

# *Vision* 120

**CREATING THE FUTURE THROUGH PACKAGING**

May 16, 2025

**Rengo Co., Ltd.**

1	■ ■ ■ ■ ■ Introduction	4	Executive Summary Main Themes for the Five-Year Period Fundamental Philosophy
2	■ ■ ■ ■ ■ Business Model	8	Hexagon Management Value Chain
3	■ ■ ■ ■ ■ Challenges and Initiatives	11	Key Themes 1 Initiatives for Each Business 2 Addressing Materiality 3 Evolution/Extension of Group Management
4	■ ■ ■ ■ ■ Management Indicators	26	Cash Allocation Financial Indicators

# Vision120

1	■ ■ ■ ■ Introduction	4	Executive Summary Main Themes for the Five-Year Period Fundamental Philosophy
2	■ ■ ■ ■ Business Model	8	Hexagon Management Value Chain
3	■ ■ ■ ■ Challenges and Initiatives	11	Key Themes 1 Initiatives for Each Business 2 Addressing Materiality 3 Evolution/Extension of Group Management
4	■ ■ ■ ■ Management Indicators	26	Cash Allocation Financial Indicators

# 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
<b>1,200</b> billion yen	<b>70</b> billion yen	<b>72</b> billion yen	<b>135</b> billion yen	<b>8.5%</b>	<b>0.7</b> x

# Main Theme for the Five-Year Period

April 2025 - March 2030

# Vision 120

## CREATING THE FUTURE THROUGH PACKAGING

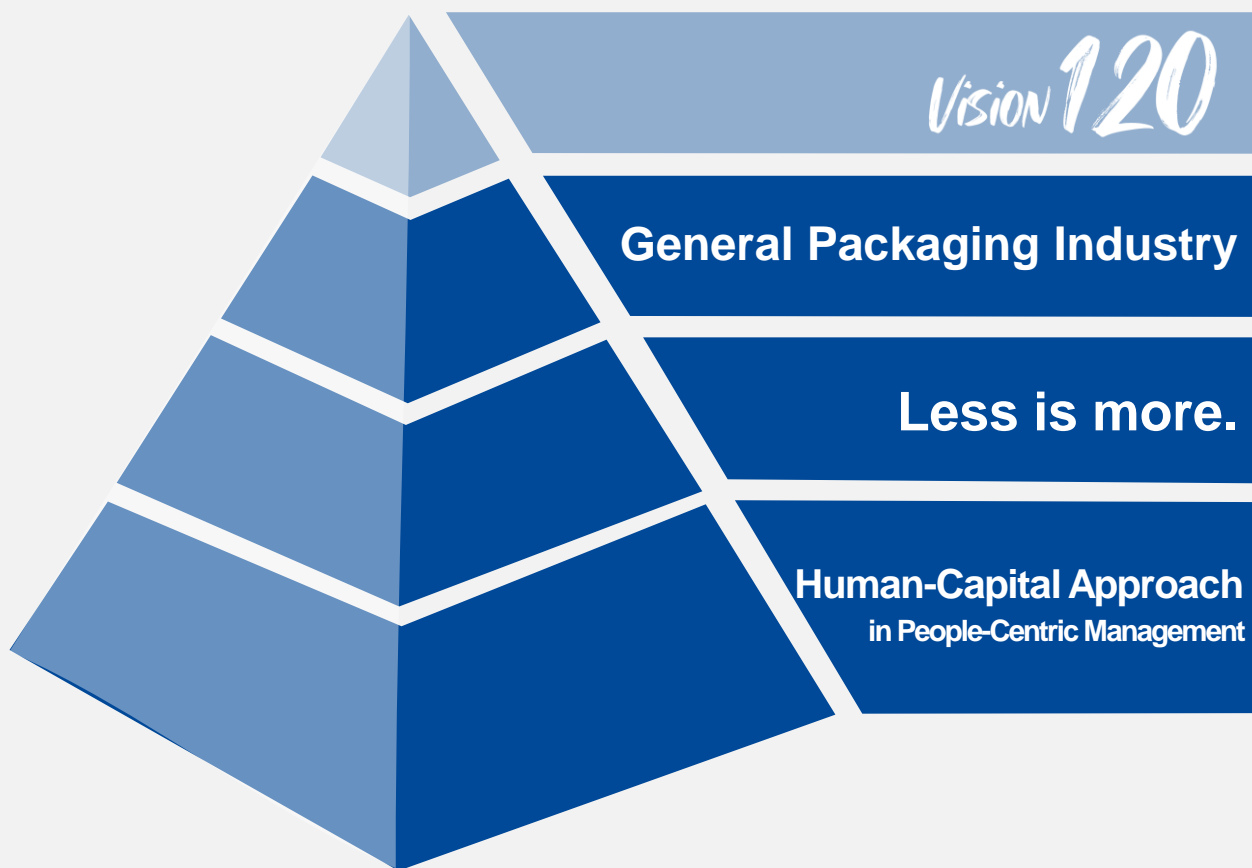
To continue providing new and greater value even in the future of 2050, we position the five-year period leading up to our 120th anniversary in 2030 as a time to solidify our foundation. As a united group, we will strive to establish a stronger value creation foundation.



