

2Q FY2022 (Apr.-Sept. 2022)

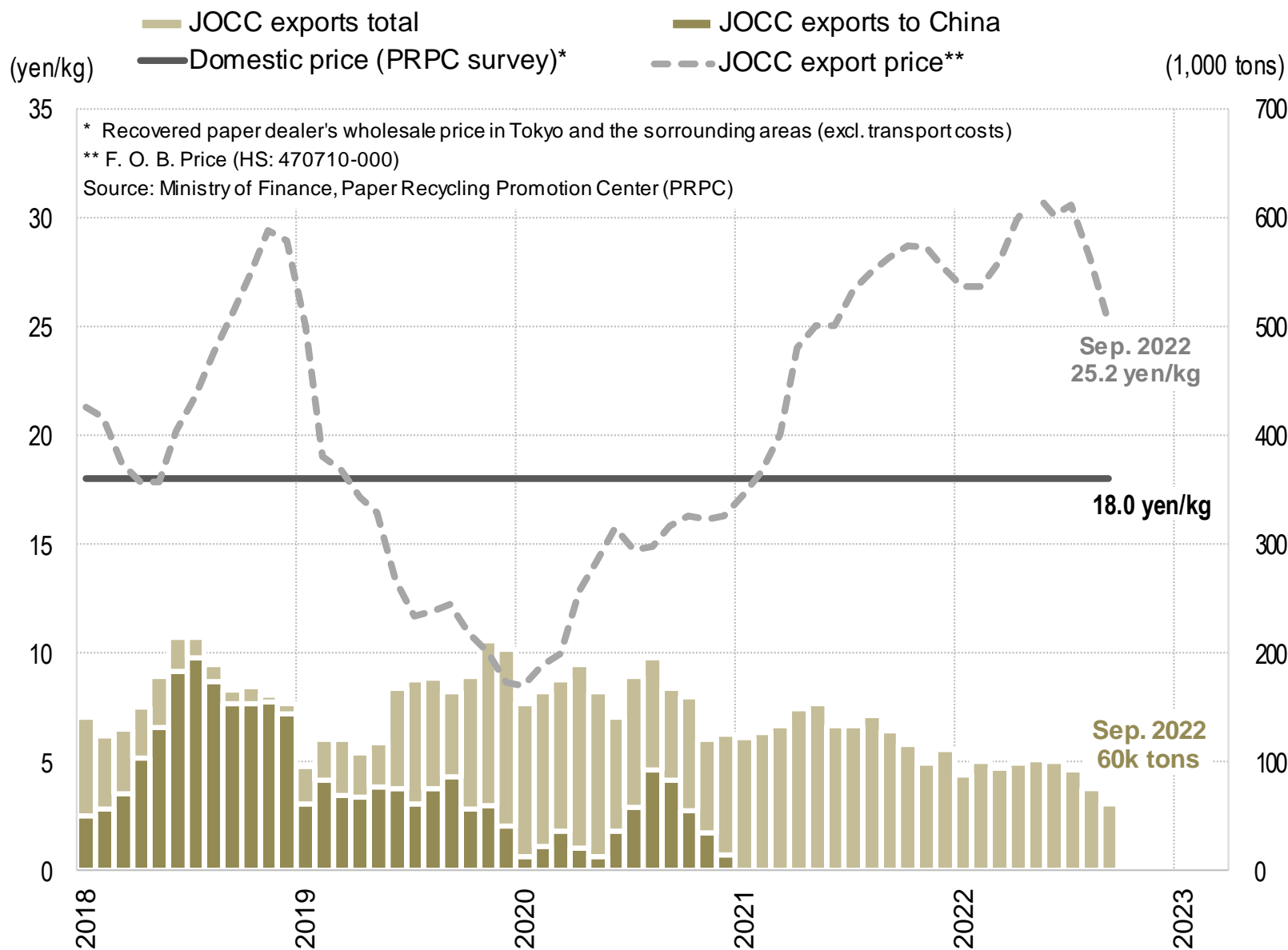
Earnings Presentation

November 8, 2022

