

**Summary of Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2024 (FY2023)  
(Six Months Ended September 30, 2023) [Japanese GAAP]**

Company name: Sanrio Company, Ltd. Listed Stock Exchange: Tokyo Stock Exchange  
Stock code: 8136 URL: <https://www.sanrio.co.jp/english/corporate/ir/>  
Representative: Tomokuni Tsuji, President and Chief Executive Officer  
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Scheduled date of filing of Quarterly Report: November 14, 2023  
Starting date of dividend payment: November 30, 2023  
Preparation of supplementary materials for quarterly financial results: Yes  
Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)  
(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Second Quarter of FY2023 (April 1, 2023 – September 30, 2023)**

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Sales		Operating Profit		Ordinary Profit		Net Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Sep. 30, 2023	43,930	43.4	13,307	148.9	14,201	153.2	10,506	249.0
Six months ended Sep. 30, 2022	30,630	28.7	5,346	-	5,608	781.3	3,010	54.4

Note: Comprehensive income (millions of yen) Six months ended Sep. 30, 2023: 13,101 (up 83.1%)  
Six months ended Sep. 30, 2022: 7,156 (up 87.1%)

	Net Profit per Share	Fully-Diluted Net Profit per Share
	Yen	Yen
Six months ended Sep. 30, 2023	130.27	-
Six months ended Sep. 30, 2022	37.37	-

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
As of Sep. 30, 2023	121,663	67,936	55.5
As of Mar. 31, 2023	100,704	56,295	55.6

Reference: Shareholders' equity (millions of yen) As of Sep. 30, 2023: 67,563 As of Mar. 31, 2023: 56,005

**2. Dividends**

	Dividend per Share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2022	-	15.00	-	20.00	35.00
FY2023	-	22.50	-	-	-
FY2023 (forecast)	-	-	-	22.50	45.00

Note: Revisions to the most recently announced dividend forecast: None

**3. Consolidated Forecast for FY2023 (April 1, 2023 – March 31, 2024)**

(Percentages represent year-on-year changes)

	Sales		Operating Profit		Ordinary Profit		Net Profit Attributable to Owners of Parent		Net Profit per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	89,300	23.0	18,800	41.9	20,200	47.2	14,400	76.5	178.51

Note: Revisions to the most recently announced consolidated forecasts: Yes

**\* Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common stock)

1) Number of outstanding shares at the end of the period (including treasury stock)

As of Sep. 30, 2023:	89,089,701 shares	As of Mar. 31, 2023:	89,065,301 shares
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2) Number of shares of treasury stock at the end of the period

As of Sep. 30, 2023:	8,423,217 shares	As of Mar. 31, 2023:	8,422,649 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2023:	80,649,383 shares	Six months ended Sep. 30, 2022:	80,575,716 shares
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Note: 24,400 shares were newly issued as restricted stock compensation on August 10, 2023.

Note 1: The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

Note 2: Cautionary statement with respect to forward-looking statements and other special items

Forecasts regarding future performance in these materials are based on assumptions judged to be valid and information currently available to the Company. These materials are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of factors.

## **Qualitative Information on Quarterly Consolidated Financial Performance**

### **Explanation of Results of Operations**

During the first half of the fiscal year under review, the Japanese economy continued to recover slowly as the reclassification of COVID-19 led to a normalization of economic activity and spending by foreign tourists increased. Meanwhile, the outlook remains uncertain amid concerns that consumers will adopt a still more conservative stance due to the prolonged conflict in Europe, rising global resource prices, rising prices arising from exchange rate fluctuations, and other factors.

Amid these conditions, the Sanrio Group set the current fiscal year as the final year of the three-year medium-term management plan “Creating and Challenging for our Future” concluding in the fiscal year ending March 31, 2024, and we have steadily implemented various initiatives based on the three pillars of this plan: corporate culture reform, initiation and completion of domestic and overseas structural reforms, and planting the seeds for regrowth strategies and growth markets.

Domestic shops and theme parks sales rose as a result of steady progress from various measures and a significant increase in customer numbers. Domestic customer numbers rose due to the reclassification of COVID-19 while the number of foreign tourists climbed sharply. In the licensing business, both in Japan and overseas, strategic measures such as the continuing development of products and services with featuring a wide range of Sanrio characters succeeded in increasing product development by existing licensees and attracting new licensees, resulting in sales growth.

