



RENGO CO., LTD.
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FY2017 (Apr. 2017-Mar. 2018)

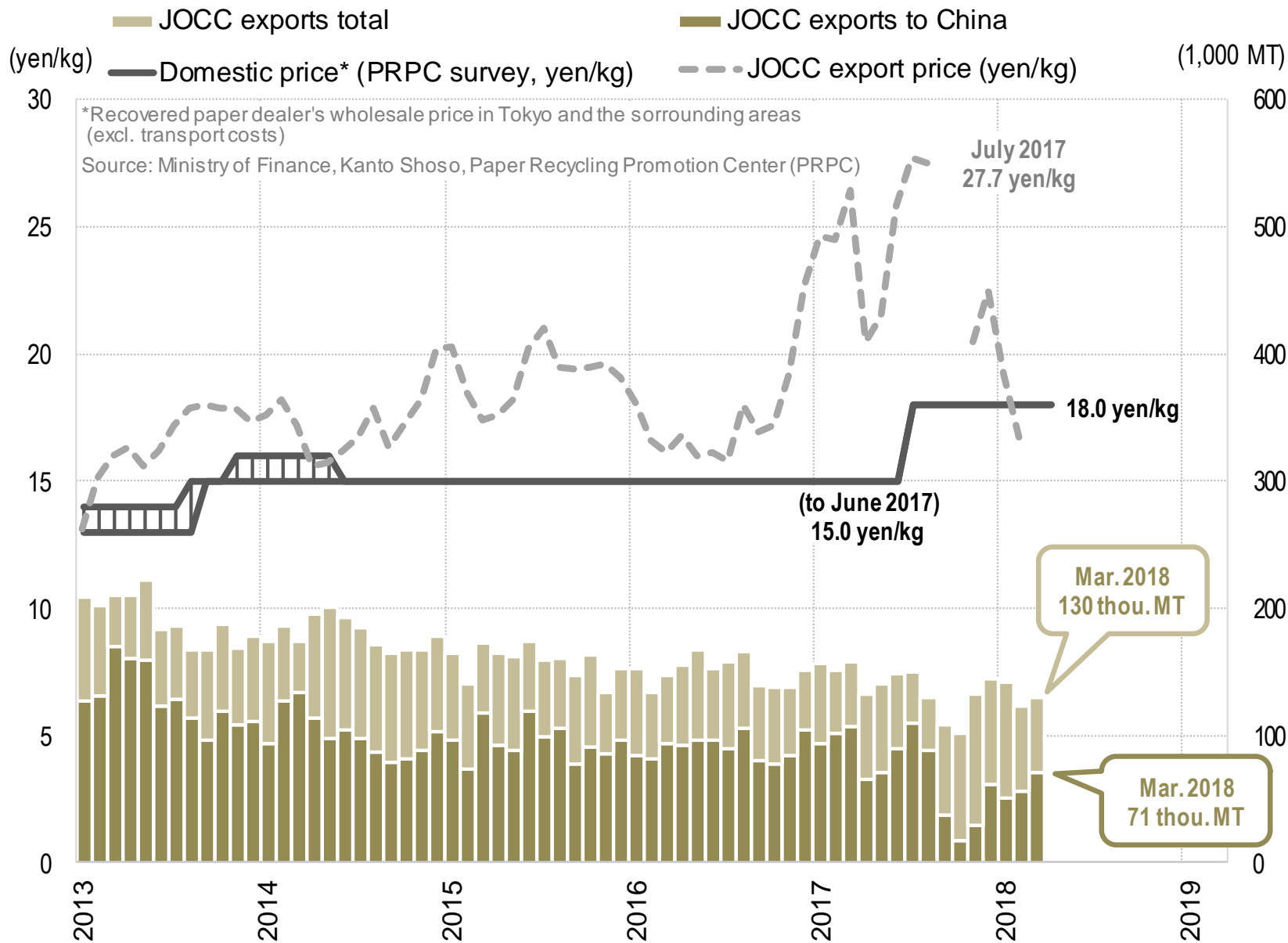
Earnings Presentation

May 24, 2018

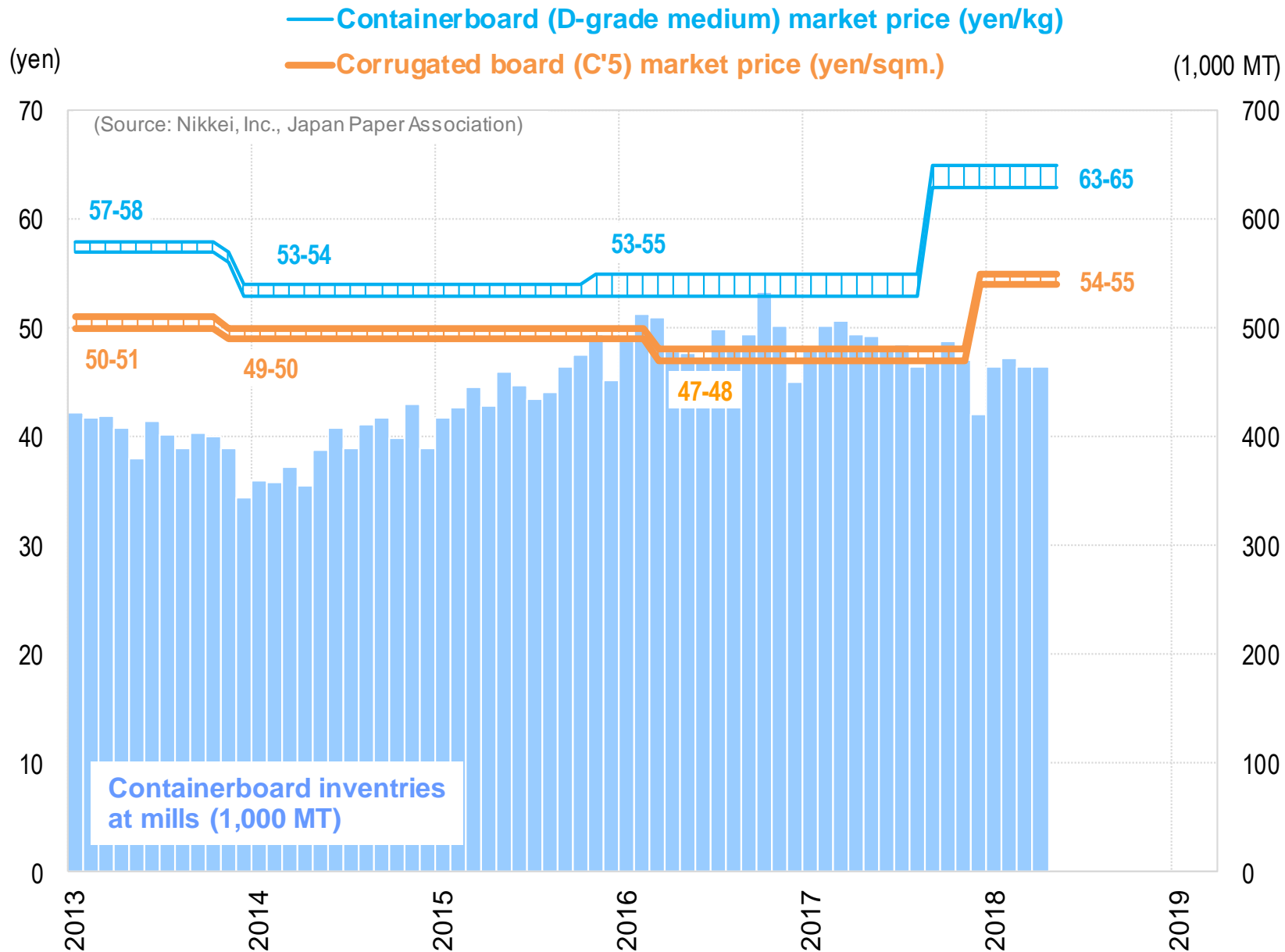
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1. Trends in Old Corrugated Containers (OCC)



