



Nov 4, 2022

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Notice Regarding Differences Between Consolidated Forecasts and Results of Operations for the First Half of the Fiscal Year Ending March 31, 2023, Revisions to Full-year Forecasts, and Revisions to Dividends from Surplus and Dividend Forecasts

Differences existed between the consolidated earnings forecast announced by Sanrio Co., Ltd. for the first half of the fiscal year ending March 31, 2023 and the actual financial results announced today. The Company also announced revisions to our its consolidated earnings and dividend forecasts for the fiscal year ending March 31, 2023.

**1. Differences Between Consolidated Earnings Forecasts and Financial Results for the First Half of the Fiscal Year Ending March 31, 2023
 (April 1, 2022 to September 30, 2022)**

	Sales	Operating Profit	Ordinary Profit	Net Profit Attributable to Owners of Parent	Net Profit per Share
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)
Prior Forecasts (A) Published on Aug 2, 2022	27,800	3,300	3,500	1,300	16.13
Results (B)	30,630	5,346	5,608	3,010	37.37
Differences (B-A)	2,830	2,046	2,108	1,710	—
Differences (%)	10.2	62.0	60.2	131.6	—
(Reference) Results for 1H of the Fiscal Year Ended 3/2022	23,793	288	636	1,949	24.20

**2. Revisions to Forecasts for Full Year for the Fiscal Year Ending March 31, 2023
(April 1, 2022 to March 31, 2023)**

	Sales	Operating Profit	Ordinary Profit	Net Profit Attributable to Owners of Parent	Net Profit per Share
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)
Prior Forecasts (A) Published on Aug 2,2022	57,400	4,700	5,200	2,500	31.02
Revised Forecasts (B) Published on Nov 4,2022	62,300	7,000	7,700	4,000	49.63
Differences (B-A)	4,900	2,300	2,500	1,500	—
Differences (%)	8.5	48.9	48.1	60.0	—
(Reference) Results for the Fiscal Year Ended 3/2022	52,763	2,537	3,318	3,423	42.49

3. Revisions to Interim Dividends from Retained Earnings and Year-end Dividends Forecasts

The Board of Directors of the Company approved on November 4, 2022 to revise the interim dividends from retained earnings and forecasts to year-end dividends as follows.

(1) Interim Dividends from Retained Earnings Details

	Payment of interim dividends for the Fiscal Year ending 3/2023	Most recent dividend forecasts (announced on August 2, 2022)	Payment of interim dividends for the fiscal year ended 3/2022
Record date	September 30, 2022	Same as on the left	September 30, 2021
Dividend per share	15.00 yen	10.00 yen	8.00 yen
Total amount of payment	1,209 million yen	—	644 million yen
Effective date	November 22, 2022	—	November 22, 2021
Source of payment	Retained earnings	—	Retained earnings

(2) Revision to Year-end Dividends Forecasts

Revision to the Dividends Forecasts for the Fiscal Year Ending 3/2023 (April 1, 2022 to March 31, 2023)

	Dividend per Share		
	2Q-end	Year-end	Total
	Yen	Yen	Yen
Prior Forecasts Published on Aug 2,2022	10.00	10.00	20.00
Revised Forecasts Published on Nov 4,2022	—	15.00	30.00
Results for the Fiscal Year Ending 3/2023	15.00	—	—
(Reference) Results for the Fiscal Year Ended 3/2022	8.00	8.00	16.00

4. Reasons for Differences and Revisions

(1) Reasons for Differences Between Consolidated Earnings Forecasts and Financial Results for the First Half

Sales for the first half of the consolidated fiscal year were 2,830 million yen higher than our forecast announced on August 2, 2022. This difference was mainly due to stronger-than-expected overseas and domestic demand subsequent the announcement of said forecasts . Operating profit was 2,046 million yen higher, mainly due to the increase in sales, a lower cost of sales ratio achieved through structural reforms in line with our medium-term management plan, and optimization of the SG&A-to-sales ratio. Ordinary profit was 2,108 million yen higher, mainly due to the increase in operating profit. Net profit attributable to owners of the parent was 1,710 million yen higher, mainly due to the increase in ordinary income.

(2) Reasons for Revision of Full-Year Consolidated Earnings Forecasts

During the current consolidated fiscal year, the outlook for the external environment remained uncertain due to prolonged conflict in Europe, rising prices, supply constraints, and fluctuations in the financial and capital markets, etc. However, as our consolidated financial results for the first half of the fiscal year exceeded forecasts, we have incorporated these factors into our full-year consolidated business forecast. At the same time, we expected financial results to remain stable to a certain degree in the consolidated third quarter and beyond.

Therefore, we have revised our consolidated financial results for the full fiscal year. Our revised full-year consolidated earnings forecast calls for operating profit of 7,000 million yen, which we expected to exceed our planned results for the fiscal year ending March 31, 2024, the final year of our medium-term management plan.

(3) Reasons for Revision of Dividend Forecasts

Sanrio Co., Ltd. considers the return of profits to shareholders to be an important management issue. Consolidated financial results exceeded forecasts for the first half of the fiscal year, in which we recorded net profit attributable to owners of the parent of 3,010 million yen. As a result of the revising our full-year forecasts upward, we now expect to record net profit attributable to owners of the parent in the amount of 4,000 million yen. We revised our interim dividend to 15 yen per share, up 5 yen compared to our previous forecast of 10 yen per share. We have also revised our year-end dividend to 15 yen per share, up 5 yen from our previous forecast of 10 yen per share. As a result, we expect the annual dividend per share to be 30 yen per share, an increase of 10 yen compared to our previous forecast of 20 yen per share.

We will continue striving to improve our business performance to return profits to our shareholders on a continued basis, and we ask for your continued support in our endeavors.

Note: The forecasts above are based on information currently available to the Company and certain assumptions judged to be reasonable. Forecasts are not intended to be a promise of achievement by the Company. Actual results may differ significantly due to various factors.