

Vision120

CREATING THE FUTURE THROUGH PACKAGING

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May 16, 2025
Rengo Co., Ltd.

Thank you all for taking the time out of your busy schedules to attend our presentation on the medium-term vision today. We are pleased to introduce "Vision120," which spans from April 2025 to March 2030. The slogan for this vision is "CREATING THE FUTURE THROUGH PACKAGING."

Now, let us proceed with the presentation.

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Executive Summary

Vision120

Since our founding in 1909, we have laid our business foundation by focusing on the manufacturing and sales of corrugated materials. Starting around the year 2000, we have diversified our business with "packaging" as the key focus, which includes strengthening our overseas business expansion while establishing the Rengo Group's Hexagon Management. By providing a wide range of essential packaging materials both domestically and internationally, we contribute to society.

Our group has consistently strived to establish a production system with minimal environmental impact. In addition to supplying environmentally friendly cellulose-derived products, such as our main product, corrugated packaging, we have also focused on developing environmentally conscious petrochemical-based packaging. Through these efforts, we have been strongly committed to addressing socially relevant issues, including global environmental issues.

Building on this history and aiming for new evolution, we have formulated our medium-term vision "Vision120 (Vision One-Twenty)" to provide a framework for **strengthening the value creation foundation**, addressing materiality (key issues), and promoting the evolution and extension of group management over the five-year period leading up to our 120th anniversary in the fiscal year ending March 2030.

Leveraging our meaningfully expanded business scale, we aim to enhance the quality of our business operations to foster value creation and the generation of new value from a long-term perspective. Through this vision, we strive to achieve sustainable growth and enhance our societal value, thereby meeting the expectations of our stakeholders.

Our Group's Materiality

- (1) Creating New Value as a "Packaging Provider"
- (2) Coexisting with the Global Environment
- (3) People-Centric Management
- (4) Strengthening the Management Base for Sustainable Growth

Evolution/Extension of Group Management

- (1) Evolution/Extension of Integrated Systems
- (2) Evolution/Extension of Global Management

Fiscal Year Ending March 2030
Key Financial Indicators

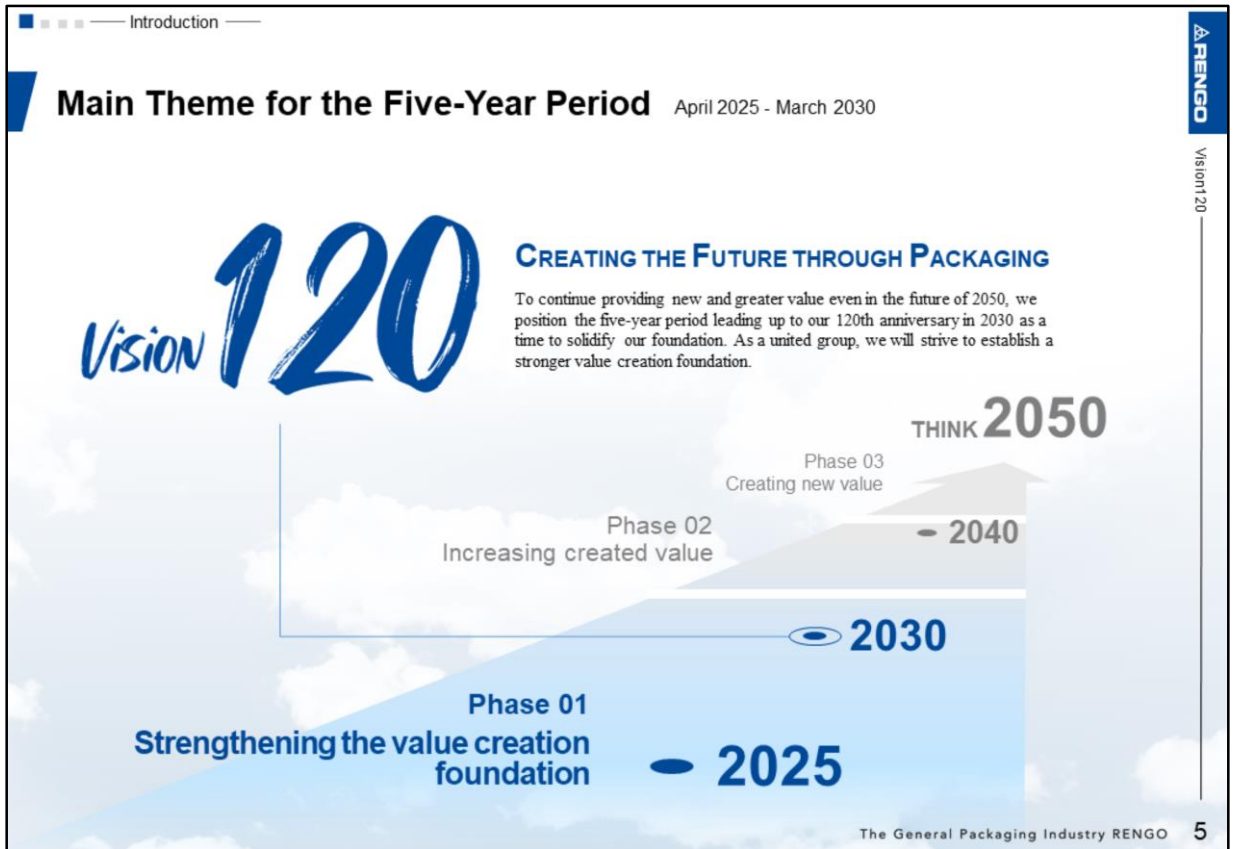
Sales	Operating profit	Ordinary profit	EBITDA	ROE	D/E ratio
1,200 billion yen	70 billion yen	72 billion yen	135 billion yen	8.5 %	0.7 x

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Since our founding in 1909, we have built our foundation on the manufacturing and sales of corrugated packaging, and since around 2000, we have pursued diversification and overseas expansion with "packaging" as our key focus. Today, as the Rengo Group, we provide a wide range of packaging materials both domestically and internationally, contributing to society.

