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Consolidated Financial Results for the Six Months Ended June 30, 2026 [Japanese GAAP]

July 31, 2026

Company name:	Kanro Inc.
Listing:	Tokyo Stock Exchange
Securities code:	2216
URL:	https://www.kanro.co.jp/en/
Representative:	Tetsuya Murata, President and CEO
Inquiries:	Mitsunori Sato, Director, Managing Executive Officer and CFO, and Division COO, Finance & Accounting Div.
Telephone:	+81-3-3370-8811
Scheduled date of filing semi-annual securities report:	August 6, 2026
Scheduled date to commence dividend payments:	August 24, 2026
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. Consolidated Financial Results for the Six Months Ended June 30, 2026 (January 1, 2026 to June 30, 2026)

(1) Consolidated Operating Results (% of change from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2026	17,454	–	2,146	–	2,159	–	1,554	–
June 30, 2025	–	–	–	–	–	–	–	–

(Note) Comprehensive income: For the six months ended June 30, 2026: ¥1,467 million [－%]
For the six months ended June 30, 2025: ¥－ million [－%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2026	36.87	–
June 30, 2025	–	–

(Notes) 1. Since semi-annual consolidated financial statements were not prepared for the six months ended June 30, 2025, figures for the six months ended June 30, 2025 and the year-on-year percentage change for the six months ended June 30, 2026 are not stated.
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 previous fiscal year.

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(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2026	31,883	19,730	61.9
As of December 31, 2025	33,607	18,984	56.5

(Reference) Equity: As of June 30, 2026: ¥19,730 million
As of December 31, 2025: ¥18,984 million

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
FY2025	–	45.00	–	17.00	–
FY2026	–	15.00			
FY2026 (Forecast)			–	18.00	33.00

(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 ended December 31, 2025 represents the actual dividend before such share split, and the total annual dividend is shown as "–". If calculated on a post-share split basis, the annual dividend per share for the fiscal year ended December 31, 2025 would be 32.00 yen.

3. Consolidated Financial Results Forecast for FY2026 (January 1, 2026 to December 31, 2026)

(% of change from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	36,500	5.0	4,200	(10.5)	4,200	(11.5)	3,000	(11.2)	71.12

(Note) Revision to the financial results forecast announced most recently: Yes

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: No

Newly included : None (Company name) :
Excluded : None (Company name) :

(2) Accounting policies adopted specially for the preparation of 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)

	As of June 30, 2026	As of December 31, 2025
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	3,764,500 shares	3,808,480 shares
	January 1, 2026 to June 30, 2026	January 1, 2025 to June 30, 2025
3) Average number of shares during the period	42,170,598 shares	42,138,835 shares

* 1. Since a three-for-one share split of common shares was implemented with an effective date of 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 on the assumption that the share split was implemented 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, 2026: 995,400 shares and December 31, 2025: 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 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 31, 2026 as well as on the Company’s website.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Thousand yen)

	As of December 31, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	4,321,250	3,100,859
Accounts receivable - trade	10,247,963	7,986,429
Merchandise and finished goods	1,312,145	1,416,964
Work in process	81,675	135,351
Raw materials and supplies	568,680	597,939
Other	469,688	422,673
Total current assets	17,001,403	13,660,217
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,890,213	9,964,492
Accumulated depreciation	(6,086,477)	(6,196,951)
Buildings and structures, net	3,803,735	3,767,540
Machinery, equipment and vehicles	16,227,480	16,097,887
Accumulated depreciation	(11,246,770)	(11,595,884)
Machinery, equipment and vehicles, net	4,980,710	4,502,003
Land	1,497,829	1,497,829
Construction in progress	3,926,840	6,472,417
Other	1,504,139	1,507,324
Accumulated depreciation	(1,103,104)	(1,161,187)
Other, net	401,034	346,136
Total property, plant and equipment	14,610,151	16,585,927
Intangible assets	494,695	442,663
Investments and other assets		
Investment securities	160,400	28,159
Other	1,340,375	1,166,678
Total investments and other assets	1,500,776	1,194,838
Total non-current assets	16,605,623	18,223,428
Total assets	33,607,027	31,883,646

(Thousand yen)