# 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.



*Vision 120*

Forming a stronger foundation to continue creating value in the future of 2050.

**General Packaging Industry**

As a creative "packaging provider" that creates new markets, we fulfill all the packaging needs of a wide array of industries.

**Less is more.**

Effectively utilizing resources and reducing our environmental impact, we provide high-quality products with more value-added.

**Human-Capital Approach  
in People-Centric Management**

Valuing empathy and sympathy toward others, and under the principles of DEI (Diversity, Equity, and Inclusion), we respect and embrace the diverse and unique qualities of our employees, aiming to improve total factor productivity. By appropriately distributing the added value generated through these efforts to our employees, we aim to sustain a virtuous cycle of growth and distribution that leads to further growth.



# Vision120

1	■ ■ ■ ■ Introduction	4	Executive Summary Main Themes for the Five-Year Period Fundamental Philosophy
2	■ ■ ■ ■ <b>Business Model</b>	8	Hexagon Management Value Chain
3	■ ■ ■ ■ Challenges and Initiatives	11	Key Themes 1 Initiatives for Each Business 2 Addressing Materiality 3 Evolution/Extension of Group Management
4	■ ■ ■ ■ Management Indicators	26	Cash Allocation Financial Indicators

# 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."

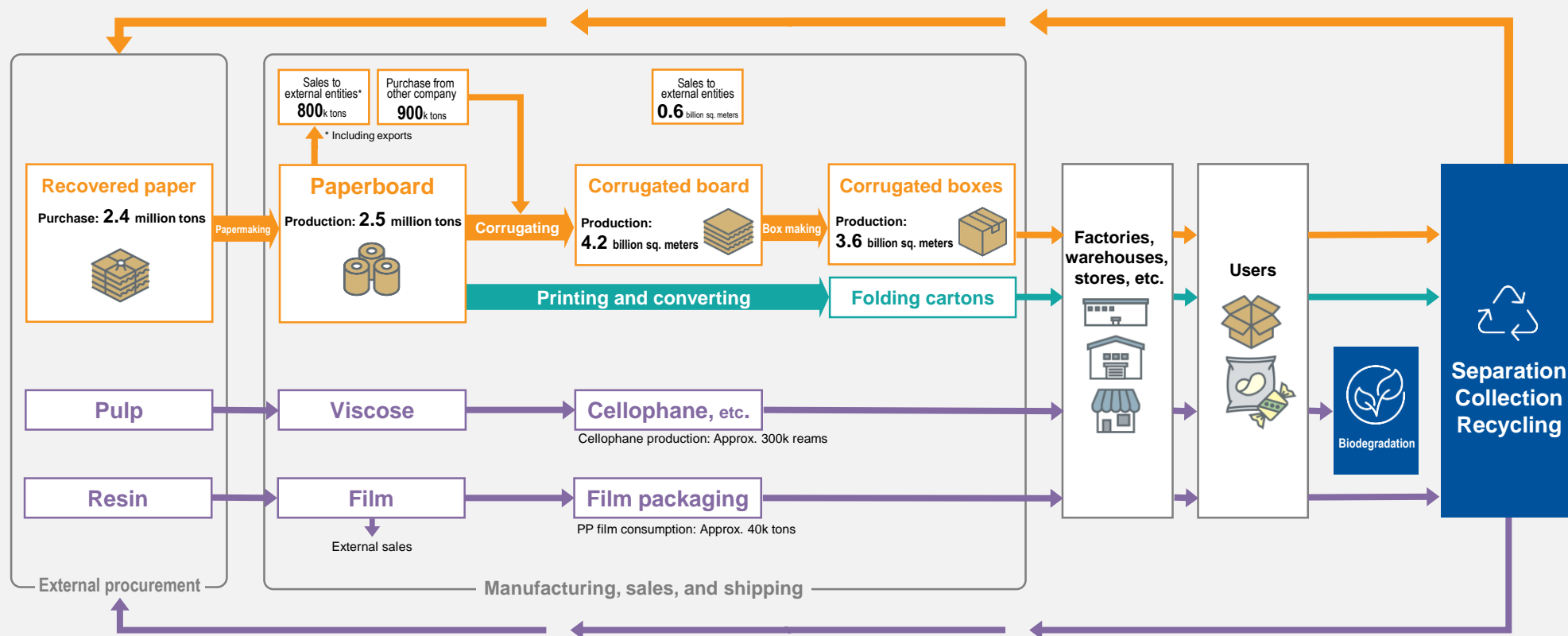


# Value Creation Foundation

## 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.

# Vision120

1	■ ■ ■ ■ Introduction	4	Executive Summary Main Themes for the Five-Year Period Fundamental Philosophy
2	■ ■ ■ ■ Business Model	8	Hexagon Management Value Chain
3	■ ■ ■ ■ Challenges and Initiatives	11	Key Themes 1 Initiatives for Each Business 2 Addressing Materiality 3 Evolution/Extension of Group Management
4	■ ■ ■ ■ Management Indicators	26	Cash Allocation Financial Indicators

# 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 folding cartons businesses under Hexagon 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

## 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	<b>590</b> billion yen

	Operating Profit
FY 3/2025	23.4 billion yen
	⇓
FY 3/2030	<b>36</b> 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.

## 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	<b>210</b> billion yen

	Operating Profit
FY 3/2025	5.1 billion yen
⇓	
FY 3/2030	<b>12</b> 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.