Through the development of environmentally friendly products and the establishment of a production system, we are committed to addressing global environmental issues and social challenges. Building on this history, we have formulated our medium-term vision "Vision120" to strengthen our value creation foundation over the five-year period leading up to our 120th anniversary in the fiscal year ending March 2030.

The goals of this vision include achieving sales of 1.2 trillion yen, operating profit of 70 billion yen, ordinary profit of 72 billion yen, EBITDA of 135 billion yen, ROE of 8.5%, and a D/E ratio of 0.7 times by the fiscal year ending March 2030.



Next, I would like to explain the positioning of the next five years, which constitutes the period of "Vision120."

We view the five years leading up to our 120th anniversary in 2030 as a phase to solidify our business foundation for future value creation. This period is positioned as the first phase of our long-term strategy, namely "Strengthening the value creation foundation."

Following this phase, we are looking towards "Increasing created value" by 2040 and "Creating new value" by 2050.

Through these phases, we aim to achieve sustainable growth and enhance our social value.

Fundamental Philosophy Core Values

Packaging is essential for delivering products to consumers. We contribute to society by dressing, wrapping, and protecting our customers' products. This vision is based on the fundamental philosophy of a human-capital approach in people-centric management at the core of our framework. While consistently leading the industry in environmental management, we aim to provide comprehensive solutions for all packaging needs, support global logistics and people's lives, and create a bright future.



Our fundamental philosophy is based on the recognition that packaging is essential for delivering products to consumers. We contribute to society by dressing, wrapping, and protecting our customers' products. At the core of this vision is Human-Capital Approach, which places people at the center of our operations.

We value empathy and sympathy towards others, respect the diverse and unique qualities of our employees, and strive to improve total factor productivity.

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Value Creation Foundation Hexagon Management

Our group, under the banner of "General Packaging Industry (GPI) Rengo," positions itself as a "packaging provider" that offers solutions to fulfill all the packaging needs of a wide array of industries. We refer to our structure, which is centered on six core business fields, as Hexagon Management. By further strengthening each core business that forms the hexagon and enhancing horizontal and vertical collaboration between these businesses, we aim to seize all packaging-related business opportunities. We are working on establishing a sustainable value chain and enhancing our value creation capabilities.

Packaging Provider



Paperboard Business*	Packaging excellence, starting with the foundational paperboard.
Corrugated Packaging Business*	Leading with unwavering quality and continuous evolution as a pioneer.
Folding Cartons Business*	Enhancing customers' sales promotion with greater beauty and appeal.
Flexible Packaging Business	Wrapping beautifully, protecting gently with films and labels.
Heavy Duty Packaging Business	Reliable quality and lineup supporting various industries.
Overseas Business	Bringing cutting-edge packaging quality developed over years to global growth markets.

Within our group, we also operate transportation and machinery systems businesses that support our six core businesses.

*In our segment information, the paperboard, corrugated packaging, and folding cartons businesses are collectively referred to as the "Paperboard and Packaging-Related Business."

The General Packaging Industry RENG O

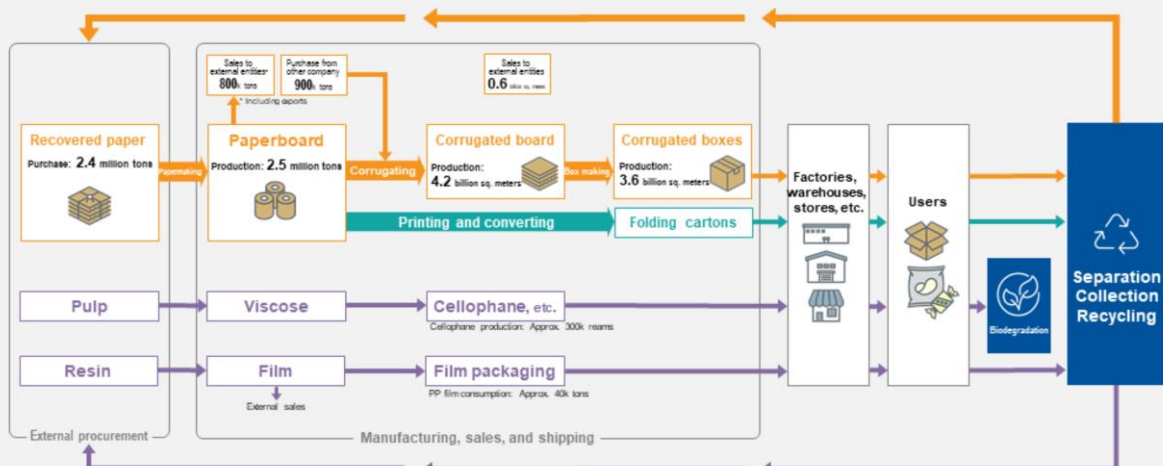
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Our Group positions itself under the banner of "General Packaging Industry (GPI) Rengo," fulfilling the role of a "packaging provider" that meets the packaging needs of a wide array of industries. We refer to this structure as "Hexagon Management," which is centered around six core business fields.

Value Creation Foundation Value Chain

Our group has established an integrated system that covers from containerboard to corrugated board, corrugated boxes, and folding cartons. Additionally, in flexible packaging, our business foundation is built on a value chain that connects upstream to downstream, from film raw materials to packaging products. Over the next five years, we aim to further refine our advanced recycling system for corrugated packaging in Japan, while also striving to achieve a similar circular economy in the film sector. Overseas, we will accelerate the construction and strengthening of our value chain to expand our business operations.

Overview of the Value Chain



(Note) Figures are based on the FY3/2025 results for Rengo Co., Ltd. and its domestic consolidated subsidiaries.

Further enhancing the strengths of our circular business model.

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By strengthening our businesses in paperboard, corrugated packaging, folding cartons, flexible packaging, heavy duty packaging, and overseas operations, and enhancing both horizontal and vertical collaboration, we aim to seize all packaging-related business opportunities. We are committed to establishing a sustainable value chain and enhancing our value creation capabilities.