	As of December 31, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,249,322	3,094,315
Short-term borrowings	1,000,000	1,000,000
Accounts payable - other	2,249,501	1,773,512
Accrued expenses	2,711,300	2,416,615
Income taxes payable	1,004,582	508,717
Provision for bonuses	1,305,199	625,574
Provision for bonuses for directors (and other officers)	152,000	74,300
Other	582,313	245,677
Total current liabilities	12,254,220	9,738,714
Non-current liabilities		
Retirement benefit liability	2,064,149	2,108,052
Provision for share awards for directors (and other officers)	183,612	187,565
Other	120,125	119,061
Total non-current liabilities	2,367,887	2,414,680
Total liabilities	14,622,107	12,153,394
Net assets		
Shareholders’ equity		
Share capital	2,864,249	2,864,249
Capital surplus	2,577,892	2,577,892
Retained earnings	13,950,987	14,771,905
Treasury shares	(742,892)	(731,220)
Total shareholders’ equity	18,650,238	19,482,827
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	84,553	6,175
Deferred gains or losses on hedges	–	(18)
Foreign currency translation adjustment	1,006	4,361
Remeasurements of defined benefit plans	249,121	236,905
Total accumulated other comprehensive income	334,681	247,424
Total net assets	18,984,919	19,730,251
Total liabilities and net assets	33,607,027	31,883,646

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

Six Months Ended June 30

(Thousand yen)

	For the six months ended June 30, 2026
Net sales	17,454,880
Cost of sales	10,165,401
Gross profit	7,289,478
Selling, general and administrative expenses	5,143,447
Operating profit	2,146,031
Non-operating income	
Interest income	4,688
Dividend income	2,541
Electricity sale income	4,981
Royalty income	5,345
Other	6,721
Total non-operating income	24,277
Non-operating expenses	
Interest expenses	5,742
Electricity sale expenses	2,703
Other	1,951
Total non-operating expenses	10,396
Ordinary profit	2,159,912
Extraordinary income	
Gain on sale of investment securities	148,513
Total extraordinary income	148,513
Extraordinary losses	
Loss on retirement of non-current assets	2,615
Impairment losses	91,051
Total extraordinary losses	93,667
Profit before income taxes	2,214,758
Income taxes - current	436,411
Income taxes - deferred	223,406
Total income taxes	659,817
Profit	1,554,940
Profit attributable to owners of parent	1,554,940

Consolidated Statements of Comprehensive Income

Six Months Ended June 30

(Thousand yen)

	For the six months ended June 30, 2026
Profit	1,554,940
Other comprehensive income	
Valuation difference on available-for-sale securities	(78,378)
Deferred gains or losses on hedges	(18)
Foreign currency translation adjustment	3,355
Remeasurements of defined benefit plans, net of tax	(12,216)
Total other comprehensive income	(87,257)
Comprehensive income	1,467,683
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	1,467,683

(3) Consolidated Statement of Cash Flows

(Thousand yen)

	For the six months ended June 30, 2026
Cash flows from operating activities	
Profit before income taxes	2,214,758
Depreciation	789,887
Increase (decrease) in provision for bonuses	(679,624)
Increase (decrease) in provision for bonuses for directors (and other officers)	(77,700)
Increase (decrease) in retirement benefit liability	26,069
Increase (decrease) in provision for share awards for directors (and other officers)	3,953
Interest and dividend income	(7,229)
Interest expenses	5,742
Loss on retirement of non-current assets	2,615
Impairment losses	91,051
Loss (gain) on sale of investment securities	(148,513)
Decrease (increase) in trade receivables	2,262,348
Decrease (increase) in inventories	(187,068)
Increase (decrease) in trade payables	(155,645)
Increase (decrease) in accrued expenses	(295,854)
Increase (decrease) in accrued consumption taxes	(222,180)
Other, net	(506,430)
Subtotal	3,116,179
Interest and dividends received	7,229
Interest paid	(5,742)
Income taxes paid	(923,325)
Net cash provided by (used in) operating activities	2,194,341
Cash flows from investing activities	
Purchase of property, plant and equipment	(2,822,821)
Purchase of intangible assets	(36,401)
Purchase of investment securities	(618)
Proceeds from sale of investment securities	166,951
Net cash provided by (used in) investing activities	(2,692,889)
Cash flows from financing activities	
Repayments of lease liabilities	(21,988)
Net decrease (increase) in treasury shares	27,853
Dividends paid	(731,497)
Net cash provided by (used in) financing activities	(725,632)
Effect of exchange rate change on cash and cash equivalents	3,790
Net increase (decrease) in cash and cash equivalents	(1,220,390)
Cash and cash equivalents at beginning of period	4,261,250
Cash and cash equivalents at end of period	3,040,859