Moreover, the membership of Sanrio+, an app for Sanrio fan members, reached around 1.61 million as of the end of September 2023.

As for consolidated operating profit, the Company posted a substantial increase due to significant sales growth both in Japan and overseas, as well as improved profitability due to the control of operating expenses at an appropriate level through structural reforms.

As a result of these factors, sales rose 43.4% year-on-year to 43.9 billion yen, operating profit increased 148.9% year-on-year to 13.3 billion yen, ordinary profit rose 153.2% year-on-year to 14.2 billion yen, and net profit attributable to owners of parent rose 249.0% year-on-year to 10.5 billion yen.

Since the accounting period for all overseas consolidated subsidiaries runs from January to December, the fiscal year under review for these subsidiaries covers the period from January to June 2023.

Reportable Segment (100 millions of yen)

	First six months of	Sales				Segment profit (operating profit)			
		FY2022	FY2023	Increase/ decrease	Change (%)	FY2022	FY2023	Increase/ decrease	Change (%)
Japan	Product sales/others	175	252	77	43.9	40	96	56	139.4
	Royalties	48	64	16	33.2				
	Total	224	317	93	41.6				
Europe	Product sales/others	(0)	(0)	0	-	(1)	1	3	-
	Royalties	8	11	3	39.5				
	Total	8	11	3	39.9				
North America	Product sales/others	9	9	0	4.3	2	12	9	360.4
	Royalties	16	31	15	95.2				
	Total	25	40	15	62.6				
Latin America	Product sales/others	0	0	0	17.2	0	0	0	155.2
	Royalties	2	3	1	50.4				
	Total	2	3	1	48.7				
Asia	Product sales/others	3	6	3	107.3	18	28	9	51.1
	Royalties	43	59	16	37.6				
	Total	46	66	19	42.1				
Adjustment		-	-	-	-	(7)	(6)	0	-
Consolidated	Product sales/others	187	268	80	43.0	53	133	79	148.9
	Royalties	118	170	52	44.0				
	Total	306	439	133	43.4				

Note: Regional subsidiaries overseas pay the amount of royalties commensurate as the cost of sales while the Japanese parent company (the copyright holder) calculates this income as sales. Because consolidated transactions are eliminated, however, these are not included in Japan's sales figures stated above (although included in segment profit (operating profit)).

Further, the above sales figures are "sales to customers," and the inter-segment sales, which are not limited to the above-mentioned royalties, are eliminated as internal transaction sales.

### Explanation of Consolidated Forecasts and Other Forward-looking Statements

In the first half of the fiscal year ending March 31, 2024, the outlook for the external environment remained uncertain due to the prolonged conflict in Europe, rising prices, supply constraints, fluctuations in the financial and capital markets, etc. However, as our consolidated financial results exceeded forecasts, we have incorporated these factors into our full-year consolidated business forecasts. At the same time, we have reviewed our forecasts for the third quarter and beyond, and as a result have revised our consolidated earnings forecast for the fiscal year ending March 31, 2024.

Please refer to the "Notice Regarding Differences Between Consolidated Forecasts and Results of Operations for the First Half of the Fiscal Year Ending March 31, 2024 and Revisions to Full-year Forecasts" announced today (November 2, 2023).

We will continue to closely monitor the economic environment and market trends while striving to appropriately disclose our earnings forecasts.

Reference: Overseas Sales and Profits for the Past Three Years by Area

(Millions of yen)