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Key Themes Further Strengthening Our Core Competencies

To realize our vision and achieve medium- to long-term growth, we have positioned "Addressing Materiality (Key Issues)" and "Evolution/Extension of Group Management" as key themes. We are united in our work to strengthen our value creation foundation to maximize the comprehensive capabilities of our group. We aim to achieve sustainable growth by balancing business strength with care for the environment and society.

1 Initiatives for Each Business

The five business segments of Paperboard and Packaging*, Flexible Packaging, Heavy Duty Packaging, Overseas, and Others will leverage their respective strengths to maximize profitability and enhance value creation capabilities.

Paperboard and Packaging

Flexible Packaging

Heavy Duty Packaging

Overseas

Others

* The "Paperboard and Packaging" business segment collectively refers to the paperboard, corrugated packaging, and filling carton businesses under Group Management.

2 Addressing Materiality

We will focus our management resources on areas identified as particularly important within ESG issues such as climate change and human rights. By working together as a united group to address socially relevant issues, we aim to enhance corporate value and contribute to the realization of a sustainable society.

Creating New Value as a "Packaging Provider"

Coexisting with the Global Environment

People-Centric Management

Strengthening the Management Base for Sustainable Growth

Strengthening the value creation foundation

3 Evolution/Extension of Group Management

To respond to changes in the business environment, we prioritize strengthening collaboration within the group as our top priority. By leveraging our strengths across the group to meet diverse and sophisticated needs, we aim to build a system that maximizes synergies.

Evolution/Extension of Integrated Systems

Evolution/Extension of Global Management

Next, I would like to explain our key themes.

We have positioned "Addressing Materiality (Key Issues)" and "Evolution/Extension of Group Management" as important themes, focusing on strengthening our value creation foundation. We aim to achieve sustainable growth by balancing business strength with care for the environment and society. Each business segment will leverage its strengths to improve profitability and enhance value creation capabilities.

In addressing materiality, we place emphasis on ESG issues such as climate change and human rights. In the evolution/extension of group management, strengthening collaboration is our top priority, and we aim to build a system that maximizes synergies.

Challenges and Initiatives

1 Initiatives for Each Business

2 Addressing Materiality

3 Evolution/Extension of Group Management

1 Initiatives for Each Business

Paperboard and Packaging-Related Business

The Paperboard and Packaging-Related Business will focus on strengthening the foundation for sustainable growth and pursuing innovation over the next five years. As a pioneer in Japan's corrugated packaging industry, we will maintain unwavering quality and lead the evolution of packaging toward labor-saving, resource-saving, and efficiency through environmentally conscious product development and optimization of production processes. Additionally, we will actively embrace digital technologies and explore new markets to enhance profitability and create new value.

Vision for 2030

Realizing a sustainable future through environmentally friendly product development and productivity improvement

Targeted Financial Performance

Fiscal Year Ending March 2030:
Sales and Operating Profit

Sales

FY 3/2025

514.7 billion yen

FY 3/2030

590 billion yen

Operating Profit

FY 3/2025

23.4 billion yen

FY 3/2030

36 billion yen

Risks and Opportunities

There are risks such as the difficulty in differentiating products fluctuations in raw material prices, and the tightening of environmental regulations. However, there are opportunities such as the increasing demand for recyclable products driven by heightened consumer environmental awareness, and the potential for improvement in production efficiency and new product development through technological innovation.

Approach

We will develop environmentally friendly products and strengthen recycling systems. Additionally, we aim to maintain and improve profitability under a full-cost approach. Furthermore, we will enhance production efficiency and reduce costs through technological innovation, while also expanding market opportunities and strengthening competitiveness by developing and promoting sustainable products.

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Next, I would like to explain the initiatives within each of our business segments.

First, the Paperboard and Packaging-Related Business. This segment focuses on strengthening the foundation for sustainable growth and pursuing innovation. Through environmentally conscious product development and optimization of production processes, we lead the evolution of packaging towards labor-saving, resource-saving, and efficiency. Additionally, we actively embrace digital technologies and explore new markets to enhance profitability and create new value.

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1 Initiatives for Each Business

Flexible Packaging-Related Business

The Flexible Packaging-Related Business will pursue sustainable growth and improvement in profitability over the next five years. By adopting environmentally friendly materials and enhancing recycling technologies, we will expand our lineup of eco-friendly products and solidify our presence in the industry. Through this vision, we aim to diversify our product offerings and enhance added value, contributing to the realization of a sustainable society and meeting the expectations of our stakeholders.



Vision for 2030

Creating new value through strengthening the integrated system

Targeted Financial Performance

Fiscal Year Ending March 2030:
Sales and Operating Profit

Sales

FY 3/2025	181.6 billion yen
⇓	
FY 3/2030	210 billion yen

Operating Profit

FY 3/2025	5.1 billion yen
⇓	
FY 3/2030	12 billion yen

Risks and Opportunities

There are risks such as fluctuations in raw material prices, the tightening of environmental regulations, and potential cost increases due to more stringent plastic usage regulations. However, the growing environmental awareness in the market is driving demand increase for recyclable and biodegradable materials. Additionally, technological innovations are leading to more multifunctional products, creating new market opportunities.

Approach

We will establish an integrated system from film to finished products, enhancing manufacturing efficiency and quality to strengthen our competitiveness. Additionally, we will develop environmentally friendly materials and enhance recycling technologies. By leveraging technological innovations, we will advance the multifunctionality of our products to meet diverse customer needs. Furthermore, we will expand our lineup of sustainable products and increase our market share to further strengthen our competitiveness.

Next, the Flexible Packaging-Related Business. This segment pursues sustainable growth and improvement in profitability. By adopting less impactful materials and enhancing recycling technologies, we expand our lineup of eco-friendly products.

1 Initiatives for Each Business

Heavy Duty Packaging-Related Business

The Heavy Duty Packaging-Related Business will aim for sustainable growth and the creation of new markets over the next five years. By providing robust and environmentally friendly packaging products and optimal solutions, we will meet diverse customer needs and strengthen our competitiveness in the industry. Additionally, we will actively engage in the development of new products and explore new market opportunities.



