

1H of FY ending 3/2026 Financial Results



The Strawberry News is celebrating its 50th anniversary.

Thank you for 50 years♡

We will be your friend forever!"Minna Nakayoku (Getting Along Together)"





Summary

- Consolidated net sales and operating profit for the first half of FY3/2026 exceeded the forecasts announced in August, with both reaching record highs
- Collaboration initiatives with Expo 2025 Osaka Kansai and other high brand value partners drove domestic performance growth
- Revised full-year forecasts upward in light of strong first-half results

Summary for 1H of FY 3/2026

Sales: 87.6 billion yen (up 39.6% YoY)

Operating profit: 39.1 billion yen (up 66.1% YoY)

Adjusted operating profit: 37.1 billion yen (up 49.9% YoY)

- Adjusted operating profit for the first half exceeded the full-year forecast announced on August 8, 2025, reaching 37.1 billion yen, up 49.9% year on year. The increase was driven by stronger-than-expected sales in the Product Sales and Licensing in Japan businesses, as well as lower-than-expected SG&A expenses.
- The domestic Product Sales and Licensing businesses benefited not only from collaborations related to Expo 2025 Osaka Kansai, but also from ongoing target-client strategies, including collaboration initiatives with major licensees and the rollout of multiple characters. The domestic Product Sales and Theme Park businesses saw year-on-year increases in customer traffic and average spending per person, driven mainly by the roll out of limited-edition series and seasonal campaigns.
- China continued to drive growth in the overseas Licensing business, with multi-character strategies progressing in the country. Globally, continued promotion of Sanrio characters using digital tools led to expansion in product categories and lineups, as well as increased use of multiple characters. In North America, net sales increased year on year due to ongoing strong momentum, despite market concerns over tariff impacts; however, adjusted operating profit declined due to higher SG&A expenses mainly stemming from increased marketing investments.

Forecasts for FY3/2026

Sales: 184.3 billion yen (up 27.2 % YoY)

Operating profit: 70.2 billion yen (up 35.5 % YoY)

Adjusted operating profit: 69.6 billion yen (up 25.1 % YoY)

- Operating profit forecast revised upward from 67.3 to 70.2 billion yen, reflecting strong first-half performance against August forecasts, projected continued domestic performance following Expo 2025 Osaka Kansai, a higher SG&A budget for the second half, and potential downside impact from U.S. tariff policies
- Raised the annual dividend to 62 yen (Interim: 31 yen; year-end: 31 yen).

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

"Adjusted Operating Profit" refers to operating profit based on financial accounting, excluding the impact of consolidation adjustments due to differences in fiscal year-ends between the parent company and its overseas subsidiaries. This is a proprietary metric defined by Sanrio. For details, please refer to page 32.

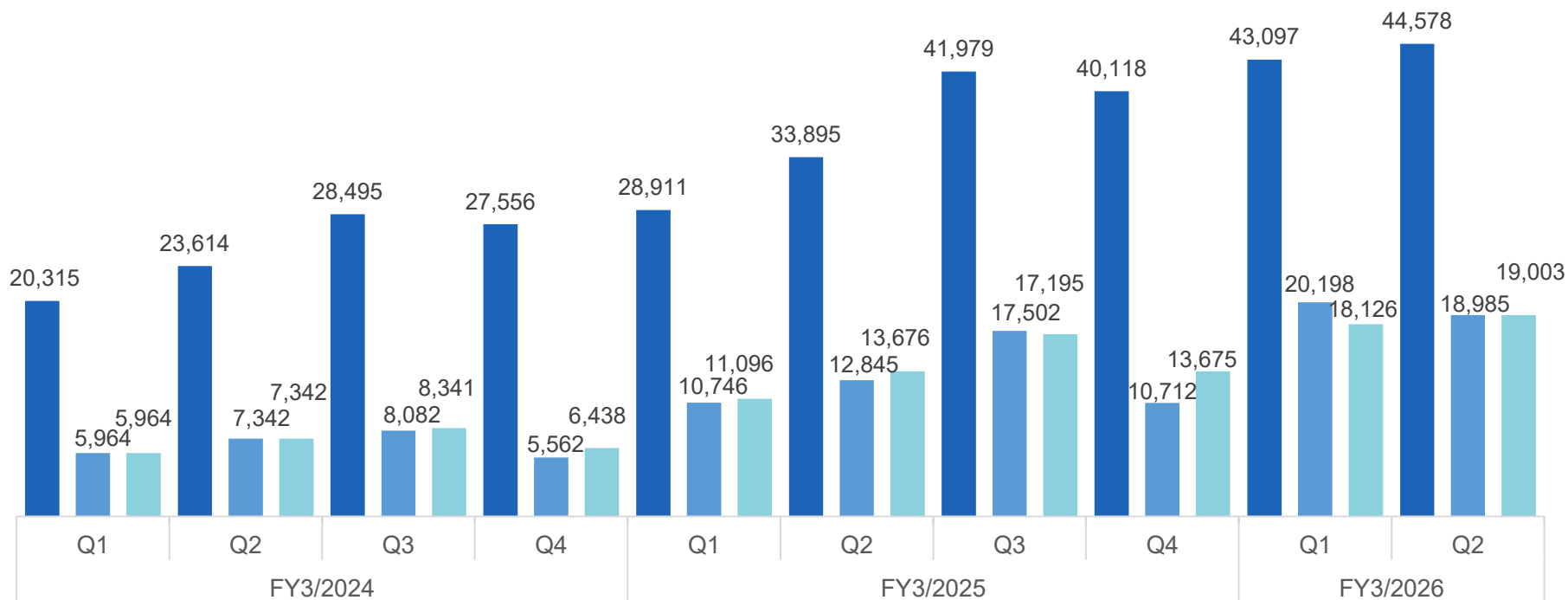


Consolidated Financial Results Trend (Sales, OP, Adjusted OP)

Sales and Adjusted operating profit both reaching record highs for quarterly performance

[JPY: Million]

