Consolidated Financial Results for the Six Months Ended June 30, 2016 [Japanese GAAP]

August 4, 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: August 9, 2016
Scheduled date of commencing dividend payments: August 31, 2016
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 Six Months Ended June 30, 2016 (January 1, 2016 to June 30, 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	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2016	9,979	6.4	381	—	391	—	242	—
June 30, 2015	9,379	0.9	(117)	—	(142)	—	(209)	—

(Note) Comprehensive income: Six months ended June 30, 2016: ¥205 million [- %]
Six months ended June 30, 2015: ¥(139) million [- %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2016	13.41	—
June 30, 2015	(11.55)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2016	17,273	9,512	55.1
As of December 31, 2015	17,344	9,416	54.3

(Reference) Equity: As of June 30, 2016: ¥9,512 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	—	6.00			
Fiscal year ending December 31, 2016 (Forecast)			—	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
Full year	20,400	3.6	700	109.9	700	133.5	340	291.3	18.76

(Note) Revision to the financial results forecast announced most recently: No

*** Notes:**

(1) Changes in significant subsidiaries during the six months ended June 30, 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):
June 30, 2016: 19,144,505 shares
December 31, 2015: 19,144,505 shares

2) Total number of treasury shares at the end of the period:
June 30, 2016: 1,022,193 shares
December 31, 2015: 1,020,745 shares

3) Average number of shares during the period:
Six months ended June 30, 2016: 18,122,690 shares
Six months ended June 30, 2015: 18,126,824 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.