Vision for 2030

Shifting to higher value-added segments and achieving sustainable growth

Targeted Financial Performance

Fiscal Year Ending March 2030:
Sales and Operating Profit

FY 3/2025

Sales
45 billion yen

FY 3/2025

Operating Profit
1.7 billion yen

FY 3/2030

56 billion yen

FY 3/2030

3 billion yen

Risks and Opportunities

There are medium- to long-term risks of market contraction in traditional core customer segments such as packaging for agricultural products like rice and wheat bags, and bulky items. However, there is growing demand in high value-added customer segments such as semiconductor packaging and environmentally friendly products, creating new market opportunities. Additionally, there are opportunities for improving production efficiency and developing new products through technological innovation.

Approach

We will flexibly respond to changes in demand structure with a medium- to long-term perspective and implement a shift to higher value-added segments. By quickly identifying new demand trends, we will seize market expansion opportunities. Through the accumulation of research and development achievements, we will explore potential customer needs and enhance our competitive advantage and sustainability by developing and promoting environmentally friendly products.

Next, the Heavy Duty Packaging-Related Business. This segment aims for sustainable growth and the creation of new markets. By providing robust and environmentally friendly packaging products and optimal solutions, we meet the diverse needs of our customers.



Challenges and Initiatives

1
Initiatives for Each Business
>>
2
Addressing Materiality
>>
3
Evolution/Extension of Group Management

1 Initiatives for Each Business

Other Businesses

Over the next five years, our other businesses will focus on strengthening competitiveness in the transportation and packaging systems fields. In the transportation business, we will implement White Logistics and improve transportation efficiency to establish an efficient and sustainable logistics network. In the packaging systems business, we will leverage our accumulated expertise in packaging products and development know-how to carefully meet customer needs and enhance added value.

Vision for 2030

Targeted Financial Performance

Creating greater value through efficiency and environmental friendliness

		Sales	Operating Profit
Fiscal Year Ending March 2030: Sales and Operating Profit	FY 3/2025	38.8 billion yen	FY 3/2025 2 billion yen
	⇓		⇓
	FY 3/2030	44 billion yen	FY 3/2030 3 billion yen

Risks and Opportunities

In the transportation business, there are ongoing risks associated with the costs of securing personnel (such as wage increases, workplace environment improvements, and digital investments) and potential cost increases related to environmental measures. However, there are expectations for improvement in sustainability through the promotion of logistics efficiency and GHG reduction. In the packaging systems field, there are opportunities to capture the expanding automation needs of customers.

Approach

In the transportation business, we will work to secure a reproducible profit level based on the full-cost approach, while also pursuing business expansion through M&A. In the packaging systems business, we will provide products that meet the diverse needs of our customers and enhance added value.

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Finally, I would like to discuss the Other Businesses.

This segment focuses on strengthening competitiveness in the transportation and packaging systems fields. In the transportation business, we promote White Logistics and improve transportation efficiency, while in the packaging systems business, we thoroughly respond to customer needs. Through these initiatives, each business segment aims to achieve sustainable growth and contribute to enhancing corporate value.

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■ ■ ■ — Challenges and Initiatives —

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Initiatives for Each Business
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2 Addressing Materiality


Creating New Value as a "Packaging Provider"

In our core business of the Paperboard and Packaging-Related Business, we will focus on strengthening the foundation for creating new value, with an emphasis on expanding our lineup of environmentally friendly products. We will continue to enhance our lineup of environmentally friendly and socially responsible products, and expand into high value-added business fields. Additionally, we will reduce greenhouse gases (GHG) through innovations in our production processes and work to enhance corporate value through co-creation with our customers.

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Paperboard and Packaging-Related Business

Development of the next-generation containerboard

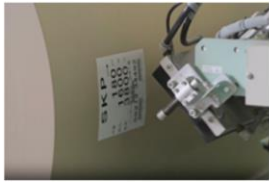


Business Environment and Outlook
With the growing awareness of environmental issues, the demand for high value-added containerboard that contributes to resource conservation and GHG emission reductions is expected to increase significantly.

The Group's Initiatives
We are working on the development of lightweight and high-strength containerboard, following the success of our Less Caliper and Carbon (LCC) containerboard.

Paperboard and Packaging-Related Business

Adopting containerboard management systems with RFID




Business Environment and Outlook
With the enforcement of regulations limiting drivers' overtime hours starting in FY3/2025, reducing the burden of logistics operations and improving drivers' working conditions remain ongoing challenges.

The Group's Initiatives
In the papermaking and corrugated industry, we will adopt containerboard management systems with RFID, aiming to standardize it in logistics operations.

Paperboard and Packaging-Related Business

Entry into the bioethanol business



Annual Production Target for FY3/2028

>>> 20 million liter

Business Environment and Outlook
As the use of Sustainable Aviation Fuel (SAF) is mandated as a GHG reduction measure in the aviation industry, the demand for bioethanol, which serves as a raw material for SAF, is expected to increase. There are high expectations for the development of technology to produce second-generation bioethanol (ethanol made from non-food biomass resources) derived from pulp, which is an intermediate product in the papermaking process.

The Group's Initiatives
We aim to develop production technology for second-generation bioethanol, as well as its commercial production and business development, by utilizing the pulp production facilities of Taiko Paper Mfg., Ltd. in Fuji City, Shizuoka Prefecture, and the biotechnology of Biomaterial in Tokyo Co., Ltd. in Onojo City, Fukuoka Prefecture.

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Next, I would like to explain our initiatives in addressing materiality.

First, regarding the creation of new value as a "Packaging Provider," in our core business, the Paperboard and Packaging-Related Business, we are focusing on strengthening the foundation with an emphasis on expanding our lineup of environmentally friendly products. Specifically, we are advancing the development of next-generation containerboard, promoting the adoption of containerboard management systems with RFID, and entering the bioethanol business.