## 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

	Sales
FY 3/2025	45 billion yen
⇓	
FY 3/2030	<b>56</b> billion yen

	Operating Profit
FY 3/2025	1.7 billion yen
⇓	
FY 3/2030	<b>3</b> 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.

## 1 Initiatives for Each Business

# Overseas Business

The Overseas Business will accelerate growth and strengthen its presence in the global market over the next five years. We will enhance our competitiveness by deepening cooperative relationships with local partners and swiftly responding to the unique needs of each region. Additionally, we will actively pursue expansion into emerging markets and generate synergies through collaboration among our established bases. Through these efforts, we aim to diversify our revenue base and create new business opportunities.



Vision for 2030

Driving the group's growth through proactive new expansion

Targeted Financial Performance

Fiscal Year Ending March 2030:  
Sales and Operating Profit

	Sales
FY 3/2025	213.1 billion yen
⇓	
FY 3/2030	<b>300</b> billion yen

	Operating Profit
FY 3/2025	4.9 billion yen
⇓	
FY 3/2030	<b>16</b> billion yen

## Risks and Opportunities

There are geopolitical risks, regulatory issues, competitive environments, and market risks such as currency fluctuations associated with global business operations. However, there are relatively large opportunities for demand expansion due to the increase in global logistics demand and the growth of emerging markets. Additionally, the diversification of management resources, including human resources, is expected to enhance synergies with domestic operations.

## Approach

We will expand our presence in the heavy-duty packaging field by responding to the increasing demand for global logistics. Along with strengthening our operations in existing areas, we will actively enter emerging markets. We will expand our business in the Global South, including India, and in North America to enhance our competitiveness. Through these efforts, we aim to achieve sustainable growth and improve profitability.



## 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

Creating greater value through efficiency and environmental friendliness

Targeted Financial Performance

Fiscal Year Ending March 2030:  
Sales and Operating Profit

**Sales**

FY 3/2025	38.8 billion yen
⇓	
FY 3/2030	<b>44</b> billion yen

**Operating Profit**

FY 3/2025	2 billion yen
⇓	
FY 3/2030	<b>3</b> 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.

