



# Third Quarter of FY ending 3/2023 Financial Results



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# 1. Consolidated Cumulative 3Q of FY3/2023 Results Summary



# 1. Consolidated Cumulative 3Q of FY3/2023 Results Summary

Sales totaled 51.6 billion yen (up 33.9% over the previous year), operating profit was 10.6 billion yen (up 420.7% over the previous year), and net profit attributable to owners of parent was 6.7 billion yen (up 114.0% over the previous year).

## Summary

Although the outlook for the external environment remains uncertain, measures in line with the Mid-term Management Plan's three pillars moved ahead steadily and sales and income were up significantly in businesses overall. The Domestic Product Sales business and the North America business are expected to be successful in returning operating profit for the full year to the black one year ahead of schedule.

## Sales 51.6 billion yen

The ability to operate brick-and-mortar stores and theme parks normally without restrictions in Japan throughout this period, in addition to collaborative items with other companies, helped to encourage traffic to stores. In addition, we succeeded in developing products with wide range of Sanrio characters in both Japan and overseas. Overseas, e-commerce in North America and the License business in China remained strong in all categories, which were contributing factors

## Operating Profit 10.6 billion yen

Sales grew in Japan and all regions overseas, and structural reforms also made steady progress. The Domestic Product Sales business and the North America business, which had posted losses for a long time, succeeded in returning to the black. In addition, Puroland and Harmonyland are expected to return operating profit for the full year to the black for the first time in three fiscal years.

## Net profit attributable to owners of parent 6.7 billion yen

Although 1.3 billion yen in additional tax was posted and there was also a natural decline after 3.8 billion yen in extraordinary gains (sale of fixed assets) posted in the previous fiscal year, the substantial increase in operating profit attributable to sales growth and structural reforms made a contribution.



## 2. Progress of the Medium-term Management Plan



## 2. Progress of the Medium-term Management Plan

### Summary of progress in 3Q

#### Corporate Culture Reform

##### Management Team

The internal HR system for the executive officers and manager level was completed ahead of the next fiscal year, which is the final year of the Mid-term Management Plan. The proportion of younger generation management was increased at a faster pace.

##### Employee engagement

Initiatives aimed at reforming the corporate culture were accelerated with the design of a system to be implemented within the fiscal year, including improvements to the salary system for all employees (including an increase in the base salary), in addition to benefits by rank and special benefits.

#### Complete of Structural Reform

##### Domestic Product Sales

Steady progress was made with all measures in the Mid-term Management Plan, including SKU and development and procurement management. Although there is still a risk of higher cost-to-sales ratio due to a spike in material costs, sales at stores and e-commerce remain higher than this.

##### Overseas Business

The supply chain remains disrupted due to COVID-19 regulations imposed by the Chinese government, but progress has been steady with the launch of new e-commerce. In addition, all measures in the Mid-term Management Plan in the US and Southeast Asia, and elsewhere progressed smoothly.

#### Planting Seeds for Regrowth

##### Education (Edutainment)

Over 10,000 people applied for the recruitment of experience-based monitors for Sanrio English Master, which will be launched in March 2023.

##### Next generation/ IP creation

“Gachikawa Competition,” Phase 2 of the Next Kawaii Project was streamed, with over 1.7 million views in total. Social media followers of Petapetaminilian as a unisex IP are also steadily increasing.



# 3. Consolidated Financial Results (P/L)



### 3. Consolidated Financial Results (P/L)

[JPY : Million]

## Consolidated Cumulative 3Q of FY3/2023 Results Summary

	A	B	C	D	E	F	G	H
1		3Q FY3/2023 results	3Q FY3/2022 results	Increase (decrease)	Change (%)	Revised FY3/2022 Forecasts (Revised on Mar.16)	Difference	Progress rate (%)
2	Sales	51,625	38,562	13,063	33.9	70,600	18,974	73.1
3	Gross profit	35,657	24,765	10,892	44.0	48,245	12,587	73.9
4	SG&A expenses	25,055	22,729	2,326	10.2	35,345	10,289	70.9
5	Operating profit (loss)	10,602	2,036	8,565	420.7	12,900	2,297	82.2
6	Ordinary profit (loss)	11,009	2,465	8,544	346.6	13,600	2,590	81.0
7	Net profit (loss) attributable to owners of parent	6,790	3,172	3,617	114.0	7,600	809	89.3

#### Sales

In Japan, the ability to operate brick-and-mortar stores and theme parks normally without restrictions throughout this period, as well as the popularity of collaborative items with other companies, led to an increase in customers, and sales increased significantly. In addition, development regarding a wide range of Sanrio characters in Japan and overseas was a success. Overseas, e-commerce grew in North America, and the License business in China remained strong in all categories, which contributed to earnings.

#### Gross profit

In addition to a significant increase in sales, the Domestic Product Sales business and the North America business implemented structural reforms and sales profitability improved.

#### SG&A expenses

In a reaction to the previous fiscal year, when restrictions were placed on activity, business activity picked up, and this led to an increase in personnel costs, sales costs, and miscellaneous costs.

#### Net profit (loss) attributable to owners of parent

Although 1.3 billion yen in additional tax was posted and there was also a natural decline after 3.8 billion yen in extraordinary gains posted in the previous fiscal year, the substantial increase in sales led to growth.

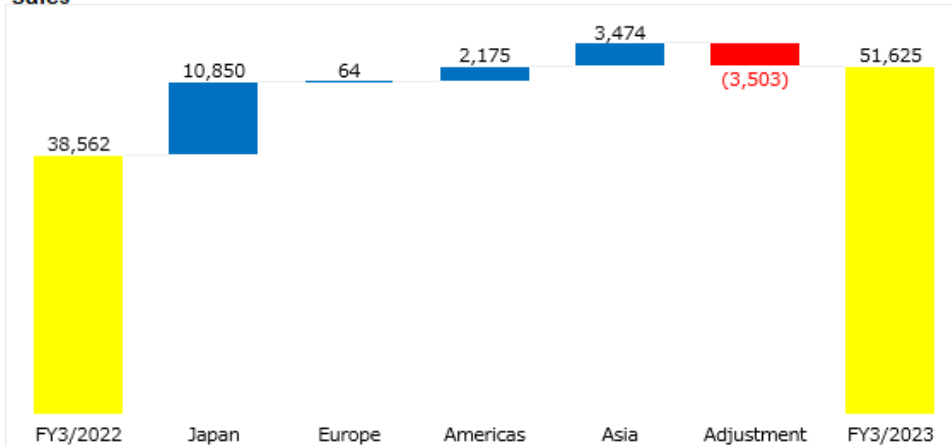
Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent0.





### 3. Consolidated Financial Results (P/L)

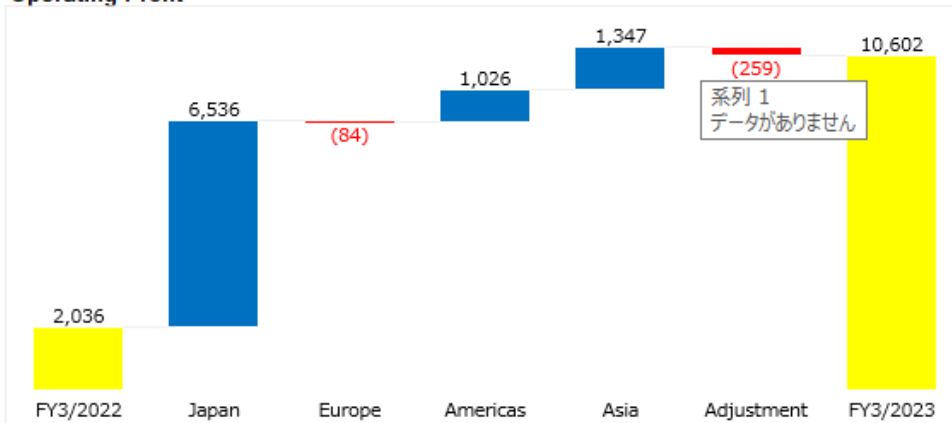
Sales



Comparison to FY3/2022 **12961** (JPY : Million)

