

Fiscal Year ended 3/2025 Results



My Melody ♥ Kuromi

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Sanrio Co., Ltd.
May 13, 2025



Summary

- A wide range of anniversary campaigns for Sanrio characters performed well, leading to increased character recognition and diversification.
- All reportable segments posted significant increases in sales and profit, with operating profit reaching a record high for the second consecutive fiscal year. Net profit reached a record high since FY3/2000.
- Assuming that the impact of US tariffs will be limited, operating profit is expected to maintain double-digit growth in FY3/2026.

Summary for FY 3/2025

Sales: 144.9 billion yen (up 44.9% YoY) Operating profit: 51.8 billion yen (up 92.2% YoY)

- Operating profit reached record high for second consecutive terms.
- We leveraged Hello Kitty 50th anniversary (November 2023 to December 2024) to raise global awareness of various Sanrio characters. While Hello Kitty's gross profit more than 1.8 times compared to the same period last year, the popularity of other characters such as Kuromi, My Melody, and Cinnamoroll also continued to rise, keeping the rate on Hello Kitty at 35.3% .
- Domestic product sales and theme parks benefitted from an increase in domestic customers and continued strong inbound demand. The License business performed well thanks to Hello Kitty and the strategy of featuring a wide range of Sanrio characters.
- As for Overseas business, all reportable segments recorded growth. In particular, license business in North America saw growth in specialty stores and mass markets (mass retailers, etc.) and also recorded significant sales and profit growth.
- In Q4, consolidation adjustments related to license in China had a negative impact of 2.5 billion yen on operating profit.
- We raised the annual dividend 53 yen (Interim: 20 yen; year-end: 33 yen).

Forecasts for FY3/2026

Sales: 162.2 billion yen (up 11.9 % YoY) Operating profit: 60.0 billion yen (up 15.8 % YoY)

- Building on the success of Hello Kitty 50th anniversary in the previous fiscal year, which enhanced the brand value of multiple characters, initiatives marking the 50th anniversary of the popular character My Melody and the 20th anniversary of Kuromi will help to maintain strong performance, resulting in continued double-digit growth in operating profit.
- While the impact of tariff hikes in the U.S. remains uncertain, we assume that the effect on performance will be limited. Strategic investments and organizational reinforcement aimed at medium- to long-term growth will lead to an increase in SG&A expenses.
- We will raise the annual dividend by 1 yen to 54 yen (Interim: 27 yen; year-end: 27 yen).



Consolidated Financial Results for Full Year

(JPY: Million)	FY3/2025 Full Year (Apr 2024 – Mar 2025)			FY3/2025 Q4 (Jan 2025 – Mar 2025)		
	FY3/2024	FY3/2025	Change	FY3/2024 Q4	FY3/2025 Q4	Change
Sales	99,981	144,904	44.9%	27,556	40,118	45.6%
Gross Profit	72,115	109,899	52.4%	20,184	29,208	44.7%
Gross Profit Margin	72.1%	75.8%	3.7pt	73.2%	72.8%	(0.4pt)
EBITDA	28,826	54,107	87.7%	-	-	-
EBITDA Margin	28.8%	37.3%	8.5pt	-	-	-
Operating Profit	26,952	51,806	92.2%	5,562	10,712	92.6%
OP Margin	27.0%	35.8%	8.8pt	20.2%	26.7%	6.5pt
Ordinary Profit	28,265	53,453	89.1%	5,786	10,787	86.4%
Net Profit attribute to owners of parent	17,584	41,731	137.3%	1,448	7,941	448.4%
ROE	29.2%	48.6%	19.4pt	-	-	-
EPS	73.08	176.62	141.7%	-	-	-
Net income (loss) per share, Yen	66	53	-	-	-	-
Dividends Paid (Yen)	(Interim 22.5, Year- end43.5)	(Interim 20, Year end33)	-	-	-	-
Dividend payout ratio	30.1%	30.0%	-	-	-	-

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.
The company conducted a 3 for 1 common stock split on April 1, 2024

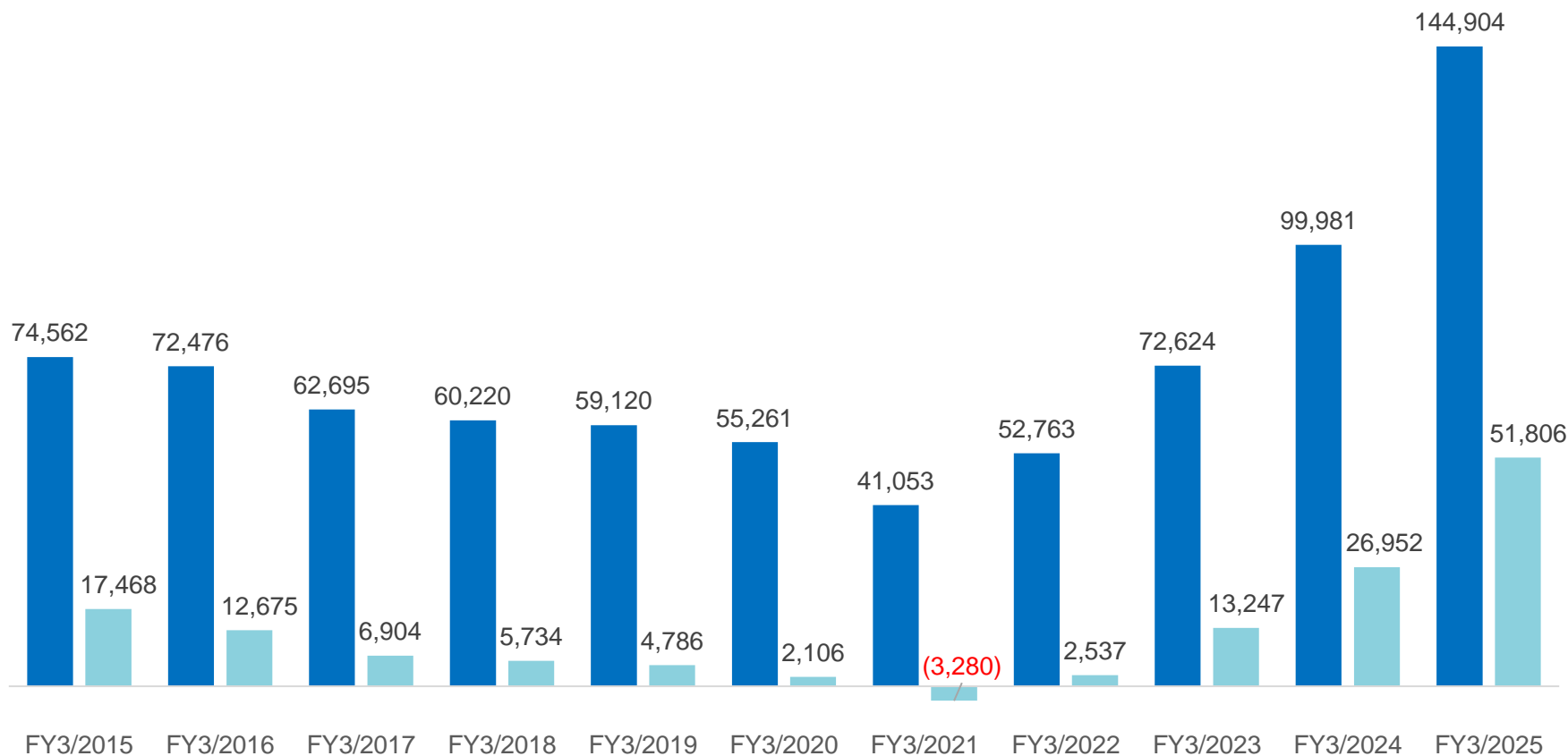


Consolidated Financial Results Trend (Sales and OP)

Sales and profits increased for the fourth consecutive fiscal year, and operating profit reached a record high for the second consecutive fiscal year.

[JPY: Million]