2. Trends in Containerboard and Corrugated Board



3. Rengo Group's Measures in FY2017

M & A	Corrugated	Rengo releases pre-announcement for acquisition of Toppan Containers Co., Ltd. (HQ: Tokyo) (Mar. 2018)
	Overseas	Tri-Wall Ltd. acquires 58% of the share capital in TPMS Polska Sp. z o.o. , a manufacturer of heavy duty packaging materials in Poland (June 2017)
	Overseas	Tri-Wall Ltd. acquires a 95.02% stake in Welsh Boxes , a manufacturer of heavy duty packaging materials in Wales, United Kingdom (July 2017)
	Overseas	Rengo Packaging Malaysia Sdn. Bhd. made a wholly-owned subsidiary of Rengo (Dec. 2017)
CapEx	Paperboard	Rengo completes conversion of No. 2 Paper Machine in Kanazu Mill (Fukui Prefecture), to produce both corrugating medium and linerboard (Sept. 2017) (Fig. 1)
	Corrugated	Asahi Shiko Co., Ltd. completes renewal of its head office plant (Mar. 2018) (Fig. 2)
	Overseas	Howa Matai Packaging (Thailand) Co., Ltd. newly established as a JV of Howa Sangyo Co., Ltd. (HQ: Chiba Prefecture) and Nihon Matai Co., Ltd. (HQ: Tokyo) (Apr. 2017)
	Overseas	Tri-Wall Ltd. establishes TW Michigan Inc. , a JV in Michigan, United States, for manufacturing and sales of heavy duty packaging materials
	Overseas	Tri-Wall Packaging (Thai) Ltd. completes construction of its second plant in Thailand (Jan. 2018) (Fig. 3)
Price revision	Paperboard	Rengo announces price revision of containerboard and corrugated products
	Corrugated	



1. Wire part of No. 2 Paper Machine, Kanazu Mill



2. Head office plant, Asahi Shiko Co., Ltd.



3. The Second Plant, Tri-Wall Packaging (Thai) Ltd.

4. Consolidated Statement of Income (Year-on-year)

The General Packaging Industry

(billion yen)

	FY2016	FY2017	YoY	Diff.	FY2017 previous forecast*	A/F	Diff.
Net sales	545.5	605.7	111.0%	60.2	608.0	99.6%	-2.3
Operating income	23.6	17.1	72.3%	-6.5	17.0	100.5%	0.1
Ordinary income	25.2	23.2	91.9%	-2.0	18.5	125.2%	4.7
Extraordinary gain and loss	-1.0	0.2	-	1.2	-	-	-
Profit attributable to owners of the parent	13.9	16.6	119.8%	2.7	10.5	158.3%	6.1

