

Supplementary Materials:
Financial Results for the Fiscal Year Ended
December 31, 2024



February 6, 2025

Kanro Inc.

(TSE: 2216)

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“Q4” refers to the period from October to December, “1H” refers to the period from January to June and “2H” refers to the period from July to December in the materials.

(Supplementary Materials 1) 【Summary of Financial Results】

Quarterly

Unit: Million yen

	FY2023					FY2024					FY2023 vs. FY2024	
	Q 1	Q 2	Q 3	Q 4	Full year	Q 1	Q 2	Q 3	Q 4	Full year	YoY	YoY%
Net sales	7,515	6,777	6,317	8,406	29,015	7,613	7,949	7,116	9,098	31,778	2,762	9.5%
Hard candy	3,950	3,396	3,114	4,586	15,046	3,938	3,510	3,170	5,195	15,815	769	5.1%
Gummies *1	3,417	3,234	3,001	3,639	13,293	3,538	4,235	3,751	3,691	15,217	1,923	14.5%
Healthy snacks	145	145	200	179	671	135	195	192	207	730	59	8.9%
Other *2	1	0	0	1	4	0	7	2	4	14	10	240.3%
Cost of sales	4,281	4,090	3,972	4,932	17,277	4,355	4,666	4,267	5,303	18,592	1,315	7.6%
Cost of sales margin (%)	57.0	60.3	62.9	58.7	59.5	57.2	58.7	60.0	58.3	58.5	-	(1.0)pt
Gross profit	3,233	2,687	2,344	3,473	11,738	3,258	3,283	2,848	3,795	13,186	1,447	12.3%
Operating profit	1,189	583	462	1,153	3,388	1,212	1,130	804	1,136	4,284	895	26.4%
Operating profit margin (%)	15.8	8.6	7.3	13.7	11.7	15.9	14.2	11.3	12.5	13.5	-	1.8pt
Ordinary profit	1,192	598	470	1,170	3,432	1,217	1,138	814	1,145	4,315	882	25.7%
Profit	842	393	315	910	2,462	941	825	567	925	3,260	797	32.4%

*Quarterly results are simple differences.

*1 The data is included marshmallow products.

*2 "Other" refers to miscellaneous products other than foods.

1H/2H

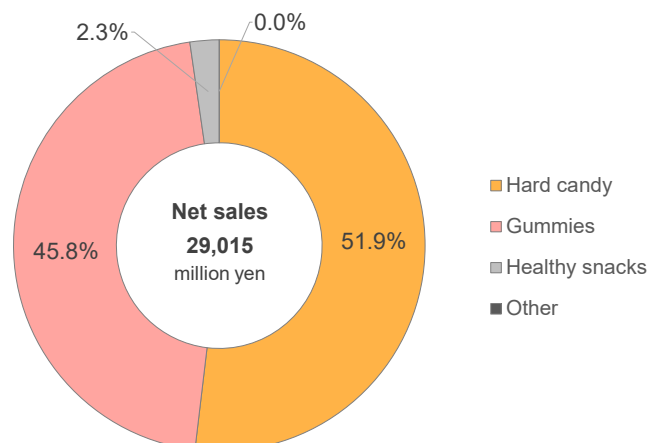
Unit: Million yen

	FY2024 (Actual)			FY2025 (Forecast)			FY2024 vs. FY2025	
	1H	2H	Full year	1H	2H	Full year	1H (YoY%)	2H (YoY%)
Net sales	15,563	16,215	31,778	16,300	17,300	33,600	4.7%	6.7%
Operating profit	2,343	1,940	4,284	2,140	2,180	4,320	(8.7)%	12.3%
Operating profit margin (%)	15.1	12.0	13.5	13.1	12.6	12.9	(1.9)pt	0.6 pt
Ordinary profit	2,355	1,959	4,315	2,150	2,190	4,340	(8.7)%	11.7%
Profit	1,767	1,492	3,260	1,520	1,740	3,260	(14.0)%	16.6%

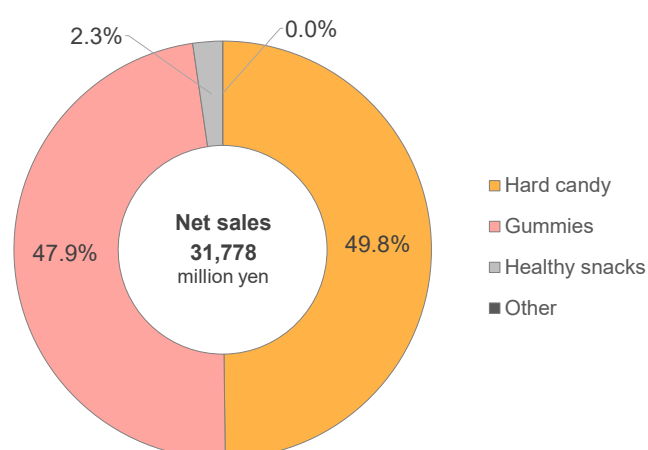
*Results and forecast for 2nd half are simple differences.