■ Sales ■ Operating Profit



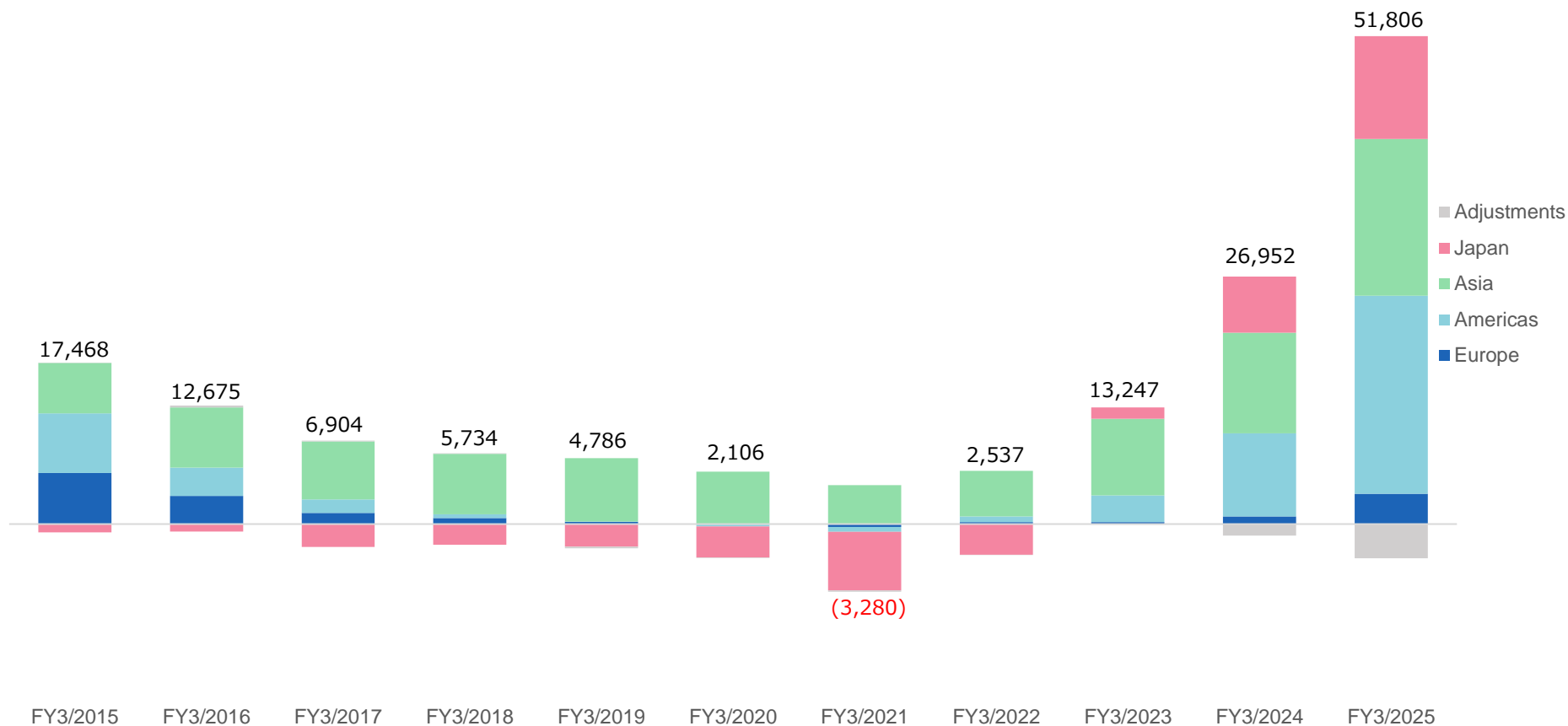
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Contribution profit trend in overseas regions

In the Americas (particularly North America), licensee arrangements aimed at specialty stores and mass retailers (such as mass merchandisers) continued to perform well, resulting in significant sales and profit growth.

[JPY: Million]



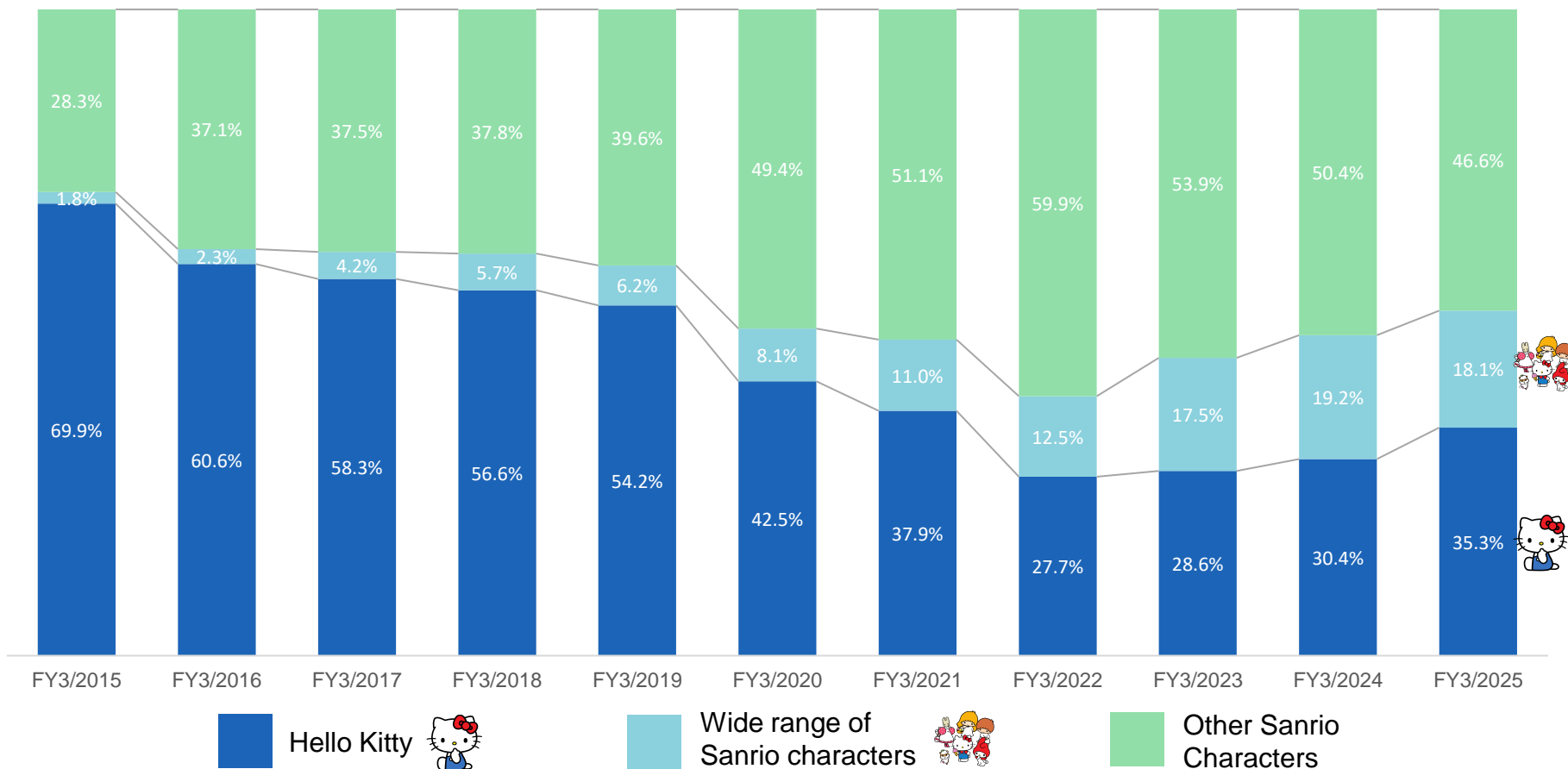
Notes: Contribution profit is in an upward trend, driven by the North American and Asian regions.

Overseas subsidiaries pay fees proportional to their royalty income to the Japanese parent company, the copyright holder, as cost of sales, which is recorded as sales by the parent company. In order to see the actual amount of value created by Overseas Business, Sanrio uses "contribution profit," which is calculated by adding the amount of royalty payments to the HQ to the operating profit of overseas subsidiaries, as an indicator unique to Sanrio.



Character Portfolio Trend

In FY3/2025, sales of Hello Kitty increased significantly due to its 50th anniversary campaign, while the ratio of other characters such as Kuromi increased due to the success of the strategy of featuring a wide range of Sanrio characters. The Hello Kitty ratio remained at 35.3%.



Notes: Composition of characters is calculated based on gross profit from the Product Sales business and the License business in Japan and overseas.



Breakdown by Reportable Segment

[JPY: Million]

Segment	FY3/2024	FY3/2025	Increase Decrease	Change
Sales	99,981	144,904	44,923	44.9%
Japan	83,088	113,009	29,921	36.0%
Europe	2,492	6,383	3,891	156.2%
Americas	13,579	29,461	15,882	117.0%
Asia	19,176	28,003	8,826	46.0%
Adjustment	(18,355)	(31,953)	(13,598)	-
Royalty	39,813	70,738	30,925	77.7%
Japan	27,314	45,368	18,053	66.1%
Europe	2,425	6,110	3,684	151.9%
Americas	11,201	26,707	15,506	138.4%
Asia	12,028	18,077	6,048	50.3%
Adjustment	(13,157)	(25,525)	(12,367)	-
Operating profit	26,952	51,806	24,853	92.2%
Japan	19,737	36,602	16,864	85.4%
Europe	268	1,600	1,332	495.7%
Americas	3,066	9,423	6,357	207.3%
Asia	6,016	6,761	744	12.4%
Adjustment	(2,136)	(2,581)	(445)	-
Contribution Profit	26,952	51,806	24,853	92.2%
Japan	6,424	11,722	5,298	82.5%
Europe	861	3,450	2,588	300.3%
Americas	9,506	22,646	13,139	138.2%
Asia	11,476	17,900	6,423	56.0%
Adjustment	(1,316)	(3,914)	(2,597)	-

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

Contribution profit = Operating profit + Royalty payment to the HQ

In Americas(North America), consolidation adjustments due to differences in accounting period had a negative impact of 1.5 billion yen on operating profit.

In Asia (China), consolidation adjustments for license business due to differences in accounting period had a negative impact of 2.5 billion yen on operating profit.



Details by Segment: Japan (Sales and OP)

Sales and profit increased significantly, due to anniversary campaigns for characters, inbound demand, and contributions from overseas royalty income. The impact of the cyberattack on Sanrio Entertainment on business performance was limited.

