



Consolidated Financial Results
for the 1st quarter of the year ending March 2026

August 5, 2025

Rengo Co., Ltd.
(TSE: 3941)

Consolidated financial results

for the 1st quarter of the year ending March 2026

Basic Policy on Selection of Accounting Standards

- The Rengo Group applies Japanese accounting standards.
- We will address the application of International Financial Reporting Standards (IFRS) appropriately after taking into consideration various circumstances in Japan and abroad.

1. Overview of financial performance and business environment

Consolidated income statement

(billion yen)

	Apr.-June 2024	Apr.-June 2025	Y/Y (%)	Diff.
Net sales	244.5	249.4	102.0	+ 4.9
Operating profit	12.1	10.4	85.6	- 1.7
Ordinary profit	13.3	10.5	79.1	- 2.8
Extraordinary gain/loss	4.8	-0.1	-	- 4.9
Profit attributable to owners of parent	14.0	6.0	42.9	- 8.0

Overview of business performance

- Revenue increased due to the impact of product price revisions implemented last year.
- Operating profit, ordinary profit, and quarterly net profit attributable to owners of parent decreased due to the rise in fixed costs and logistics expenses.

Main factors underlying extraordinary gain and loss

(billion yen)

	Apr.-June 2024	Apr.-June 2025
(Extraordinary gain)		
Gain on bargain purchase	5.4	
(Extraordinary loss)		
Loss on disaster	0.3	
Loss on sales/retirement of noncurrent assets	0.3	0.1

2. Segment performance summary

Net sales and operating profit by segment

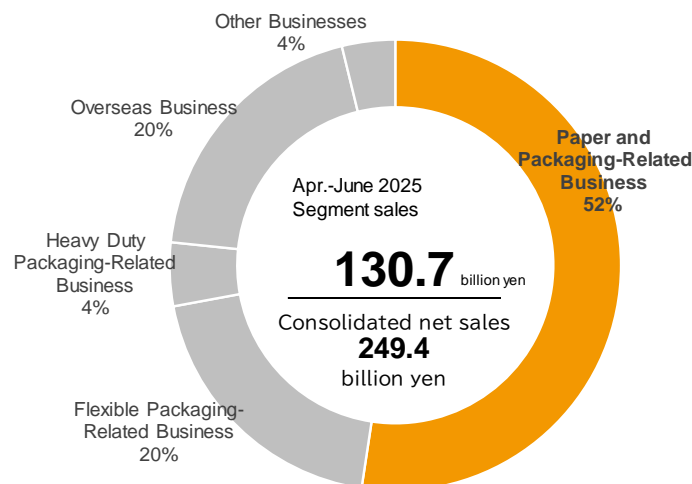
(billion yen)

	Net Sales				Operating profit			
	Apr.-June 2024	Apr.-June 2025	Y/Y (%)	Diff.	Apr.-June 2024	Apr.-June 2025	Y/Y (%)	Diff.
Paper and Packaging-Related Business	129.0	130.7	101.3	+ 1.7	8.1	6.9	85.8	- 1.1
Flexible Packaging-Related Business	44.6	49.1	110.1	+ 4.5	1.0	2.7	265.4	+ 1.7
Heavy Duty Packaging-Related Business	11.1	11.3	101.9	+ 0.2	0.5	0.5	99.8	- 0.0
Overseas Business	51.1	48.8	95.5	- 2.3	2.1	-0.1	-	- 2.2
Other Businesses	8.7	9.5	108.2	+ 0.8	0.4	0.4	82.3	+ 0.0
Consolidated total	244.5	249.4	102.0	+ 4.9	12.1	10.4	85.6	- 1.7

*Includes inter-segment transaction eliminations in consolidation adjustments. Due to rounding differences, "Diff." figures may not match the calculated values.