<b>1 Japan</b>	<b>10850</b>	
Sanrio Company(Headquarter)	8341	
Product Sales	4987	
License Business	1122	
Global Business	2288	
Other	(18)	
Sanrio Entertainment(Theme park)	2308	
Other	941	
<b>2 Europe</b>	<b>64</b>	
<b>3 North America</b>	<b>2074</b>	Americas 2,175
<b>4 South America</b>	<b>100</b>	
<b>5 Asia</b>	<b>3457</b>	
Hong Kong	(104)	
Taiwan	130	
China	2007	
SSEA	820	
South Korea and other	815	
Intra-segment	(11)	
<b>Adjustment</b>	<b>(3503)</b>	

Operating Profit



前年同期比 **+8,464**

<b>1 Japan</b>	<b>6536</b>	
Sanrio Company(Headquarter)	4844	
Product Sales	1585	
License Business	1178	
Global Business	2228	
Other	(31)	
Sanrio Entertainment(Theme park)	1398	
Other	222	
<b>2 Europe</b>	<b>(84)</b>	
<b>3 North America</b>	<b>1015</b>	Americas 1,026
<b>4 South America</b>	<b>10</b>	
<b>5 Asia</b>	<b>1329</b>	
Hong Kong	(89)	
Taiwan	31	
China	962	
SSEA	180	
South Korea and other	284	
<b>Adjustment</b>	<b>(259)</b>	

Notes: **Sales by region includes the amount of internal trading between consolidated entities.**

Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.

1. Adjustment of sales is the amount of elimination or transfer of internal transactions between segments.

2. The adjustment to segment profit (loss) is the sum of eliminations for inter-segment transactions and unallocated operating expenses that are mostly general and administrative expenses that cannot be assigned to any particular segment.



### 3. Consolidated Financial Results (P/L)

#### Sales by Reportable Segment: 1. Japan

	A	B	C	D	E	F	G	H
1		3Q FY3/2023	3Q FY3/2022	Increase (Decrease)	Change (%)	Revised FY3/2022 Forecasts (Revised on Mar. 16)	Difference	Progress rate (%)
2	Sales	44,162	33,311	10,850	32.6	59,963	15,800	73.6
3	Operating Profit	7,826	1,289	6,536	506.8	9,552	1,726	81.9

Please refer to page 28, Appendix 3. “Sales and Operating Profit by segment: Japan” for details on the Japan segment.

#### Sales

- Product Sales** Stores were able to operate as usual in all periods without restrictions on activity, and foreign tourists gradually increased from autumn as restrictions on travel to Japan were eased. This led to a significant increase in store traffic. Collaborative products with other companies’ character and original products were also popular.
- License Business** Development regarding a wide range of Sanrio characters was a success and sales grew in all categories. In particular, the ongoing strength of crane game awards and capsule toys contributed.
- Overseas Business** Earnings were strong in all regions overseas and royalty income from overseas companies increased.
- Theme Park** Theme parks were able to operate normally in all periods, including the busy periods during the Golden Week holiday, summer vacation, and winter vacation, and visitors increased significantly. In addition, original products were popular and drove sales.
  - ( Sanrio Puroland )
  - ( Harmonyland )

#### Operating profit (loss)

- Product Sales** A substantial increase in sales contributed. The share of sales for “lucky number,” which has a high cost-to-sales ratio, increased, and although the spike in raw material costs had an impact, structural reforms moved ahead, which minimized the impact of these higher costs.
- License Business** The increase in gross profit resulting from higher sales contributed.
- Overseas Business** Earnings were strong in all regions overseas and royalty income from overseas companies increased.
- Theme Park** In addition to higher sales, we succeeded in reducing the cost-to-sales ratio. Both Sanrio Puroland and Harmonyland are expected to return operating profit for the full year to the black for the first time in three fiscal years.
  - ( Sanrio Puroland )
  - ( Harmonyland )

Notes: Sales and operating profit calculated after payment of master license fee to the HQ.

Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.



### 3. Consolidated Financial Results (P/L)

## Sales by Reportable Segment: 2. Europe

[JPY : Million]

	A	B	C	D	E	F	G	H
1		<b>3Q FY3/2023</b>	3Q FY3/2022	Increase (Decrease)	Change (%)	Revised FY3/2022 Forecasts (Revised on Mar.16)	Difference	Progress rate (%)
2	<b>Sales</b>	<b>1,268</b>	1,203	64	5.4	1,804	536	70.3
3	<b>Operating Profit</b>	<b>(155)</b>	(70)	(84)	—	(137)	18	—

#### Sales

The apparel and food categories grew in the License business. The apparel category saw growth in the collection of famous brands. In the food category, Hello Kitty Candy remained popular. In the digital category, Sanrio's first NTF was launched and has attracted attention. Mr. Men and Little Miss, which saw sales gains on special demand for the 50th anniversary in the previous fiscal year, did not achieve results on a par with the previous quarter, but the publication and household goods categories were solid.

#### Operating profit (loss)

Although sales increased, a rise in SG&A expenses led to an operating loss.

Notes: Sales by region includes the amount of internal trading between consolidated entities.

Operating profit calculated after payment of master license fee to the HQ.

Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.



# 3. Consolidated Financial Results (P/L)

## Sales by Reportable Segment: 3. Americas

[JPY : Million]

	A	B	C	D	E	F	G	H
1		3Q FY3/2023	3Q FY3/2022	Increase (Decrease)	Change (%)	Revised FY3/2022 Forecasts (Revised on Mar.16)	Difference	Progress rate (%)
2	<b>Sales</b>	4,628	2,452	2,175	88.7	6,108	1,479	75.8
3	<b>Operating Profit</b>	682	(344)	1,026	—	839	157	81.3

### Sales

#### ■ North America

In the Product Sales business, Sanrio's e-commerce was strong, far surpassing the previous year's levels. In the License business, the apparel, toy, and health and beauty categories were strong performers. The digital category benefited from the effect of synergies with the business overall, leading to a virtuous cycle for sales.

#### ■ South America

The health and beauty and apparel categories in the License business were strong. Hello Kitty Café continued to show impressive growth, with a second café opened in Mexico City.

### Operating profit (loss)

#### ■ North America

Income returned to the black due to significant sales growth.

#### ■ South America

As a result of strong sales growth, sales profitability improved and operating income increased significantly.

Notes: Sales by region includes the amount of internal trading between consolidated entities.

Operating profit calculated after payment of master license fee to the HQ.

Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.



### 3. Consolidated Financial Results (P/L)

#### Sales by Reportable Segment: 4. Asia

[JPY : Million]

	A	B	C	D	E	F	G	H
1		3Q FY3/2023	3Q FY3/2022	Increase (Decrease)	Change (%)	Revised FY3/2022 Forecasts (Revised on Mar.16)	Difference	Progress rate (%)
2	<b>Sales</b>	9,345	5,870	3,474	59.2	13,319	3,973	70.2
3	<b>Operating Profit</b>	3,235	1,887	1,347	71.4	4,092	857	79.0

**Sales**

■ **Hong Kong and Macau area**

Special corporate sales projects increased, including railway track decorations for a railway company and collaborative art with local artists.

■ **Taiwan**

The interior category for the License business was strong. In addition, the digital category drove sales due to collaborations with game apps with a global reach.

■ **S.Korea**

Products developed with a wide range of Sanrio characters proved successful. In particular, a collaboration with an idol group belonging to one of South Korea's largest entertainment agencies led to strong gains in sales.

■ **China**

All categories were strong and sales grew significantly. Key contributing factors were the increase in sales during online event periods, the ongoing strength of the health and beauty category, an expansion of initiatives with local famous brands in the goods category, and development regarding a wide range of Sanrio characters with existing licensees.

**Operating profit**

Operating profit increased due to the contribution of overall sales growth in Asian countries.

**Others**

SANRIO SOUTHEAST ASIA PTE. LTD. (SSEA), a joint company between Sanrio and Avex Asia Pte. Ltd., became a consolidated subsidiary from this fiscal year.

Notes: Sales by region includes the amount of internal trading between consolidated entities.

Operating profit calculated after payment of master license fee to the HQ.

Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.



