

FY2021 (Apr. 2021-Mar. 2022)

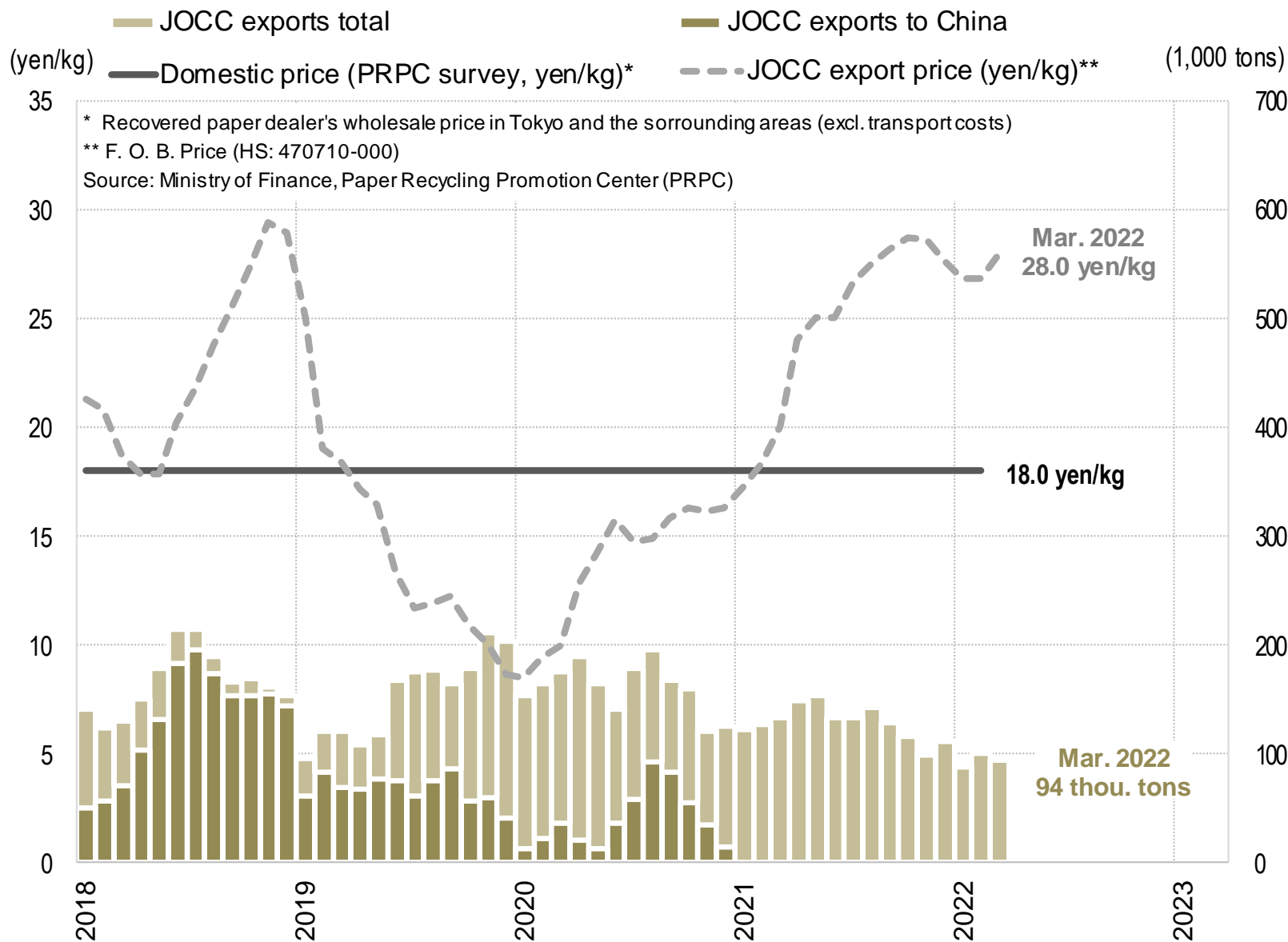
Earnings Presentation

May 27, 2022