## 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

## 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 litter

### 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.

## 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

#### Strengthening the lineup of environmentally friendly products and socially responsible products



#### Business Environment and Outlook

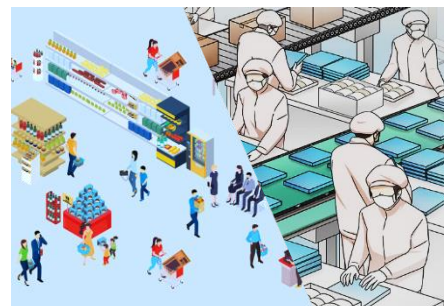
The demand for packaging that reduces environmental impact and addresses social issues such as labor shortages is expected to continue to grow in the future.

#### 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.

### Paperboard and Packaging-Related Business

#### Expansion of sales promotion (SP) business and contract packaging (CP) business



#### 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.

#### 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.

### Other Businesses

#### Strengthening the development and sales of packaging systems



#### 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.

#### 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.

## 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

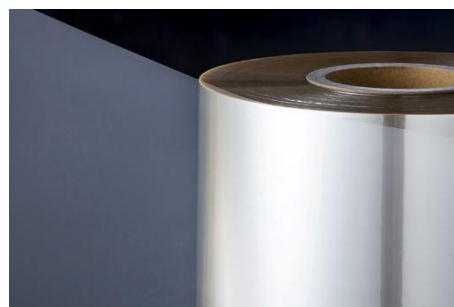
In response to the growing environmental awareness, there is an expected increase in societal demand for the use of biomass and the recycling of plastic packaging materials.

#### 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

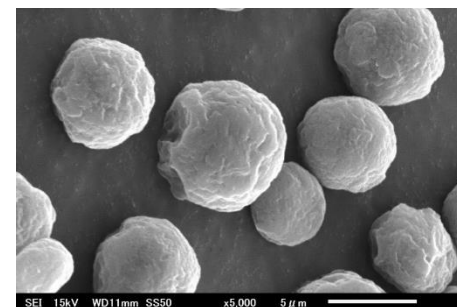
In response to the increasing demand for biodegradable materials and films with higher biomass content, steady demand is expected for cellophane and the REBIOS® series.

#### 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.

## 2 Addressing Materiality

# Coexisting with the Global Environment

Our group positions climate change measures as the top priority in our management and reduces greenhouse gas emissions throughout the entire product lifecycle based on a roadmap toward achieving carbon neutrality. Additionally, we contribute to the expansion of the circular economy through our business activities, while working to conserve and restore biodiversity and striving to maintain and enhance natural capital.



## Key Objectives (FY3/2031)

Reducing by

## Addressing climate change

We are committed to "climate change mitigation," which involves reducing greenhouse gas emissions and minimizing the impact of our business activities on climate change, as well as "climate change adaptation," which involves preparing for the risk of supply chain disruptions caused by natural disasters.



GHG emissions  
(Scope 1 + 2)

**46%**  
(compared to FY3/2014)

## Expanding the circular economy

We will make the already established corrugated packaging recycling system more solid and work toward the realization of new systems for plastic resource recycling.



Water usage per  
unit production

Reducing by  
**22%**  
(compared to FY3/2024)

## Conservation of natural capital

To ensure the sustainability of the natural capital essential for our production activities, we are committed to reducing the environmental impact of our manufacturing processes and conserving natural environments such as biotopes.



Effective utilization  
rate of waste

**99%** or more



## 2 Addressing Materiality

# People-Centric Management

We are committed to "People-Centric Management," which places a human-centered approach at the core of our company management. With respect for human rights as a fundamental principle, we aim to achieve sustainable growth and improve productivity through creating a safe and healthy working environment, fostering well-being and fulfillment, and promoting Diversity, Equity, and Inclusion (DEI).

## Key Objectives (FY3/2031)

## Respect for human rights

With respect for the human rights of all stakeholders involved in our business activities, including employees, business partners, and customers, we fulfill our corporate social responsibility through our business activities.

> Implementation rate of human rights due diligence

**100%**

## Establishing a safe and healthy working environment

We ensure the safety and health of everyone involved in our operations and work for eliminating occupational accidents.