Composition of Net sales Jan. to Dec.

FY2023



FY2024



(Supplementary Materials 2) 【Non-consolidated Statements of Income】

Unit: Million yen

			FY2023		FY2024		FY2023 vs. FY2024		
			Amount	%	Amount	%	YoY	YoY%	
Net sales			29,015	100.0%	31,778	100.0%	2,762	9.5%	
Cost of sales			17,277	59.5%	18,592	58.5%	1,315	7.6%	
Gross profit			11,738	40.5%	13,186	41.5%	1,447	12.3%	
		Freight and storage costs	1,746	6.0%	1,860	5.9%	114	6.6%	
		Advertising expenses	609	2.1%	857	2.7%	247	40.6%	
		Other selling expenses	250	0.9%	303	1.0%	53	21.2%	
		Total selling expenses	2,606	9.0%	3,021	9.5%	415	15.9%	
		Personnel expenses	3,888	13.4%	3,829	12.1%	(58)	(1.5)%	
		Other expenses	1,854	6.4%	2,050	6.5%	195	10.5%	
		General and administrative expenses	5,743	19.8%	5,880	18.5%	136	2.4%	
	Selling, general and administrative expenses		8,349	28.8%	8,901	28.0%	552	6.6%	
	Operating profit		3,388	11.7%	4,284	13.5%	895	26.4%	
	Non-operating income		52	0.2%	38	0.1%	(13)	(26.1)%	
	Non-operating expenses		8	0.0%	7	0.0%	(0)	(11.5)%	
Non-operating income and expenses			43	0.2%	31	0.1%	(12)	(28.9)%	
Ordinary profit			3,432	11.8%	4,315	13.6%	882	25.7%	
		Gain on sale of investment securities	-	-	75	0.2%	75	-	
		Gain on sale of membership	-	-	0	0.0%	0	-	
	Extraordinary income		-	-	76	0.2%	76	-	
		Loss on sale of non-current assets	0	0.0%	0	0.0%	0	71.2%	
		Loss on retirement of non-current assets	14	0.1%	5	0.0%	(9)	(65.6)%	
		Impairment losses	32	0.1%	32	0.1%	0	0.8%	
		Loss on valuation of investment securities	0	0.0%	-	-	(0)	-	
		Loss on sale of membership	0	0.0%	-	-	(0)	-	
	Extraordinary losses		47	0.2%	38	0.1%	(9)	(20.5)%	
	Extraordinary income and losses			(47)	-	38	0.1%	86	-
	Profit before income taxes			3,384	11.7%	4,353	13.7%	968	28.6%
	Total income taxes			922	3.2%	1,093	3.4%	171	18.6%
	Profit			2,462	8.5%	3,260	10.3%	797	32.4%

(Supplementary Materials 3) 【Financial Indicators FY2021—FY2025/Forecast】

(FY2025 figures forecast; all others actual)

						Forecast
Fiscal Year	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Net sales	million yen	21,589	25,118	29,015	31,778	33,600
Net sales YoY	%	9.9	16.3	15.5	9.5	5.7
Gross profit	million yen	8,353	9,674	11,738	13,186	—
Gross profit margin	%	38.7	38.5	40.5	41.5	—
Operating profit	million yen	1,254	1,933	3,388	4,284	4,320
Operating profit margin	%	5.8	7.7	11.7	13.5	12.9
Ordinary profit	million yen	1,291	2,001	3,432	4,315	4,340
Profit	million yen	879	1,346	2,462	3,260	3,260
Profit YoY	%	44.3	53.2	82.9	32.4	0.0
Net assets	million yen	11,750	12,555	14,533	16,831	—
Total assets	million yen	21,200	22,315	25,839	29,105	—
Equity ratio	%	55.4	56.3	56.2	57.8	—
Net assets per share	*1 yen	833.23	905.23	1,043.94	1,198.25	—
Basic earnings per share	*1 yen	62.33	96.08	177.09	232.56	232.56
ROA	*2 %	4.3	6.2	10.2	11.9	—
ROIC	*2 %	7.3	10.9	18.2	20.5	16.9
ROE	*2 %	7.7	11.1	18.2	20.8	18.2
PER	times	12.7	11.5	11.7	15.3	—
PBR	times	0.96	1.22	1.99	2.97	—
Cash flows from operating activities	million yen	2,620	2,373	3,935	4,398	—
Cash flows from investing activities	million yen	(1,002)	(1,116)	(1,839)	(2,169)	—
Cash flows from financing activities	million yen	(770)	(1,106)	(585)	(1,009)	—
Cash and cash equivalents at end of period	million yen	2,099	2,250	3,761	4,981	—
Number of employees	persons	608	608	639	678	—
Average number of temporary employees excluded from the number of employees	persons	(137)	(141)	(149)	(162)	—
Capital investment	million yen	914	1,052	1,856	2,950	—
Depreciation	million yen	1,115	1,149	1,216	1,508	—
Research and development expenses	million yen	710	755	771	786	—
Total number of issued shares at the end of the period (not including treasury shares)	*1 number of shares	14,102,336	13,869,428	13,922,101	14,046,438	—
Dividends per share	*1 yen	20.00	31.50	58.00	93.00	93.00
Payout ratio	%	32.0	32.8	32.8	40.0	40.0