■ Sales ■ Operating Profit ■ Adjusted Operating Profit



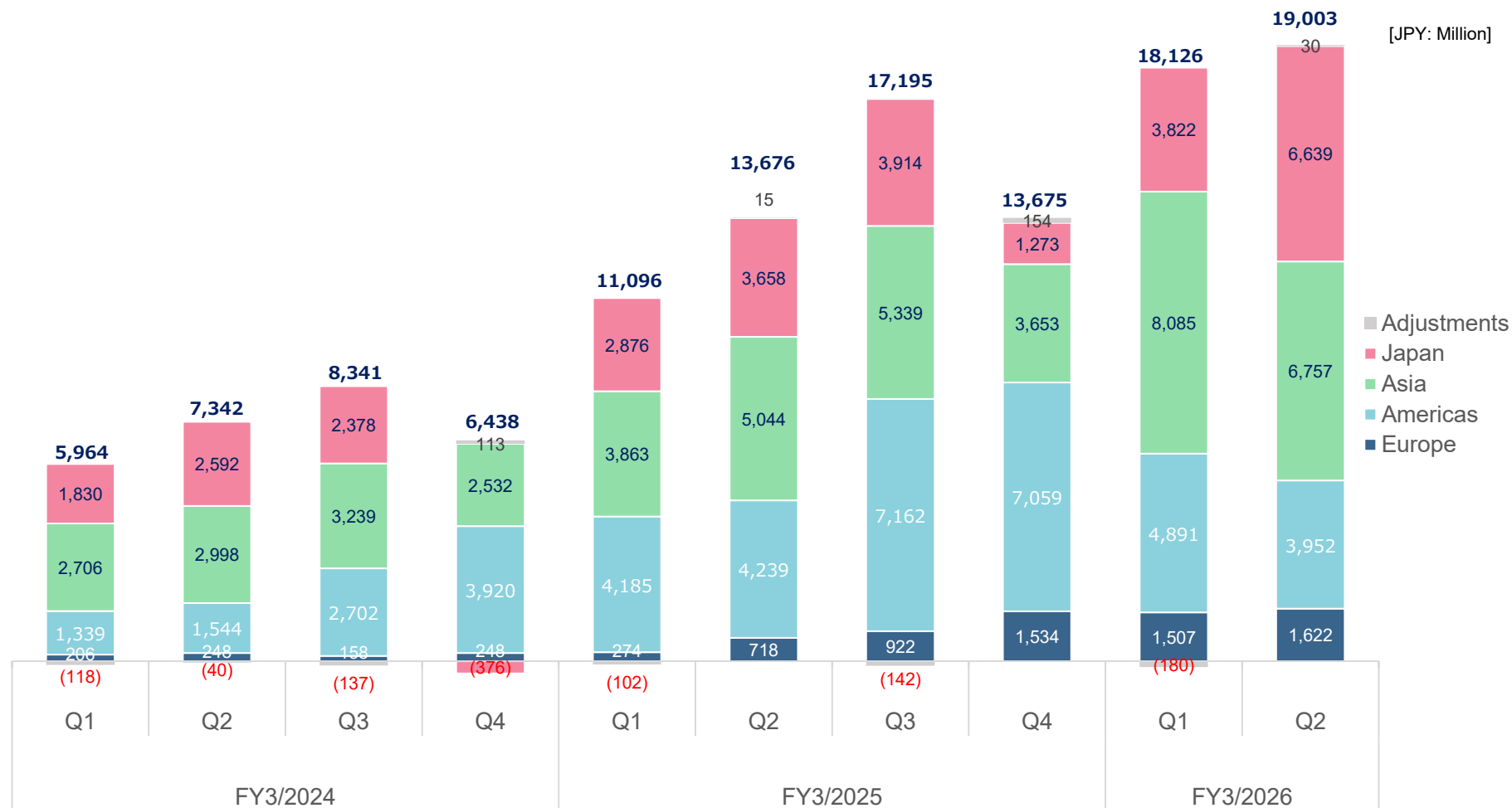
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Contribution Profit Trend

Expansion in Japan and Chinese markets drove overall growth of the Group.



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

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.

Beginning Q2 FY3/2026, contribution profit in the financial results materials is presented net of consolidation adjustments related to differences in fiscal periods. Past figures are retrospectively restated.



Consolidated Financial Results for Full Year

[JPY: Million]

(JPY: Million)	1H FY3/2025	1H FY3/2026	YoY	YoY%
Sales	62,807	87,676	+24,869	+39.6%
Gross Profit	48,365	70,461	+22,095	+45.7%
Gross Profit Margin	77.0%	80.4%	3.4pt	—
EBITDA	24,647	40,456	+15,808	+64.1%
EBITDA Margin	39.2%	46.1%	6.9pt	—
Adjusted Operating Profit	24,773	37,129	+12,356	+49.9%
Operating Profit	23,591	39,183	+15,591	+66.1%
OP Margin	37.6%	44.7%	7.1pt	—
Ordinary Profit	24,196	39,715	+15,518	+64.1%
Net Profit attributable to owners of parent	19,076	27,518	+8,442	+44.3%

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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Breakdown by Reportable Segment

[JPY: Million]

Segment	1H FY3/2025	1H FY3/2026	YoY	YoY%
Sales	62,807	87,676	+24,869	+39.6%
Japan	50,788	67,579	+16,791	+33.1%
Europe	2,042	4,662	+2,619	+128.3%
Americas	10,584	12,329	+1,744	+16.5%
Asia	13,661	22,289	+8,628	+63.2%
Adjustment	(14,270)	(19,184)	(4,914)	-
Royalty	29,444	43,422	+13,978	+47.5%
Japan	20,331	28,121	+7,789	+38.3%
Europe	1,912	4,503	+2,590	+135.4%
Americas	9,489	11,062	+1,572	+16.6%
Asia	9,145	13,943	+4,798	+52.5%
Adjustment	(11,435)	(14,208)	(2,772)	-
Adjusted Operating Profit	24,773	37,129	+12,356	+49.9%
Japan	16,584	25,431	+8,846	+53.3%
Europe	445	1,216	+771	+173.1%
Americas	4,285	4,066	(218)	(5.1%)
Asia	4,474	8,011	+3,536	+79.0%
Adjustment	(1,015)	(1,595)	(579)	-
Contribution Profit	24,773	37,129	+12,356	+49.9%
Japan	6,534	10,461	+3,927	+60.1%
Europe	993	3,130	+2,136	+215.1%
Americas	8,424	8,844	+419	+5.0%
Asia	8,908	14,842	+5,934	+66.6%
Adjustment	(87)	(149)	(62)	-

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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Contribution profit = Operating profit + Royalty payment to the HQ, on the other hand, Japan calculates by deducting royalty income from overseas regions.

Beginning Q2 FY3/2026, contribution profit in the financial results materials is presented net of consolidation adjustments related to differences in fiscal periods. Past figures are retrospectively restated.



Details by Segment: Japan (Sales and Adjusted OP)

Sales and profit increased in Product Sales and Licensing in Japan, driven by the rollout of products in the Sanrio Original Series and the success of collaboration initiatives with Expo 2025 Osaka Kansai and other high brand value partners

	Sales				Adjusted Operating Profit				[JPY: Million]
	1H FY3/2025	1H FY3/2026	YoY	YoY%	1H FY3/2025	1H FY3/2026	YoY	YoY%	
Sanrio Company (HQ)	42,797	58,906	+16,109	+37.6%	13,871	22,094	+8,223	+59.3%	
Product Sales	22,215	30,634	+8,418	+37.9%	3,172	6,595	+3,422	+107.9%	
License Business	8,826	14,007	+5,181	+58.7%	7,323	12,394	+5,071	+69.2%	
Global Business	11,770	14,285	+2,515	+21.4%	11,311	13,726	+2,414	+21.3%	
Other	(14)	(21)	(6)	-	(1,400)	(1,973)	(572)	-	
Adjustment (HQ cost center expenses, etc.)	-	-	-	-	(5,827)	(8,647)	(1,747)	-	
Sanrio Entertainment	8,046	9,550	+1,504	+18.7%	1,576	1,912	+335	+21.3%	
Sanrio Puroland	6,586	7,732	+1,146	+17.4%	1,516	1,732	+216	+14.3%	
Harmonyland	1,460	1,817	+357	+24.5%	60	179	+118	+196.7%	
Other	1,401	508	(892)	(63.7%)	207	(19)	(227)	(109.4%)	
Subtotal	52,244	68,965	+16,720	+32.0%	15,655	23,987	+8,331	+53.2%	
Adjustment (Intra-segment)	(1,456)	(1,385)	+70	-	928	1,443	+515	+55.5%	
Total	50,788	67,579	+16,791	+33.1%	16,584	25,431	+8,846	+53.3%	
Adjustment (Inter-segment)	(12,031)	(15,300)	(3,269)	-					
Sales to customers	38,757	52,278	+13,521	+34.9%					

