



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

August 5, 2025

Rengo Co., Ltd.
(TSE: 3941)

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We will explain the summary of financial results for the first quarter of the fiscal year ending March 2026 and the full-year forecast.

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.

Consolidated financial results for the 1st quarter of the year ending March 2026

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)		(Extraordinary gain)	
Gain on bargain purchase	5.4		
(Extraordinary loss)		(Extraordinary loss)	
Loss on disaster	0.3	Loss on sales/retirement of noncurrent assets	0.1
Loss on sales/retirement of noncurrent assets	0.3		

The General Packaging Industry RENG0 3

First, let us explain the profit and business environment for the first quarter of the fiscal year ending March 2026.

Net sales for this consolidated fiscal year were ¥249.4 billion. The increase in sales was driven by product price revisions implemented last year and an increase in the number of consolidated subsidiaries, resulting in a ¥4.9 billion increase compared to the same period last year. However, due to the rise in fixed costs and logistics expenses, operating profit was ¥10.4 billion, ordinary profit was ¥10.5 billion, and net profit attributable to owners of parent was ¥6.0 billion, each showing a decrease.

Additionally, in the same period last year, we recorded a gain on bargain purchase of ¥5.4 billion related to the acquisition of RM TOHCELLO CO., LTD., but no equivalent extraordinary gain was recognized this term, which is the main factor for the final decrease in profit.

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.

Next, we will explain the segment performance.

In the Paperboard and Packaging-Related Business, product price revisions contributed to increased sales, but profit decreased due to higher fixed costs and logistics expenses. As a result, sales in this segment were ¥130.7 billion, and operating profit was ¥6.9 billion.

Next, in the Flexible Packaging-Related Business, product price revisions contributed to both increased sales and profit. As a result, sales were ¥49.1 billion, and operating profit was ¥2.7 billion.

Next, in the Heavy Duty Packaging-Related Business, product price revisions contributed to increased sales, but operating profit remained at the same level as the previous year due to the sluggish performance of industrial resin products. As a result, sales were ¥11.3 billion, and operating profit was ¥0.5 billion.

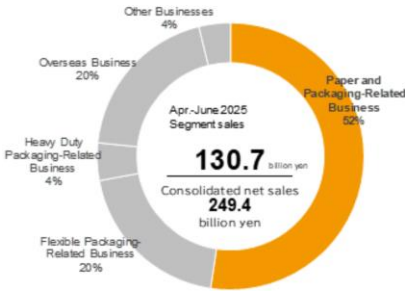
In the Overseas Business, revenue and profit decreased due to the deterioration in profitability of heavy-duty corrugated packaging, impacted by the economic downturn in the automotive industry in Europe. As a result, sales were ¥48.8 billion, and operating profit was a loss of ¥0.1 billion.

Finally, in Other Businesses, sales increased due to the increase in the number of consolidated subsidiaries, but operating profit remained at the same level as the previous year due to rising labor costs in the transport business and consolidated accounting adjustments.

Consolidated financial results for the 1st quarter of the year ending March 2026

3. Overview of Paperboard and Packaging-Related Business

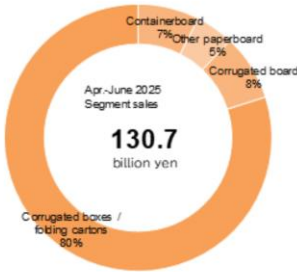
Segment sales composition ratio of total consolidated sales



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



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Next, we will provide an overview of the Paperboard and Packaging-Related Business.

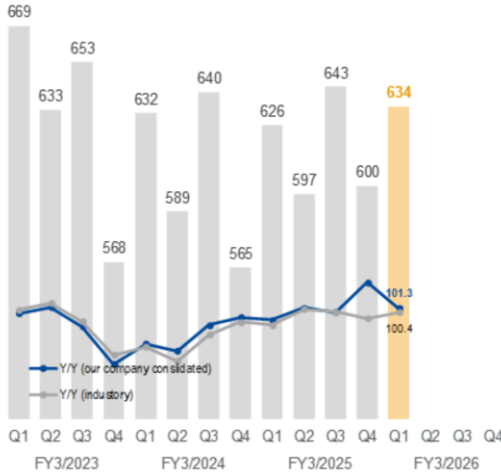
Sales in this segment were ¥130.7 billion, accounting for 52% of the total consolidated sales. The breakdown of sales includes 8% from corrugated board and 80% from corrugated boxes and folding cartons, with a total of 88% derived from corrugated packaging and folding cartons.

Regarding the business environment for this term, the product price revisions settled in negotiations last year contributed to increased sales from the beginning of the period. However, profit decreased due to rising labor costs, as well as increased expenses such as logistics costs and repair costs.

