beads	5.7 77.8 92.3 2.4 105 3.0 111.8 4.4 171.5 3.6 3/213/223/233/243/25	7.4 6.4 8.0 9.8 12.3 3/213/223/233/243/25	1,784 1,789 2,098 2,167 2,967 3/213/223/233/243/25	4.6 5.7 4.1 5.0 8.5 3/213/223/233/243/25
Heavy Duty Packaging-Related Business Net sales: 44,977 million yen 4.5%	Heavy duty packaging Flexible container bags Heavy duty polyethylene bags Kraft paper bags Resin-based products Laminated products Cross lamination Industrial resins Netting materials	46.5 4.5 48.8 3.4 49.8 2.3 52.7 1.8 54.4 3.1 3/213/223/233/243/25	3.6 3.0 2.6 2.6 3.1 3/213/223/233/243/25	788 793 793 803 800 3/213/223/233/243/25	1.4 1.3 1.6 1.8 0.9 3/213/223/233/243/25
Overseas Business Net sales: 213,094 million yen 21.5%	Paperboard Corrugated packaging Flexible packaging Heavy duty packaging Nonwoven products	177.2 1.9 200.4 2.6 273.3 2.5 305 2.3 353.2 1.5 3/213/223/233/243/25	11.4 14.3 18.1 22.1 22.8 3/213/223/233/243/25	6,689 6,904 8,780 9,252 9,732 3/213/223/233/243/25	5.4 5.2 12.1 17.1 25.7 3/213/223/233/243/25
Other Businesses Net sales: 38,844 million yen 3.9%	Nonwoven products Packaging machines Transportation business	37.5 5.5 39.8 5.0 39.1 3.4 41.6 2.9 46.6 4.5 3/213/223/233/243/25	3.3 3.3 2.7 2.5 3.5 3/213/223/233/243/25	2,195 2,202 2,214 2,263 2,444 3/213/223/233/243/25	2.3 1.4 1.8 1.0 1.5 3/213/223/233/243/25

Paperboard and Packaging-Related Business



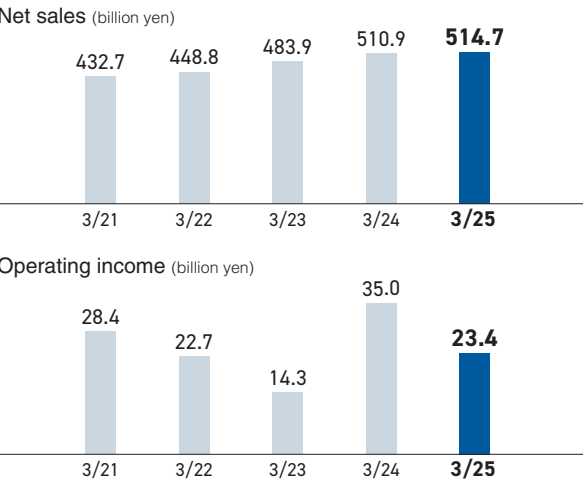
Review of FY3/2025

Business overview

Increased net sales due to price revisions, but decreased operating income due to increased costs

Segment net sales were 514,720 million yen, up 0.7% year-on-year, and operating income was 23,443 million yen, down 33.0% year-on-year. Demand remained strong for corrugated packaging, especially for processed foods, and proposal-based marketing efforts were successful, resulting in increased sales volume.

Although price revisions were also somewhat effective, operating income decreased because they were unable to absorb increased costs associated with rising labor and logistics costs, as well as capital investments made for environmental measures and improvements in working environments.



Strengths of our business

- 1** Integrated structure from paperboard to corrugated packaging and folding cartons

The Rengo Group's integrated structure handles everything from production to sales of paperboard, the material used for corrugated packaging and folding cartons. This helps us to understand the needs and insights of customers and society in a timely manner, and enables us to work on solving issues with a view of the entire value chain.
- 2** Proposal-based marketing driven by development capabilities

The functions required of corrugated packaging go beyond protecting our customers' products and delivering them safely. In situations where products are displayed in their shipping boxes, there is also a need for functions such as information delivery, sales promotion, and improved efficiency of displaying tasks. Through Rengo's unique proposal-based marketing driven by development capabilities, we provide corrugated packaging and folding cartons customized with optimal functions for each of our customers' products and usage scenarios.
- 3** Corrugated packaging with superior environmentally friendly features

Corrugated packaging is made primarily from recovered paper. This makes it a renewable and environmentally friendly material within a circular system. However, paperboard in general requires a large amount of energy during the manufacturing process and generates significant greenhouse gas emissions. To address these issues, the Rengo Group is advancing a shift in fuel sources to reduce greenhouse gas emissions. By FY3/2028, we aim to eliminate the use of coal in all paper machines within the Group. This will enable us to offer corrugated packaging with superior environmentally friendly features.

Results

Increased sales volume and net sales through price revisions and value-added product proposals

Implementing price revisions only for corrugated packaging and folding carton products without raising paperboard prices was an unprecedented initiative. Even so, through negotiations with many customers, we were able to achieve a certain level of overall success.

In addition to the price revision initiative, we have implemented other measures that contribute to increased sales volume. Examples include proposals for value-added packaging, which are expected to help promote the sales of our customers' products, as well as proposals that help customers reduce costs by meeting recent needs for lighter, smaller, and simpler packaging materials.

Challenges

Response to labor shortages

Corrugated packaging and folding cartons are labor-intensive products that are made to order. Each item requires custom processing and involves a wide variety of processing steps. As the working population declines, Rengo is working to secure human resources by ensuring wage levels that support the job satisfaction of employees involved in the manufacturing of corrugated packaging and folding cartons, and by creating workplaces where employees can work safely and with peace of mind. At the same time, we are also developing and introducing labor-saving facilities.

Vision120

Vision for 2030

Realizing a sustainable future through environmentally friendly product development and productivity improvement

The Paperboard and Packaging-Related Business will focus on strengthening the foundation for sustainable growth and pursuing innovation over the next five years. As a pioneer in Japan's corrugated packaging industry, we will maintain unwavering quality and lead the evolution of packaging toward labor saving and efficiency through environmentally conscious product development and optimization of production processes. Additionally, we will actively embrace digital technologies and explore new markets to enhance profitability and create new value.

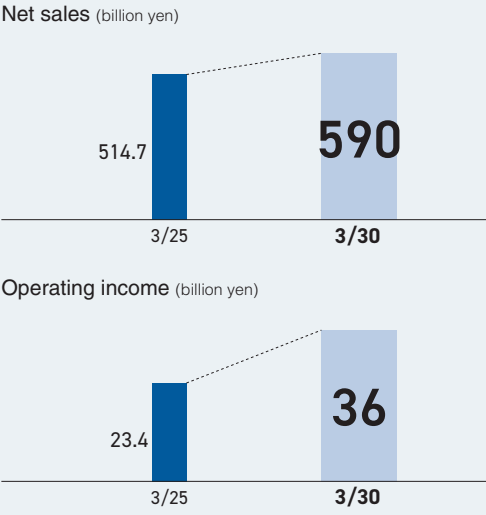
Risks and opportunities

- There are risks such as the difficulty in differentiating products, fluctuations in raw material prices, and the tightening of environmental regulations.
- There are opportunities such as the increasing demand for recyclable products driven by heightened consumer environmental awareness, and the potential for improvement in production efficiency and new product development through technological innovation.

Approach

- We will develop environmentally friendly products and strengthen recycling systems.
- We will aim to maintain and improve profitability under a full cost approach.
- We will enhance production efficiency and reduce costs through technological innovation, while also expanding market opportunities and strengthening competitiveness by developing and disseminating sustainable products.

Targeted financial performance



Outlook for FY3/2026

The outlook for this segment in FY3/2026 is net sales of 516,000 million yen, up 0.2% year-on-year, and operating income of 28,300 million yen, up 20.7% year-on-year. According to a demand forecast released by the Japan Corrugated Case Association in December 2024, domestic production volume for corrugated board in 2025 is expected to remain at the same level as the previous year. However, the Rengo Group will work to increase sales by further promoting our strength in environmentally friendly manufacturing and by developing and proposing environmentally friendly products. At the same time, by exploring new business fields and offering value-added products that utilize digital technologies, we aim to boost both sales revenue and sales volume.

Furthermore, in response to the ongoing rise in labor and logistics costs, we will continue the price revisions initiated in FY3/2025 into FY3/2026 to establish

a sustainable business foundation.



DEGI-PAKE®:
A high value-added product
utilizing digital technology

Paperboard and Packaging-Related Business

Special feature 1

New showroom
TOKYO ADVANCE GATEWAY

On February 14, 2024, Rengo opened the showroom TOKYO ADVANCE GATEWAY (TAG) on the fourth floor of the new warehouse building within our Tokyo Plant. TAG is positioned as a starting point for us and our customers to move forward together.

View of TAG



Aim of opening TAG

Creation of a place to share Rengo’s approach to resolving socially relevant issues

With the aim of helping to resolve various socially relevant issues, TAG was designed as a venue to exhibit initiatives by Rengo and products from its Group companies based on six themes, and to lead to new proposals.

We hope that TAG will be a venue that creates stronger ties with visitors by giving them a firsthand look at the history of Rengo, which has grown alongside the development of the Japanese economy in response to societal expectations, as well as our present and future.

Exhibition content

Firsthand experience for the social value of Rengo products

TAG is a venue that gathers together the appeal of the Rengo Group. For example, the display stands and sign towers in each section were produced by Tri-Wall Limited, and tiles from Kinyosha Printing Co., Ltd. were used in the restrooms. There is also a workshop section where visitors can experience the reinforcing effect of mixing cellulose into rubber products and the efficiency of operations in retail stores using Rengo Smart Display Packaging (RSDP). The number of visitors from outside the company in FY3/2025 exceeded 2,500.

TAG will continue to evolve as a showroom that continues to provide the latest information.

Six themes of TAG

Environment: Achieving a better future

Introducing the Rengo Group’s initiatives addressing environmental and social issues across the entire value chain, aimed at contributing to the realization of a better future.

Sustainability: Providing sustainable packaging

Exhibiting environmentally friendly packaging and materials; exploring the possibilities of new sustainable products.

E-commerce: Achieving smart online shopping

Introducing solutions ranging from logistics improvements to packaging that enhances customer satisfaction, as well as new concepts for the future.

Value added: Taking on the challenge of creating new value

Exhibiting products that help resolve various issues through functions such as water resistance and deodorization.

Group network: Working together with the world

Exhibiting our achievements as a general packaging manufacturer that utilizes the comprehensive strength and network of Rengo Group companies in Japan and overseas.

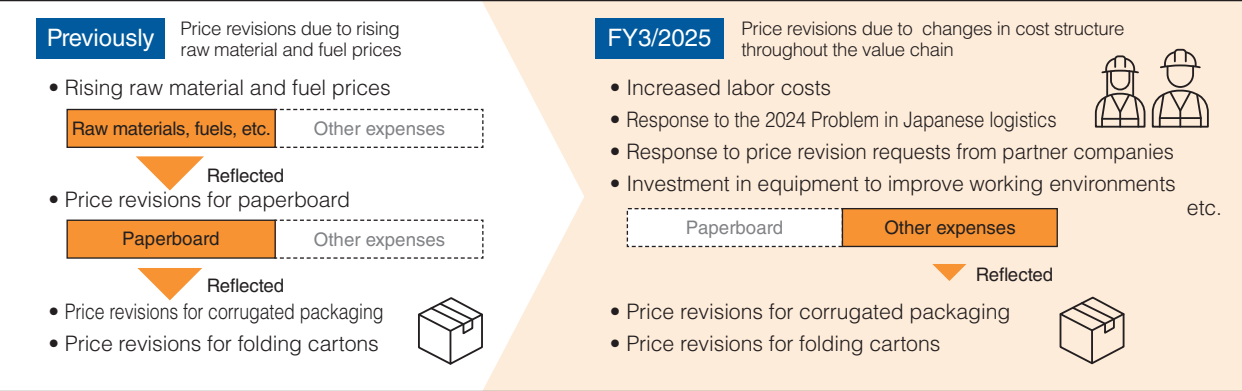
Promotion: Maximizing the appeal of products

Introducing our sales promotion achievements and organizations/technologies which lead to sales; for example, digital printing that can be used for sales promotion and branding.

Special feature 2

Price revisions for building a sustainable business foundation

From April 2024, Rengo implemented its first-ever price revision for corrugated packaging and folding cartons that did not include any accompanying increase in the price of the material, paperboard. This price revision was partly due to changes in the cost structure throughout the value chain. Although it took time, we achieved some positive outcomes through continued negotiations aimed at mutual understanding with our customers.



Background

Price revisions to address the expanding burden

Previously, price revisions for corrugated packaging and folding cartons were implemented in response to price revisions for paperboard, which is the main raw material in these products. This involved negotiating with customers to achieve a transaction price that includes the pass-on of increases in the price of paperboard as well as increases in variable costs at plants for corrugated packaging and folding cartons. Until now, we had never revised the price of a product independently without relation to a revision in the price of paperboard before.

However, we have faced unprecedented changes in the cost structure throughout our entire value chain. Examples include responses to the 2024 Problem in Japanese logistics, the growing momentum for wage increases in society, requests for price revisions from partner companies, and capital investments as a measure against heat. It has become extremely difficult for Rengo to cover the cost increases through its own efforts alone. Therefore, we have decided to work toward establishing a sustainable pricing structure for corrugated packaging and folding cartons.

Results

Revision results supported by trust and quality

We have many business partners for corrugated packaging and folding cartons. These products are made to order and each one has different specifications,

so we need to negotiate prices while providing detailed explanations. For this reason, we expected from the start that price revision negotiations would take time. Nevertheless, the Rengo Group continued to negotiate sincerely while leveraging its proposal capabilities and the attentive responses of its sales staff. The factors behind the increase in costs, which were common to many industries, also helped us gain the understanding of many customers through the negotiations.

Future policy

Enhancement of the sustainability and value provision of the industry

The income margin of the corrugated packaging industry as a whole remains low compared to other industries. In order to achieve sustainability in the industry by maintaining the recycling system and securing human resources, it is necessary to improve profitability by optimizing logistics and production processes. While maintaining unwavering quality, the Rengo Group will continually strive to develop products that help resolve socially relevant issues, and will increase the value it provides, along with strengthening relationships through co-creation with its customers.

Flexible Packaging-Related Business

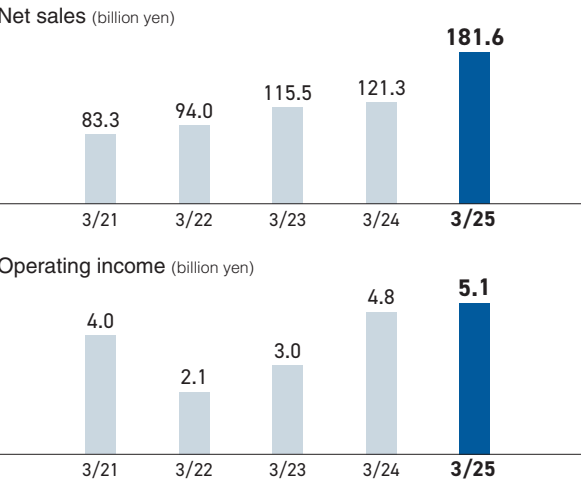


Review of FY3/2025

Business overview

Implementation of price revisions in response to cost increases

Segment net sales were 181,614 million yen, up 49.8% year-on-year, and operating income was 5,062 million yen, up 6.1%. Although sales of food packaging stagnated due to consumers' increasing tendency to save money, there were strong sales of pet food packaging, for which demand expanded. Operating income exceeded the previous year due to an increase in the number of consolidated subsidiaries, price revisions in response to cost increases, as well as updates to production equipment and improvements in production efficiency.



Strengths of our business

- 1 Development capabilities, technical expertise, and production structure that support a broad product lineup**

The Rengo Group, with an integrated structure based on cooperation with raw material manufacturers, engages in development of new products, including environmentally friendly options, and makes proposals to customers. We are able to provide unique value by combining diverse processing technologies, know-how, and information.
- 2 Proposals for packaging materials with rich design qualities that support branding**

We propose packaging materials with rich designs that express our customers' corporate philosophy, as well as the spirit and vision behind their products. In this way, we support our customers in enhancing their market competitiveness.
- 3 Advanced proposals for environmentally friendly packaging materials**

To reduce environmental impact and realize a sustainable society, we propose packaging materials that use water-based flexo printing, biomass films, biomass inks, and paper, as well as mono-material packaging with outstanding recyclability.

Results

Acquisition of RM TOHCELLO CO., LTD. as a subsidiary to strengthen our integrated structure in the flexible packaging business

At RM TOHCELLO, we are working to maximize synergy effects following the acquisition and to develop environmentally friendly products through collaboration within the Rengo Group.

We enhanced recyclability by using a segregation system that manages biomass raw materials completely separate from petroleum-based materials. We also developed OPP film with reduced environmental impact, and have expanded its use into products for major convenience store chains.

By collaborating with suppliers of raw materials, we established a stable procurement structure for biomass resin, enabling us to achieve a full-scale launch of biomass resin.

Challenges

Promotion of environmentally friendly high-value-added product development

To address the industry-wide challenge of reducing plastic usage, we are leveraging the R&D Center of Howa Sangyo Co., Ltd., completed in October 2024, to focus on material development aimed at realizing mono-material barrier packaging.

We are also placing emphasis on developing user friendly packaging formats, aiming to provide products with higher added value relative to their cost.

Vision120

Vision for 2030

Creating new value through strengthening the integrated structure

The Flexible Packaging-Related Business will pursue sustainable growth and improved profitability over the next five years. By adopting environmentally friendly materials and enhancing recycling technologies, we will expand our lineup of eco-friendly products and solidify our presence in the industry. Through this vision, we aim to diversify our product offerings and enhance added value, contributing to the realization of a sustainable society and meeting the expectations of our stakeholders.

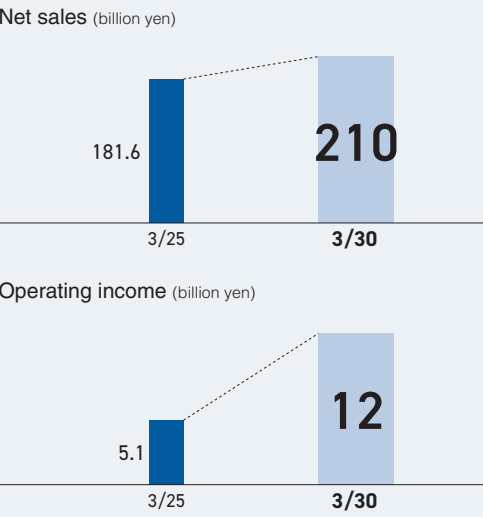
Risks and opportunities

- There are risks such as fluctuations in raw material prices, the tightening of environmental regulations, and potential cost increases due to more stringent plastic usage regulations.
- The growing environmental awareness in the market is driving demand increase for recyclable and biodegradable materials.
- Technological innovations are leading to more multifunctional products, creating new market opportunities.

Approach

- We will strengthen our competitiveness by establishing an integrated structure from film to finished products, improving manufacturing efficiency and quality, and promoting the development of environmentally friendly materials and the enhancement of recycling technologies.
- We will leverage technological innovations to advance the multifunctionality of our products and meet diverse customer needs.
- We will expand our lineup of sustainable products and increase our market share to further strengthen our competitiveness.

Targeted financial performance



Outlook for FY3/2026

The outlook for this segment in FY3/2026 is net sales of 193,000 million yen, up 6.3% year-on-year, and operating income of 6,200 million yen, up 22.5%. Demand in the packaging materials market is expected to remain weak due to stagnant personal consumption caused by rising prices. However, interest in environmentally friendly products continues to grow.

In this business environment, in addition to stably supplying existing products, we will expand sales of environmentally friendly products using biomass raw materials managed through the segregation system, and advance the establishment of a plastic resource circulation system by de-inking and reprocessing recovered film. We will also develop mono-material packaging products.

Net sales and operating income are expected to exceed the previous year due to synergy effects following the integration of RM TOHCELLO, strengthened collaboration within the Rengo Group, and contributions from price revisions.



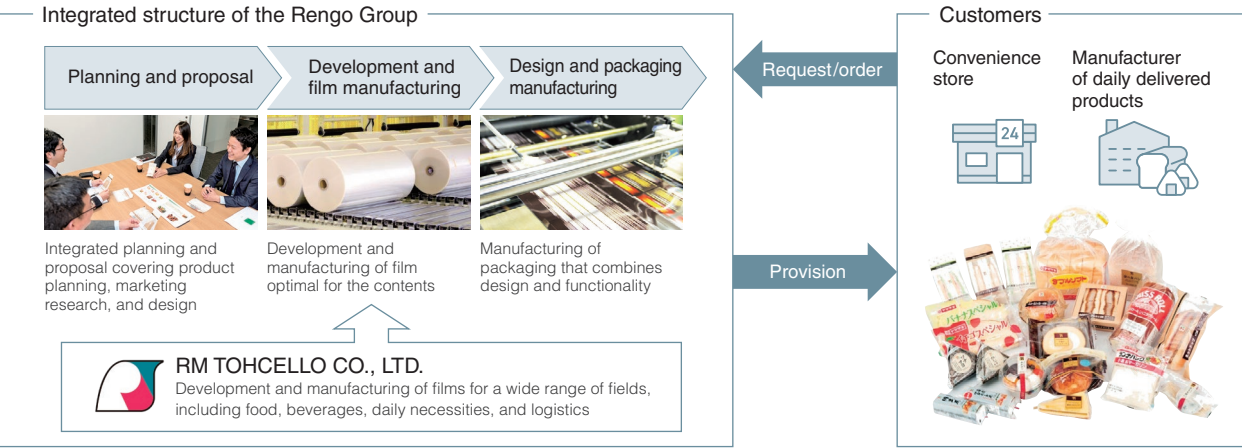
Film manufacturing at RM TOHCELLO

Flexible Packaging-Related Business

Special feature 1

Strengthening of the integrated structure to meet customer needs

By acquiring RM TOHCELLO CO., LTD. as a subsidiary in April 2024, Rengo expanded its film business and further enhanced its integrated structure (including processing). In addition to expanding our product lineup, we are also strengthening our development capabilities and supply structure.



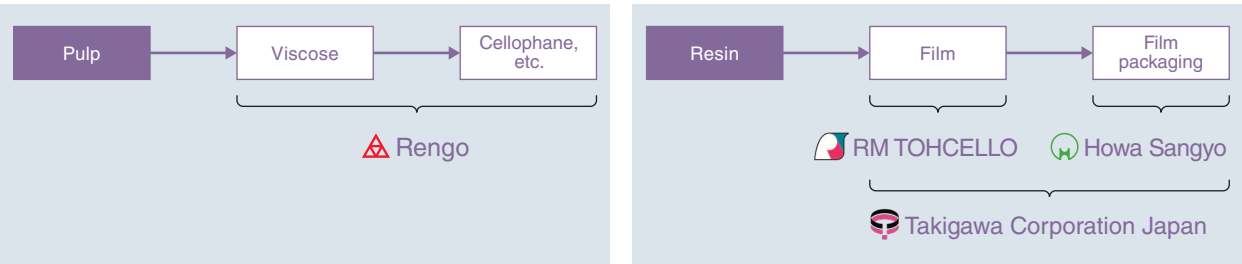
Overview

Maximization of synergies in the flexible packaging sector

The Rengo Group has established an integrated structure in the field of flexible packaging, which gently wraps and protects delicate products such as food. We cover everything from the development of film materials to the manufacturing and sale of packaging. RM TOHCELLO offers a lineup of packaging materials with a variety of functions. Our lineup focuses on films for packaging food, beverages, and daily necessities. We also have a leading presence in the domestic markets for polyolefin films and foam-molded sheets.

We will maximize synergies created by our integrated structure within the Group and increase flexibility and efficiency in all processes, from development to manufacturing and sales.

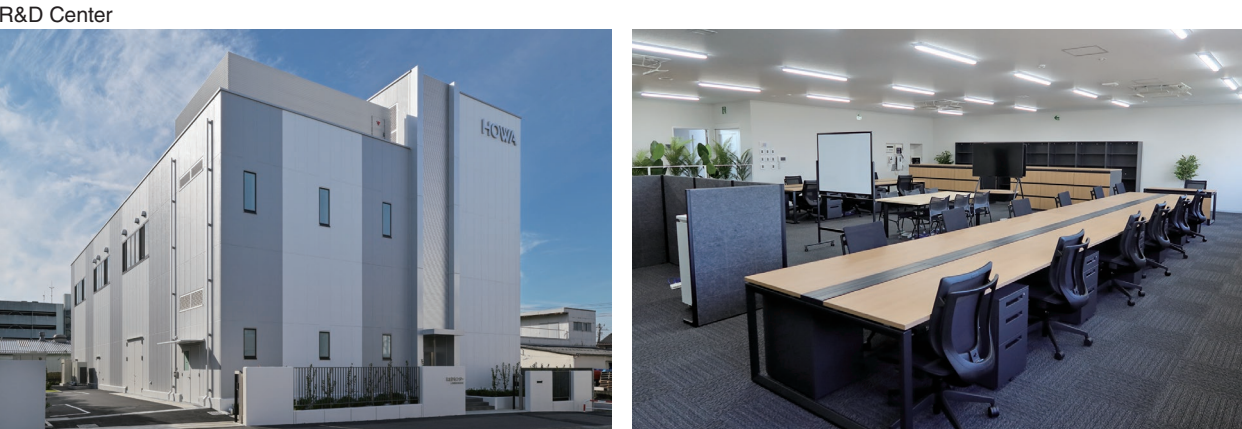
Business scope of major Rengo Group companies in the Flexible Packaging-Related Business



Special feature 2

Strengthening of the product development structure for resolution of socially relevant issues

Addressing environmental issues is an urgent challenge for all companies. In October 2024, the Rengo Group completed the construction of the R&D Center of Howa Sangyo Co., Ltd. We will further accelerate the development of environmentally friendly products.



Aim of opening the R&D Center

Development of materials to replace conventional films

As environmental awareness grows, it has become essential for manufacturers to develop products that reduce environmental impact, including reducing the amount of plastic usage. The Rengo Group is engaged in research, development, and commercialization of mono-material packaging materials and cellophane (a biodegradable material). These materials have been gaining attention in recent years. In particular, mono-material packaging materials have recently been in the spotlight because they increase the recyclability of plastic products. The entire Group is focusing on development, from film development to the use of adhesives and coating agents.

Initiative

Introduction of testing equipment to increase the efficiency of operations

The R&D Center of Howa Sangyo is equipped with a custom-built test coater capable of printing, laminating, and coating. The center is working to enhance the functionality of films through coating.

The R&D Center is also open to development staff from flexible packaging companies in the Rengo Group. RM TOHCELLO, Howa Sangyo, and Rengo

are collaborating to promote the development of mono-material packaging materials.

Feedback from the front lines

Strengthening of in-house development structure and expansion into priority areas

Satoshi Kawata
Technical Sales Team,
Product Development Department,
Sales & Marketing Unit
Howa Sangyo Co., Ltd.



Until now, Howa Sangyo lacked test machines for development in the printing and laminating fields. Consequently, we had to temporarily suspend manufacturing in order to test products on production machines.

Our current R&D Center has installed a test coater for testing. We now have a structure for integrated in-house development, testing, and improvement of products. This allows Howa Sangyo to take the lead in development, which I believe has also led to enhanced originality.

Going forward, we will continue to pursue further development, focusing on products such as export packaging materials, printable packaging materials, and special heat-sealing materials.

Heavy Duty Packaging-Related Business



Strengths of our business

- 1

Extrusion processing technology cultivated through years of experience

Nihon Matai Co., Ltd. fulfills a central role in the Rengo Group's Heavy Duty Packaging-Related Business. Nihon Matai operates with two core business areas: heavy duty packaging bags, where it holds a leading market share in Japan, and products using resin processing technologies centered on the melt extrusion of thermoplastic resins. Through these business areas, the company responds to changing socially relevant issues while developing products that anticipate customer needs.
- 2

Enhancement of research and development structure

At the research and development department of Nihon Matai, efforts are focused on unlocking the potential of materials and creating new functionality. The company's R&D Center (located in Moriyama-shi, Shiga Prefecture) utilizes core technologies such as thermoplastic resin extrusion, lamination, coating, and printing to focus on reducing environmental impact and developing next-generation materials.
- 3

Broad and solid customer base established through years of business operations

Since its founding, Nihon Matai has worked to maintain a stable supply to existing customers while expanding its product lineup, including expanding its offering of high value-added products. By continuously meeting customer needs, the company has built strong relationships with customers across a wide range of fields, including industries such as agriculture, medical and pharmaceutical, automobile, semiconductor, and electronics industries.

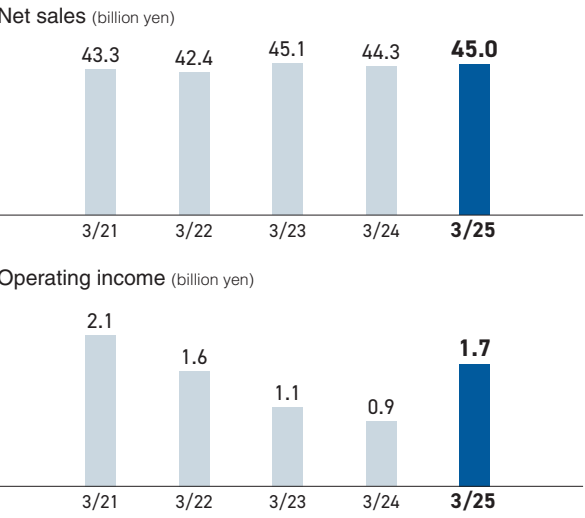
Review of FY3/2025

Business overview

Recovery in orders for industrial resin products

Segment net sales were 44,977 million yen, up 1.4% year-on-year, and operating income was 1,684 million yen, up 85.9%.

Sales volume of inner pouches for pocket warmers, chip tape (for electronic components), and domestic petrochemical-related products declined due to increased distribution inventory and reduced demand. However, although the market environment had worsened over the past few years, orders for industrial resin products have recovered, bringing the overall sales volume back to approximately the same level as the previous year.



Results

Improvement of profitability by implementing product price revisions in response to rising costs

This segment undertook product price revisions in response to the impact of rising costs. As a result, there were movements toward improving profitability across various businesses, including unprofitable ones. This led to maintaining a stable product supply and further deepening trust with customers.

Challenges

Environmental initiatives and enhancement of the high added value of products

Environmental initiatives and enhancement of the high added value of products as part of efforts to achieve Vision120, we will work to diversify and enhance the added value of our product portfolio, aiming to expand our new business foundation. Additionally, with appropriate business risk management and resource allocation, we will pursue business expansion and increased market share through strategic investments and M&A.

Furthermore, to reduce the environmental impact of our products and contribute to the formation of a recycling-oriented society, we will continue to develop and promote lightweight packaging and paper products designed with a focus on mono-materials and recycling.

Vision120

Vision for 2030

Shifting to higher value-added segments and achieving sustainable growth

The Heavy Duty Packaging-Related Business will aim for sustainable growth and the creation of new markets over the next five years. By providing robust and environmentally friendly packaging products and optimal solutions, we will meet diverse customer needs and strengthen our competitiveness in the industry. Additionally, we will actively engage in the development of new products and explore new market opportunities.

