

# Consolidated Financial Results

## 2Q FY2017 (Apr.-Sept. 2017)

November 2, 2017

Contents	
1	Consolidated Statement of Income (YOY)
2	Breakdown of Changes in Consolidated Operating Income (YOY)
3	Consolidated Balance Sheet
4	Detailed Consolidated Performance (YOY)

# 1. Consolidated Statement of Income

(Year-on-year)

(billion yen)

	Apr.-Sept. 2016	Apr.-Sept. 2017	YoY	Diff.
<b>Net sales</b>	270.5	295.4	109.2%	24.9
<b>Operating income</b>	13.7	7.1	51.6%	-6.6
<b>Ordinary income</b>	14.1	8.0	57.0%	-6.1
<b>Extraordinary gain and loss</b>	-0.6	-0.9	-	-0.3
<b>Profit attributable to owners of the parent</b>	8.7	4.0	45.8%	-4.7

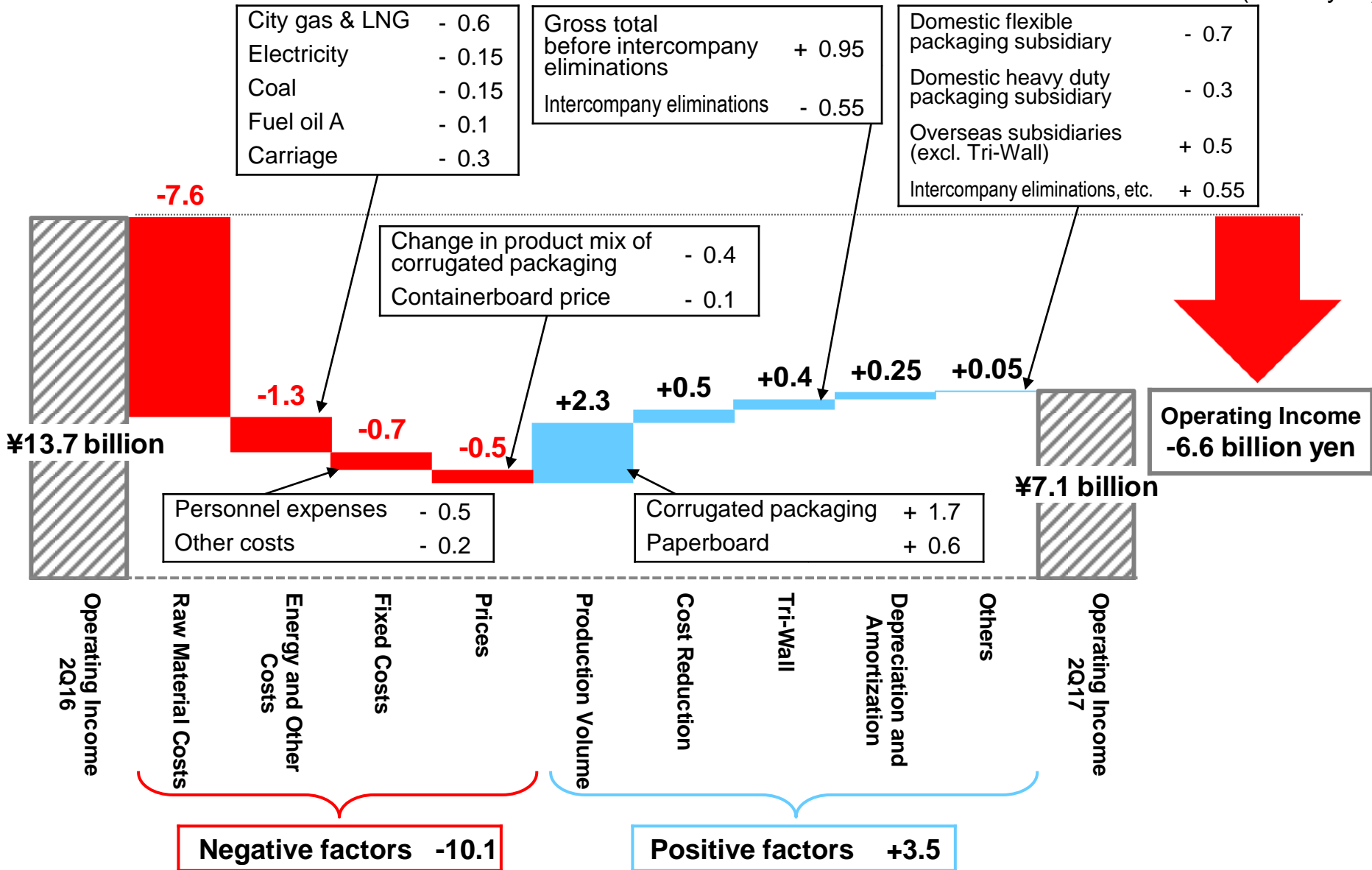
## Main factors underlying extraordinary gain and loss