*Disclosed on October 31, 2017

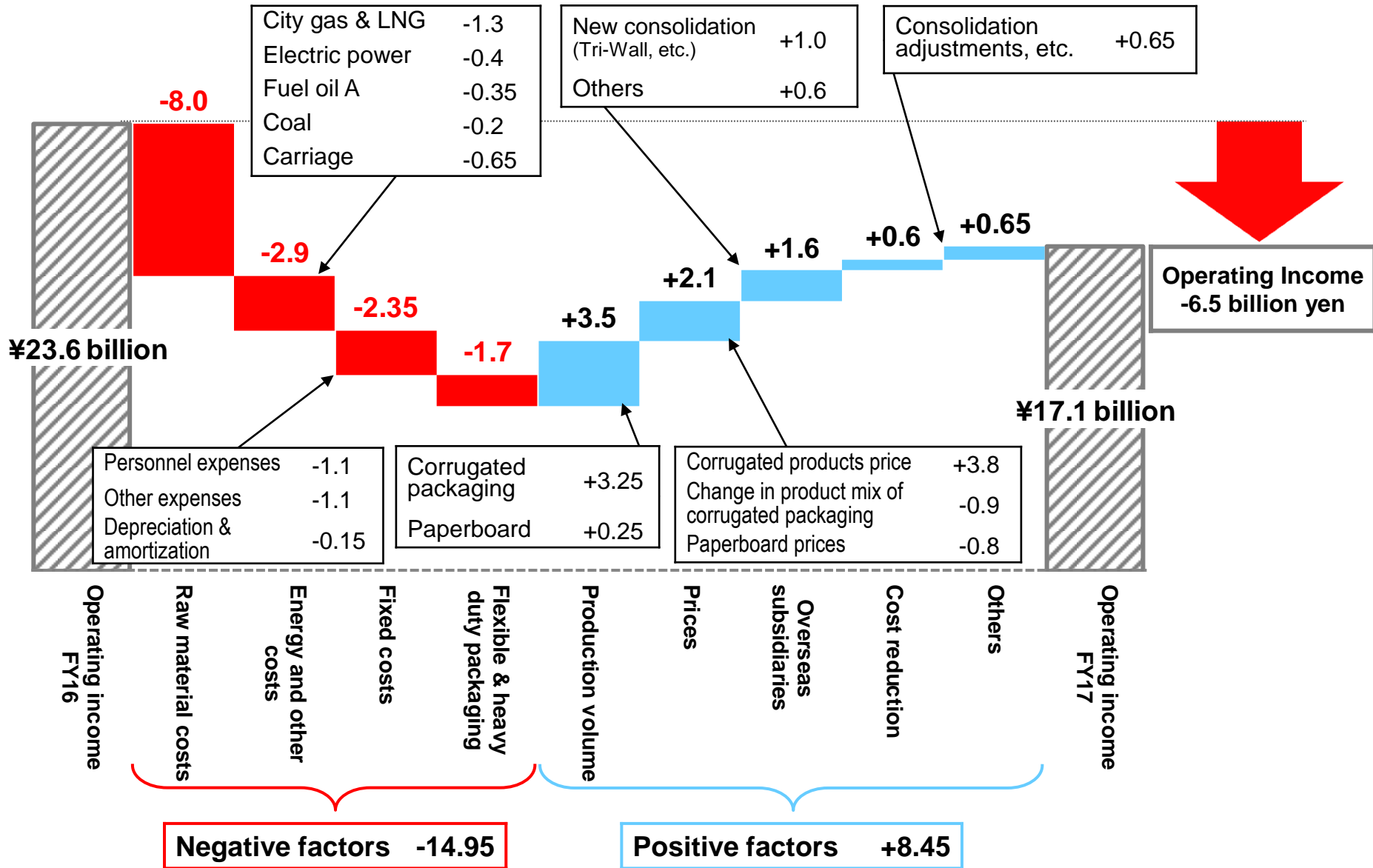
Main factors underlying extraordinary gain and loss

(billion yen)

	FY2016		FY2017
(Extraordinary gain)		(Extraordinary gain)	
Gain on sales of investment securities	0.7	Gain on sales of noncurrent assets	1.6
Gain on sales of noncurrent assets	0.3	Gain on sales of investment securities	1.3
(Extraordinary loss)		(Extraordinary loss)	
Removal expenses of business offices and plant	0.5	Business structure improvement expenses	1.1
Loss on sales/retirement of noncurrent assets	0.5	Loss on sales/retirement of noncurrent assets	0.7
Amortization of goodwill	0.4		

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

(billion yen)



6. 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.)		
		FY16	FY17	FY16	FY17	YoY %	Diff.	FY16	FY17	YoY %	Diff.	FY16	FY17	YoY %	FY16	FY17	YoY %
1	Rengo (unconsolidated)	1	1	286.1	303.4	106.1	17.3	9,398	6,654	70.8	-2,744	1,807	1,814	100.4	2,005	2,094	104.4
2	Paper manufacturing Subs	2	2	22.9	26.3	114.5	3.4	-853	-278	-	575	360	382	106.1			
3	Paperboard packaging Subs	32	32	174.3	181.3	104.0	7.0	7,956	3,281	41.2	-4,675				1,897	1,952	102.9
4	Flexible packaging Subs	1	1	55.5	57.6	103.8	2.1	4,452	3,359	75.4	-1,093						
5	Heavy duty packaging Subs	1	1	40.9	41.7	102.1	0.8	3,291	2,633	80.0	-658						
6	Other Subs	5	5	128.8	142.9	110.9	14.1	2,430	2,189	90.1	-241						
Domestic total (1 to 6)		42	42	708.5	753.1	106.3	44.6	26,674	17,838	66.9	-8,836	2,167	2,196	101.3	3,902	4,045	103.7
7	Paperboard packaging & nonwoven products Subs	9	9	17.7	24.6	138.4	6.9	-323	332	-	655				279	308	110.4
8	Flexible packaging Subs	2	3	7.8	10.2	130.4	2.4	1,352	981	72.6	-371						
9	Heavy duty packaging Subs	3	86	5.9	48.3	823.8	42.4	47	2,636	5608.5	2,589						
Overseas total (7 to 9)		14	98	31.4	83.0	264.4	51.6	1,076	3,949	367.0	2,873	-	-	-	279	308	110.4
10	Companies subject to the equity method	9	15					1,656	6,272	378.7	4,616						
Intersegment eliminations				-194.4	-230.4	-	-36.0	-4,192	-4,891	-	-699						
Total		65	155	545.5	605.7	111.0	60.2	25,214	23,168	91.9	-2,046	2,167	2,196	101.3	4,181	4,353	104.1