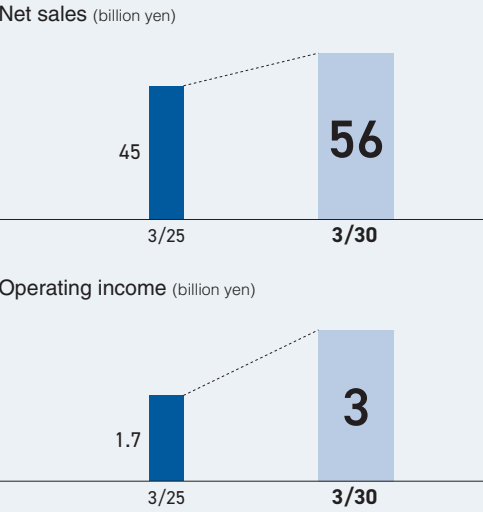
Risks and opportunities

- There are medium- to long-term risks of market contraction in traditional core customer segments such as packaging for agricultural products like rice and wheat bags, and bulky items.
- There is growing demand in high value-added customer segments such as semiconductor packaging and environmentally friendly products, creating new market opportunities.
- There are opportunities for improving production efficiency and developing new products through technological innovation.

Approach

- We will flexibly respond to changes in demand structure with a medium- to long-term perspective and implement a shift to higher value-added segments.
- We will seize market expansion opportunities by quickly identifying new demand trends.
- We will explore potential customer needs through the accumulation of research and development achievements, and enhance our competitive advantage and sustainability by developing and disseminating environmentally friendly products.

Targeted financial performance



Outlook for FY3/2026

The outlook for this segment in FY3/2026 is net sales of 47,900 million yen, up 6.5% year-on-year, and operating income of 2,300 million yen, up 36.6% year-on-year. The impact of the price revisions implemented in the previous fiscal year are expected to contribute to earnings throughout the current fiscal year. Furthermore, orders are expected to recover from the stagnation caused by weak demand in the petrochemical-related sector. We also aim to capture new market opportunities and drive growth in net sales by increasing market share with existing customers and actively launching newly developed products.

Although rising personnel and logistics expenses are a concern, we aim to increase operating income by growing net sales, as well as by improving

productivity and promoting cost reduction through the introduction of efficient production processes and supply chain optimization.



Heavy Duty Packaging-Related Business

Special feature

Development of new materials to reduce environmental impact and provide functionality

Nihon Matai Co., Ltd. is a core company in the heavy duty packaging business, which is part of the Rengo Group's hexagonal business structure. For many years, Nihon Matai has been manufacturing and selling heavy duty packaging products such as polyethylene heavy duty bags, kraft paper bags, and flexible container bags, as well as functional films, resin-based products, and various laminated products.

Contribution to sustainability that spreads from heavy duty packaging

Since its establishment in 1947, Nihon Matai has cultivated its technical capabilities while working on various types of product development and new business ventures. The company now holds one of the largest domestic shares in the heavy duty packaging industry and is highly regarded by customers both in Japan and overseas.

Furthermore, Nihon Matai has been transforming its business portfolio by developing products that meet the needs of the times. The word "Matai" in the company name comes from the Japanese word for the jute bags, which were among the company's original product. The company initially collected and sold jute bags, and then expanded into various heavy duty bag businesses. Today, sales of products other than bags account for the majority of its revenue. It has pushed ahead with strengthening a structure based on its Environmental Policy, with the basic philosophy of "harmony between corporate activities and the global environment." Currently, all of its bases have obtained ISO 14001

(JIS Q 14001) certification, which is the international standard for environmental management systems. While leveraging the synergies within the Rengo Group, Nihon Matai will continue to actively develop products with low environmental impact, which are expected to meet growing social needs, as well as products that contribute to resolving environmental issues.



Headquarters of Nihon Matai Co., Ltd.

Initiative 1

Conversion to PP materials and development of decorative technology

Instead of the conventional molding and decoration process using ABS resin and paint, Nihon Matai is focusing on technological development and proposal activities with a view to switching to environmentally friendly polypropylene (PP) materials. Although ABS offers superior design flexibility, there are concerns about the impact on the environment due to volatile organic compounds (VOC) emissions during the painting process. In contrast, PP is lightweight and highly recyclable. It is also highly compatible with film decoration and one-piece molding processes that do not require painting.

Building on Nihon Matai's track record in paint protection film, it is now strengthening the development of paint-free films for interior and exterior parts by utilizing its technical capabilities in extrusion molding, multilayer lamination, and compounding.

The Company makes design proposals for a wide range of applications including automobiles, motorcycles, electric carts, and small mobility vehicles.



Image of usage

Initiative 2

Development of environmentally friendly food containers

Nihon Matai is working on developing new food containers that reduce environmental impact without compromising conventional functionality. Previously, containers that can withstand heating in microwave ovens and traditional ovens have used PP and C-PET, which are petroleum-derived plastics. However, although these materials have high heat resistance, there are concerns about their high environmental impact during manufacturing and disposal. Therefore, the company is developing heat-resistant hybrid containers that combine paper and biomass plastics. By adding heat resistance to the flammability and lightweight properties of paper, it aims to create a container that reduces CO₂ emissions when incinerated while maintaining its conventional suitability for cooking. Nihon Matai hopes that such

containers will become the new standard for food packaging in the future.



Environmentally friendly food container

Initiative 3

Development of PLA biodegradable sandbags

As part of efforts to reduce environmental impact and realize a circular society, Nihon Matai has commercialized biodegradable sandbags made from polylactic acid (PLA). PLA is a biomass plastic made from corn and sugarcane. It decomposes into water and CO₂ in the soil after use.

Nihon Matai's sandbags leverage the environmental properties of PLA, which decomposes in the soil, while providing strength and durability comparable to conventional products. The bags are intended for use in temporary flood control, disaster prevention, and greening construction. They are attracting attention as a product that can reduce the impact on the natural environment, even in cases where recovery after use is challenging.



Biodegradable sandbag

Initiative 4

Development of biodegradable wristbands

Nihon Matai has developed and released environmentally friendly wristbands made from biodegradable polymers that contain corn-derived raw materials.

By replacing some of the raw materials with renewable resources, this environmentally friendly product contributes to reducing greenhouse gas emissions throughout its lifecycle. It also reduces fossil-derived CO₂ emissions when incinerated.

The wristbands are used at festivals, marathons, and other events where participants must be identified. Even if they are lost or dropped in the natural environment, they will decompose into water and CO₂ by microorganisms in the soil. Nihon Matai offers a lineup of wristbands to suit a variety of usage scenarios, including types with enhanced water resistance and types with a natural texture made from paper materials. The company also focuses on awareness-raising activities for the proper separation and collection of waste.



Biodegradable wristbands

Overseas Business



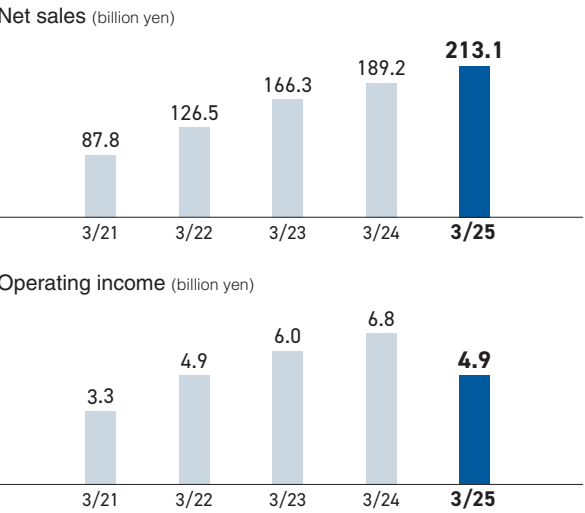
Review of FY3/2025

Business overview

Increased net sales due to growth of subsidiaries, but decreased operating income due to deteriorating profitability

Net sales in this segment were 213,094 million yen (112.6% year-on-year), while operating income was 4,931 million yen (72.7% year-on-year). The segment accounted for 21.5% of total consolidated net sales.

Net sales increased due to factors such as an increase at consolidated subsidiaries and the impact of a weaker yen. However, operating income declined due to deteriorating profitability in the heavy duty packaging business in Europe.



Strengths of our business

- 1 Network of sites to meet global needs**
To meet the procurement and supply needs of multinational corporations, we are strategically working to establish and enhance the functionality of production and supply sites, with significant presence in Asia and Europe.
- 2 Precise response to regional needs**
We are building a sustainable customer base in each region by accurately identifying market environments and needs specific to each area, and providing flexible and finely tuned responses.
- 3 Strategic joint ventures with leading local companies**
Through joint ventures with prominent local companies, we are integrating our management resources with those of our partners to build business foundations that are locally rooted and competitive.

Results

Efforts to expand business through M&A

In August 2024, Tri-Wall Limited (Hong Kong) invested in Concept Packaging Group LLC, a U.S.-based manufacturer of heavy duty packaging materials. In December 2024, Tri-Wall acquired shares of Pronk Multiservice India Private Limited. In March 2025, it acquired an interest in Pronk Multiservice ME FZE in the United Arab Emirates.

In the flexible packaging business, operating income increased due to factors such as the addition of SIAM TOHCELLO CO., LTD. (Thailand), a manufacturer of low-density polyethylene film, joined the Rengo Group. This move has contributed to increased operating income.

Challenges

Diversification of customers and development of products with high added value

Although net sales increased during the fiscal year under review, operating income decreased due to rising raw material and logistics costs, as well as declining demand in some regions. In particular, the heavy duty packaging sector in Europe saw a significant decline in demand from the German automobile industry.

Going forward, we will further diversify our customer portfolio. Furthermore, we will strive to enhance our ability to propose comprehensive solutions that extend beyond the supply of packaging materials including packaging design and logistics optimization.

Vision120

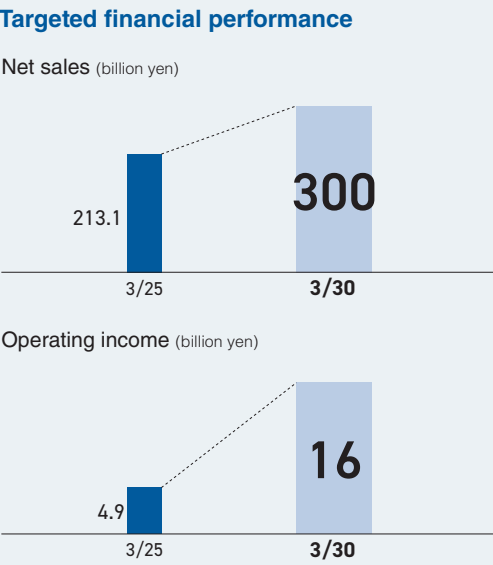
Vision for 2030

Driving the Group's growth through proactive new expansion

The Overseas Business will accelerate growth and strengthen its presence in the global market over the next five years. We will enhance our competitiveness by deepening cooperative relationships with local partners and swiftly responding to the unique needs of each region. Additionally, we will actively pursue expansion into emerging markets and generate synergies through collaboration among our established bases. Through these efforts, we aim to diversify our revenue base and create new business opportunities.

- Risks and opportunities**
- There are geopolitical and market risks associated with global business expansion, including legal and regulatory issues, competitive environments, and currency fluctuations.
 - There are relatively large opportunities for demand expansion due to the increase in global logistics demand and the growth of emerging markets.
 - The diversification of management resources, including human resources, is expected to enhance synergies with domestic operations.

- Approach**
- We will expand our presence in the heavy duty packaging field by responding to the increasing demand for global logistics. Along with strengthening our operations in existing areas, we will actively enter emerging markets.
 - We will expand our business in the Global South, including India, and in North America to enhance our competitiveness. Through these efforts, we aim to achieve sustainable growth and improve profitability.



Outlook for FY3/2026

The outlook for this segment in FY3/2026 is net sales of 208.7 billion yen (97.9% year-on-year) and operating income of 1.9 billion yen (38.5% year-on-year). Both net sales and operating income are expected to decline due to concerns over a global economic slowdown or recession.

In heavy duty packaging, the downturn in performance caused by weak demand related to the automobile industry in Europe is expected not to be fully offset, resulting in lower net sales and operating income. In flexible packaging, a decline in both net sales and operating income is expected due to the transfer of a portion of our distribution channel to the Flexible Packaging-Related Business in Japan, along with concerns over declining income margins due to worsening

business conditions in China. In corrugated packaging, demand for export-related business is forecasted to decrease due to tariff policies in both the United States and China. However, measures such as cost reduction are expected to result in higher operating income despite lower net sales.



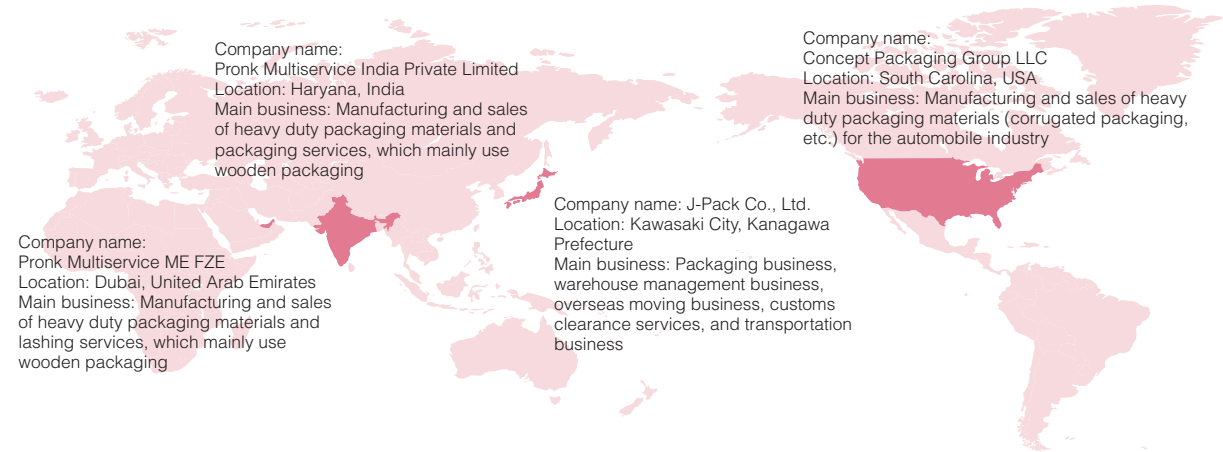
Overseas Business

Special feature 1

Global expansion supporting the sustainable growth of the Rengo Group

Tri-Wall Limited, a Hong Kong-based company that became a subsidiary of Rengo in 2016, has strengths in the heavy duty packaging field and plays a central role in the Rengo Group's Overseas Business. In FY3/2025, Tri-Wall engaged in active investment to strengthen competitiveness by establishing a supply structure that meets the global procurement needs of multinational corporations.

Main investments by Tri-Wall Limited (FY3/2025)



Basic strategy

Net sales expansion by acquiring a growth foundation

The Japanese market is expected to shrink on a medium- to long-term basis due to population decline. In contrast, overseas markets offer greater growth potential, and expansion of net sales is anticipated.

In this environment, the Tri-Wall Group has accelerated its global expansion through strategic M&A and the enhancement of business at existing sites. The group has worked to establish a supply structure that meets the needs of multinational corporations and to strengthen its competitiveness.

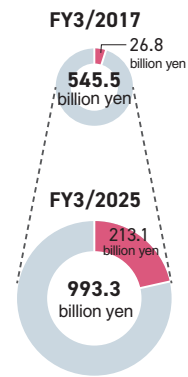
Provided services

Integrated deployment of materials and services

The know-how and customer networks accumulated in overseas regions are being utilized across the group, and are driving the steady growth of Overseas Business.

In addition to supplying traditional packaging materials, Tri-Wall is also actively working to expand its business domain by offering related services such as packaging and logistics.

Increase in net sales by Overseas Business



Since the acquisition of the Tri-Wall Group in 2016, repeated strategic M&A and organic growth in each region have led to significant increase in net sales for Overseas Business within the Rengo Group.

Group synergies

Concept Packaging Group LLC

To accelerate growth in the United States, we will utilize the company's sites and customer base to strengthen the production structure and expand the sales network.

Pronk Multiservice India Private Limited

By incorporating the company, which has strengths in wooden packaging, we aim to expand our product lineup and establish a competitive advantage in the rapidly growing Indian market.

Pronk Multiservice ME FZE

We acquired the company to address the increasing demand for heavy duty packaging in the Middle East. The company handles wooden packaging and lashing services. Through this acquisition, we will build a local manufacturing and supply structure.

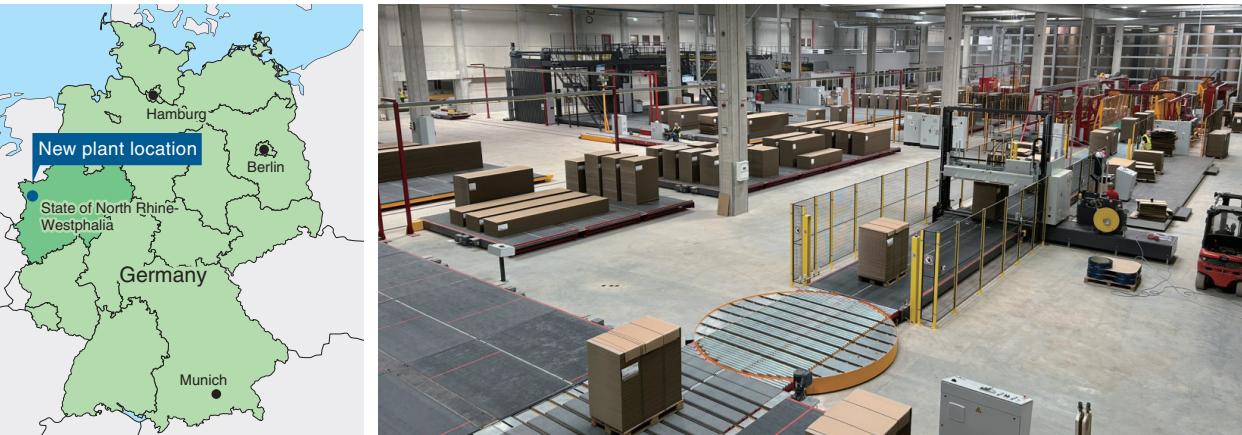
J-Pack Co., Ltd.

The company supplies packaging materials and provides packaging, warehouse management, and customs clearance services. Through this acquisition, we aim to develop high value-added services that offer integrated packaging and logistics.

Special feature 2

Strengthening of the manufacturing and supply structure of the Rengo Group in Europe

In 2019, Tri-Wall Limited acquired TRICOR Packaging & Logistics AG, one of Germany's leading heavy duty packaging manufacturers, making it a subsidiary. Germany is home to a thriving automobile industry, which is a key customer for the heavy duty packaging business. To meet the growing demand and increase production capacity, TRICOR Packaging & Logistics started operations at a new plant in July 2025.



Purpose of new plant

Strengthening and optimization of the supply structure

The Rengo Group constructed a new plant by TRICOR Packaging & Logistics to ensure medium- to long-term competitiveness and sustainable business operations in the European market. The new plant is located in northwestern Germany, where industries in various fields are concentrated. It optimizes the supply network and improves logistics efficiency by complementing the headquarters plant in the south, which has many automobile-related customers.

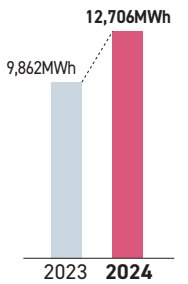
We also expect increased sheet supply to the TRICOR Packaging Systems (TPS) Group, which was acquired in 2022.

Features of the new plant

Construction of a high-efficiency integrated production structure

The new plant is equipped with two automated warehouses. It features a fully integrated manufacturing process from corrugating to box making and shipping. Each process is seamlessly connected to achieve a high

Proportion of electricity from renewable energy sources



TRICOR Packaging & Logistics is working to reduce GHG emissions. In 2024, the company increased its sourcing of renewable electricity, including both purchased and in-house generated power, by 2,844 MWh compared to 2023, bringing the proportion of renewable electricity to 71%.

degree of automation. The logistics flow from raw material receipt to product shipment is efficiently designed. As a result, the plant simultaneously achieves labor savings in internal transportation, shorter production lead time, and optimal space utilization.

Provided value

Environmental consideration and contribution to the local economy

In terms of the environment, the plant is equipped with environmentally friendly facilities such as solar power generation equipment and a cogeneration system that can use both natural gas and hydrogen as fuel.

Construction of the new plant received active support from local governments from the stages of land acquisition and permits. We will continue to emphasize coexistence with the local community in future operations. The start of operations at the new plant is also expected to create new employment. Through the provision of local employment opportunities and human resource development, we will contribute to the sustainable development of the local economy.

Other Businesses

Strengths of our business

- 1

Stable logistics network
The Rengo Group has been addressing logistics issues from the early stages since their initial identification, developing each logistics center and improving efficiency through the use of digital technologies. A stable logistics network supports daily deliveries.
- 2

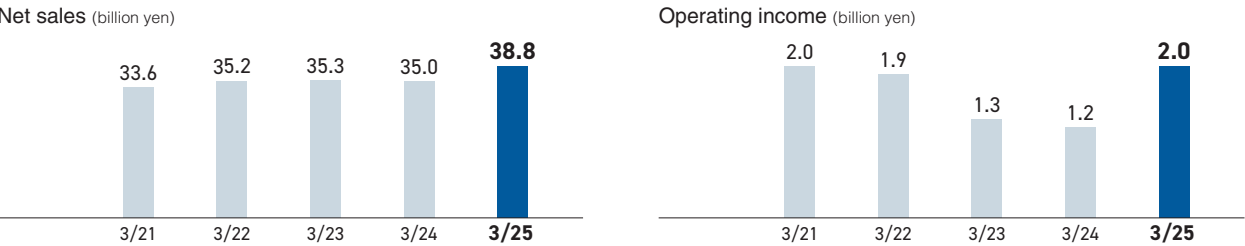
Sales of packaging systems leveraging our nationwide sales infrastructure for corrugated packaging
We utilize our nationwide sales network for corrugated products to sell packaging systems used in distribution centers and plants. We are able to receive orders for sets of corrugated packaging used together with packaging systems and packaging machines.

Review of FY3/2025

Increased net sales and operating income contributed by revisions of freight rates

Segment net sales were 38,844 million yen, up 10.9% year-on-year, and operating income was 1,963 million yen, up 68.9%. In the transportation business, revisions to freight rates helped cover increased costs such as wage hikes and DX investments. In the manufacturing and sales business of packaging machines for folding cartons, net sales increased but operating income declined due to the impact of factors such as rising prices.

In the medium- to long- term, the demand for automation and labor-saving measures at plants is expected to expand further, and demand in the e-commerce market is also projected to remain steady. Going forward, the Rengo Group will continue to develop and sell products that meet market needs.



Vision120

Vision for 2030

Creating greater value through efficiency and environmental friendliness

Over the next five years, our other businesses will focus on strengthening competitiveness in the transportation and packaging systems fields. In the transportation business, we will implement white logistics and improve transportation efficiency to establish an efficient and sustainable logistics network. In the packaging systems business, we will leverage our development know-how based on the expertise we have cultivated on packaging products to carefully meet customer needs and enhance added value.

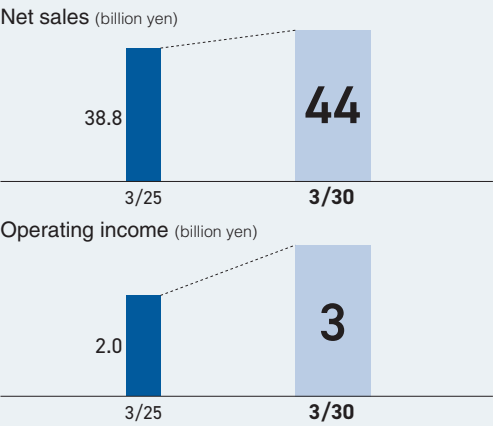
Risks and opportunities

- In the transportation business, there is an ongoing risk of challenges such as costs for securing personnel and increased expenses related to environmental measures.
- Improving logistics efficiency and promoting greenhouse gas emissions reduction are expected to enhance sustainability. In the packaging systems business, capturing the expanding automation needs of customers is anticipated.

Approach

- In the transportation business, we aim to secure a sustainable profit level and expand business through M&A. In the packaging systems business, we will continue to offer products that meet diverse customer needs.

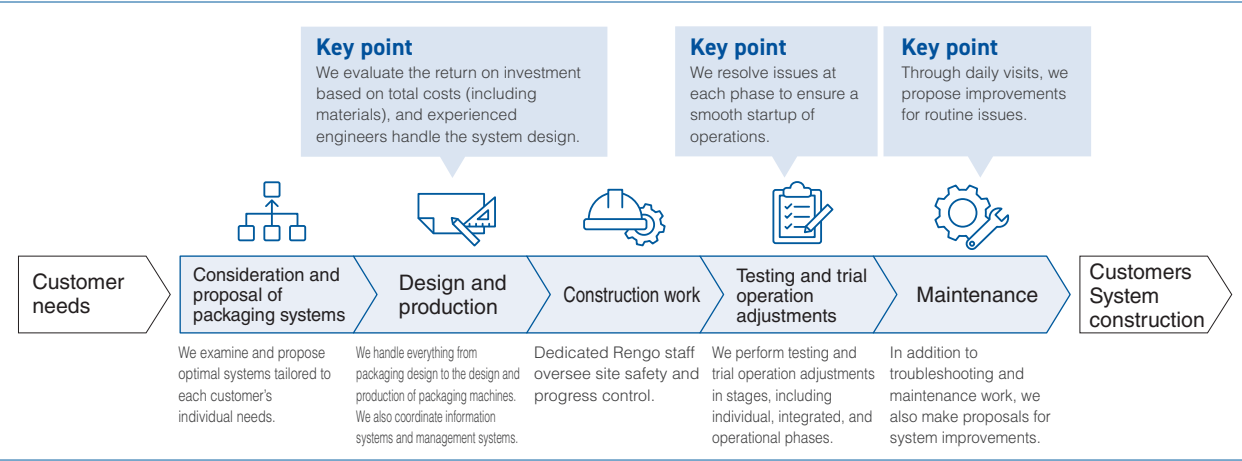
Targeted financial performance



Special feature

Development and sales of packaging systems

As “General Packaging Industry (GPI) Rengo,” the Group uses the technology and expertise it has cultivated over many years to support the automation and labor-saving of packaging lines. The Group is responsible for the development, sales, and maintenance of packaging machines and packaging systems, while the manufacturing of the machines is handled by partner companies. The Group is also engaged in the manufacturing and sales of packaging machines for folding cartons.



Business environment

Increasing demand for automation due to labor shortages

Amid labor shortages (including logistics challenges), demand is increasing for packaging machines which make it possible to reduce manpower and labor. The Rengo Group's extensive expertise and personnel in packaging are also utilized in the development of proprietary packaging systems. We contribute to reducing our customers' packaging material consumption and delivery costs. We also help save storage space and improve delivery efficiency.

Specific initiatives

Development of diverse packaging systems for e-commerce

By closely collaborating between the Rengo Group's machine manufacturing companies and the departments responsible for design and sales, we



Packaging for small, thin products that is designed to fit in mailboxes

develop proprietary packaging machines and systems as a comprehensive packaging manufacturer. We offer a diverse lineup of packaging systems, particularly for the expanding e-commerce industry.

Please refer to our website for details of the e-commerce packaging support system
<https://www.rengo.co.jp/english/products/mailorder.html>



Results

Provision of total solutions: from packaging materials to packaging lines

Our nationwide network of corrugated plants maintains a structure for stable supply of packaging materials and builds strong, reliable relationships with customers. Building on this foundation of trust, we accurately grasp our customers' needs to make proposals and provide integrated solutions covering the entire packaging line, including packaging materials and machines. Providing total solutions beyond simply supplying packaging materials strengthens our relationships with customers and supports our competitive edge.

Going forward, we will enhance our marketing functions and maintenance structures, collaborate within the Rengo Group to identify demand, and strengthen sales. We will also consider further overseas expansion in the future.

Ensuring product quality and safety

Basic stance Based on the principle that 6S activities (Sort, Set in order, Shine, Standardize, Sustain, and Sophisticated manners) form the foundation of all operations, Rengo is committed to companywide quality improvement to provide products that meet customer needs and ensure safe usage.

CS action policy for FY3/2025: Achieving even greater results through ZD by the collective strength of “Renjin”*

Fundamental philosophy: Maximize customer satisfaction within economic activities aimed at pursuing profits
Priority items: (1) Enhance customer satisfaction through participation by all; (2) Facilitate improvements through open communication; (3) Understand and adhere to rules; (4) Strengthen coordination both internally and externally

* A term used to refer to our employees within the Rengo Group, combining “Ren” from the company name and “Jin,” meaning people in Japanese

Achievement of ZD activities

Since FY3/2022, we have been engaged in Zero Defects (ZD) activities as part of our companywide unified customer satisfaction (CS) action policies. ZD activities are a series of initiatives aimed at achieving ZD in products. The basic policy is that each employee at the workplace thoroughly adheres to pre-determined rules and maintains an awareness that achieving ZD is a natural expectation. We strive to improve quality by fostering a workplace environment where employees feel comfortable speaking up and openly communicating about issues, and by promoting bottom-up proposals and improvement activities.

The subcommittee convenes twice annually to assess the status of companywide activities, including those of suppliers in the Paperboard Business Unit and the Packaging Business Unit. It also identifies risks related to quality based on customer information, and deliberates and determines the companywide action policies, priority items, and other matters. Each business unit decides on measures in line with the action policies established by the subcommittee. Plants and mills set more concrete measures and targets, working to improve quality by confirming the status of quality activities and evaluating defect countermeasures through monthly Plant/Mill CS Subcommittee meetings.

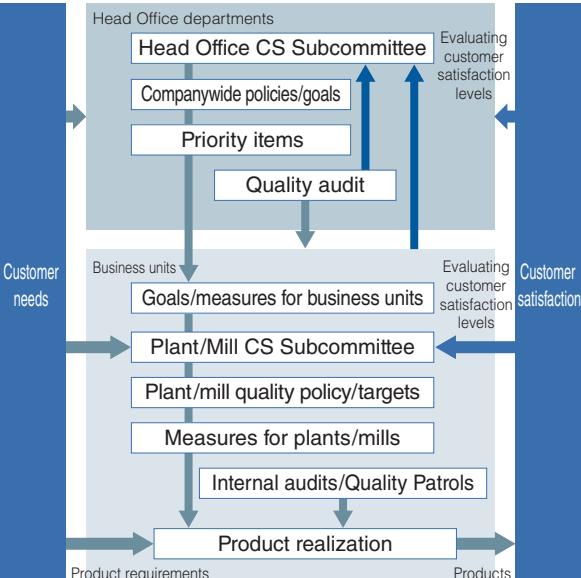
FY3/2025 results (Rengo, non-consolidated basis)

Target	Result
Critical defects:	3 cases (loss exceeding 1 million yen)
Legal or regulatory violations:	0 cases

Quality assurance structure

We operate our unique quality management system under our CS action policies to ensure product quality. Additionally, we have established the Head Office CS Subcommittee to oversee and promote quality assurance activities across the company.

Quality assurance structure



Quality control activities

Implementation of Quality Patrols
Each year, business units conduct Quality Patrols to assess the Sales & Marketing Departments and Production Departments of the plants/mills they oversee. The level of improvement activities has been rising annually as we respond to suggestions from patrolling staff from other plants/mills and the Head Office Quality Assurance Department.

In FY3/2025, audits focused on ensuring operations were conducted in compliance with rules and verifying that existing defect countermeasures remained effective, alongside checks of the work environment and documentation such as ledger sheets and other forms.



Quality Patrol

Efforts to prevent occurrence of defects

By establishing and strictly adhering to rules, defects can be reliably eliminated. Therefore, in FY3/2025, we focused our efforts on eliminating contamination and handling errors of different product types and order processing errors. To foster a sense of personal responsibility, we conducted case studies of recent defects at all plants/mills. The results were compiled at our Head Office, followed by companywide reminders to prevent recurrence of similar defects.

Opinions and requests from the plants/mills were reviewed in regular meetings held by relevant departments at our Head Office. To prevent issues before they occur, we created educational materials, revised rules, and disseminated these measures to help eliminate defects.