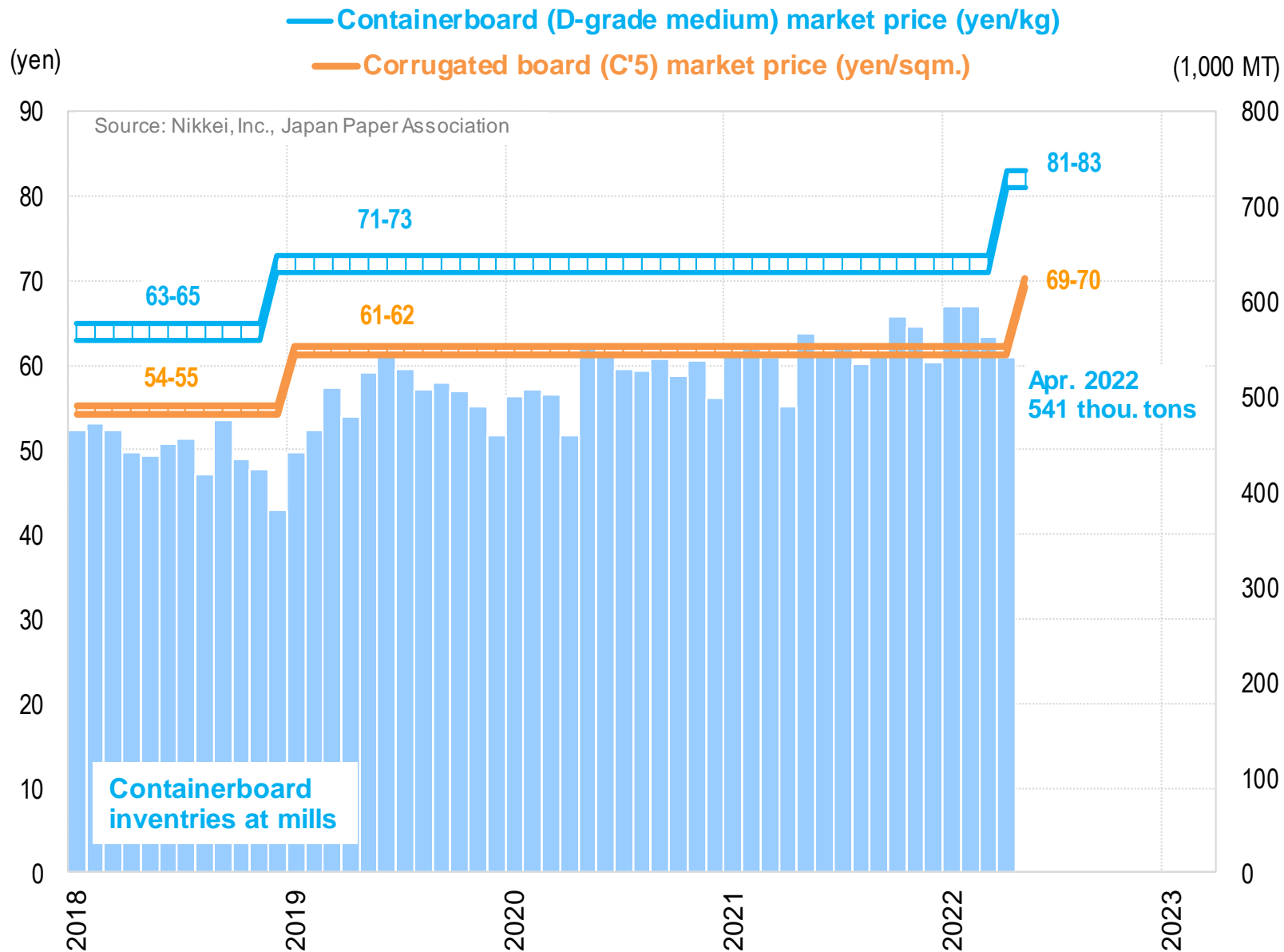
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1. Trends in Old Corrugated Containers (OCC)