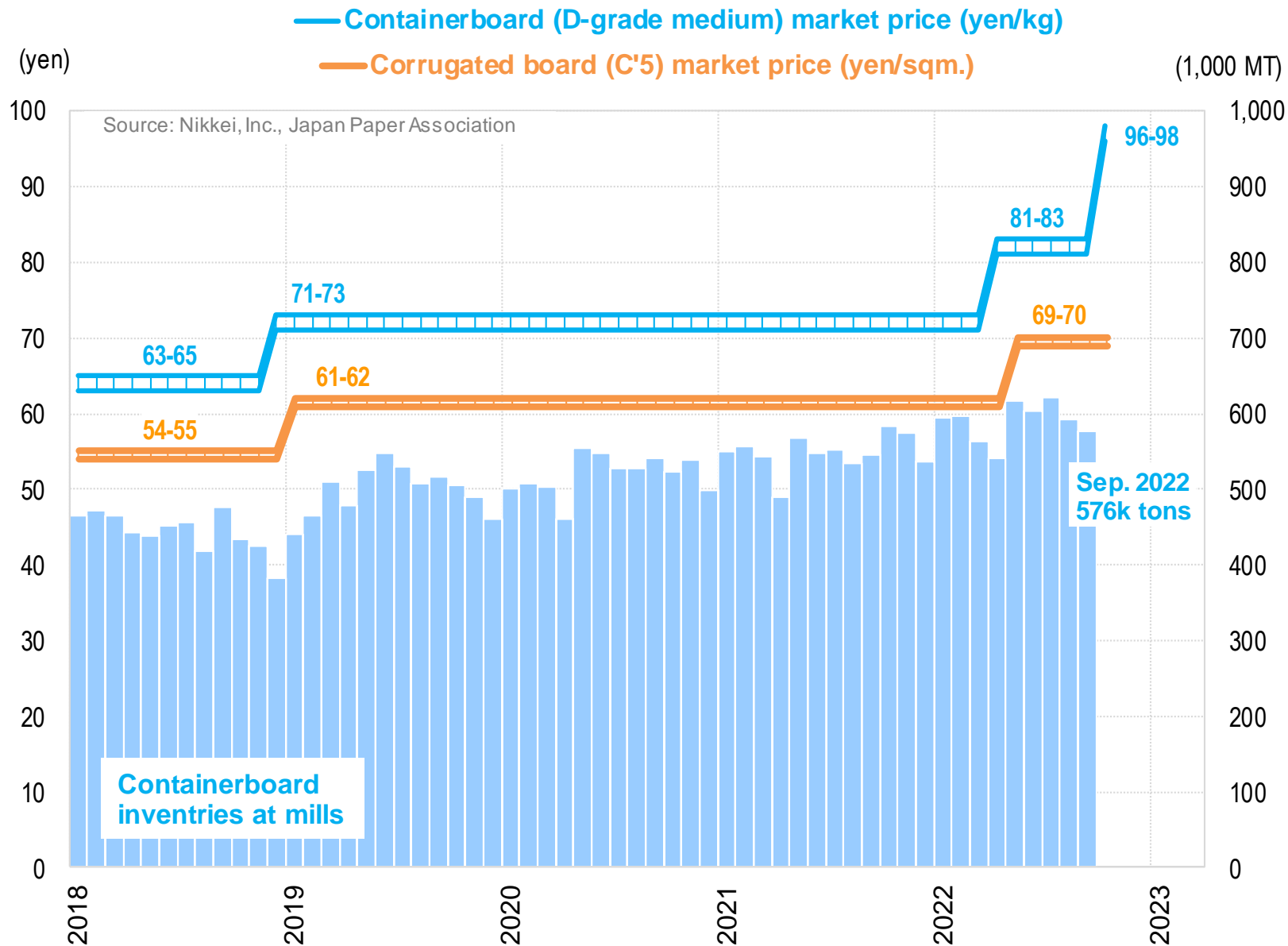
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1. Trends in Old Corrugated Containers (OCC)