We also strive to stabilize quality by systematically updating or remodeling equipment and preventing the distribution of defective products by holding study group meetings nationwide to deepen understanding of inspection equipment. As a result, we have established our traceability system so that we can promptly respond when customers report quality defects, bringing peace of mind to them.



Study group meeting

Strengthening of the quality of procurement sources and subcontractors
We are enhancing relationships by increasing visits to suppliers and conducting regular meetings. Through enhanced collaboration, we aim to establish a stable quality control structure that contributes to improved quality.

Initiatives of the Paperboard Business Unit
The Paperboard Business Unit, responsible for the early stages of the supply chain within the Rengo Group, conducts CS activities leveraging our strengths as an integrated manufacturer to better satisfy customer requirements. Specific activities include semi-annual Paperboard Business Unit CS Meetings aimed at improving customer satisfaction and strengthening collaboration among business units, where the progress of ZD activities is confirmed and future initiatives are discussed.

Additionally, the business unit regularly visits customers to assess the status of containerboard usage, striving to capture latent customer needs and improve quality. Furthermore, we hold quality assurance forums aimed at strengthening collaboration with Group companies. As a result of these efforts, the number of defects in FY3/2025 was reduced by more than 40% compared to the previous year.

Paperboard Business Unit: number of defects (Rengo, non-consolidated basis)

FY3/2024	FY3/2025
Number of defects: 204	Number of defects: 116 (over a 40% reduction year-on-year)

Initiatives of the Corrugated Packaging and Folding Carton Business Units

Since FY3/2022, the Corrugated Packaging and Folding Carton Business Units have been undertaking quality assurance activities, primarily focused on ZD activities that represent the companywide unified CS action policies. ZD activities place the most emphasis on improvement through open communication. The business units focus on improving and stabilizing quality by addressing comments on defects discovered in upstream processes and suggestions for improvement.

These activities have yielded positive results. In FY3/2025, the business units successfully reduced the number of defects by approximately 10% year on year, and there was an increasing number of divisions where their zero-defect target was achieved on a monthly basis. Although the zero-defect target has not yet achieved companywide, we remain committed to further stabilizing and improving quality through ongoing ZD activities.

Corrugated Packaging and Folding Carton Business Units: number of defects (Rengo, non-consolidated basis)

FY3/2024	FY3/2025
Number of defects: 453	Number of defects: 413 (approx. a 10% reduction year-on-year)

Initiatives for flexible packaging
Departments in charge of flexible packaging in our company strive to ensure a stable supply while meeting stringent quality standards required for primary packaging that directly contacts contents like food. We thoroughly communicate our ZD activities and quality policy to Group companies and other manufacturing contractors through Quality Patrols and other measures. We also share information on customers' quality policies and defect cases that occurred at other plants/mills to prevent defects.

Since FY3/2016, as a new initiative for collaboration between the Sales & Marketing Departments of our corrugated plants and the flexible packaging departments, we have been working to increase sales of flexible packaging by utilizing the nationwide sales and marketing network of corrugated packaging. At the beginning of the initiative at corrugated plants, there were many issues in handling and specification management, as those responsible were not accustomed to handling flexible packaging. However, we have worked to deepen the understanding of those in charge through online seminars for the Sales & Marketing Departments, study group meetings at various locations, and other efforts. In FY3/2025, there were no significant cases of defective product shipment (requiring recall, company announcement, etc.).

The Quality Assurance Departments will lead collaboration with Administration Departments to establish a quality assurance structure at corrugated plants nationwide, matching the standards of the flexible packaging related departments.

Flexible Packaging: number of defects (Rengo, non-consolidated basis)

FY3/2024	FY3/2025
Number of defects: 28	Number of defects: 35 (over a 20% increase year-on-year)

Establishing a safe and healthy working environment

Basic stance

To create workplaces where all employees can work healthily and safely, labor and management work as one at Rengo under its Health and Safety Policy. We not only prevent severe accidents such as those that are fatal, but also identify sources of latent risks in workplaces, aiming to eliminate any accidents and promote inherent safety, measures to prevent falls, and work environment improvement. We also conduct health and safety education on an ongoing basis.

Ensuring of occupational health and safety

We established a companywide Health and Safety Subcommittee at our Head Office to comprehensively promote occupational health and safety management. Furthermore, under the subcommittee operating at the Head Office, there are Health and Safety Subcommittees at each division, plant, and mill. The Health and Safety Subcommittee at our Head Office holds meetings twice a year to establish companywide health and safety policies and related measures. The Health and Safety Subcommittees at each division, plant, and mill communicate the specific Health and Safety Plans to employees in line with companywide policies and measures, and work to implement and promote those plans.

FY3/2025 Health and Safety Policy

1. Fundamental policy:

Based on the principle that ensuring the health and safety of all workers is the foundation of company management, labor and management work together to foster a workplace culture that gives top priority to health and safety. At the same time, we strive to eliminate potential hazards and harmful factors in the workplace, with the goal of eliminating industrial accidents and creating a healthy and safe working environment.

2. Target: Elimination of accidents

3. Spirit of safety: Always be alert

4. Slogan:

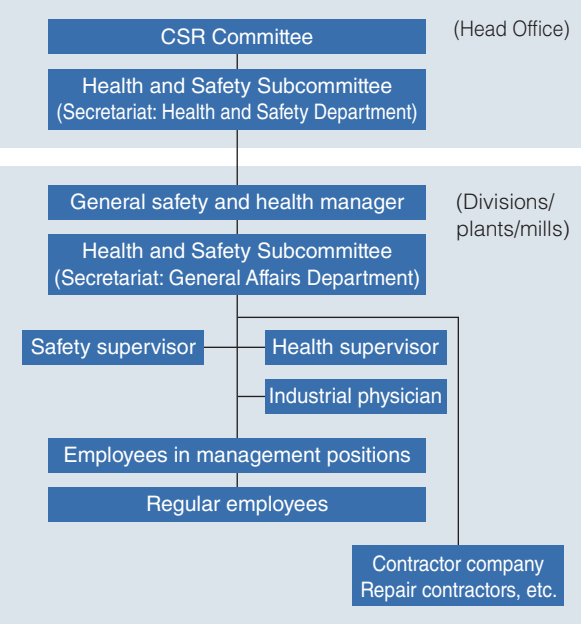
Awareness drives action, actions shape awareness
Together we create a safe workplace
5. Priority action items:

(1) Promote six key items for accident prevention

 - 1) Promote inherently safe design to prevent being caught in or between machines and equipment
 - 2) Establish adherence to identification tag operation rules
 - 3) Create a workplace environment where older employees can work safely
 - 4) Strengthen heatstroke prevention education for younger workers (teens and twenties)
 - 5) Thoroughly implement measures to prevent exposure to chemical substances
 - 6) Strengthen prevention of trips and falls caused by steps and unlevel surfaces

(2) Strengthen the occupational health and safety management system

Health and safety promotion structure

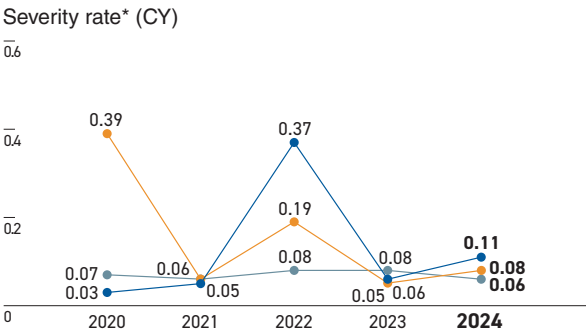


Accident frequency

Annual trend, CY (Rengo on a non-consolidated basis)

	2020	2021	2022	2023	2024
Frequency rate*	0.69	0.90	1.58	0.90	1.34

* Frequency rate represents the frequency of industrial accidents, calculated by the number of casualties (fatal accidents and accidents where one or more working days are lost) due to industrial accident for every million cumulative working hours.



Source: Survey on Industrial Accidents, Ministry of Health, Labour and Welfare
* Severity rate represents the severity of an accident, calculated by the number of working days lost for every thousand cumulative working hours.
Note: The number of employees at Rengo on a non-consolidated basis accounts for 17.5% of the entire Rengo Group.

Initiatives for creation of better workplaces

Measures against heat for equipment

Summer temperatures are rising year by year. This increases the risk of heatstroke at manufacturing sites equipped with heat sources. Since the area around paper machines in paperboard mills is especially hot and humid, we are implementing heat countermeasures in the form of equipment. We have newly introduced a chiller unit, and use chilled water and cooling coils to supply dehumidified cool air. Installing the new equipment has enabled us to supply air that is 5°C to 8°C cooler than before. We will continue efforts to improve the work environment to make it even more comfortable.



Chiller unit with air supply duct

Plant renovation

We are renovating our plants to further improve productivity, secure warehouse space, and enhance the workplace environment. Renovations include updates to production equipment and layout changes that encompass office buildings. Expanding the work area and changing the layout of production equipment has facilitated communication among workers and separation of pedestrian and vehicle pathways within the plant. This has made the workplace environment safer and more comfortable. We are also improving cafeterias and rest areas to help employees refresh during breaks.



Box making area during renovation

Health and safety at Group companies

Rengo Logistics Co., Ltd., which mainly conducts transportation and cargo operations of our products, regularly holds practical training sessions for truck drivers, forklift operators, and other operators at each

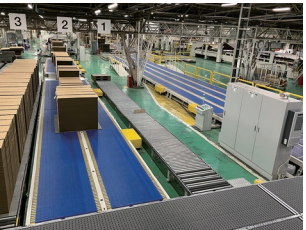
of its divisions throughout Japan. Furthermore, driver contests are held to promote improvements in driving skills and transportation quality.



Practical skills training for trucks

Automatic corrugated board transportation

At corrugated plants, the floors are equipped with roller conveyors and transfer cars for transporting corrugated board. We have automated the corrugated board transportation by replacing roller conveyors and transfer cars with plastic module conveyors. We are also promoting the motorization of manual traversers and the automation of corrugated board delivery. We are preventing fall-related accidents by promoting labor-saving measures and inherently safe machine designs.



Plastic modular conveyor used to transport corrugated boards

Measures for separating pedestrians and vehicle pathways

When constructing new plants/mills or renovating existing ones, we are newly installing polymer (synthetic resin) protective barriers to prevent contact between workers and powered vehicles such as forklifts. By clearly defining designated areas, both workers on foot and workers operating vehicles can perform their tasks with peace of mind. Compared to traditional steel safety fences, in the event of a collision with a powered vehicle, polymer barriers not only protect workers and machinery but also reduce damage to the fence and floor. This leads to lower repair costs and better vehicle protection.



Safety barrier to separate pedestrians and vehicle pathways

TOPIC

Received a 2024 Special Award for Outstanding Foremen in Occupational Safety by Japan's Minister of Health, Labour and Welfare

Hiroyasu Ito, Assistant Manager of the Environmental Affairs Section, Facilities Department at our Kanazu Mill, received a 2024 Special Award for Outstanding Foremen in Occupational Safety by Japan's Minister of Health, Labour and Welfare. Since joining Rengo, he has always worked in the Environmental Affairs Section and consistently prioritized safety in his daily work. He ensures that workplace members strictly follow and enforce rules not only during routine operations but also dealing with machine trouble. The Kanazu Mill became an IoT model mill in 2019 and now implements many digital technologies. Going forward, the mill will utilize digital transformation technologies to improve equipment safety, while passing on the knowledge and expertise of safe work practices to younger employees. Through such efforts, the mill will create an even safer workplace environment.

ESG management

Vision 120 and ESG management

The Vision 120 medium-term vision began in FY3/2026 and concludes in FY3/2030, which marks the 120th anniversary of the founding of Rengo. Vision120 identifies “addressing materiality” as one of its core pillars, with the aim of steadily delivering results by focusing management resources on key environmental, social, and governance (ESG) issues such as climate change and human rights. ESG management serves as a concrete action guideline to advance these initiatives. It guides the business activities of the Rengo Group in the ESG areas, with the aim of delivering greater added value to all stakeholders.

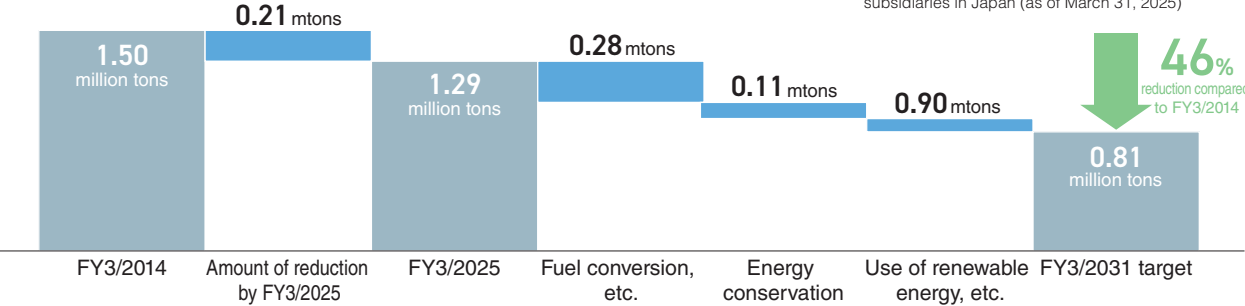
In order to link ESG management to the enhancement of corporate value over the medium- to long- term, Vision 120 sets targets for these various issues over its five-year period. While continuing efforts that have been pursued to date, we will focus on advancing the highest-priority initiatives across the ESG areas.

Initiatives to address environmental issues

Environmental initiatives under ESG management represent the highest-priority issue for the Rengo Group, which is guided by the key concept “Less is more.” To achieve its target of a 46% reduction in greenhouse gas emissions by FY3/2031 compared to FY3/2014, the Group has formulated an environmental investment plan totaling approximately 70 billion yen, as well as a roadmap for greenhouse gas emissions reduction. We are advancing an energy transition that includes the introduction of renewable energy sources.

Roadmap for reducing greenhouse gas emissions

The Rengo Group is advancing the reduction of greenhouse gas emissions in line with its roadmap.



Human-capital approach

By positioning the human-capital (human-centered) approach as a pillar of our corporate management and appropriately distributing to employees the added value generated through improvements in total factor productivity, Rengo aims to continuously achieve “a virtuous cycle of growth and distribution” leading to the next stage of growth. Based on respect for human rights, we aim to strengthen our human capital foundation and enhance the overall competitiveness of the organization by promoting a safe and health working environment, fostering well-being and fulfillment, and promoting diversity, equity, and inclusion (DEI). Through these efforts, we seek to enhance our corporate value over the medium- to long- term.

Furthermore, in corporate management, it is essential to co-create value with multiple stakeholders, including shareholders, employees, business partners, customers, creditors, and local communities. Based on this understanding, we have established the Multi-Stakeholder Policy. We are committed to collaborating appropriately with diverse stakeholders, as well as ensuring the fair distribution of profits and outcomes generated through value co-creation and productivity improvement.

Please refer to our website for the full text of the Multi-Stakeholder Policy (Japanese).
<https://www.rengo.co.jp/sustainability/policy/stakeholder/index.html>



Corporate governance

Rengo is working to enhance governance at the Rengo Group by maintaining and improving compliance and management standards, while also expanding efforts to build a foundation for digital transformation (DX), strengthen partnerships with business partners, and assure product quality and safety.

Revision of materiality

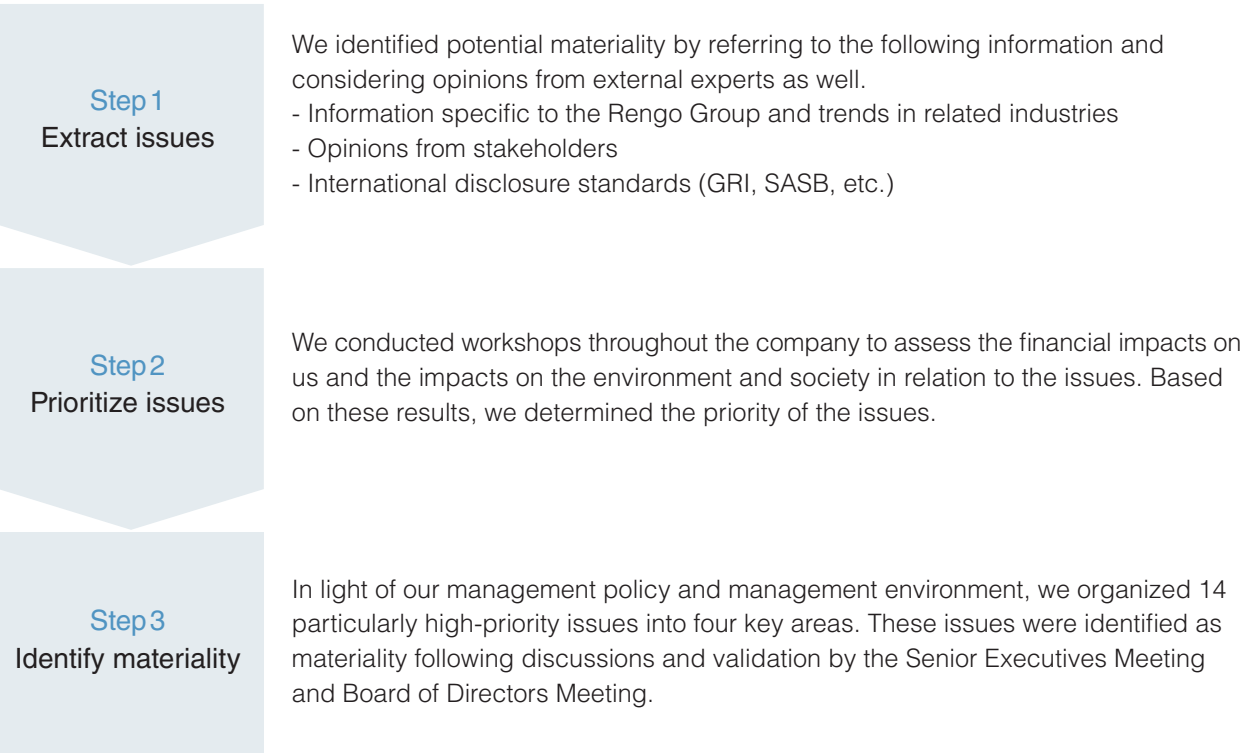
Rengo has identified key issues addressed by the Rengo Group as materiality. We disclosed this information in June 2023 to clearly communicate our strategy and its significance to stakeholders. Furthermore, in response to changes in the management environment and social demands, we revised the materiality in March 2025. The revised materiality defines four areas for the Group: 1) Creating New Value as a “Packaging Provider,” 2) Coexisting with the Global Environment, 3) People-Centric Management, and 4) Strengthening the Management Base for Sustainable Growth. It also defines 14 initiative themes and medium-term targets for achieving goals in these four areas.

Materiality and initiative themes



Identification process

Rengo identified materiality by considering the financial impacts on the Rengo Group and the impacts of its business activities on the environment and society. The identification process is listed below.



Rengo Group’s materiality (key issues)

Materiality	Initiative theme	Explanation	Financial impact on the Rengo Group	Impact on the environment and society	Main measures	Medium-term goals		Scope			
								Non-consolidated	Consolidated subsidiaries Japan	Overseas	
Creating New Value as a “Packaging Provider”	Providing sustainable packaging	We contribute to the creation of a sustainable society through the development and dissemination of packaging products that help resolve socially relevant issues.	(+) Increase in net sales through response to market needs (-) Increase in capital expenditures for product development	(+) Conservation of resources such as forest resources and fossil fuels	1. Development and dissemination of environmentally friendly paper products	(1) Average grammage of corrugated board (basis weight per square meter)	0.5% reduction compared to the previous fiscal year	✓	✓		
						(2) Reduction of CFP for containerboard *1		✓	✓		
					2. Dissemination and promotion of environmentally friendly plastic products	(3) Net sales ratio of environmentally friendly plastic products	20%	✓	✓	✓	
					3. Promotion of low-carbon packaging	(4) Expansion of products subject to CFP calculation	—	✓	✓		
	Creating new businesses and products that resolve socially relevant issues	We create new value beyond traditional frameworks by accelerating the application of technologies cultivated over many years and strengthening collaboration across Group companies and businesses.	(+) Increase in net sales through response to market needs (-) Increase in capital expenditures for product development and production expansion	(+) Conservation of resources such as forest resources and fossil fuels (+) Reduction of plastic waste through the development of cellulose products	1. Expansion of production for cellulose products	(1) Production volume of cellophane	160% compared to FY3/2024	✓			
						(2) Production volume of cellulose beads	300% compared to FY3/2024	✓			
					2. Development and dissemination of new cellulose products	Promotion of CNF commercialization		—	✓		
					3. Development and dissemination of bioethanol	Establishment of a production structure for bioethanol for SAF*2		—	✓	✓	
			4. Response to diversifying social needs	Promotion of sales of DEGI-PAKE®*1		—	✓	✓			
Building a sustainable logistics system	As a company responsible for creating packaging essential to logistics, we work to resolve issues across the entire value chain from procurement to shipping, use, and collection.	(+) Prevention of opportunity loss through stable product supply (-) Increase in capital expenditures for logistics improvement	(+) Maintenance of smooth economic activity for customers and consumers through stable supply of products	Ensuring of safety and reducing burden for logistics workers	(1) Improvement rate of product delivery lead time	10% compared to FY3/2024	*3	✓*3			
					(2) Establishment of a containerboard receiving structure using RFID	—	✓	✓			
					(3) Resolution of social logistics issues through packaging	—	✓	✓			
Coexisting with the Global Environment	Addressing climate change	We are committed to “climate change mitigation,” which involves reducing greenhouse gas emissions and minimizing the impact of our business activities on climate change, as well as “climate change adaptation,” which involves preparing for the risk of supply chain disruptions caused by natural disasters.	(+) Creation of revenue opportunities through response to requests from business partners and customers (+) Avoidance of operational shutdowns and net sales declines due to disasters (+) Avoidance of increased expenses from new laws/regulations and a carbon tax (-) Increase in capital expenditures for mitigation of and adaptation to climate change	(+) Reduction of greenhouse gas emissions (+) Mitigation of impact caused by the increasing frequency and severity of weather-related disasters (+) Enhancement of social and economic infrastructure resilience through stable product supply	1. Reduction of greenhouse gas emissions	GHG emissions (Scope 1 + 2)	46% reduction compared to FY3/2014	✓	✓		
					2. Adaptation to risks	Continued monitoring in preparation for flood risks		—	✓	✓	✓
	Expanding the circular economy	We make the already established corrugated packaging recycling system more solid and work toward the realization of new systems for plastic resource recycling.	(+) Prevention of opportunity loss through stable procurement of raw materials (+) Reduction of water costs (-) Increase in capital expenditures for research and development	(+) Conservation of resources such as forest and fossil resources	1. Strengthening of the corrugated board resource recycling system	(1) Recovered paper utilization rate for paperboard	99% or more*2	✓	✓	✓	
						(2) Promotion of using pulp for paperboard made from unused wood resources	—	✓	✓	✓	
					2. Establishment of the plastic resource recycling system	Promotion of initiatives for plastic recycling		—	✓	✓	✓
			3. Efficient use of water resources	Water usage per unit of net sales		22% reduction compared to FY3/2024	✓	✓	✓		
	Conserving natural capital	To ensure the sustainability of the natural capital essential for our production activities, we are committed to reducing the environmental impact of our manufacturing processes and conserving natural environments such as biotopes.	(+) Cost reduction through suppression of emissions of substances harmful to the environment	(+) Conservation of environments such as forests and water (+) Suppression of emissions of substances harmful to the environment	1. Management and utilization of Nationally Certified Sustainably Managed Natural Sites	Continuation of biological monitoring surveys		—	✓	✓	
						(1) Number of administrative guidance cases due to environmental accidents	Zero cases annually	✓	✓		
					2. Prevention of environmental accidents and pollution	(2) Effective utilization rate of waste	99% or more	✓	✓		
					(3) Proper management and suppression of emissions of substances harmful to the environment	—	✓	✓			
People-Centric Management	Respecting human rights	With respect for the human rights of all stakeholders involved in our business activities, including employees, business partners, and customers, we fulfill our corporate social responsibility through our business activities.	(+) Avoidance of losses due to human rights risks (-) Increase in expenses for environmental and other improvements	(+) Prevention of human rights violations	Implementation of human rights due diligence	Implementation rate	100%	✓	✓		
	Establishing a safe and healthy working environment	We ensure the safety and health of everyone involved in our operations and work for eliminating industrial accidents.	(+) Avoidance of losses due to industrial accidents (-) Increase in capital expenditures for occupational health and safety measures	(+) Ensuring workplace safety and improvement working environments	Ensuring occupational health and safety	Number of fatal/serious accidents	Zero cases annually	✓	✓		
	Fostering well-being and fulfillment	We establish flexible systems and environments that enable employees to pursue career development tailored to their individual circumstances, creating a corporate culture where they can work with a sense of well-being and fulfillment. This approach aims to foster engagement and improve total factor productivity (TFP).	(+) Realization of stable acquisition of human resources (+) Improvement of market competitiveness through strengthening of human resources (-) Increase in expenses due to improvements for systems and working environments	(+) Enhancement of well-being	1. Improvement of employee engagement	Implementation rate of employee engagement survey		100%	✓	✓	
					2. Support for career development	(1) Provision of opportunities for learning and acquiring certifications (holding of public courses, dispatch to external seminars, support for study abroad at universities, encouragement and support for obtaining certifications, etc.) (2) Global human resource development		—	✓	✓	
	Promoting DEI	We aim to foster a corporation where diverse human resources, regardless of gender, age, and other factors, respect and accept each other, enabling unique qualities and strengths to be harnessed, which in turn generates synergies.	(+) Realization of stable acquisition of human resources (+) Improvement of market competitiveness through active participation of diverse human resources (-) Increase in expenses due to improvements for systems and working environments	(+) Creation of employment opportunities for diverse human resources (+) Improvement of working environments	1. Promotion of active participation by diverse human resources	(1) Female recruitment ratio (Group average)	30% or more	✓	✓		
						(2) Female managerial ratio (Group average)	8% or more	✓	✓		
						(3) Employment rate of persons with disabilities (by company)	Employment rate exceeding the statutory requirement	✓	✓		
		2. System design for lifelong active employment	(1) Introduction of a mandatory retirement age system at 65 (2) Introduction of a reemployment system up to age 70		100% 100%	✓ ✓	✓ ✓				
Strengthening the Management Base for Sustainable Growth	Strengthening Group governance	We are committed to enhancing the governance of the Rengo Group, aiming to maintain and improve compliance and management standards.	(+) Avoidance of losses due to governance failures	(+) Development of a fair economic society	1. Development of a sense of integration within the Rengo Group 2. Enhancement of employee understanding regarding compliance 3. Prevention of incidents involving corruption	Instilling of Corporate Philosophy and management philosophy Continuous implementation of training on corporate ethics and legal compliance Number of serious corruption cases	— 4 times per year 0	✓ ✓ ✓	✓ ✓ ✓		
	Establishing a foundation for DX	We aim to achieve harmony between digital technology and the people who use it, and to address various business challenges and contribute to society through the collection and utilization of data.	(+) Improvement of labor productivity (+) Reduction of information security risk (-) Increase in capital expenditures for promoting DX and strengthening information security	(+) Improvement of working environments (+) Improvement of sustainability in the logistics industry through DX utilization	1. Promotion of DX 2. Strengthening information security	Cultivation of DX human resources and establishment of a promotion framework Number of serious information security incidents	— 0	✓ ✓	✓ ✓		
	Strengthening business partnerships	We aim to achieve mutual growth between the Rengo Group and our business partners by ensuring sound procurement of raw materials with consideration for the environment and society, adhering to fair transactions based on our Declaration of Partnership Building, and establishing robust partnerships.	(+) Stabilization of business activities through strengthened relationships with business partners and customers (-) Increase in expenses associated with obtaining various certifications	(+) Sound development of the economy and society (+) Reduction of environmental impact through sustainable procurement	Promotion of sustainable procurement	Implementation of CSR procurement assessments for major raw material suppliers	—	✓	✓		
	Assurance of product quality and safety	We aim to consistently supply products that meet customer needs and enhance customer satisfaction by ensuring thorough quality and safety.	(+) Stabilization of business relationships by supplying high quality and safe products (-) Increase in expenses required for advanced quality control	(+) Maintenance of smooth economic activity for customers and consumers through supply of high quality and safe products	Achievement of zero defects (ZD)	Number of occurrences of serious product defects (loss of 1 million yen or more)	0	✓	✓		

*1 With the achievement deadline being FY3/2026 *2 With the achievement deadline being FY3/2028 *3 Paperboard mills and corrugated packaging plants

ENVIRONMENT

Our environmental initiatives targeting 2050

Environmental management by the Rengo Group

Under the Rengo Group Environmental Charter, which sets forth the Group's environmental management policy, we are actively implementing environmental management. In 2021, we identified six key environmental issues to be tackled with higher priority. At the same time, we formulated the long-term target Rengo Group Environment Action 2050, based on which the Group takes on challenges to achieve net zero greenhouse gas (GHG) emissions by 2050, and the medium-term target Eco Challenge 2030 to be accomplished by FY3/2031, as environmental targets to solve the issues.

In response to the increasingly diverse and complex demands of the business environment and society, we have reviewed our materiality and used the findings to revise the Rengo Group Environment Action 2050 and Eco Challenge 2030 initiatives in FY3/2026.

Rengo Group Environmental Charter

Fundamental Philosophy

The Rengo Group contributes to a sustainable society through further reducing the environmental impact of its business, and by supplying environmentally friendly products.

Fundamental Policy

1

Observation of Environmental Related Laws and Establishment of Own Standard

The Rengo Group observes all laws, regulations, and protocols relating to the environment, and establishes our own management standard to further reduce our environmental impact.

2

Promotion of Global Warming Countermeasures

The Rengo Group actively engages in energy saving and conversion to renewable energy, and reduces greenhouse gas emissions.

3

Promotion of Effective Use of Resources

The Rengo Group actively uses environmentally friendly materials such as recycled materials, as well as minimizes use of resources.

4

Reduction of Waste and Promotion of Effective Use of Waste

The Rengo Group curbs waste generation and reduces the volume of final disposed waste through reuse and recycle.

5

Supply of Environmentally Friendly Products

The Rengo Group conducts research and development based on socially relevant issues, and supplies more environmentally friendly products.

6

Reduction of Environmental Impact in Supply Chain

The Rengo Group reduces its environmental impact throughout the supply chain by procuring environmentally friendly materials and optimizing production and logistics.

7

Establishment of Collaborative Relationships with Stakeholders

The Rengo Group communicates with various stakeholders by raising environmental awareness, and at the same time, through proactive information disclosure related to the environment and activities in harmony with nature and communities.

Established on April 12, 2009 / Revised on April 12, 2021

FY3/2025 results of Eco Challenge 2030

Eco Challenge 2030, which has a target year of FY3/2031, sets forth specific indicators and targets aligned with the Rengo Group's six key issues, and the Group has worked on initiatives thereunder. In FY3/2025, we achieved seven of the nine indicators. With regard to "Greenhouse gas emissions reductions,"

we previously used CO₂ emissions derived from fossil energy as our indicator. However, beginning from FY3/2025, we expanded both the target gases and the scope. By advancing initiatives through unified efforts by our Group companies in Japan, we achieved a 14.0% reduction and surpassed our target.

Medium-term target Eco Challenge 2030 (until March 2025)

Key issue	Item	Indicator	FY3/2025			Scope
			Target	Result	Evaluation	
Creation of a carbon-free society	Greenhouse gas emissions reductions	Greenhouse gas emissions*1 (compared to FY3/2014)	13% reduction	14.0% reduction	✓	Rengo on a non-consolidated basis and consolidated subsidiaries in Japan (excluding non-manufacturing sites such as offices, warehouses, etc.)
Improvement of energy efficiency	Efficient energy usage	Energy intensity (5-year average)*2	1% reduction per year	0.4% reduction per year	×	Rengo on a non-consolidated basis and consolidated subsidiaries in Japan subject to the Act on the Rational Use of Energy*5
Creation of a recycling-oriented society	Effective use of resources	Recovered paper utilization rate for paperboard	98% or more	98.6%	✓	Rengo on a non-consolidated basis and paperboard manufacturing sites of consolidated subsidiaries in Japan
		Increased use of unused materials	Aim to procure unbleached pulp sourced from unused materials in Japan	—	—	Rengo on a non-consolidated basis and paperboard manufacturing sites of consolidated subsidiaries in Japan
	Reduction of waste volume	Effective utilization rate of waste	98% or more	98.9%	✓	Rengo on a non-consolidated basis and manufacturing sites of consolidated subsidiaries in Japan*5
Creation of products that solve environmental issues and social issues	Development and promotion of products made with biodegradable cellulose	Viscopearl® (cellulose bead) production volume	65 t/year or more	75.1 t/year	✓	Rengo on a non-consolidated basis
	Packaging weight reduction	Average grammage of corrugated board (basis weight per square meter)	0.5% reduction per year	0.42% reduction per year	×	Rengo on a non-consolidated basis and corrugated board manufacturing sites of consolidated subsidiaries in Japan*5
Water risk management	Water risk assessment and risk reduction	Water usage per unit of net sales*3 (compared with FY3/2022)	16% reduction	25% reduction	✓	Rengo on a non-consolidated basis and manufacturing sites of consolidated subsidiaries in Japan*5
Value chain management (downstream)	Logistics efficiency improvement in transportation of products	Per-unit CO ₂ emissions from the transportation of corrugated board/boxes*4 (compared to FY3/2014)	3.5% reduction	4.8% reduction	✓	Rengo on a non-consolidated basis

*1 Greenhouse gas emissions after adjustment based on the Act on Promotion of Global Warming Countermeasures
*2 Per-unit energy consumption based on the Act on Rationalization of Energy Use and Shift to Non-fossil Energy
*3 Water usage divided by net sales *4 CO₂ emissions during transportation by truck divided by sales volume
*5 Excluding subsidiaries of consolidated subsidiaries in Japan

ENVIRONMENT

Environmental targets of the Rengo Group

Review of environmental targets

In the recent review, we restructured our targets and initiatives around three priority items: “climate change,” which has been a central focus under our long-term target Rengo Group Environment Action 2050, as well as “circular economy” and “natural capital,” which are both becoming increasingly important in recent years. Under the medium-term target Eco Challenge 2030, which is set for achievement by FY3/2031, we have restructured our environmental targets around four items. Along with the three existing items of “climate change,” “circular economy,” and “natural capital,” we have newly added “providing sustainable packaging,” which reflects our responsibilities as a packaging company. We will continue to steadily advance our initiatives to reach these new targets.



Long-term target Rengo Group Environment Action 2050 (from April 2025)

The Rengo Group will solve environmental issues through packaging innovation and realize a society that coexists with the global environment.

We aim to achieve net zero GHG emissions across the entire value chain.

We aim to maximize the use of non-fossil resources and recycled materials by efficiently recycling resources.

We aim to minimize negative impacts on natural capital.

Medium-term target Eco Challenge 2030 (from April 2025)

Initiative themes	Main measures	Related SDGs	Medium-term targets	FY3/2026 target	Scope			Related pages
					Non-consolidated	Consolidated subsidiaries		
						Japan	Overseas	
Creating New Value as a “Packaging Provider”								
Providing sustainable packaging	1.Development and dissemination of environmentally friendly paper products		(1) Reduce the average grammage of corrugated board*1 by 0.5% year-on-year	0.5% reduction year-on-year	✓	✓		→ p. 61
			(2) Reduce CFP in containerboard*2	—	✓	✓		→ p. 62
	2.Dissemination and Promotion of environmentally friendly plastic products		Achieve environmentally friendly alternatives accounting for 20% of plastic product sales	16%	✓	✓	✓	→ p. 62
	3.Promotion of low-carbon packaging		Expand the scope of products subject to CFP calculation	—	✓	✓		→ p. 62
Coexisting with the Global Environment								
 Addressing climate change	1.Reduction of GHG emissions		Reduce GHG emissions (Scope 1 + 2)*3 by 46% compared to FY3/2014	16% reduction	✓ *4	✓ *4		→ p. 63
	2.Adaptation to risks		Continue monitoring to prepare for flood risks	—	✓	✓	✓	→ p. 64
 Expanding the circular economy	1.Strengthening of the corrugated board resource recycling system		(1) Achieve recovered paper utilization rate for paperboard of 99% or more*5	98% or more	✓	✓	✓	→ p. 65
			(2) Promote the use of pulp for paperboard made from unused wood resources*6	—	✓	✓	✓	→ p. 66
	2.Establishment of the plastic resource recycling system		Promote initiatives for plastic recycling	—	✓	✓	✓	→ p. 66
	3.Efficient use of water resources		Reduce water usage per unit of net sales*7 by 22% compared to FY3/2024	10% compared to FY3/2024	✓	✓	✓	→ p. 66
 Conserving natural capital	1.Management and utilization of Nationally Certified Sustainably Managed Natural Sites		Continue biological monitoring surveys	—	✓	✓		→ p. 67
	2.Prevention of environmental accidents and pollution		(1) Achieve zero administrative guidance cases due to environmental accidents	Zero cases annually	✓	✓		→ p. 68
			(2) Achieve effective utilization rate of waste of 99% or more	98% or more	✓	✓		→ p. 68
			(3) Conduct proper management and reduction of emissions of environmentally hazardous substances	—	✓	✓		→ p. 68

*1 Weight per 1 m² *2 Target year for achievement is FY3/2026. *3 Adjusted GHG emissions based on the Act on Promotion of Global Warming Countermeasures *4 Excluding non-manufacturing sites such as offices and warehouses *5 Target year for achievement is FY3/2028. *6 Lumber residues, forest residues, old lumber, etc. *7 Water usage divided by net sales

ENVIRONMENT

Providing sustainable packaging

Basic stance The business foundation of the Rengo Group is built on an integrated structure that covers the entire packaging process, from upstream to downstream. Under this structure, we leverage the packaging technologies we have cultivated over many years to conduct research and development of environmentally friendly products.

As a “General Packaging Industry,” the Rengo Group positions the reduction of environmental impact across the entire supply chain through the development and dissemination of lightweight corrugated packaging and environmentally friendly plastic products as an important challenge.

In addition to working to conserve forest resources and fossil fuels, we contribute to the creation of a sustainable society through the development and dissemination of packaging products that help solve environmental and socially relevant issues related to paper and plastics.

Development and dissemination of environmentally friendly paper products

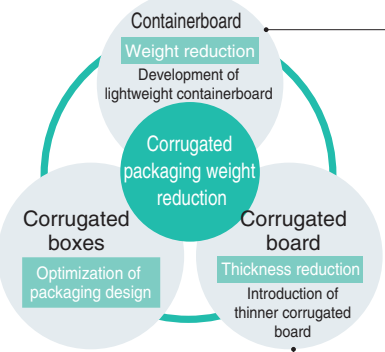
Corrugated packaging weight reduction

The Rengo Group is reducing the weight of its core product, corrugated packaging. We are working on the challenge of reducing the weight of corrugated packaging while maintaining its performance, including strength.

Details of initiatives

- (1) Reduction of containerboard weight
- (2) Reduction of corrugated board thickness
- (3) Optimization of packaging design of corrugated boxes

Three pillars of corrugated packaging weight reduction



Containerboard weight reduction		
Development of lightweight containerboard and reinforced lightweight containerboard		
Structure of corrugated board		
Lightweight containerboard types and basis weights		
Type	Containerboard grammage*	Product name
Lightweight containerboard		
Linerboard	120g/m ²	ETSL120
Corrugating medium	100g/m ²	RCM100
Reinforced lightweight containerboard		
Corrugating medium	120g/m ² (same strength as conventional 160g/m ²)	LCC120
Corrugating medium	90g/m ² (same strength as conventional 120g/m ²)	LCCX90
* Basis weight per square meter of containerboard		

Reduction of corrugated board thickness	
Introduction of C-flute and Delta-flute	
Flute types and thicknesses	
E-flute (1.5 mm)	
DELTA FLUTE (2 mm)	
B-flute (3 mm)	
C-flute (4 mm)	
A-flute (5 mm)	

C-flute features	Reduced thickness by approx. 20% compared to A-flute
	Maintains the strength equivalent to A-flute
Delta-flute features	Reduced use of corrugating medium by approx. 8% compared to B-flute
	Reduced thickness by approx. 25% compared to B-flute
	Improved compression intensity by approx. 35% compared to E-flute

Calculation of carbon footprint (CFP)*

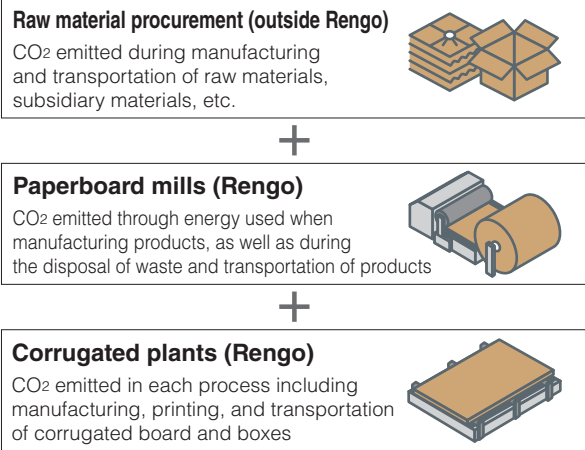
Calculation of CFP in corrugated packaging

In order to reduce greenhouse gas (GHG) emissions across the entire supply chain, the importance of GHG emissions data in the product lifecycle is increasing. Rengo has collected data from paperboard and corrugated board manufacturing and established a structure that enables the calculation of CO₂ emitted during the period from raw material procurement to delivery of each corrugated packaging since 2023. In this way, we respond to customers' demand for CFP disclosure.

In addition to CO₂ emissions per product, we have visualized the total CO₂ emissions from the corrugated packaging that we have delivered. By proposing products with less CO₂ emissions, we support customers' initiatives to reduce CO₂ emissions related to packaging materials. We will continue to contribute to the reduction of GHG emissions across the entire supply chain through prompt provision of data.

* To indicate the amount of GHGs emitted throughout the lifecycle of products and services, by converting them into CO₂ emissions

Scope of calculation of corrugated board CFP at Rengo



Reduction of CFP in containerboard

Since containerboard accounts for a large proportion of the CFP in corrugated board, reducing the CFP of containerboard directly contributes to reducing the overall CFP in corrugated board. At our paperboard mills, we are working to reduce CO₂ emissions during manufacturing of containerboard through initiatives such as fuel conversion and the installation of biomass boilers. We will continue our efforts to reduce the CFP of containerboard.

Expansion of the scope of products subject to CFP calculation

As part of efforts to promote low-carbon packaging with reduced CO₂ emissions, the Rengo Group is working to expand the scope of products subject to

CFP calculation. Currently, in addition to corrugated board and paperboard, we also calculate CFP in products such as folding cartons, cellophane, plastic packaging, and nonwoven products. Going forward, we will further expand the scope of products subject to inclusion and develop a structure capable of responding to requests for CFP disclosure for all products.

Dissemination and promotion of environmentally friendly plastic products

The Rengo Group has been expanding its product lineup in conjunction with the strengthening of its integrated structure in the Flexible Packaging-Related Business. As a supplier of plastic products, we have set new targets for the dissemination and promotion of environmentally friendly plastic products. These targets are a response to growing societal expectations for environmental initiatives.

Environmentally friendly plastic products refer to items such as films, sheets, packaging materials, and related materials within the Group's plastic business that use biomass plastics, recycled plastics, or have a mono-material composition. Going forward, we will work to expand sales of these products while actively addressing the environmental issues associated with plastic products.

Eco Challenge 2030

FY3/2031 target	Sales ratio of environmentally friendly alternatives within plastic product sales: 20%
FY3/2026 target	Sales ratio of environmentally friendly alternatives within plastic product sales: 16%



Environmentally friendly plastic products (film and packaging materials)

ENVIRONMENT

Addressing climate change

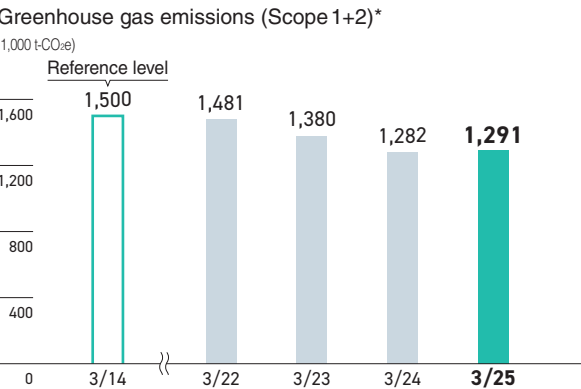
Basic stance The Rengo Group aims for net zero greenhouse gas emissions across its entire value chain and is committed to mitigating climate change. Furthermore, we focus on adapting to business risks arising from climate change. Through these measures, we are promoting sustainable and stable business operations.

The rise in average temperatures caused by increased greenhouse gas emissions has led to serious impact on the global environment, such as frequent extreme weather events and changes in ecosystems. The Rengo Group uses significant amounts of energy in its business activities, which leads to greenhouse gas emissions. Therefore, we

Reduction of greenhouse gas emissions

Reduction of Scope 1 and 2 emissions
With the aim of reducing Scope 1ⁱ⁾ and Scope 2ⁱⁱ⁾ emissions, the Rengo Group is advancing various initiatives to reduce greenhouse gas emissions. We are focusing on fuel conversion, increased introduction of non-fossil energy, and efficient energy use.

Eco Challenge 2030	
FY3/2031 target	Greenhouse gas emissions (Scope 1 + 2): 46% reduction compared to FY3/2014
FY3/2026 target	16% reduction compared to FY3/2014

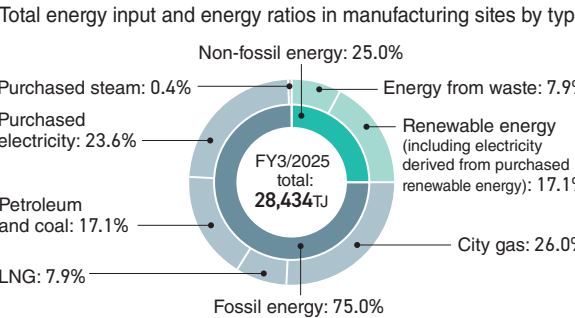


(Note) Scope: Rengo on a non-consolidated basis and domestic consolidated subsidiaries as of March 31, 2025 (excluding non-manufacturing sites such as offices and warehouses)
* Adjusted greenhouse gas emissions based on the Act on Promotion of Global Warming Countermeasures

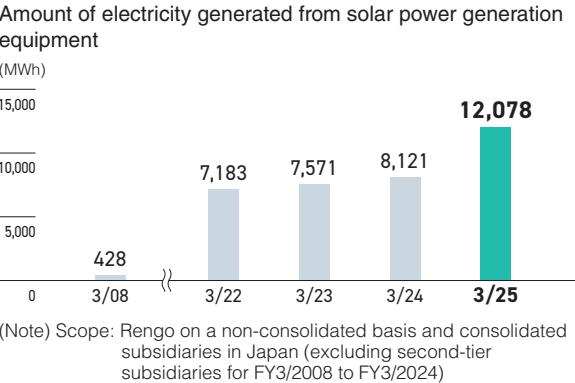
Fuel conversion and increased introduction of non-fossil energy
The Rengo Group is working to realize fuel conversion and increase the use of non-fossil energy to address the problem of climate change and from the standpoints of energy source diversification and

position both the mitigation of climate change through emission reductions and adaptation to risks such as flooding as key issues.
By addressing climate change mitigation and adaptation, we contribute to the realization of a sustainable society while establishing a foundation that supports the Group's long-term growth.

effective use of resources. We are working to switch the fuels used at our plants and mills from coal and heavy oil to city gas, LNG, and other fuels with lower greenhouse gas emissions. At the same time, we are promoting the introduction of non-fossil energy sources such as biomass and waste. In FY3/2025, non-fossil energy accounted for 25.0 % of our total energy input. Going forward, we plan to eliminate the use of coal at Group sites in Japan and expand the use of LNG and biomass by FY3/2028. Moreover, we began installing solar power generation equipment in FY3/2008 while considering the characteristics of each region and plant. As of FY3/2025, the equipment has been installed at 26 sites, with a total power generation volume of 12,078 MWh.



(Note) Scope: Rengo on a non-consolidated basis and consolidated subsidiaries in Japan



(Note) Scope: Rengo on a non-consolidated basis and consolidated subsidiaries in Japan (excluding second-tier subsidiaries for FY3/2008 to FY3/2024)

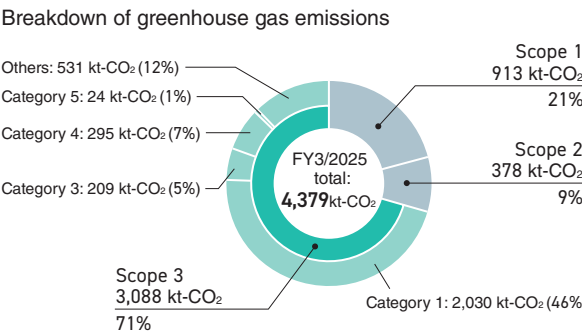
Efficient energy usage
The Rengo Group uses various forms of energy, including fossil energy, energy from waste, and renewable energy. We are working to reduce greenhouse gas emissions by using energy more efficiently. The five-year average of the year-on-year energy intensity in FY3/2025 was 99.6%

Year-on-year comparison of energy intensity*						
Result (%)	3/2021	3/2022	3/2023	3/2024	3/2025	5-year average
	99.6	98.3	99.0	100.4	100.7	99.6

(Note) Rengo on a non-consolidated basis and consolidated subsidiaries in Japan subject to the Act on the Rational Use of Energy (excluding second-tier subsidiaries)
* Total energy usage including fossil energy, energy from waste, and renewable energy divided by production volume

Reduction of Scope 3ⁱⁱⁱ⁾ emissions
Within Scope 3, the Rengo Group focuses on reducing emissions in the categories with the highest proportions; specifically Category 1 (purchased goods and services), Category 3 (fuel- and energy-related activities not included in Scope 1 or 2), Category 4 (upstream transportation and distribution), and Category 5 (waste generated in operations). Among these, Category 1 accounts for the majority, with its main components being containerboard, resin raw materials, and plastic film rolls. To reduce Scope 3 emissions, we are promoting initiatives aimed at reducing emissions across the entire supply chain.

- i) Scope 1: Direct emissions of greenhouse gases by business operators (fuel combustion and industrial processes)
- ii) Scope 2: Indirect emissions of greenhouse gases from the use of electricity, heat, and steam supplied by other companies
- iii) Scope 3: Indirect emissions of greenhouse gases other than Scope 1 and 2 (emissions by other companies related to the business operator's own activities)



(Note) Scope: Rengo on a non-consolidated basis and consolidated subsidiaries in Japan

Adaptation to flood risks

Assessment of water risks
In order to make its business activities as sustainable as possible going forward, the Rengo Group has been conducting assessments since FY3/2022 to identify water risks such as water supply at each manufacturing site and flood frequency, and to plan appropriate measures.
For all of Group manufacturing sites, we use the WRI's Aqueduct* to evaluate water risks specific to the catchment areas where our sites are located.

* A water risk assessment tool developed by the World Resources Institute (WRI)

WRI Aqueduct water risk assessment results				
Water stress level	Number of manufacturing sites		Water withdrawal volume	
	Number of sites	Percentage (%)	(1,000 m ³)	Percentage (%)
Low	73	23.0	1,507	3.2
Low-medium	96	30.3	13,278	28.6
Medium-high	100	31.5	31,537	68.0
High	22	6.9	33	0.1
Very high	26	8.2	53	0.1
Total	317	100	46,408	100

(Note) Assessed using the five-scale assessment of Water Risk Atlas Baseline Water Stress of WRI Aqueduct, a catchment basin-specific water risk assessment tool

Assessment of financial impact from flooding
Among water-related risks, we recognize that damage from flooding associated with climate change poses a significant risk to the Rengo Group. Therefore, we assessed the impact of losses that would result in the event of flooding and inundation. As a result, we have determined that the impact of flood risk on our business operations is limited. This is because early recovery is feasible through coordination among Group sites, thereby making it possible to offset a significant portion of the decline in net sales due to suspended operations.

For details, please refer to our website.
Response to TCFD
<https://www.rengo.co.jp/english/sustainability/environment/tcfd/index.html>



ENVIRONMENT

Expansion of the circular economy

Basic stance Against the backdrop of depletion of finite resources, increase in waste from mass production and mass consumption, and intensification of climate change issues, the Rengo Group aims to achieve the efficient recycling of resources and to maximize the utilization rate of non-fossil resources and recycled materials toward the realization of a sustainable society.

The Rengo Group's business activities are supported by natural resources, including forest resources and water resources. As such, we position the enhancement and promotion of resource circulation, such as the recycling of corrugated board and plastics and the efficient utilization of water resources , as key issues.

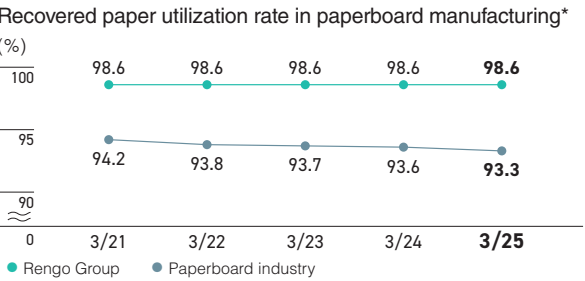
Effective use of resources

Recovered paper utilization rate for paperboard

Trimming waste of corrugated board, generated during the manufacturing process at the corrugated plants of the Rengo Group, is transported back to paperboard mills where it is recycled as a raw material for papermaking, using the return trips of trucks transporting containerboard from our paperboard mills. In our laboratories and paperboard mills, we are developing technologies that raise the recovered paper content ratio while maintaining product quality. We are also making advances in the effective use of recovered paper, such as employing previously unused recovered paper resources as raw materials for papermaking.

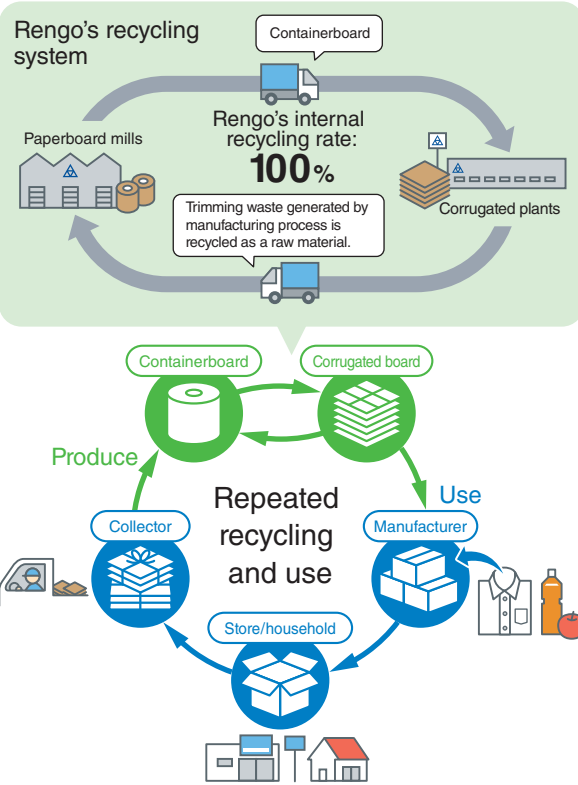
We raised the numerical target stated in Eco Challenge 2030 for recovered paper utilization rate in raw materials used in paperboard manufacturing from the previous 98% or more to 99% or more, starting in FY3/2025. We will further advance our initiatives to reach this target.

Eco Challenge 2030	
FY3/2028 target	Recovered paper utilization rate for paperboard: 99% or higher
FY3/2026 target	Recovered paper utilization rate for paperboard: 98% or higher



In addition to our ongoing efforts in resource circulation of corrugated board, we are also addressing plastic recycling and further promoting the conservation and efficient use of natural resources such as water resources. Through these measures, we are expanding the circular economy.

Corrugated packaging recycling loop



The Corrugated Recycles Symbol is used to indicate corrugated packaging that can be recycled. Currently, more than 90% of corrugated packaging in Japan displays the recycle symbol.



Promotion of using pulp for paperboard made from unused wood resources

For the pulp we use, the Rengo Group is promoting the use of pulp for paperboard made from unused domestic wood resources such as sawmill residuals, forest residuals, and recovered wood. We are promoting initiatives across the entire supply chain, including engagement with our suppliers.

Improvement of recovered paper quality

When manufacturing containerboard, thermal foaming coated paper, sublimation transfer paper, or waste paper with odors (such as detergents, soaps, or incense) may cause problems if mixed into products. Therefore, these contaminants (prohibitive items) must be removed prior to collection. As such prohibitive items will significantly reduce the quality of paperboard, Rengo uses its website and offer educational dispatch lessons to widely promote proper recycling and prevent contamination with prohibitive items.

TOPIC

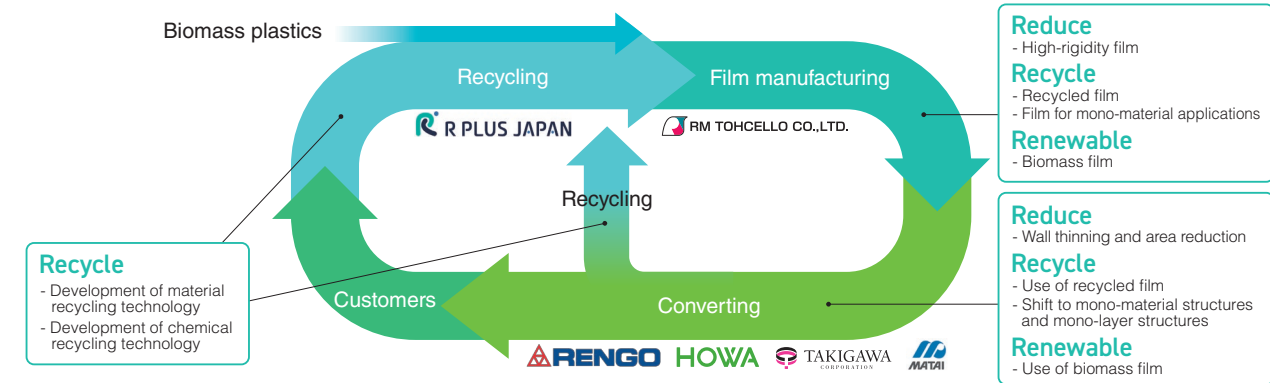
Sniffer dogs playing an active role at paperboard mill

Since 2014, during the manufacturing of containerboard, Rengo's Yashio Mill has used sniffer dogs to prevent contamination by waste paper with odors. Since the sniffer dogs were introduced, the number of cases of contamination by waste paper with odors has significantly dropped. This also resulted in a steady reduction in product issues and loss. Sniffer dogs are currently in active service at the Yashio Mill and Tonegawa Division.



Dog detecting an odor
A dog uses its front paws to indicate when waste paper has an odor.

Initiatives for plastic resource circulation by the Rengo Group



Efficient use of water resources

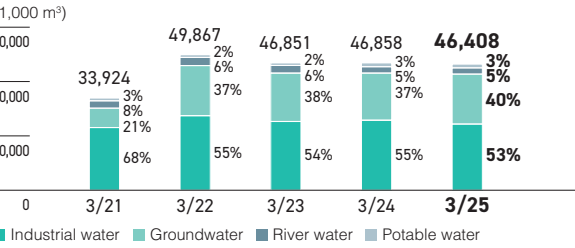
At each of Rengo Group sites, we withdraw water from sources such as potable water, industrial water, groundwater, and nearby rivers. In order to effectively use the limited water resources, we are working not only to reduce total water usage, but also to reduce per unit water usage (water usage divided by net sales).

Beginning in FY3/2026, we will further enhance our initiatives by expanding the scope of our targets to include overseas Group companies.

Eco Challenge 2030

FY3/2031 target	Per unit water usage: 22% reduction compared to FY3/2024
FY3/2026 target	Per unit water usage: 10% reduction compared to FY3/2024

Total water intake and water resource ratios by type



(Note) Rengo on a non-consolidated basis and manufacturing sites of consolidated subsidiaries in Japan and overseas (excluding second-tier subsidiaries for FY3/2021 to FY3/2023)

Plastic resource recycling

For plastic film products and flexible packaging products, the Rengo Group is focusing on the three key themes of "reduce" (waste prevention), "recycle" (resource recovery), and "renewable" (use of renewable materials). Leveraging the Group's unique strength of having an integrated structure that spans from films to final flexible packaging products, we are advancing the development of a plastic resource circulation system.

Many plastic packages are made by laminating different types of films to provide functionality such as durability and preservation. However, we are promoting the use of mono-material structures for plastic packaging and developing products that are easier to recycle. In addition to product development, we are also focusing on the development of technologies for both material recycling and chemical recycling.

ENVIRONMENT

Conserving natural capital

Basic stance On Earth, many different living things coexist while maintaining balance with the natural environment, and the blessings of abundant biodiversity support our lives and business activities. The Rengo Group seeks to realize a society that coexists with nature, one where rich biodiversity is conserved and its benefits can be enjoyed for generations to come. With this in mind, we aim to minimize the negative impact of our business activities on natural capital.

The Rengo Group’s business activities are supported by the benefits of rich biodiversity. At the same time, our activities exert various impacts and burdens such as greenhouse gas emissions. Accordingly, we regard the conservation of natural environments, including forests and water, and the reduction of emissions of environmentally harmful substances as key issues. We

reduce environmental impact in manufacturing processes and engage in efforts to conserve the natural environment, including the development of biotopes. Through these initiatives, we aim to ensure the sustainability of natural capital that is essential to production activities and to achieve harmony with the local natural environment.

Management and utilization of Nationally Certified Sustainably Managed Natural Sites

/ Biotope management

At the Rengo Group’s divisions and plants/mills, we conduct our business activities in close connection with local communities and local environments. We have created biotopes on the premises of our Fukushima-Yabuki Plant and Takefu Plant, which are located in areas rich in natural surroundings such as spring water, protected forests, and endemic flora and fauna. In these biotopes, we have been conducting continuous monitoring surveys for over 10 years to track the number and variety of species. Both sites have been certified by Japan’s Ministry of the Environment as Nationally Certified Sustainably Managed Natural Sites*.



*Areas where biodiversity is being conserved through private sector efforts. The “30by30 target” is a global target to effectively conserve at least 30% of land and sea areas as healthy ecosystems by 2030. It is one initiative for realizing a nature-positive future.

■ Rengo Fukushima-Yabuki Plant

In 2011, we created a biotope using the surrounding terrain and spring water. To actively protect the local natural environment, the site includes plantings of native species found in Fukushima Prefecture.



■ Rengo Takefu Plant

In 2012, we created a biotope using the water from the crystal clear Jisa River, which flows through the plant grounds. In the biotope’s river, we have observed a plant called the Japanese water crowfoot plant and the Japanese stickleback fish, both of which can only thrive in clean, clear water.



TOPIC

Assessment of the relationship with business activities and biodiversity

The Rengo Group is working on initiatives to assess how its business activities relate to and affect nature, and to contribute to activities for conservation of biodiversity.

Currently, we are conducting an assessment of the entire supply chain, including the Group itself, covering major raw materials, in reference to the Taskforce on Nature-related Financial Disclosures (TNFD)’s LEAP approach.