[JPY: Million]

	Sales				Operating Profit			
	FY3/2024	FY3/2025	Increase (Decrease)	Change (%)	FY3/2024	FY3/2025	Increase (Decrease)	Change (%)
Sanrio Company (HQ)	68,160	97,416	29,256	42.9%	14,994	30,921	15,926	106.2%
Product Sales	40,056	50,745	10,689	26.7%	6,222	9,366	3,143	50.5%
License Business	13,847	20,055	6,208	44.8%	10,897	16,890	5,993	55.0%
Global Business	13,906	26,090	12,183	87.6%	13,153	25,157	12,003	91.3%
Other	349	525	175	50.2%	(2,222)	(2,974)	(751)	-
Adjustment (HQ cost center expenses, etc.)	-	-	-	-	(13,056)	(17,518)	(4,462)	134.1%
Sanrio Entertainment	14,124	16,553	2,429	17.2%	2,427	2,990	563	23.2%
Sanrio Puroland	11,432	13,542	2,109	18.4%	2,321	2,794	472	20.4%
Harmonyland	2,691	3,011	320	11.9%	105	196	90	85.7%
Other	3,959	1,934	(2,024)	(51.1%)	362	202	(159)	(44.2%)
Subtotal	86,243	115,904	29,661	34.4%	17,783	34,114	16,330	91.8%
Adjustment (Intra-segment)	(3,155)	(2,894)	260	-	1,953	2,487	533	27.3%
Total	83,088	113,009	29,921	36.0%	19,737	36,602	16,864	85.4%
Adjustment (Inter-segment)	(14,136)	(27,820)	(12,884)	-				
Sales to customers	68,951	85,989	17,037	24.7%				

Sales

Sanrio Company

- The Product Sales business saw success with various initiatives for Hello Kitty's 50th anniversary, and in Q4 of FY3/2025, limited edition products for My Melody's 50th attracted attention, demonstrating the effectiveness of anniversary initiatives for popular characters. In addition, an increase in the number of inbound with high spending per customer contributed to the increase, and the store scrap-and-build strategy progressed to bring all stores back into the black.
- In the License business, client-targeting strategies and wide-range characters strategies continued to perform well and all categories significantly outperformed the previous year's results. By product category, popular items included souvenirs and traditional Japanese-pattern items with high inbound demand, apparel collaborations with popular characters from other companies, and capsule toys appealing to a wide age range.
- Overseas operations were supported by increased royalty income from overseas companies, particularly in North America.

Sanrio Entertainment

- Sanrio Puroland attracted visitors with various events, including new attractions, new shows, and collaborations with popular artists.
- Harmonyland saw a decline in visitor numbers due to natural disasters etc., but event-related merchandise boosted average spending per visitor, resulting in increased sales.

OP

Sanrio Company

- License business grew rapidly, which helped an increase in the royalty ratio in consolidated sales.

Sanrio Entertainment

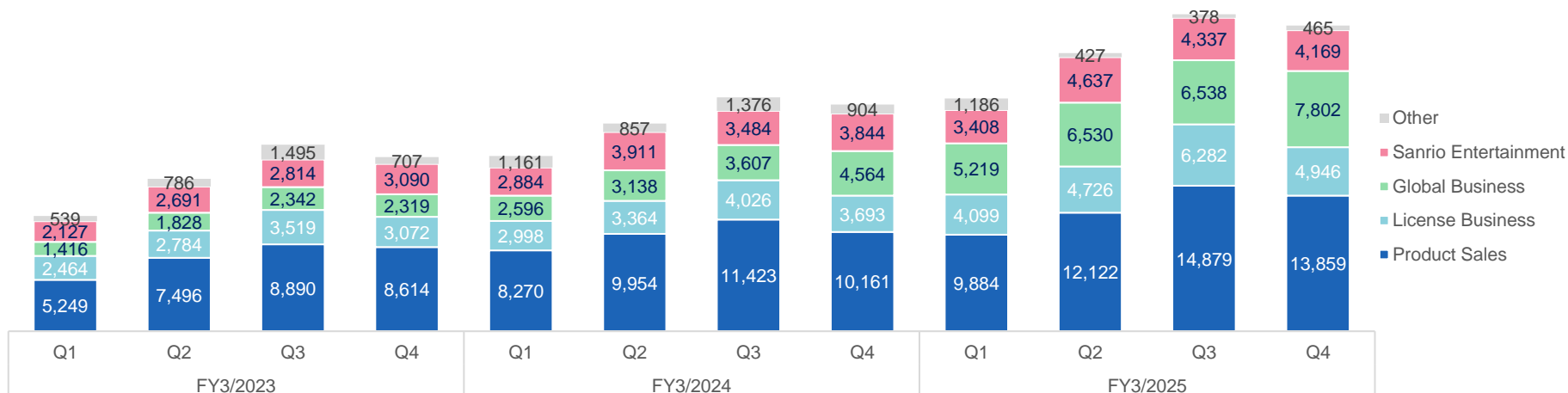
- Despite an increase in SG&A expenses due to the reinforcement of the HR system and an increase in customer numbers, profits increased significantly due to a substantial increase in sales. The impact of cyberattacks on business performance was limited.

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

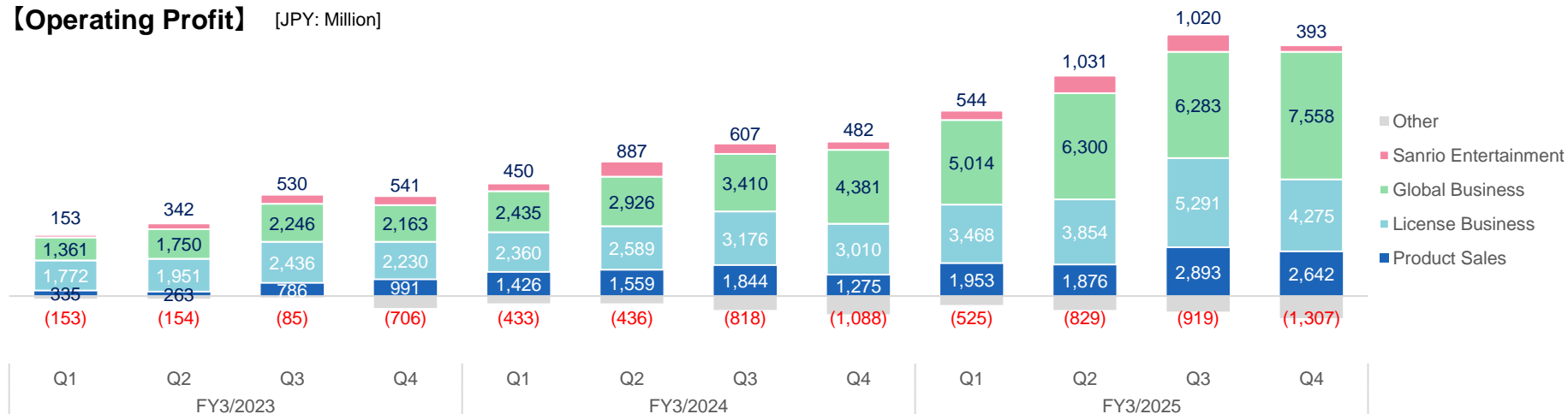


Quarterly Trend by Segment: Japan (Sales and OP)

【Sales】 [JPY: Million]



【Operating Profit】 [JPY: Million]

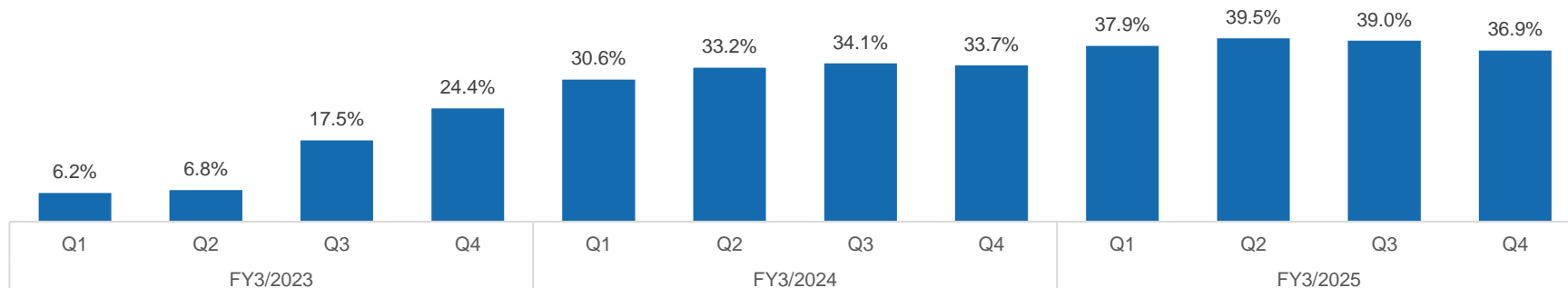


Notes: Figures are rounded down to the nearest one million yen.

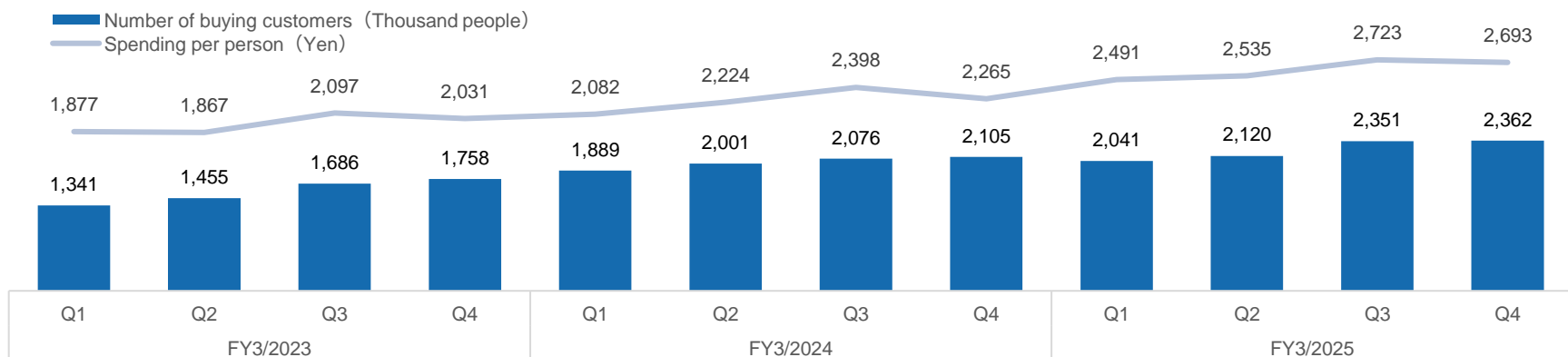


Details by Segment: Japan (Product sales)

Inbound demand remains high, particularly in Asia.