Sanrio Company

- The Product Sales business achieved growth in average spending per person and number of visitors, driven by successful operational improvements at existing stores, stronger coordination with e-commerce, and the rollout of Sanrio Original Products like Tanned Hello Kitty and Friends.
- A collaboration product line featuring Chiikawa, a popular character that originated on social media, also contributed significantly. Wholesale also contributed to performance, as enhanced distribution networks and optimized product offerings drove sales growth among new customers.
- Strong performance in the Licensing business was supported by the collaboration between Hello Kitty, a special supporter of the Expo 2025 Osaka Kansai, and the official Expo character Myaku-Myaku which generated a strong positive response. Other factors that contributed to performance include the continued implementation of target-client strategies that strengthened relationships with key partners, and merchandise licensing featuring a broad range of characters. Performance in Japan significantly exceeded the prior-year level, mainly supported by the nationwide Hello Kitty Exhibition and other initiatives, which further enhanced brand value.
- Global Business was supported by increased royalty income, particularly from Europe and Asia.
- Significant revenue growth in all businesses, including the Product Sales and License Business, led to profitability, despite higher SG&A expenses increased stemming from personnel expansion and related expenses.

Sanrio Entertainment

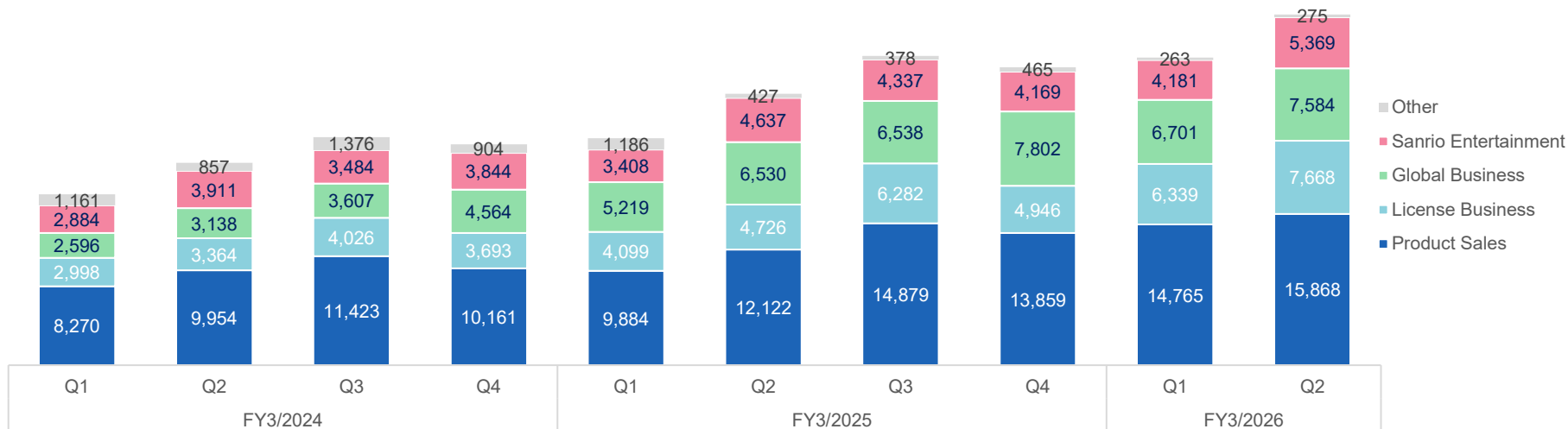
- Sanrio Puroland recorded higher sales as both number of visitors and average spending per person increased, supported by 10 additional operating days compared to the previous year and event-linked initiatives (e.g., parades) that helped attract more visitors.
- Achieved record-high performance, as strong sales of limited-edition in-park merchandise and food and beverages lifted average spending per person, offsetting higher SG&A expenses from increased staffing and repair costs.

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

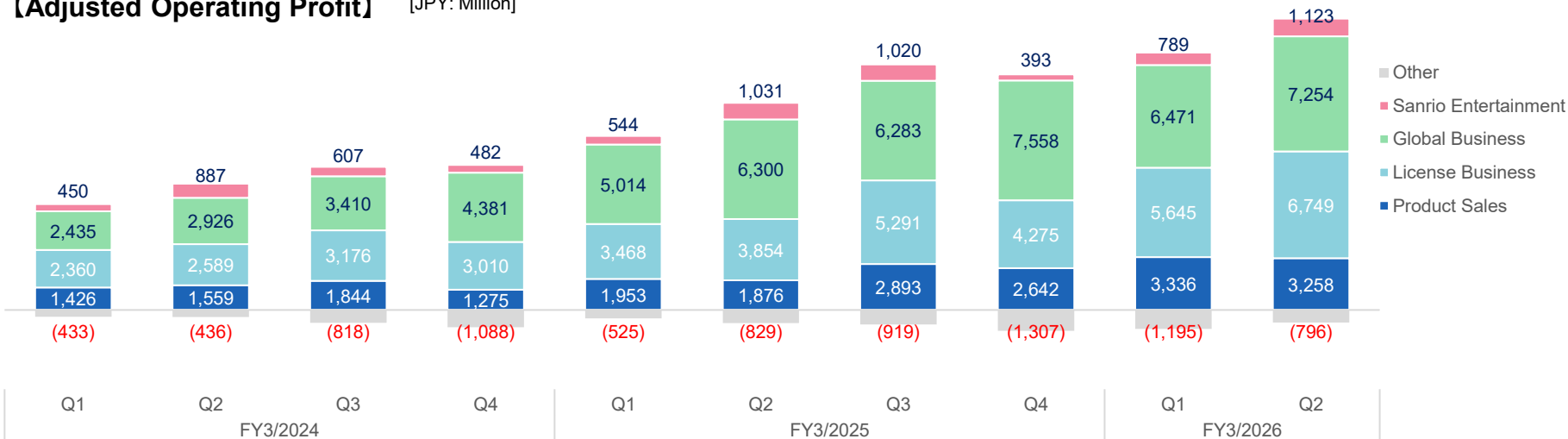


Quarterly Trend by Segment: Japan (Sales and Adjusted OP)

【Sales】 [JPY: Million]



【Adjusted Operating Profit】 [JPY: Million]



Notes: Figures are rounded down to the nearest one million yen. "Other" includes domestic subsidiaries and new businesses. Figures exclude adjustments.

