



June 29, 2022

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## Notice Regarding Conclusion of Master License Agreement for Subsidiary's China Mainland Market

Sanrio Company, Ltd. (the “Company”), today announced that its subsidiary, Sanrio (Shanghai) Int'l Trade Co., Ltd. (headquarters: Shanghai; hereinafter, “Sanrio Shanghai”), has resolved to enter into a master license agreement with ALIBABA SHOUQUANBAO (TIANJIN) CULTURE COMMUNICATION CO., LTD. (headquarters: Tianjin; hereinafter, “Alifish”<sup>\* Note 1</sup>), to license characters owned by the Company in mainland China. Under this agreement, Alifish will have the exclusive right to manufacture and sell merchandise with Sanrio character designs in mainland China and to sublicense them to other companies for this market, subject to certain exceptions as specified in the agreement. In return, Sanrio Shanghai will receive royalties from Alifish.

### 1. Summary of agreement

- 1) Scheduled date of agreement signing: June 29, 2022
- 2) Agreement duration: January 1, 2023, to December 31, 2027 (five years)
- 3) Licensed characters (Total of 26 characters)  
Hello Kitty, My Melody, Little Twin Stars, Cinnamoroll, Pompompurin, gudetama, Kuromi, Kerokerokeroppi, Bad Bantz-maru, Pochacco, and others

### 2. Objective

China has a population of about 1.4 billion people (the world's largest population) and GDP equivalent to USD 17.7 trillion (the world's second highest in 2021)<sup>\* Note 2</sup>, making it a market with future potential for the Company.

In order to fully capitalize on growth opportunities addressing changes in the environment such as accelerating digitalization in mainland China market, Sanrio Shanghai will enter into the abovementioned master license agreement with Alifish, part of the Alibaba Group, one of China's most influential IT platformers, to further enhance the Sanrio brand and character value in the Chinese mainland market.

### 3. Impact on Business Performance

The impact of this agreement on this fiscal year's business performance is expected to be minor, but any matters requiring disclosure will be disclosed immediately in the event that they arise.

\*Note 1: ALIBABA SHOUQUANBAO (TIANJIN) CULTURE COMMUNICATION CO., LTD., is one of the companies in the Alibaba Group and is owned by Alibaba Pictures Group Limited (whose shares are listed on The Stock Exchange of Hong Kong Limited).

The Alibaba Group had a total of 254,941 employees as of 31 March 2022 and achieved a record RMB 8,317 billion in global GMV for the fiscal year ended March 31, 2022.

\*Note 2: Source: JETRO