2. Trends in Containerboard and Corrugated Board



3. Consolidated Operating Results (Year-on-year)

(billion yen)

	Apr.-Sept. 2021	Apr.-Sept. 2022	YoY	Diff.
Net sales	363.6	413.5	113.7%	49.9
Operating profit	20.3	15.5	76.5%	-4.8
Ordinary profit	22.5	17.8	79.3%	-4.7
Extraordinary gain and loss	4.6	0.4	8.8%	-4.2
Profit attributable to owners of parent	19.1	12.0	63.1%	-7.1

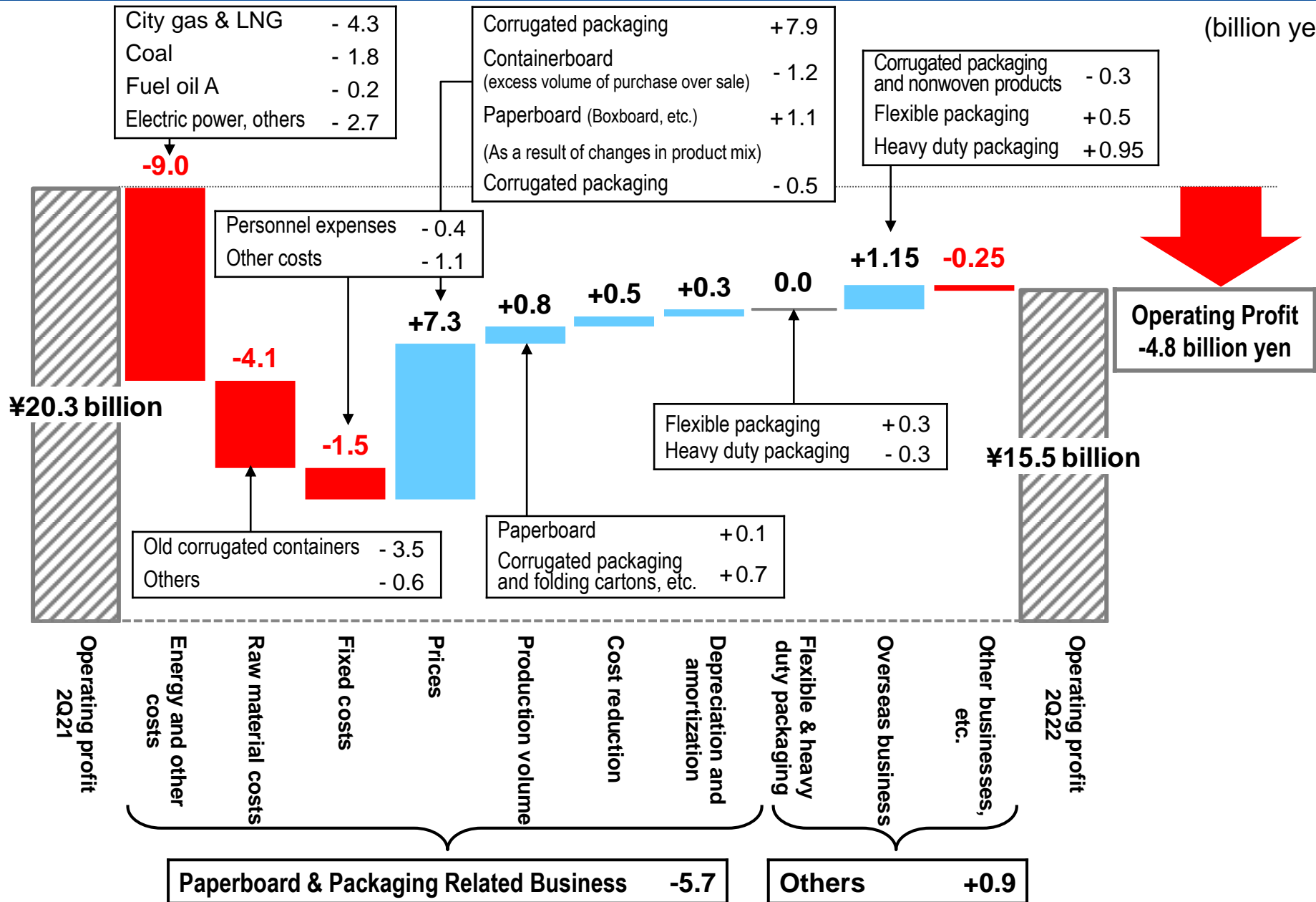
Main factors underlying extraordinary gain and loss

