

# Consolidated Financial Results

## 1Q FY2017 (Apr.-June 2017)

August 2, 2017

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# 1. Consolidated Statement of Income

(Year-on-year)

(billion yen)

	Apr.-June 2016	Apr.-June 2017	YoY	Diff.
<b>Net sales</b>	135.1	146.1	108.2%	11.0
<b>Operating income</b>	7.0	4.7	67.5%	-2.3
<b>Ordinary income</b>	7.3	5.5	75.0%	-1.8
<b>Extraordinary gain and loss</b>	-0.1	0.3	-	0.4
<b>Profit attributable to owners of the parent</b>	4.5	3.4	76.2%	-1.1

## Main factors underlying extraordinary gain and loss

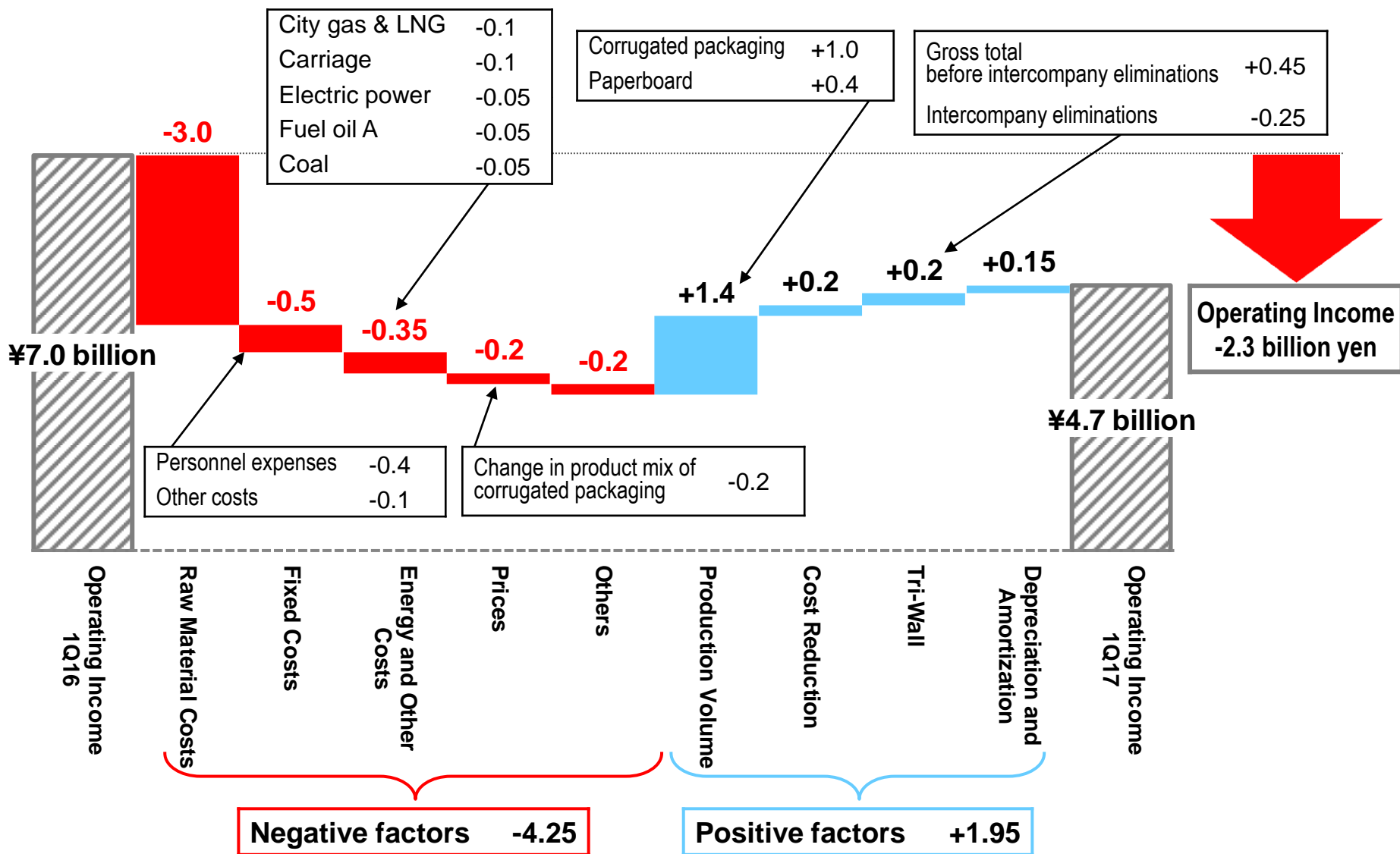
(billion yen)

