Consolidated Financial Results for the Fiscal Year Ended December 31, 2016 [Japanese GAAP]

February 9, 2017

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 Senior Managing Executive Officer
and General Manager of Administrative Headquarter
Phone: +81-3-3385-8811
Scheduled date of Annual General Meeting of Shareholders: March 29, 2017
Scheduled date of commencing dividend payments: March 10, 2017
Scheduled date of filing annual securities report: March 30, 2017
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, 2016 (January 1, 2016 to December 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	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2016	19,716	0.2	591	77.4	612	104.2	500	476.0
December 31, 2015	19,683	4.7	333	—	299	—	86	—

(Note) Comprehensive income: Fiscal year ended December 31, 2016: ¥539 million [291.3 %]
Fiscal year ended December 31, 2015: ¥137 million [- %]

	Basic 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, 2016	27.62	—	5.2	3.5	3.0
December 31, 2015	4.79	—	0.9	1.7	1.7

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended December 31, 2016: ¥ - million
Fiscal year ended December 31, 2015: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2016	17,947	9,736	54.3	537.36
As of December 31, 2015	17,344	9,416	54.3	519.58

(Reference) Equity: As of December 31, 2016: ¥9,736 million
As of December 31, 2015: ¥9,416 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, 2016	1,970	(213)	(486)	2,305
December 31, 2015	1,469	(1,365)	(1,008)	1,035

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			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended December 31, 2015	—	6.00	—	6.00	12.00	217	250.3	2.3
Fiscal year ended December 31, 2016	—	6.00	—	6.00	12.00	217	43.4	2.3
Fiscal year ending December 31, 2017(Forecast)	—	6.00	—	6.00	12.00		42.6	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2017 (January 1, 2017 to December 31, 2017)

(% 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	10,400	4.2	420	10.1	430	9.8	280	15.2	15.45
Full year	21,000	6.5	830	40.3	850	38.9	510	1.9	28.14

*** 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, 2016: 19,144,505 shares
December 31, 2015: 19,144,505 shares

2) Total number of treasury shares at the end of the period:
December 31, 2016: 1,025,066 shares
December 31, 2015: 1,020,745 shares

3) Average number of shares during the period:
Fiscal year ended December 31, 2016: 18,121,663 shares
Fiscal year ended December 31, 2015: 18,125,516 shares

(Reference) Summary of Non-consolidated Financial results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2016 (January 1, 2016 to December 31, 2016)

(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, 2016	19,714	0.1	615	128.9	668	162.2	549	796.6
December 31, 2015	19,704	4.8	268	—	254	—	61	—

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
December 31, 2016	30.31	―
December 31, 2015	3.38	―

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2016	17,651	9,533	54.0	526.16
As of December 31, 2015	17,039	9,201	54.0	507.71

(Reference) Equity: As of December 31, 2016: ¥9,533 million
As of December 31, 2015: ¥9,201 million

* Presentation regarding the implementation status of 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 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.