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Announcement Regarding Sanrio's Subsidiary Renews Master License Agreement for Mainland China Market

Sanrio Co., Ltd. ("Sanrio") has announced that its subsidiary Sanrio (Shanghai) International Trade Co., Ltd. ("Sanrio Shanghai," headquartered in Shanghai) has renewed the Master License Agreement to license Sanrio characters in mainland China to KT Licensing Ltd. ("KTL," headquartered in Hong Kong) and KT Licensing (Shanghai) Ltd. ("KTL Shanghai," headquartered in Shanghai), executed in January 2017. Based on the renewed agreement, KTL and KTL Shanghai will continue to have the exclusive right to manufacture and sell Sanrio character products in mainland China and to sublicense Sanrio character designs to other companies for the mainland China market. According to the agreement, Sanrio Shanghai, in return, will receive from KTL and KTL Shanghai a certain percentage of licensing revenue and royalty payment.

1. Summary of contract (renewal)

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| i. Contract date: | December 30, 2021 |
| ii. Contract period: | From January 1, 2022, to December 31, 2022 (12 months) |
| iii. Minimum guarantee: | RMB 179,500,000 (approx. 3.2 billion yen) (12 months)
(Inclusive of 6% value-added tax. The above approximate figure in yen was converted at an exchange rate of 1 RMB = 17.83 yen) |

2. Objectives

China has a population of over 1.4 billion (the world's largest) and a nominal GDP of US\$14.8667 trillion (the second largest in the world in 2020)*, and is regarded as one of the most promising markets for Sanrio. In the period from 2012 to 2021, KTL and KTL Shanghai successfully expanded their licensed product businesses and largely achieved the minimum guaranteed amount. As China continues to be a potential growth market, Sanrio has decided to renew the Master License Agreement with KTL and KTL Shanghai and aims to achieve stable earnings in mainland China market.

*Source: Ministry of Foreign Affairs; <https://www.mofa.go.jp/mofaj/area/china/data.html>

3. Impact on Sanrio's earnings

This agreement is expected to have little impact on Sanrio's consolidated earnings for the fiscal year ending March 2022.