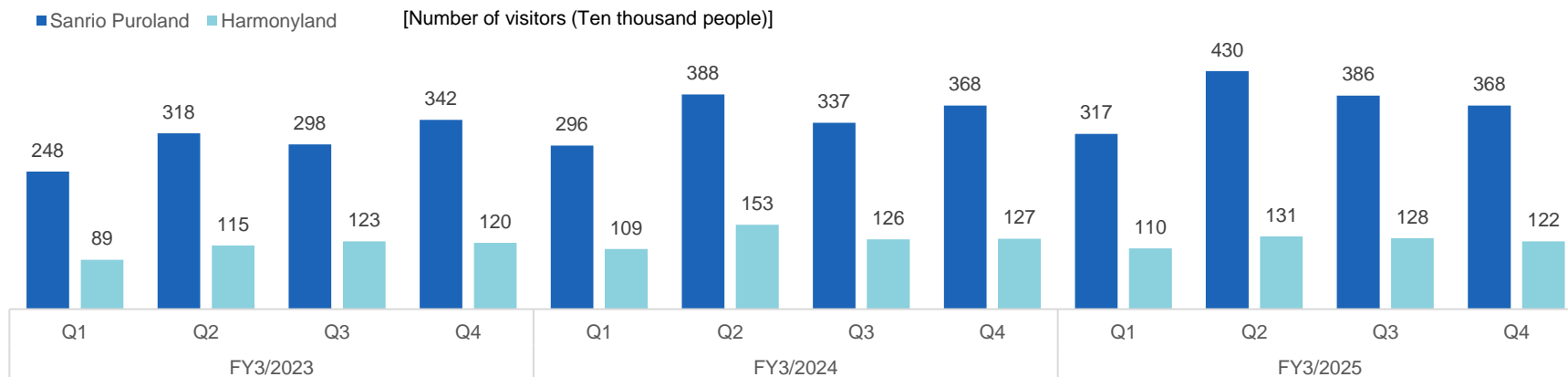
Increase in the number of purchasers and spending per person due to higher inbound demand.



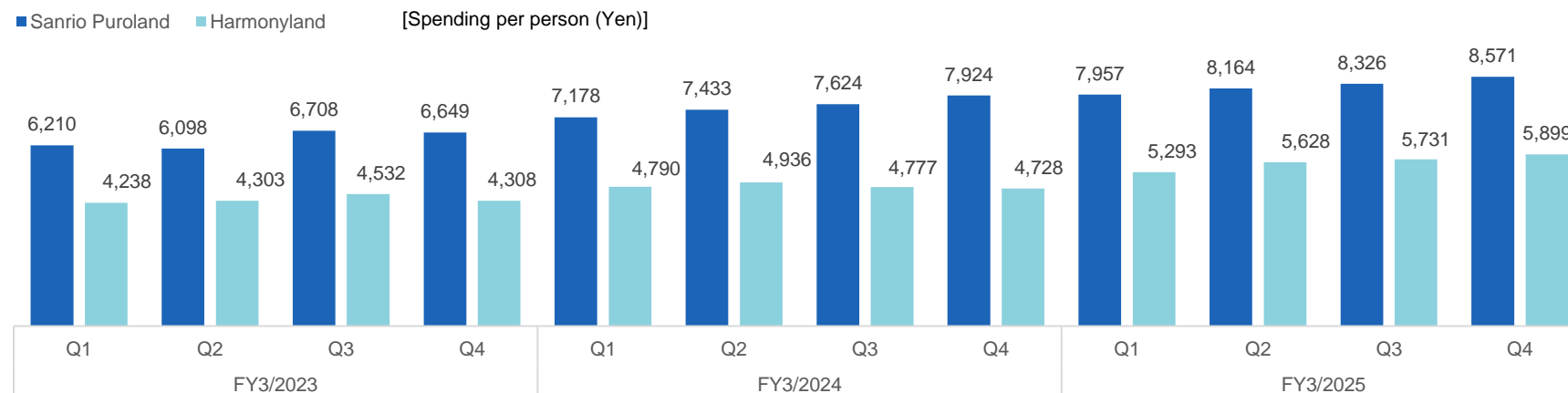
Notes: The inbound sales figures were counted from a total of existing stores (directly managed stores and consignment stores) out of stores in Japan (excluding directly managed stores in department stores, etc.) until FY3/2024. However, from FY3/2025 onward, the numbers of directly managed stores and consignment stores include all stores. The number of buying customers and spending per person were counted from all stores in Japan.
138 stores: 69 directly managed stores, 29 consignment stores, 40 directly managed stores in department stores

Details by Segment: Japan (Sanrio Entertainment Co., Ltd.)

Sanrio Puroland attracted more visitors from Japan and abroad with various events, including new attractions and new shows.



Continued increase in spending per person due to limited edition products and higher ticket prices.





Details by Segment: Overseas (Sales and OP)

In North America, licensee arrangements aimed at specialty stores and mass retailers (such as mass merchandisers) continued to perform well, resulting in significant sales and profit growth. The popularity of the wide-range characters increased due to events such as the Sanrio Festival(Hi!Sanrio), and China also saw significant growth.

	Sales				Operating Profit				[JPY: Million]
	FY3/2024	FY3/2025	Increase (Decrease)	Change (%)	FY3/2024	FY3/2025	Increase (Decrease)	Change (%)	
Europe	2,492	6,383	3,891	156.2%					
Royalty	2,425	6,110	3,684	151.9%	268	1,600	1,332	495.7%	
Americas	13,579	29,461	15,882	117.0%					
Royalty	11,201	26,707	15,506	138.4%	3,066	9,423	6,357	207.3%	
North America	12,515	27,588	15,072	120.4%					
Royalty	10,199	24,957	14,757	144.7%	2,838	8,875	6,037	212.7%	
South America	1,063	1,873	809	76.1%					
Royalty	1,001	1,750	748	74.8%	227	547	320	140.7%	
Asia	19,176	28,003	8,826	46.0%					
Royalty	12,028	18,077	6,048	50.3%	6,016	6,761	744	12.4%	

Europe

The strategy of featuring a wide range of Sanrio characters proved successful, expanding the customer base and significantly increasing sales, particularly in the apparel and toy categories.

Americas

- In North America, branding efforts through strengthened partnerships with specialty stores were successful, resulting in increased popularity of not only the Hello Kitty 50th anniversary products but also other characters. Mass retailers also handled more products, resulting in significant sales growth across various categories. Due to consolidation adjustments resulting from the shift in the fiscal year-end, operating profit was recorded as a loss of 1.5 billion yen.

- In South America, brand recognition increased thanks to new touchpoints such as cafes and the 50th anniversary event for Hello Kitty.

Asia

- In China, the Sanrio Festival(Hi!Sanrio) was held in Shanghai, attracting more than 20 thousand visitors, exceeding initial expectations, and the popularity of multiple characters increased. In addition to the License business, the Product Sales business, which expanded its store network, also performed well. Due to the shift in the fiscal year end related to license in China, new items were added to consolidation adjustments, resulting in an operating loss of 2.5 billion yen.

- In Asian countries, the wide-range characters strategy was successful, leading to the acquisition of new projects and increased sales and profits.

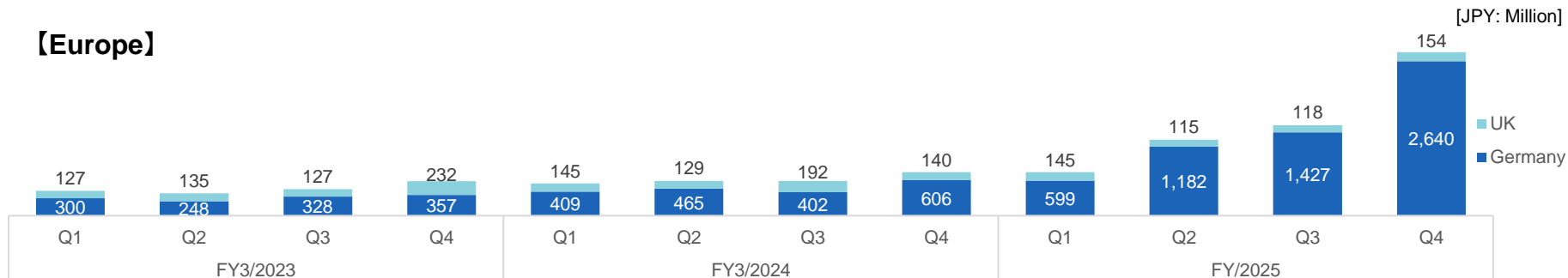
Notes: Figures are rounded down to the nearest million yen. Percentages are rounded to the nearest tenth of a percent.

