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Non-consolidated Financial Results for the Six Months Ended June 30, 2025 [Japanese GAAP]



July 29, 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 of filing semi-annual securities report:	August 7, 2025
Scheduled date to commence dividend payments:	August 25, 2025
Preparation of supplementary material on financial results:	Yes
Holding of financial results briefing:	Yes (for institutional investors and financial analysts)

(Amounts are rounded down to the nearest million yen)

1. Non-consolidated Financial Results for the Six Months Ended June 30, 2025 (January 1, 2025 to June 30, 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	%
Six months ended June 30, 2025	16,725	7.5	2,664	13.7	2,679	13.7	1,874	6.1
June 30, 2024	15,563	8.9	2,343	32.2	2,355	31.5	1,767	42.9

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2025	44.49	—
June 30, 2024	42.11	—

(Note) Since a three-for-one share split of common shares was implemented with an effective date of July 1, 2025, basic earnings per share is calculated on the assumption that the share split was implemented at the beginning of the previous fiscal year.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2025	30,468	17,868	58.6
As of December 31, 2024	29,105	16,831	57.8

(Reference) Equity: As of June 30, 2025: ¥17,868 million
As of December 31, 2024: ¥16,831million

2. Cash Dividends

	Annual cash dividends per share				
	1st quarter-end	2nd quarter-end	3rdquarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2024	—	35.00	—	58.00	93.00
FY2025	—	45.00			
FY2025 (Forecast)			—	16.00	—

(Notes)1. Revision to the forecast for dividends announced most recently: No

2. The Company implemented a three-for-one share split of common shares with an effective date of July 1, 2025. The interim dividend per share at the end of the second quarter of the fiscal year ending

December 31, 2025 represents the actual dividend before such share split, and the total annual dividend for the fiscal year ending December 31, 2025 (forecast) is shown as “-”. The year-end dividend per share for the fiscal year ending December 31, 2025 (forecast) on a pre-split basis will be 48.00 yen per share, resulting in an annual dividend per share of 93.00 yen per share.

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
Full year	34,100	7.3	4,400	2.7	4,450	3.1	3,300	1.2	78.31

(Notes) 1. Revision to the financial results forecast announced most recently: Yes

2. Since a three-for-one share split of common shares was implemented with an effective date of July 1, 2025, basic earnings per share is calculated on the assumption that the share split was implemented at the beginning of the current fiscal year. Without considering the share split, basic earnings per share for the fiscal year ending December 31, 2025 would be 234.94 yen.

3. Consolidated financial results will begin from the fiscal year ending December 31, 2025. The full-year consolidated earnings forecast is currently under scrutiny. The Company will announce the details as soon as they are finalized.

* 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 June 30, 2025	As of December 31, 2024
1) Total number of issued shares at the end of the period (including treasury shares)	45,946,812 shares	45,946,812 shares
2) Total number of treasury shares at the end of the period	3,808,308 shares	3,807,498 shares
	January 1, 2025 to June 30, 2025	January 1, 2024 to June 30, 2024
3) Average number of shares during the period	42,138,835 shares	41,970,294 shares

* 1. Since a three-for-one share split of common shares was conducted, effective July 1, 2025, the total number of issued shares at the end of the period, the total number of treasury shares at the end of the period, and the average number of shares during the period are calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

2. 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) (June 30, 2025: 1,039,500 shares and December 31, 2024: 1,039,500 shares).

* These financial results are outside the scope of review by a certified public accountant or audit firm.

* 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 “(4) 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 July 29, 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 June 30, 2025
Assets		
Current assets		
Cash and deposits	5,041,259	5,261,109
Accounts receivable - trade	9,016,832	7,829,567
Merchandise and finished goods	1,213,548	1,393,223
Work in process	21,982	123,802
Raw materials and supplies	414,425	467,146
Other	229,861	354,893
Total current assets	15,937,909	15,429,742
Non-current assets		
Property, plant and equipment		
Buildings	8,111,574	8,122,634
Accumulated depreciation	(4,550,722)	(4,681,234)
Buildings, net	3,560,852	3,441,399
Machinery and equipment	15,863,174	15,711,407
Accumulated depreciation	(10,618,381)	(10,843,109)
Machinery and equipment, net	5,244,792	4,868,298
Land	1,497,829	1,497,829
Other	3,068,763	3,085,321
Accumulated depreciation	(2,260,084)	(2,346,282)
Other, net	808,679	739,038
Construction in progress	95,056	2,681,490
Total property, plant and equipment	11,207,210	13,228,057
Intangible assets	478,676	474,962
Investments and other assets		
Investment securities	161,295	160,575
Shares of subsidiaries and associates	—	43,404
Deferred tax assets	1,132,101	950,565
Other	188,601	180,777
Total investments and other assets	1,481,998	1,335,322
Total non-current assets	13,167,885	15,038,341
Total assets	29,105,795	30,468,084