4. Paperboard and corrugated production volume

Trends in paperboard production,
domestic consolidated

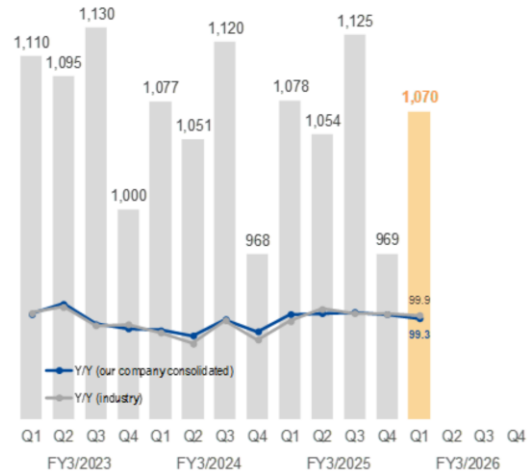
thousand tons, %



Source (Industry): Japan Paper Association

Trends in corrugated production,
domestic consolidated

million sq. meters, %



Source (Industry): Japan Corrugated Case Association

Next, we will explain the production volume of paperboard products and corrugated products.

For paperboard products, our group's domestic paperboard production volume was 634 thousand tons, representing a year-on-year increase of 1.3%. Of this total, containerboard comprised 571 thousand tons, up 0.9% year-on-year. The industry's overall paperboard production volume was 2,889 thousand tons, a year-on-year increase of 0.4%, with containerboard at 2,391 thousand tons, up 0.5% year-on-year.

Next, for corrugated products, our group's domestic production volume of corrugated board was 1,070 million square meters, representing a year-on-year decrease of 0.7%, and corrugated boxes were 914 million square meters, level year-on-year. The industry's overall production volume of corrugated board was 3,567 million square meters, a year-on-year decrease of 0.1%.

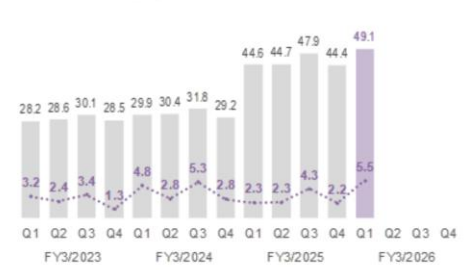
Consolidated financial results for the 1st quarter of the year ending March 2026

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



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



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Next, we will provide an overview of the Flexible Packaging-Related Business and Heavy Duty Packaging-Related Business.

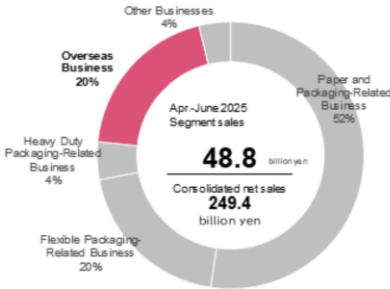
Sales in the Flexible Packaging-Related Business segment were ¥49.1 billion, accounting for 20% of the total consolidated sales. In this segment, increased sales and profit were driven by contributions from product price revisions and strong performance from RM TOHCELLO CO., LTD., which joined the group last year.

Next, sales in the Heavy Duty Packaging-Related Business segment were ¥45 billion, accounting for 4% of the total consolidated sales. In this segment, sales increased due to contributions from product price revisions, but operating profit remained at the same level as the previous year due to the sluggish performance of industrial resin products and rising labor costs.

Consolidated financial results for the 1st quarter of the year ending March 2026

6. Overview of Overseas Business

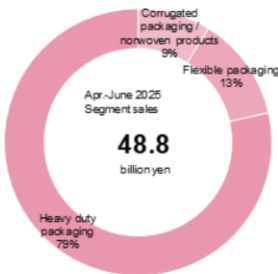
Segment sales composition ratio of total consolidated sales



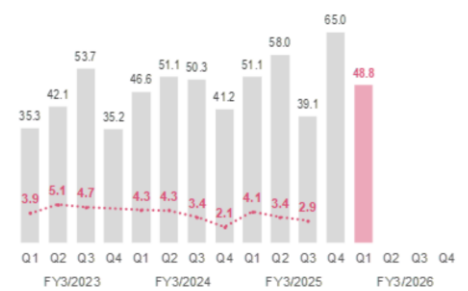
Business environment

- 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



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Next, we will provide an overview of the Overseas Business.

Sales in this segment were ¥48.8 billion, accounting for 20% of the total consolidated sales. The breakdown of sales shows that heavy-duty packaging accounts for approximately 80%, followed by flexible packaging, corrugated packaging, and nonwoven products.

In this segment, the economic downturn in the automotive industry in Europe significantly impacted the performance of the heavy-duty corrugated business, including TRICOR, leading to a substantial decrease in profit.

Consolidated financial results for the 1st quarter of the year ending March 2026

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

(billion yen)				
Previous operating profit	12.1			
Fixed costs	-2.1		Personnel expenses -1.25 Other costs -0.85	
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	
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	
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			

-1.1
billion yen

-0.6
billion yen

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's)	JPY/sqm	from 81 to 82	from 81 to 82	100.0	Flat

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

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

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Next, we will explain the factors for increase and decrease in operating profit.