Sales by region includes the amount of internal trading between consolidated entities. Operating profit calculated after payment of master license fee to the HQ.

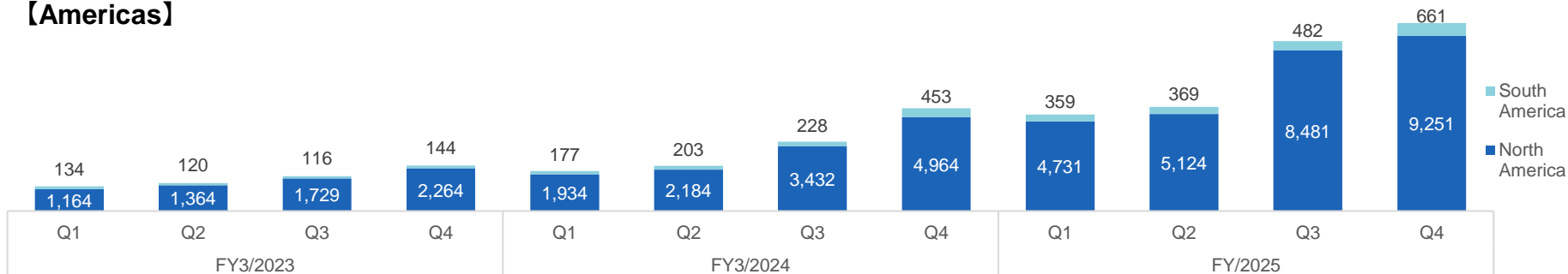


Quarterly Trend by Segment: Overseas (Sales)

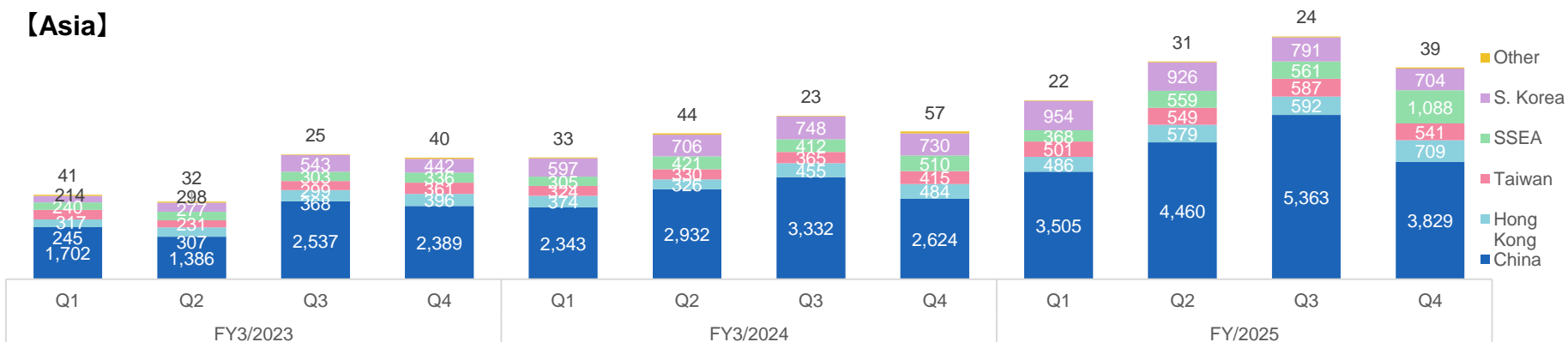
【Europe】



【Americas】



【Asia】

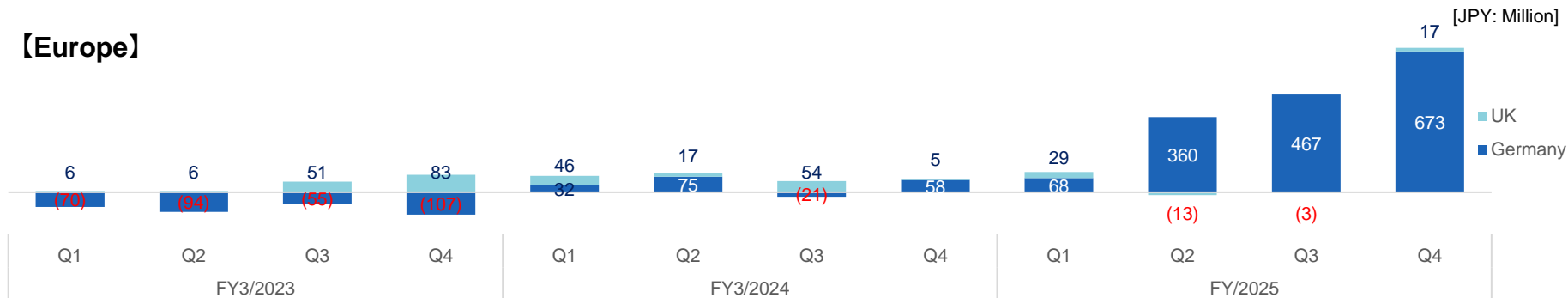


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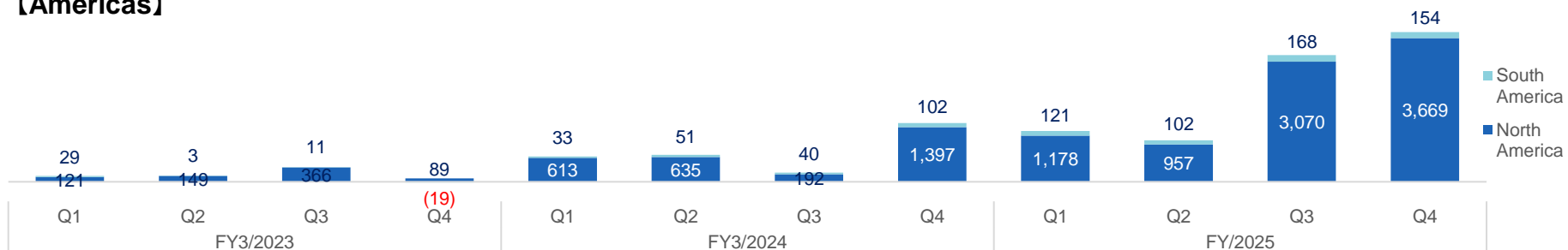


Quarterly Trend by Segment: Overseas (Operating Profit)