2. Trends in Containerboard and Corrugated Board



3. Rengo Group's Measures in FY2021

Capital Investments	Overseas	Vina Kraft Paper Co., Ltd., decides to construct a new containerboard mill and expand production capacity in Vietnam (Sept. 2021)
	Distribution	Rengo opens Yodogawa Logistics Center (Fukushima-ku, Osaka-shi) (Aug. 2021) Rengo opens Yashio Second Logistics Center (Yashio-shi, Saitama Pref.) (Jan. 2022)
M & A	Paperboard	Rengo makes Taiko Paper Mfg., Ltd. (HQ: Fuji-shi, Shizuoka Pref.) into a wholly owned subsidiary (Sept. 2021)
	Corrugated Packaging	Rengo makes Hiropax Co., Ltd. (HQ: Takasaki-shi, Gunma Pref.) into a wholly owned subsidiary (Feb. 2022)
		Rengo makes Otsu Seikan Co., Ltd. (HQ: Otsu-shi, Shiga Pref.) into a wholly owned subsidiary (Mar. 2022)
	Flexible	Rengo acquires Takigawa Corporation (Mar. 2022)
	Overseas	
	Overseas	Thai Containers Group Co., Ltd. acquires shares from corrugated packaging manufacturers in Indonesia through its subsidiary (Aug. 2021)
	Machinery	Rengo makes Nagai Tekko Co., Ltd. (HQ: Amagasaki-shi, Hyogo Pref.) into a wholly owned subsidiary (Mar. 2022)

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

(billion yen)

	FY2020	FY2021	YoY	Diff.	FY2021 forecasted*	A/F	Diff.
Net sales	680.7	746.9	109.7%	66.2	745.0	100.3%	1.9
Operating income	39.9	33.3	83.3%	-6.6	34.0	97.9%	-0.7
Ordinary income	43.2	36.6	84.8%	-6.6	37.0	99.0%	-0.4
Extraordinary gain and loss	-2.0	4.8	-	6.8	-	-	-
Profit attributable to owners of the parent	28.6	28.2	98.6%	-0.4	28.0	100.7%	0.2

*Disclosed on February 2, 2022

Main factors underlying extraordinary gain and loss

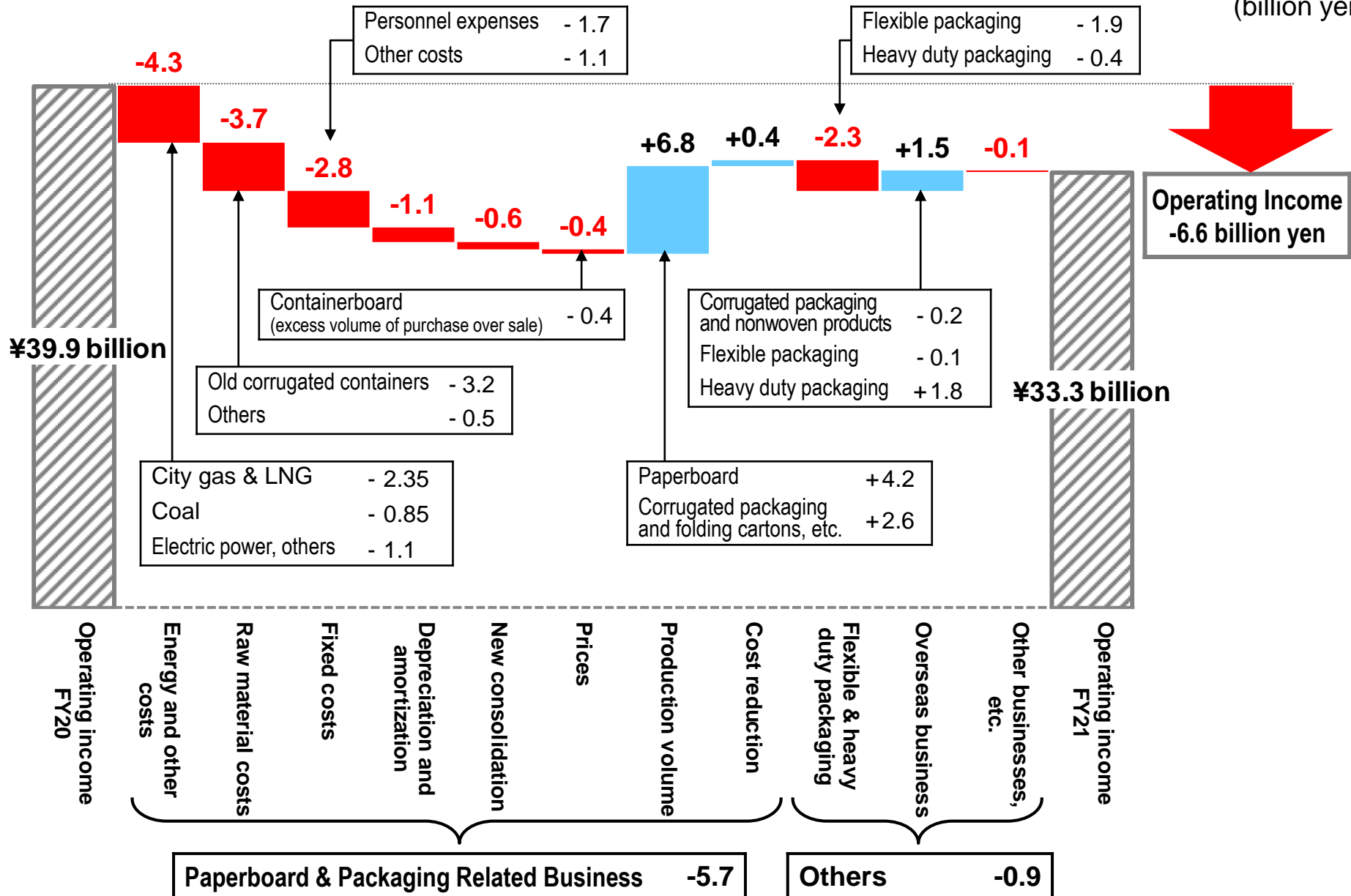
(billion yen)