	Apr.-June 2016
<b>(Extraordinary gain)</b>	
Gain on sales of noncurrent assets	0.1
<b>(Extraordinary loss)</b>	
Loss on sales/retirement of noncurrent assets	0.05
Loss on reduction of noncurrent assets	0.05
Loss on valuation of investment securities	0.05

	Apr.-June 2017
<b>(Extraordinary gain)</b>	
Insurance income	0.3
Gain on sales of noncurrent assets	0.15
<b>(Extraordinary loss)</b>	
Loss on sales/retirement of noncurrent assets	0.05

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

(billion yen)

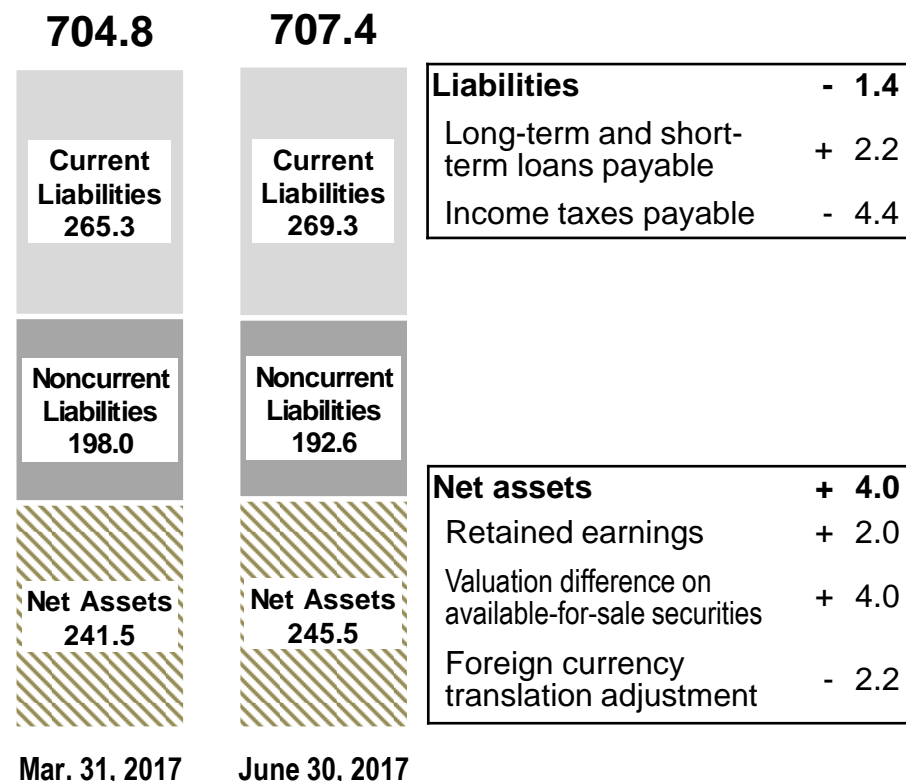
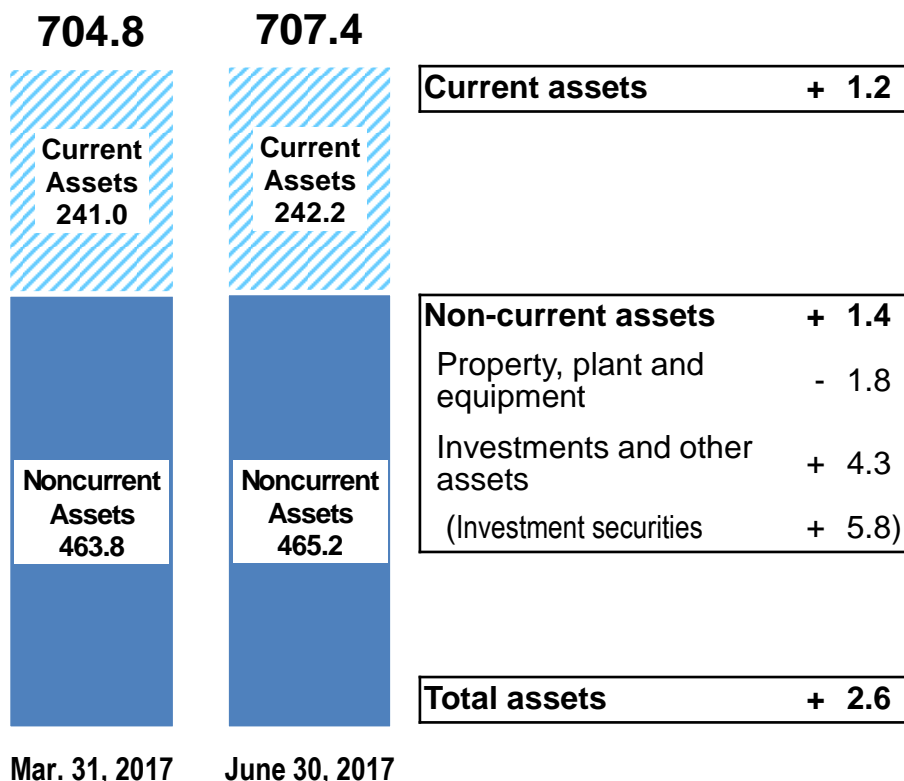