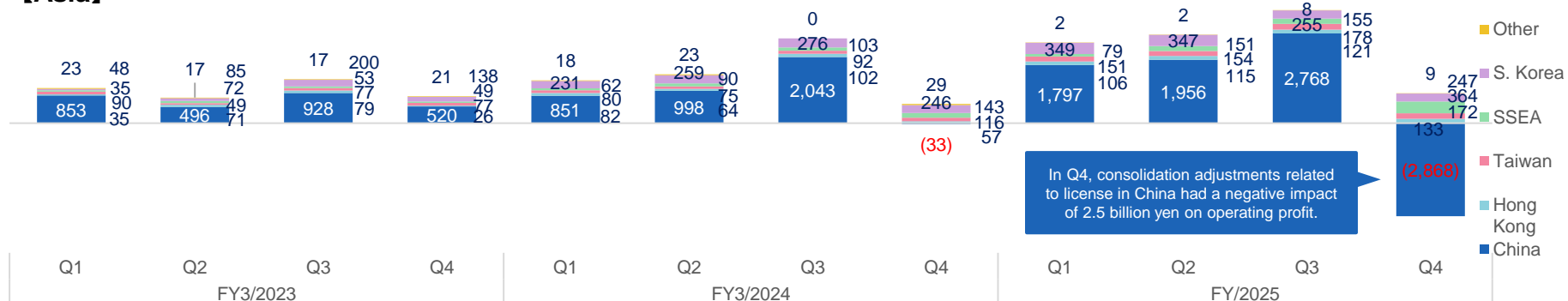
【Europe】



【Americas】



【Asia】



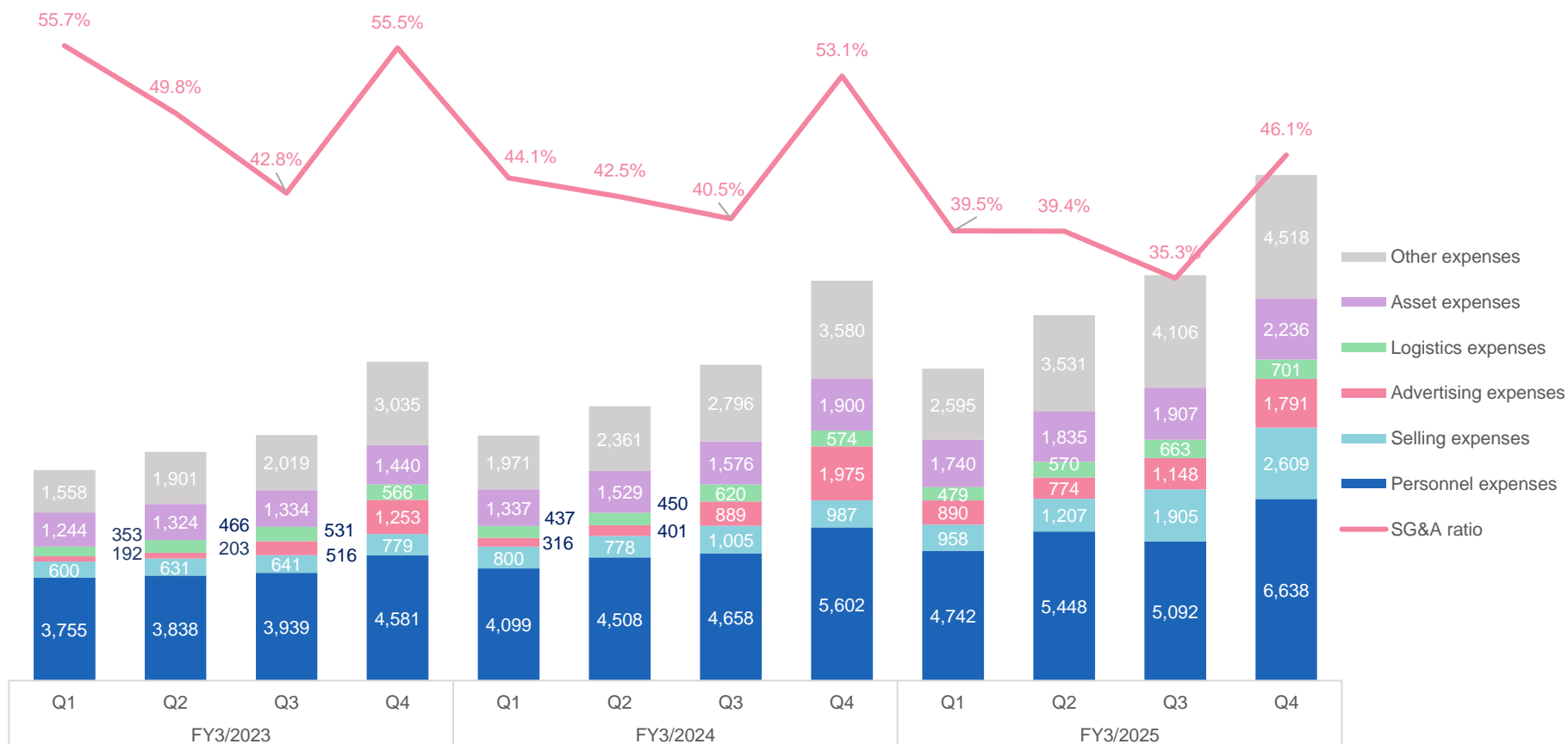
Notes: Figures are rounded down to the nearest one million yen.



Consolidated SG&A Expenses Trend

SG&A expenses increased due to an increase in personnel intended to strengthen the organizational structure and higher selling expenses resulting from strong performance, but the SG&A expense ratio remained low due to a significant increase in sales.

[JPY: Million]



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



Consolidated SG&A Expenses by segment

[JPY: Million]

	FY3/2025 Results					FY3/2024	Increase/ Decrease	Change YoY	Increase/Decrease Factors
	Q1	Q2	Q 3	Q4	Cumulative				
Consolidated	11,406	13,367	14,822	18,495	58,093	45,162	12,930	28.6%	
Japan	9,846	11,411	12,319	14,267	47,844	39,162	8,681	22.2%	
Sanrio Company(HQ)	7,704	8,997	10,123	11,603	38,429	30,499	7,929	26.0%	•1.7 billion yen increase in personnel cost •Marketing cost; 1.1 billion yen increase in sales promotion for Hello Kitty 50th anniversary, other characters (Cinnamoroll, Kuromi etc) etc. •Other; 2.3 billion yen increase in Consulting fees, etc. to strengthen the business base, 0.7 billion yen increase in measures against infringing products, etc.
Personnel cost	2,717	3,212	3,025	3,837	12,792	11,070	1,722	15.6%	
Marketing	1,456	1,435	1,936	2,311	7,139	5,431	1,708	31.4%	
Other	3,531	4,350	5,160	5,454	18,496	13,997	4,499	32.1%	
Other	2,141	2,413	2,195	2,663	9,415	8,663	751	8.7%	
Europe	462	589	604	1,255	2,911	1,664	1,247	75.0%	
Americas	682	1,050	1,439	2,302	5,475	3,146	2,328	74.0%	•1.8 billion yen increase in marketing cost, •600 million yen increase in personnel cost
Asia	789	888	951	1,256	3,884	2,970	914	30.8%	•400 million yen increase in personnel cost
China	388	393	469	730	1,981	1,534	447	29.2%	
Other	400	494	482	525	1,902	1,435	466	32.5%	
Adjustment	(374)	(571)	(491)	(585)	(2,021)	(1,781)	(241)	-	

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

Impact of investment plan on profit and loss: new business has an impact on cost of sales, and marketing and other have an impact on SG&A expenses.

Marketing cost : Sales promotion cost

Other costs: Right-of-use-asset, shipping costs, etc.



Consolidated Financial Results (B/S)

Net cash grew due to a continuing increase in cash and deposits

[JPY: Million]

	FY3/2024	FY3/2025	Increase/Decrease YoY	Change YoY(%)	Increase/Decrease Factors
Current assets	113,173	151,698	38,525	34.0%	
Cash and deposits	90,442	118,976	28,534	31.5%	Cash and deposits(+28.5B JPY), accounts receivable(+8.7B JPY), etc.
Others	22,730	32,721	9,991	44.0%	
Non-current assets	42,886	50,707	7,820	18.2%	
Policy ownership	9,056	6,671	(2,384)	(26.3%)	
Total assets	156,062	202,406	46,344	29.7%	
Current liabilities	37,990	49,277	11,286	29.7%	
Non-current liabilities	53,174	45,521	(7,653)	(14.4%)	• Current liabilities(+7.4B JPY)
Interest-bearing debt	50,648	40,291	(10,356)	(20.4%)	• Short-term and long-term borrowings, and bonds payable, etc. (- 7.6B JPY)
Total liabilities	91,165	94,798	3,633	4.0%	• Convertible Bond Type Bonds with Stock Acquisition Rights(-2.7B JPY)
Net asset	64,897	107,608	42,710	65.8%	
Total liabilities and assets	156,062	202,406	46,344	29.7%	Retained earnings, etc. (+33.5B JPY)
Net cash	39,794	78,685	38,891	97.7%	
Equity ratio	41.4%	52.9%	11.5pt	-	
Policy ownership / Net assets	14.0%	6.2%	(7.8pt)	-	

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

Policy holdings include unlisted shares.

Interest-bearing debts include convertible bond-type bonds with stock acquisition rights.

Net cash = Cash and deposits - Interest-bearing debts



Forecasts for FY3/2026

In FY3/2025, the 50th anniversary of Hello Kitty served as a hook to boost the popularity and brand value of multiple characters. In FY3/2026, SG&A expenses will increase significantly in order to steadily implement measures based on the medium-term management plan, but Sanrio will expand the License business mainly in North America and China, aiming to achieve record operating profit for the third consecutive fiscal year. We assume that the impact of the US tariffs will be limited.

Japan

Increased sales and profit due to strong performance in the License business and continued growth in the Product Sales business

- The License business will continue to perform well thanks to a client-targeting strategy and the strategy of featuring a wide range of Sanrio characters.
- In Product Sales and other businesses, inbound-related sales are expected to remain at a high level.
- Sanrio Puroland is expected to report a decrease in profit due to investments related to the renewal of its parade.
- SG&A expenses will increase due to additional personnel expenses and strategic project costs aimed at medium- to long-term growth.

Europe

Continue initiatives with global brands and approaches to local brands

- Aim to increase the value of character IP by continuing collaborations with famous/high-end brands

Americas

In North America, we will expand characters other than Hello Kitty while maintaining a balance between specialty stores and mass retailers

- North America market will sustain the positive trend from the previous quarter by increasing exposure of Kuromi and Cinnamoroll in specialty stores, which saw increased recognition following the Hello Kitty 50th anniversary in the previous quarter and making approximately 2.7 billion yen in marketing investments. We will continue our wide-range characters strategy in the South America market.
- While the impact of tariff hikes remains uncertain, it is expected to be limited.

Asia

Promote a wide-range characters strategy and continue with strong trends, particularly in China

- In China, the License business remains strong thanks to increased exposure of anniversary.
- In addition, the Product Sales business is expected to see increased sales and profits due to the expansion of its store network.
- In Southeast Asia, although SG&A expenses will increase due to organizational reinforcement and marketing investments, we aim to achieve increased sales and profits with a well-targeted strategy.



Revisions to Full-year Forecasts

[JPY: Million]

	FY3/2025	FY3/2026 Forecasts	Increase Decrease	Change (%)
	Full year	Full year	Full year	Full year
Sales	144,904	162,200	17,295	11.9%
Gross profit	109,899	128,800	18,900	17.2%
Gross Profit Margin	75.8%	79.4%	3.6pt	-
Operating profit	51,806	60,000	8,193	15.8%
OP Margin	35.8%	37.0%	1.2pt	-
Ordinary profit	53,453	60,700	7,246	13.6%
Net profit attributable to owners of parent	41,731	42,000	268	0.6%

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



Forecasts for FY3/2026: Consolidated P/L & by Reportable Segment

[JPY: Million]

Sales	FY3/2025	FY3/2026 Forecasts	Increase Decrease	Change (%)
	Full year	Full year	Full year	Full year
Japan	113,009	122,584	9,574	8.5%
(Royalty)	45,368	51,796	6,428	14.2%
Europe	6,383	7,030	647	10.1%
(Royalty)	6,110	6,909	798	13.1%
Americas	29,461	34,452	4,990	16.9%
(Royalty)	26,707	29,448	2,740	10.3%
Asia	28,003	34,570	6,567	23.5%
(Royalty)	18,077	21,902	3,824	21.2%
Adjustment	(31,953)	(36,437)	(4,484)	14.0%
(Royalty)	(25,525)	(29,273)	(3,748)	14.7%
Total	144,904	162,200	17,295	11.9%
(Royalty)	70,738	80,782	10,044	14.2%

Operating profit	FY3/2025	FY3/2026 Forecasts	Change	Increase Decrease
	Full year	Full year	Full year	Full year
Japan	36,602	38,211	1,609	4.4%
Europe	1,600	1,213	(387)	(24.2%)
Americas	9,423	10,983	1,559	16.5%
Asia	6,761	11,727	4,966	73.5%
Adjustment	(2,581)	(2,135)	446	(17.3%)
Total	51,806	60,000	8,193	15.8%

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

In Americas (North America), consolidation adjustments due to differences in accounting period have a negative impact of 1.5 billion yen on operating profit for FY3/2025 respectively.