(billion yen)

	Apr.-Sept. 2016		Apr.-Sept. 2017
<b>(Extraordinary gain)</b>		<b>(Extraordinary gain)</b>	
Gain on sales of noncurrent assets	0.1	Insurance income	0.3
		Gain on sales of noncurrent assets	0.2
<b>(Extraordinary loss)</b>		<b>(Extraordinary loss)</b>	
Impairment loss	0.3	Business structure improvement expenses	0.5
Loss on sales/retirement of noncurrent assets	0.2	Loss on sales/retirement of noncurrent assets	0.4
Plant renewal expenses	0.1	Restructuring loss	0.1
		Provision of allowance for doubtful accounts	0.1
		Impairment loss	0.1
		Plant renewal expenses	0.1

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

(billion yen)

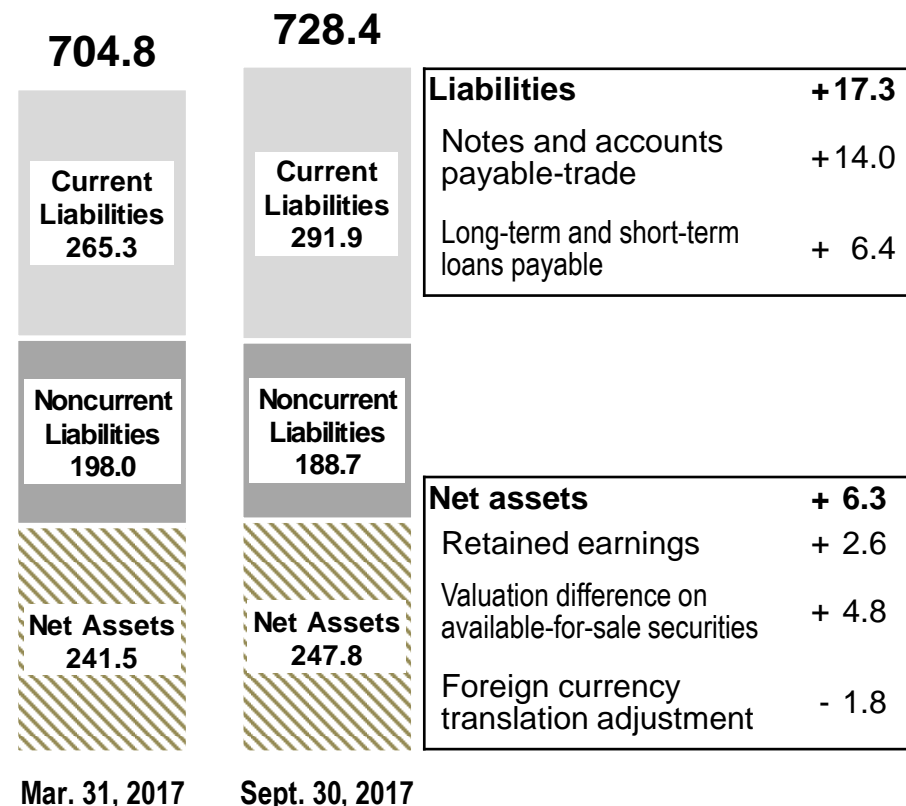
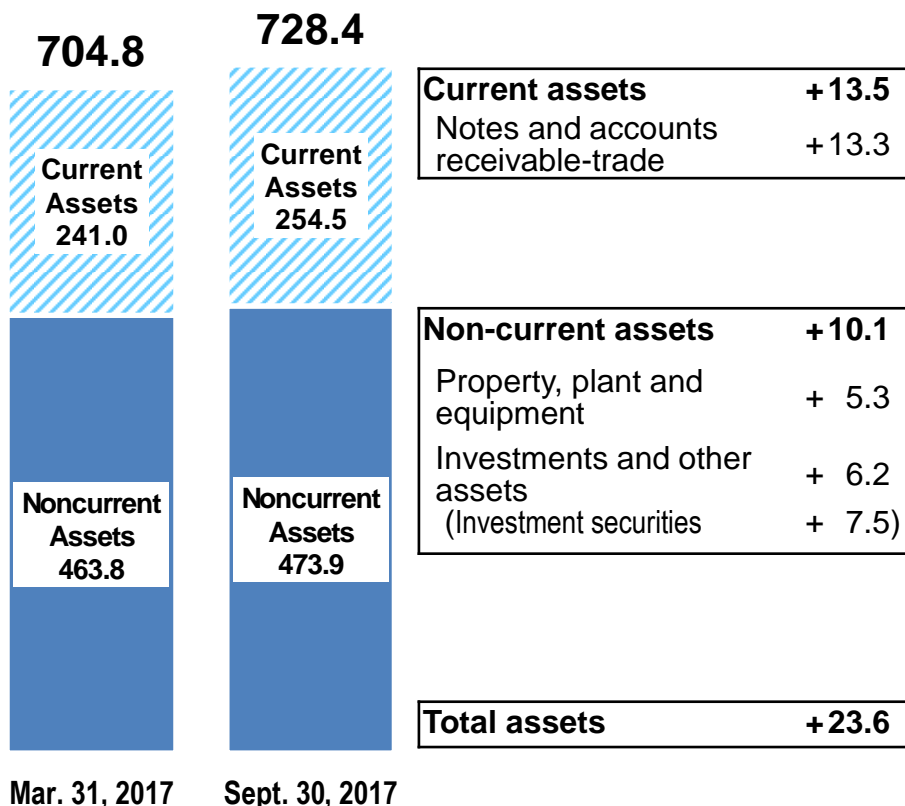