### 3. Consolidated Financial Results (P/L)

## Consolidated Profit and Loss Statement trend

[JPY : Million]

	A	B	C	D	E	F
		3Q 3/2019	3Q 3/2020	3Q 3/2021	3Q 3/2022	3Q 3/2023
1						
2	<b>Sales</b>	43,623	42,151	29,449	38,562	51,625
3	Cost of sales	15,456	14,950	11,323	13,797	15,967
4	<b>Gross profit</b>	28,167	27,201	18,126	24,765	35,657
5	SG&A expenses	24,357	24,768	20,642	22,729	25,055
6	<b>Operating profit (loss)</b>	3,810	2,433	(2,516)	2,036	10,602
7	Non-operating profit	776	874	749	429	407
8	<b>Ordinary profit (loss)</b>	4,586	3,307	(1,766)	2,465	11,009
9	extraordinary gains (losses)	146	(598)	(345)	2,228	132
10	<b>Net profit attributable to owners of parent</b>	3,016	1,540	(2,357)	3,172	6,790
11	<b>Ratio of royalties</b>	36.0%	33.4%	38.5%	37.6%	38.3%
12	<b>Cost of sales ratio</b>	35.4%	35.5%	38.4%	35.8%	30.9%
13	<b>Gross profit margin</b>	64.6%	64.5%	61.6%	64.2%	69.1%
14	<b>SG&amp;A ratio</b>	55.8%	58.8%	70.1%	58.9%	48.5%
15	<b>Operating profit margin</b>	8.7%	5.8%	—	5.3%	20.5%

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.



# 4. Consolidated Financial Results (B/S)



## 4. Consolidated Financial Results (B/S)

### Summary of Balance Sheets

[JPY : Million]

	A	B	C	D	E	F
		3Q FY3/2023	3Q FY3/2022	Increase (Decrease)	Change (%)	Factors behind changes
1						
2	Current assets	66,871	49,987	16,884	33.8	10.4 billion yen increase in cash and deposit, and 3.9 billion yen increase in accounts receivable - trade, etc.
3	Fixed assets	32,099	33,808	(1,709)	(5.1)	—
4	Deferred assets	7	12	(5)	(42.7)	—
5	<b>Total assets</b>	<b>98,978</b>	<b>83,809</b>	<b>15,169</b>	<b>18.1</b>	—
6	Current liabilities	27,245	24,230	3,015	12.4	1.3 billion yen increase in trade notes and accounts payable, etc.
7	Long-term liabilities	17,988	15,778	2,210	14.0	2.7 billion yen increase in long-term borrowings resulting from rollovers, etc.
8	<b>Total liabilities</b>	<b>45,234</b>	<b>40,008</b>	<b>5,225</b>	<b>13.1</b>	—
9	Net assets	53,744	43,800	9,943	22.7	4.7 billion yen increase in retained earnings, and 4.3 billion yen increase in foreign currency translation adjustments, etc.
10	<b>Total liabilities and net assets</b>	<b>98,978</b>	<b>83,809</b>	<b>15,169</b>	<b>18.1</b>	—

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.





# 5. Revision to full-year forecasts



# 5. Revision to full-year forecasts

## Revised forecasts

[JPY : Million]

	A	B	C	D	E
		A: Revised Forecasts (revised on Mar.16)	B: Prior Forecasts (published on Nov 4)	A-B: Increase (Decrease)	Change (%)
1					
2	<b>Sales</b>	<b>70,600</b>	62,300	8,300	13.3%
3	<b>Operating Profit</b>	<b>12,900</b>	7,000	5,900	84.3%
4	<b>Ordinary Profit</b>	<b>13,600</b>	7,700	5,900	76.6%
5	<b>Net profit attributable to owners of parent</b>	<b>7,600</b>	4,000	3,600	90.0%

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.



# 5. Revision to full-year forecasts

## Revised forecasts by reportable segment

[JPY : Million]

### Sales

	A	B	C	D	E
1		<b>A: Revised Forecasts</b>	B: Prior Forecasts	A-B: Increase (Decrease)	Change (%)
2	Japan	59,963	52,215	7,748	14.8%
3	Europe	1,804	1,776	28	1.6%
4	Americas	6,108	5,504	604	11.0%
5	Asia	13,319	11,715	1,604	13.7%
6	Adjustment <sup>1</sup>	(10,570)	(8,911)	(1,659)	—
7	<b>Total</b>	<b>70,600</b>	<b>62,300</b>	<b>8,300</b>	<b>13.3%</b>

### Operating Profit

	A	B	C	D	E
1		<b>A: Revised Forecasts</b>	B: Prior Forecasts	A-B: Increase (Decrease)	Change (%)
2	Japan	9,552	4,470	5,082	113.7%
3	Europe	(137)	(192)	55	—
4	Americas	839	536	303	56.5%
5	Asia	4,092	3,519	573	16.3%
6	Adjustment <sup>2</sup>	(1,448)	(1,334)	(114)	—
7	<b>Total</b>	<b>12,900</b>	<b>7,000</b>	<b>5,900</b>	<b>84.3%</b>

Notes: Sales by region includes the amount of internal trading between consolidated entities.

Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.

1. Adjustment of sales is the amount of elimination or transfer of internal transactions between segments.

2. The adjustment to segment profit (loss) is the sum of eliminations for inter-segment transactions and unallocated operating expenses that are mostly general and administrative expenses that cannot be assigned to any particular segment.



# Appendix



# 1. Big-picture view of Sanrio Group (consolidated)



# 1. Big-picture view of Sanrio Group (consolidated)

## Sanrio Group (26 companies)

Made up of Sanrio Company, Ltd. and 25 subsidiaries (of which 19 are consolidated subsidiaries); primarily runs a character use licensing business, plans and sells gift products, and operates a theme park business, among other operations.

### Consolidated

## Sanrio Company, Ltd. (Headquarter)

### Consolidated Subsidiaries (3 domestic companies)

- Sanrio Entertainment Co., Ltd.  
(Sanrio Puroland and Harmonyland)
- Sanrio Far East Co., Ltd.
- Kokoro Co., Ltd.

### Consolidated subsidiaries (16 overseas companies)

#### Europe (6 companies)

- Sanrio GmbH
- Sanrio Global Ltd.
- Other 4 companies

#### Americas (3 companies)

- Sanrio, Inc.
- Sanrio Do Brasil  
Comercio e Representacoes Ltda.
- Sanrio Chile SpA.

#### Asia (7 companies)

- Sanrio (Hong Kong) Co., Ltd.
- Sanrio Taiwan Co., Ltd.
- Sanrio Korea Co., Ltd.
- Sanrio Wave Hong Kong Co., Ltd.
- Sanrio Shanghai International Trade Co., Ltd.
- Sanrio Global Asia Ltd.
- SANRIO SOUTHEAST ASIA PTE. LTD.