In Asia (China), the consolidation adjustments for the license business have a negative impact of 2.5 billion yen on operating profit for FY3/2025 respectively.



Appendix



Business Overview

Product Sales Business



- Planning and sales of products
- Sanrio stores under direct management and in department stores
- Wholesale of mass retailers and specialty stores
- E-commerce site, etc.

Licensing Business

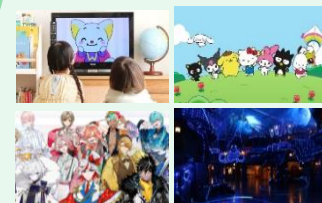


- Copyright permission and management
- Permission to use Sanrio characters



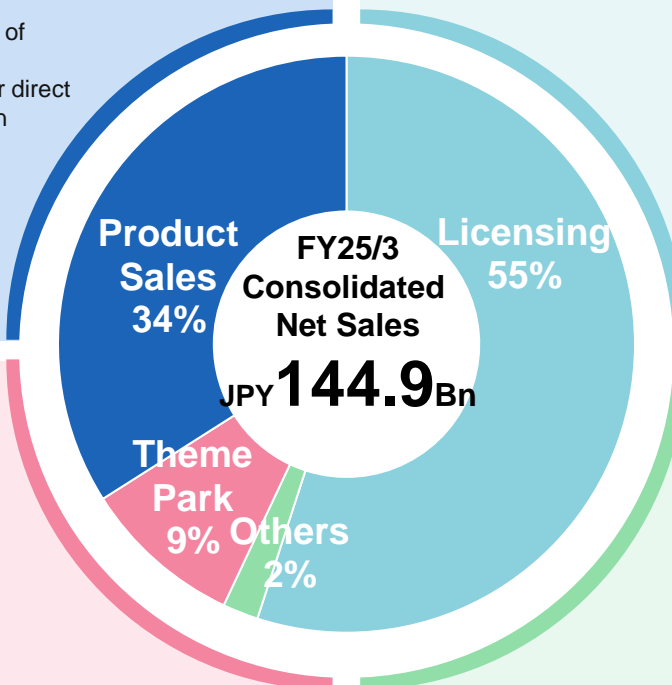
- Sanrio Puroland (Tokyo)
- Harmonyland (Oita Prefecture)

Theme Park Business



- Gaming Business
- Edutainment Business
- Digital Business

New Business and Others

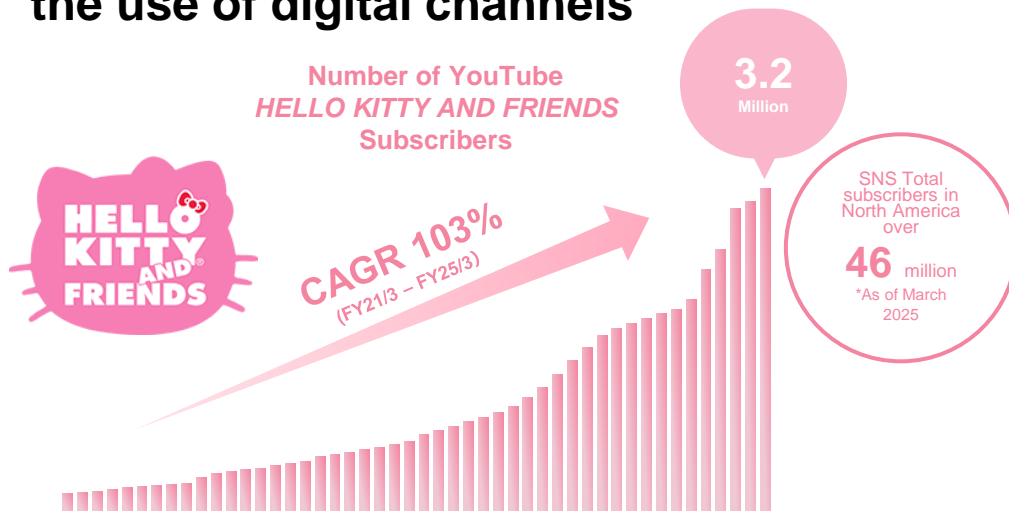


Notes: The net sales composition ratio indicates the percentage of each business segment's sales, calculated before eliminating intercompany transactions within the consolidated group, relative to the simple total of such net sales figures



North America Business Overview

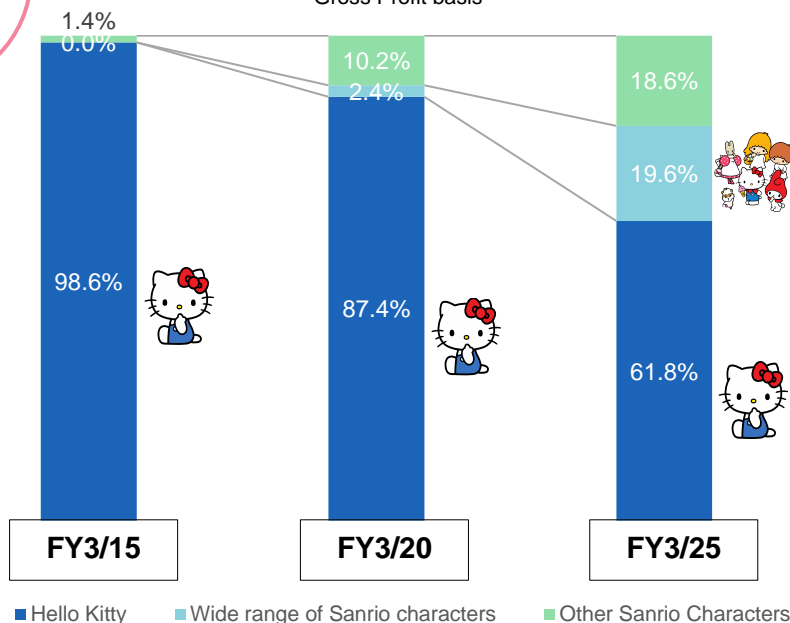
Accelerate brand awareness and reduce reliance on Hello Kitty through the use of digital channels



Increased recognition of multiple characters and helped to keep volatility in check in the medium to long term

Character Portfolio in North America Business

*Gross Profit basis



Licensing Business Sales Ranking by Category

1

Apparel・Accessories-Fashion



2

Toy・Sports



3

House-wares



Note: Composition ratio of characters is calculated based on gross profit from licensing business in North America businesses.



China Business Overview

Partnering with “Alifish,” one of the China’s largest IP licensing platform, to accelerate penetration in the Chinese market

24 franchise stores and 4 directly managed stores, mainly in major cities in China



Shanghai EXPO PLACE

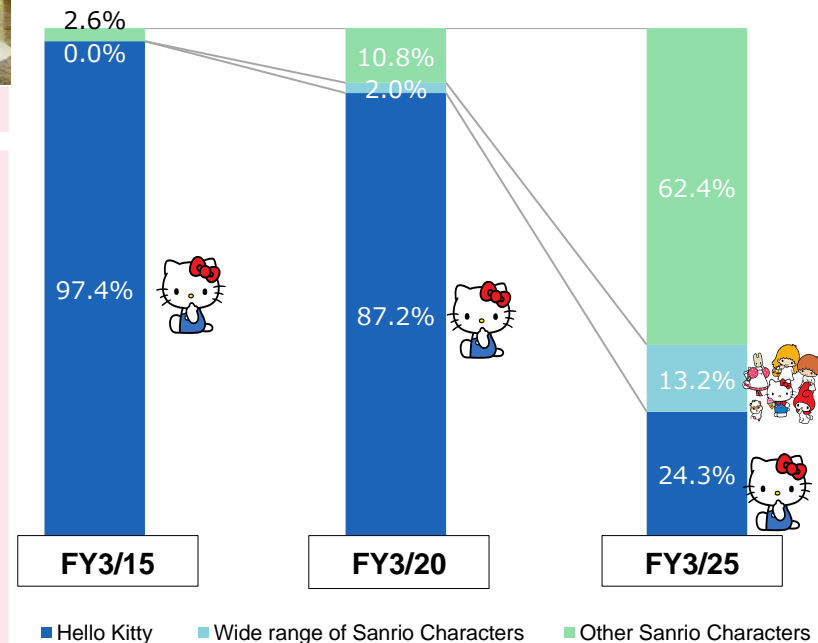


Xian Mix City

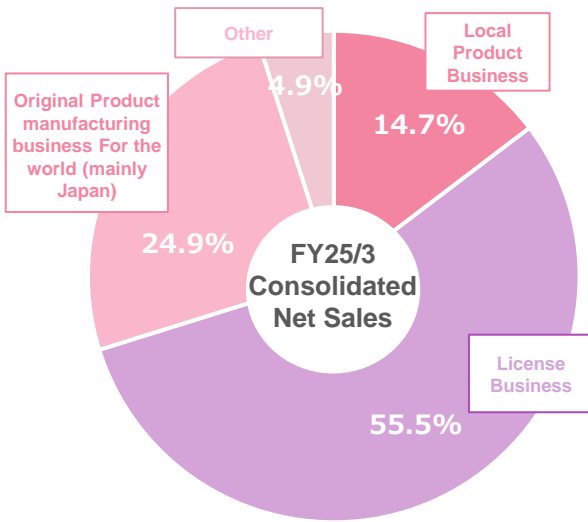
Expand touchpoints in brick-and-mortar and digital to broaden the fan base for diverse characters

Character Portfolio in China Business

*Gross Profit basis



Consolidated Net Sales Ratio in China



China's first Sanrio Festival (Hi! Sanrio) was held in Shanghai with over 20,000 visitors



Note: Composition ratio of characters is calculated based on gross profit from licensing business in China businesses.