We use tools such as ENCORE*, which is an environmental impact analysis tool recommended by TNFD, to analyze the interrelationship between the Group and nature, and to identify the dependence and impact on nature. We are also striving to ascertain the natural environment surrounding the Group’s manufacturing sites.

*A nature-related risk analysis tool developed by the Natural Capital Finance Alliance (NCFA) jointly with the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC)

For details, please refer to our website.
Rengo’s initiatives for natural capital (Japanese)
<https://www.rengo.co.jp/sustainability/environment/biodiversity/index.html>



Overview of LEAP approach and current status of initiatives

Locate	Locate the contact points of the Rengo Group with nature
Evaluate	Evaluate how the Group is dependent on and affects nature
Assess	Assess risks and opportunities related to nature
Prepare	Examine how to reduce risks and seize new opportunities, and prepare measures for them

*Created by Rengo based on TNFD’s LEAP approach

Prevention of environmental accidents and pollution

/ Handling of environmental laws and regulations and environmental accidents

■ State of compliance with environmental laws and regulations

Rengo complies with environmental laws and regulations such as those aimed at preventing air and water pollution. To minimize environmental risks, we conduct environmental law and regulation self-checks twice each year. Through these self-checks, we work to prevent legal noncompliance from occurring by exposing hidden environmental risks and identifying anomalies at the earliest possible time.

■ Countermeasures against environmental accidents

The Rengo Group uses the term “environmental accident” to refer to incidents that may affect the environment of surrounding areas; for example, leaks of oil, chemicals, or wastewater. We are working to reduce the number of such incidents to zero. We have clarified internal reporting standards and communication routes in the event of an accident, and strive to prevent similar incidents from occurring by quickly sharing information and disseminating case studies across the Group.

We also conduct emergency response drills at each division, and plant/mill at least once a year. These drills assume the occurrence of environmental accidents.

Eco Challenge 2030

FY3/2031 target	Number of administrative guidance cases due to environmental accidents: 0 during the year
FY3/2026 target	Number of administrative guidance cases due to environmental accidents: 0 during the year

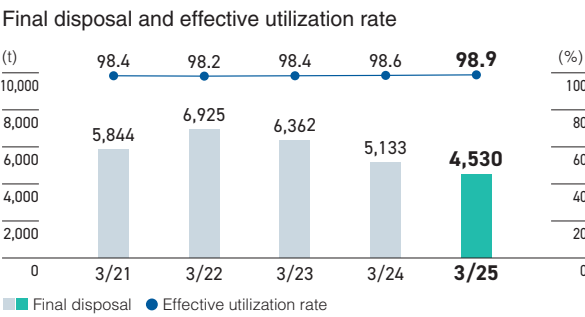
/ Reduction of waste volume

The Rengo Group works to recycle and reuse waste (by-products) generated at divisions and plants/mills. We strive to minimize the amount of such substances discharged outside the Group.

Furthermore, in the outsourcing of waste disposal, wherever possible, we select waste disposal contractors that are capable of recycling the waste, aiming to ensure effective utilization of waste.

Eco Challenge 2030

FY3/2031 target	Effective utilization rate of waste: 99% or more
FY3/2026 target	Effective utilization rate of waste: 98% or more



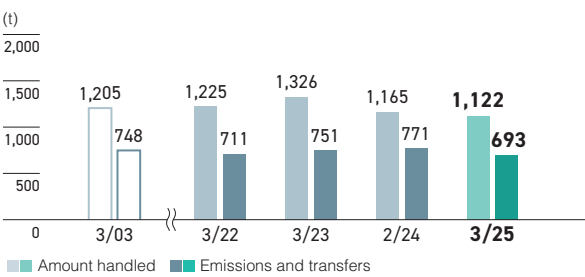
(Note) Scope: Rengo on a non-consolidated basis and consolidated subsidiaries in Japan (excluding second-tier subsidiaries for FY3/2021 to FY3/2024)

/ Chemical substance management

■ Reduction of emissions and transfers of PRTR chemical substances

The Rengo Group monitors the emission and transfer volumes of substances subject to the PRTR Act (Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement).

Emissions and transfers of PRTR chemical substances

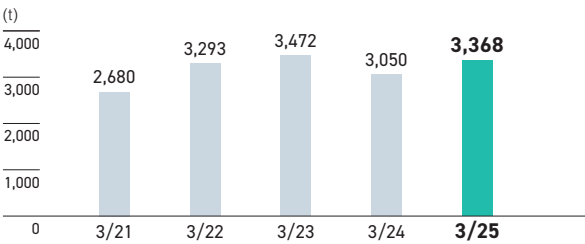


(Note) Scope: Rengo on a non-consolidated basis

■ Reduction of VOC emissions

The Rengo Group uses ink and processing agents containing volatile organic compounds (VOCs) in the printing and processing of paperboard and film. VOCs are emitted into the atmosphere when drying. To reduce VOC emissions, we are working with suppliers to switch to low-VOC solvents and non-VOC inks.

VOC emissions*



(Note) Scope: Rengo on a non-consolidated basis and consolidated subsidiaries in Japan (excluding second-tier subsidiaries for FY3/2021 to FY3/2024)

* Refers to the top five substances discharged by members of Japan Paper Association (toluene, methyl ethyl ketone, ethyl acetate, isopropyl alcohol, and methanol).

SOCIAL

Building a sustainable logistics system

Basic stance Rengo is responsible for creating packaging essential to logistics. In addition to appropriately addressing and improving immediate issues such as long working hours, driver shortages, and an aging driver population, we are also taking actions for long-term issues such as environmental concerns. We always approach issues from the perspective of work in the field, while valuing the opinions of drivers who are responsible for final delivery.

We are both a consignee and a shipper, and therefore must consider logistics issues from both standpoints. In particular, major issues include waiting times for unloading and loading, incidental work by drivers, and extended working hours due to long-distance transportation. Driver turnover may result from incidental work during unloading in corrugated packaging delivery operations and cargo handling in hazardous areas.

Promoting safety and reducing burden for logistics workers

Ensuring delivery lead time

Current lead time at Rengo
Once they have been ordered by customers, corrugated packaging goes through the processes of production planning and manufacturing at plants, followed by shipping before delivery. Raw materials such as containerboard are often procured according to the production plan. This inevitably impacts the lead time of the containerboard. The ideal lead time for corrugated packaging with standard specifications is delivery three days after order placement. At Rengo, 14.4% of deliveries are made within two days of order placement. This reflects a tendency toward shorter lead times due to the high volume of corrugated packaging handled for food manufacturers. As a result, lead time in papermaking are one to two days after receiving an order. Some extreme cases require same-day delivery.

Act on Advancement of Integration and Streamlining of Distribution Business (amended)

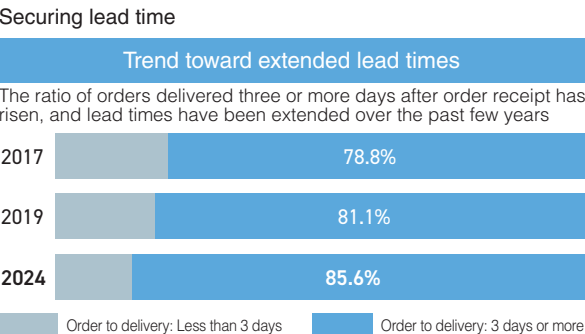
- (1) All parties involved in shipping (both shipping and receiving) and logistics businesses are obligated to make efforts toward logistics efficiency based on certain criteria. The Japanese government formulates reference levels (ministerial ordinances) for logistics efficiency indicators such as waiting time, cargo handling, and loading efficiency
- (2) Designation as a specified business operator (specified shipper)
(Expected to be over 3,000 companies which handle over 90,000 tons annually (FY3/2026))

Primarily requires efforts to improve loading efficiency, shorten waiting times, and reduce time for cargo handling and related tasks

Although we have been working to address these issues in the past, we are now responding to the 2024 Problem in Japanese logistics by listening to the opinions of drivers and strengthening our handling of identified issues. Since consignees are also customers, it is sometimes necessary for us to respond carefully over time. Even so, we explain the situation sincerely and strive to improve the working environments for drivers.

Initiatives toward securing lead time
In response to consumer needs, there have been advancements in smaller-lot and shorter delivery times in manufacturing. However, it is necessary for customers to place orders with appropriate lead times. Ensuring appropriate lead time is also regarded as an effective means for improving loading efficiency, which is a required effort under the Act, amended and enacted in May 2024. To enable the placement of orders with sufficient lead time, customers need to have sufficient space in their material storage areas to keep corrugated packaging on hand. Some customers may find it difficult to secure such space. However, through careful explanation, we have gained understanding. There are actual cases in which our customers have secured space by installing fixed racks or changing layouts.

Customer understanding has improved as a result of diligent negotiation, and the number of orders received early is increasing. The ratio of corrugated packaging deliveries made three or more days after receipt of an order by Rengo has improved from 78.8% in 2017 to 81.1% in 2019 and 85.6% in 2024. The lead time for containerboard deliveries in the more vulnerable Paperboard Business Unit has also been extended by 0.5 to 1.0 days.

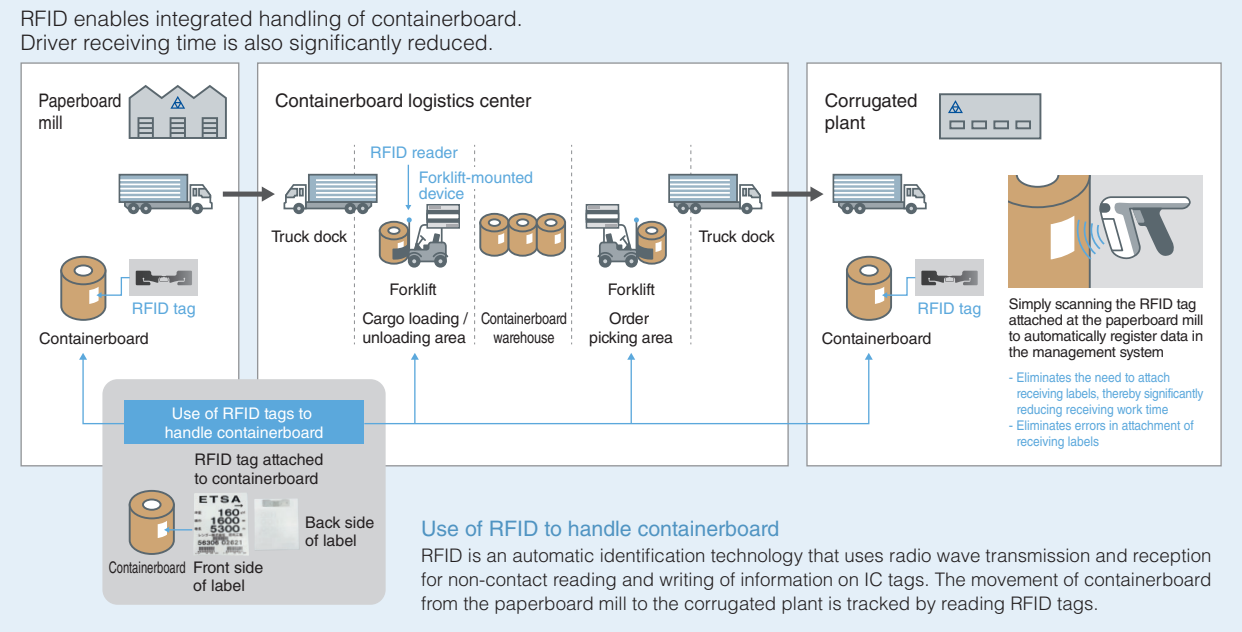


Using RFID for integrated handling of containerboard

In response to the Act on the Arrangement of Related Acts to Promote Work Style Reform, an upper limit on overtime hours has been applied to truck drivers. This regulation has had a ripple effect not only on the logistics industry but also on other sectors such as manufacturing. This regulation has also impacted the manufacturing and transportation of paperboard and corrugated packaging to a certain extent. Incidental work performed by drivers are being phased out or shifted to paid services. In response, we are collaborating with Group companies to reorganize our logistics hubs and implement DX initiatives. These efforts aim to implement “white logistics,” a more productive and worker-friendly platform.

We have also launched an initiative that improves working environments for drivers by using radio frequency identification (RFID) on product labels. Previously, the task of scanning barcodes to check shipments of containerboard had been outsourced to external drivers. RFID makes it possible for in-house receiving staff (forklift operators) to perform this task by scanning RFID tags while still seated on the forklift. Furthermore, at corrugated plants, we have built a system where the matching of delivery notes and physical goods can be completed by scanning RFID tags attached by the paper manufacturer. Eliminating the need to attach receiving labels at corrugated plants has also helped reduce the burden on drivers and shorten working time.

Using RFID for integrated handling of containerboard from the paperboard mill to the corrugated plant



Resolving social logistics issues through packaging

In addition to addressing issues at logistics sites, we propose packaging formats and packaging systems that improve loading efficiency in truck transportation, and enable transportation by fewer trucks. Furthermore, beyond the packaging itself, we also provide inventory management and ordering support systems that assist customers in streamlining their material management. Reducing the burden of material management on customers also contributes to enabling longer lead time for material ordering.

The shared material management system WASRen, which has been in operation since 2021, facilitates smooth order placing and receiving operations between Rengo and its customers. Customers who have adopted WASRen have praised the system for improving the efficiency of their ordering and inventory management operations.



Flyer promoting the introduction of the shared material management system WASRen

SOCIAL

Respecting human rights

Basic stance One of the elements of the Rengo Group's Corporate Philosophy is to “respect the value of individual employees and strive to create safe and congenial work environments providing comfort and fulfillment.” Based on this action guideline, we have formulated the Rengo Group Human Rights Policy and work to create environments of respect for human rights.

The Rengo Group is promoting initiatives to respect human rights through its business activities in accordance with the United Nations Guiding Principles on Business and Human Rights. This includes a commitment to respecting the human rights of all stakeholders involved in our operations, including employees, business

partners, and customers. We also strive to prevent and mitigate risks through employee education and training on human rights, and by regularly conducting surveys on human rights at plants, mills, and partner companies in Japan.

Human Rights Policy

Rengo Group Human Rights Policy

The Rengo Group has regard for the value of each individual who works for the Group as a part of our Corporate Philosophy. The Rengo Group establishes this Rengo Group Human Rights Policy to codify respect for human rights as our corporate social responsibility and undertake initiatives relating to human rights.

- 1. Compliance with international norms, laws, and regulations**
The Rengo Group will support and comply with international norms relating to human rights.
In addition, the Rengo Group will comply with applicable laws and regulations in all countries and regions where it conducts business. In the event of a discrepancy between national or regional laws and regulations and international norms, we will pursue means of complying with international norms.

2. Responsibility to respect human rights in business activities
(1) The Rengo Group will respect human rights in its business activities and respond promptly and appropriately when issues relating to violations of human rights occur.
(2) We will respect the human rights and dignity of each individual, eliminate all forms of discrimination and harassment on the basis of gender, age, disability, nationality, race, religion, belief, gender orientation, gender identity, social standing, and so on, and will create work environments where employees are treated fairly.
(3) We will prohibit human trafficking, forced labor, child labor, other improper labor practices, and all forms of discrimination and protect the human rights of workers including the freedom of association and collective bargaining, ensuring the payment of minimum wages, and appropriately managing working hours.
(4) We will create work environments where each individual can work in good physical and mental health, safely, energetically, and enthusiastically. We will encourage work styles that lead to a good work-life balance.

3. Implementation of human rights due diligence
The Rengo Group will continuously implement human rights due diligence to prevent violations of human rights.
- 4. Corrective and remedial measures**
The Rengo Group will take corrective and remedial measures in order to respond appropriately in cases where we receive information concerning incidents or problems relating to human rights violations arising from our business activities.

5. Education and training
The Rengo Group will conduct appropriate employee education and training for the purposes of firmly establishing this policy in all business activities and ensuring practice based on a proper understanding of this policy so that risks relating to human rights can be prevented.

6. Dialogue and collaboration with stakeholders
The Rengo Group will engage in dialogue and collaboration with relevant stakeholders in an effort to enhance and improve initiatives for respecting human rights.

7. Information disclosure
The Rengo Group will disclose information relating to its initiatives for respecting human rights in accordance with this policy through websites and reports.

8. Scope of application
This policy applies to all Rengo Group directors, officers, and employees. In addition, all concerned parties and partners involved in Rengo Group business activities are expected to support this policy and are urged to fulfill their social responsibilities including respect for human rights in collaboration with the Rengo Group.

Established on November 2, 2021

Implementation of human rights due diligence

- The Rengo Group implements the human rights due diligence set forth in the Human Rights Policy as a series of cycles as follows.
- We will identify visible and potential human rights risks and understand the current situation.
 - We will take appropriate measures to prevent and mitigate risks. Specifically, we will provide human rights-related education and training on the theme of harassment and diversity for employees, and develop and improve facilities, regulations, labor practices, and other matters.
 - We will strengthen our initiatives by conducting monitoring (follow-up surveys) to verify our initiatives.
 - We will disclose information to stakeholders through our websites and other means.
 - We will establish a system to receive and respond to complaints, consultations, and whistleblowing regarding human rights-related issues from employees and related stakeholders.
 - We will build a management structure by the Ethics Subcommittee, evaluate these initiatives, strive to improve them, and ensure greater effectiveness.

Human rights due diligence process



Creation of workplace respecting human rights

Recognizing differing values with respect for individuality is the foundation of corporate activities. To protect basic human rights, Rengo clearly states in its rules of employment that it does not practice discrimination based on nationality, religious belief, gender, social standing, or any other reasons.

In addition, we work on preventing infringements on human rights by implementing whistleblower system and various kinds of consultation hotlines both within and outside the company.

Education and training on human rights

To foster a more accurate understanding and deeper awareness of human rights, in recent years, Rengo provides human rights lectures each year, mainly for new employees. We received the following feedback from employees who attended the lectures: “I realized the importance of respecting human rights in corporate activities.” We continuously strive to create congenial workplaces where each and every employee respects the rights of others.

In addition, as an initiative to prevent harassment, we provide training for employees in managerial positions and supervisory personnel, and share information in the Rengo Group's newsletters distributed to all employees.

Theme of human rights lectures in FY3/2025

- (1) Relationship between corporate activities and human rights
- (2) Understanding of human rights
- (3) Frameworks for ensuring international human rights and corporations
- (4) Human rights in Japan
- (5) What discrimination harms people
- (6) Becoming aware of unconscious bias
- (7) Human rights issues to understand in the course of business

Building of healthy relations between labor and management

Once each month at the Rengo Group's divisions and plants/mills, labor union executive branches and managers from these locations hold labor-management councils. Labor-management councils between the labor union headquarters and our Head Office are also held four times each year. These councils provide opportunities to share information on a variety of topics related to division, plant, and mill operations, develop a common understanding of issues, and engage in frank exchanges of opinions. Across the entire company, council meetings are held more than 400 times each year. Steady and ongoing efforts such as these help to deepen mutual understanding and build positive relations between labor and management.

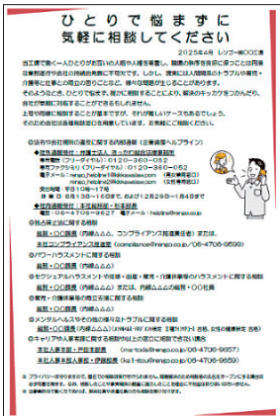


Labor-management council

Establishment of consultation hotlines

Many different kinds of issues can occur at the workplace. Rengo established separate consultation hotlines for different types of issues—such as harassment, mental health care, performance assessment, and balancing work with childcare and family care leave—and ensured employees are aware of them. This allows employees to consult with someone to address issues promptly when problems occur, and enables the company to respond quickly.

We ensure that Rengo Group company members can use external hotlines, with strict privacy protection and appropriate handling of issues to prevent unfair treatment of whistleblowers.



Consultation hotline awareness poster

SOCIAL

Fostering well-being and fulfillment

Basic stance Rengo will establish flexible systems and environments that allow employees to pursue career development according to their personal conditions, fostering a corporate culture where they can work with a sense of well-being and fulfillment. This approach aims to foster engagement and improve TFP.

Based on the belief that the growth of each and every employee is the key to the growth of the company, we aim to build an organization where each employee can work with motivation, purpose, and energy. With this

goal in mind, we assess the status of employee engagement and provide support aligned with the stage of career development.

Promotion of KENKO Investment for Health

Prior to implementing mandatory retirement at age 65, effective from April 2019, Rengo formulated the Rengo Good Health Declaration in January 2019 to maintain and improve the health of employees and their families. We are promoting day-to-day healthy living and creating safe, secure workplaces so that everyone can enjoy healthy and active work and private lives throughout their entire

lives. We have set up a Good Health Committee and Plant/Mill Good Health Committees and are expanding the priority measures of the declaration companywide. The Good Health Committee is composed of the company, labor union, and health insurance association. The Plant/Mill Good Health Committees consist of general managers of general affairs departments of the divisions and plants/mills, along with two Good Health Leaders (one each from the company and the labor union).

Rengo Good Health Declaration

Priority measures

Actions to promote good health

- Promote smoking cessation
- Curtail lifestyle-related diseases and prevent serious conditions
- Hold seminars to encourage good health practices

Actions to support mental health

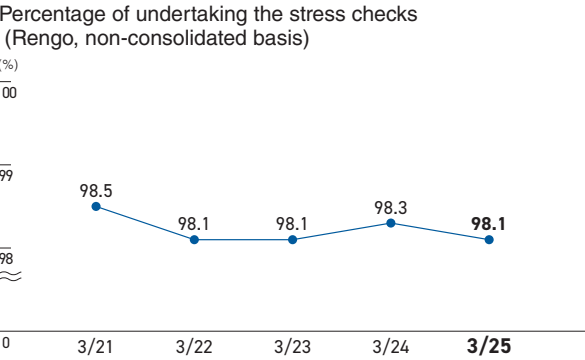
- Conduct stress checks and use the results of analysis
- Conduct mental health education
- Establish internal consultation hotlines

Actions to create congenial workplaces for everyone

- Reduce overtime work
- Encourage employees to take paid annual leave
- Increase the safety and labor-saving of machinery, and develop and improve work environments

Actions to promote good health
Since FY3/2020, Radio Taiso (radio-guided calisthenics) facilitated by specialized instructors and health promotion lectures have been conducted companywide. Leaders in health promotion have actively led efforts to provide instruction and explanations to ensure that Radio Taiso is performed properly, promote smoking cessation, and encourage communication by gathering opinions and reaching out to others. In addition to improving individual health consciousness, these activities lead to better workplace safety and productivity. In FY3/2025, approximately 50 employees, including managers from general affairs departments at divisions throughout Japan, took the Women’s Healthcare Certification®. Women’s KENKO Investment for Health Promotion Officer examination to acquire accurate knowledge of women’s health issues and to become able to appropriately respond to various consultations from women.

mental care in the workplace, and 256 employees have passed so far (as of June 2025). In 2012, we documented our initiatives in the form of the Plan for the Promotion of Good Mental Health, which was rolled out companywide. In 2014, we established rules for a gradual return to work so that those taking a break due to mental health issues can smoothly return to the workplace. We also aim for a 100% rate of undertaking stress checks, and strive to improve employee engagement by enhancing the workplace environment.



Employee engagement score* (Rengo, non-consolidated basis)

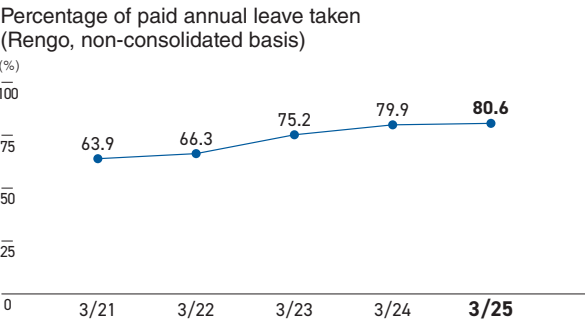
Survey year	2021	2022	2023	2024
Work engagement	47.9	48.3	48.4	48.5

* Measured using the stress check provided by a third party (ADVANTAGE Risk Management Co., Ltd.) and denoted by deviation scores

Actions to support mental health
To help employees maintain and improve their mental health and continue working comfortably, Rengo supports the mental health of its employees through internal training and by setting up internal and external consultation hotlines. Since 2010, both management and labor have recommended that employees take the Mental Health Management Exam Class II (Line Care Course) for acquiring knowledge and coping skills necessary for

Actions to create congenial workplaces for everyone

As the work style reform movement to address long working hours has been taken up by the national government, Rengo has been implementing an initiative since 2015 to reduce total hours actually worked by improving total factor productivity (TFP). By analyzing the various factors behind productivity, we are working to raise productivity while also being conscious of technological innovations, as well as people’s work styles and state of mind. Labor and management are united in reducing overtime hours and encouraging employees to take paid annual leave. As a result of raising awareness and making improvements to the work environment, the percentage of paid annual leave taken in FY3/2025 surpassed the target of 65%. We are making progress in further reducing total actual working hours, including raising the annual paid leave target.



Toward realization of work-life balance

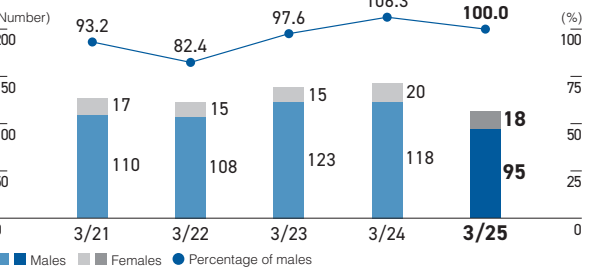
Development of working environments
Rengo creates working environments that promote work-life balance, such as with programs to support balancing work with childcare, family care, and infertility treatment so that every employee can feel fulfilled and satisfied and adopt working styles suited to their stage of life. In 2018, Rengo received Kurumin certification from the Osaka Labour Bureau of the Ministry of Health, Labour and Welfare for meeting certain standards as a general business enterprise under the Act on Advancement of Measures to Support Raising Next-Generation Children for the fourth time. We also received Platinum Kurumin certification, a special certification, as an outstanding childcare-supporting company that implements

high-level measures. Then, in April 2025, in addition to complying with the revised Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members, we further enhanced and revised our proprietary systems to support balancing work and family, which had already exceeded legal requirements. This helps to create a safe working environment that offers peace of mind.

To make it easy for both men and women to take childcare leave and to establish environments where they can readily return to the workplace, we have raised awareness by explaining our programs and preparing pamphlets and Group newsletters that describe personal experiences. We have placed particular emphasis on encouraging male employees to take childcare leave, and the percentage of eligible employees taking leave is rising year by year.



Number and percentage of employees using the childcare leave program (Rengo, non-consolidated basis)



Measures for declining birth rate and support for the development of future generations

Since April 2006, to address the declining birth rate and support the development of future generations, Rengo gives congratulatory bonuses of ¥1,000,000 on the birth of an employee’s third or subsequent child. In this way, we are providing not only institutional leave, but also economic support for childcare.

Since the program’s inception, approximately 30 recipients have received the payments each year, with the total number of recipients having reached 500 by September 2024.

Systems to support balancing work and family	
Childcare leave at the time of childbirth	Can be taken within 8 weeks after childbirth, and for up to 4 weeks.
Childcare leave	Can be taken until children are 3 years old. The first 30 days from the start of the leave period, including the initial childcare leave taken at childbirth, are paid.
Reduced working hours for childcare	Until their child graduates from elementary school (or until the end of the fiscal year in which a child with disabilities turns 18), employees may shorten their working hours per day to half-day, 6 hours, 6 hours and 30 minutes, or 7 hours. Shortened working hours may be combined with the flextime system.
Child nursing leave, etc.	Can be taken until their child graduates from elementary school (or until the end of the fiscal year in which a child with disabilities turns 18). Up to 5 days per year for one child. Up to 10 days for two or more children.
Family care break	Possible to take up to 3 times per person requiring nursing care. (Note) A total of up to 2 years can be taken per person requiring nursing care, with each leave period lasting up to 1 continuous year.
Reduced working hours for family care	Working hours per day can be reduced to a half-day, 6 hours, 6.5 hours, or 7 hours. This can be combined with the flextime system. (Note) Possible to use for up to 3 years. If this system is used in conjunction with other work hour measures related to family care, the combined total period of the systems is limited to 3 years.
Family care leave	Up to 5 days per year for one person, and up to 10 days for two or more people requiring nursing care.
Work-from-home arrangements for childcare and family care	Employees with more than three years of continuous service who engage in tasks subject to work-from-home may use work-from-home arrangements up to 5 days per month.
Other measures regarding working hours for childcare, family care, and infertility treatment	Flextime system and staggered working hours.
Usage supplementation for childcare and family care service	Usage fees are partially subsidized by outsourced benefit services.
Congratulatory bonus for childbirth	¥20,000 for the 1st child, ¥50,000 for the 2nd child, ¥1,000,000 for the 3rd and subsequent children.

SOCIAL

Fostering well-being and fulfillment

Policies for human resource development and internal environment development

Rengo Group's Policies for Human Resource Development and Internal Environment Development

The Rengo Group focuses on the human-capital (human-centered) approach as a pillar of its corporate management and believes that the growth of each and every employee is the key to the growth of the company. Based on this idea, we are developing our human resources and improving the internal environment as described below.

1. Human Resource Development Policy
We will provide our employees with a variety of opportunities for growth so that we can develop human resources who are independent and self-motivated and who learn, think, and act to the very end on their own.
We will return to the basic principle that productivity can depend on the human mind and work to develop human resources who will strive to improve total factor productivity (TFP).
In addition, we will make efforts through the united cooperation of labor and management to achieve a "virtuous cycle of growth and distribution" over the medium- to long-term, through which the added value generated by improving TFP is appropriately allocated to employees, thereby leading to the next stage of growth.

2. Internal Environment Development Policy
We will actively promote DE&I so that diverse human resources can respect and accept each other and maximize their unique potential to play an active role.
Based on the idea of "lifetime careers," we will create work environments where each individual can work in good physical and mental health, safely, energetically, and enthusiastically. We will encourage work styles that lead to a good work-life balance.

Support for career development

With regard to human resource development, the Rengo Group secures and properly allocates outstanding human resources, and is implementing initiatives that enable its employees to feel their own growth by developing and expanding education programs, such as developing global talents and supporting self-development, in addition to systematically implementing job-specific and rank-specific education that meets the needs of each workplace, based on the motto of "boots on the ground."

The Group seeks to cultivate human resources who possess a spirit of independence and self-discipline; specifically, people who take initiative in learning, thinking, and seeing things through. With this in mind, we offer a variety of growth opportunities, including hosting open courses, dispatching employees to external seminars, supporting the acquisition of official certifications, and assisting with language skill development.

Rank-specific career education

Rengo has enhanced its education and training according

to the careers of its employees to actively support their growth. In addition to on-the-job training, in which employees learn through their day-to-day work at their respective workplaces, we are also working to improve the abilities and motivation of employees through job-specific and rank-specific education.

We have established particularly comprehensive education and training structures for employees in their first three years with the company. In addition to helping employees acquire the knowledge, skills, and attitudes required for each career stage, we also conduct on-the-job plant/mill training based on the principle of the hands-on approach. Regular follow-up training is used for young employees, who will play an important role in the future, to help them review their own work styles and achieve the future growth.

For mid-career employees, we provide more highly specialized training, and for employees in managerial positions we provide opportunities to improve the knowledge and skills that are essential for management. We have created a system that supports the development of all employees' capabilities through employee self-development as an opportunity to achieve growth.