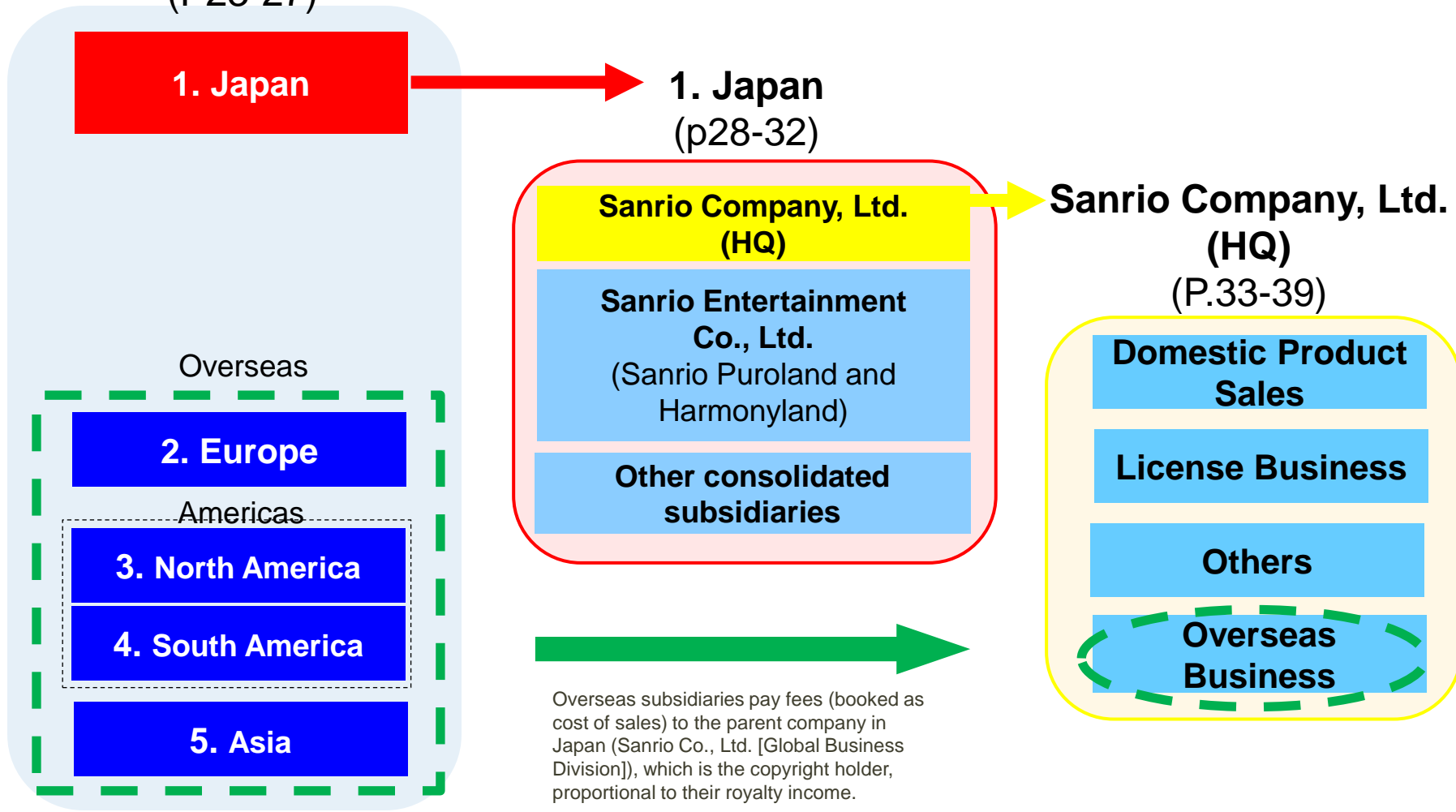
Abridged version. For details on all affiliated companies, please refer to our website as shown on the right. [https://corporate.sanrio.co.jp/en/about\\_sanrio/organization/](https://corporate.sanrio.co.jp/en/about_sanrio/organization/)



# 1. Big-picture view of Sanrio Group (consolidated)

## ■ Sanrio Group Correlation Chart

Reportable Segment  
(P23-27)





## 2. Breakdown by Reportable Segment





## 2. Breakdown by Reportable Segment

### Sales by Reportable Segment (Comparison Y-O-Y)

[JPY : Million]

	A	B	C	D	E	F	G	H
1		3Q FY3/2023	3Q FY3//2022	Increase (Decrease)	Change (%)	Revised FY3/2022 Forecasts (Revised on Mar.16)	Difference	Progress rate (%)
2	<b>Japan</b>	<b>44,162</b>	33,311	10,850	32.6	59,963	15,800	73.6
3	Royalty	<b>13,570</b>	10,320	3,250	31.5	18,006	4,435	75.4
4	<b>Europe</b>	<b>1,268</b>	1,203	64	5.4	1,804	536	70.3
5	Royalty	<b>1,255</b>	1,179	75	6.4	1,784	528	70.4
6	<b>Americas</b>	<b>4,628</b>	2,452	2,175	88.7	6,108	1,479	75.8
7	Royalty	<b>3,266</b>	1,500	1,766	117.7	4,240	974	77.0
8	<b>Asia</b>	<b>9,345</b>	5,870	3,474	59.2	13,319	3,973	70.2
9	Royalty	<b>7,478</b>	4,803	2,674	55.7	10,281	2,803	72.7
10	<b>Total</b>	<b>59,405</b>	42,838	16,566	38.7	81,195	21,790	73.2
11	Royalty	<b>25,570</b>	17,803	7,766	43.6	34,312	8,742	74.5
12	<b>Adjustment<sup>1</sup></b>	<b>(7,779)</b>	<b>(4,276)</b>	<b>(3,503)</b>	—	<b>(10,570)</b>	<b>(2,791)</b>	-
13	Royalty	<b>(5,780)</b>	<b>(3,307)</b>	<b>(2,473)</b>	—	<b>(7,731)</b>	<b>(1,951)</b>	-
14	<b>Consolidated Sales</b>	<b>51,625</b>	38,562	13,063	33.9	70,600	18,974	73.1
15	Royalty	<b>19,790</b>	14,496	5,293	36.5	26,555	6,765	74.5

Notes: **Sales by region includes the amount of internal trading between consolidated entities.**

Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.

1. Adjustment of sales is the amount of elimination or transfer of internal transactions between segments.



## 2. Breakdown by Reportable Segment

### Operating Profit by Reportable Segment

[JPY : Million]

	A	B	C	D	E	F	G	H
1		3Q FY3/2023	3Q FY3/2022	Increase (Decrease)	Change (%)	Revised FY3/2022 Forecasts (Revised on Feb.14)	Difference	Progress rate (%)
2	Japan	7,826	1,289	6,536	506.8	9,552	1,726	81.9
3	Europe	(155)	(70)	(84)	—	(137)	(18)	—
4	Americas	682	(344)	1,026	—	839	157	81.3
5	Asia	3,235	1,887	1,347	71.4	4,092	857	79.0
6	Total	11,588	2,762	8,825	319.4	14,348	2,759	80.0
7	Adjustment <sup>1</sup>	(986)	(726)	(259)	—	(1,448)	461	—
8	Operating Profit	10,602	2,036	8,565	420.7	12,900	2,297	82.2

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.

1.The adjustment to segment profit (loss) is the sum of eliminations for inter-segment transactions and unallocated operating expenses that are mostly general and administrative expenses that cannot be assigned to any particular segment.



## 2. Breakdown by Reportable Segment

### Sales Trend by Reportable Segment

[JPY : Million]

	A	B	C	D	E	F
		3Q 3/2019	3Q 3/2020	3Q 3/2021	3Q 3/2022	3Q 3/2023
1						
2	Japan	38,072	37,583	25,369	33,311	44,162
3	Europe	1,390	1,004	885	1,203	1,268
4	Americas	2,304	2,199	1,475	2,452	4,628
5	Asia	7,231	6,202	4,831	5,870	9,345
6	Total	48,999	46,989	32,562	42,838	59,405
7	Adjustment <sup>1</sup>	(5,375)	(4,837)	(3,112)	(4,276)	(7,779)
8	Consolidated Sales	43,623	42,151	29,449	38,562	51,625

Notes: **Sales by region includes the amount of internal trading between consolidated entities.**

Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.

1. Adjustment of sales is the amount of elimination or transfer of internal transactions between segments.



## 2. Breakdown by Reportable Segment

### Operating Profit Trend by Reportable Segment

[JPY : Million]

	A	B	C	D	E	F
		3Q	3Q	3Q	3Q	3Q
1		3/2019	3/2020	3/2021	3/2022	3/2023
2	Japan	2,725	2,085	(2,527)	1,289	7,826
3	Europe	(220)	(444)	(102)	(70)	(155)
4	Americas	(745)	(705)	(862)	(344)	682
5	Asia	2,474	1,910	1,402	1,887	3,235
6	Total	4,234	2,846	(2,090)	2,762	11,588
7	Adjustment <sup>1</sup>	(424)	(413)	(426)	(726)	(986)
8	Operating Profit (loss)	3,810	2,433	(2,516)	2,036	10,602

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.

1.The adjustment to segment profit (loss) is the sum of eliminations for inter-segment transactions and unallocated operating expenses that are mostly general and administrative expenses that cannot be assigned to any particular segment.