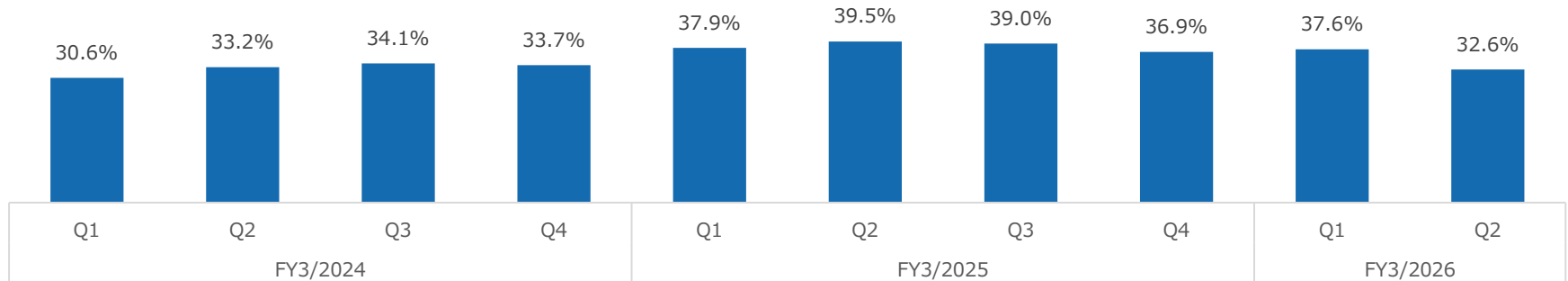
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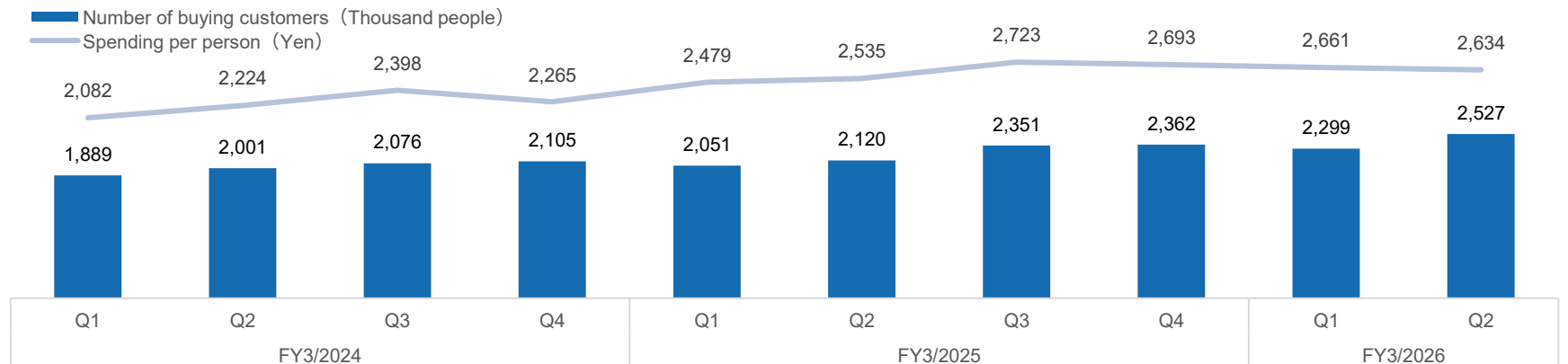
Details by Segment: Japan (Product sales)

Sales to Japanese customers outpaced those to inbound tourists, leading to a lower current ratio of inbound sales

[Ratio of inbound sales to total sales (%)]



The number of buying customers and average spending per person increased, driven by operational improvements (e.g., increasing checkout counters) and the rollout of limited-edition products



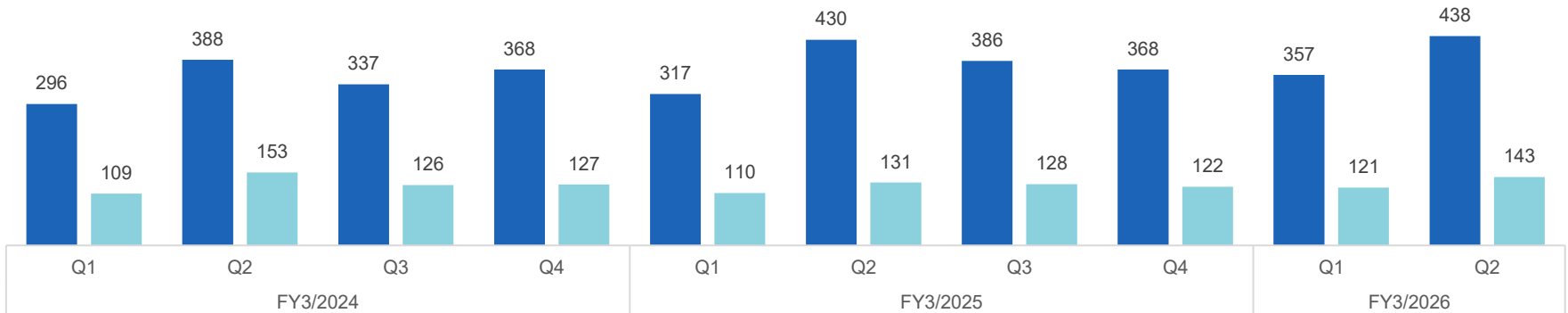
Notes: The inbound sales figures were counted from a total of existing stores (directly managed stores and consignment stores) out of stores in Japan (excluding directly managed stores in department stores, etc.) until FY3/2024. However, from FY3/2025 onward, the numbers of directly managed stores and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

138 stores: 68 directly managed stores, 29 consignment stores, 41 directly managed stores in department stores

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

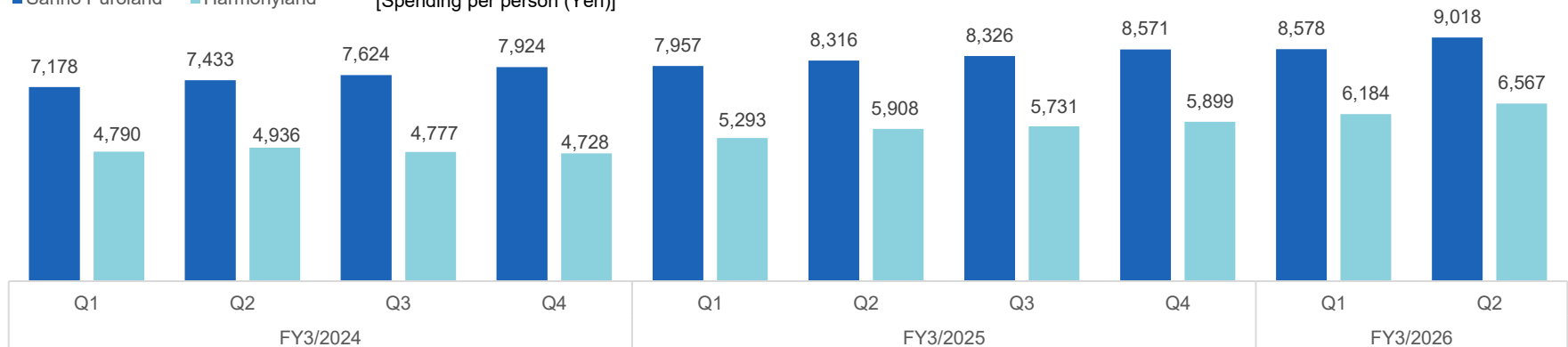
Sanrio Puroland attracted more visitors through event-linked initiatives, including parades and seasonal events; Harmonyland maintained strong performance, driven by the opening of the greeting studio and improved accessibility from surrounding areas

