Key Takeaways from the Q&A Session of the Management Conference

Date and Time	November 21, 2025, 10:00 AM - 11:00 AM (JST)
Venue	Tokyo Head Office / online
Presenters	Kiyoshi Otsubo — Representative Director Chairman and CEO
	Yosuke Kawamoto — Representative Director President and COO

Questions and Answers

Question: What are your thoughts on the balance between containerboard and corrugated board in the domestic Paperboard and Packaging-Related Business?
Answer: We believe the current balance is appropriate, but restructuring within the group will be a challenge moving forward. We will consider scheduling efforts to address this issue during the "Vision120" period.

Question: What is your understanding of the impact of geopolitical risks and tariff issues in Europe on the global logistics network?
Answer: In Europe, it is necessary to specifically leverage the synergies between Tri-Wall Europe, TRICOR, and TPS. We are planning to address geopolitical risks and make timely improvements, working closely with the local management team.

Question: How do you perceive the strong performance of the Flexible Packaging-Related Business in the first half, and what are your thoughts on the outlook for the next fiscal year and beyond?
Answer: In the first half, RM TOHCELLO's production recovered and performed well. The strengthening of the integrated system is progressing, and we expect developments that will boost performance through synergies in the next fiscal year and beyond. We aim to pursue further synergy effects through stronger collaboration throughout the upstream to downstream.

Question: What are your thoughts on management in an inflationary environment?
Answer: As labor costs and other expenses continue to rise, it is necessary to continuously consider passing these costs onto selling prices. Since the corrugated packaging industry consists of many small and medium-sized enterprises, our company needs to take the lead in addressing this issue. With government support, the environment for advancing price revisions is gradually improving.

Question: What are your thoughts on the progress of GHG emissions reduction and the outlook beyond 2030?
Answer: There is still room for improvement in achieving the 2030 targets, so we need to consider additional measures, including carbon pricing. Our company is in a favorable position compared to our peers from a CFP perspective, and we aim to leverage this advantage to achieve further reductions. For achieving carbon neutrality by 2050, There is potential for us to consider collaborating with other industries..

Question: What are your thoughts on the growth strategy for market in India?
Answer: In India, we are independently developing the heavy-duty packaging business, but the Indian market is very complex due to differences in language, religion, and laws across states. Additionally, it is a distant market for us, so we need to proceed not independently but in affiliation of local joint partners. By advancing cautiously, we have the intention of eventually incorporating it into our consolidated operations.

Question: Is there a delay in the progress of negotiations for the price increase of corrugated products?
Answer: We recognize that the progress of price revisions has been delayed, but negotiations have accelerated towards resolution since November. As of now, about 30% of talks have been concluded in terms of the number of cases, and we are progressing into advanced stages of discussion for the price revisions effective from January 1st.

Question: What are your thoughts on future changes regarding price increases in the corrugated industry as a whole?
Answer: Price revisions should be conducted independently and should not be influenced by the actions of other companies. As each company recognizes the need to raise prices to improve ROE, our company also intends to proceed with price revisions to enhance ROE. We will implement price revisions at the appropriate timing while assessing the market environment.

Question: In the previous briefing, you emphasized a dividend payout ratio of 30%, but the current materials specify a concrete amount (60 yen). Could you explain the reason for this change?
Answer: Through dialogue with stakeholders, we have reconsidered how we communicate about dividends. We are also keeping an eye on the dividend yield, and this reflects what we have learned from our past interactions.

Question: What are your thoughts on the relationship between market capitalization and asset value?
Answer: While taking market capitalization into account, we are reassessing its relationship with asset value and will be diligently addressing capital policy moving forward. We believe that management must consider metrics such as a PBR of 1x. With PBR and ROE in mind, we aim to achieve shareholder satisfaction.

Question: There is an expectation for ROE to consistently be 8% or higher.
Answer: Rengo is not merely a supplier responding to orders; we are a more creative provider, offering all types of packaging that our customers need. Under a management system that provides comprehensive packaging products, we keep "Less is more." in mind, continuously offering higher added value as the General Packaging Industry (GPI) Rengo. We hope you understand this fundamental aspect.