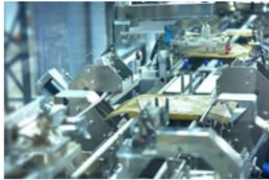
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2 Addressing Materiality

Creating New Value as a "Packaging Provider"

In our core business of the Paperboard and Packaging-Related Business, we will focus on strengthening the foundation for creating new value, with an emphasis on expanding our lineup of environmentally friendly products. We will continue to enhance our lineup of environmentally friendly and socially responsible products, and expand into high value-added business fields. Additionally, we will reduce greenhouse gases (GHG) through innovations in our production processes and work to enhance corporate value through co-creation with our customers.

Paperboard and Packaging-Related Business	Paperboard and Packaging-Related Business	Other Businesses
<p>Strengthening the lineup of environmentally friendly products and socially responsible products</p>  <p>Business Environment and Outlook The demand for packaging that reduces environmental impact and addresses social issues such as labor shortages is expected to continue to grow in the future.</p> <p>The Group's Initiatives We will enhance our lineup of recyclable functional corrugated packaging and the Retail Mate series, which improves efficiency in distribution operations, to meet the needs of society.</p>	<p>Expansion of sales promotion (SP) business and contract packaging (CP) business</p>  <p>Business Environment and Outlook The SP business, which supports customers in various promotional activities, and the CP business, which handles product packing, are expected to grow as high value-added services.</p> <p>The Group's Initiatives We will expand the scope of our SP and CP businesses, establishing a system that can meet all packaging needs with a one-stop solution.</p>	<p>Strengthening the development and sales of packaging systems</p>  <p>Business Environment and Outlook As the e-commerce and online shopping markets continue to expand, the demand for automation and labor-saving in packing processes is expected to keep growing.</p> <p>The Group's Initiatives We will expand our lineup of packaging systems and strengthen our maintenance services. By collaborating within the group, we will work to identify potential demand and enhance sales.</p>

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Regarding the strengthening of our lineup of environmentally friendly and socially responsible products, we aim to enhance recyclable corrugated packaging and develop solutions that improve work efficiency in distribution operations.

In expanding the SP (Sales Promotion) and CP (Contract Packaging) businesses, we will broaden our support for promotional activities and product bundling services to meet packaging needs.

To strengthen the development and sales of packaging systems, we will advance automation and labor-saving in packaging processes, tapping into new demand.

■ ■ ■ — Challenges and Initiatives —

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2 Addressing Materiality

Creating New Value as a "Packaging Provider"

In the Flexible Packaging-Related Business, which is built on an integrated system from film raw materials to packaging products, we are also focusing on the development and promotion of environmentally friendly materials and products.
We will strengthen our production system for environmentally friendly films made from biomass materials, as well as for cellophane and cellulose beads utilizing cellulose-related technologies. Additionally, we will work on building a recycling system for used plastic products and pursuing the commercialization of cellulose nanofiber (CNF) with a long-term perspective.

Flexible Packaging-Related Business

Strengthening the development and sales of environmentally friendly film products



Business Environment and Outlook

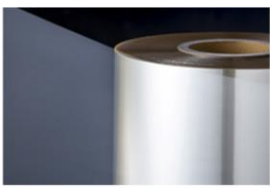
In response to the growing environmental awareness, there is an expected increase in societal demand for the use of biomass and the recycling of plastic packaging materials.

The Group's Initiatives

Group companies will collaborate under an integrated system to accelerate the development of biomass packaging materials and mono-material packaging, as well as initiatives for plastic resource recycling.

Flexible Packaging-Related Business

Renewal of cellophane production facilities



Business Environment and Outlook

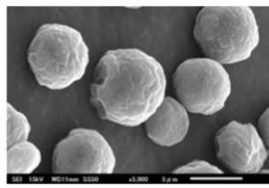
In response to the increasing demand for biodegradable materials and films with higher biomass content, steady demand is expected for cellophane and the REBIO® series.

The Group's Initiatives

We will conduct a comprehensive renewal of our Takefu Plant to establish a production system that is competitive in both quantity and quality.

Flexible Packaging-Related Business

Development of applications and enhancement of production capacity for cellulose beads



Business Environment and Outlook

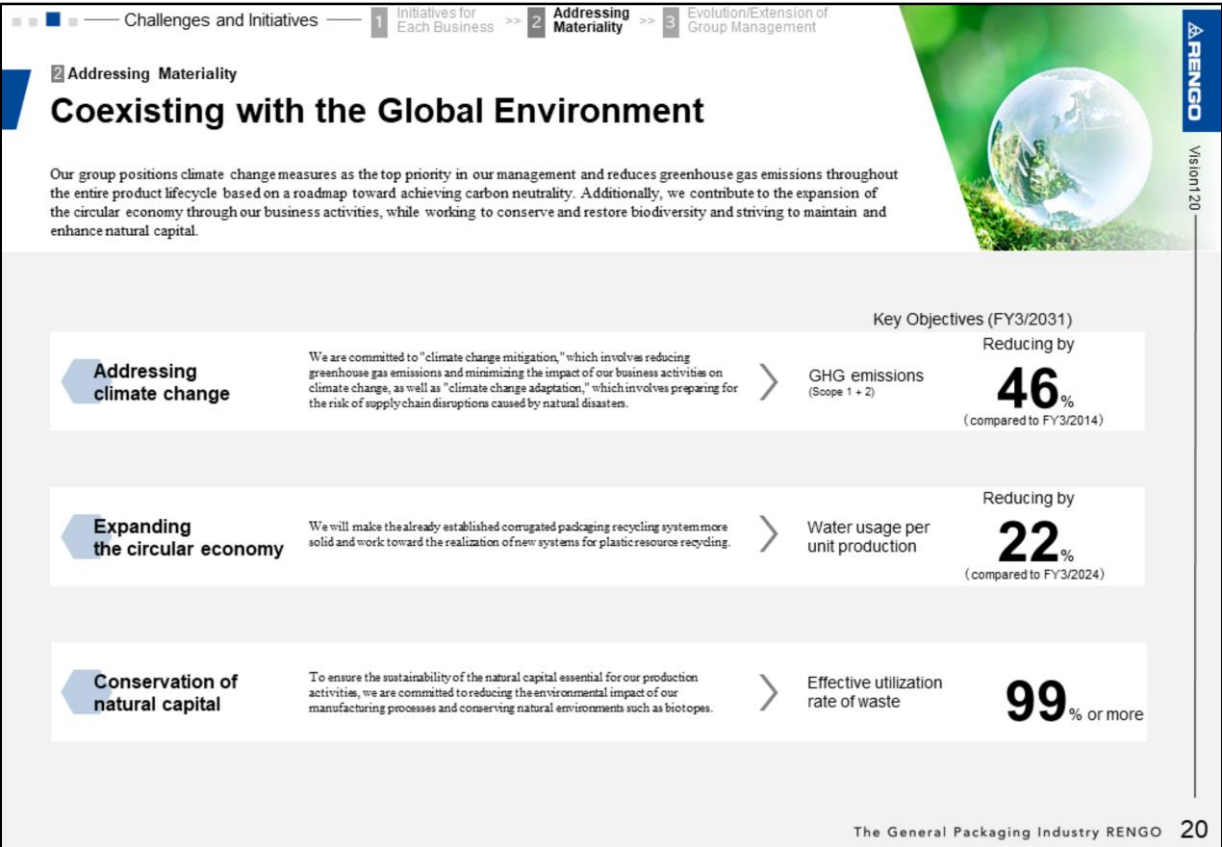
Cellulose beads with soil biodegradability and marine biodegradability are expected to see demand increase as alternatives to plastic microbeads.