Details of rank-specific career education

Target	New employees			Mid-career employees		Supervisors	Employees in managerial positions		
	Year 1		Year 2	Years 3 to 4	From 5th year onward: Deputy Manager and Assistant Manager		Managers	Deputy general managers	General managers
Career-path position A	Introductory training for regular hires	Training for new hires	Year 1 follow-up training	Year 2 follow-up training	Year 3 follow-up training		Training for newly appointed employees in managerial positions		Training for newly appointed general managers of plants/mills
Career-path position B	Group training for regular hires at plants/mills								
Office and production staff positions	Training for new hires								

Small-group improvement activities

To promote mutual learning and friendly competition among divisions with the aim of further increasing employee growth, invigorating workplaces, and creating the world's best workplaces, the Rengo Group has employees participate in small-group improvement activities.

Since FY3/2008, we have held a Groupwide presentation event that includes Group companies. In FY3/2025, 684 teams (6,187 participants) from 26 companies from the Rengo and domestic subsidiaries (including non-consolidated subsidiaries) took part in the event. We select themes for improving total factor productivity (TFP) such as safety, quality, the environment, productivity improvement, cost reduction, 6S, and customer satisfaction. The activities are full of creativity and ingenuity.

Besides connecting improvements at each workplace to the resolution of Groupwide issues, the activities function to further reinforce the frontline strength of the Group.



Small-group improvement activities Groupwide presentation meeting

Development of global talents

We had been selecting overseas trainees since the 1980s. Even so, when considering the acceleration of globalization, it became clear that sustainable growth for the Rengo Group requires the systematic development of human resources with language skills and a global mindset. As a result, we established the Global Talent Development Program in 2010, and we still continue the program to this day. Through the program, we have selected and assigned a total of 48 individuals. After completing their training, the trainees have gone on to fulfill active roles in operations related to the Group's overseas business.

We have also introduced a language proficiency incentive program. Employees who achieve a certain level of language proficiency (in English or Chinese) through self-study are awarded a certificate of recognition and a monetary incentive ranging from 100,000 to 300,000 yen. These achievements are also recorded in personnel records. This reflects the Group's strong commitment to developing human resources who are able to adapt to globalization.

Productivity training

The Rengo Group is making efforts through the united cooperation of labor and management to increase total

factor productivity (TFP) while being conscious of technological innovations and people's work styles and state of mind, by analyzing the many different factors behind productivity. Starting from FY3/2023, we have been conducting a Groupwide training program for human resource development under the slogan "Cultivate the Mind." The program was held for three fiscal years, and marked a return to the basic principle that productivity can depend on the human mind.

The first round of the program was held as nationwide training for assistant managers in manufacturing departments. Later on, the training program was held in stages at divisions in Japan, each plant/mill and business unit, and each rank and job. All employees completed the program by March 2025.

In particular, we recognize that communication in the workplace plays a vital role in connecting people, thereby serving as the foundation of organizational and on-site capabilities. To further strengthen on-site performance and improve productivity, we will place greater emphasis than ever on investing in and developing human resources.

Implementation of productivity training

Year	Number of trainings sessions	Total number of participants
FY3/2023	21	685
FY3/2024	116	2,844
FY3/2025	168	3,080



Productivity training session

Operation of an appropriate evaluation system

Rengo provides clear evaluation criteria to employees to have a fair and transparent system for performance assessment. Superiors conduct interviews with their subordinates to provide them with feedback regarding the evaluation results. These feedback interviews help to increase subordinates' acceptance of the results and advance their understanding of the ideal employee profile for their superiors and the company. At the same time, superiors are able to assist subordinates in the direction of goal setting and competency development.

Also, employee satisfaction and needs are confirmed at yearly self-assessment and career interviews, which are provided as opportunities for employees to express their career plans and assignments they desire.

SOCIAL

Promoting DEI

Basic stance Rengo aims to build an organization where diverse human resources respect and accept one another regardless of attributes such as gender or age. Our organization enables the realization of each person's unique qualities and strengths, and foster synergy.

Rengo aims to be a corporation that creates innovation through mutual respect and acceptance among diverse human resources, and that maximizes the unique potential of each employee. In April 2014, we established the Section for the Promotion of Women Employees to foster a corporate culture and environment where women can further demonstrate their abilities. In April 2022, the office was renamed the D&I Promotion Office, and in January 2025, it was reorganized into the DEI Promotion Department to further advance and strengthen diversity, equity, and inclusion (DEI) initiatives.

Promotion of active participation by diverse human resources

Empowerment of female employees
In March 2016, we formulated the Action Plan for Empowering Female Workers and disclosed information on the empowerment of women. Rengo was recognized for its initiatives and received “Eruboshi” certification (level 2) from the Minister of Health, Labour and Welfare in May 2016 for complying with standards as a general business enterprise in accordance with the Act on the Promotion of Women's Active Engagement in Professional Life.
We have dedicated ourselves to hiring, actively promoting, and expanding the areas of responsibility of women. As a result of these efforts, in November 2020, our certification level was raised one level (to level 3).
We achieved all of the targets in our action plan for the FY3/2017 to FY3/2021 period, and in our five-year action plan starting from FY3/2022, we have set targets

with the aim to further accelerate our efforts. We are working to raise the percentage of female employees throughout the company and strengthen and enhance initiatives related to education and career development for them. We are actively working to expand women's areas of responsibility by promoting the recruitment and placement of women in field sales positions and manufacturing sites, areas where the female ratio has traditionally been low. We also hold exchange sessions for women by job category to provide opportunities for exchanging information and building networks aimed at addressing challenges.
We will also actively promote female employees to managerial positions, leading to the appointment of female officers.



Goals stated in the action plan

Period of plan: Five years starting from April 1, 2021

- 1 Achieve an employment rate of 30% or more for female employees in career-path positions
- 2 Achieve an employment rate of 20% or more for female employees assigned to office and production staff positions
- 3 Achieve 1.5 times or more of the number of female employees in managerial positions (from 40 in FY3/2021 to 60 or more)
- 4 Achieve a percentage of 80% or more of male employees taking childcare leave

Encouragement of employment of older workers

To further encourage employment of older workers, Rengo increased the retirement age from 60 to 65 years in April 2019. In addition, in regard to the national government's Measure to Secure Working Opportunity for employees up to the age of 70, prior to the requirement for companies to make efforts for this measure, in April 2020, we changed our previous reemployment program for employment up to 65 years to allow workers to continue working up to a maximum age of 70 years if they wish to do so and agree to our proposal for the working conditions. In FY3/2023,

we also established a system to continue the employment of retirees who will reach the mandatory retirement age of 65 in FY3/2025. Approximately 70% of employees who reached the mandatory retirement age of 65 in FY3/2025 have been rehired in the form of continued employment.
We are raising productivity and creating congenial workplaces so that all employees can work with enthusiasm and determination and uphold “lifetime careers” while maintaining good health and high motivation.

Encouragement of employment of persons with disabilities

Rengo is actively working to employ more persons with disabilities and expand their areas of responsibility, while creating congenial work environments for all employees. As of March 2025, the employment rate of persons with disabilities was 2.6%, satisfying the statutory requirement.
Furthermore, since FY3/2019, we conduct universal manner certification training to empower employees with a proper understanding of disabilities and a stakeholder awareness. This training covers basic knowledge to appropriately support and communicate with persons

with disabilities. This includes the definitions of disabilities and ways of speaking to persons with disabilities. Using case studies, they also learn about specific mentalities and actions necessary for putting the training into practice. In FY3/2025, employees in managerial positions and new employees took the training in order, bringing the total number of participants who have completed the program to approximately 800. We will continue to develop work environments where people can thrive in their job for a long time, regardless of any disabilities.

(Rengo, non-consolidated basis)		FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025
Number of employees		4,132	4,180	4,251	4,344	4,370
	Number of females	480	513	556	596	610
	Percentage of females	11.6	12.3	13.1	13.7	14.0
Average age		40.5	40.9	41.3	41.7	41.9
	Males	40.9	41.4	41.9	42.4	42.6
	Females	37.7	37.6	37.5	37.4	37.7
Average employment tenure (years)		15.3	15.7	16.1	16.4	16.6
	Males	15.8	16.3	16.8	17.2	17.4
	Females	11.5	11.5	11.5	11.4	11.6
Number of new employees (career-path positions)		77	90	84	83	84
	Number of females	20	28	26	25	29
	Percentage of females	26.0	31.1	31.0	30.1	34.5
Number of new employees (office and production staff)		128	122	137	138	115
	Number of females	19	26	40	34	25
	Percentage of females	14.8	21.3	29.2	24.6	21.7
Number of employees in managerial positions		754	764	789	832	863
	Number of females	40	39	46	49	56
	Percentage of females	5.3	5.1	5.8	5.9	6.5
Rate of taking childcare leave	Percentage of males	93.2	82.4	97.6	106.3	100.0
	Percentage of females	100.0	107.1	88.2	105.3	112.5
Mid-career employment rate (%)		38.0	50.5	54.8	51.6	50.3
Employment rate of persons with disabilities (%)		2.3	2.3	2.4	2.6	2.6

SOCIAL

Strengthening business partnerships

Basic stance In order to take into consideration conservation of resources, environmental protection, and social harmony and avoid risks of suspension of operations and materialization of human rights issues at business partners, the Rengo Group strives to procure materials responsibly. We will increase cooperation with suppliers and promote sustainable procurement throughout the supply chain.

Sustainable raw material procurement

For the Rengo Group to reduce its impact on the global environment while sustainably and stably providing high quality and high value-added products to earn the satisfaction of our customers, it is essential to improve the quality of procurement of materials in a manner that is environmentally and socially friendly.

To build healthy trading relationships with suppliers, we formulated Rengo's Fundamental Policy for Procurement in April 2017, followed by establishing the new Rengo Group's Fundamental Policy on Procurement in April 2018 which comprehensively encompasses all the Group's companies.

Rengo Group's Fundamental Policy on Procurement

The following fundamental policy governs our responsible procurement of materials, in accordance with our Corporate Philosophy:

1. We will comply with laws, regulations, and social norms.
2. We will have consideration for conservation of resources, environmental protection, and social harmony beyond economic rationales.
3. We will select suppliers in a fair and impartial manner, irrespective of country and trading history with Rengo.
4. We will ensure proper management, protection, and no divulgence of information assets (confidential corporate data, personal information, intellectual property, etc.) acquired in the course of operations, and ensure that information is not used for purposes other than for which it was obtained.
5. We will build trust with suppliers and strive for mutual development.

Established on April 1, 2018

With the support and cooperation of our suppliers, we thoroughly ensure fair and transparent transactions in accordance with Rengo Group's Fundamental Policy on Procurement. We also seek mutual growth and development by building long-term partnerships through strengthened trust with our suppliers, while at the same time giving the utmost consideration to environmental aspects as part of our efforts to realize a sustainable society.

We strive to ensure a stable supply structure by

appropriately managing the risks associated with procurement activities. We also promote socially responsible procurement practices that include respect for human rights, improvement of working environments, and contributions to local communities.

Strengthening of partnerships with suppliers

Requests to our suppliers

To supply safe and secure products to customers, and to carry out business activities trusted by society, Rengo has formulated the Requests to Our Suppliers, which defines nine items with which it requests suppliers' compliance.

Please refer to our website for "Requests to Our Suppliers."
<https://www.rengo.co.jp/english/sustainability/social/supply/management/index.html>



Supplier CSR questionnaires

In order to conduct responsible procurement in compliance with the Rengo Group's Fundamental Policy on Procurement, it is necessary to avoid risks that occur due to the existence of a company that does not consider conservation of resources, environmental protection, and social harmony in the supply chain.

Once a year, Rengo conducts CSR questionnaires to gain an understanding of the CSR initiatives of its suppliers, clarify related issues, and thereby promote sustainable procurement throughout the supply chain.

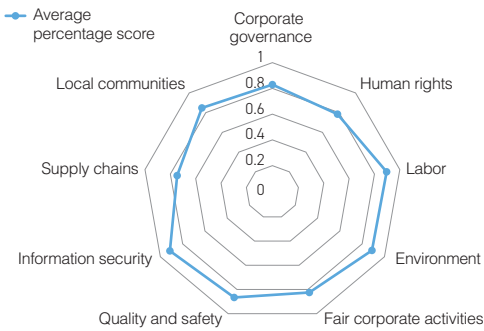
In FY3/2025, we distributed questionnaires to 67 suppliers of containerboard, recovered paper, pulp, chemicals, fuels, and others, and 67 companies including their subsidiaries returned their answers.

CSR questionnaire collection status (Non-consolidated)			
	FY3/2023	FY3/2024	FY3/2025
Number of suppliers	55	60	67
Questionnaire return rate	100%	100%	100%
Coverage rate*	75%	80%	90%

* Based on the purchase amount

Overview of FY3/2025 CSR questionnaire results

In the CSR questionnaires, Rengo uses the CSR Procurement Self-Assessment Question Table created by Global Compact Network Japan. The average percentage scores of the 67 responding companies were high in the areas of "information security," "environment," and "labor" but low in the areas of "supply chains" and "human rights."



We give feedback on the results and confirm the implementation status so that our suppliers can reconfirm the impact and risks they will pose on society and the environment through improvement activities undertaken based on their answers. Going forward, we will work to maintain and increase the coverage rate and improve the scores.

Procurement of wood raw materials

Clean Wood Act initiatives

Japan's Act on Promoting the Distribution and Use of Legally Harvested Wood and Wood Products (the Clean Wood Act) went into force in May 2017, and the Rengo Group became a registered wood-related business operator in March 2018. To minimize the risk of purchasing wood or wood products that have been illegally harvested, we created and use a legal certification due diligence system manual. The Group will continue to implement measures in accordance with the Clean Wood Act. This manual is available on our website (Japanese).

Please refer to our website for the legal certification due diligence system manual (Japanese).
<https://www.rengo.co.jp/sustainability/social/supply/pulp/pdf/ddsm.pdf>



Procurement Policy for Wood Raw Materials

The Rengo Group uses wood raw materials (wood chips, pulp, and wood fuel) to produce pulp, paper, paperboard, and cellulose-related products.

Our Procurement Policy for Wood Raw Materials states that, when procuring the raw materials for these products, we must not only consider the global environment and biodiversity, but we must also procure the raw materials from suppliers that do not use illegally logged wood to ensure the effective use of sustainable wood resources.

Please refer to our website for our Procurement Policy for Wood Raw Materials.
<https://www.rengo.co.jp/english/sustainability/social/supply/pulp/index.html>



Illegal logging countermeasures

Roughly 90% of the wood pulp Rengo uses is procured domestically, while roughly 10% is imported. All of the wood pulp we procure has received forest management certification from third-party certification bodies.

As part of our illegal logging countermeasures, in order to confirm that raw materials are procured in accordance with our procurement policy, we undertake annual audits by the Japan Paper Association's Monitoring Service against Illegal Logging. The wood raw materials procured in FY3/2024 were audited by the Monitoring Service in September 2024. This audit confirmed that all of them were manufactured using wood obtained legally. The wood raw materials procured in FY3/2025 will also be audited by the Monitoring Service by the end of FY3/2026.

Composition of countries of origin for purchased pulp (FY3/2025)	
Country of origin	Composition (%)
Japan	89.8
Brazil	6.2
Chile	3.1
South Africa	0.9

Supply of FSC®-certified products

Rengo uses FSC certification to promote sustainable procurement and purchase appropriately managed wood raw materials. We also promote the more widespread use of FSC-certified products.

FSC certification is an international system for authenticating and certifying both appropriately managed forests and the appropriate processing and distribution of lumber harvested from these forests. In the case of corrugated packaging, FSC certification must be obtained not only by the corrugated plant that processes the corrugated packaging but also by the paperboard mill that manufactures containerboard, the raw material of corrugated packaging.

Record of acquisition for FSC certification (CoC certification)*	
December 2013: Boxboard	
July 2014: Chipboard	
February 2015: All types of containerboard	
August 2015: All types of corrugated packaging and folding cartons	
July 2016: Tube board	
September 2020: Cellulose-related products from the Takefu Plant	

* FSC®C119241, FSC®C126809

Now that the Takefu Plant has obtained certification, all of our products made from wood pulp can be supplied as FSC-certified products. We will continue to contribute to responsible forest management through our raw material procurement, product manufacturing, and supply activities.

Response to conflict minerals

The Rengo Group implements measures to ensure that we do not provide benefits to organizations such as anti-social armed groups that infringe on human rights. In April 2017 we established the Conflict Minerals Policy and also confirm with our suppliers that measures and audits to avoid the use of conflict minerals are being taken.

Please refer to our website for our Conflict Minerals Policy.
<https://www.rengo.co.jp/english/sustainability/social/supply/conflict/index.html>



GOVERNANCE

Members of the Board, Audit & Supervisory Board members, and executive officers

(As of June 27, 2025) Note: Number of shares owned as of March 31, 2025

Members of the Board



Kiyoshi Otsubo

Representative Director,
Chairman & CEO

April 1962 Joined Sumitomo Corporation
June 1992 Member of the Board of Sumitomo Corporation
June 1996 Managing Director of Sumitomo Corporation
April 2000 Executive Vice President of Sumitomo Corporation
June 2000 Representative Director, President & CEO of Rengo Co., Ltd.
April 2014 Representative Director, Chairman, President & CEO of Rengo Co., Ltd.
April 2020 Representative Director, Chairman & CEO of Rengo Co., Ltd. (to present)

Number of shares owned: 176,100
Meeting attendance in FY3/2025
Board of Directors Meetings: 9/9



Yosuke Kawamoto

Representative Director,
President & COO

April 1978 Joined Rengo Co., Ltd.
April 2007 Executive Officer of Rengo Co., Ltd.
June 2011 Member of the Board, Executive Officer of Rengo Co., Ltd.
April 2014 Member of the Board, Managing Executive Officer of Rengo Co., Ltd.
April 2019 Member of the Board, Senior Managing Executive Officer of Rengo Co., Ltd.
April 2020 Representative Director, President & COO of Rengo Co., Ltd. (to present)

Number of shares owned: 124,700
Meeting attendance in FY3/2025
Board of Directors Meetings: 9/9



Kaoru Tamaoka

Outside Director

June 1989 Worked in literary circles as a writer (to present) winning the Kobe Literary Prize (award-winning work: *Yume-kui-sakana no blue-goodbye*)
April 2008 Professor of Osaka University of Arts (to present)
October 2009 Oda Sakunosuke Prize (award-winning work: *Oie-san*)
October 2012 Member of the Hyogo Prefectural Board of Education
April 2014 Visiting professor of Kansai University (to present)
April 2018 Director of the Administrative Agency for Osaka City Museums (to present)
June 2021 Outside Director of Rengo Co., Ltd. (to present)

Number of shares owned: 0
Meeting attendance in FY3/2025
Board of Directors Meetings: 9/9



Koichi Sumida

Outside Director

April 1983 Joined Japan Broadcasting Corporation
July 1992 Tokyo Broadcasting Center Announcement Room, Japan Broadcasting Corporation
March 2003 Osaka Broadcasting Station Programming Department, Japan Broadcasting Corporation
June 2011 Executive announcer of Japan Broadcasting Corporation
January 2020 Retired from Japan Broadcasting Corporation
April 2020 Professor of Osaka University of Arts (to present)
April 2022 Visiting professor of Kansai University
June 2023 Outside Director of Rengo Co., Ltd. (to present)

Number of shares owned: 0
Meeting attendance in FY3/2025
Board of Directors Meetings: 9/9



Hiromi Sambe

Member of the Board,
Executive Vice President

April 1975 Joined Rengo Co., Ltd.
April 2007 Executive Officer of Rengo Co., Ltd.
June 2009 Member of the Board, Executive Officer of Rengo Co., Ltd.
April 2011 Member of the Board, Managing Executive Officer of Rengo Co., Ltd.
April 2015 Member of the Board, Senior Managing Executive Officer of Rengo Co., Ltd.
June 2021 Senior Managing Executive Officer, Member of the Senior Executives Meeting of Rengo Co., Ltd.
April 2025 Executive Vice President, Member of the Senior Executives Meeting of Rengo Co., Ltd.
June 2025 Member of the Board, Executive Vice President of Rengo Co., Ltd. (to present)

Number of shares owned: 91,200



Ichiro Hasegawa

Member of the Board,
Executive Vice President

April 1976 Joined Sumitomo Corporation
March 2002 Adviser to Rengo Co., Ltd.
June 2002 Member of the Board of Rengo Co., Ltd.
June 2003 Member of the Board, Managing Director of Rengo Co., Ltd.
April 2007 Member of the Board, Senior Managing Executive Officer of Rengo Co., Ltd.
April 2013 Representative Director, Executive Vice President of Rengo Co., Ltd.
April 2021 Member of the Board, Executive Vice President of Rengo Co., Ltd. (to present)

Number of shares owned: 623,800
Meeting attendance in FY3/2025
Board of Directors Meetings: 9/9



Yukio Okano

Full-time Audit &
Supervisory Board Member

April 1982 Joined Rengo Co., Ltd.
April 2014 Executive Officer of Rengo Co., Ltd.
June 2015 Member of the Board, Executive Officer of Rengo Co., Ltd.
April 2019 Member of the Board, Managing Executive Officer of Rengo Co., Ltd.
June 2020 Managing Executive Officer, Member of the Senior Executives Meeting of Rengo Co., Ltd.
April 2022 Senior Managing Executive Officer, Member of the Senior Executives Meeting of Rengo Co., Ltd.
April 2025 Advisor to Rengo Co., Ltd.
June 2025 Full-time Audit & Supervisory Board Member of Rengo Co., Ltd. (to present)

Number of shares owned: 69,100



Tsutomu Shoju

Full-time Audit &
Supervisory Board Member

April 1985 Joined Rengo Co., Ltd.
April 2010 General Manager of Information Systems Department of Rengo Co., Ltd.
April 2015 Corporate Officer of Rengo Co., Ltd.
April 2016 General Manager of Information Systems Group of Rengo Co., Ltd.
April 2020 Assistant to the Senior Managing Executive Officer responsible for General Affairs Department of Rengo Co., Ltd.
June 2020 Full-time Audit & Supervisory Board Member of Rengo Co., Ltd. (to present)

Number of shares owned: 30,000
Meeting attendance in FY3/2025
Board of Directors Meetings: 9/9
Audit & Supervisory Board Meetings: 10/10



Hirofumi Hori

Member of the Board,
Executive Vice President

April 1981 Joined Rengo Co., Ltd.
April 2013 Executive Officer of Rengo Co., Ltd.
June 2014 Member of the Board, Executive Officer of Rengo Co., Ltd.
April 2017 Member of the Board, Managing Executive Officer of Rengo Co., Ltd.
June 2020 Managing Executive Officer, Member of the Senior Executives Meeting of Rengo Co., Ltd.
April 2022 Senior Managing Executive Officer, Member of the Senior Executives Meeting of Rengo Co., Ltd.
April 2025 Executive Vice President, Member of the Senior Executives Meeting of Rengo Co., Ltd.
June 2025 Member of the Board, Executive Vice President of Rengo Co., Ltd. (to present)

Number of shares owned: 75,600



Sadatoshi Inoue

Member of the Board,
Executive Vice President

April 1985 Joined Rengo Co., Ltd.
April 2007 Executive Officer of Rengo Co., Ltd.
June 2012 Member of the Board, Executive Officer of Rengo Co., Ltd.
April 2014 Member of the Board, Managing Executive Officer of Rengo Co., Ltd.
April 2019 Member of the Board, Senior Managing Executive Officer of Rengo Co., Ltd.
June 2021 Senior Managing Executive Officer, Member of the Senior Executives Meeting of Rengo Co., Ltd.
April 2022 Executive Vice President of Rengo Co., Ltd.
June 2022 Member of the Board, Executive Vice President of Rengo Co., Ltd. (to present)

Number of shares owned: 169,533
Meeting attendance in FY3/2025
Board of Directors Meetings: 9/9



Yoshio Sato

Outside Director

April 1973 Joined Sumitomo Life Insurance Company
July 2000 Director of Sumitomo Life Insurance Company
April 2002 Managing Director of Sumitomo Life Insurance Company
July 2007 President & CEO of Sumitomo Life Insurance Company
July 2011 President & Representative Director, CEO of Sumitomo Life Insurance Company
April 2014 Chairman of the Board of Sumitomo Life Insurance Company
July 2015 Chairman of the Board, Representative Executive Officer of Sumitomo Life Insurance Company
June 2018 Outside Director of Rengo Co., Ltd. (to present)
April 2021 Director of Sumitomo Life Insurance Company
July 2021 Senior Corporate Advisor to Sumitomo Life Insurance Company (to present)

Number of shares owned: 0
Meeting attendance in FY3/2025
Board of Directors Meetings: 9/9



Masayuki Oku

Outside Director

April 1968 Joined Sumitomo Bank, Limited
June 1994 Director of Sumitomo Bank, Limited
November 1998 Managing Director of Sumitomo Bank, Limited
January 2001 Representative Director & Senior Managing Director of Sumitomo Bank, Limited
April 2001 Representative Director & Senior Managing Director of Sumitomo Mitsui Banking Corporation
December 2002 Representative Director & Senior Managing Director of Sumitomo Mitsui Financial Group, Inc.
June 2003 Representative Director & Deputy President of Sumitomo Mitsui Banking Corporation
June 2005 Chairman of the Board of Sumitomo Mitsui Financial Group, Inc.
Representative Director & President of Sumitomo Mitsui Banking Corporation
April 2011 Chairman of the Board of Sumitomo Mitsui Financial Group, Inc.
April 2017 Director of Sumitomo Mitsui Financial Group, Inc.
June 2017 Honorary Advisor to Sumitomo Mitsui Financial Group, Inc. (to present)
June 2019 Outside Director of Rengo Co., Ltd. (to present)

Number of shares owned: 0
Meeting attendance in FY3/2025
Board of Directors Meetings: 8/9



Hitoshi Tsunekage

Outside Audit &
Supervisory Board Member

April 1977 Joined The Sumitomo Trust and Banking Co., Ltd.
June 2004 Executive Officer of The Sumitomo Trust and Banking Co., Ltd.
June 2005 Director & Managing Executive Officer of The Sumitomo Trust and Banking Co., Ltd.
January 2008 President & CEO of The Sumitomo Trust and Banking Co., Ltd.
April 2011 Chairman of the Board, President of The Sumitomo Trust and Banking Co., Ltd. Representative Director & Chairman of Sumitomo Mitsui Trust Holdings, Inc.
April 2012 Representative Director & President of Sumitomo Mitsui Trust Bank, Limited
April 2017 Director of Sumitomo Mitsui Trust Bank, Limited
June 2017 Director & Chairman of Sumitomo Mitsui Trust Bank, Limited
Director of Sumitomo Mitsui Trust Holdings, Inc.
June 2020 Audit & Supervisory Board Member of Rengo Co., Ltd. (to present)
April 2021 Senior Corporate Advisor to Sumitomo Mitsui Trust Bank, Limited (to present)

Number of shares owned: 0
Meeting attendance in FY3/2025
Board of Directors Meetings: 9/9
Audit & Supervisory Board Meetings: 9/10



Mitsuhiro Hamamoto

Outside Audit &
Supervisory Board Member

October 2000 Registered as an attorney in Japan (to present)
Joined Tadashi Yamada Law Office
October 2004 Joined Kikkawa Law Offices
February 2019 Established Hamamoto Law Office -Representative Partner (to present)
June 2023 Audit & Supervisory Board Member of Rengo Co., Ltd. (to present)

Number of shares owned: 3,800
Meeting attendance in FY3/2025
Board of Directors Meetings: 9/9
Audit & Supervisory Board Meetings: 10/10

March 1981 Registered as a certified public accountant in Japan (to present)
May 1981 Registered as a certified public tax accountant in Japan (to present)
Opened Tadazumi Fujino Certified Public Accountant Office (to present)
Opened Tadazumi Fujino Certified Public Tax Accountant Office (to present)
April 2008 Osaka District Court Civil Conciliation Commissioner
April 2010 Director of Osaka City University
June 2010 Member of the Independent Committee on Takeover Defense Measures of Rengo Co., Ltd.
April 2013 Director of Osaka Prefecture University
June 2022 Audit & Supervisory Board Member of Rengo Co., Ltd. (to present)

Number of shares owned: 11,800
Meeting attendance in FY3/2025
Board of Directors Meetings: 9/9
Audit & Supervisory Board Meetings: 10/10

Roundtable discussion by Outside Directors

Evaluation of the medium-term vision Vision120 and challenges for its implementation

Rengo's four outside directors held a roundtable discussion on the medium-term vision Vision120, which was announced in May 2025. The discussion covered the appropriateness of the strategy and the effectiveness of risk management from an outside perspective, as well as how these relate to Rengo's consistent corporate stance to date.

Hexagonal business structure and the evolution of business portfolio

Oku●: The hexagonal business structure, which is a core value of Rengo, is formed by a framework of six core business domains and serves as the business portfolio that forms the foundation of the Rengo Group. The medium-term vision Vision120 sets numerical targets for net sales and operating income by segment, visualizing the growth aimed for in the six core business domains. A key question for sustaining growth is how to best allocate management resources; in other words, how to prioritize the allocation of human resources and capital. In a medium- to long-term management policy, it is important to clearly state the strategic intent behind such management decisions both inside and outside the company.

Sato●: The Rengo Group's business is centered on striving to be the world's best manufacturer in the field of packaging. When looking at the global market, there are huge corporations like International Paper

Company. However, rather than chasing scale, Rengo believes it is important to refine its solutions centered on diverse packaging needs and concentrate its management resources to aim for high-quality growth. To achieve Vision120, it is essential not only to deepen existing business domains, but also to cultivate new fields and increase overseas expansion. In particular, India and North America are future growth markets, and Rengo should actively expand its business in these regions. Meanwhile, the international situation is becoming increasingly uncertain, so I believe it is urgent to develop a diverse workforce with the ability to respond flexibly and to formulate internal structures to deal with this uncertainty and develop new fields.

Tamaoka●: Corporations are powered by people, and a solid management foundation is necessary for people to demonstrate their abilities. I feel that Rengo's human resources are able to demonstrate their maximum capabilities in each field precisely because of the characteristics and strengths of hexagonal business structure, which is the management foundation of Rengo. This year, I plan to

visit various divisions, including those located overseas. Given the current global instability, I believe that seeing the operation firsthand will allow me to gain a deeper understanding of the essence of the hexagonal business structure.

Sumida●: I am particularly interested in the flexible packaging domain. Until now, focus has been placed on business-to-business (B2B). However, beyond these types of transactions, there are customers. For example, the perspective of developing environmentally friendly materials should not be derived simply from the know-how of sourcing materials with low environmental impact, but also from points of contact with consumers. In order to increase the number of human resources capable of devising such ideas, it will become increasingly important to stabilize the foundation of the hexagonal business structure based on the Rengo Group's history of nurturing people.

Perspectives on the implementation and evolution of the growth strategy outlined in Vision120

Oku●: I feel that Vision120 is a more evolved version of the previous Vision115. The announcement of a medium-term vision which clearly specifies the numerical targets requested by the outside directors is a major step forward. Vision120 was created over the course of a year and involved input from general managers. It has contributed to aligning perspectives

within Rengo and sharing a vision for the future. On the other hand, my honest impression is that many aspects of Vision120 still need to be clarified and expanded as a management plan. If Vision120 is to be presented as management plan, it would be wise to incorporate points such as "where and how to generate revenue" and "which businesses to concentrate resources on." The form of information disclosure is a topic that should be discussed further at future Board of Directors Meetings. Another important step in making the Rengo Group more competitive is incorporating materiality, including the environment and diversity, equity, and inclusion (DEI). Corporate value cannot be measured by financial targets alone. Therefore, the Group must thoroughly verify the effectiveness of measures for indicators that are important in addressing materiality. Examples include environmental KPI and numerical targets for human capital management, such as the ratio of female employees and the number of female employees in managerial positions. As an outside director, I am paying close attention to whether the initiatives outlined in the plan are progressing steadily.