# 3. Details by Segment: Japan



### 3. Details by Segment: Japan

## Japan Segment: Cumulative 3Q Sales

[JPY : Million]

	A	B	C	D	E	F	G	H
1		3Q FY3/2023	3Q FY3/2022	Increase (Decrease)	Change (%)	Revised FY3/2022 Forecasts (Revised on Mar.16)	Difference	Progress rate (%)
2	Japan HQ	36,029	27,585	8,443	30.6	49,318	13,289	73.1
3	Sanrio Entertainment	7,634	5,325	2,308	43.3	10,291	2,657	74.2
4	Sanrio Puroland	6,049	4,269	1,779	41.7	8,231	2,182	73.5
5	Harmonyland	1,584	1,055	529	50.1	2,060	475	76.9
6	Other	2,803	1,861	941	50.6	3,568	765	78.6
7	Subtotal	46,466	34,772	11,694	33.6	63,179	16,712	73.5
8	Intra- segment	(2,303)	(1,460)	(843)	—	(3,215)	(911)	-
9	Total	44,162	33,311	10,850	32.6	59,963	15,800	73.6
10	Inter- segment	(6,339)	(3,533)	(2,805)	—	(8,543)	(2,204)	-
11	Sales to customers	37,823	29,777	8,045	27.0	51,420	13,596	73.6

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.



### 3. Details by Segment: Japan

## Japan Segment: Cumulative 3Q Operating Profit

[JPY : Million]

	A	B	C	D	E	G	H	I
		3Q FY3/2023	3Q FY3/2022	Increase (Decrease)	Change (%)	Revised FY3/2022 Forecasts (Revised on Feb.14)	Difference	Progress rate (%)
1								
2	<b>Japan HQ</b>	<b>6,822</b>	1,895	4,927	260.0	8,056	1,233	84.7
3	<b>Sanrio Entertainment</b>	<b>1,025</b>	(373)	1,398	—	1,386	361	73.9
	Sanrio Puroland	891	(188)	1,079	—	1,243	352	71.7
	Harmonyland	133	(184)	318		143	9	93.4
6	<b>Other</b>	<b>104</b>	(117)	222	—	151	46	69.2
7	<b>Subtotal</b>	<b>7,952</b>	1,404	6,548	466.4	9,594	1,641	82.9
8	<b>Intra-segment</b>	<b>(126)</b>	(114)	(11)	—	(41)	84	—
9	<b>Total</b>	<b>7,826</b>	1,289	6,536	506.8	9,552	1,726	81.9

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.



### 3. Details by Segment: Japan

## Japan: Cumulative 3Q Sales Trend

[JPY : Million]

	A	B	C	D	E	F
		3Q 3/2019	3Q 3/2020	3Q 3/2021	3Q 3/2022	3Q 3/2023
1						
2	<b>Japan HQ</b>	30,807	29,863	22,402	27,585	36,029
3	<b>Sanrio Entertainment</b>	7,152	7,902	2,723	5,325	7,634
4	Sanrio Puroland	5,700	6,389	2,053	4,269	6,049
5	Harmonyland	1,451	1,513	669	1,055	1,584
6	<b>Other</b>	2,130	2,030	1,377	1,861	2,803
7	<b>Subtotal</b>	40,091	39,796	26,503	34,772	46,466
8	<b>Intra-segment</b>	(2,018)	(2,213)	(1,133)	(1,460)	(2,303)
9	<b>Total</b>	38,072	37,583	25,369	33,311	44,162
10	<b>Inter-segment</b>	(4,267)	(3,720)	(2,335)	(3,533)	(6,339)
11	<b>Sales to customers</b>	33,804	33,862	23,033	29,777	37,823

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.





### 3. Details by Segment: Japan

## Japan: Cumulative 3Q Operating Profit Trend

[JPY : Million]

	A	B	C	D	E	F
		3Q 3/2019	3Q 3/2020	3Q 3/2021	3Q 3/2022	3Q 3/2023
1						
2	<b>Japan HQ</b>	2,530	1,756	(930)	1,895	6,822
3	<b>Sanrio Entertainment</b>	307	454	(1,163)	(373)	1,025
4	Sanrio Puroland	244	391	(890)	(188)	891
5	Harmonyland	63	62	(272)	(184)	133
6	<b>Other</b>	71	51	(200)	(117)	104
7	<b>Subtotal</b>	2,909	2,262	(2,294)	1,404	7,952
8	<b>Intra-segment</b>	(183)	(177)	(232)	(114)	(126)
9	<b>Total</b>	2,725	2,085	(2,527)	1,289	7,826

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.



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# 4. Details

## by HQ Business Department



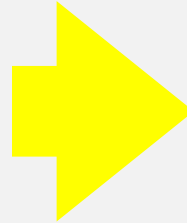
## 4. Details by Segment: Japan

### Major Changes in head office Departments (Sales Departments)

FY3/2022

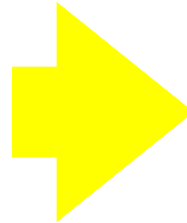
FY3/2023

License Business Department  
**Convenience store-related business**  
**Estimated impact**  
(Actual results in cumulative 3Q FY3/2022)  
Sales: 2.5 billion JPY  
Operating Profit: 0.3 billion JPY



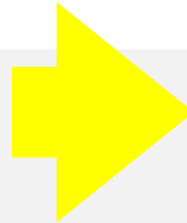
Transferred to  
**the Product Sales Division**

Global Business Division  
**Global Product Sales(Exports, etc.)**  
**Estimated impact**  
(Actual results in cumulative 3Q FY3/2022)  
Sales: 0.9 billion JPY  
Operating Profit: 0.0 billion JPY



Transferred to  
**the Product Sales Division**

**Entertainment Business Division**  
**Estimated impact**  
(Actual results in cumulative 3Q FY3/2022)  
Sales: 2.3 billion JPY  
Operating Profit: 1.3 billion JPY



Integrated with  
**the License Business Division**

Notes: Figures are rounded down to the nearest 100 million yen.



## 4. Details by HQ Business Department

### Cumulative 3Q Sales by HQ Business Department

[JPY : Million]

	A	B	C	D	E
		3Q FY3/2023	3Q FY3/2022	Increase (Decrease)	Change (%)
1					
2	<b>Product Sales</b>	21,636	16,669	4,967	29.8
3	<b>License Business</b>	8,768	7,544	1,224	16.2
4	<b>Global Business</b>	5,586	3,318	2,268	68.4
5	<b>Other</b>	37	54	(16)	(30.1)
6	<b>Total</b>	35,029	27,585	8,443	30.6

Notes:

- Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.
- Beginning in this fiscal year, the convenience store-related business within the License Business Department and the Global Business Division's global product sales moved to the Product Sales Business Division, and the Entertainment Business Division was integrated with the License Business Division. The amounts for past fiscal years have been recalculated to reflect this change.



## 4. Details by HQ Business Department

### Cumulative 3Q Operating Profit by HQ Business Department

[JPY : Million]

	A	B	C	D	E
		3Q FY3/2023	3Q FY3/2022	Increase (Decrease)	Change (%)
1					
2	<b>Product Sales</b>	1,386	(199)	1,585	—
3	<b>License Business</b>	6,159	4,897	1,262	25.8
4	<b>Global Business</b>	5,357	3,131	2,226	71.1
5	<b>Other</b>	(497)	(466)	(31)	—
6	<b>Total</b>	12,406	7,363	5,043	68.5
7	<b>HQ cost center expenses, etc.</b>	(6,469)	(6,209)	(260)	—
8	<b>Operating profit before adjustment</b>	5,937	1,153	4,783	414.6
9	<b>Adjustment <sup>1</sup></b>	885	741	143	19.4
10	<b>Operating profit relating to the Japan segment in the head office</b>	6,822	1,895	4,927	260.0

Notes:

- Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.
- Beginning in this fiscal year, the convenience store-related business within the License Business Department and the Global Business Division's global product sales moved to the Product Sales Business Division, and the Entertainment Business Division was integrated with the License Business Division. The amounts for past fiscal years have been recalculated to reflect this change.

1. Unallocated expenses are consolidated general and administrative expenses not attributable to any particular regional segment.