The Group's Initiatives

Through company-wide cross-functional proposal activities, we will develop applications in various fields and work to expand production volume.

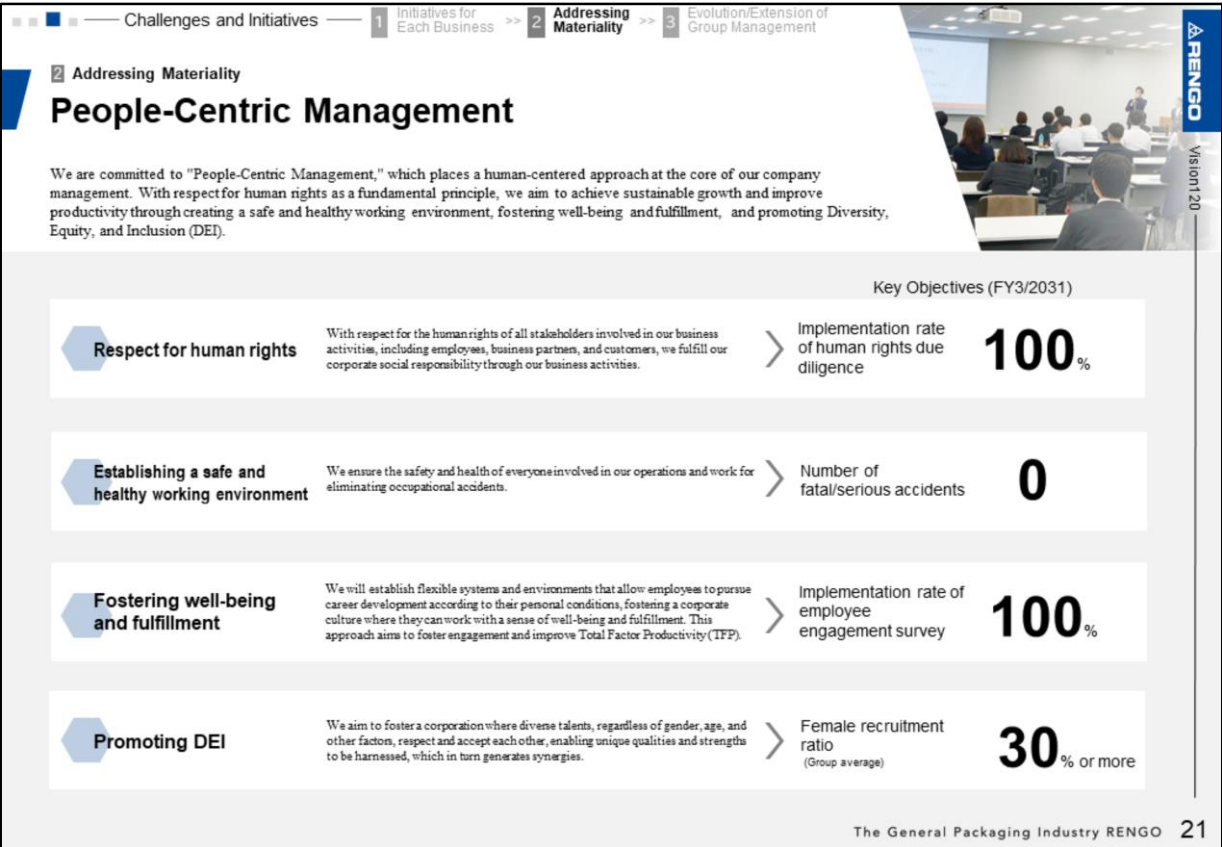
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Additionally, in the Flexible Packaging-Related Business, we are committed to strengthening the development and sales of environmentally friendly film products. We are advancing the use of biomass materials in films, building recycling systems, and renewing cellophane production facilities. We are also developing applications and enhancing production capacity for cellulose beads to meet the demand for alternatives to plastic microbeads.