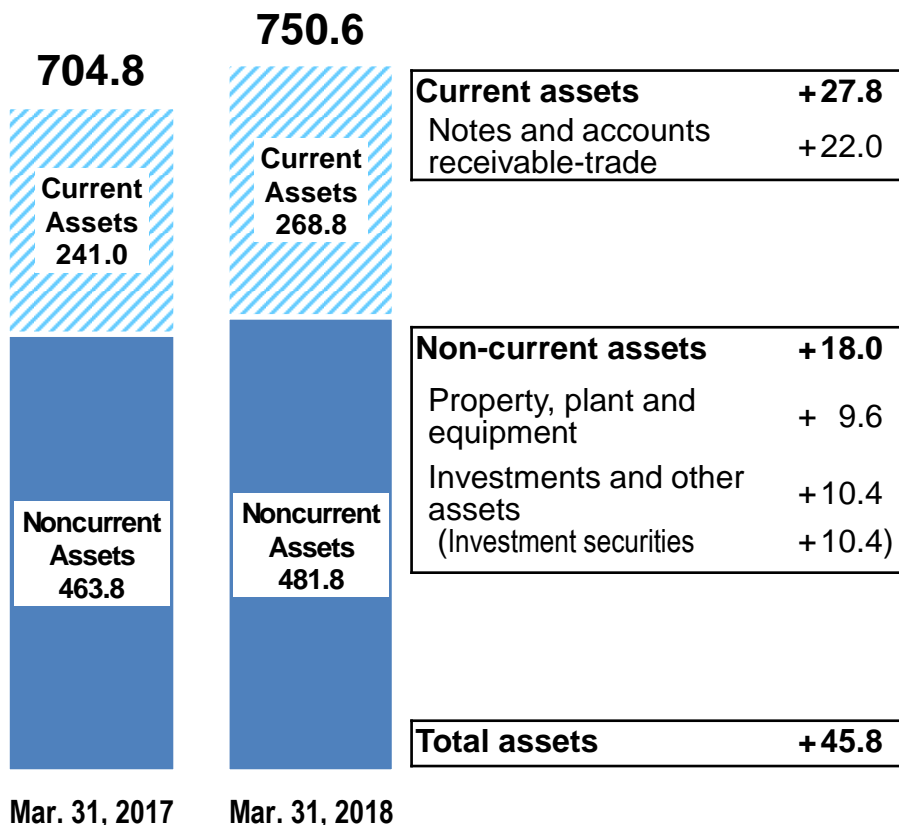
* Changes in subsidiaries and affiliates compared to the prior year are as follows.

- Sichuan Zhongjin Medicinal Packaging Co., Ltd. has been consolidated as an overseas flexible packaging subsidiary.
- 82 companies of the Tri-Wall Group and Shanghai Matai Trading Co., Ltd. have been consolidated as overseas heavy duty packaging subsidiaries.
- Six 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 29.3 billion yen, ordinary income of 1,982 million yen