### 3. Consolidated Balance Sheet (Year-on-year)

#### Assets

#### Liabilities & Net Assets

(billion yen)



	Mar. 31, 2017	Sept. 30, 2017	
Interest-bearing debt	¥283.4 bn	<b>¥289.6 bn</b>	(+6.2 billion yen)
Capital adequacy ratio	33.2 %	<b>32.9 %</b>	(-0.3 pts)
D/E Ratio	1.21 times	<b>1.21 times</b>	-

## 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.)		
		2Q16	2Q17	2Q16	2Q17	YoY %	Diff.	2Q16	2Q17	YoY %	Diff.	2Q16	2Q17	YoY %	2Q16	2Q17	YoY %
1	Rengo (unconsolidated)	1	1	144.1	150.0	104.1	5.9	6,442	2,859	44.4	-3,583	887	908	102.4	1,027	1,069	104.1
2	Paper manufacturing Subs	2	2	11.7	12.7	108.7	1.0	-58	-787	-	-729	180	198	110.0			
3	Paperboard packaging Subs	31	32	84.3	88.3	104.7	4.0	3,681	2,231	60.6	-1,450				921	965	104.8
4	Flexible packaging Subs	1	1	28.2	28.6	101.2	0.4	2,511	1,845	73.5	-666						
5	Heavy duty packaging Subs	1	1	20.6	20.8	101.0	0.2	1,769	1,480	83.7	-289						
6	Other Subs	5	5	63.4	69.1	108.9	5.7	1,116	949	85.0	-167						
<b>Domestic total (1 to 6)</b>		<b>41</b>	<b>42</b>	<b>352.4</b>	<b>369.5</b>	<b>104.9</b>	<b>17.1</b>	<b>15,461</b>	<b>8,577</b>	<b>55.5</b>	<b>-6,884</b>	<b>1,068</b>	<b>1,105</b>	<b>103.5</b>	<b>1,948</b>	<b>2,034</b>	<b>104.4</b>
7	Paperboard packaging & nonwoven products Subs	9	9	7.7	10.9	141.0	3.2	-356	146	-	502				131	150	114.5
8	Flexible packaging Subs	1	3	3.4	4.9	142.6	1.5	607	551	90.8	-56						
9	Heavy duty packaging Subs	3	80	2.5	21.1	839.5	18.6	-79	1,009	-	1,088						
<b>Overseas total (7 to 9)</b>		<b>13</b>	<b>92</b>	<b>13.7</b>	<b>36.9</b>	<b>270.0</b>	<b>23.2</b>	<b>172</b>	<b>1,706</b>	<b>991.9</b>	<b>1,534</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>131</b>	<b>150</b>	<b>114.5</b>
10	Companies subject to the equity method	9	15					606	909	150.0	303						
<b>Intersegment eliminations</b>				<b>-95.5</b>	<b>-111.1</b>	<b>-</b>	<b>-15.6</b>	<b>-2,178</b>	<b>-3,183</b>	<b>-</b>	<b>-1,005</b>						
<b>Total</b>		<b>63</b>	<b>149</b>	<b>270.5</b>	<b>295.4</b>	<b>109.2</b>	<b>24.9</b>	<b>14,061</b>	<b>8,009</b>	<b>57.0</b>	<b>-6,052</b>	<b>1,068</b>	<b>1,105</b>	<b>103.5</b>	<b>2,079</b>	<b>2,184</b>	<b>105.1</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.
  - 76 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.
  - TPMS Polska and the other 4 companies of the Tri-Wall Group are excluded from the above table because their balance sheets have been only included in the current period.
- cf. Consolidated financial performance of the Tri-Wall Group (after intercompany eliminations): net sales of 12.6 billion yen, ordinary income of 928 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.