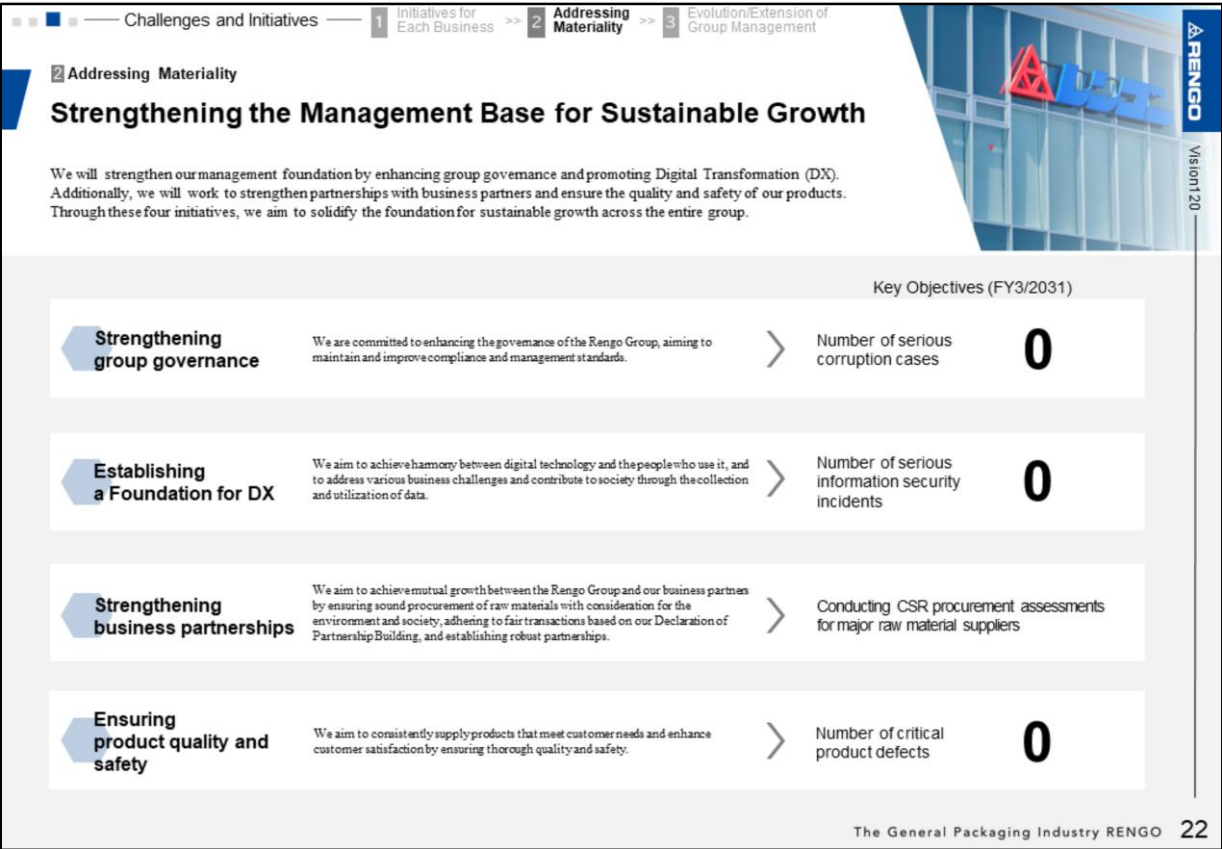


Next, I would like to discuss our approach to coexistence with the global environment.

Our group has positioned addressing climate change as the top priority in our management, with a goal to reduce GHG emissions by 46% by the fiscal year 2030. Additionally, we are working to strengthen the recycling system for corrugated packaging and to reduce water usage, aiming to expand the circular economy. We are also committed to conserving natural capital to ensure the sustainability of our production activities.



Regarding "People-Centric Management," we have placed a human-centered approach at the core of our operations. We aim to achieve sustainable growth and improve productivity through respecting human rights, establishing a safe and healthy working environment, realizing well-being and fulfillment, and promoting Diversity, Equity, and Inclusion (DEI).



The final aspect of our initiatives addressing materiality is strengthening the management foundation for sustainable growth. By enhancing group governance, we aim to maintain and improve compliance and management standards. We are also working on establishing a foundation for digital transformation (DX), strengthening partnerships with business partners, and ensuring product quality and safety.

For these initiatives, we have set quantitative targets with the goal of achieving them by the fiscal year 2030. Moving forward, we will conduct progress management, including quantitative measurements.

Challenges and Initiatives

1 Initiatives for Each Business >> 2 Addressing Materiality >> 3 Evolution/Extension of Group Management

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3 Evolution/Extension of Group Management


Evolution/Extension of Integrated Systems

Group management initiatives in the Flexible Packaging-Related Business


In the Flexible Packaging-Related Business, we are strengthening our integrated system from film manufacturing to printing and converting across the entire group through M&A and other initiatives. We are working on optimizing the entire value chain and creating added value through collaboration with other business segments. Based on a stable supply system built on unwavering trust with our customers, we maximize synergies through vertical integration, enhancing flexibility and efficiency in all processes from development to supply and sales. This approach enables us to respond quickly to changing market needs and aims to achieve sustainable growth and establish a competitive advantage.

Primary Activities


Strengthening the integrated system from plastic film raw material production to printing and converting through the acquisition of RM TOHCELLO as a subsidiary.




Film manufacturing




Shipping and receiving of film




Printing and converting



Research and development




Quality control



Marketing

Support Activities

Howa Sangyo has newly established the R&D Center to conduct research and development for enhancing the functionality of films. Additionally, we aim to expand added value by ensuring thorough quality control and cross-group marketing.



We will lead the sustainable growth of the film packaging market by solidifying our integrated system.

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Next, I would like to explain the evolution and extension of group management, particularly the integrated systems.

In the flexible packaging sector, we are strengthening the integrated system between RM TOHCELLO, which became a subsidiary in 2024, and the downstream operations of Nihon Matai, Howa Sangyo, and the Takigawa Group. This maximizes synergies for improving profitability.

Specifically, RM TOHCELLO plays the role of a material supplier, enhancing collaboration within the group to improve procurement efficiency and optimize cost structures, thereby aiming to improve profitability. On the sales front, this enables rapid response to customer needs, contributing to increased reliability.

Additionally, we are focusing on enhancing our research and development capabilities to drive the development of innovative products.

Over the next five years, we will accelerate the growth of the Overseas Business, expanding our scale and improving profitability in Asia, Europe, and the United States. By expanding our global talent pool, promoting DEI, and strengthening human capital, as well as establishing an efficient and flexible management system through digitalization, we will enhance the value creation foundation in our global operations. This will contribute to our medium- to long-term growth and enhance the sustainability of our group.

- We will establish a growth foundation to enhance our presence in the world's largest economy, where many leading customer companies are concentrated.