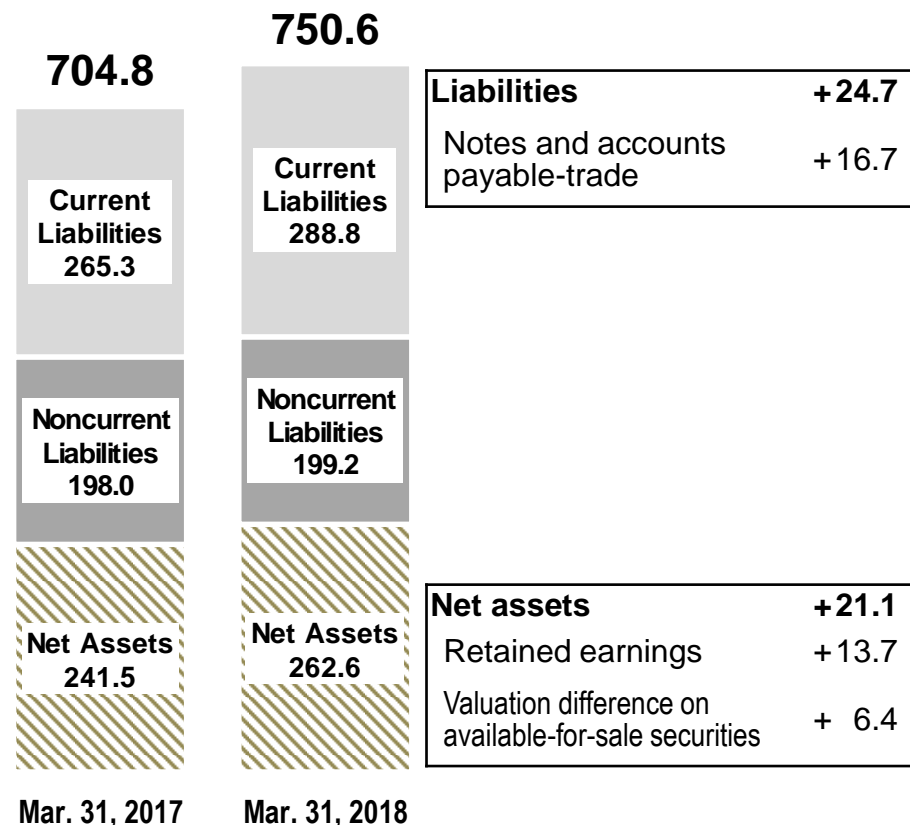
7. Consolidated Balance Sheet

Assets



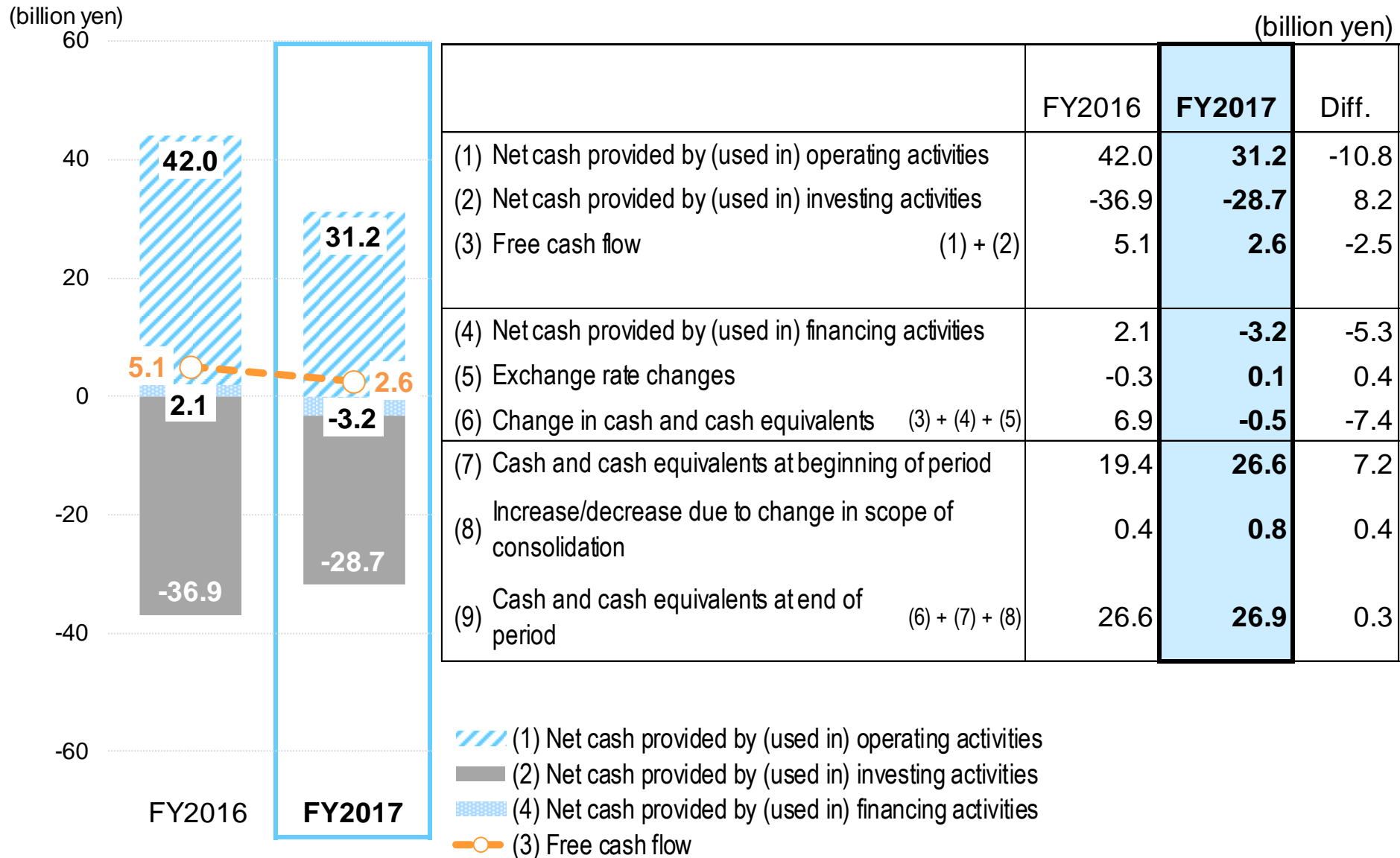
Liabilities & Net Assets

(billion yen)



	Mar. 31, 2017	Mar. 31, 2018	
Interest-bearing debt	¥283.4 bn	¥287.3 bn	(+3.9 billion yen)
Capital adequacy ratio	33.2 %	34.0 %	(+0.8 pts)
D/E Ratio	1.21 times	1.13 times	(-0.08 pts)
EBITDA	¥54.4 bn	¥49.6 bn	(-4.8 billion yen)

8. Consolidated Statement of Cash Flow



9. Consolidated Income Statement Forecast for FY2018 (Year-on-year)

(billion yen)

	FY2017	FY2018 Forecasts	YoY	Diff.
Net sales	605.7	650.0	107.3%	44.3
Operating income	17.1	30.0	175.6%	12.9
Ordinary income	23.2	32.0	138.1%	8.8
Extraordinary gain and loss	0.2	-1.3	-	-1.5
Profit attributable to owners of the parent	16.6	21.0	126.3%	4.4

Assumption for the forecast

Production volume (domestic) YOY

Containerboard	101.3%	101.2%
Corrugated board	103.7%	104.5%

Unit price (domestic)

