

**Consolidated Financial Results**  
**for the Six Months Ended June 30, 2017**  
**[Japanese GAAP]**



August 3, 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 filing quarterly securities report: August 9, 2017  
 Scheduled date of commencing dividend payments: August 29, 2017  
 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, 2017 (January 1, 2017 to June 30, 2017)**

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

|                  | Net sales   |     | Operating income |      | Ordinary income |      | Net income attributable to owners of parent |      |
|------------------|-------------|-----|------------------|------|-----------------|------|---|------|
|                  | Million yen | %   | Million yen      | %    | Million yen     | %    | Million yen                                 | %    |
| Six months ended |             |     |                  |      |                 |      |   |      |
| June 30, 2017    | 10,418      | 4.4 | 475              | 24.6 | 482             | 23.2 | 307   | 26.5 |
| June 30, 2016    | 9,979       | 6.4 | 381              | —    | 391             | —    | 242   | —    |

(Note) Comprehensive income: Six months ended June 30, 2017: ¥378 million [84.0 %]

Six months ended June 30, 2016: ¥205 million [- %]

|                  | Basic earnings per share | Diluted earnings per share |
|------------------|--------------------------|----------------------------|
| Six months ended | Yen                      | Yen                        |
| June 30, 2017    | 85.14                    | —                          |
| June 30, 2016    | 67.03                    | —                          |

\* The Company conducted a share consolidation of common stock at a ratio of one share for five shares with July 1, 2017 as the effective date. Accordingly, the figures for basic earnings per share have been calculated assuming that the share consolidation had been conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

|                         | Total assets | Net assets  | Equity ratio |
|-------------------------|--------------|-------------|--------------|
|                         | Million yen  | Million yen | %            |
| As of June 30, 2017     | 17,412       | 9,888       | 56.8         |
| As of December 31, 2016 | 17,947       | 9,736       | 54.3         |

(Reference) Equity: As of June 30, 2017: ¥9,888 million

As of December 31, 2016: ¥9,736 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<br>December 31, 2016                | —                | 6.00            | —               | 6.00     | 12.00 |
| Fiscal year ending<br>December 31, 2017               | —                | 6.00            |                 |          |       |
| Fiscal year ending<br>December 31, 2017<br>(Forecast) |                  |                 | —               | 30.00    | —     |

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

\* The Company conducted a share consolidation of common stock at a ratio of one share for five shares with July 1, 2017 as the effective date. Accordingly, the year-end dividend per share for the fiscal year ending December 31, 2017 (forecast) show the amount after taking into consideration the consolidation of shares. The total amount of annual dividends is indicated with “—.” The year-end dividend per share for the fiscal year ending December 31, 2017 would be 6 yen and the total annual dividends per share would be 12 yen if the share consolidation were not considered. Please refer to “Explanation of the proper use of financial results forecast and other notes” for details.

## 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                      |
| Full year | 21,000      | 6.5 | 830              | 40.3 | 850             | 38.9 | 510   | 1.9 | 140.72                   |

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

\* The Company conducted a share consolidation of common stock at a ratio of one share for five shares with July 1, 2017 as the effective date. Accordingly, the figures for basic earnings per share have been calculated assuming that the share consolidation had been conducted at the beginning of the fiscal year ending December 31, 2017. Please refer to “Explanation of the proper use of financial results forecast and other notes” for details.

### \* Notes:

(1) Changes in significant subsidiaries during the six months ended June 30, 2017 (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: No

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, 2017: 3,828,901 shares

December 31, 2016: 3,828,901 shares

2) Total number of treasury shares at the end of the period:

June 30, 2017: 245,599 shares

December 31, 2016: 205,013 shares

- 3) Average number of shares during the period:  
Six months ended June 30, 2017: 3,610,235 shares  
Six months ended June 30, 2016: 3,624,538 shares

- \*1. The Company conducted a share consolidation of common stock at a ratio of one share for five shares with July 1, 2017 as the effective date. Accordingly, the figures for the total number of issued shares at the end of the period, total number of treasury shares at the end of the period and average number of shares during the period have been calculated assuming that the share consolidation had been conducted at the beginning of the previous fiscal year.
2. Total number of treasury shares at the end of the period include the Company's treasury shares owned by Japan Trustee Services Bank, Ltd. (Trust Account) (June 30, 2017: 55,000 shares and December 31, 2016: — shares).

\* These quarterly financial results are outside the scope of the quarterly review.

\* 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.

(Dividends after the stock consolidation and financial results forecast)

The Company conducted a share consolidation of common stock at a ratio of one share for five shares with July 1, 2017 as the effective date, which was approved at the 67th Ordinary General Meeting of Shareholders held on March 29, 2017.

Meanwhile, dividends and financial results forecast would be as follows if the share consolidation were not considered:

1. Dividends forecast for the fiscal year ending December 31, 2017  
Dividend per share: 6 yen for 2nd quarter-end (Note 1) and 6 yen for year-end (Note 2)
2. Financial results forecast for the full fiscal year ending December 31, 2017  
Basic earnings per share: 28.14 yen at the end of the year  
(Note 1) The dividend for the end of the 2nd quarter shall be paid based on the number of shares prior to the share consolidation.  
(Note 2) This is a dividend amount calculated before the share consolidation.  
(Note 3) The total annual dividends per share for the fiscal year ending December 31, 2017 (before the share consolidation) would be 12 yen.