■ Sanrio Puroland ■ Harmonyland [Number of visitors (Ten thousand people)]



Achieved a record high in average spending per person through strong sales of limited-edition in-park merchandise and limited-time initiatives

■ Sanrio Puroland ■ Harmonyland [Spending per person (Yen)]





Details by Segment: Overseas (Sales and Adjusted OP)

Overall growth in the Product Sales and Licensing businesses in China was driven by store openings centered on Tier 1 cities⁽¹⁾ and strong momentum in the trendy toy market⁽²⁾. Continued success of digital initiatives supported multi-character licensing development in Europe and the United States

	Sales				Adjusted Operating Profit [JPY: Million]			
	1H FY3/2025	1H FY3/2026	YoY	YoY%	1H FY3/2025	1H FY3/2026	YoY	YoY%
Europe	2,042	4,662	+2,619	+128.3%	445	1,216	+771	+173.1%
Royalty	1,912	4,503	+2,590	+135.4%				
Americas	10,584	12,329	+1,744	+16.5%	4,285	4,066	(218)	(5.1%)
Royalty	9,489	11,062	+1,572	+16.6%				
North America	9,859	11,052	+1,193	+12.1%	4,060	3,633	(426)	(10.5%)
Royalty	8,815	9,843	+1,028	+11.7%				
South America	725	1,276	+551	+75.9%	224	432	+208	+92.7%
Royalty	674	1,218	+543	+80.6%				
Asia	13,661	22,289	+8,628	+63.2%	4,474	8,011	+3,536	+79.0%
Royalty	9,145	13,943	+4,798	+52.5%				

Europe

Sales and profit increased significantly, driven by the success of collaborations with global brands and the wide-range characters strategy, which led to strong sales growth, particularly in the apparel and toy categories.

Americas

- Increased sales in North America were driven primarily by the apparel and toy categories. Continued digital marketing initiatives proved effective, advancing multi-character licensing development, despite a high comparison base from the previous year, which marked Hello Kitty's 50th anniversary. However, operating profit fell short of the prior-year level due to higher SG&A expenses from increased marketing investments and other initiatives.
- In South America, the apparel category continued to perform well. The growing popularity of characters other than Hello Kitty, including My Melody (50th anniversary) and Kuromi (20th anniversary), contributed to sales growth in across apparel and other categories.

Asia

- China saw sustained strong performance in the Product Sales and Licensing businesses, driven by growing brand presence of Sanrio characters through the expansion of licensees via Alifish and store openings centered on Tier 1 cities. Expansion of the trendy toy market drove overall growth in the toy category.
- In other Asian countries, the success of the multi-character strategy enhanced exposure and recognition through strong channel connections, leading to higher sales and profit.

Note 1: Tier 1 cities refer to the leading cities in China which rank at the top domestically in terms of economic scale, infrastructure, population, and international influence. This term generally refers to the four cities of Beijing, Shanghai, Guangzhou, and Shenzhen.

Note 2: The trendy toy market refers to a market segment for the distribution and consumption of highly designed figures and miniature toys that incorporate elements of art and fashion.

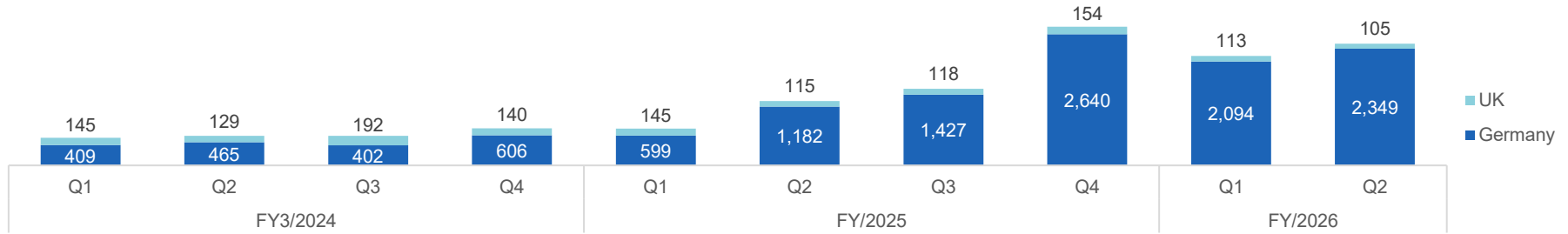
Note 3: Figures are rounded down to the nearest million yen. Percentages are rounded to the nearest tenth of a percent. Sales by region includes the amount of internal trading between consolidated entities. Adjusted operating profit calculated after payment of master license fee to the HQ.



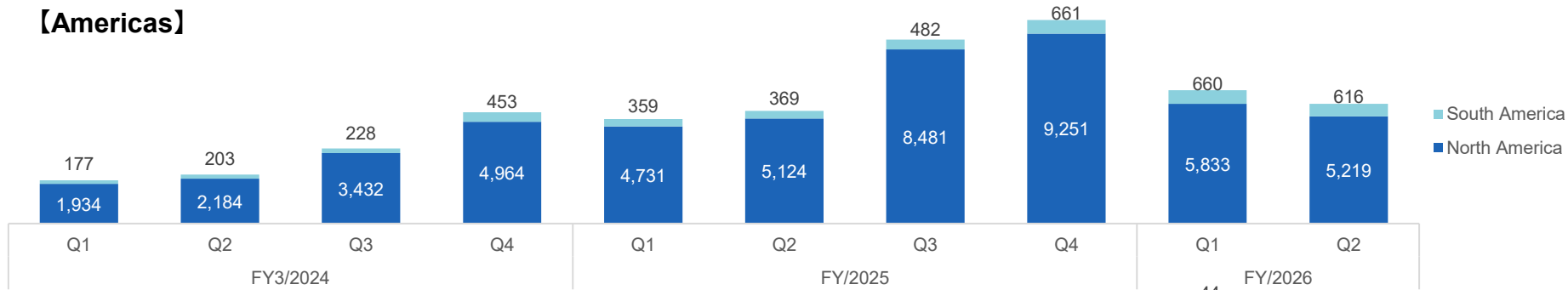
Quarterly Trend by Segment: Overseas (Sales)

[JPY: Million]

