

Consolidated Financial Results

2Q FY2021 (Apr.-Sept. 2021)

November 2, 2021

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1. Consolidated Statement of Income

(Year-on-year)

(billion yen)

	Apr.-Sept. 2020	Apr.-Sept. 2021	YoY	Diff.
Net sales	329.4	363.6	110.4%	34.2
Operating income	17.8	20.3	113.8%	2.5
Ordinary income	19.3	22.5	116.4%	3.2
Extraordinary gain and loss	-0.8	4.6	-	5.4
Profit attributable to owners of the parent	13.0	19.1	146.9%	6.1

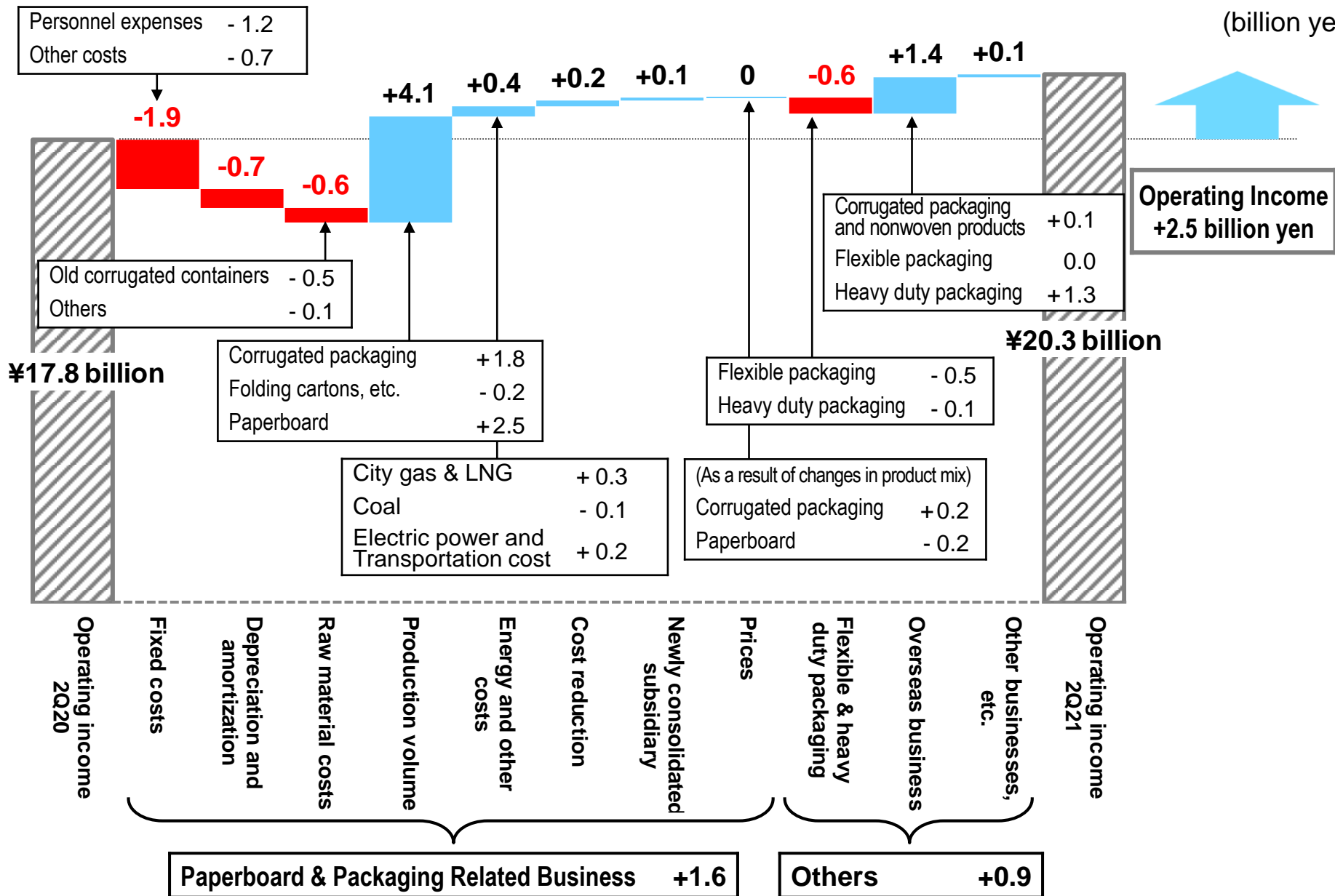
Main factors underlying extraordinary gain and loss

