

October 27, 2023

Company name Kanro Inc.  
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(Securities code: 2216; Standard Market,  
Tokyo Stock Exchange)  
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## Notice Concerning Revisions to Full-year Non-consolidated Financial Results Forecast and Year-end Dividend Forecast

Kanro Inc. (the "Company") hereby announces that, in light of the recent trends in financial results and other factors, it has decided, at a meeting of the Board of Directors held on October 27, 2023, to revise the full-year non-consolidated financial results forecast and year-end dividend forecast disclosed on April 28, 2023 as follows.

### 1. Revisions to the Non-consolidated Financial Results Forecast

#### (1) Revisions to the Full-year Non-consolidated Financial Results Forecast for the FY2023 (January 1, 2023 to December 31, 2023)

(Million yen)

	Net sales	Operating profit	Ordinary profit	Profit	Basic earnings per share (Yen)
Previously announced forecast (A)	27,700	2,450	2,470	1,680	121.13
Revised forecast (B)	28,500	2,940	2,970	2,050	147.25
Change (B-A)	800	490	500	370	—
Change rate (%)	2.9	20.0	20.2	22.0	—
(Reference) Results for the previous fiscal year (FY2022)	25,118	1,933	2,001	1,346	96.08

#### (2) Reasons for the Revisions

Against the backdrop of the continued market expansion in the gummy category and the rapid increase in demand for throat drops following the spread of the Omicron strain of COVID-19 and increased airborne pollen count, the Company has taken measures to ensure stable supply, such as suspending the sale of some products since March and improving its production system through personnel reinforcement and other means. Our progress in these efforts has enabled us to capture further demand for both gummies and hard candies, primarily with our leading brands, in the second half of the fiscal year. As a result, we forecast net sales of ¥28,500 million, which represents an increase of ¥800 million over the previously announced forecast. Although raw material prices have continued to rise, operating profit is expected to increase by ¥490 million to ¥2,940 million on the back of increased marginal profit resulting from higher revenues and improvements in the gross margin ratio coupled with the lower fixed cost ratio owing to improved productivity. Ordinary profit is forecast to increase by ¥500 million to ¥2,970 million, with profit expected to increase by ¥370 million to ¥2,050 million.

(Note) The financial results forecast is based on information currently available to the Company and assumptions deemed reasonable as of the date of publication of this notice. Actual results may differ from this forecast due to a variety of factors.

## 2. Revisions to the Year-end Dividend Forecast

### (1) Revisions to the Year-end Dividend Forecast

Record date	Cash dividends per share (Yen)		
	2nd quarter-end	Year-end	Total
Previous forecast (announced on April 28, 2023)		22.00	42.00
Revised forecast		30.00	50.00
Actual results for the current fiscal year	20.00		
Actual results for the previous fiscal year (FY2022) (Notes)	25.00	19.00	—

(Notes) 1. Breakdown of the year-end dividend for FY2022: Ordinary dividend of ¥14.00, Commemorative dividend of ¥5.00 (commemorative dividend for 110th anniversary)

2. The Company conducted a stock split of its common stock at a two-for-one ratio with the effective date of July 1, 2022. Accordingly, the cash dividend per share for the 2nd quarter-end of FY2022 shows the actual amount before the stock split, and the total amount of the annual cash dividend for FY2022 is indicated as “—.” The total cash dividends per share for FY2022 converted on the basis after the stock split are ¥31.50.

### (2) Reasons for the Revisions

Following the upward revision to the full-year non-consolidated financial results forecast as described above, the year-end dividend forecast for the current fiscal year has been increased by ¥8 to ¥30 per share. Accordingly, the annual dividend forecast has been increased to 50 yen per share.

The Company considers the return of profits to shareholders as an important policy. Therefore, in the Medium-term Corporate Strategy 2024, we have established an enhanced shareholder return policy of gradually raising the payout ratio to 40% by FY2024.

(Note) The forecast above is based on information currently available to the Company and assumptions deemed reasonable as of the date of publication of this notice. Actual cash dividends may differ from this forecast due to a variety of factors.