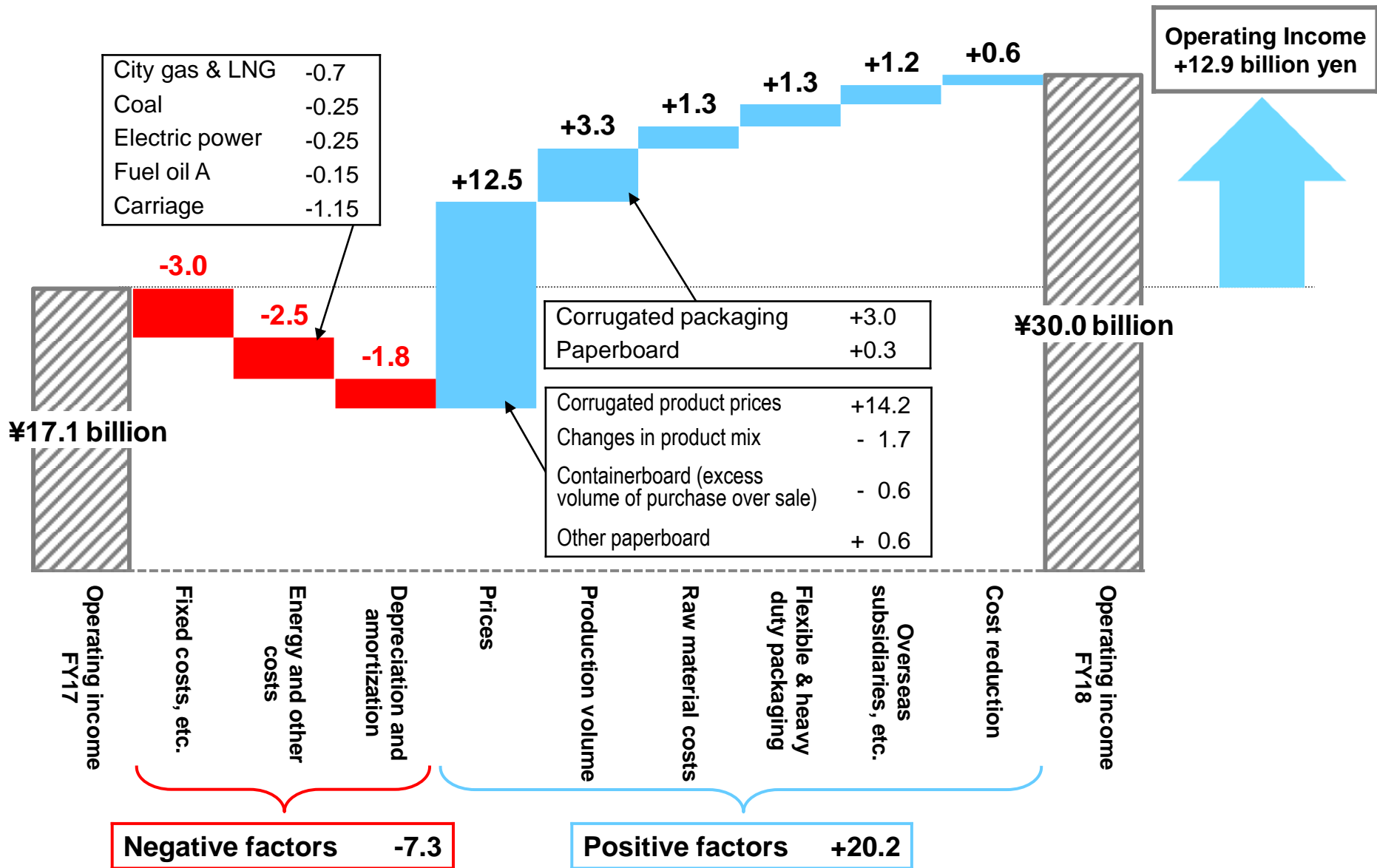
Containerboard	Revised in Aug. 2017
Corrugated board	Revised in Oct. 2017

FX rate*	111	108	yen/US\$
Crude oil price (Dubai)	56	65	US\$/bbl

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

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

(billion yen)



11. Major Financial Indicators

		(million yen)			
		FY2016	FY2017	FY2018 Forecast	
(1) Net sales		545,489	605,712	650,000	
(2) Operating Income		23,642	17,082	30,000	
(3) Ordinary Income		25,214	23,168	32,000	
(4) Profit attributable to owners of the parent		13,876	16,622	21,000	
(5) Total assets		704,826	750,636	782,000	
(6) Total shareholder's equity ^{*1}		234,242	255,015	273,000	
(7) Net assets		241,510	262,580	282,000	
(8) Interest-bearing debt		283,350	287,322	300,000	
(9) Capital expenditures		30,445	41,527	41,000	
(10) Depreciation and amortization		29,524	30,880	32,500	
*1 Total shareholders' equity = Net assets - non-controlling interests					
(11) Return on equity (ROE) ^{*2}	%	6.2	6.8	8.0	(4) / (6)
(12) Capital adequacy ratio	%	33.2	34.0	34.9	(6) / (5)
(13) EBITDA	million yen	54,372	49,616	63,800	(2)+(10)+Amortization of goodwill
(14) D/E Ratio	times	1.21	1.13	1.10	(8) / (6)
(15) Ratio of net sales to interest-bearing	%	51.9	47.4	46.2	(8) / (1)
(16) Ordinary income margin	%	4.6	3.8	4.9	(3) / (1)
*2 Calculated with the average of equity at the beginning and the end of the year					
Cash dividends applicable to the period	yen	12	12	12	

Rengo Co., Ltd.

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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.