(billion yen)

	Apr.-Sept. 2020		Apr.-Sept. 2021
(Extraordinary gain)		(Extraordinary gain)	
Gain on sales of investment securities	0.1	Gain on sales of noncurrent assets	4.5
Insurance income	0.1	Gain on sales of investment securities	0.6
(Extraordinary loss)		(Extraordinary loss)	
Loss on sales/retirement of noncurrent assets	0.6	Environmental expenses	0.3
COVID-19 related expenses	0.2	Loss on sales/retirement of noncurrent assets	0.2
Loss on valuation of investment securities	0.1		
Plant renewal expenses	0.1		

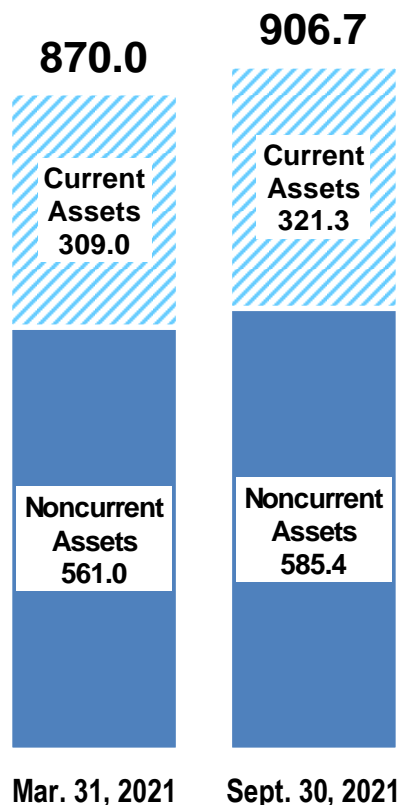
2. Breakdown of Changes in Consolidated Operating Income (Year-on-year)

(billion yen)



3. Consolidated Balance Sheet

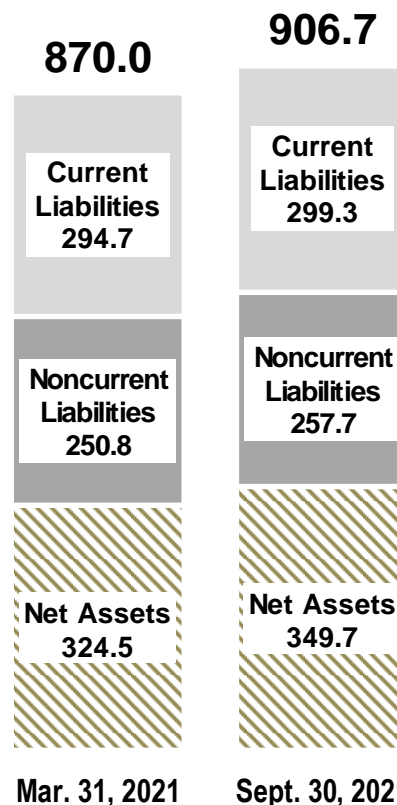
Assets



Current assets	+12.3
Cash and deposits	- 3.6
Notes and accounts receivable-trade	+ 7.8
Inventories	+ 7.8
Non-current assets	+24.4
Property, plant and equipment	+19.0
Intangible assets	+ 0.2
Investments and other assets (Investment securities)	+ 5.2 (+ 3.0)
Total assets	+36.7

Liabilities & Net Assets

(billion yen)