### 3. Consolidated Balance Sheet

#### Assets

#### Liabilities & Net Assets

(billion yen)



	Mar. 31, 2017	June 30, 2017	
Interest-bearing debt	¥283.4 bn	<b>¥285.4 bn</b>	(+2.0 billion yen)
Capital adequacy ratio	33.2 %	<b>33.7 %</b>	(+0.5 pts)
D/E Ratio	1.21 times	<b>1.20 times</b>	(-0.01 pts)

## 4. Detailed Consolidated Performance (Year-on-year)

		No. of companies*		Net sales (billion yen)				Ordinary income (million yen)				Containerboard production (1,000 MT)			Corrugated board production (million sqm.)		
		1Q16	1Q17	1Q16	1Q17	YoY %	Diff.	1Q16	1Q17	YoY %	Diff.	1Q16	1Q17	YoY %	1Q16	1Q17	YoY %
1	Rengo (unconsolidated)	1	1	71.9	74.2	103.1	2.3	4,771	3,493	73.2	-1,278	441	462	104.8	514	541	105.3
2	Paper manufacturing Subs	2	2	5.7	6.0	104.1	0.3	-43	-552	-	-509	92	100	108.7			
3	Paperboard packaging Subs	31	32	41.4	43.3	104.6	1.9	1,663	1,351	81.2	-312				462	485	105.0
4	Flexible packaging Subs	1	1	14.1	14.4	101.6	0.3	1,265	983	77.7	-282						
5	Heavy duty packaging Subs	1	1	10.3	10.2	99.1	-0.1	954	964	101.0	10						
6	Other Subs	5	5	31.7	33.5	105.8	1.8	594	503	84.7	-91						
<b>Domestic total (1 to 6)</b>		<b>41</b>	<b>42</b>	<b>175.2</b>	<b>181.6</b>	<b>103.6</b>	<b>6.4</b>	<b>9,204</b>	<b>6,742</b>	<b>73.3</b>	<b>-2,462</b>	<b>534</b>	<b>562</b>	<b>105.2</b>	<b>976</b>	<b>1,026</b>	<b>105.1</b>
7	Paperboard packaging & nonwoven products Subs	9	9	4.3	5.2	121.3	0.9	-194	-56	-	138				63	73	115.9
8	Flexible packaging Subs	1	3	1.9	2.3	122.2	0.4	276	257	93.1	-19						
9	Heavy duty packaging Subs	3	79	1.3	10.1	774.0	8.8	-51	447	-	498						
<b>Overseas total (7 to 9)</b>		<b>13</b>	<b>91</b>	<b>7.5</b>	<b>17.7</b>	<b>235.6</b>	<b>10.2</b>	<b>31</b>	<b>648</b>	<b>2090.3</b>	<b>617</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63</b>	<b>73</b>	<b>115.9</b>
10	Companies subject to the equity method	9	15					247	456	184.6	209						
<b>Intersegment eliminations</b>				<b>-47.6</b>	<b>-53.1</b>	<b>-</b>	<b>-5.5</b>	<b>-2,167</b>	<b>-2,359</b>	<b>-</b>	<b>-192</b>						
<b>Total</b>		<b>63</b>	<b>148</b>	<b>135.1</b>	<b>146.1</b>	<b>108.2</b>	<b>11.0</b>	<b>7,315</b>	<b>5,487</b>	<b>75.0</b>	<b>-1,828</b>	<b>534</b>	<b>562</b>	<b>105.2</b>	<b>1,039</b>	<b>1,099</b>	<b>105.8</b>

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

- Kato Danboru Co., Ltd. has been consolidated as a domestic paperboard packaging subsidiary.
- Howa Taiwan Co., Ltd. and Sichuan Zhongjin Medicinal Packaging Co., Ltd. have been consolidated as overseas flexible packaging subsidiaries.
- 75 companies of the Tri-Wall Group and Shanghai Matai Trading Co., Ltd. have been consolidated as overseas heavy duty packaging subsidiaries.
- 6 companies of the Tri-Wall Group have been included as equity-method affiliates.

cf. Consolidated financial performance of the Tri-Wall Group (after intercompany eliminations): net sales of 6.2 billion yen, ordinary income of 419 million yen

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The description of the business plan and the financial forecasts is based on the information currently available.  
Any forward-looking information is not a guarantee of future performance.