3. Overview of Paperboard and Packaging-Related Business

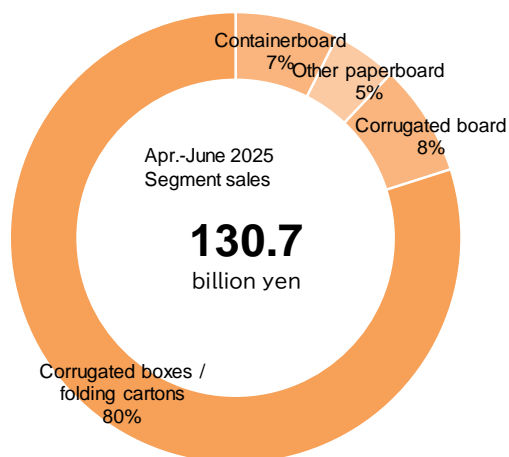
Segment sales composition ratio of total consolidated sales



Business environment

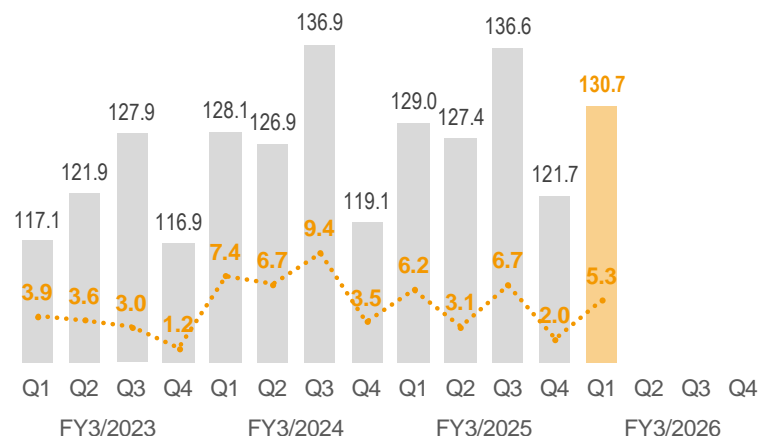
- Net sales increased, supported by product price revisions.
- Profits decreased due to the rise in fixed costs and logistics expenses.

Net sales breakdown by product



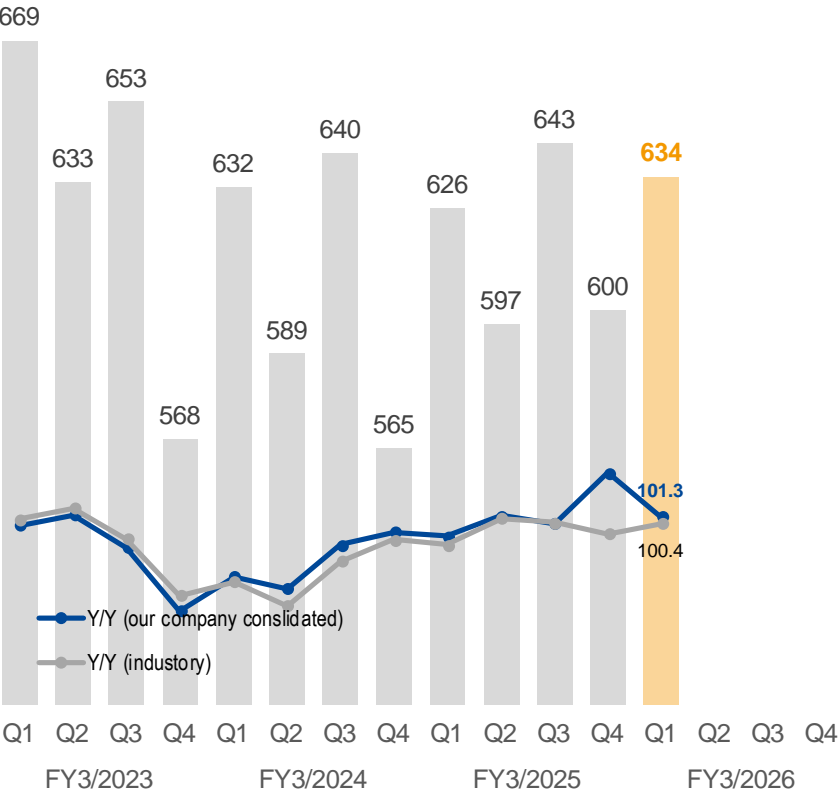
Sales and profit margins of Paperboard and Packaging-Related Business