> Number of fatal/serious accidents

**0**

## Fostering well-being and fulfillment

We will establish flexible systems and environments that allow employees to pursue career development according to their personal conditions, fostering a corporate culture where they can work with a sense of well-being and fulfillment. This approach aims to foster engagement and improve Total Factor Productivity (TFP).

> Implementation rate of employee engagement survey

**100%**

## Promoting DEI

We aim to foster a corporation where diverse talents, regardless of gender, age, and other factors, respect and accept each other, enabling unique qualities and strengths to be harnessed, which in turn generates synergies.

> Female recruitment ratio  
(Group average)

**30% or more**

## 2 Addressing Materiality

# Strengthening the Management Base for Sustainable Growth

We will strengthen our management foundation by enhancing group governance and promoting Digital Transformation (DX). Additionally, we will work to strengthen partnerships with business partners and ensure the quality and safety of our products. Through these four initiatives, we aim to solidify the foundation for sustainable growth across the entire group.

### Key Objectives (FY3/2031)

#### Strengthening group governance

We are committed to enhancing the governance of the Rengo Group, aiming to maintain and improve compliance and management standards.



Number of serious corruption cases

0

#### Establishing a Foundation for DX

We aim to achieve harmony between digital technology and the people who use it, and to address various business challenges and contribute to society through the collection and utilization of data.



Number of serious information security incidents

0

#### Strengthening business partnerships

We aim to achieve mutual growth between the Rengo Group and our business partners by ensuring sound procurement of raw materials with consideration for the environment and society, adhering to fair transactions based on our Declaration of Partnership Building, and establishing robust partnerships.



Conducting CSR procurement assessments for major raw material suppliers

#### Ensuring product quality and safety

We aim to consistently supply products that meet customer needs and enhance customer satisfaction by ensuring thorough quality and safety.



Number of critical product defects

0



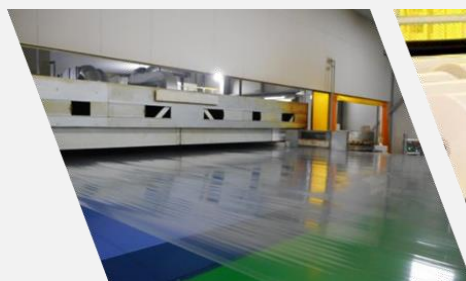
### 3 Evolution/Extension of Group Management