(billion yen)

	Apr.-Sept. 2021		Apr.-Sept. 2022
(Extraordinary gain)		(Extraordinary gain)	
Gain on sales of noncurrent assets	4.5	Compensation income	3.3
Gain on sales of investment securities	0.6	Gain on sales of investment securities	0.8
(Extraordinary loss)		(Extraordinary loss)	
Environmental expenses	0.3	Loss on reduction of noncurrent assets	2.0
Loss on sales/retirement of noncurrent assets	0.2	Impairment loss	0.5
		Loss on disaster	0.4

4. Breakdown of Changes in Consolidated Operating Profit (Year-on-year)

(billion yen)



5. Consolidated Performance Results at a Glance

(Year-on-year)

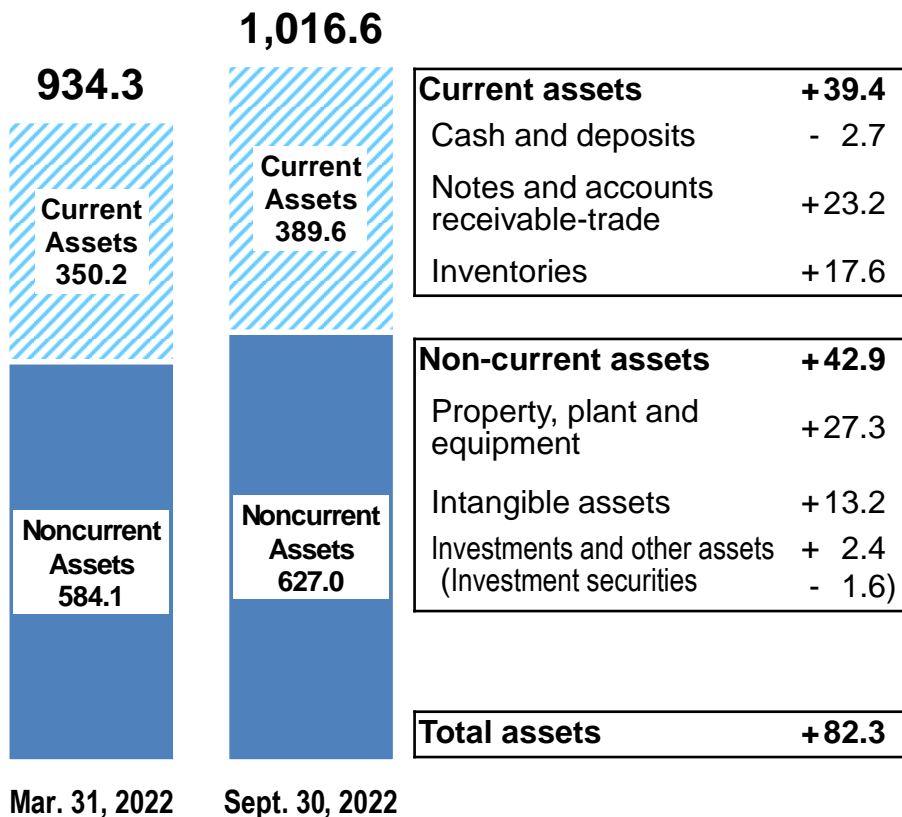
		Number of companies*		Net sales (billion yen)				Ordinary profit (million yen)				Containerboard production (1,000 MT)			Corrugated board production (million sqm.)		
		2Q21	2Q22	2Q21	2Q22	YoY %	Diff.	2Q21	2Q22	YoY %	Diff.	2Q21	2Q22	YoY %	2Q21	2Q22	YoY %
1	Rengo (unconsolidated)	1	1	158.4	170.6	107.7	12.2	13,015	9,608	73.8	-3,407	941	952	101.2	1,069	1,100	102.9
2	Paper manufacturing subsidiaries	2	3	15.2	22.8	150.2	7.6	2,238	1,261	56.3	-977	223	217	97.3			
3	Paperboard packaging subsidiaries	35	36	109.7	115.8	105.6	6.1	3,874	2,395	61.8	-1,479				1,111	1,106	99.5
4	Flexible packaging subsidiaries	2	5	42.3	54.5	128.7	12.2	1,119	2,506	223.9	1,387						
5	Heavy duty packaging subsidiaries	3	3	23.8	25.5	107.2	1.7	1,535	1,219	79.4	-316						
6	Other subsidiaries	5	5	76.5	92.9	121.5	16.4	1,361	1,240	91.1	-121						