billion yen, %



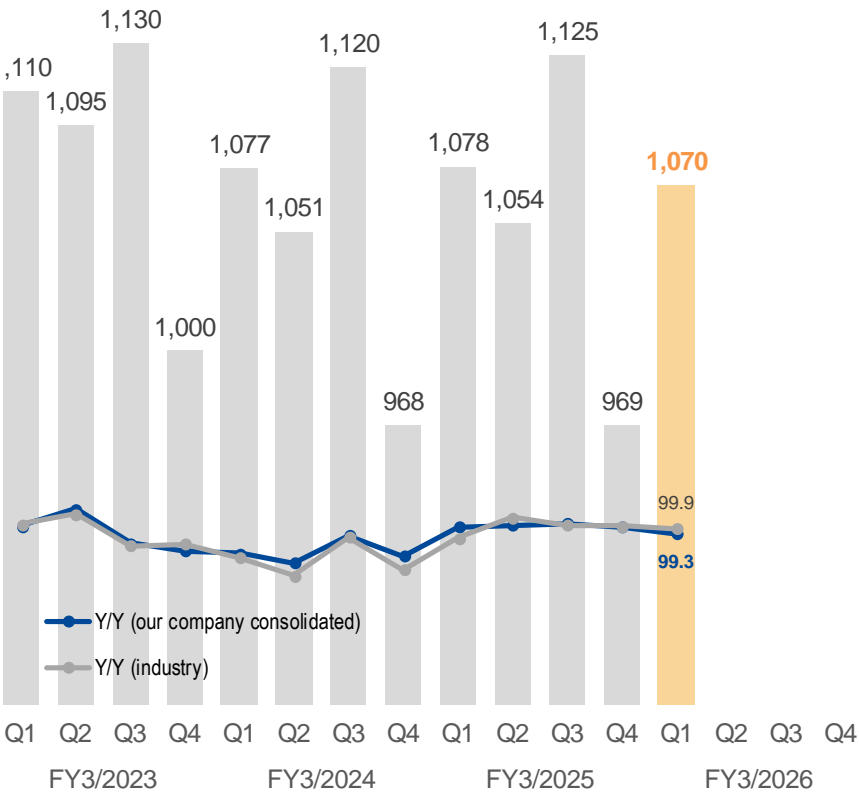
4. Paperboard and corrugated production volume

Trends in paperboard production, domestic consolidated thousand tons, %



Source (Industry): Japan Paper Association

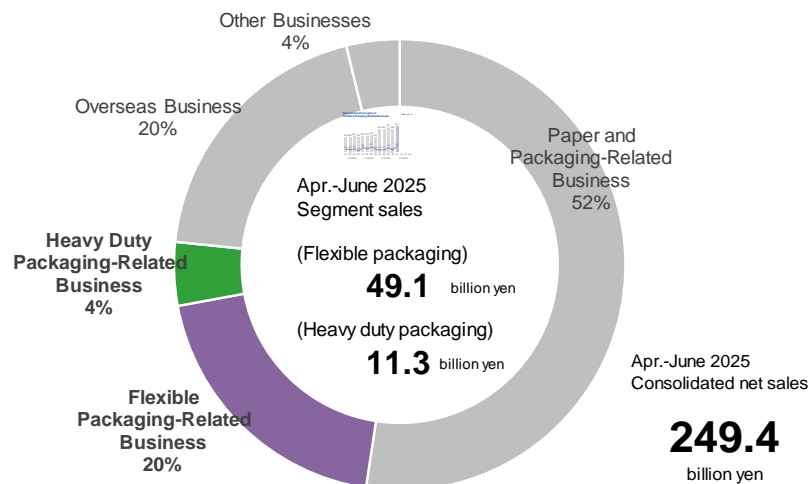
Trends in corrugated production, domestic consolidated million sq. meters, %