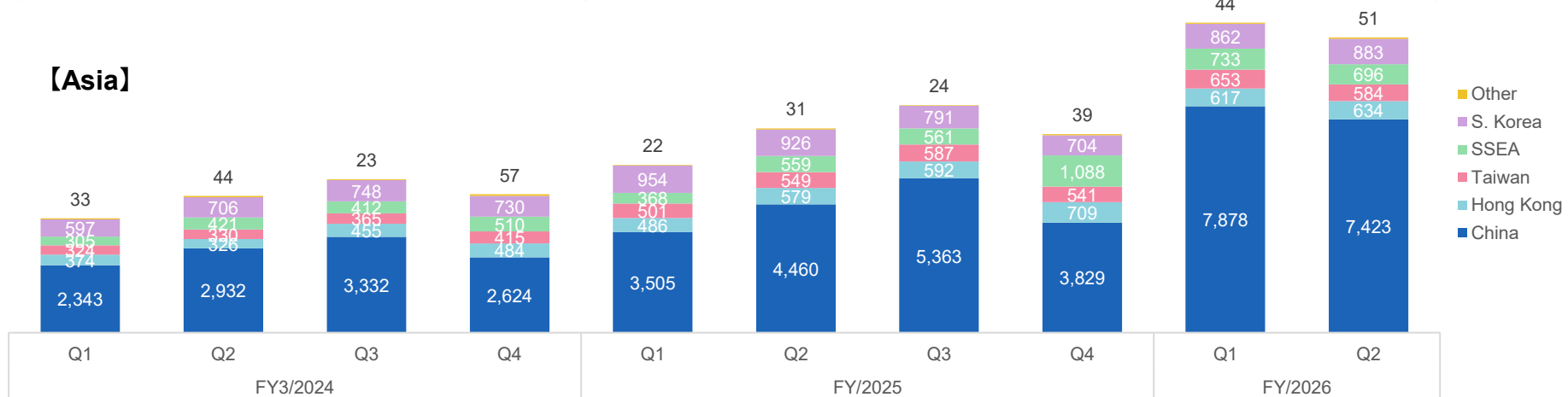
【Europe】



【Americas】



【Asia】



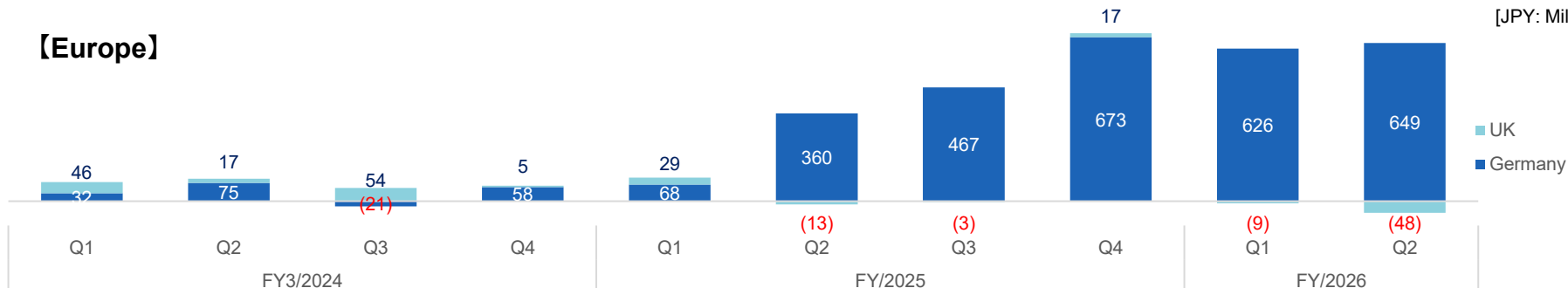
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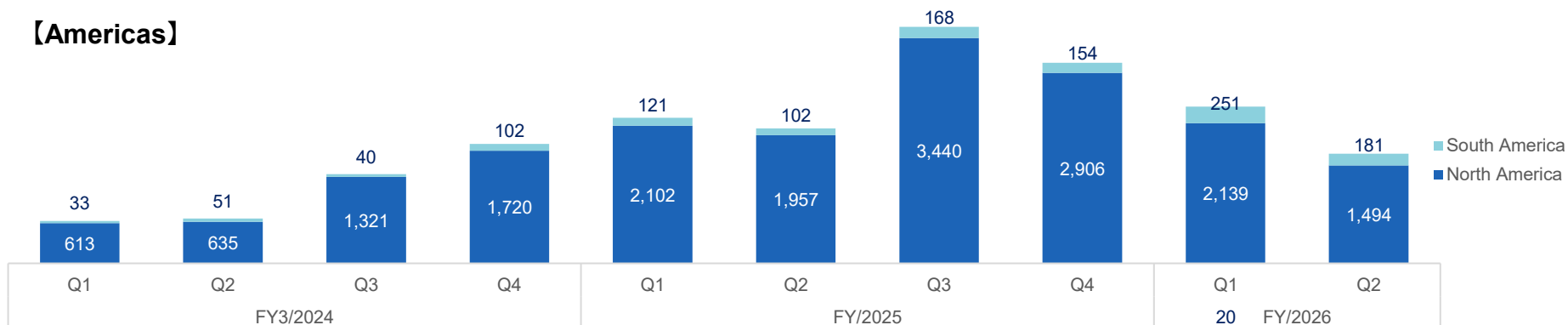
Quarterly Trend by Segment: Overseas (Adjusted OP)

[JPY: Million]