Domestic total (1 to 6)		48	53	425.8	482.1	113.2	56.3	23,142	18,229	78.8	-4,913	1,163	1,169	100.5	2,180	2,205	101.1
7	Paperboard packaging & nonwoven products Subs.	9	9	11.8	12.8	108.1	1.0	371	214	57.7	-157				148	121	81.8
8	Flexible packaging subsidiaries	3	6	7.5	14.0	185.7	6.5	674	1,245	184.7	571						
9	Heavy duty packaging subsidiaries	106	106	50.4	68.1	135.1	17.7	3,158	4,245	134.4	1,087						
Overseas total (7 to 9)		118	121	69.8	94.9	136.0	25.1	4,203	5,704	135.7	1,501	-	-	-	148	121	81.8
Simply aggregated (1 to 9)				495.6	577.0	116.4	81.4	27,345	23,933	87.5	-3,412						
10	Companies subject to the equity method	16	16					1,465	797	54.4	-668						
11	Intersegment eliminations			-132.1	-163.5	-	-31.4	-6,306	-6,881	-	-575						
Total (1 to 11)		182	190	363.6	413.5	113.7	49.9	22,504	17,849	79.3	-4,655	1,163	1,169	100.5	2,327	2,327	100.0

* 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 (Hiropax Co., Ltd.).
- Three companies increased in the domestic flexible packaging subsidiaries (Takigawa Corporation Japan, Converting Technologies Co., Ltd. and Nissio Gravure Co., Ltd.).
- Three companies increased in the overseas flexible packaging subsidiaries (Takigawa Corporation Singapore Pte. Ltd., Takigawa Corporation America and Takigawa Corporation Vietnam).
- Six companies including Rengo Europe GmbH and TRICOR Packaging Systems GmbH are excluded from the above companies because their balance sheets have been only consolidated in the current period.