	FY2020
(Extraordinary gain)	
Gain on sales of investment securities	0.7
Subsidy income	0.3
Insurance income	0.1
(Extraordinary loss)	
Loss on sales/retirement of noncurrent assets	1.3
Provision for loss on liquidation of subsidiaries and associates	0.5
Loss on reduction of noncurrent assets	0.3
Plant renewal expenses	0.3
COVID-19 related expenses	0.2

	FY2021
(Extraordinary gain)	
Gain on sales of noncurrent assets	4.6
Gain on sales of investment securities	2.2
Insurance income	1.1
Subsidy income	0.9
(Extraordinary loss)	
Loss on reduction of noncurrent assets	0.9
Loss on disaster	0.7
Loss on sales of investment securities	0.6
Loss on sales/retirement of noncurrent assets	0.6
COVID-19 related expenses	0.3

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

(billion yen)



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

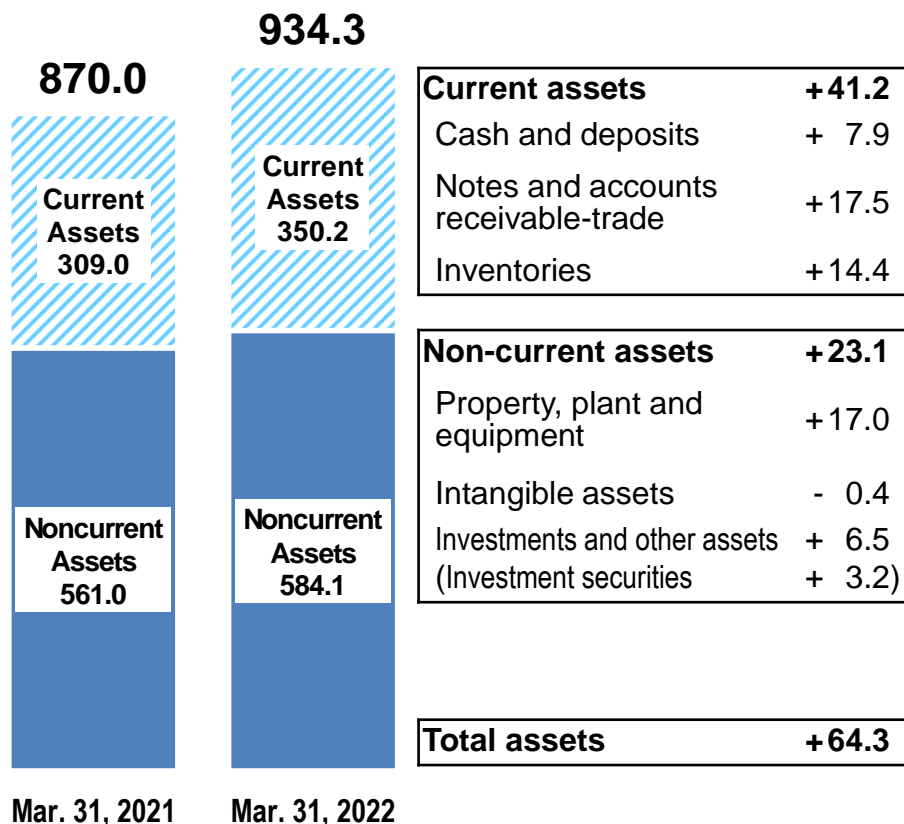
		Number of companies*		Net sales (billion yen)				Ordinary income (million yen)				Containerboard production (1,000 MT)			Corrugated board production (million sqm.)		
		FY20	FY21	FY20	FY21	YoY %	Diff.	FY20	FY21	YoY %	Diff.	FY20	FY21	YoY %	FY20	FY21	YoY %
1	Rengo (unconsolidated)	1	1	321.3	317.9	99.0	-3.4	22,593	18,509	81.9	-4,084	1,783	1,905	106.8	2,088	2,098	100.5
2	Paper manufacturing subsidiaries	2	3	28.9	35.8	124.0	6.9	3,805	2,894	76.1	-911	392	421	107.4			
3	Paperboard packaging subsidiaries	34	35	210.4	222.1	105.6	11.7	6,331	6,230	98.4	-101				2,147	2,259	105.2
