



March 15, 2022

Company Name: Sanrio Company, Ltd.
President and Chief Executive Officer: Tomokuni Tsuji
Securities Code: 8136, First Section of Tokyo Stock Exchange
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Notice Regarding Awarding of Bonus for Special Merit and Risk of Recording Extraordinary Loss as a Result

At the meeting of the Board of Directors held on March 15, 2022, a resolution was passed to present a proposal to award a bonus for special merit to retiring Founder and Chairman Shintaro Tsuji at the 62nd Ordinary General Meeting of Shareholders to be held in late June 2022. As a result of this, we would incur an extraordinary loss in our consolidated and non-consolidated financial results for the fiscal year ending March 31, 2022. Details are as follows.

1. Awarding of bonus for special merit

Since Sanrio was founded in 1960, Shintaro Tsuji has been responsible for the administration of the Company and a resolution has been passed to award a bonus for special merit of 300 million yen, in addition to the directors' retirement benefits accumulated under the directors' retirement benefit program (abolished in June 2015), as a reward for his extensive contributions to the success of the Company and work for the Company.

2. Recording of extraordinary loss

As Sanrio has abolished the directors' retirement benefit program, the entirety of the bonus for special merit will be recorded as a consolidated and non-consolidated extraordinary loss for the fiscal year ending March 31, 2022. Furthermore, the recording of an extraordinary loss is predicated on approval by the 62nd Ordinary General Meeting of Shareholders, to be held in late June 2022.

3. Future Outlook

This extraordinary loss is planned for the fiscal year ending March 31, 2022.