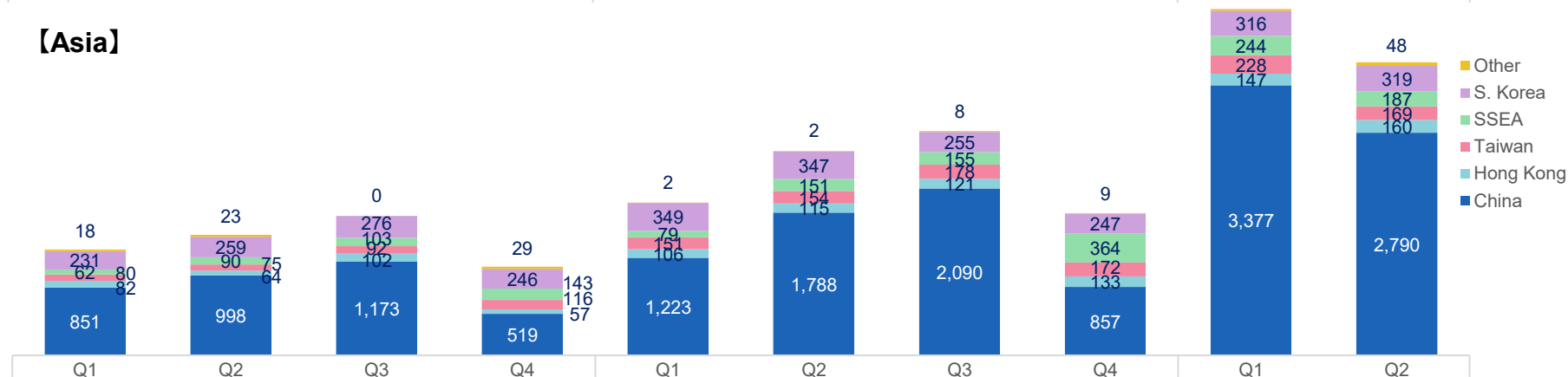
【Europe】



【Americas】



【Asia】



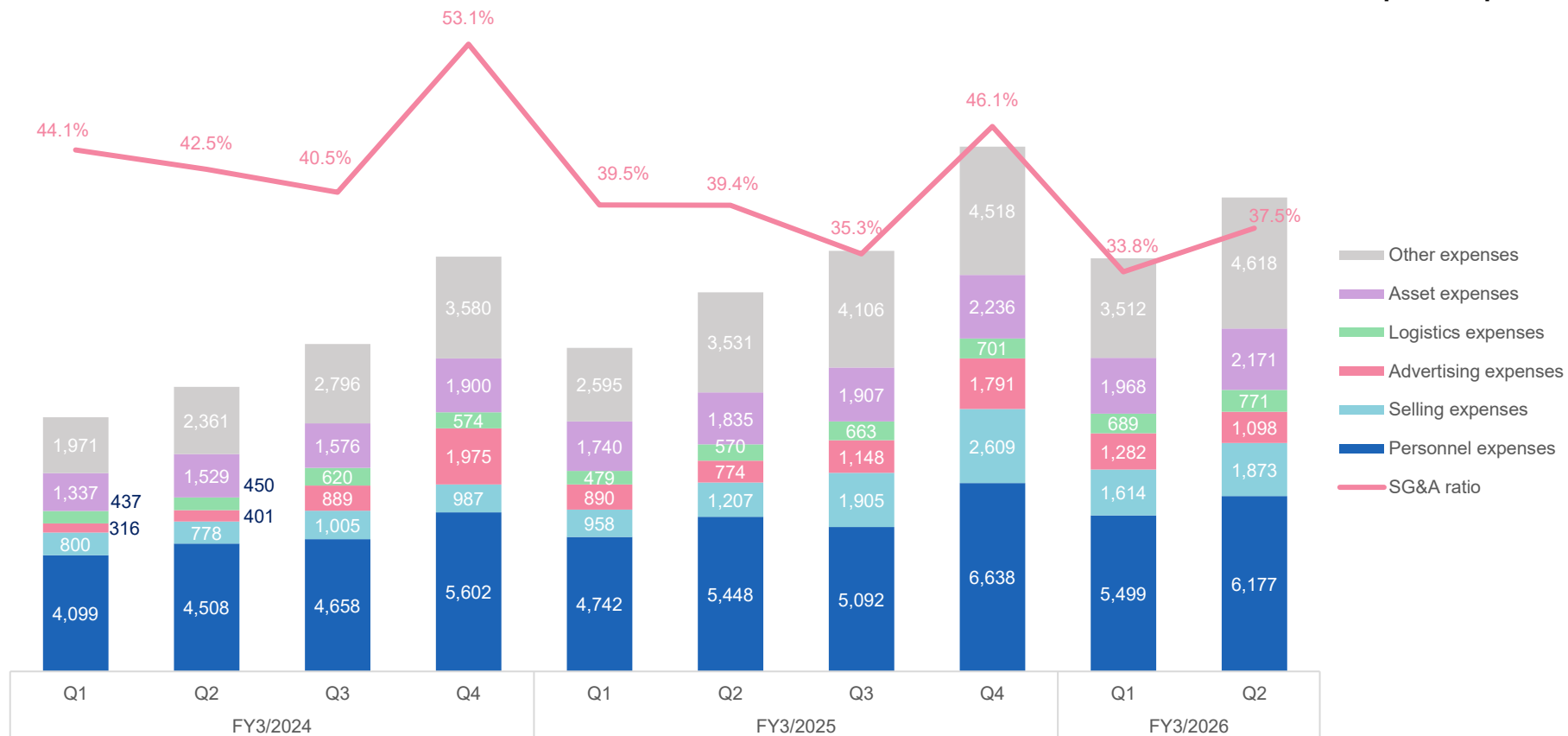
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Consolidated SG&A Expenses Trend

[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			FY3/2026 Results			YoY	YoY%	Increase/Decrease Factors
	Q1	Q2	1H	Q1	Q2	1H			
Consolidated	11,406	13,367	24,774	14,567	16,710	31,278	+6,503	+26.3%	
Japan	9,846	11,411	21,258	12,011	13,874	25,886	+4,628	+21.8%	
Sanrio Company(HQ)	7,704	8,997	16,702	9,658	11,020	20,678	+3,976	+23.8%	・Personnel cost: +0.8 billion yen Strengthening the organizational structure by expanding headcount ・Marketing cost;+0.6 billion yen Character branding and recognition initiatives ・Other: +2.4 billion yen Project expenses and other related costs
Personnel cost	2,717	3,212	5,929	3,284	3,503	6,787	+857	+14.5%	
Marketing	1,456	1,435	2,891	1,864	1,695	3,560	+668	+23.1%	
Other	3,531	4,350	7,881	4,510	5,821	10,331	+2,450	+31.1%	
Other	2,141	2,413	4,555	2,353	2,854	5,207	+651	+14.3%	
Europe	326	431	758	507	636	1,144	+385	+50.9%	
Americas	682	1,050	1,732	1,300	1,536	2,837	+1,104	+63.7%	・0.2 billion yen increase in personnel cost ・0.6 billion yen increase in sales fees
Asia	925	1,045	1,970	1,208	1,439	2,648	+677	+34.4%	
China	388	393	782	586	766	1,352	+570	+73.0%	
Other	536	651	1,188	621	673	1,295	+106	+9.0%	
Adjustment	(374)	(571)	(945)	(460)	(777)	(1,237)	(292)		

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

Marketing cost : Sales promotion cost

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



Consolidated Financial Results (B/S)

[JPY: Million]

	FY3/2025	1H FY3/2026	YoY	YoY%	Increase/Decrease Factors
Current assets	151,698	160,603	+8,904	+5.9%	
Cash and deposits	118,976	124,073	+5,096	+4.3%	Merchandise and finished goods(+3.0B JPY) Cash and deposits, etc.(+5.0B JPY) Accounts receivable-trade(-1.2B JPY)
Others	32,721	36,530	+3,808	+11.6%	
Non-current assets	50,707	53,504	+2,797	+5.5%	
Policy ownership	6,671	8,128	+1,456	+21.8%	
Total assets	202,406	214,108	+11,701	+5.8%	
Current liabilities	49,277	44,704	(4,572)	(9.3%)	
Non-current liabilities	45,521	24,873	(20,647)	(45.4%)	
Interest-bearing debt	40,291	17,264	(23,026)	(57.1%)	Convertible bond-type bonds with stock acquisition rights (-20.4B JPY), short-term borrowings (-1.7B JPY), etc.
Total liabilities	94,798	69,578	(25,220)	(26.6%)	
Net asset	107,608	144,530	+36,922	+34.3%	Retained earnings(+19.6B JPY)
Total liabilities and assets	202,406	214,108	+11,701	+5.8%	
Net cash	78,685	106,808	+28,122	+35.7%	
Equity ratio	52.9%	67.2%	+14.3pt	-	
Policy ownership / Net assets	6.2%	5.6%	(0.6pt)	-	

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



Revisions to Full-year Forecasts

Operating profit forecast revised upward from 67.3 to 70.2 billion yen, reflecting strong first-half performance against the forecasts announced in August, projected continued domestic performance following Expo 2025 Osaka Kansai, a higher SG&A budget for the second half, and potential downside impact from U.S. tariff policies

[JPY: Million]