4	Flexible packaging subsidiaries	2	2	73.6	86.9	118.0	13.3	3,258	1,707	52.4	-1,551						
5	Heavy duty packaging subsidiaries	3	3	48.4	48.1	99.5	-0.3	2,921	2,479	84.9	-442						
6	Other subsidiaries	5	5	158.4	157.7	99.5	-0.7	2,654	2,639	99.4	-15						
Domestic total (1 to 6)		47	49	841.0	868.6	103.3	27.6	41,562	34,458	82.9	-7,104	2,174	2,326	107.0	4,235	4,356	102.9
7	Paperboard packaging & nonwoven products Subs.	9	9	20.2	25.8	127.3	5.6	622	646	103.9	24				279	304	109.0
8	Flexible packaging subsidiaries	3	3	11.7	15.4	131.0	3.7	1,205	1,159	96.2	-46						
9	Heavy duty packaging subsidiaries	106	107	75.4	109.4	145.0	34.0	6,713	7,954	118.5	1,241						
Overseas total (7 to 9)		118	119	107.4	150.5	140.1	43.1	8,540	9,759	114.3	1,219	-	-	-	279	304	109.0
Simply aggregated (1 to 9)				948.4	1,019.1	107.5	70.7	50,102	44,217	88.3	-5,885						
10	Companies subject to the equity method	16	16					2,632	2,274	86.4	-358						
11	Intersegment eliminations			-267.7	-272.2	-	-4.5	-9,534	-9,850	-	-316						
Total (1 to 11)		181	184	680.7	746.9	109.7	66.2	43,200	36,641	84.8	-6,559	2,174	2,326	107.0	4,514	4,661	103.3

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

- One company increased in the domestic paper manufacturing subsidiaries (Taiko Paper Mfg., Ltd.).
- One company increased in the domestic paperboard packaging subsidiaries (Kinyosha Printing Co., Ltd.).
- One company increased in the overseas heavy duty packaging subsidiaries (Tri-Wall Group subsidiaries).