(Reference) Consolidated adjustments due to differences in accounting periods between the parent company and overseas subsidiaries

1. Accounting periods: March for the parent company, December for overseas subsidiaries
2. Overseas subsidiaries pay fees proportional to their royalty income to the Japanese parent company, the copyright holder, as cost of sales, which are recorded as sales in the parent company. At the same time, the parent company also purchases products manufactured in China (which are recorded as sales in the Chinese subsidiary).
3. Under Japanese accounting standards, a difference of up to three months is allowed between the accounting periods of the parent company and its subsidiaries. In the case of FY3/2025, the figures for the parent company (in Apr.–Mar.) and overseas subsidiaries (in Jan.–Dec.) are added together, and then consolidated eliminations are made based on the transaction volume on the parent company side.
4. If there is a significant discrepancy in terms of monetary importance (a large deviation), adjustments are required.
5. Decisions on whether or not to make adjustments for significant monetary differences are made after discussions with the auditing firm and based on actual results.
6. For the current period, a significant discrepancy has arisen from the perspective of the parent company due to the expansion of licensing income from North America (recorded as cost of sales in the North American subsidiary) and the expansion of product purchases manufactured in China (recorded as sales in the Chinese subsidiary), and adjustments are being made.
7. In addition to No.6, the same adjustment was made in Q4 of FY3/2025 due to an increase in license income from China (recorded as cost of sales at by the Chinese subsidiary).

The impact on segment profit is as shown below

JPY: Billion	Q1	Q2 Cumulative	Q3 Cumulative	Q4 Cumulative
North America(License)	(9)	(19)	(22)	(15)
China(Product sales)	+ 5	+ 7	+ 14	+ 2
China(License)	-	-	-	(25)



Investment Results

Growth on the back of Hello Kitty 50th anniversary events and increased awareness of other characters

[JPY: Million]

	FY3/2025 Results					FY3/2024	Increase (Decrease)	Change (%)	Increase/Decrease Factors
	Q1	Q2	Q3	Q4	Cumulative				
New Business	99	102	119	248	570	320	249	78.1%	
Marketing	912	779	1,104	1,322	4,119	3,139	980	31.2%	Global Brand Management Division +1,152 Sales promotion Hello Kitty 50th Anniversary, other characters (Cinnamoroll, Kuromi, etc) etc.
Other	507	807	500	1,475	3,290	3,804	(513)	(13.5%)	
Total	1,519	1,689	1,725	3,046	7,981	7,264	716	9.9%	

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.
Investment in new business affects cost of sales, and in marketing and other affects SG&A.
Marketing cost : Sales promotion cost
Other costs: Right-of-use-asset, shipping costs, etc.



Initiatives for the fiscal year ending March 2025

**April 11 –
May 26, 2024**

2024 Sanrio Character Ranking (voting period)

The 39th time this year, the Sanrio Character Ranking received a total of over 57.07 million votes, the highest number ever

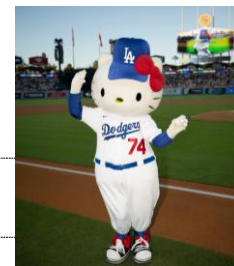
April 16

“Hello Kitty Night” at Dodger Stadium

June 16

SANRIO FES 2024

Event to announce the ranking results for the 2024 Sanrio Character Ranking
Attracted about 8,000 fans at the venue and about 1.4 million viewers online, marking Cinnamoroll’s first five consecutive wins



Los Angeles Dodgers
and photographer Carrie Giordano

June 28

Investment in ClaN Entertainment Inc.

Invested 250 million yen in ClaN Entertainment Inc., the joint operator of the VTuber project “Nyantajia!”, with a view to expanding business and global development in the VTuber and metaverse domains



August 7

Development of “Charaforio”

Sanrio’s new business launched to support creators, developing a creative platform that connects the official and fan creators where creators can enjoy “creative activities of fans” with peace of mind



September 6

Sanrio and Brave group Inc. enter into a capital and business alliance agreement

Sanrio’s investment in Brave group to expand the global reach of both companies’ IP and to expand business in the virtual realm

**September
13 - 22**

SANRIO Virtual Festival 2024 Summer Edition

The world’s largest VR event mainly on the social VR platform “VRChat” offering a variety of entertainment in “Virtual Sanrio Puroland,” held for the first time in September as a summer edition



Initiatives for the fiscal year ending March 2025

October 7

Sanrio's market capitalization reaches 1 trillion yen

October 30

The first issue of "Sanrio Integrated Report 2024"

Features a value creation story, growth strategies in the medium-term management plan, and special topics: top message, a roundtable discussion with outside directors, a discussion with partners in mainland China, and an interview with a designer

November 1, 2024 -
February 24, 2025

Hello Kitty Exhibition - As I change, so does she.

Held in the Hyokeikan at the Tokyo National Museum (Ueno Park). Explore the uniqueness of Hello Kitty in various areas featuring the largest collection of goods ever assembled, original videos, and collaborative works with artists. There is so much to see, such as collaborative works that can only be viewed at this exhibition.

November 30

Sanrio and YARUKI Switch Group team up to launch an English conversation school called "We Act!"

Jointly developed with YARUKI Switch Group Co., Ltd. and employing the Sanrio English Master children's curriculum. "We Act!" is an English language and conversation school for young learners, the first of which opened on November 30, 2024.



December 2

Signed a comprehensive partnership agreement with Oita Prefecture to promote tourism and revitalize the region

Sanrio Co., Ltd., Sanrio Entertainment Co., Ltd., which operates the Harmonyland theme park (Oita Prefecture), and Oita Prefecture entered into a comprehensive partnership agreement on December 2, 2024. Through this agreement, we aim to strengthen mutual cooperation and promote tourism and regional revitalization in Oita Prefecture.

January 1, 2025 -
December 31, 2025

My Melody 50th & Kuromi 20th: "Matching" Anniversary Years !

Our popular characters My Melody and Kuromi are respectively celebrating their 50th and 20th anniversaries. Throughout this dual anniversary year (January 1 to December 31, 2025), there will be special events, collaborations, and new media to celebrate the pair, based on the theme "We're the cutest when we're together!"





Initiatives for the fiscal year ending March 2025

**February 9 -
March 9**

Sanrio Virtual Festival 2025

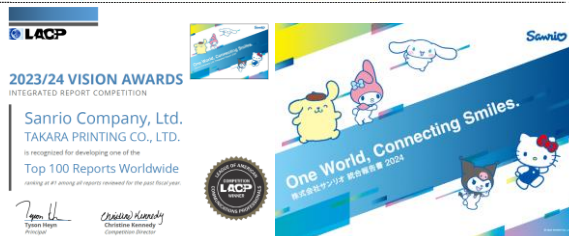
The world's largest metaverse event "Sanrio Virtual Festival 2025" was held. This event was held on the social VR platform "VR Chat" and was a full-scale metaverse event that could be enjoyed at any time during the event period.



February 21

Ranked No. 1 in the world in the Integrated Report category at the Report Competition "2023/24 Vision Awards," hosted by LACP in the United States.

The Sanrio Co., Ltd. Integrated Report 2024, published in October 2024, was ranked No. 1 in the world in the Integrated Report category of the "2023/24 Vision Awards," one of the two major report competitions in the United States.



March 13

Launch of the *Strawberry News* 50th Anniversary Series

To commemorate the 50th anniversary of the founding of the monthly *Strawberry News* in 1975, the *Strawberry News* 50th Anniversary Series items were released in Sanrio shops, Sanrio directly managed stores, and Sanrio sections in department stores nationwide. Additionally, customers who purchase the series items at Sanrio directly managed stores and Sanrio sections in department stores receive special gifts, including *Strawberry News*-designed stickers (6 types in total) and *Strawberry News* cover design stickers.



March 26

Sanrio Start-ups Pitch Held

The winning companies of the "Sanrio Start-ups Pitch: One World, Connecting Smiles: Spreading smiles the world over," a competition organized by the Company to solicit products and services from start-up companies that help solve Sanrio's materiality issues, were decided at the final pitch review held on March 14, 2025, at CIC Tokyo.





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Statements on industries and others are based on reliable data but the Company does not guarantee their accuracy or certainty. This material is presented on the premise that users will take full responsibility for the final decision regarding investment on their own and the Company will not be liable for their decisions in any case.

All information in this material is based on data as of May 13, 2025