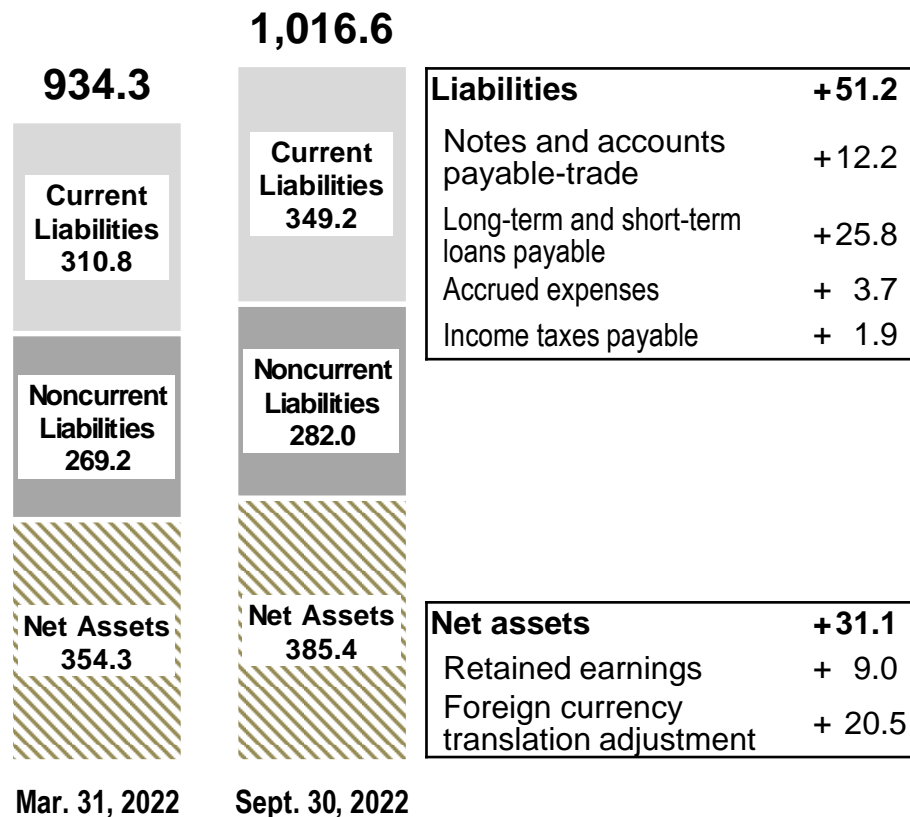
6. Consolidated Balance Sheet

Assets



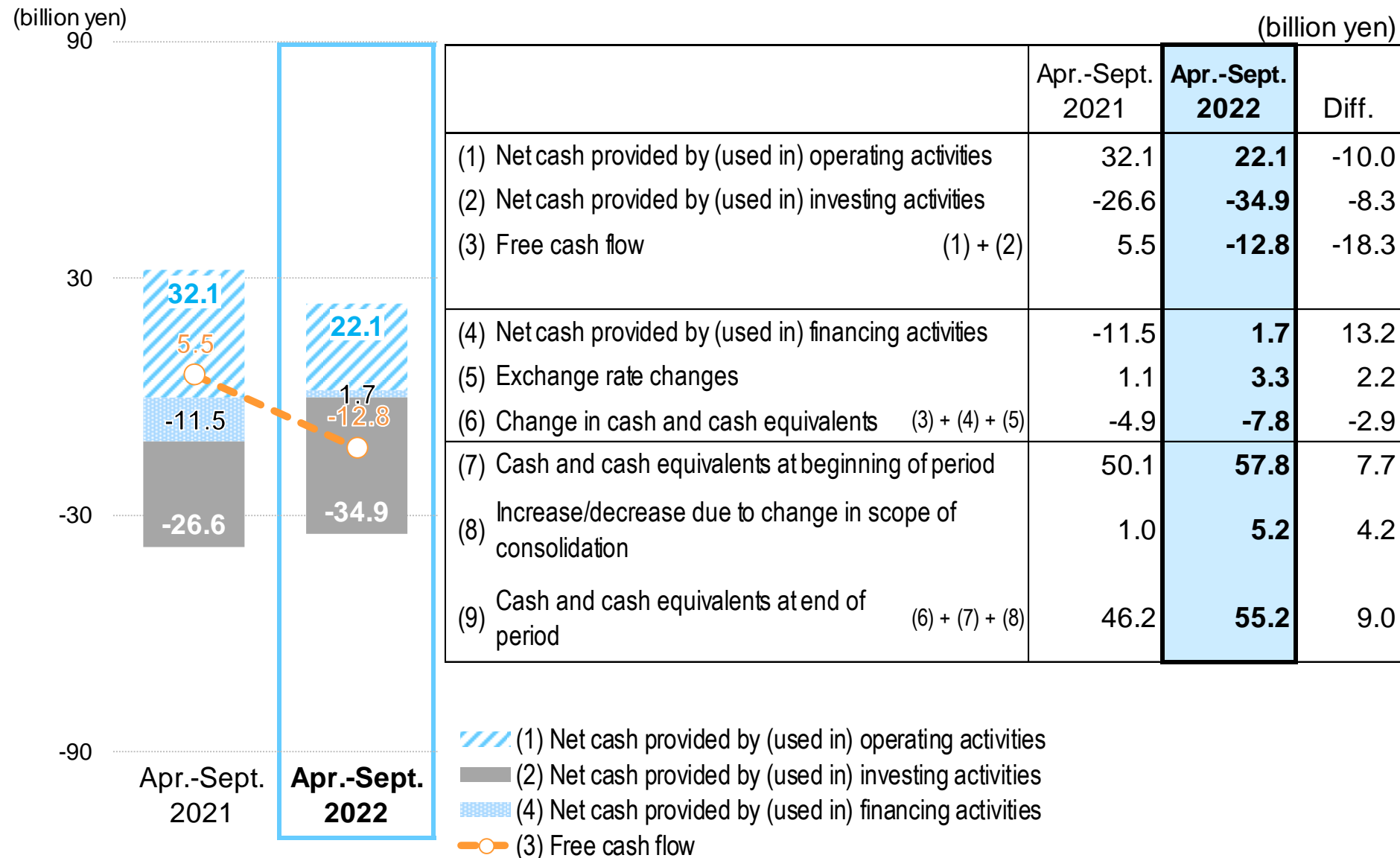
Liabilities & Net Assets

(billion yen)



	Mar. 31, 2022	Sept. 30, 2022	
Interest-bearing debt	¥353.4 bn	¥380.7 bn	(+27.3 billion yen)
Shareholders' Equity ratio	36.6 %	36.6 %	-
D/E Ratio	1.03 times	1.02 times	(-0.01 pts)

7. Consolidated Statement of Cash Flow



8. Consolidated Financial Forecast for FY2022 (Year-on-year)

(billion yen)

	2Q22 Forecast	2Q22 Results	YoY
Net sales	414.0	413.5	-0.5
Operating profit	18.0	15.5	-2.5
Ordinary profit	20.0	17.8	-2.2
Profit attributable to owners of parent	14.0	12.0	-2.0

FY2022 Forecast	YoY	Diff.
850.0	113.8%	103.1
35.0	105.2%	1.7
38.0	103.7%	1.4
26.0	92.2%	-2.2

9. Major Financial Indicators

		(million yen)		
		FY2021	2Q22	
(1) Net sales		746,926	413,506	
(2) Operating profit		33,279	15,528	
(3) Ordinary profit		36,641	17,849	
(4) Profit attributable to owners of parent		28,188	12,041	
(5) Total assets		934,345	1,016,584	
(6) Total shareholders' equity ^{*1}		341,909	372,256	
(7) Net assets		354,289	385,384	
(8) Interest-bearing debt		353,415	380,691	
(9) Capital expenditures		49,509	24,124	
(10) Depreciation and amortization		41,723	20,924	
*1 Total shareholders' equity = Net assets - non-controlling interests				
(11) Return on equity (ROE) ^{*2}	%	8.6	-	(4) / (6)
(12) Shareholders' Equity ratio	%	36.6	36.6	(6) / (5)
(13) EBITDA	million yen	77,193	-	(2)+(10)+Amortization of goodwill
(14) D/E Ratio	times	1.03	1.02	(8) / (6)
(15) Ratio of net sales to interest-bearing debt	%	47.3	-	(8) / (1)
(16) Ordinary profit margin	%	4.9	4.3	(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	12	Annual plan for FY2022: 24 yen

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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