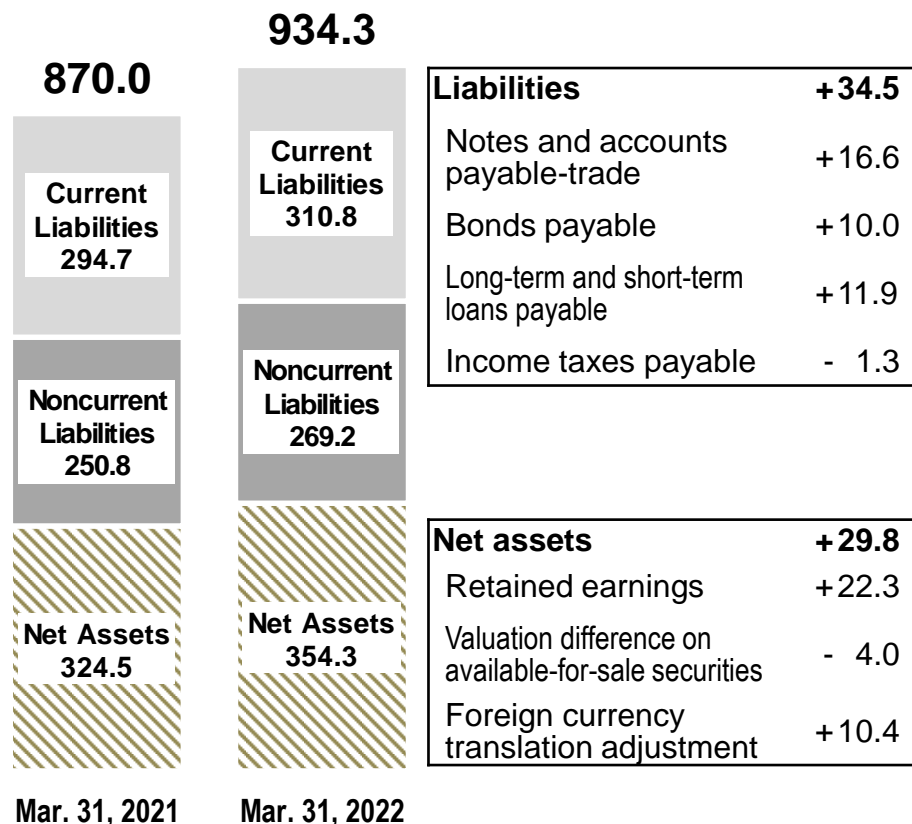
7. Consolidated Balance Sheet

Assets



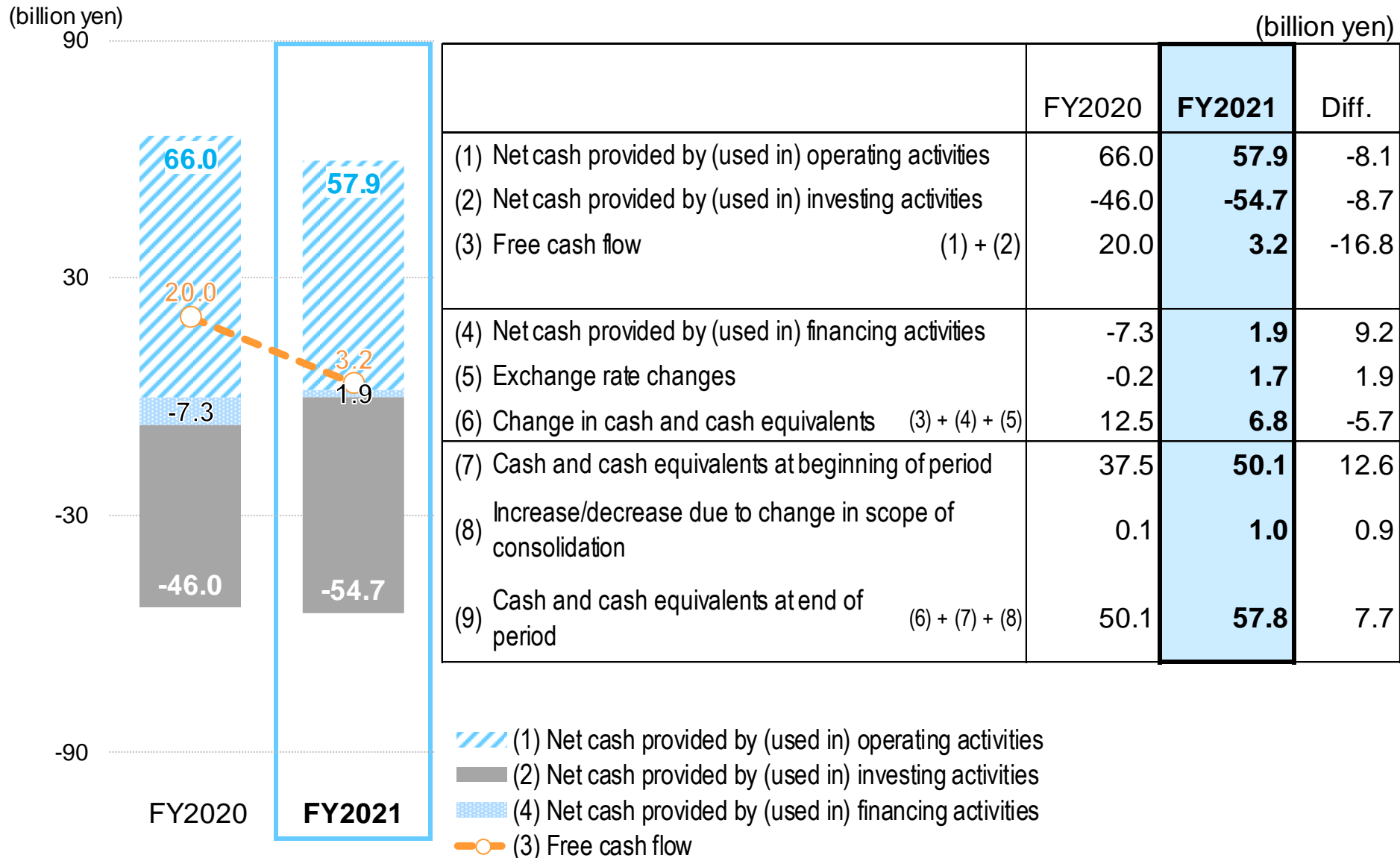
Liabilities & Net Assets

(billion yen)



	Mar. 31, 2021	Mar. 31, 2022	
Interest-bearing debt	¥330.6 bn	¥353.4 bn	(+22.8 billion yen)
Capital adequacy ratio	36.0 %	36.6 %	(+0.6 pts)
D/E Ratio	1.06 times	1.03 times	(-0.03 pts)
EBITDA	¥80.0 bn	¥77.2 bn	(-2.8 billion yen)

8. Consolidated Statement of Cash Flow



9. Consolidated Income Statement Forecast for FY2022 (Year-on-year)

(billion yen)

	FY2021	FY2022 Forecasts	YoY	Diff.
Net sales	746.9	850.0	113.8%	103.1
Operating income	33.3	35.0	105.2%	1.7
Ordinary income	36.6	38.0	103.7%	1.4
Profit attributable to owners of the parent	28.2	26.0	92.2%	-2.2