## 4. Details by HQ Business Department

### Cumulative 3Q Sales Trend by HQ Business Department

[JPY : Million]

	A	B	C	D	E	F
1		3Q 3/2019	3Q 3/2020	3Q 3/2021	3Q 3/2022	3Q 3/2023
2	<b>Product Sales</b>	17,681	17,911	13,396	16,669	21,636
3	<b>License Business</b>	9,333	8,592	6,922	7,544	8,768
4	<b>Global Business</b>	3,774	3,347	2,066	3,318	5,586
5	<b>Other</b>	19	12	16	54	37
6	<b>Total</b>	30,807	29,863	22,402	27,585	36,029

Notes:

- Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.
- Beginning in this fiscal year, the convenience store-related business within the License Business Department and the Global Business Division's global product sales moved to the Product Sales Business Division, and the Entertainment Business Division was integrated with the License Business Division. The amounts for past fiscal years have been recalculated to reflect this change.



## 4. Details by HQ Business Department

### Cumulative 3Q Operating Profit Trend by HQ Business Department

[JPY : Million]

	A	B	C	D	E	F
		3Q	3Q	3Q	3Q	3Q
		3/2019	3/2020	3/2021	3/2022	3/2023
1						
2	<b>Product Sales</b>	(721)	(640)	(1,558)	(199)	1,386
3	<b>License Business</b>	5,166	5,005	4,134	4,897	6,159
4	<b>Global Business</b>	3,491	3,098	1,888	3,131	5,357
5	<b>Other</b>	(257)	(202)	(541)	(466)	(497)
6	<b>Total</b>	7,680	7,259	3,923	7,363	12,406
7	<b>HQ cost center expenses, etc.</b>	(5,557)	(5,916)	(5,269)	(6,209)	(6,469)
8	<b>Operating profit before adjustment</b>	2,122	1,343	(1,345)	1,153	5,937
9	<b>Adjustment<sup>1</sup></b>	408	413	415	741	885
10	<b>Operating profit relating to the Japan segment in the head office</b>	2,530	1,756	(930)	1,895	6,822

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.

1. Unallocated expenses are consolidated general and administrative expenses not attributable to any particular regional segment.



## 4. Details by HQ Business Department

### Cumulative 3Q HQ Cost Center Expenses

[JPY : Million]

	A	B	C	D	E	F
		3Q FY3/2023	3Q FY3/2022	Increase (Decrease)	Change (%)	Factors behind changes
1						
2	<b>Personnel expenses</b>	2,457	2,658	(201)	(7.6)	Decrease in retirement benefit expenses, etc. (down 396 million yen)
3	<b>Selling expenses</b>	256	184	72	39.1	Increase in promotion expenses in the global marketing division, etc. (up 62 million yen)
4	<b>Advertising expenses</b>	616	647	(30)	(4.8)	Decrease in advertising expenses in the global marketing division, etc. (down 48 million yen)
5	<b>Logistics expenses</b>	13	11	2	19.9	–
6	<b>Asset expenses</b>	725	629	95	15.2	Increase in rent on real estate, etc. (up 50 million yen)
7	<b>Other expenses</b>	2,399	2,077	322	15.5	Increase in commission expenses, etc. (up 127 million yen)
8	<b>Total</b>	6,469	6,209	260	4.2	–

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.





# **5. Details by Segment: Overseas (by Area or Subsidiary)**



## 5. Details by Overseas ( by Area or Subsidiary)

### Cumulative 3Q Sales by Overseas

[JPY : Million]

	A	B	C	D	E	F	G	H
1		3Q FY3/2023	3Q FY3/2022	Increase (Decrease)	Change (%)	Revised FY3/2022 Forecasts (Revised on Feb.14)	Difference	Progress rate
2	<b>Europe</b>	1,268	1,203	64	5.4	1,804	536	70.3
3	Germany	877	754	123	16.3	1,194	317	73.4
4	UK	390	449	(58)	(13.0)	610	219	64.0
5	<b>North America USA</b>	4,257	2,182	2,075	95.1	5,612	1,354	75.9
6	<b>South America Brazil</b>	370	270	100	37.2	497	126	74.6
7	<b>Asia</b>	9,345	5,870	3,474	59.2	13,319	3,973	70.2
8	Hong Kong	921	1,025	(104)	(10.2)	1,300	379	70.8
9	Taiwan	848	717	131	18.3	1,210	361	70.1
10	China	5,627	3,604	2,023	56.1	8,068	2,441	69.7
11	SSEA	821	—	821	—	1,125	303	73.0
12	S. Korea and other <sup>1</sup>	1,157	541	615	113.5	1,656	499	69.9
13	Inter-segment	(29)	(17)	(11)	—	(41)	(12)	—
14	<b>Total</b>	15,242	9,527	5,715	60.0	21,233	5,990	71.8
15	<b>Adjustment</b>	(1,440)	(742)	(697)	—	(2,027)	(587)	—
16	<b>Total</b>	13,802	8,784	5,017	57.1	19,206	5,403	71.9

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.

1.Sanrio Global Asia Ltd. is included in "South Korea and other" of "Asia."



## 5. Details by Overseas ( by Area or Subsidiary)

### Cumulative 3Q Operating Profit by Overseas

[JPY : Million]

	A	B	C	D	E	F	G	H
1		3Q FY3/2023	3Q FY3/2022	Increase (Decrease)	Change (%)	Revised FY3/2022 Forecasts (Revised on Feb.14)	Difference	Progress rate (%)
2	<b>Europe</b>	<b>(155)</b>	<b>(70)</b>	<b>(84)</b>	—	<b>(137)</b>	18	—
3	Germany	<b>(220)</b>	<b>(220)</b>	(0)	—	<b>(298)</b>	<b>(78)</b>	—
4	UK	64	149	<b>(84)</b>	<b>(56.7)</b>	161	97	40.0
5	<b>North America USA</b>	<b>637</b>	<b>(378)</b>	1,016	—	811	174	78.5
6	<b>South America Brazil</b>	<b>45</b>	34	10	31.3	30	<b>(14)</b>	148.5
7	<b>Asia</b>	<b>3,235</b>	1,887	1,347	71.4	4,093	857	79.0
8	HongKong	<b>185</b>	274	<b>(89)</b>	<b>(32.4)</b>	209	24	88.6
9	Taiwan	<b>217</b>	185	31	17.0	288	71	75.3
10	China	<b>2,278</b>	1,300	978	75.2	2,836	558	80.3
11	SSEA	<b>161</b>	—	161	—	203	42	79.3
12	S. Korea and other <sup>1</sup>	<b>392</b>	127	264	207.9	554	162	70.7
13	<b>Total</b>	<b>3,762</b>	1,473	2,289	155.4	4,798	1,036	78.4

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.

1.Sanrio Global Asia Ltd. is included in “South Korea and other” of “Asia.”



## 5. Details by Overseas ( by Area or Subsidiary)

### Cumulative 3Q Sales Trend by Overseas

[JPY : Million]

	A	B	C	D	E	F
		3Q 3/2019	3Q 3/2020	3Q 3/2021	3Q 3/2022	3Q 3/2023
1						
2	<b>Europe</b>	1,390	1,004	885	1,203	1,268
3	Germany	1,114	796	650	754	877
4	UK	275	208	235	449	390
5	<b>North America USA</b>	1,893	1,836	1,246	2,182	4,257
6	<b>South America Brazil</b>	411	363	229	270	370
7	<b>Asia</b>	7,231	6,202	4,831	5,870	9,345
8	Hong Kong	2,115	1,843	1,309	1,025	921
9	Taiwan	1,145	873	799	717	848
10	China	3,250	2,968	2,340	3,604	5,627
11	SSEA	—	—	—	—	821
12	S. Korea and other <sup>1</sup>	768	563	408	541	1,157
13	Inter-segment	(47)	(45)	(25)	(17)	(29)
14	<b>Total</b>	10,926	9,406	7,193	9,527	15,242
15	<b>Adjustment</b>	(1,107)	(1,117)	(777)	(742)	(1,440)
16	<b>Total</b>	9,819	8,288	6,415	8,784	13,802

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.

1.Sanrio Global Asia Ltd. is included in "South Korea and other" of "Asia."



## 5. Details by Overseas ( by Area or Subsidiary)

### Cumulative 3Q Operating Profit by Overseas

[JPY : Million]

	A	B	C	D	E	F
		3Q	3Q	3Q	3Q	3Q
		3/2019	3/2020	3/2021	3/2022	3/2023
1						
2	<b>Europe</b>	(220)	(444)	(102)	(70)	(155)
3	Germany	(45)	(271)	54	(220)	(220)
4	UK	(175)	(172)	(157)	149	64
5	<b>North America USA</b>	(759)	(706)	(860)	(378)	637
6	<b>South America Brazil</b>	14	0	(1)	34	45
7	<b>Asia</b>	2,474	1,910	1,402	1,887	3,235
8	Hong Kong	752	585	357	274	185
9	Taiwan	337	266	228	185	217
10	China	1,169	966	779	1,300	2,278
11	SSEA	—	—	—	—	161
12	S. Korea and other <sup>1</sup>	215	91	35	127	392
13	Inter-segment	1,508	760	437	1,473	3,762

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.

1.Sanrio Global Asia Ltd. is included in “South Korea and other” of “Asia.”



## **6. Overseas Subsidiaries' Sales and Operating Profit (Local Currency based)**



## 6. Overseas Subsidiaries' Sales and Operating Profit (Local Currency based)

	A	B	C	D	E	F	G
1			Royalties	Product sales and other	Total	Operating Profit	OP Margin (%)
2	<b>Germany</b>	EUR in thousand	6,331	119	6,451	(1,620)	—
		Change Y-O-Y (%)	11.2	11.2%	8.7	—	—
3	<b>UK(SGL)</b>	GBP in thousand	2,462	(21)	2,440	404	16.6
		Change Y-O-Y (%)	(16.1)	—	(18.6)	(59.4)	—
4	<b>North America(USA)</b>	USD in thousand	22,797	10,468	33,265	4,998	15.0
		Change Y-O-Y (%)	99.6	20.6	65.5	—	—
5	<b>South America(Brazil)</b>	BRL in thousand	13,949	847	14,796	1,799	12.2
		Change Y-O-Y (%)	8.9	92.9	11.7	4.2	—
6	<b>Hong Kong</b>	HKD in thousand	36,646	19,721	56,367	11,371	20.2
		Change Y-O-Y (%)	(34.3)	12.4	(23.2)	(42.2)	—
7	<b>Taiwan</b>	TWD in thousand	183,301	10,371	193,673	49,552	25.6
		Change Y-O-Y (%)	5.8	(6.4)	5.1	3.9	—
8	<b>S. Korea</b>	KRW in thousand	10,299	189	10,488	3,323	31.7
		Change Y-O-Y (%)	145.6	(0.4)	139.2	404.7	—
9	<b>China</b>	CNY in thousand	220,984	70,280	291,264	117,914	40.5
		Change Y-O-Y (%)	31.1	51.4	35.5	52.1%	—
10	<b>SSEA</b>	USD in thousand	5,236	1,182	6,418	1,263	19.7
		Change Y-O-Y (%)	—	—	—	—	—
11	<b>Hong Kong (SGA)</b>	GBP in thousand	615	7	623	358	57.4
		Change Y-O-Y (%)	(23.1)	—	(22.2)	(16.3)	—

Notes: Figures are rounded down to the nearest one thousand. Percentages are rounded to the nearest tenth of a percent.

Ver.1.1

Note: All information in this material is based on data as of Mar 16, 2023.



## 6. Overseas Subsidiaries' Sales and Operating Profit (Local Currency based)

### Currency Fluctuation Impacts

FY3/2023 (Jan – Sep 2022)	EUR	GBP	USD	HKD	TWD	KRW	CNY	Total
Exchange rate (estimate) in FY3/2023 (JPY)	136.01	160.18	128.02	16.34	4.38	0.1008	19.32	—
Exchange rate in FY3/2022 (JPY)	129.94	149.89	108.55	13.98	3.89	0.0962	16.77	—
Difference (JPY)	6.07	10.29	19.47	2.36	0.49	0.0046	2.55	—
Fluctuation rate(%)	4.7	6.9	17.9	16.9	12.6	4.8	15.2	—
Sales forecasts denominated in local currency (Million)	6.5	3.1	36.2	56.4	193.7	10,488.5	291.3	—
Currency fluctuation impact (JPY million)	39	31	703	133	94	48	742	1,790
Operating profit forecasts denominated in local currency (Million)	(1.6)	0.8	5.3	11.4	49.5	3,323.3	117.9	—
Currency fluctuation impact (JPY million)	(9)	7	103	26	24	15	300	466

Currency exchange rate: Average rate during the relevant period (average of month-end TTM for 13 months from December of previous year to December of the relevant year) is used.

Amount pertaining to our subsidiary in Brazil, which is a consolidated subsidiary of our subsidiary in North America, is included in USD.

Currency fluctuation impact is difference between sales / operating profit forecasts of overseas subsidiaries for the current year converted into JPY at the rate of previous FY and the forecasts of current FY.





# 7. Analysis of changes in consolidated SG&A expenses



## 7. Analysis of changes in consolidated SG&A expenses

### Analysis of changes in consolidated SG&A expenses

[JPY : Million]

	A	B	C	D	E	F
		3Q FY3/2023	3Q FY3/2022	Increase (Decrease)	Change (%)	Factors behind changes
1						
2	<b>Personnel expenses</b>	<b>11,533</b>	11,035	498	4.5	Consolidation of SSEA, etc. (up 176 million yen), increase in staff at Puroland due to pullback of pandemic, etc. (up 153 million yen), and consolidation of Shanghai's former product sales division company, etc. (up 147 million yen)
3	<b>Selling expenses</b>	<b>1,873</b>	1,641	232	14.2	Increase in construction costs for seasonal events at Puroland, etc. (up 82 million yen), and increase in promotion expenses in the global marketing division, etc. (up 62 million yen)
4	<b>Advertising expenses</b>	<b>913</b>	861	51	6.0	
5	<b>Logistics expenses</b>	<b>1,351</b>	1,059	291	27.5	Increase in distribution costs resulting from significant increase in e-commerce sales at US subsidiary, etc. (up 151 million yen), and sharp increase in domestic sales, etc. (up 101 million yen)
6	<b>Asset expenses</b>	<b>3,903</b>	3,559	344	9.7	Increase in Sanrio's rent on real estate, etc. (up 131 million yen)
7	<b>Other expenses</b>	<b>5,479</b>	4,571	908	19.9	Increase in consulting costs for Sanrio's BPR and metaverse, etc. (up 433 million yen), increase in utility costs and miscellaneous commission expenses for Puroland, etc. (up 211 million yen), and increase in legal representation fees for legal work on infringements, etc. (up 97 million yen)
8	<b>Total</b>	<b>25,055</b>	22,729	2,326	10.2	

Note: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.



# 8. Store and theme park



## 8. Store and theme park

### Sales of existing stores

	April	May	June	July	August	September	October	November	December	Total
Comparison with the FYE3/2022	123.5	133.3	120.8	96.9	152.2	143.4	109.4	134.3	138.3	127.2

Some stores in and around Tokyo were temporarily closed around the end of April 2021

### Sales of Online Shop (directly managed and wholesale)

	April	May	June	July	August	September	October	November	December	Total
Comparison with the FYE3/2022	122.6	122.7	121.6	87.2	119.7	122.0	116.5	145.8	123.2	120.1

Direct sales on company-operated websites and wholesale sales to business partners (Amazon, Yamazen, etc.) at wholesale prices

### Number of visitors: Puroland

	April	May	June	July	August	September	October	November	December	Total
Comparison with the FYE3/2022	179.2	325.8	132.9	121.3	145.8	156.3	123.6	105.7	102.8	137.3
Comparison with the FYE3/2021	—	—	—	646.7	316.5	192.3	183.7	158.9	160.6	307.2
Comparison with the FYE3/2019	64.5	87.2	76.4	77.7	66.9	71.9	84.2	92.9	77.3	76.4

Temporary closure: from April 28,2021 to May 13,2021 from February 22,2020 to July 12,2020