The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and related guidance are applied from the beginning of the fiscal year ended Dec. 31, 2022. Accordingly, certain items that were recorded as selling expenses, including agent fees, are deducted from net sales. The figures the fiscal year ended December 31, 2021, are after retroactive application of said accounting standard.

*1: Kanro conducted a share split of common stock at a ratio of two shares for every one share, effective as of July 1, 2022. Dividends per share, net assets per share, basic earnings per share, and total number of issued shares at the end of the period (not including treasury shares) are calculated on the assumption that the share split was conducted at the beginning of the fiscal year ended December 31, 2021.

*2: ROA = Profit / Average of total assets at beginning and end of period

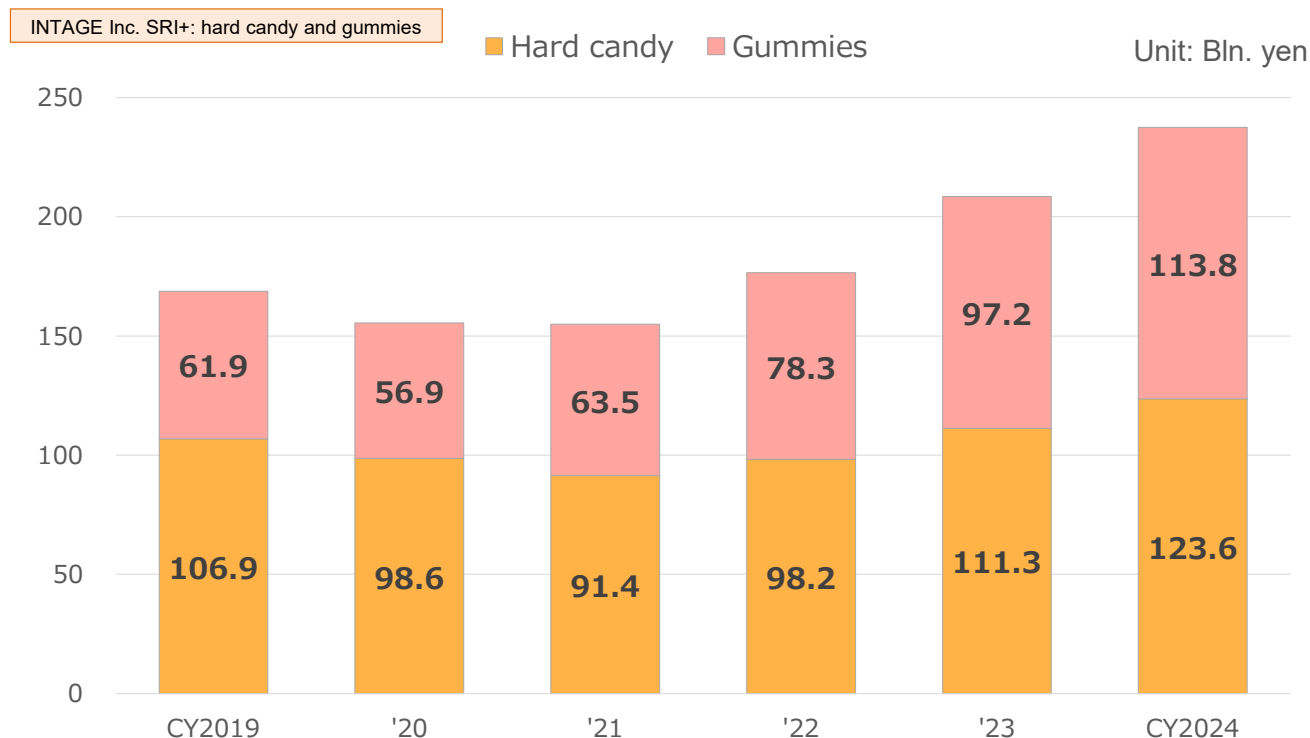
ROIC = Operating profit after tax / (average of interest-bearing liabilities at beginning and end of period + average of net assets at beginning and end of period)