Source (Industry): Japan Corrugated Case Association

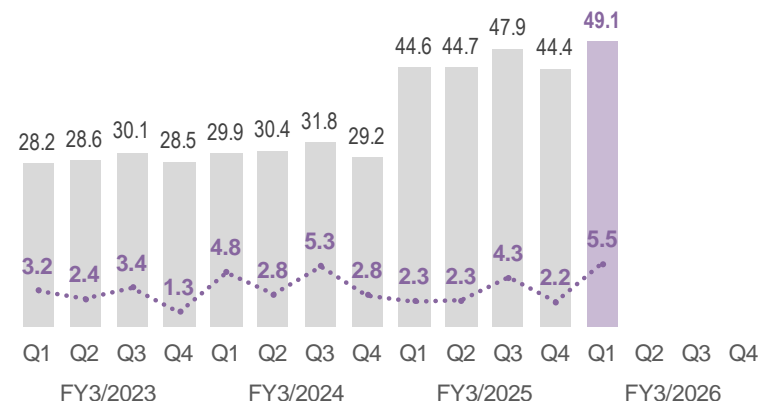
5. Overview of Flexible and Heavy Duty Packaging-Related Business

Segment sales composition ratio of total consolidated sales



Sales and profit margins of Flexible Packaging-Related Business

billion yen, %



Business environment of flexible packaging

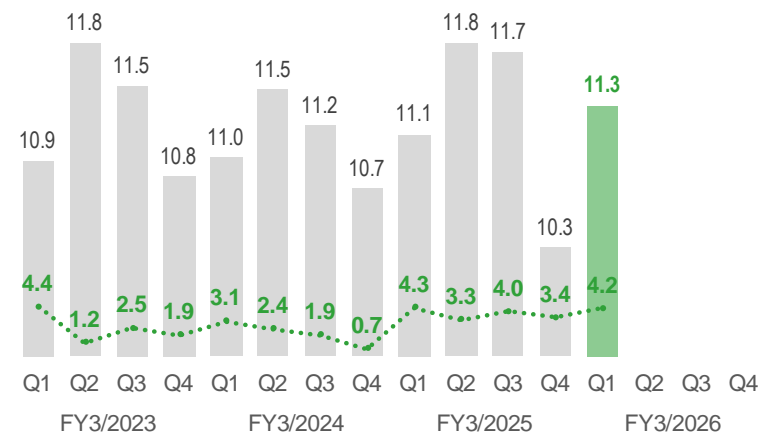
- Net sales and profit increased, supported by product price revisions.

Business environment of heavy duty packaging

- Net sales increased, supported by product price revisions.
- Operating profit remained at the same level as the previous year due to the sluggish performance of industrial resin products.

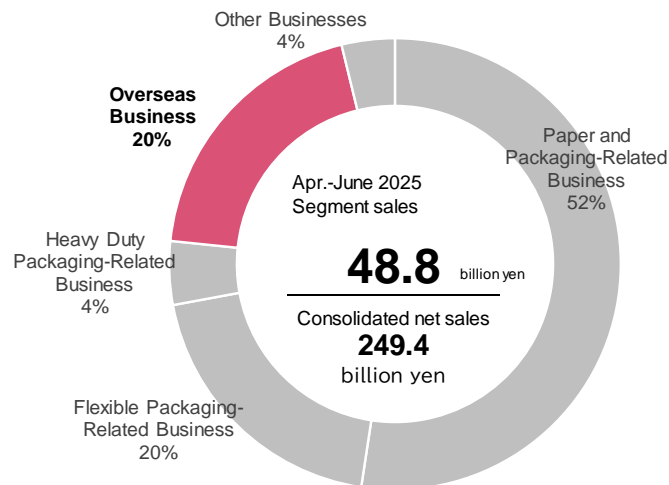
Sales and profit margin of Heavy Duty Packaging-Related Business