Six months ended		Sales to customers					Operating profit				
		Sep. 2021	Sep. 2022	Change (%)	Sep. 2023	Change (%)	Sep. 2021	Sep. 2022	Change (%)	Sep. 2023	Change (%)
Europe	Germany	465	538	15.8	847	57.4	(204)	(164)	-	108	-
	UK	288	262	(8.8)	272	3.9	82	13	(83.5)	63	371.9
	Subtotal	753	801	6.4	1,120	39.9	(122)	(151)	-	172	-
North America	USA	1,318	2,515	90.7	4,088	62.6	(323)	271	-	1,248	360.4
Latin America	Brazil/Chile	167	250	49.2	371	48.7	19	33	73.7	85	155.2
Asia	Hong Kong	780	592	(24.1)	707	19.4	255	146	(42.5)	188	28.4
	Taiwan	471	518	9.8	624	20.5	129	140	8.0	156	11.5
	South Korea	241	507	110.4	1,291	154.4	26	134	410.7	491	266.2
	China	2,342	2,533	8.2	3,282	29.5	1,003	1,349	34.5	1,849	37.1
	Singapore	-	502	-	708	40.9	-	107	-	153	42.2
	Subtotal	3,835	4,655	21.4	6,614	42.1	1,414	1,878	32.8	2,838	51.1
Total		6,075	8,221	35.3	12,195	48.3	988	2,031	105.6	4,344	113.8

## Quarterly Consolidated Financial Statements and Notes

## (1) Consolidated Balance Sheets

	(Millions of yen)	
	FY2022 (As of Mar. 31, 2023)	Second quarter of FY2023 (As of Sep. 30, 2023)
Assets		
Current assets		
Cash and deposit	52,008	65,595
Notes receivable-trade	313	345
Accounts receivable-trade	8,392	10,750
Merchandise and finished goods	3,894	5,584
Work in process	299	523
Raw materials and supplies	348	268
Other accounts receivable	441	516
Other	1,210	1,438
Allowance for doubtful accounts	(156)	(165)
Total current assets	66,752	84,856
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	3,296	3,347
Land	6,140	6,160
Other, net	3,914	4,271
Total tangible fixed assets	13,350	13,779
Intangible fixed assets	2,244	2,592
Investments and other assets		
Investment securities	9,720	10,273
Deferred tax assets	145	56
Other	8,816	10,407
Allowance for doubtful accounts	(332)	(305)
Total investments and other assets	18,350	20,431
Total fixed assets	33,946	36,803
Deferred assets	5	3
Total assets	100,704	121,663
Liabilities		
Current liabilities		
Trade notes and accounts payable	4,074	5,994
Short-term borrowings	9,086	10,351
Accrued income taxes	1,563	2,779
Contract liabilities	4,062	4,810
Allowance for bonuses	638	769
Provision for shareholder benefit program	39	37
Provision for point card certificates	8	8
Other	8,273	6,349
Total current liabilities	27,746	31,101
Long-term liabilities		
Corporate bonds	141	90
Long-term borrowings	10,378	13,864
Retirement benefit liability	1,020	1,032
Other	5,121	7,638
Total long-term liabilities	16,662	22,625
Total liabilities	44,408	53,726

	(Millions of yen)	
	FY2022 (As of Mar. 31, 2023)	Second quarter of FY2023 (As of Sep. 30, 2023)
Net assets		
Shareholders' equity		
Capital	10,000	10,074
Capital surplus	3,468	3,543
Retained earnings	56,211	65,104
Treasury stock	(19,528)	(19,530)
Total shareholder's equity	50,152	59,192
Accumulated other comprehensive income		
Net unrealized gain (loss) on other securities	383	1,055
Deferred hedge gain (loss)	2	2
Foreign currency translation adjustments	1,707	4,753
Remeasurements of defined benefit plans	3,758	2,559
Total accumulated other comprehensive income	5,853	8,370
Non-controlling interests	290	373
Total net assets	56,295	67,936
Total liabilities and net assets	100,704	121,663

**(2) Consolidated Income Statements and Consolidated Comprehensive Income Statements****Consolidated Income Statements****(For the Six-month Period)**