Liabilities	+ 11.5
Notes and accounts payable-trade	+ 6.1
Bonds payable	- 9.8
Long-term and short-term loans payable	+12.7
Net assets	+25.2
Retained earnings	+16.1
Valuation difference on available-for-sale securities	+ 1.7
Foreign currency translation adjustment	+ 7.0

	Mar. 31, 2021	Sept. 30, 2021	
Interest-bearing debt	¥330.6 bn	¥335.1 bn	(+4.5 billion yen)
Capital adequacy ratio	36.0 %	37.2 %	(+1.2 pts)
D/E Ratio	1.06 times	0.99 times	(-0.07 pts)

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

		Number of companies*		Net sales (billion yen)				Ordinary income (million yen)				Containerboard production (1,000 MT)			Corrugated board production (million sqm.)		
		2Q20	2Q21	2Q20	2Q21	YoY %	Diff.	2Q20	2Q21	YoY %	Diff.	2Q20	2Q21	YoY %	2Q20	2Q21	YoY %
1	Rengo (unconsolidated)	1	1	159.2	158.4	99.5	-0.8	12,066	13,015	107.9	949	865	941	108.8	1,068	1,069	100.1
2	Paper manufacturing subsidiaries	2	2	14.2	15.2	106.8	1.0	1,997	2,238	112.1	241	204	223	109.3			
3	Paperboard packaging subsidiaries	35	35	101.6	109.7	107.9	8.1	2,696	3,874	143.7	1,178				1,031	1,111	107.8
4	Flexible packaging subsidiaries	1	2	32.2	42.3	131.5	10.1	1,445	1,119	77.4	-326						
5	Heavy duty packaging subsidiaries	3	3	24.2	23.8	98.2	-0.4	1,601	1,535	95.9	-66						
6	Other subsidiaries	5	5	77.4	76.5	98.8	-0.9	1,138	1,361	119.6	223						
Domestic total (1 to 6)		47	48	408.9	425.8	104.2	16.9	20,943	23,142	110.5	2,199	1,069	1,163	108.8	2,098	2,180	103.9
7	Paperboard packaging & nonwoven products Subs.	9	9	9.3	11.8	127.5	2.5	132	371	281.1	239				131	148	113.0
8	Flexible packaging subsidiaries	3	3	5.8	7.5	130.8	1.7	641	674	105.1	33						
9	Heavy duty packaging subsidiaries	103	106	34.6	50.4	145.9	15.8	1,934	3,158	163.3	1,224						
Overseas total (7 to 9)		115	118	49.6	69.8	140.7	20.2	2,707	4,203	155.3	1,496	-	-	-	131	148	113.0
Simply aggregated (1 to 9)				458.5	495.6	108.1	37.1	23,650	27,345	115.6	3,695						
10	Companies subject to the equity method	16	16					1,357	1,465	108.0	108						
11	Intersegment eliminations			-129.1	-132.1	-	-3.0	-5,681	-6,306	-	-625						
Total (1 to 11)		178	182	329.4	363.6	110.4	34.2	19,326	22,504	116.4	3,178	1,069	1,163	108.8	2,229	2,327	104.4

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

- One company increased and one company decreased in the domestic paperboard packaging subsidiaries (an addition of Kinyosha Printing Co., Ltd. and a change of Tarutani Packaging Co., Ltd. to a domestic heavy duty packaging subsidiary due to a merger by Tarutani Industrial Packaging Corporation).
- One company increased in the domestic flexible packaging subsidiaries (Sun·Tox Co., Ltd., a former equity method affiliate).
- Three companies increased in the overseas heavy duty packaging subsidiaries (Tri-Wall Group subsidiaries).
- One company increased and one company decreased in the companies subject to the equity method (an addition of United Pulp and Paper Company Inc., and a change of Sun·Tox Co., Ltd. to a domestic flexible packaging subsidiary).
- One company is excluded from the above number of companies because its balance sheet has been only included in the current period (Taiko Paper Mfg., Ltd.).

RENGO co.,LTD.

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

Tel: +81-6-4706-9683 / 9648

Email: ir@rengo.co.jp

<https://www.rengo.co.jp/english/>

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.