The General Packaging Industry RENO 24

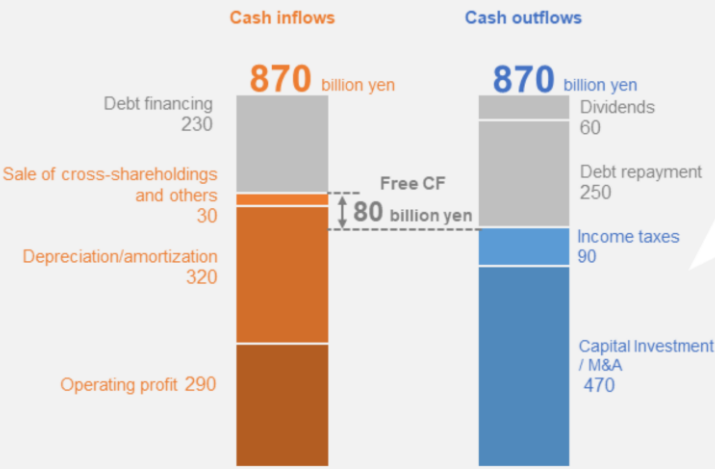
In terms of invested capital, Europe will see significant investment, followed by China, India, and Southeast Asia. We will also accelerate our expansion in the United States, aiming for sales of 300 billion yen and operating profit of 16 billion yen in the overseas business segment. This will help diversify revenue opportunities and mitigate risks.

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Cash Allocation

Over the cumulative period of this Vision120 (FY3/2026 to FY3/2030), we plan to achieve a free cash flow of 80 billion yen (cumulative sales of 5.4 trillion yen, FCF margin of 1.5%). For capital investment and M&A, we plan to allocate 55% to foundational investments, 10% to sustainability investments, 20% to growth investments, and 15% to relocation and renewal. Additionally, we aim to implement a progressive dividend policy targeting a dividend payout ratio of 30% by the end of FY3/2030, and we will proceed with the sale of cross-shareholdings to reduce their ratio to below 10% of net assets.

Cash inflows and outflows over the five-year cumulative period 3/2026 – 3/2030

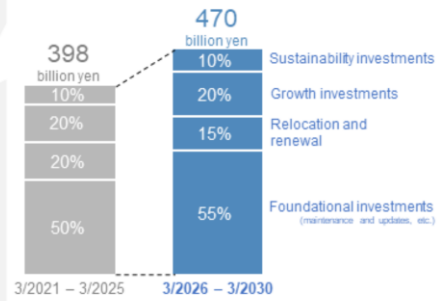


Cash Allocation Policy

Dividend of retained earnings
Progressive dividends aiming for increases in line with profit growth
Dividend payout ratio of **30%** by the end of FY3/2030

Sale of cross-shareholdings
Reducing to **<10%** of net assets by the end of FY3/2030

Breakdown of capital investment and M&A



Next, I would like to explain our financial indicators.

For the cumulative period of the vision (fiscal year ending March 2026 to fiscal year ending March 2030), we estimate cash inflows to include operating profit of 290 billion yen and depreciation of 320 billion yen. Cash outflows are estimated to include 470 billion yen for capital investment and M&A, and 60 billion yen for dividends, resulting in free cash flow of 80 billion yen.

The breakdown of capital investment and M&A, totaling 470 billion yen over five years, will allocate 55% to foundational investments (maintenance and updates), 20% to growth investments, 15% to relocation and renewal, and 10% to sustainability investments. Notably, major capital investments include the renewal of our Takefu Plant and the new Goch plant for TRICOR Packaging & Logistics AG in Germany.

Additionally, by the end of the fiscal year ending March 2030, we aim to achieve a dividend payout ratio of 30%, with progressive dividends based on profit growth. We also aim to reduce policy shareholdings to less than 10% of net assets.

Financial Indicators

Our group aims to maintain a sound financial foundation with a net debt-to-EBITDA ratio of 2.6 times by the final year of our vision, FY3/2030. We will strive to improve profitability and efficiency, targeting an ordinary profit margin of 6% and an ROE of 8.5%. With the full strength of the entire group, we will vigorously conduct initiatives to achieve sustainable growth and become a company trusted by all our stakeholders.

Balance Sheet		Income Statement		Financial KPIs	
FY3/2025 > FY3/2030		FY3/2025 > FY3/2030		FY3/2025 > FY3/2030	
Shareholders' equity	464.0 bl. yen 590.0 billion yen	Net sales	993.3 bl. yen 1,200.0 billion yen	ROE (Return on equity)	6.5% 8.5%
Interest-bearing debt	448.5 bl. yen 430.0 billion yen	Operating profit	37.4 bl. yen 70.0 billion yen	Net debt-to-EBITDA ratio	3.8x 2.6x
Total assets	1,243.1 bl. yen 1,400.0 billion yen	Ordinary profit	39.2 bl. yen 72.0 billion yen		
D/E ratio	1.0x 0.7x	Net income attributable to owners of parent	29.0 bl. yen 49.0 billion yen		
Net D/E ratio	0.7x 0.6x	Depreciation and amortization*	58.9 bl. yen 65.0 billion yen		
Equity ratio	37.3% 43%	EBITDA	97.1 bl. yen 135.0 billion yen		

* including amortization of goodwill

Finally, I would like to discuss the financial indicators for the fiscal year ending March 2030. Our group aims to maintain a sound financial foundation with a target net debt-to-EBITDA ratio of 2.6 times by the final year of our vision, the fiscal year ending March 2030. We are also targeting an ordinary profit margin of 6% and an ROE of 8.5%. Through these efforts, we aim to improve profitability and capital efficiency.

We will focus on further enhancing profit margins and improving financial health by reducing debt in anticipation of future interest rate increases. In terms of shareholder returns, we will maintain our basic dividend policy, aiming to enhance corporate value from a medium- to long-term perspective while strengthening trust and relationships with our stakeholders.

Rengo Co., Ltd.

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

Email: ir@rengo.co.jp

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

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This concludes the overview of our various initiatives and financial indicators based on our medium-term vision "Vision120."

We kindly ask for the continued support and understanding of our shareholders and investors.