(Thousand yen)

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	2,776,646	2,878,303
Accounts payable - other	2,119,548	2,916,663
Accrued expenses	2,550,578	2,441,389
Income taxes payable	663,168	666,129
Provision for bonuses	1,088,304	561,895
Provision for bonuses for directors (and other officers)	129,000	75,000
Other	289,649	382,910
Total current liabilities	9,616,894	9,922,291
Non-current liabilities		
Provision for retirement benefits	2,378,643	2,384,026
Provision for share awards for directors (and other officers)	148,706	166,159
Other	130,372	127,216
Total non-current liabilities	2,657,722	2,677,401
Total liabilities	12,274,616	12,599,693
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	13,094,538
Treasury shares	(741,602)	(742,563)
Total shareholders' equity	16,755,181	17,794,118
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	76,024	74,154
Deferred gains or losses on hedges	(27)	118
Total valuation and translation adjustments	75,997	74,272
Total net assets	16,831,178	17,868,391
Total liabilities and net assets	29,105,795	30,468,084

(2) Non-consolidated Statements of Income
Six Months Ended June 30

(Thousand yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Net sales	15,563,157	16,725,705
Cost of sales	9,021,461	9,570,750
Gross profit	6,541,695	7,154,955
Selling, general and administrative expenses	4,198,337	4,490,776
Operating profit	2,343,358	2,664,178
Non-operating income		
Interest income	33	2,373
Dividend income	1,881	933
Electricity sale income	4,437	5,156
Royalty income	3,333	3,265
Other	6,695	7,527
Total non-operating income	16,380	19,257
Non-operating expenses		
Interest expenses	790	144
Electricity sale expenses	3,055	2,681
Other	179	1,376
Total non-operating expenses	4,025	4,203
Ordinary profit	2,355,714	2,679,232
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 sale of non-current assets	0	—
Loss on retirement of non-current assets	201	2,125
Impairment losses	2,105	21,543
Total extraordinary losses	2,306	23,668
Profit before income taxes	2,429,841	2,655,564
Income taxes - current	382,771	599,983
Income taxes - deferred	279,571	180,892
Total income taxes	662,342	780,876
Profit	1,767,498	1,874,688

(3) Non-consolidated Statement of Cash Flows

(Thousand yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	2,429,841	2,655,564
Depreciation	728,250	792,664
Increase (decrease) in provision for bonuses	(540,234)	(526,409)
Increase (decrease) in provision for bonuses for directors (and other officers)	(101,350)	(54,000)
Increase (decrease) in provision for retirement benefits	25,287	5,382
Increase (decrease) in provision for share awards for directors (and other officers)	(74,280)	17,452
Interest and dividend income	(1,914)	(3,307)
Interest expenses	790	144
Loss (gain) on sale of investment securities	(75,720)	—
Loss (gain) on sale of membership	(713)	—
Loss (gain) on sale of non-current assets	0	—
Loss on retirement of non-current assets	201	2,125
Impairment losses	2,105	21,543
Decrease (increase) in trade receivables	1,030,802	1,187,264
Decrease (increase) in inventories	(105,219)	(334,215)
Increase (decrease) in trade payables	(175,663)	101,657
Increase (decrease) in accrued expenses	317,138	(109,188)
Increase (decrease) in accrued consumption taxes	(12,519)	206,286
Other, net	(266,830)	(591,467)
Subtotal	3,179,970	3,371,498
Interest and dividends received	1,914	3,307
Interest paid	(790)	(144)
Income taxes paid	(730,488)	(592,812)
Net cash provided by (used in) operating activities	2,450,605	2,781,849
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,729,925)	(1,611,177)
Purchase of intangible assets	(104,182)	(49,775)
Purchase of shares of subsidiaries and associates	—	(43,404)
Proceeds from refund of guarantee deposits	250,000	—
Purchase of investment securities	(555)	(570)
Proceeds from sale of investment securities	125,690	—
Proceeds from collection of loans receivable	450	300
Proceeds from sale of membership	3,600	—
Net cash provided by (used in) investing activities	(1,454,924)	(1,704,628)
Cash flows from financing activities		
Repayments of lease liabilities	(24,285)	(24,045)
Net decrease (increase) in treasury shares	85,385	(960)
Dividends paid	(544,407)	(832,365)
Net cash provided by (used in) financing activities	(483,307)	(857,371)
Net increase (decrease) in cash and cash equivalents	512,373	219,849
Cash and cash equivalents at beginning of period	3,761,803	4,981,259
Cash and cash equivalents at end of period	4,274,177	5,201,109