Sato●: Rengo may not be the type of company that rapidly expands innovative products; nevertheless, the field of flexible packaging in particular has evolved significantly in recent years. For example, the added value of the packaging itself is greatly increased by technology for a longer lifespan and more advanced product traceability compared to conventional products. Rengo's ability to use such advanced technologies to anticipate customers' needs will be the key to future success.



Koichi Sumida
Outside Director



Yoshio Sato
Outside Director



Masayuki Oku
Outside Director



Kaoru Tamaoka
Outside Director

In the current vision, Rengo is expanding flexible packaging along with its overseas businesses. As a leader in the packaging industry, it is essential for Rengo to further develop new fields and overseas markets while relying on its strength in an integrated structure.

Tamaoka●: Rengo has a role and responsibility as a leader in the packaging industry. Rengo maintains the belief that by taking the initiative, it can positively impact the entire industry and help drive its growth and development of the packaging industry as a whole. In terms of environmental issues, Rengo has consistently focused on resource circulation. These unwavering principles are essential to Rengo's stance in the coming years.

Sumida●: Today's discussion has made me feel that Rengo now stands at a difficult juncture. On the one hand, Rengo must not be swayed by immediate concerns. Yet, the company also cannot ignore those concerns. In this situation, it is essential to create a clear vision of Rengo's ideal state in the future while also responding swiftly to actual changes. I believe Rengo's greatest value exists in the enduring and fundamental strength of the company, which has operated in the packaging business for 115 years. Even so, changing in response to the times is absolutely essential for creating further value. Recently, promising developments have been emerging in new businesses such as the commercialization of bioethanol for sustainable aviation fuel (SAF) and collaboration with other companies in raw material procurement, as well as in process innovation initiatives such as a contactless containerboard management system based on RFID. Another example is Rengo's spherical cellulose bead Viscoppearl®, which

is steadily expanding into a wide range of applications, including as a carrier for functional agents and as a cosmetic ingredient. Going forward, I believe that bold challenges in new domains will diversify the company's revenue sources.



How to improve overseas risk response capability and organizational crisis sensitivity

Oku●: It is extremely difficult to predict the risks associated with overseas business expansion and take perfect preparations in advance. It is important to

consider how to deal with unforeseen circumstances. The ultimate support for overseas expansion is a solid financial base. A company's response capability is greatly influenced by the strength of its financial resources. To increase this strength, it is essential to strive to steadily accumulate results from business activities, including improving profitability.

It is also important to maintain a high level of sensitivity to risks. Diverse and unpredictable events can occur at any time overseas. This makes it necessary to maintain a high level of sensitivity to potential risks. In summary, it is important to enhance risk management structures to respond with greater sensitivity and flexibility.

Sato●: It is true that it is impossible to predict what will happen, whether in Japan or overseas. Personally, I once faced great difficulties due to the fragile financial base of the company where I previously served as top executive. This experience taught me that a company's risk response capability and investment capacity are determined by a solid financial base as the foundation of management.

It is also essential to strengthen the human resource base, and to increase the number of true talent cultivated through accumulating successes and failures in the field. I believe that Rengo can achieve both risk response and sustainable growth by combining a solid financial base, human resource base, and risk sensitivity.

Sumida●:As you both just mentioned, I deeply agree that expanding business overseas is a series of unpredictable risks. Without a doubt, the fate of a company is determined by its preparation. In particular, it is important to constantly consider the worst-case scenario. A company should never be caught off guard.

There are members of the Rengo Group who engage in such thinking on a daily basis, and who take action based on deep thought. This is where the true strength of the Group shines through.

Oku●: Communication skills are essential for dealing with risks. The key to increasing risk sensitivity in management is to have relationships which are similar to a "thick and short pipe"; in other words, relationships where information is transmitted quickly and frequently. Within an organization, organic communication can only be achieved if there are work



relationships that are open in multiple directions, horizontally and diagonally, rather than just vertically. Only when such a foundation for communication exists can decisions be made without fear to face risks. This environment will ultimately guide an organization to the correct decision.

Initiatives toward Vision120 and improvement of effectiveness

Oku●: Our role as outside directors is to closely monitor progress toward achieving the 2030 targets that are set in Vision120. I believe that the specific effectiveness of an outside director is expected to include continuously and objectively checking numerical targets, including quantitative KPIs such as an 8.5% ROE, debt to equity ratio of 0.7 times, and a free cash flow of 80 billion yen, and asking appropriate questions of management as necessary.

Sato●: Needless to say, management must be aware of capital costs and share prices. Even so, the basis of Rengo's way of thinking is not to take technical



measures to make the numbers match. Rengo has stated that its fundamental approach should be to steadily grow the businesses themselves, and that the necessary capital should be invested to achieve that growth.

Tamaoka●: From an objective standpoint, cash allocation at Rengo is well balanced and solid. The fact that 55% is allocated to foundational investments demonstrates that Rengo places importance on the sustainable growth of its core businesses. Furthermore, rather than focusing solely on expansion, the Rengo Group is making careful and flexible choices in its growth strategy. Examples include postponing the construction of new plants/mills in consideration of changes in the economic environment. Indeed, Rengo appropriately differentiates between the accelerator and brakes for growth depending on the situation.

Sumida●: I pay close attention to whether any "invisible gaps" will appear on the way to achieving these targets. Serious risks can sneak in through such gaps. The only way to make Vision120 an effective compass for management is to establish a system which ensures that the thoughts of frontline employees—for example, "this is strange." or "I don't

think this will go well."—are properly conveyed to and reflected by management.

Sato●: From the perspective of the effectiveness of the Board of Directors, of course it is important to deeply examine individual agenda items. At the same time, I believe that the role of the Board of Directors is to regularly review more cross-departmental and strategic themes. In addition, it is necessary to create a structure for periodic reviews based on the assumptions that there will be major investments or strategic shifts. Continuous monitoring and information disclosure will ensure transparency and execution as a company. One of the responsibilities of outside directors at future Board of Directors Meetings will be to evaluate the background and process behind the setting of numerical targets in Vision120. Of course, investors will have a variety of opinions. It is essential for companies to take these opinions seriously and fulfill its accountability.

Tamaoka●: From the perspective of my work as an author, I think it is very meaningful that Vision120 clearly refines the main theme for the next five years. Readers will have trouble following a piece of writing or a story without a clear theme, and the plot will lack consistency. Now that management is setting a clear direction, I feel that the foundation has been laid for writing the story of Rengo. Going forward, we will periodically check whether Vision120 is being implemented over the next five years and evaluate the degree of achievement. If these checks go beyond mere reviews to become the impetus for future improvements, then monitoring itself will be a part of the management evolution process.



Sumida●: Through my position as an outside director, I once again feel the importance of determining whether the numbers set as targets are in line with reality.

Rengo has a culture that encourages communication, and there are many sincere employees working on the front line. Therefore, as an outside director, I do not want to focus on superficial numbers; instead, I will discern the actual situation that underpins those numbers, and monitor the situation through dialogue with employees working on the front line. By focusing on the substance behind the numbers, I will contribute to the implementation of the medium-term vision.

GOVERNANCE

Enhancing Group governance

Basic stance To remain the firm trust and confidence of society, Rengo's goal is timely and accurate information disclosure combined with sound and highly transparent management, with a mission to solve socially relevant issues through packaging. In keeping with our fundamental philosophy, which states that "The truth is in the workplace," we are enhancing corporate governance by strengthening the current system of directors and Audit & Supervisory Board members while delegating authority and accelerating decision-making.

Fostering a sense of unity within the Rengo Group

Rengo strives to instill its Corporate Philosophy and management philosophy in order to foster a sense of unity within the Rengo Group.

Inheritance of spirit of founder Teijiro Inoue

During new employee training, our employees learn about the history of Rengo's founding by Teijiro Inoue, as well as his "Kintoma" management philosophy (p. 6). This deepens their understanding of the values and code of conduct that have been passed down since Rengo's founding. Furthermore, we strive to instill the "Kintoma" philosophy throughout Rengo Group companies through instruction by top management at events such as the Group Companies' Management Meeting and anniversary ceremonies.

Ever since Inoue manufactured Japan's first corrugated board in 1909, Rengo have adapted to the times to deliver the very best packaging solutions, enhancing the value of our customers' products and consistently contributing to society.

While remembering Inoue's determination to overcome hardships and commercialize corrugated board, and cherishing what we have learned in Rengo's journey so far, the Rengo Group continues to value high-quality, high-added-value manufacturing.

Evolution of the Corporate Philosophy

We established our Corporate Philosophy in 2006 with the aim of further promoting corporate social responsibility (CSR) management. In 2013, we revised the Corporate Philosophy in response to changes in social conditions. The revised Corporate Philosophy offers guiding principles for each Rengo Group employee's future business activities (p. 5). At the time of the revision, we clearly stated that the Corporate Philosophy carries on the spirit which we have followed since our founding. Based on the recognition that our Corporate Philosophy is something that must be shared by everyone working in the Group and is also a declaration to external stakeholders, we have posted the philosophy on panels at all divisions and are working to promulgate the philosophy through instruction from management, inclusion in various regulations, and employee education.

Our Corporate Philosophy is more than a mere proclamation; instead, its spirit must be implemented when executing daily business. For example, our Administrative Authority Regulations stipulate that authority can be exercised in the manner deemed optimal for the execution of duties, as long as doing so does not conflict with our Corporate Philosophy or other policies. The Audit Practice Standards for Internal Control Systems (Companies Act) stipulate the following as an important point regarding control: whether management philosophies, standards of conduct, and issues to be addressed that should be shared throughout the corporation are thoroughly known; whether standards in line with the foregoing regarding compliance with laws, regulations, risk management for potential losses, and information retention and management are established; and whether appropriate awareness-raising activities and monitoring for compliance with those standards are implemented.

The Group strives to share its core values through dialogue between management and employees, and through the ongoing implementation of training on our Corporate Philosophy. All Group companies will work together to achieve our Corporate Philosophy of becoming "General Packaging Industry (GPI) Rengo."

Special pins distributed at Expo 2025

At the Expo 2025 Osaka, Kansai, Japan, Rengo participated in the BLUE OCEAN DOME, a pavilion operated by the specified nonprofit corporation ZERI JAPAN. As part of Rengo's branding efforts during the corporate exhibition Rengo Week, we distributed special pins to visitors. The pins were designed in the motif of our Kintoma philosophy and other principles and initiatives of Rengo. The pins were very popular with visitors, and effectively allowed many Expo 2025 visitors to engage with Rengo's fundamental values. Building upon this progress, we will continue to work for raising awareness of Rengo.

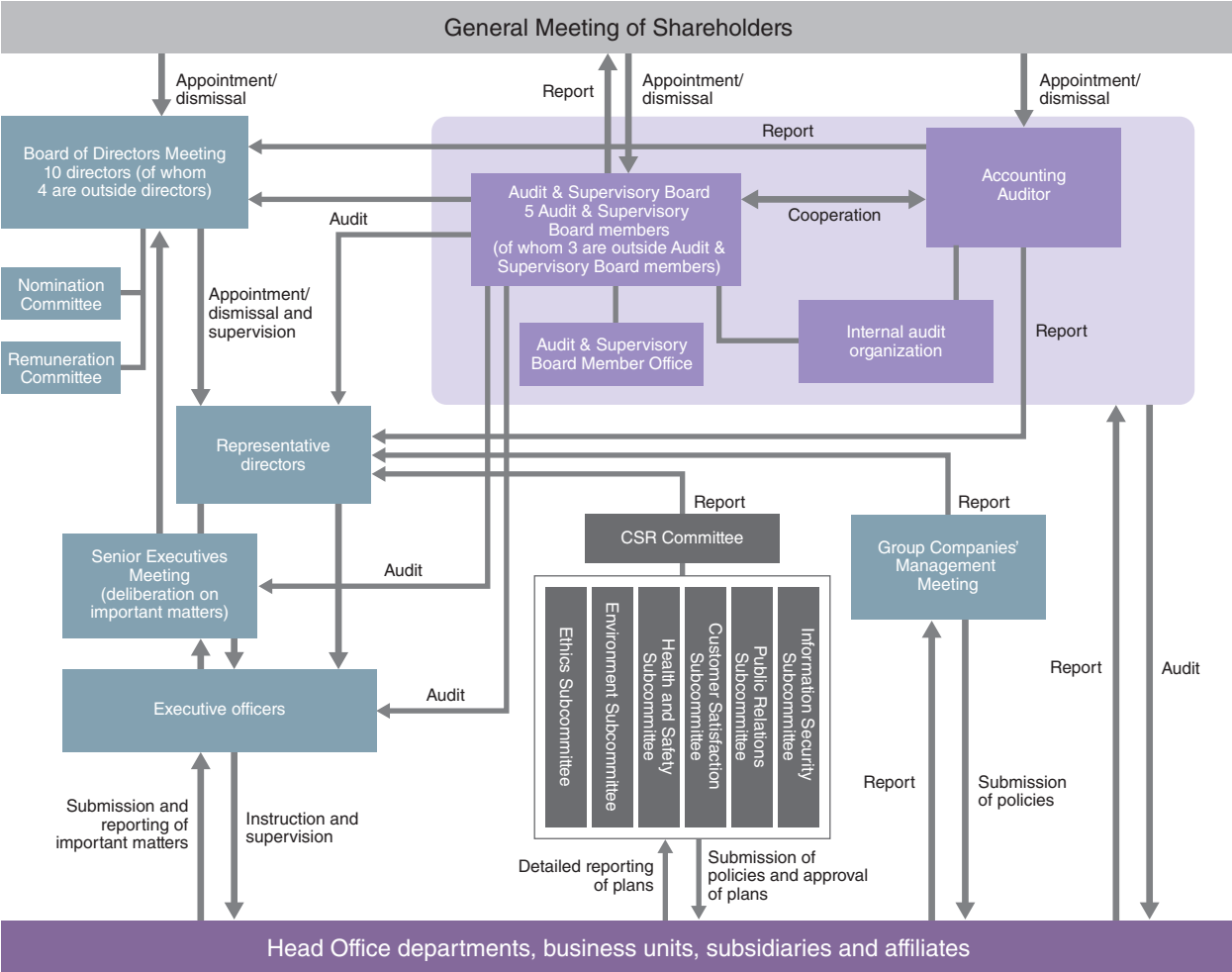


Corporate governance structure

As a company with an Audit & Supervisory Board, Rengo is making efforts to enhance its management transparency and strengthen its supervision of management. Our Audit & Supervisory Board, internal audit organization, and other related bodies collaborate to secure audit schedules and structures, ensuring appropriate auditing by the external Accounting Auditor. Audit & Supervisory Board members monitor the directors' performance of duties and the operations, as well as the business and financial conditions of Rengo and its subsidiaries.

In addition to the Board of Directors Meetings, as a general rule, Senior Executives Meetings, Internal Officers Meetings (attended by full-time officers), Department Liaison Meetings, and other meetings are held at least once per month to make decisions promptly and share important information, thereby performing duties in an efficient manner.

Corporate governance structure (as of June 27, 2025)



Overview of meeting bodies and committees

Board of Directors Meeting	To achieve sustainable growth and improve medium- to long-term corporate value, the Board of Directors strives to ensure the effectiveness of its business execution and supervisory functions from an objective standpoint, taking into account the fiduciary duties and accountability to shareholders and attaching importance to the roles of independent outside directors.
Senior Executives Meeting	Senior Executives Meetings are attended by the chairman & CEO, the president & COO, and executive officers who are at the managing executive officer level or higher and have been appointed as members of the meeting. In principle, meetings are held at least once a month to discuss and resolve matters to be submitted to the Board of Directors, important matters concerning the performance of duties, and important matters to be approved, among other matters.
Nomination Committee	The Nomination Committee meets regularly and deliberates on matters such as the appointment and dismissal of directors, in response to consultation by the Board of Directors. The committee consists of six members: four outside directors, the chairman & CEO, and the president & COO. An outside director chairs the committee.
Remuneration Committee	The Remuneration Committee meets regularly and deliberates on matters such as remuneration for directors and other officers, in response to consultation by the Board of Directors. The committee consists of six members: four outside directors, the chairman & CEO, and the president & COO. An outside director chairs the committee.
Group Companies' Management Meeting	Group Companies' Management Meetings are held regularly, attended by Rengo's officers, including the chairman & CEO and the president & COO, and representatives from Rengo Group companies. The meeting thus ensures that important managerial matters and risk management measures are shared across the Group.

GOVERNANCE

Enhancing Group governance

History of governance

1. Introduction of an executive officer system

Rengo introduced an executive officer system in April 2007 to strengthen the decision-making, supervisory, and business execution functions of the management.

2. Reduction in the number of directors

At the Ordinary General Meeting of Shareholders held in June 2007, the Articles of Incorporation were amended to reduce the maximum number of directors from 24 to 18. The number of directors appointed at that meeting was reduced to 15. The total number of directors as of the conclusion of the Ordinary General Meeting of Shareholders held in June 2025 is 10.

3. Appointment of outside directors

Rengo has conventionally appointed outside directors and has taken the following actions in response to the establishment of the Corporate Governance Code:

- Appointed two independent outside directors at the Ordinary General Meeting of Shareholders held in June 2017
- Appointed three independent outside directors at the Ordinary General Meeting of Shareholders held in June 2020
- Appointed four independent outside directors at the Ordinary General Meeting of Shareholders held in June 2021*

(Note) A total of 10 directors were appointed at the meeting mentioned in 3 above. Outside directors have come to account for one-third or more of the Board of Directors, and the Board's diversity increased with the appointment of one female outside director.

4. Evaluation and disclosure of the effectiveness of the Board of Directors

Rengo conducted a questionnaire-style evaluation of effectiveness and disclosed an overview of the evaluation in a report relating to corporate governance filed on June 30, 2017. The evaluation has been carried out every year since then.

5. Abolition of takeover defense measures

Due to the expiration of the effective period, takeover defense measures were abolished at the conclusion of the Ordinary General Meeting of Shareholders held in June 2019.

6. Adoption of independent consultation committees

Effective December 17, 2019, Rengo established a Nomination Committee and a Remuneration Committee as voluntary consultation bodies for the Board of Directors. The committees deliberate on matters consulted by the Board.

(Note) The committees are chaired by an outside director.

7. Disclosure of skills matrix

Rengo started to disclose the skills matrix of director candidates in the notice of the Ordinary General Meeting of Shareholders held in June 2022.

Appointment process of directors and Audit & Supervisory Board members

In nominating candidates for directors and Audit & Supervisory Board members, Rengo nominates persons who have a wealth of experience, high levels of insight, and expertise conducive to effective corporate governance, sustainable growth, and medium- to long-term corporate value improvement. The Nomination Committee, a consultation body for the Board of Directors, deliberates on the nomination before the Board thoroughly deliberates on the matter and nominates the candidates. Candidates for Audit & Supervisory Board members are nominated with the consent of the Audit & Supervisory Board.

Matters deliberated by the Board of Directors

Rengo's Board of Directors holds not only regular meetings but extraordinary meetings as necessary. The Board makes decisions on matters stipulated by laws and regulations and important managerial matters, as well as constantly supervises the status of business execution.

In FY3/2025, nine regular Board of Directors Meetings were held, where the Board deliberated on 43 items to be resolved or approved and 38 items reported.

At the Board of Directors Meetings, outside directors and outside Audit & Supervisory Board members have made suggestions to further enhance the Board functions. Steady efforts are underway to enhance these functions.

Evaluation of the effectiveness of the Board of Directors

Regarding the effectiveness of the Board of Directors, Rengo works to enhance the functions of the Board by conducting an annual questionnaire survey (self-evaluation) of directors and Audit & Supervisory Board members, including outside officers, followed by the report and discussion about the results of its analysis at a Board of Directors Meeting.

Based on the results of the FY3/2025 questionnaire survey, it was confirmed that the overall effectiveness of the Board is being maintained.

Directors and Audit & Supervisory Board members have provided constructive input and suggestions regarding improvements to the composition, roles, and operation of the Board, and have shared issues facing the Board.

Discussions and efforts are underway to put these input and suggestions into practice.

We will continue to work to enhance the functions of the Board by regularly analyzing and evaluating its effectiveness.

Skills matrix

The skills matrix below outlines Rengo's expectations by field for directors based on their knowledge, experience, and abilities.

Name	Position in the company	Outside	Corporate management	Sales & marketing	Finance & accounting	Governance	Sustainability	Global	Nomination Committee	Remuneration Committee
Kiyoshi Otsubo	Representative Director, Chairman & CEO		●			●		●	○	○
Yosuke Kawamoto	Representative Director, President & COO		●		●	●			○	○
Hiromi Sambe	Member of the Board, Executive Vice President					●	●			
Ichiro Hasegawa	Member of the Board, Executive Vice President			●			●			
Hirofumi Hori	Member of the Board, Executive Vice President			●				●		
Sadatoshi Inoue	Member of the Board, Executive Vice President			●			●			
Yoshio Sato	Director	○	●			●			○	○
Masayuki Oku	Director	○	●			●			○ (Chair)	○ (Chair)
Kaoru Tamaoka	Director	○				●	●		○	○
Koichi Sumida	Director	○				●	●		○	○

(Note) Regarding the knowledge, experience, and abilities expected of each director, we have noted up to three fields of expertise for the chairman & CEO and the president & COO, and up to two for other positions within the company.

The above matrix does not represent all the knowledge, experience, and abilities of each director.

Ensuring of the expertise, independence, and diversity of the Board of Directors

As of June 27, 2025, the Company forms its Board of Directors with 10 members. In nominating directors, we comprehensively evaluate candidates' experience, knowledge, and expertise and make holistic decisions. To ensure the effectiveness of supervision and practical discussions among the directors, we nominate directors with an eye toward the overall balance and diversity of the Board of Directors.

Furthermore, we have appointed four independent outside directors, thus allowing for opinions stated from an independent stance during discussions at the Board of Directors Meetings. In addition to meeting the criteria for outside directors in accordance with the Companies Act and satisfying the qualifications for

independent directors/auditors with no potential conflicts of interest with ordinary shareholders stipulated by the Tokyo Stock Exchange, candidates who can contribute to sustainable growth and increasing corporate value over the medium- to long-term are selected as outside directors.

One of our 10 directors is a female outside director. With this appointment, outside directors now account for one-third or more of the Board of Directors and the diversity of its membership has also been ensured.

Three outside Audit & Supervisory Board members have been appointed, and they fulfill their roles and duties independently, making full use of their high level of specialist knowledge and broad experience, as well as offering an appropriate level of input at the Board of Directors Meetings.

GOVERNANCE

Enhancing Group governance

Remuneration for officers

Rengo has adopted a remuneration system for officers that is linked to medium- to long-term performance in order to provide healthy incentives for achieving sustainable growth. We also provide stock compensation, appropriately set the ratio of cash to stock compensation, and have a shareholders’ association of officers to manage the company with a focus on increasing corporate value.

The amount of remuneration for directors is determined within the scope of the total amount of remuneration (including the amount of remuneration based on the stock remuneration plan) approved by the General Meeting of Shareholders. In determining the remuneration level, consideration is given to social trends in director remuneration, our business performance, balance with employee salaries, and other matters that should be taken into account. Directors’ remuneration consists of basic remuneration, performance-based remuneration (bonuses), and non-monetary remuneration (stock compensation). To ensure independence and other points of view, remuneration for outside directors consists solely of basic remuneration.

Basic remuneration is paid monthly as fixed monetary remuneration. The amount is determined in accordance with the rank of executive officers as which the recipients serve concurrently.

Performance-based remuneration is paid in the form of monetary bonuses. The amount is determined in accordance with the rank of executive officers as which the recipients serve concurrently, with consideration given to business performance for the fiscal year (mainly operating income and ordinary income) and with other factors. Performance-based remuneration, if paid, is distributed at a specific time after the fiscal year ends.

Stock compensation in the form of Board benefit trust constitutes non-monetary remuneration. The number of shares granted is equivalent to the number of points given in accordance with the rank of executive officers as which the recipients serve concurrently, and is set within the scope of the upper limit of cash contributed by the company and the maximum number of points given to eligible directors, which have been approved by the General Meeting of Shareholders. Shares are granted to eligible directors at a certain timing after their retirement (after their retirement as executive officers if they continue to serve as executive officers).

The details of remuneration for individual directors are determined by resolution of the Board of Directors, after deliberation by the Remuneration Committee, a consultation body for the Board.

Disclosure of remuneration	Total amount*
Policy on determining remuneration amounts and calculation methods	Established

* Information is disclosed separately for directors with a total remuneration amount of 100 million yen or more.

Activities of the Nomination Committee and the Remuneration Committee

Rengo has established a Nomination Committee and a Remuneration Committee as voluntary consultation bodies for the Board of Directors. Each of these committees consists of three or more directors appointed through the Board’s resolution, a majority of whom are outside directors, and the position of chair in each committee is held by an outside director.

To strengthen the independence, objectivity, and accountability of the Board functions with appropriate engagement of and advice from outside directors, the Nomination Committee and the Remuneration Committee meet regularly and deliberate on matters such as the appointment and dismissal of directors and other officers and remuneration of them respectively, in response to consultation by the Board.

Cross-shareholdings

To build and strengthen stable, long-term relationships with business partners, Rengo may acquire and hold their shares if doing so is considered conducive to the company’s sustainable growth and medium- to long-term corporate value improvement. For all strategic shareholdings, we verify the medium- to long-term economic rationality and the holding effects from the perspective of maintaining and strengthening comprehensive relationships with business partners, and report the results to the Board of Directors. We also disclose the holding status and verified holding purposes in our securities report. We consider reducing cross-shareholdings that have lost significance, after evaluating whether the risks and benefits justify the cost of shareholder’s equity.

Succession planning

Rengo proactively engages in succession planning for the CEO and other officers by appointing and nominating senior executives and directors at the Board of Directors Meetings. We provide appropriate supervision so that sufficient time and resources are invested systematically in the development of successor candidates.

Enhancement of employee understanding regarding compliance

Rengo states in its Corporate Philosophy that it will “act always with integrity, maintaining high ethical standards and ensuring strict legal compliance.”

Compliance does not only entail simply complying with the letter of the law. We also strive to understand the purpose of the laws and regulations beneath the text and to meet the expectations and demands of society in order to practice fair and good-faith management.

Compliance promotion structure

Rengo’s Ethics Subcommittee has formulated policies on compliance with laws and regulations, and related duties are performed by the Legal Affairs Department and Compliance Promotion Office. Compliance promotion managers are appointed at all divisions and plants/mills to coordinate with each other and further enhance compliance activities. Furthermore, Rengo Group companies are carrying out similar activities.

In June 2014, Rengo and some Group companies received cease-and-desist orders and administrative monetary penalties from the Japan Fair Trade Commission in regard to violations of the Antimonopoly Act. Our appeal was rejected in February 2021, but we have filed litigation rescinding the trial decision, and proceedings are still underway as of March 31, 2025.

Whistleblower system

In order to prevent violations of laws and regulations, Rengo, separate from the ordinary business report process via immediate superiors, has established whistleblower hotlines inside and outside the company (within a law firm) so that employees can report and consult on compliance matters. The whistleblower system can be used by officers, employees, temporary and contract employees working at Rengo, and retirees (within one year after retiring), and the external hotlines can also be used by employees of Rengo Group companies. The system can be used anonymously as well. In cases of whistleblowing, we strictly protect the privacy of whistleblowers, and at the same time handle issues appropriately so that whistleblowers are not treated unfairly.

Compliance education

Rengo conducts training and education on a regular basis to raise the compliance awareness of each and every employee. Since FY3/2013, this training has focused primarily on the Antimonopoly Act and has been provided to employees of Rengo Group companies as well.

Rank-specific education includes education on the basic stance of compliance for new employees when joining the company and lectures on compliance as a whole on occasions such as the promotion of employees to the general managers of the plants/mills or managerial positions. In addition, regular lectures by legal advisors are conducted at the beginning of meetings attended by officers, general managers, and Group companies’ top management.

Training workshops and rank-specific education conducted in FY3/2025			
	Frequency/ timing	Main content	Participants
All employees, including Group company employees	2 times per year	· Antimonopoly Act	202
Employees of Sales & Marketing Groups, East Japan	2 times per year	· Antimonopoly Act	23
New employees	1 time after joining company	· Basic related laws and regulations · Compliance	62
Employees promoted to general managers of the plants/mills or managerial positions	1 time when being promoted/ appointed	· Related laws and regulations · Compliance	195
Officers, general managers, and Group companies' top management	2 times per year	· Antimonopoly Act	144
Production management personnel at corrugated plants and folding carton plants	3 times per year	· Subcontract Act and price negotiations	32

GOVERNANCE

Enhancing Group governance

Division visits

Since FY3/2018, personnel have visited divisions in Japan, verifying the status of compliance with the Antimonopoly Act, Subcontract Act and other laws and regulations, checking for incidents of harassment, gathering information and sharing opinions regarding relations with local communities, and furthering understanding and awareness regarding compliance. In FY3/2025, 10 such visits were carried out. We intend to continue conducting visits, including visits to Rengo Group companies, in the future.

Protection of intellectual property

Rengo recognizes the importance of protecting its own intellectual property and observing the intellectual property rights of other companies, and has therefore established a dedicated department with a patent attorney for handling these issues. We also conduct investigations with the aim of securing rights for our own intellectual property and preventing infringement of intellectual property rights of others, and strive to utilize and manage intellectual property rights appropriately. We post educational materials regarding intellectual property and investigative materials regarding the technical fields in which we are active on our intranet. We also have established opportunities for educating sales personnel and research and development personnel. In FY3/2025, we received no claims of infringement of rights.

Risk management structure

Rengo has established the CSR Committee chaired by the chairman & CEO with the aims of improving management quality and reducing and avoiding future risks. With regard to the management of compliance, environmental, disaster, quality, information, and other risks, individual departments and the six subcommittees under the CSR Committee for ethics, environment, health and safety, customer satisfaction, public relations, and information security work together to formulate internal regulations, create manuals, and monitor companywide conditions.

In addition, the Board of Directors receives reports on the status of initiatives from the directors who manage or oversee each business unit, group, and department, and from the chairs of each subcommittee. The Board deliberates and makes decisions on improvement initiatives and other matters as necessary.

Infectious disease countermeasures

Fundamental policy

- 1. Place the highest priority on safety
We will place the highest priority on ensuring the safety of employees and their family members.
- 2. Take measures against infections
We will systematically take measures against infections, taking into account requests from the government and relevant institutions.
- 3. Maintain and continue corporate activities
We will fulfill our social responsibilities (such as employment and supply) by maintaining and continuing our corporate activities.

Structure (infectious disease outbreak)

- 1. Taking into account the status of infections, a central emergency management headquarters, led by Rengo's CEO, will be established.
- 2. Under the central emergency management headquarters, organizations in charge of relevant matters will be set up to drive a unified approach as the Rengo Group.
- 3. The central emergency management headquarters will set guidelines based on the fundamental policy, and organizations in charge will implement specific measures in accordance with the guidelines.

The Rengo Group established the Rengo Group Novel Coronavirus Emergency Management Headquarters in April 2020 and made the best efforts to prevent the infectious disease from spreading. We also fulfilled our social responsibilities through business activities.

To prepare for an infectious disease outbreak, we will continue to formulate infection prevention plans in accordance with the level of infection spread, prepare, raise awareness, and collect information.

Natural disaster countermeasures

Fundamental policy

- 1. Place the highest priority on safety
We will place the highest priority on ensuring the safety of employees and their family members.
- 2. Restore facilities quickly
We will strive to assess the damage conditions of Rengo facilities, restore them as quickly as possible, and continue operations to the greatest degree possible.
- 3. Maintain and continue corporate activities
We will fulfill our social responsibilities (such as employment and supply) by maintaining and continuing our corporate activities.

