Consolidated Financial Results for the Fiscal Year Ended December 31, 2015 [Japanese GAAP]

February 4, 2016

Company name: KANRO CO., LTD.
Stock exchange listing: Tokyo Stock Exchange
Code number: 2216
URL: http://www.kanro.co.jp
Representative: Atsushi Tona, President
Contact: Kenji Morimoto, Director and Managing Executive Officer, in charge of administration and General Manager of Administrative Headquarter
Phone: +81-3-3385-8811
Scheduled date of Annual General Meeting of Shareholders: March 29, 2016
Scheduled date of commencing dividend payments: March 30, 2016
Scheduled date of filing annual securities report: March 30, 2016
Availability of supplementary briefing material on annual financial results: No
Schedule of annual financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2015 (January 1, 2015 to December 31, 2015)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2015	19,683	4.7	333	-	299	-	86	-
December 31, 2014	18,805	2.7	(143)	-	(80)	-	(495)	-

(Note) Comprehensive income: Fiscal year ended December 31, 2015: ¥137 million [- %]
Fiscal year ended December 31, 2014: ¥(488) million [- %]

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary income to total assets	Operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2015	4.79	-	0.9	1.7	1.7
December 31, 2014	(27.34)	-	(4.9)	(0.5)	(0.8)

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended December 31, 2015: ¥ - million
Fiscal year ended December 31, 2014: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2015	17,344	9,416	54.3	519.58
As of December 31, 2014	18,035	9,705	53.8	535.41

(Reference) Equity: As of December 31, 2015: ¥9,416 million
As of December 31, 2014: ¥9,705 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
December 31, 2015	1,469	(1,365)	(1,008)	1,035
December 31, 2014	600	(1,082)	1,615	1,939

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
December 31, 2014	-	6.00	-	6.00	12.00	217	-	2.2
December 31, 2015	-	6.00	-	6.00	12.00	217	250.3	2.3
Fiscal year ending December 31, 2016 (Forecast)	-	6.00	-	6.00	12.00		90.6	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2016 (January 1, 2016 to December 31, 2016)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	9,600	2.3	(80)	-	(80)	-	(100)	-	(5.52)
Full year	20,100	2.1	350	4.9	350	16.8	240	176.2	13.24

*** Notes:**

(1) Changes in significant subsidiaries during the period under review (Changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: Yes
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates No
4) Retrospective restatement: No

(3) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
December 31, 2015: 19,144,505 shares
December 31, 2014: 19,144,505 shares

2) Total number of treasury shares at the end of the period:
December 31, 2015: 1,020,745 shares
December 31, 2014: 1,017,166 shares

3) Average number of shares during the period:
Fiscal Year ended December 31, 2015: 18,125,516 shares
Fiscal Year ended December 31, 2014: 18,128,889 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2015 (January 1, 2015 to December 31, 2015)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2015	19,704	4.8	268	-	254	-	61	-
December 31, 2014	18,800	2.7	(140)	-	(63)	-	(481)	-

	Earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
December 31, 2015	3.38	-
December 31, 2014	(26.58)	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2015	17,039	9,201	54.0	507.71
As of December 31, 2014	17,728	9,563	53.9	527.55

(Reference) Equity: As of December 31, 2015: ¥9,201 million
As of December 31, 2014: ¥9,563 million

* Presentation regarding the implementation status of the audit procedures

These financial results are outside the scope of audit procedures under the Financial Instruments and Exchange Act. At the time of disclosure of these financial results, audit procedures for the financial statements under the Financial Instruments and Exchange Act have not been completed.

* Explanation of the proper use of the financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on currently available information and certain assumptions deemed reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors.