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Company Name: Sanrio Company, Ltd.
 President and Chief Executive Officer: Tomokuni Tsuji
 Securities Code: 8136, TSE Prime Section
 Inquiries: Jiro Kishimura, Managing Director
 Tel.: +81-3-3779-8058

Notice Regarding Revisions to Forecasts for First Half and Full Year for the Fiscal Year Ending March 31, 2024 and Revisions to Dividend Forecasts

In light of recent performance trends, we have revised our earnings forecasts for the first half and full year for the fiscal year ending March 31, 2024 and dividend forecasts, announced on May 12, 2023, as noted below.

1. Revision to the forecasts for first half of FY3/2024 (April 1, 2023 to September 30, 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 May 12, 2023	34,300	4,800	5,100	4,200	52.08
Revised Forecasts (B)	40,800	10,300	11,000	8,500	105.40
Differences (B-A)	6,500	5,500	5,900	4,300	
Differences (%)	19.0	114.6	115.7	102.4	
(Reference) Results for the First Half Results of Fiscal Year Ended 3/2023	30,630	114.6	115.7	102.4	37.37

2. Revision to the forecasts for full FY3/2024 (April 1, 2023 to March 31, 2024)

	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 May 12, 2023	74,200	11,200	11,800	8,200	101.68
Revised Forecasts (B)	84,100	17,000	18,000	12,000	148.81
Differences (B-A)	9,900	5,800	6,200	3,800	
Differences (%)	13.3	51.8	52.5	46.3	
(Reference) Results for the Fiscal Year Ended 3/2023	72,624	13,247	13,724	8,158	101.22

3. Revisions to Dividend Forecasts

	Dividend per Share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	yen	yen	Yen	Yen	Yen
Prior Forecasts (A) Published on May 12,2023	—	17.50	—	17.50	35.00
Revised Forecasts (B)	—	22.50	—	22.50	45.00
Differences (B-A)	—	5.00	—	5.00	10.00
(Reference) Results for the Fiscal Year Ended 3/2023	—	15.00	—	20.00	35.00

4. Reasons for Revisions to Forecasts for First Half and Full Year for the Fiscal Year Ending March 31, 2024 and Revisions to Dividend Forecasts

(1) Reasons for Revisions to forecasts for first half of the fiscal year ending March 31, 2024

In the first quarter of the consolidated fiscal year, brick-and-mortar store and theme park sales exceeded our initial earnings forecasts at the beginning of the fiscal year thanks to the steady progress of internal measures and a significant increase in customer numbers due to the brisk flow of both domestic customers and foreign tourists. Also, in the License business, strategic measures, such as development of products and services featuring a wide range of Sanrio characters, continued to be successful in Japan and overseas, and the sales surpassed the initial forecasts. In addition to the progress in both domestic and overseas sales, which far exceeded the initial forecasts, profitability improved due to the implementation of various structural reform measures in line with the medium-term management plan and the management of operating expenses to an appropriate level. As a result, sales and earnings were above the figures in the consolidated earnings forecasts for the first half of the fiscal year.

Accordingly, we have revised the consolidated earnings forecasts for the first half of the fiscal year, announced on May 12, 2023, to reflect recent business performance.

(2) Reasons for revisions to forecasts for the full fiscal year ending on March 31, 2024

In the consolidated fiscal year under review, we have decided to revise our full-year consolidated earnings forecasts, taking into account an upward revision to the consolidated earnings forecasts for the first half of this fiscal year in the full-year earnings forecasts, as well as the revisions of our plan for the second quarter and beyond.

(3) Reasons for revisions to dividend forecasts

We believe that returning profits to shareholders is an important management issue. We have raised our earnings forecasts in light of recent trends in our business performance. As a result, we expect to post 8.5 billion yen in net profit attributable to owners of parent in the first half of the fiscal year and 12.0 billion yen in net profit attributable to owners of parent for the full year. Accordingly, we have also raised our interim dividends for the first half by 5 yen, from our previous forecast of 17.5 yen per share to 22.5 yen per share, likewise increasing our year-end dividends by 5 yen to 22.5 yen per share. As a result, we plan to pay annual dividends per share of 45 yen, a 10-yen increase from our previous forecast of 35 yen per share.

We will continue striving to improve earnings in order to continue returning profits to shareholders, and ask for your ongoing support.