

Non-consolidated Financial Results for the Three Months Ended March 31, 2025 [Japanese GAAP]



April 25, 2025

Company name:	Kanro Inc.
Listing:	Tokyo Stock Exchange
Securities code:	2216
URL:	https://www.kanro.co.jp/en/
Representative:	Tetsuya Murata, President and CEO
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Scheduled date to commence dividend payments:	—
Preparation of supplementary material on financial results:	Yes
Holding of financial results briefing:	No

(Amounts are rounded down to the nearest million yen)

1. Non-consolidated Financial Results for the Three Months Ended March 31, 2025 (January 1, 2025 to March 31, 2025)

(1) Non-consolidated Operating Results (% of change from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended March 31, 2025	8,205	7.8	1,397	15.2	1,407	15.6	993	5.5
March 31, 2024	7,613	1.3	1,212	2.0	1,217	2.1	941	11.7

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2025	70.71	—
March 31, 2024	67.50	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2025	26,906	16,989	63.1
As of December 31, 2024	29,105	16,831	57.8

(Reference) Equity: As of March 31, 2025: ¥16,989 million
As of December 31, 2024: ¥16,831million

2. Cash Dividends

	Annual cash dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2024	—	35.00	—	58.00	93.00
FY2025	—				
FY2025 (Forecast)		45.00	—	48.00	93.00

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

3. Non-consolidated Financial Results Forecast for FY2025 (January 1, 2025 to December 31, 2025)
(% of change from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	16,300	4.7	2,140	(8.7)	2,150	(8.7)	1,520	(14.0)	108.21
Full year	33,600	5.7	4,320	0.8	4,340	0.6	3,260	0.0	232.56

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

*** Notes:**

(1) Accounting policies adopted specially for the preparation of non-consolidated financial statements: 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: No

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)

	As of March 31, 2025	As of December 31, 2024
1) Total number of issued shares at the end of the period (including treasury shares)	15,315,604 shares	15,315,604 shares
2) Total number of treasury shares at the end of the period	1,269,246 shares	1,269,166 shares
	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
3) Average number of shares during the period	14,046,358 shares	13,948,478 shares

* Total number of treasury shares at the end of the period includes the Company's treasury shares owned by Custody Bank of Japan, Ltd. (Trust Account) (March 31, 2025: 346,500 shares and December 31, 2024: 346,500 shares).

* Review of the Japanese-language originals of the attached non-consolidated financial statements by certified public accountants or an audit firm: No

* 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. Please refer to "(3) Explanation of Non-consolidated Financial Results Forecast and Other Forward-looking Information" on page 3 of the Appendix for assumptions on financial results forecasts and notes on the use of such forecasts.

(Method of obtaining supplementary material on financial results)

Supplementary material on financial results is disclosed on TDnet on April 25, 2025 as well as on the Company's website.

2. Non-consolidated Financial Statements and Primary Notes

(1) Non-consolidated Balance Sheets

(Thousand yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	5,041,259	3,719,517
Accounts receivable - trade	9,016,832	8,501,279
Merchandise and finished goods	1,213,548	1,321,751
Work in process	21,982	124,687
Raw materials and supplies	414,425	425,190
Other	229,861	205,083
Total current assets	15,937,909	14,297,511
Non-current assets		
Property, plant and equipment		
Buildings	8,111,574	8,106,471
Accumulated depreciation	(4,550,722)	(4,619,200)
Buildings, net	3,560,852	3,487,270
Machinery and equipment	15,863,174	15,755,176
Accumulated depreciation	(10,618,381)	(10,696,950)
Machinery and equipment, net	5,244,792	5,058,226
Land	1,497,829	1,497,829
Other	3,068,763	3,076,312
Accumulated depreciation	(2,260,084)	(2,301,031)
Other, net	808,679	775,280
Construction in progress	95,056	94,860
Total property, plant and equipment	11,207,210	10,913,467
Intangible assets	478,676	480,401
Investments and other assets		
Investment securities	161,295	161,160
Deferred tax assets	1,132,101	870,471
Other	188,601	183,552
Total investments and other assets	1,481,998	1,215,184
Total non-current assets	13,167,885	12,609,054
Total assets	29,105,795	26,906,565

(Thousands yen)

	As of December 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	2,776,646	2,700,911
Accounts payable - other	2,119,548	806,844
Accrued expenses	2,550,578	2,347,864
Income taxes payable	663,168	179,883
Provision for bonuses	1,088,304	412,989
Provision for bonuses for directors (and other officers)	129,000	37,500
Other	289,649	723,353
Total current liabilities	9,616,894	7,209,347
Non-current liabilities		
Provision for retirement benefits	2,378,643	2,411,586
Provision for share awards for directors (and other officers)	148,706	157,432
Other	130,372	139,145
Total non-current liabilities	2,657,722	2,708,165
Total liabilities	12,274,616	9,917,513
Net assets		
Shareholders' equity		
Share capital	2,864,249	2,864,249
Capital surplus	2,577,892	2,577,892
Retained earnings	12,054,641	12,213,010
Treasury shares	(741,602)	(741,887)
Total shareholders' equity	16,755,181	16,913,265
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	76,024	75,786
Deferred gains or losses on hedges	(27)	-
Total valuation and translation adjustments	75,997	75,786
Total net assets	16,831,178	16,989,051
Total liabilities and net assets	29,105,795	26,906,565

(2) Non-consolidated Statements of Income
Three Months Ended March 31

(Thousand yen)

	For the three months ended March 31, 2024	For the three months ended March 31, 2025
Net sales	7,613,622	8,205,640
Cost of sales	4,355,232	4,674,473
Gross profit	3,258,389	3,531,166
Selling, general and administrative expenses	2,045,430	2,133,851
Operating profit	1,212,958	1,397,315
Non-operating income		
Interest income	27	2,369
Electricity sale income	1,433	2,004
Royalty income	607	2,228
Other	3,513	4,552
Total non-operating income	5,582	11,155
Non-operating expenses		
Interest expenses	11	71
Electricity sale expenses	1,282	1,280
Other	155	85
Total non-operating expenses	1,449	1,436
Ordinary profit	1,217,091	1,407,034
Extraordinary income		
Gain on sale of investment securities	75,720	—
Gain on sale of membership	713	—
Total extraordinary income	76,433	—
Extraordinary losses		
Loss on retirement of non-current assets	169	1,161
Impairment losses	1,512	3,890
Total extraordinary losses	1,681	5,051
Profit before income taxes	1,291,843	1,401,983
Income taxes - current	55,487	147,099
Income taxes - deferred	294,850	261,723
Total income taxes	350,338	408,822
Profit	941,504	993,160