First, in the Paperboard and Packaging-Related Business, there was a decrease in profit of ¥1.1 billion. The total decrease factors amounted to ¥3.4 billion, with the breakdown as follows: an increase in fixed costs of ¥2.1 billion, a rise in energy prices, with freight costs included for clarity, amounted to ¥0.6 billion, depreciation of ¥0.5 billion, and an increase in purchase prices for old newspaper and old magazine of ¥0.2 billion. On the other hand, the increase factor was ¥2.3 billion from price factors, resulting in a net decrease of ¥1.1 billion. For segments other than the Paperboard and Packaging-Related Business, there was an increase in profit of ¥1.7 billion in the Flexible Packaging-Related Business, while the Heavy Duty Packaging-Related Business remained flat. In the Overseas Business, there was a decrease in profit of ¥2.2 billion (with a breakdown of a ¥0.1 billion increase in corrugated packaging and nonwoven products, a ¥0.3 billion decrease in flexible packaging, and a ¥2.0 billion decrease in heavy-duty packaging), and a decrease of ¥0.1 billion in Other Businesses, totaling a negative ¥0.6 billion.

As a result, the overall operating profit decreased by ¥1.7 billion.

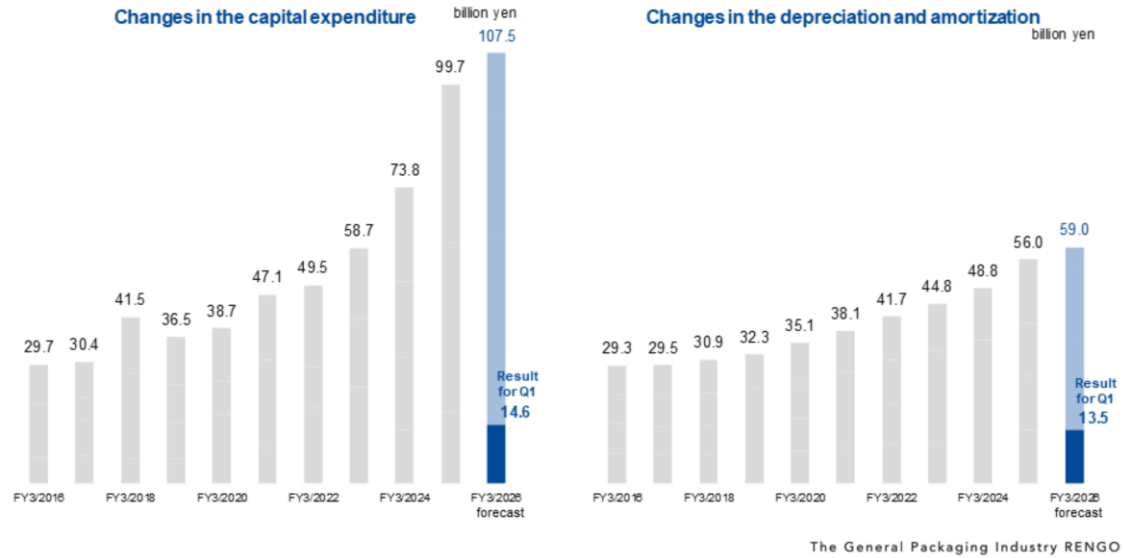
In the Overseas Business, which experienced a significant decrease in profit, the corrugated packaging and nonwoven subsidiaries saw an increase in profit due to improved performance at Wuxi Rengo Packaging Co., Ltd., but the flexible packaging subsidiaries experienced a decrease in profit due to the exclusion of Takigawa Corporation Singapore from consolidation. The heavy-duty packaging subsidiaries saw a decrease in profit due to the deterioration in profitability of heavy-duty corrugated packaging, impacted by the economic downturn in the automotive industry in Europe.

For key information on factors affecting changes in operating profit, including the production volume of containerboard and corrugated board, raw material and fuel price-related, and product price-related market conditions, please refer to the table in the margin.

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



Next, we will explain the trends in capital expenditure and depreciation.

For the total amount of capital expenditure, we forecast ¥107.5 billion for the full year, with actual spending of ¥14.6 billion in the first quarter.

Major capital investments for this term include the expansion of the plant building at the Tokyo Plant, which began in 2021, and the fuel conversion (introduction of a gas cogeneration system) at the Kanazu Mill, which started in 2023 and is scheduled for completion in January 2026. Additionally, TRICOR has completed the construction of the new Goch Plant, which began in 2023, and has commenced production towards full-scale operation.

Regarding depreciation and amortization, we forecast ¥59 billion for the full year, with a total of ¥13.5 billion recorded in the first quarter.

This concludes the overview of the first quarter of the fiscal year ending March 2026.

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.

We have not changed the full-year forecast for the fiscal year ending March 2026 from the performance forecast announced on May 9.

If it becomes necessary to revise the performance forecast based on future business trends, we will promptly disclose any changes.

This concludes our explanation of the financial results for the first quarter and the full-year forecast for the fiscal year ending March 2026.

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)

	FY3/2025 results	FY3/2026 forecasts	Y/Y (%)	Diff.
Net sales	993.3	1,005.0	101.2	+ 11.7
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

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.

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