## 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



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

### 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.

## 3 Evolution/Extension of Group Management

## Evolution/Extension of Global Management

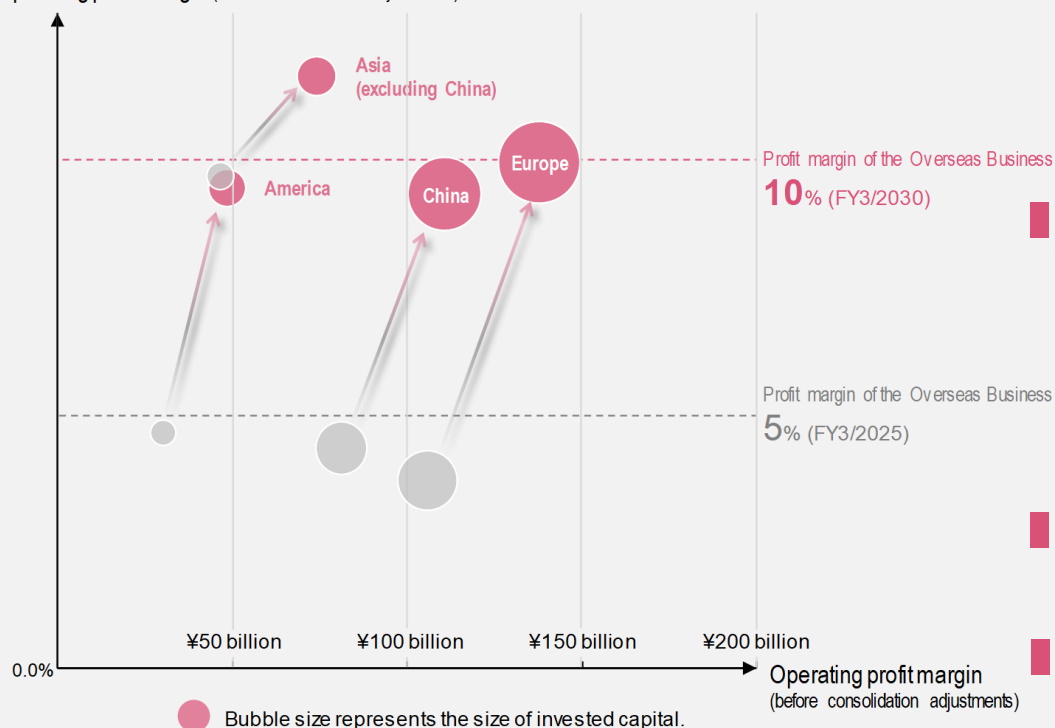


Over the next five years, we will accelerate the growth of the Overseas Business, expanding our scale and improving profitability in Asia, Europe, and the United States. By expanding our global talent pool, promoting DEI, and strengthening human capital, as well as establishing an efficient and flexible 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.

## Growth image of each business

FY3/2025 → FY3/2030

Operating profit margin (before consolidation adjustments)



## China

- In the heavy-duty packaging field, we will continue our expansion strategy and aim to improve profit margins.
- In the flexible packaging field, we will further strengthen our established competitive advantage locally and aim to improve profit margins.
- In the corrugated packaging field, we will strengthen our trust relationships with customers and aim to improve profitability through selection and concentration.

Asia  
(excluding China)

- In the heavy-duty packaging field, we will pursue business expansion and improve profit margins, similar to our strategy in China.
- In the flexible packaging field, we will maintain the existing high profit margins and ensure stable revenue.
- In the corrugated packaging field, we will aim to improve profitability through productivity enhancements and cost reductions.

## Europe

- In the heavy-duty packaging field, we will diversify our customer base and aim to drive medium- to long-term growth of our overseas businesses through business expansion.

## United States

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

# Vision120

1	■ ■ ■ ■ Introduction	4	Executive Summary Main Themes for the Five-Year Period Fundamental Philosophy
2	■ ■ ■ ■ Business Model	8	Hexagon Management Value Chain
3	■ ■ ■ ■ Challenges and Initiatives	11	Key Themes 1 Initiatives for Each Business 2 Addressing Materiality 3 Evolution/Extension of Group Management
4	■ ■ ■ ■ Management Indicators	26	Cash Allocation Financial Indicators

# Cash Allocation

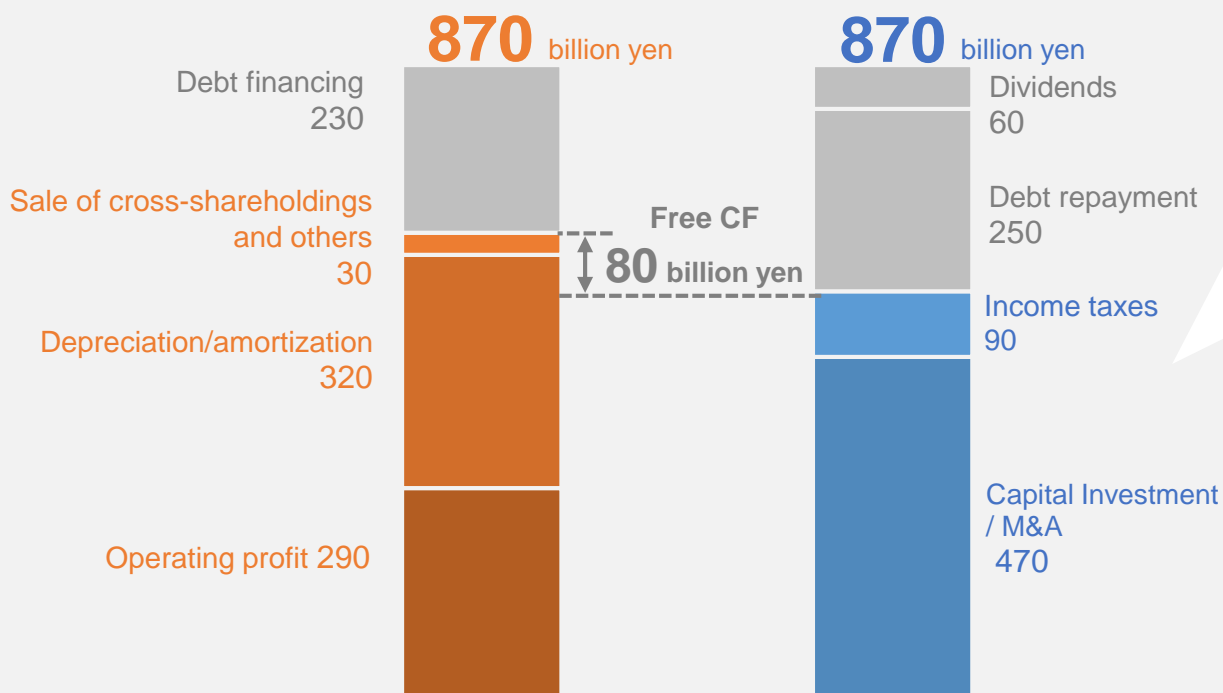
Over the cumulative period of this Vision120 (FY3/2026 to FY3/2030), we plan to achieve a free cash flow of 80 billion yen (cumulative sales of 5.4 trillion yen, FCF margin of 1.5%). For capital investment and M&A, we plan to allocate 55% to foundational investments, 10% to sustainability investments, 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 inflows

