# Consolidated Financial Results for the Three Months Ended March 31, 2016 [Japanese GAAP]

May 11, 2016

Company name: KANRO CO., LTD.
Stock exchange listing: Tokyo Stock Exchange
Code number: 2216
URL: http://www.kanro.co.jp/
Representative: Kazuyasu Misu, 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 filing quarterly securities report: May 13, 2016
Scheduled date of commencing dividend payments: ―
Availability of supplementary briefing material on quarterly financial results: No
Schedule of quarterly financial results briefing session: No

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

**1. Consolidated Financial Results for the Three Months Ended March 31, 2016 (January 1, 2016 to March 31, 2016)**

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

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| Three months ended | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| March 31, 2016 | 4,920 | 6.6 | 366 | 456.9 | 367 | 540.5 | 243 | ― |
| March 31, 2015 | 4,617 | (0.7) | 65 | 304.8 | 57 | (23.9) | 8 | (85.2) |

(Note) Comprehensive income: Three months ended March 31, 2016: ¥212 million [494.9 %]
Three months ended March 31, 2015: ¥35 million [(26.4) %]

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| Three months ended | Yen | Yen |
| March 31, 2016 | 13.46 | ― |
| March 31, 2015 | 0.46 | ― |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|---|---|---|---|
| | Million yen | Million yen | % |
| As of March 31, 2016 | 17,146 | 9,519 | 55.5 |
| As of December 31, 2015 | 17,344 | 9,416 | 54.3 |

(Reference) Equity: As of March 31, 2016: ¥9,519 million
As of December 31, 2015: ¥9,416 million

**2. Dividends**

| | Annual dividends | | | | |
|---|---|---|---|---|---|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended December 31, 2015 | ― | 6.00 | ― | 6.00 | 12.00 |
| Fiscal year ending December 31, 2016 | ― | | | | |
| Fiscal year ending December 31, 2016 (Forecast) | | 6.00 | ― | 6.00 | 12.00 |

(Note) Revision to the forecast for dividends announced most recently: No

**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 | | Basic earnings per share |
|---|---|---|---|---|---|---|---|---|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| First half | 9,900 | 5.5 | 270 | — | 270 | — | 180 | — | 9.93 |
| Full year | 20,100 | 2.1 | 350 | 4.9 | 350 | 16.8 | 240 | 176.2 | 13.24 |

(Note) Revision to the financial results forecast announced most recently: Yes

*** Notes:**

(1) Changes in significant subsidiaries during the three months ended March 31, 2016 (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) 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

(4) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
March 31, 2016: 19,144,505 shares
December 31, 2015: 19,144,505 shares

2) Total number of treasury shares at the end of the period:
March 31, 2016: 1,022,193 shares
December 31, 2015: 1,020,745 shares

3) Average number of shares during the period:
Three months ended March 31, 2016: 18,123,068 shares
Three months ended March 31, 2015: 18,127,050 shares

* Presentation regarding the implementation status of the quarterly review procedures

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

* Explanation of the proper use of 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.