billion yen, %



6. Overview of Overseas Business

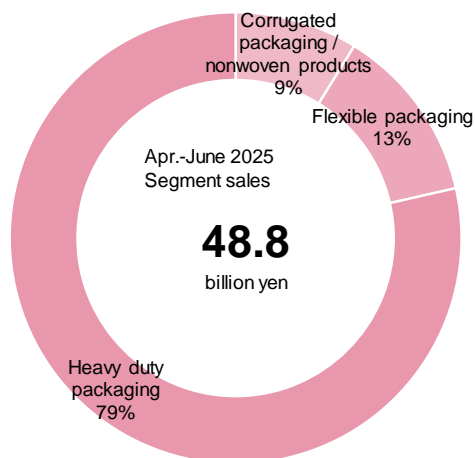
Segment sales composition ratio of total consolidated sales



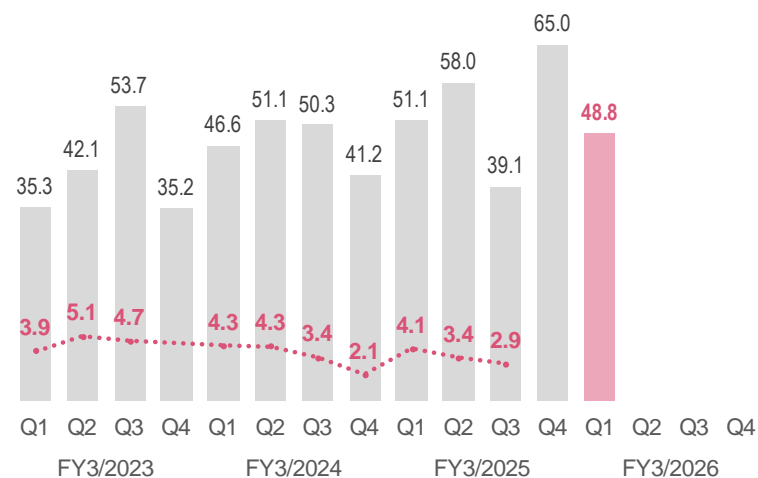
Business environment

- Net sales and profit decreased due to the deterioration in profitability of heavy-duty corrugated packaging, impacted by the economic downturn in the automotive industry in Europe.

Net sales breakdown by product



Sales and profit margin of Overseas Business



8. Factors for increase/decrease in operating profit (Y/Y differences)

(billion yen)				
Previous operating profit	12.1		Paperboard and Packaging-Related Business	
Fixed costs	- 2.1	Personnel expenses -1.25 Other costs -0.85	-1.1 billion yen	
Energy/other costs	- 0.6	Freight -0.25 Electricity price, etc. -0.35		
Depreciation / amortization	- 0.5			
Raw material costs	- 0.2	OCC -0.2		
Prices	+ 2.3	Corrugated products +2.3	Flexible / Heavy Duty / Overseas / Others	
Volume	0.0	Paperboard +0.2 Corrugated products -0.2		
Cost reduction	0.0			
Subtotal	11.0			
Flexible packaging	+ 1.7	Volume / prices +1.9 Variable costs -0.2	-0.6 billion yen	
Heavy duty packaging	0.0	Volume / prices +0.15 Variable costs -0.05 Fixed costs, etc. -0.1		
Overseas business	- 2.2	Corrugated / nonwoven fabric +0.1 Flexible packaging -0.3 Heavy duty packaging -2		
Other businesses, etc.	- 0.1			
Current operating profit	10.4			

Key information on factors affecting changes in operating profit

			Apr.-June 2024	Apr.-June 2025	Y/Y (%)	Diff.
Production	Containerboard	1,000 tons	566	571	100.9	+ 5
	Corrugated board	million sqm	1,078	1,070	99.3	- 8
Raw material and fuel price-related	OCC ⁽¹⁾	JPY/kg	18 and up	18 and up	100.0	Flat
	Dubai crude oil	USD/bbl	86.5	67.2	77.6	- 19.4
	Annual impact of \$1 fluctuation*		0.2 bn. yen	0.2 bn. yen	-	-
	Foreign exchange	JPY/USD	155.9	144.5	92.7	- 11.4
Annual impact of 1 yen fluctuation (benefit from yen appreciation)			0.2 bn. yen	0.2 bn. yen	-	-
Product price-related	Containerboard ⁽²⁾ (Grade D medium)	JPY/kg	from 96 to 98	from 96 to 98	100.0	Flat
	Corrugated board ⁽²⁾ (C'5)	JPY/sqm	from 81 to 82	from 81 to 82	100.0	Flat

Source: (1) Paper Recycling Promotion Center (Recovered paper w wholesaler's store price)
(2) Nikkei Inc.

* Crude oil price changes impact profit or loss after around six months.

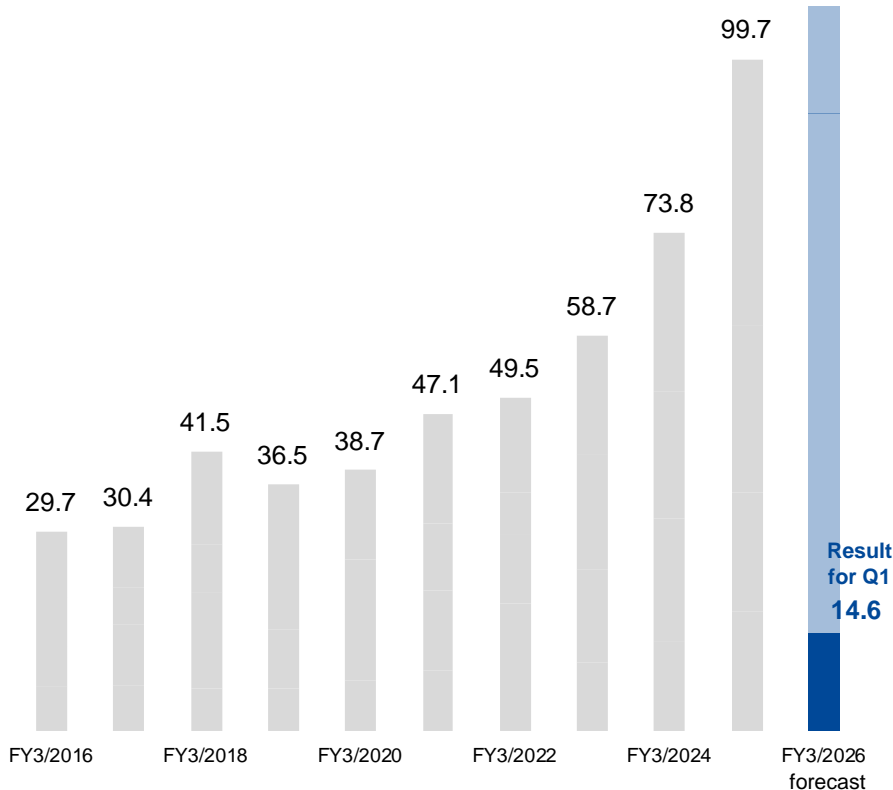
5. Trends in capital expenditures and depreciation

Major capital investments planned for completion this fiscal year

- Rengo Co., Ltd. Tokyo Plant: Expansion of factory building, etc.
- Rengo Co., Ltd. Kanazu Mill: Fuel conversion (introduction of gas cogeneration system)
- Rengo Co., Ltd. corrugated / folding cartons plants: Heat countermeasures (Phase 3)
- Rengo Co., Ltd. Shimizu Plant: Renovation and facility enhancement
- TRICOR Packaging & Logistics AG: Construction of Goch Plant