### Cash outflows



### Cash Allocation Policy

#### Dividend of retained earnings

Progressive dividends aiming for increases in line with profit growth

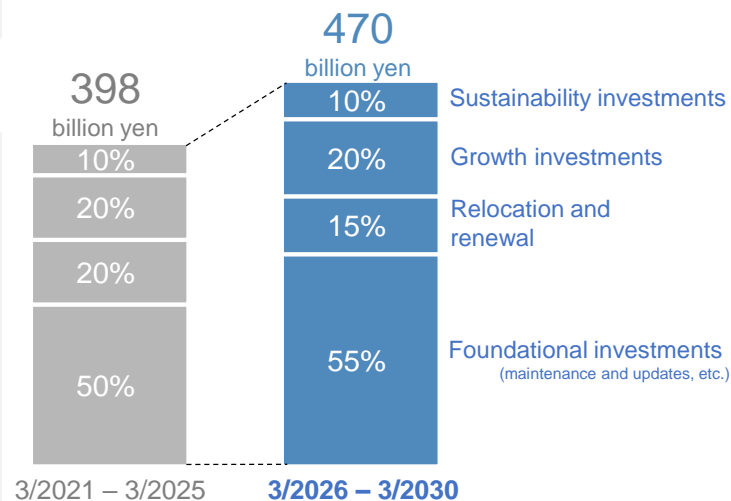
Dividend payout ratio of **30%** by the end of FY3/2030

#### Sale of cross-shareholdings

Reducing to **< 10%** of net assets by the end of FY3/2030

### Breakdown of capital investment and M&A

Comparison with the cumulative total of the most recent five years



# 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

FY3/2025 > FY3/2030

Shareholders' equity 464.0 bl. yen **590.0** billion yen

Interest-bearing debt 448.5 bl. yen **430.0** billion yen

Total assets 1,243.1 bl. yen **1,400.0** billion yen

D/E ratio 1.0x **0.7** x

Net D/E ratio 0.7x **0.6**x

Equity ratio 37.3% **43**%

## Income Statement

FY3/2025 > FY3/2030

Net sales 993.3 bl. yen **1,200.0** billion yen

Operating profit 37.4 bl. yen **70.0** billion yen

Ordinary profit 39.2 bl. yen **72.0** billion yen

Net income attributable to owners of parent 29.0 bl. yen **49.0** billion yen

Depreciation and amortization\* 58.9 bl. yen **65.0** billion yen  
\* including amortization of goodwill

EBITDA 97.1 bl. yen **135.0** billion yen

## Financial KPIs

FY3/2025 > FY3/2030

ROE (Return on equity) 6.5% **8.5**%

Net debt-to-EBITDA ratio 3.8x **2.6**x



# Rengo Co., Ltd.

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

Email: [ir@rengo.co.jp](mailto:ir@rengo.co.jp)

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

## Disclaimer

The business strategies, performance forecasts, and other content included in this material are based on information available at the present time. The performance forecast figures and other information provided do not guarantee the realization of future plans.