### Number of visitors: Harmonyland

	April	May	June	July	August	September	October	November	December	Total
Comparison with the FYE3/2021	126.3	293.5	173.0	81.3	212.1	187.2	149.7	96.7	101.9	141.4
Comparison with the FYE3/2020	—	—	316.7	211.6	372.5	145.6	183.3	116.7	196.3	254.9
Comparison with the FYE3/2019	83.2	81.0	89.6	68.3	80.0	101.3	104.1	102.0	96.0	88.1

Temporary closure: from Feb. 22,2020 to Jun 7,2020



## **2. Progress of the Mid-term Management Plan and KPI**



# 9. Progress of the Mid-term Management Plan and KPI

## Completion of Structural Reform: 1. Domestic Product Sales

### List of set targets/KPIs and progress made

	Initiatives	Medium-term management plan targets (only those that have been publicly released)	3Q(Oct-Dec,2022) progress	Plans for current fiscal year
Inventories	Strengthen MD-driven planning and sales functions (Headquarters-led allocation, inter-store transfers, etc.)		As a result of the operation of the store inventory management system, measures tailored to the characteristics of stores and products are being implemented Most recent dead stock is at 80% of the previous year's levels	New system to launch operations from September 2022. Implementation of single-item management and standard automatic ordering functionality for all stores.
	Appropriate frequency and amount of product input (Review development cycle, etc.)			
	Thorough management of the total number of SKUs			
Development & procurement	Standardization of product specifications	60% reduction in SKU numbers	SKU management is underway in line with plans However, the cost-to-sales ratio is on an upward trend due to a spike in material costs and exchange rate fluctuations.	Number of SKUs developed is planned to be reduced to 2700.
	Optimization of order costs (Thorough implementation of competitive quotes)		In operation	Ensuring competitive quotes for new orders
	Joint supply with Chinese e-commerce (Globally common products)		Sanrio Shanghai's order amount increased to 230% of the forecast	Globally compatible products increased to 2,000 SKUs
Better sales efficiency Improved operational efficiency	Building a markdown system		Important indicators (such as store adjusted cost of sales) set and managed on a weekly basis	
	Greater efficiency of sales channels (Strengthening outlets and Withdrawal of loss-making stores)		Three stores were closed, including the first half of the fiscal year, and the remaining two stores will be monitored (since earnings are recovering) An additional outlet store was added.	5 stores closed. 3 new stores opened
	Strengthen e-commerce business	FY03/2024 e-commerce ratio of 30% or more, sales of 3 billion yen or more	Updates to directly-managed websites, more sophisticated UX	New system to launch operations in the 2 <sup>nd</sup> half of FY3/2023
	HR management (Personnel adjustments, optimization of ledger sheet and BPR)		Rigorous management of ratio of personnel costs and ratio of miscellaneous expenses Start of BPR across company	Expanding the scope of BPR projects Introduction of electronic catalogs, DAM/PIM*1

We aim for a 2.53 billion yen improvement as of the end of the fiscal year ending in March 2023. At the Q3 pace, this will be cleared significantly.

**Improve profit by 1.7 billion yen during FY03/2024, the final year of the Mid-Term Management Plan\*2**

\*Notice \*1: Digital Asset Management Product Information Management System \*2: Compared to FY 3/2021



# 9. Progress of the Mid-term Management Plan and KPI

## Completion of Structural Reform: 2. Overseas Business

### List of set targets/KPIs and progress made

Medium-term management plan targets (only those that have been publicly released)

	Initiatives		3Q(Oct-Dec,2022) progress	Plans for current fiscal year
China	Consideration of master licensee		To expand licensing business, increase the value of characters and consider various measures that will lead to more licensing projects.	MLA for period from 2023 signed in mid-June 2022
	Reinforcement of digital strategy in China (Expansion of e-commerce business, pursuit of collaborations and new games, hiring of digital personnel)		E-commerce amounted to 135% of the forecast (July–September). Although the supply chain was disrupted by China's COVID-19 regulations, a tie-up with a new e-commerce platformer and live streaming proved to be successful. Three games were launched and the pipeline is also solid.	Progress in creating new business (assuming a pace of 10 projects a year)
	Integration of Sanrio Shanghai and SBDS		Progress being made to complete liquidation Plan to be done by June 2023.	
USA	Cultivating and improving efficiency of US business (Expansion of licensing business, Licensing business Collaboration with external partners, Back office integration with European Operations)	1.1 billion yen loss resolved for US business overall	Negotiations to close deal with external partners Strategy to maximize European and US synergies currently underway	Pursuing synergies in both licensing and e-commerce businesses. Maximize European and U.S. synergies through cooperation in European business
	Structural reforms for retail and wholesale business (Withdrawal of current directly managed Stores, Wholesale business outsourcing)	500 million yen profit improvement	Effect of outsourcing directly-operated sources and the wholesale business last fiscal year has quickly materialized	
	Strengthening E-commerce, E-commerce efficiency improvement	300 million yen profit improvement	E-commerce was strong, at 230% of the previous year's levels (July–September).	E-commerce sales: 870 million yen (YoY114%) E-commerce: Social media partnerships, enhancing classic SKUs, licensee partnerships.
Common/ others	Leveraging the Southeast Asia business	Revised upward to a target of a 1.7 billion yen improvement. At the Q3 pace, this will be cleared by a significant amount.	Materialization of effects of system reinforcement Strong thanks to the success of a collaboration with Seven-Eleven and a solid relationship with a GG operation company	
	Global IP development		Hollywood movie is currently in production Measures devised/video created Steady progress with flows	

**US business: Eliminate 1.1 billion yen deficit by FY 03/2024**  
**One Global: Promoting the sustainable value creation cycle model**



# 9. Progress of the Mid-term Management Plan and KPI

## Corporate Culture Reform and Planting Seeds for Regrowth

### List of set targets/KPIs and progress made

	Initiatives	Medium-term management plan targets (only those that have been publicly released)	3Q(Oct-Dec,2022) progress
Corporate Culture Reform	Reforms to structures in management (Rejuvenating management, KGI/KPI development, Reforming meeting bodies)	Rejuvenating management Directors: 40s–50s Executive Officers: 30s–40s Introduction of various measures	Completion of internal HR at the management level from April Average age of management level from the fiscal year ending in March 2024 will be younger, at 52 for directors and 51 for executive officers.
	HR system reforms (Expansion of training, evaluation, assignment, and other programs, improvements to salary system, external hiring, etc.)	Introduction of various measures	Drafting of a medium-term HR strategy (personnel/hiring plan, personnel costs, etc.) Start of work to identify ideal personnel type and specify career support measures Completion of target-setting in line with new HR system and start of HR Committee
	Reforming mindsets and culture (Tracking employee conditions, improve Dialogue with the President / President's Monthly Newsletter)		With the aim of familiarizing employees with VMV, we are ramping up internal measures, such as introducing employees who put the Sanrio values into practice internally and depicting it in manga form. Start of monthly award from president to employees practicing the Sanrio values
Planting Seeds for Regrowth	Creating a framework for new IP creation		“Gachikawa Competition,” Step 2 of the Next Kawaii Project, was completed. The program that was streamed on YouTube had over 1.7 million views in total. Social media followers of Petapetaminilian as a unisex IP are steadily increasing.
	Capturing growth opportunities in the education business		Over 10,000 people applied for the recruitment of experience-based monitors for Sanrio English Master. Sales plans and advertising deployment also started ahead of the March launch.
ESG Management /SDGs	launch of education services		
	Promotion of gender diversity	Ratio of female managers at the end of FY3/2024:43%	31% of target for current fiscal period has been achieved
	Reductions to CO2 emissions and waste in manufacturing and consumption	80% reduction of waste, contributing to CO2 reduction, and review of transportation methods	The disposal amount was zero in Q3 of the fiscal year ending in March 2023. At this point, we expect the disposal volume to decrease significantly (reductions close to 80%, which is the Mid-term Management Plan's target). The percentage of surface mail used in transport is also high.
	SDG support with partners		Over 80 collaborative projects implemented by Q3 of the fiscal year ending in March 2023

**Efforts to strengthen organizational structure to further push forward with structural reforms In Japan and overseas were accelerated. In addition, steady progress was made with IP creation and the Edutainment business.**





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