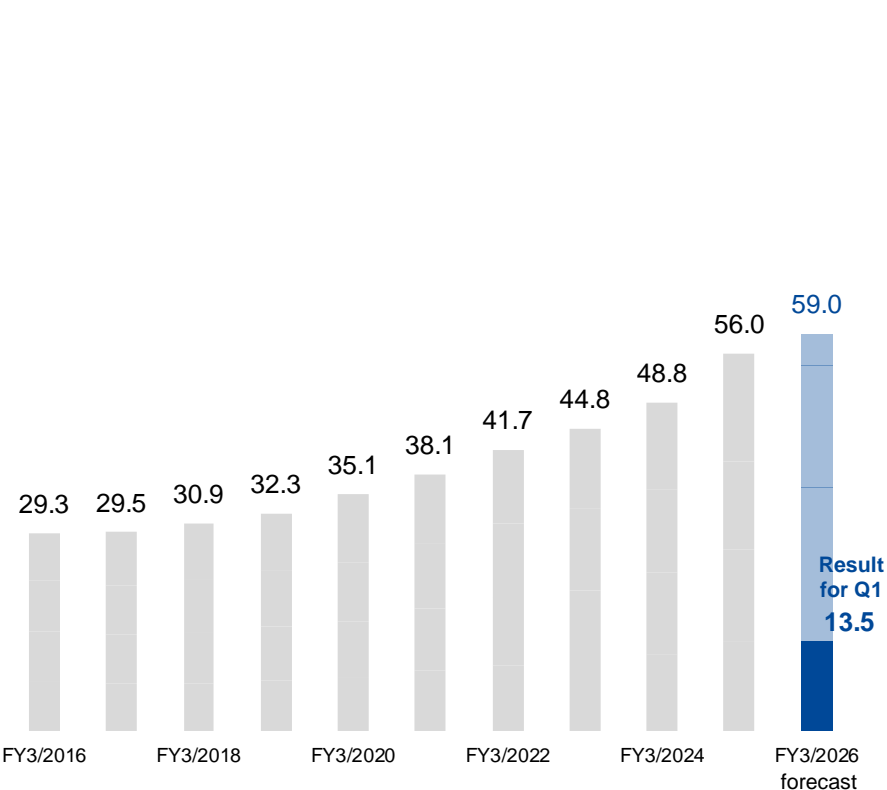
Changes in the capital expenditure

billion yen
107.5



Changes in the depreciation and amortization

billion yen



There are no revisions from the most recently disclosed performance forecast.

Full-year forecast for the year ending March 2026

Disclaimer

- 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.

1. Summary of financial indicators

	FY3/2025 results	FY3/2026 forecasts	Y/Y (%)	Difference
Consolidated Balance Sheets				
Equity capital	464.0 bl. Yen	465.0 bl. Yen	100.2	+1.0 bl. Yen
Interest bearing debt	448.5	485.0	108.1	+36.5
Total assets	1,243.1	1,306.0	105.1	+62.9
Debt to equity ratio	1.0 x	1.0 x		
Net debt to equity ratio	0.8 x	0.8 x		
Shareholders' equity ratio	37.3 %	35.6 %		
Consolidated Statements of Income				
Net sales	993.3 bl. Yen	1,005.0 bl. Yen	101.2	+11.7 bl. Yen
Operating profit	37.4	40.0	106.9	+2.6
Ordinary profit	39.2	40.0	102.1	+0.8
Profit attributable to owners of parent	29.0	24.0	82.8	-5.0
Depreciation and amortization	56.0	59.0	105.4	+3.0
EBITDA	97.1	102.9	106.0	+5.8
Financial KPI				
ROE	6.5 %	5.2 %		
Net debt to EBITDA ratio	3.8 x	3.9 x		

2. Outlook for profit and business environment

Consolidated income statement

(billion yen)

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Ordinary profit	39.2	40.0	102.1	+ 0.8
Profit attributable to owners of parent	29.0	24.0	82.8	- 5.0

Outlook for external environment

- The Japanese economy is expected to be supported by gradual recovery due to improvements in employment and income conditions, as well as the effects of various policies.
- However, there are increasing downside risks to the economy due to the impact of U.S. trade policies.
- Continued price increases also pose a risk to the economy by affecting personal consumption.

Outlook for our group

- Increases in logistics and labor costs, as well as higher depreciation expenses due to capital investments for environmental measures and labor environment improvements.
- Worsening profitability in the heavy duty packaging business due to the economic downturn in Europe.
- Product price revisions completed last year are expected to contribute positively.

Rengo Co., Ltd.

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

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

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