ROE = Profit / Average of net assets at beginning and end of period

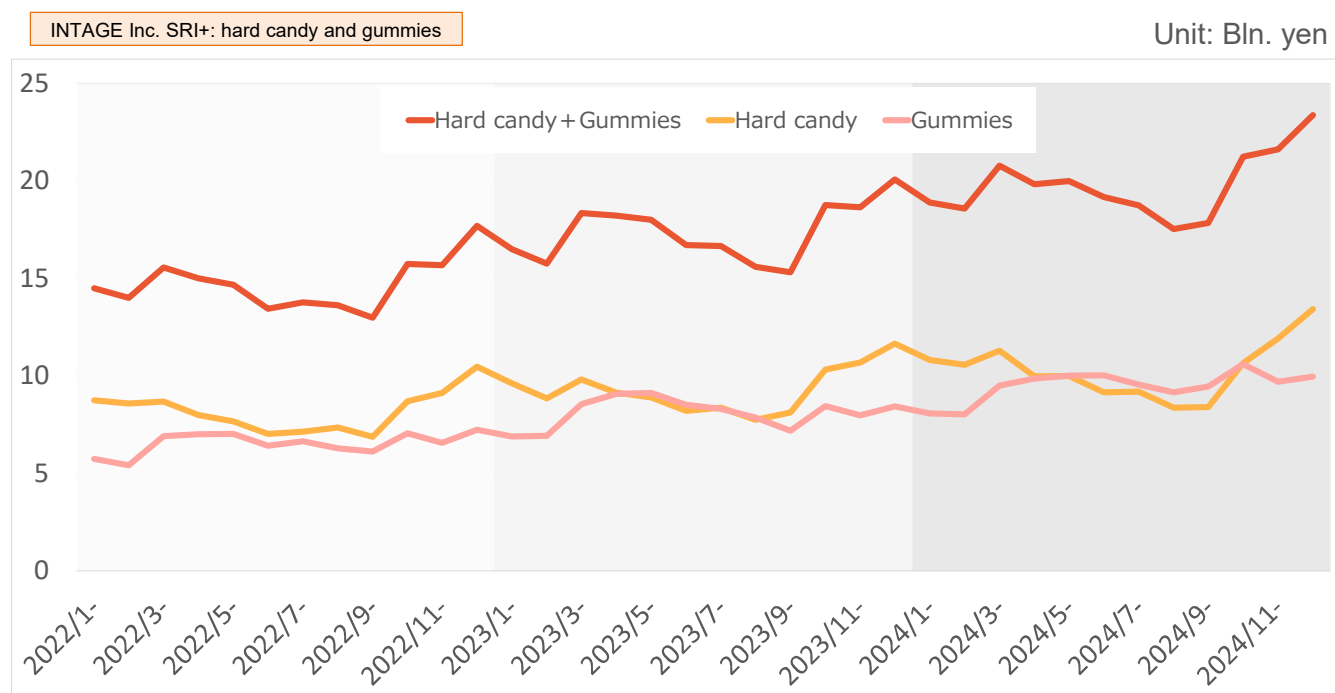
(Supplementary Materials 4) 【Market Trends】

*Please note that due to a change in the data aggregation method, the figures may differ from those previously disclosed.

【Market trends】 Hard candy + Gummies retail sales amount (Yearly)



【Market trends】 Hard candy + Gummies retail sales amount (Monthly)



Retail sales amount from Jan. to Dec. (YoY%)

	Unit: Bln. yen			Unit: Bln. yen		
	Whole Market		YoY%	Kanro		YoY%
	Jan.- Dec. /2023	Jan.- Dec. /2024		Jan.- Dec. /2023	Jan.- Dec. /2024	
Hard candy	111.3	123.6	11.1%	23.2	24.0	3.5%
Gummies	97.2	113.8	17.1%	15.2	18.1	19.1%
Total	208.5	237.4	13.9%	38.4	42.1	9.7%

* INTAGE Inc. SRI+: hard candy and gummies sales amount by type



Disclaimer

Forward-looking statements related to Kanro's current plans, outlook and strategy, etc. contained within these materials are based on judgments made by Kanro management using information available at hand at the time of writing. A variety of material factors that could result in actual performance differing significantly from earnings forecasts include, but are not limited to, economic conditions, particularly trends in personal consumption, as well as the industry environment in which the company conducts its business activities.

The information contained within these materials is provided to facilitate understanding of Kanro, and does not necessarily constitute encouragement to invest.

Moreover, information contained herein is not continuously updated, and the reader should be aware that the content may be revised or withdrawn without prior notice.

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