Structure (natural disaster occurrence)

- 1. If a large-scale natural disaster occurs, a central emergency management headquarters, led by Rengo's CEO, will be established.
- 2. Under the central emergency management headquarters, emergency management headquarters in charge of specific matters (including local emergency management headquarters) will be set up as necessary.
- 3. If a Rengo Group company is affected by a natural disaster, Rengo's department in charge of related businesses will serve as the point of contact for support.
- 4. The central emergency management headquarters will give instructions based on the fundamental policy to emergency management headquarters in charge of specific matters. Emergency management headquarters in charge of specific matters will cooperate with each other to handle the situation.

In consideration of the frequent occurrence of natural disasters such as earthquakes and typhoons, Rengo has established a fundamental policy that outlines the company's response in the event of a disaster. Following the Great East Japan Earthquake, all sites have maintained stocks of emergency supplies since June 2011. In addition, satellite phones were installed at all sites in March 2012.

Since April 2012, we have developed a structure that uses automatically sent emails to confirm the safety of employees and assess damage in the event of a large-scale earthquake. Test emails are sent every six months in preparation for disasters.

Prevention of incidents involving corruption

In accordance with the spirit of the United Nations Global Compact, the Rengo Group works to prevent all forms of corruption, including extortion and bribery. One tenet of our Corporate Philosophy is that we will "act always with integrity, maintaining high ethical standards and ensuring strict legal compliance." Based on this philosophy, we are working to strengthen Group governance by maintaining and improving compliance and management standards as one of the priorities in our Vision120 medium-term vision, announced in May 2025. As part of our initiatives to address the materiality in Vision120, we have set a target of reducing the number of serious corruption cases to zero by FY3/2031.

We are undertaking a variety of initiatives to achieve this goal through highly transparent corporate activities. For example, when making donations, paying membership fees, or incurring other external expenditures, we obtain prior approval from the person in charge according to the amount incurred. After a donation is made, we report the amount to the General Affairs Department at our Head Office. Similarly, when providing business entertainment or giving gifts, we obtain prior approval from the person in charge. Furthermore, if the nature of the donation or membership fee could be considered a political donation or the purchase of tickets for a political fundraising party, we require confirmation from the Legal Affairs Department before approval by the person in charge. This functions as a double check.

Furthermore, we continually provide education and information on anti-corruption measures as appropriate for current conditions. For example, we explain anti-corruption measures at various training sessions for newly appointed general managers of plants/mills and other employees in managerial positions, and include coverage of anti-corruption measures in the Group newsletters as a form of compliance training in printed format.

As a result of these efforts, no serious or suspected acts of corruption were confirmed within the Rengo Group in FY3/2025.

Going forward, we will continue to review our anti-corruption measures and make improvements as needed in an effort to prevent the occurrence of serious acts of corruption.

GOVERNANCE

Building foundations for DX

Basic stance In its Vision 120 medium-term vision, which begins in FY3/2026, the Rengo Group has set the goal of strengthening our management foundation by promoting digital transformation (DX). In addition to improving work efficiency through digital technologies, we will also work to innovate manufacturing, logistics, and sales processes and create new businesses, leading to the creation of new customer value.

Promotion of DX

The Rengo Group's DX Strategy

The Rengo Group uses data for solving issues under the five key areas: “manufacturing,” “logistics,” “environment and energy,” “routine tasks and work styles,” and “sales and marketing.” To lay the foundation for data use, we consider it necessary to enhance both human and technological capabilities, by developing human resources for data analysis, expanding data infrastructure, conducting research on emerging technologies, and improving security.

What makes the use of digital technologies possible is nothing other than the wisdom of physical human beings. In promoting DX, we consider it ideal to establish a cyber-physical system, where digital technologies (cyber) and the people who handle them (physical) work in harmony together. This can be achieved when departments with excellent knowledge at workplaces and those that mainly handle data work together to solve issues.

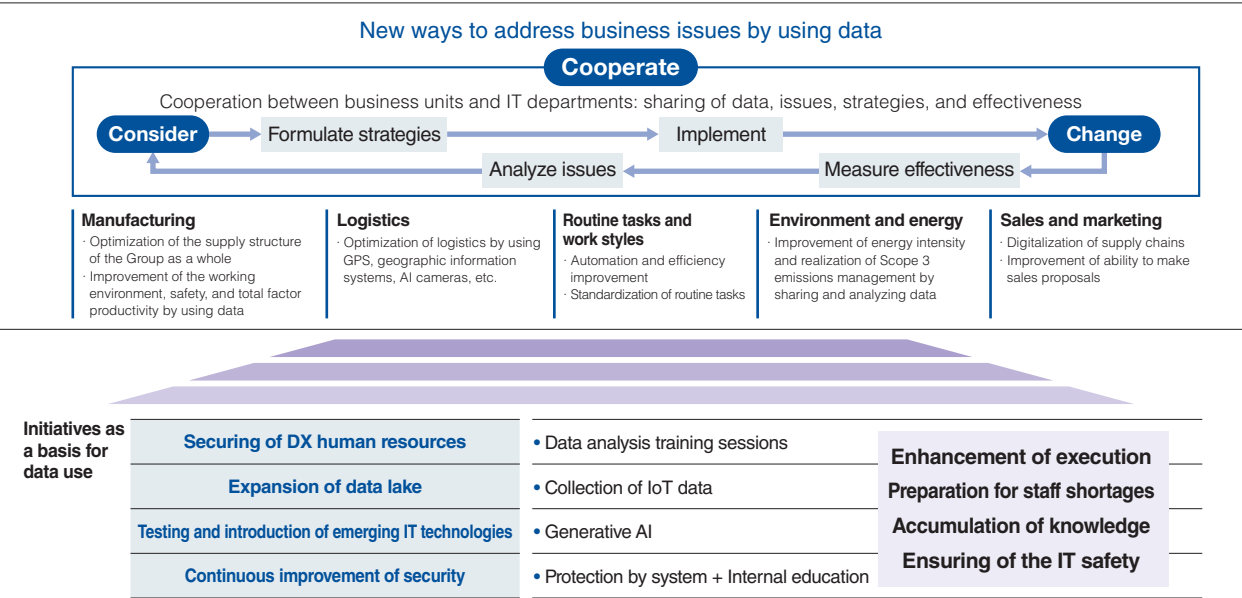
With the three Cs (Cooperate, Consider, and Change) in mind, we will promote DX to establish a cyber-physical system by taking advantage of both data

and workplace knowledge, and strive to provide greater value to our stakeholders.

DX promotion themes

Themes	Specific Measures
Create new business models	- Expand and enhance digitally printed packaging - Conduct external sales of digital tools developed in-house - Develop and sell automatic order receipt and placement systems by linking customers and data
Create new customer value	- Improve quality and services with IoT utilizing sensors and AI technologies - Optimize supply chains through visualization of procurement and manufacturing processes - Strive to achieve a low-carbon society - Conduct proposal-based sales activities by leveraging virtual technologies
Reform existing processes	- Improve logistics efficiency by introducing AI into vehicle dispatch systems - Reduce proposal preparation times by using digital data in graphical and technical packaging designs - Improve data storage security - Develop new sales techniques and sales channels adapted to the mobile network era
Improve internal operational efficiency	- Eliminate paper use and promote remote work as a part of work style reforms - Use digital technologies in recruiting and internal training - Improve development systems by training in-house IT engineers

DX strategy at the Rengo Group



DX strategy promotion structure

In April 2020, Rengo established the DX Promotion Investigation Committee, which is chaired by the president & COO, to work on digitalizing business processes across the company while also cultivating and recruiting DX human resources. Furthermore, in August 2023, we established a new Digitalization Promotion Department within the Paperboard Production Group. This was part of building a structure to focus on issues such as utilizing digital technologies in the papermaking process and improving the efficiency of logistics operations.

Cultivation of DX human resources

To develop DX human resources who can use digital technologies to drive business reform, we conduct IT skill assessments (total of approx. 430 participants), RPA hands-on sessions (total of approx. 120 participants), BI tool hands-on sessions (total of approx. 140 participants), and training to develop data analysis human resources (total of approx. 40 participants). In the training to develop data analysis human resources, we work to create dashboards for data visualization and analysis. As of March 2025, approximately 250 employees are using various dashboards in their work. We are also promoting work style reform by creating employment environments that achieve work-life balance and by establishing a telework system. Through such measures, we are striving to recruit and retain diverse human resources.

Indicators for development and retention of DX human resources

- Number of employees certified as a Registered Information Security Specialist (RISS): **5**
- Number of data analysis human resource training course participants: **20 per year**

Construction of a data lake*

We built a data lake to collect and analyze various data generated internally, including sensing data from production equipment. Going forward, we will expand the data collected in the data lake and promote in-house data utilization.

* Storage that can retain various big data generated in business activities in the form of raw data

Securing of a DX-related budget

We secure budget for capital investment in each area of DX promotion in each fiscal year.

Examples of value provided by DX

Promotion of DEGI-PAKE®

The Rengo Group is deploying DEGI-PAKE®, digitally printed packaging that has a beautiful appearance and high promotional effects. Going forward, we will actively invest in facilities and research and development so that we can expand our lineup of products that use digital technologies.

Please refer to our website for DEGI-PAKE®
<https://www.rengo.co.jp/english/products/degi-pake.html>



Achievement indicators for DX strategy

Achievement indicators for DX strategy are the same as the following key management indicators targeted by the Rengo Group.

Targets for FY3/2030

- Net sales: 1.2 trillion yen
- Ordinary income: 72 billion yen
- Return on equity (ROE): 8.5%
- Debt to equity ratio: 0.7 times

Rengo certified as DX Certified Business Operator

Rengo received certification as a DX Certified Business Operator under the DX certification program operated by the Ministry of Economy, Trade and Industry. It is a program under which the Japanese government certifies business operators as prepared to undertake business reforms using digital technology (DX-ready) pursuant to the Act on Facilitation of Information Processing.



Information security

As advances are made toward digitalization throughout society, information management is becoming increasingly important.

Having formulated information security policies, including the Fundamental Policy on Information Security, Rengo is implementing thorough risk management and building a robust security structure, centered around the Information Security Subcommittee, chaired by the executive in charge of the Information Systems Group.

We hold periodic online meetings with each company in the Rengo Group to share security-related information, request and provide guidance on improving security measures, and promote the strengthening of security throughout the Group.

- Results of main information security measures
 - Introduction of endpoint detection and response (EDR)*¹ and establishment of the security operations center (SOC)*²
 - Implementation of security education activities
 - Creation of information asset inventory and asset ledger
 - Assessment of security vulnerabilities

*1 A system that detects and notifies cyberattacks on endpoints such as personal computers
*2 An organization that monitors IT environments, and detects and responds to security incidents

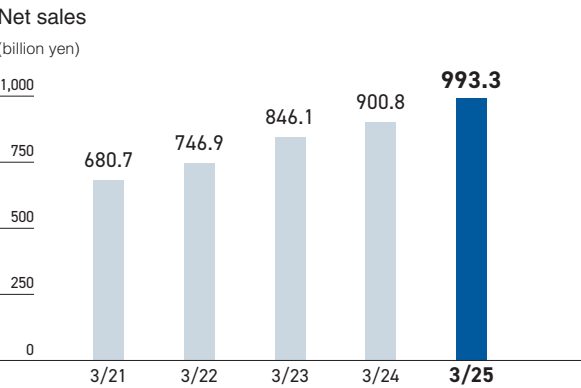
Consolidated 11-year financial summary

Rengo Co., Ltd. and consolidated subsidiaries
(From fiscal year ended March 31, 2015 to fiscal year ended March 31, 2025)

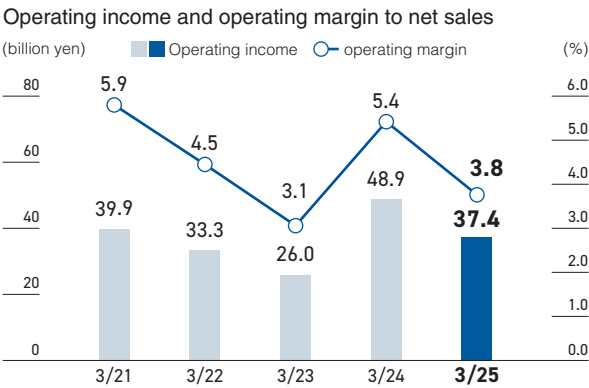
	3/2015	3/2016	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023	3/2024	3/2025
For the fiscal year (million yen):											
Net sales	¥ 522,671	¥ 532,534	¥ 545,489	¥ 605,712	¥ 653,107	¥ 683,780	¥ 680,714	¥ 746,926	¥ 846,080	¥ 900,791	¥ 993,251
Gross profit	76,428	87,288	98,586	99,710	111,197	132,461	133,281	135,716	141,918	175,381	181,790
Operating income	5,567	15,727	23,642	17,082	25,292	41,227	39,938	33,279	25,957	48,855	37,408
Profit before income taxes and non-controlling Interests	12,081	16,268	24,186	23,366	25,075	41,090	41,204	41,437	30,857	50,290	42,788
Profit attributable to owners of parent	5,718	9,816	13,876	16,622	17,163	27,790	28,599	28,188	20,425	33,025	28,979
Research and development expenses	1,405	1,441	1,448	1,483	1,531	1,593	1,900	2,151	2,066	2,175	3,154
Depreciation and amortization	29,611	29,333	29,524	30,776	32,259	35,076	38,114	41,723	44,848	48,761	55,958
Capital expenditures	39,982	29,656	30,445	41,527	36,512	38,700	47,143	49,509	58,694	73,833	99,675
EBITDA	35,179	46,454	54,372	49,512	59,028	77,662	80,014	77,193	73,560	101,054	97,052
At the fiscal year-end (million yen):											
Total assets	¥ 655,674	¥ 644,690	¥ 704,826	¥ 747,700	¥ 769,355	¥ 820,109	¥ 869,992	¥ 934,345	¥1,053,138	¥1,172,515	¥ 1,243,116
Working capital	(34,146)	(36,801)	(24,288)	(23,760)	(10,142)	(3,041)	14,229	39,411	45,332	91,916	58,002
Interest-bearing debt	276,906	264,728	283,350	287,322	283,071	323,614	330,645	353,415	404,289	437,669	448,529
Net assets	222,390	221,733	241,510	262,580	274,697	288,820	324,463	354,289	385,732	438,978	500,244
Equity*1	216,353	215,962	234,241	255,015	263,948	278,254	313,326	341,909	372,795	425,293	463,968
Per share amounts (yen):											
Basic earnings per share*2	¥23.09	¥39.64	¥56.04	¥ 67.14	¥ 69.32	¥ 112.24	¥ 115.51	¥ 113.84	¥82.47	¥ 133.33	¥ 116.94
Diluted earnings per share	-	-	-	-	-	-	-	-	-	-	-
Cash dividends applicable to the year	12.00	12.00	12.00	12.00	14.00	20.00	24.00	24.00	24.00	30.00	30.00
Net assets per share*2	873.60	872.17	946.06	1,029.98	1,066.07	1,123.86	1,265.53	1,380.74	1,505.09	1,716.97	1,872.24
Ratio:											
Return on equity (%)	2.8	4.5	6.2	6.8	6.6	10.3	9.7	8.6	5.7	8.3	6.5
Return on total assets (%)	0.9	1.5	2.1	2.3	2.3	3.5	3.4	3.1	2.1	3.0	2.4
Debt to equity ratio (times)	1.28	1.23	1.21	1.13	1.07	1.16	1.06	1.03	1.08	1.03	0.97
Capital adequacy ratio (%)	33.0	33.5	33.2	34.1	34.3	33.9	36.0	36.6	35.4	36.3	37.3
Other data:											
Number of shares of common stock (thousands)	271,056	271,056	271,056	271,056	271,056	271,056	271,056	271,056	271,056	271,056	271,056
Number of employees	14,060	13,999	16,038	16,532	16,968	18,902	19,451	20,141	22,548	23,389	25,011
Share prices (yen):											
High	¥558	¥619	¥717	¥968	¥1,078	¥1,071	¥1,012	¥990	¥928	¥ 1,209	¥ 1,208
Low	443	459	546	603	787	660	776	730	688	825	786

*1 Equity = net assets - non-controlling interests
*2 Basic earnings per share and net assets per share are calculated excluding treasury shares. The latter is calculated based on the equity.

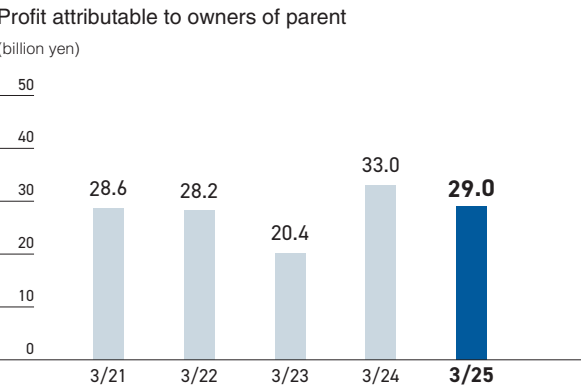
Financial highlights



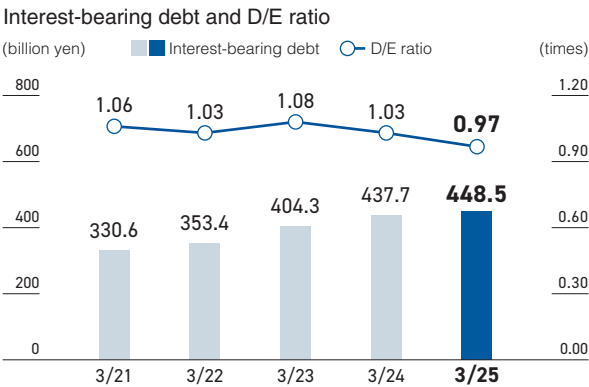
In FY3/2025, we achieved a record-high in net sales due to contributions from an increase in consolidated subsidiaries and product price. In particular, the Flexible Packaging-Related Business and Overseas Business made significant contributions.



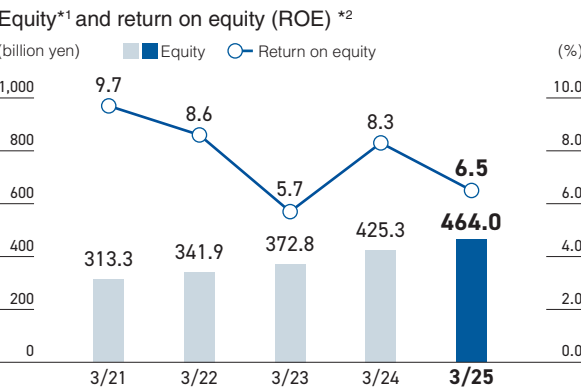
In addition to increased fixed costs and soaring raw material and fuel prices, the deterioration of the overseas business environment led to a decline in profits in FY3/2025.



In FY3/2025, profits declined due to increased fixed costs and soaring raw material and fuel prices. The decline in profits was partially offset by the recording of a gain on negative goodwill.

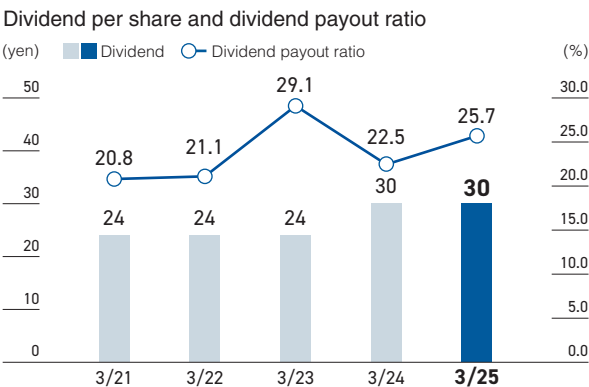


The debt to equity ratio has remained below the target level (upper limit) of 1.5 times. Despite the increase in debt from aggressive M&A and capital expenditures, we maintained financial discipline through the efficient use of funds.



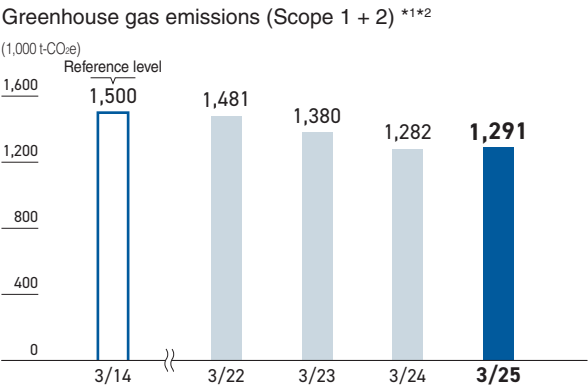
We expect ROE to decline in the forthcoming FY3/2026. Therefore, we will implement measures such as price revisions, strengthening cost competitiveness, promoting DX, and expanding Overseas Business.

*1 Equity = Net assets - Non-controlling interests
*2 ROE calculated using average equity for the period



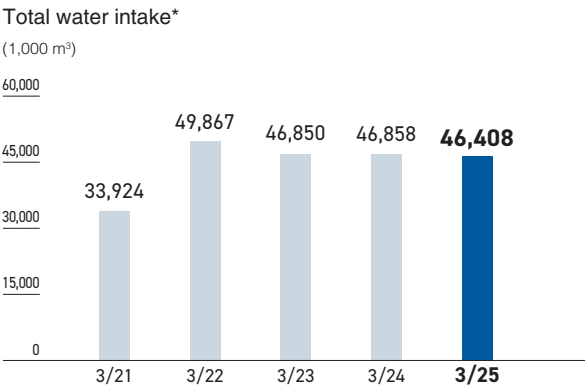
Our basic stance is a progressive dividend policy that aims to increase dividends in line with profit growth, while maintaining continuous and stable dividends through comprehensive and long-term consideration of factors such as business performance trends, financial position, and future business development.

Non-financial highlights



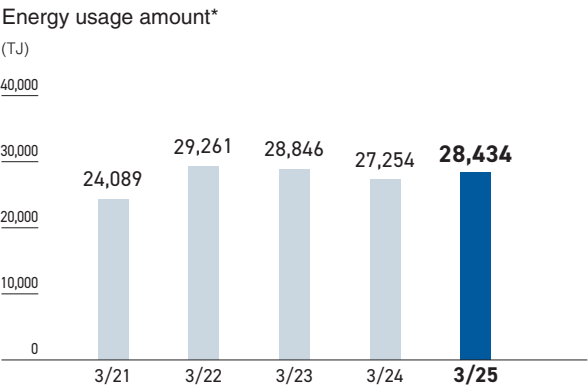
To achieve the target of a 46% reduction compared with FY3/2014 by FY3/2030, we will further promote decarbonization initiatives, including fuel conversion and the expanded use of non-fossil energy.

*1 Scope: Rengo on a non-consolidated basis and domestic consolidated subsidiaries as of March 31, 2025 (excluding non-manufacturing sites such as offices and warehouses)
*2 Adjusted greenhouse gas emissions based on the Act on Promotion of Global Warming Countermeasures



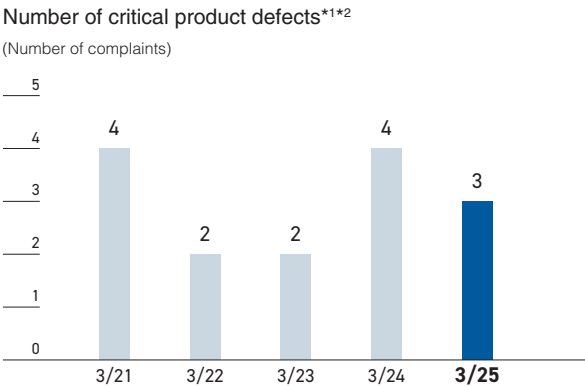
We are working to conserve our limited water resources and use them efficiently by reducing overall water consumption and lowering water use intensity.

* Scope: Rengo on a non-consolidated basis and manufacturing sites of consolidated subsidiaries in Japan and overseas (excluding second-tier subsidiaries for FY3/2021 to FY3/2023)



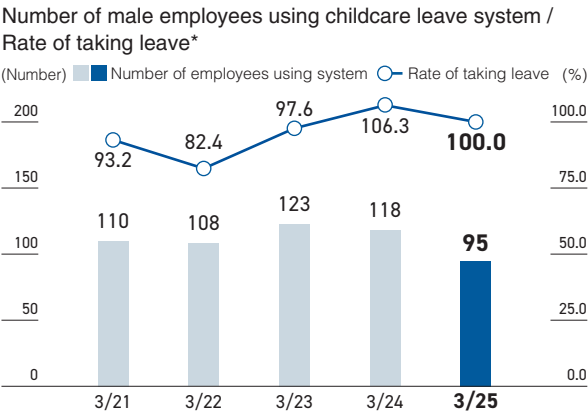
We are promoting rigorous energy-saving activities aimed at more efficient use of energy.

* Scope: Rengo on a non-consolidated basis and consolidated subsidiaries in Japan

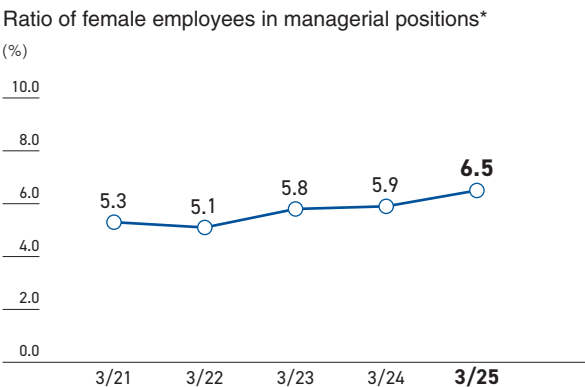


We are promoting company-wide ZD activities aimed at “zero defects,” and are strengthening our quality management system.

*1 Scope: Rengo on a non-consolidated basis
*2 Loss amount of 1 million yen or more



Under the Action Plan for Empowering Female Workers, we set a target of achieving a rate of 80% or more of male employees taking childcare leave. For the second consecutive year, 100% of male employees took childcare leave and we achieved the target.



For FY3/2025, we set a target of increasing the number of female employees in managerial positions to at least 1.5 times that of FY3/2020 (60 or more) and are actively promoting women to managerial positions.

* Scope: Rengo on a non-consolidated basis

Corporate information

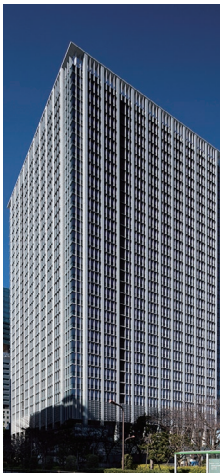
as of March 31, 2025

Corporate profile

Name	Rengo Co., Ltd.
Founded	April 12, 1909
Incorporated	May 2, 1920
Capital stock	¥31.066 billion
Number of consolidated companies	197 (parent company and subsidiaries)
Number of companies under the equity method	18
Number of employees	25,011 (consolidated)



Head Office
Nakanoshima Central Tower,
2-2-7 Nakanoshima, Kita-ku,
Osaka, Japan 530-0005



Tokyo Head Office
Shinagawa Season Terrace,
1-2-70 Konan, Minato-ku,
Tokyo, Japan 108-0075

/ Japan

121 companies 207 plants

/ Overseas

206 companies 217 plants

/ Breakdown by manufacturing site

	Japan	Overseas
Papermaking	7	3
Corrugated board/box	132	45
Folding carton	10	4
Flexible packaging	23	10
Heavy duty packaging	14	146
Others	21	9
Total	207	217

(As of March 31, 2025)

Evaluation from third parties

Evaluation/certification	Evaluation scope	Evaluation/certification status
CDP Climate Change	Initiatives for environmental management	Received the B score
S&P Dow Jones Indices LLC S&P/JPX Carbon Efficient Index		Selected for index inclusion
Corporate Knights Inc. / As You Sow Carbon Clean 200		Ranked 122th (out of 200)
Science Based Targets initiative (SBTi)		Obtained SBT "1.5°C level" certification
FTSE Russell FTSE Blossom Japan Sector Relative Index	Overall ESG-related initiatives	Selected for index inclusion
Sompo Asset Management Co., Ltd. Sompo Sustainability Index		Selected for index inclusion
MSCI Inc. MSCI Nihonkabu ESG Select Leaders Index		Selected for index inclusion
Ministry of Health, Labour and Welfare Eruboshi certification	Initiatives related to the empowerment of women	Received the Level 3 Eruboshi certification
Ministry of Health, Labour and Welfare Kurumin certification / Platinum Kurumin certification	Initiatives related to support for childcare	Received the Kurumin certification and Platinum Kurumin certification
Ministry of Economy, Trade and Industry / Nippon Kenko Kaigi Certified Health & Productivity Management Outstanding Organizations Recognition Program	Initiatives related to health and productivity management	Certified as a 2025 Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category)

(Notes)1. FTSE Russell (a registered trademark of FTSE International Limited and Frank Russell Company) certifies that Rengo meets the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index after assessment by a third party. The FTSE Blossom Japan Sector Relative Index is widely used to construct and evaluate sustainable investment funds and other financial instruments.
2. The selection of Rengo for inclusion in an MSCI index and the use of MSCI logos, trademarks, or index names do not constitute an offer of investment in Rengo, a guarantee, or sales promotion by MSCI or its affiliates. The MSCI indices are the exclusive property of MSCI. The names and logos of MSCI and the MSCI indices are the trademarks of MSCI or its affiliates.

Status of shares

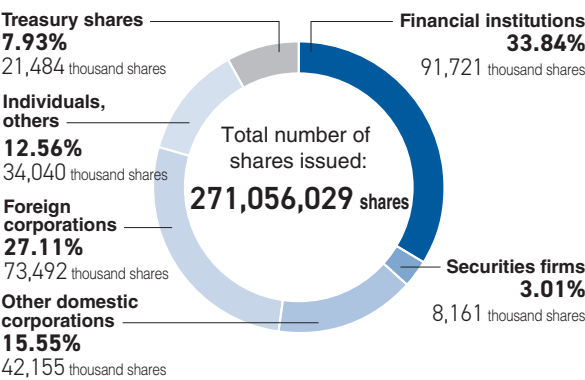
Financial year-end	March 31
Number of shares authorized	800,000,000
Total number of shares issued	271,056,029 (including 21,484,483 treasury shares)
Number of shareholders	41,564
Number of shares per trading unit	100
Stock transfer agent	Sumitomo Mitsui Trust Bank, Limited
Stock exchange listed	Tokyo Stock Exchange Prime Market
Securities code	3941

/ Major shareholders

Shareholder name	Number of shares held (thousands)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (trust account)	26,263	10.5
Custody Bank of Japan, Ltd. (trust account)	20,312	8.1
Sumitomo Mitsui Banking Corporation	9,562	3.8
Sumitomo Life Insurance Company	6,808	2.7
The Norinchukin Bank	5,965	2.4
STATE STREET BANK AND TRUST COMPANY 505223	5,476	2.2
Rengo Employee Shareholding Association	4,747	1.9
JP MORGAN CHASE BANK 385632	4,706	1.9
STATE STREET BANK AND TRUST COMPANY 505001	4,101	1.6
Yakult Honsha Co., Ltd.	3,326	1.3

(Notes) 1. In addition to the above list, Rengo Co., Ltd. holds 21,484 thousand shares of treasury shares.
2. Percentages are calculated after deducting treasury shares.

/ Shareholder distribution



IR calendar

	April	May	June	July	August	September	October	November	December	January	February	March
Financial results announcement		● Announcement of annual financial results ● Earnings presentation ● Management Conference			● Announcement of 1st quarter results			● Announcement of 2nd quarter results ● Earnings presentation ● Management Conference			● Announcement of 3rd quarter results	
Letter to shareholders			● Submission of Annual Securities Report ● Posting of Annual Letter to shareholders				● Submission of Semi-Annual Securities Report ● Publication of Integrated Report		● Posting of Interim Letter to shareholders			
General Meeting of Shareholders			● Notice of General Meeting of Shareholders ● Ordinary General Meeting of Shareholders									