	(Millions of yen)	
	First six months of FY2022 (Apr. 1, 2022 – Sep. 30, 2022)	First six months of FY2023 (Apr. 1, 2023 – Sep. 30, 2023)
Sales	30,630	43,930
Cost of sales	9,211	11,630
Gross profit	21,418	32,299
Selling, general and administrative expenses	16,072	18,992
Operating profit	5,346	13,307
Non-operating profit		
Interest income	201	421
Dividend income	117	96
Foreign exchange gains	266	176
Gain on investments in partnership	-	187
Other	140	183
Total non-operating profit	725	1,065
Non-operating expenses		
Interest expense	77	87
Commission expenses	72	50
Loss on investments in partnership	282	-
Other	32	32
Total non-operating expenses	464	171
Ordinary profit	5,608	14,201
Extraordinary gains		
Gain on sales of fixed assets	0	0
Gain on sales of investment securities	283	-
Gain on liquidation of subsidiaries and associates	-	538
Other	2	0
Total extraordinary gains	286	538
Extraordinary losses		
Loss on disposal of fixed assets	11	0
Loss on sale of investment securities	-	12
Loss on valuation of investment securities	210	-
Impairment loss	1	1
Other	-	2
Total extraordinary losses	222	17
Net profit before income taxes	5,671	14,722
Income taxes – current	1,079	3,439
Income taxes for prior periods	1,297	-
Income taxes – deferred	247	725
Total income taxes	2,624	4,164
Net profit	3,047	10,558
Net profit attributable to non-controlling interests	36	51
Net profit attributable to owners of parent	3,010	10,506



**Consolidated Comprehensive Income Statements**  
**(For the Six-month Period)**

(Millions of yen)

	First six months of FY2022 (Apr. 1, 2022 – Sep. 30, 2022)	First six months of FY2023 (Apr. 1, 2023 – Sep. 30, 2023)
Net profit	3,047	10,558
Other comprehensive income		
Net unrealized gain (loss) on other securities	44	671
Deferred hedge gain (loss)	10	-
Foreign currency translation adjustments	3,940	3,071
Remeasurements of defined benefit plans, net of tax	114	(1,199)
Total other comprehensive income	4,109	2,543
Comprehensive income	7,156	13,101
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,076	13,024
Comprehensive income attributable to non-controlling interests	79	77

**Segment and Other Information**

## I. First six months of FY2022 (Apr. 1, 2022 – Sep. 30, 2022)

## 1. Information related to sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment						Adjustment (Note 1)	Amounts shown on consolidated income statements (Note 2)
	Japan	Europe	North America	Latin America	Asia	Total		
Sales								
Customers	22,408	801	2,515	250	4,655	30,630	-	30,630
(Royalty income)	( 4,833)	( 804)	( 1,611)	( 236)	( 4,354)	( 11,840)	( -)	( 11,840)
Inter-segment	3,763	11	13	4	622	4,414	(4,414)	-
(Royalty income)	( 3,372)	( 0)	( -)	( -)	( -)	( 3,373)	( 3,373)	( -)
Total	26,171	812	2,528	254	5,277	35,044	(4,414)	30,630
Segment profit (loss)	4,027	(151)	271	33	1,878	6,059	(712)	5,346

- Notes: 1. The minus 712 million yen 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. Segment profit (loss) is adjusted to be consistent with operating profit shown on the consolidated income statements.

## 2. Information related to impairment losses on fixed assets, goodwill, etc. for each reportable segment

Detailed explanations are omitted due to immateriality of the amount.

## II. First six months of FY2023 (Apr. 1, 2023 – Sep. 30, 2023)

## 1. Information related to sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment						Adjustment (Note 1)	Amounts shown on consolidated income statements (Note 2)
	Japan	Europe	North America	Latin America	Asia	Total		
Sales								
Customers	31,734	1,120	4,088	371	6,614	43,930	-	43,930
(Royalty income)	( 6,438)	( 1,122)	( 3,146)	( 355)	( 5,990)	( 17,053)	( -)	( 17,053)
Inter-segment	5,830	29	30	9	2,109	8,009	(8,009)	-
(Royalty income)	( 5,385)	( 1)	( -)	( -)	( -)	( 5,387)	( 5,387)	( -)
Total	37,565	1,150	4,118	381	8,724	51,939	(8,009)	43,930
Segment profit	9,640	172	1,248	85	2,838	13,985	(678)	13,307

- Notes: 1. The minus 678 million yen adjustment to segment profit 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. Segment profit is adjusted to be consistent with operating profit shown on the consolidated income statements.

## 2. Information related to impairment losses on fixed assets, goodwill, etc. for each reportable segment

Not applicable.

*This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*