Assumption for the forecast

Production volume (domestic) YoY

Containerboard	107.0%	102.2%
Corrugated board	102.9%	103.4%

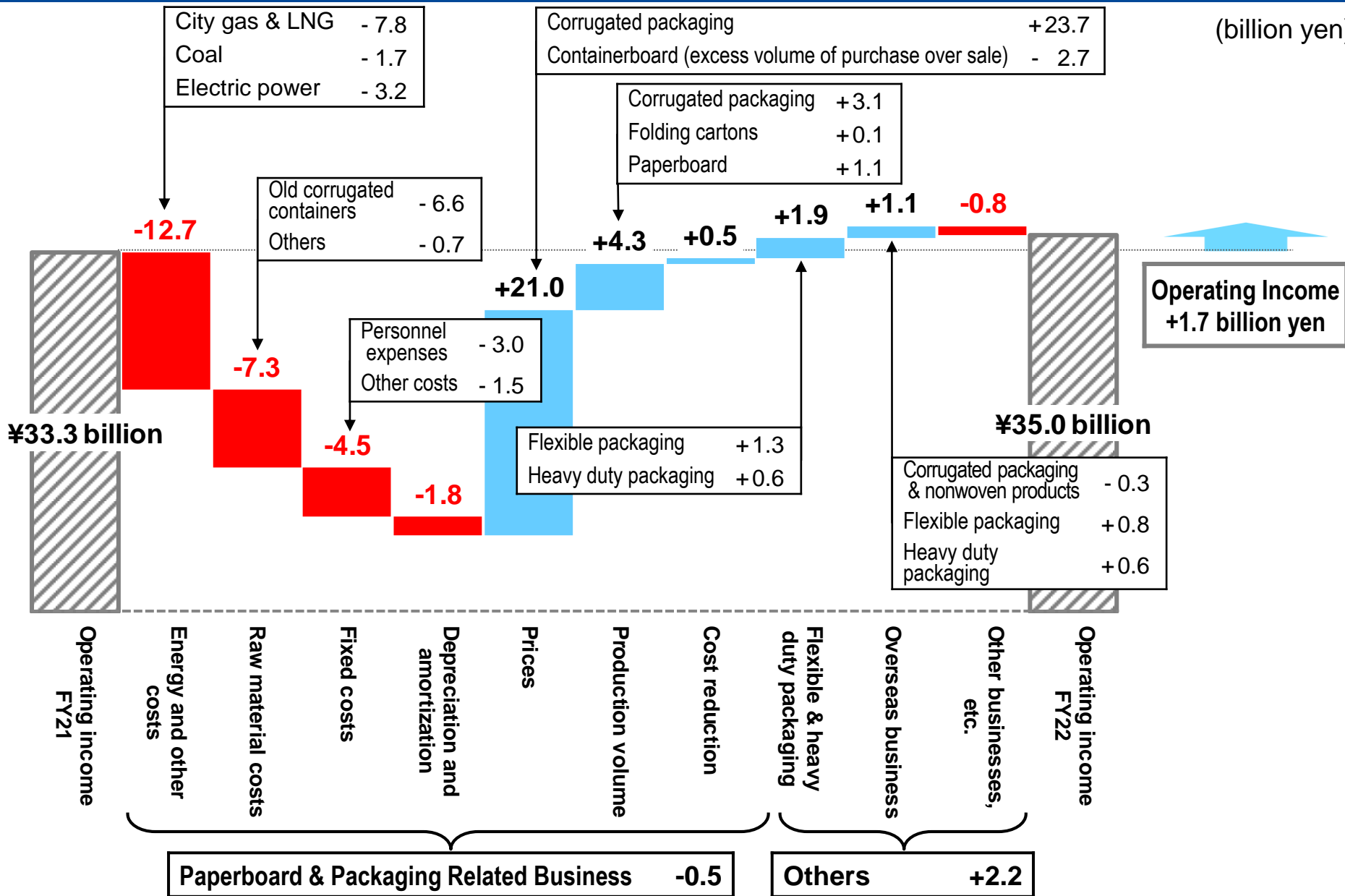
FX rate*	112	128	yen/US\$
Crude oil price (Dubai)	78	110	US\$/bbl

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

The forecast of the financial results described in this material is based on the information currently available.
The figures indicated above do not constitute a guarantee of future performance.

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

(billion yen)



11. Major Financial Indicators

				(million yen)		
		FY2020	FY2021	FY2022 Forecast		
(1)	Net sales	680,714	746,926	850,000		
(2)	Operating Income	39,938	33,279	35,000		
(3)	Ordinary Income	43,200	36,641	38,000		
(4)	Profit attributable to owners of the parent	28,599	28,188	26,000		
(5)	Total assets	869,992	934,345	1,023,000		
(6)	Total shareholders' equity ^{*1}	313,326	341,909	362,000		
(7)	Net assets	324,463	354,289	375,000		
(8)	Interest-bearing debt	330,645	353,415	390,000		
(9)	Capital expenditures	47,143	49,509	64,000		
(10)	Depreciation and amortization	38,114	41,723	45,000		
*1 Total shareholders' equity = Net assets - non-controlling interests						
(11)	Return on equity (ROE) ^{*2}	%	9.7	8.6	7.4	(4) / (6)
(12)	Capital adequacy ratio	%	36.0	36.6	35.4	(6) / (5)
(13)	EBITDA	million yen	80,014	77,193	82,800	(2)+(10)+Amortization of goodwill
(14)	D/E Ratio	times	1.06	1.03	1.08	(8) / (6)
(15)	Ratio of net sales to interest-bearing debt	%	48.6	47.3	45.9	(8) / (1)
(16)	Ordinary income margin	%	6.3	4.9	4.5	(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	24	24	24	

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.

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