	FY3/2025 (A)			FY3/2026 Forecasts announced on Aug 8, 2025 (B)			FY3/2026 Forecasts announced on Nov 5, 2025 (C)			Change (C)-(A)	Change (C)-(B)
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	Full year	Full year
Sales	62,807	82,097	144,904	83,600	85,200	168,800	87,676	96,623	184,300	39,395	15,500
Gross profit	48,365	61,533	109,899	66,700	67,900	134,600	70,461	72,338	142,800	32,900	8,200
Gross Profit Margin	77.0%	75.0%	75.8%	79.8%	79.7%	79.7%	80.4%	74.9%	77.5%	1.6%	(2.3%)
Adjusted Operating Profit	24,773	30,870	55,644	33,582	35,020	68,603	37,129	32,470	69,600	13,955	996
Operating profit	23,591	28,214	51,806	35,000	32,300	67,300	39,183	31,016	70,200	18,393	2,900
OP Margin	37.6%	34.4%	35.8%	41.9%	37.9%	39.9%	44.7%	32.1%	38.1%	2.3%	(1.8%)
Ordinary profit	24,196	29,256	53,453	35,400	32,600	68,000	39,715	31,584	71,300	17,846	3,300
Net profit attributable to owners of parent	19,076	22,655	41,731	24,700	22,800	47,500	27,518	21,881	49,400	7,668	1,900

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

"Adjusted Operating Profit" refers to operating profit based on financial accounting, excluding the impact of consolidation adjustments due to differences in fiscal year-ends between the parent company and its overseas subsidiaries. This is a proprietary metric defined by Sanrio. For details, please refer to page 32.

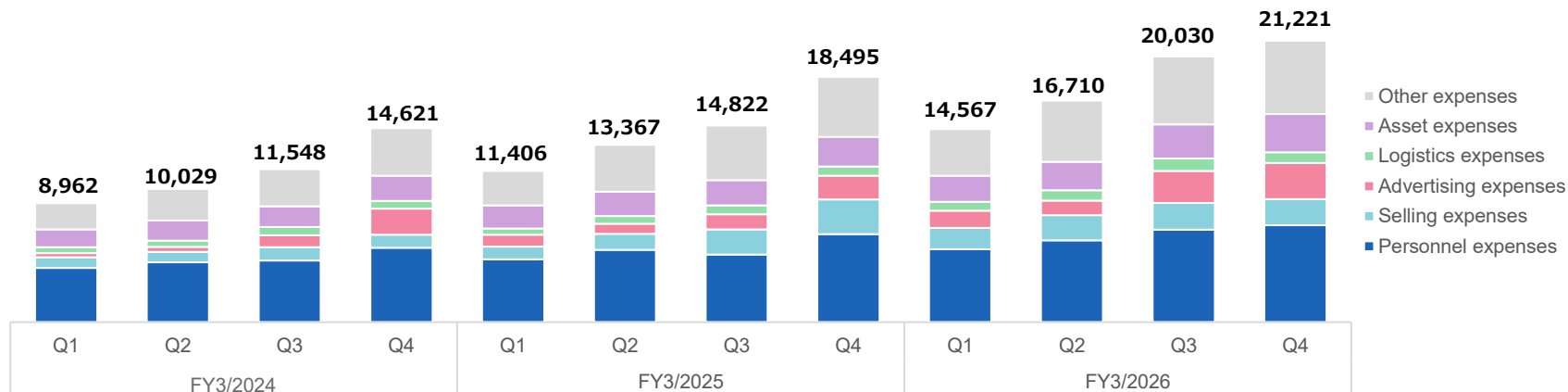


Revisions to Full-year Forecasts (Quarterly Trend)

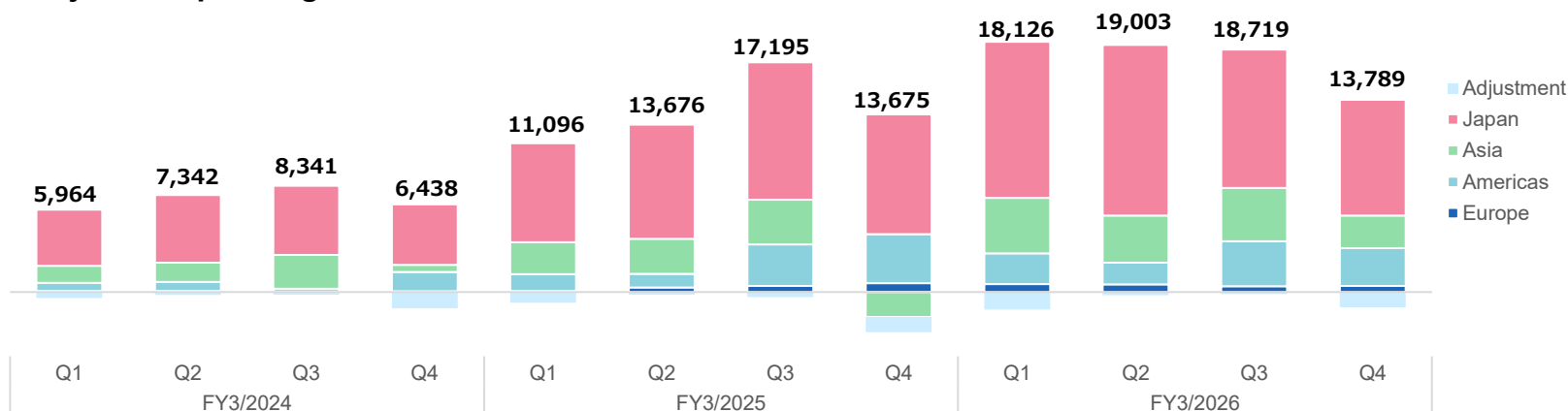
We plan to strategically increase SG&A expenses in the second half. By region, adjusted operating profit in China for the fourth quarter of FY3/2026 is expected to be modest, in line with seasonal trends observed in previous years.

【SG&A】

[JPY: Million]



【Adjusted Operating Profit】



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



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

[JPY: Million]

Sales	FY3/2025 (A)			FY3/2026 Forecasts announced on Aug 8, 2025 (B)			FY3/2026 Forecasts announced on Nov 5, 2025 (C)			Change (C)-(A)	Change (C)-(B)
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	Full year	Full year
Japan	50,788	62,221	113,009	64,077	66,012	130,090	67,579	72,787	140,366	27,356	10,276
(Royalty)	20,331	25,036	45,368	22,896	28,048	50,945	28,121	28,805	56,926	11,558	5,981
Europe	2,042	4,340	6,383	3,920	4,343	8,264	4,662	4,612	9,274	2,891	1,010
(Royalty)	1,912	4,197	6,110	3,795	4,267	8,063	4,503	4,539	9,043	2,932	979
Americas	10,584	18,877	29,461	12,689	20,957	33,646	12,329	18,022	30,351	889	(3,295)
(Royalty)	9,489	17,217	26,707	11,282	17,920	29,203	11,062	16,430	27,492	785	(1,710)
Asia	13,661	14,341	28,003	21,796	15,027	36,824	22,289	20,855	43,145	15,142	6,321
(Royalty)	9,145	8,932	18,077	14,029	9,328	23,358	13,943	10,512	24,456	6,378	1,097
Adjustment	(14,270)	(17,683)	(31,953)	(18,884)	(21,140)	(40,025)	(19,184)	(19,653)	(38,838)	(6,884)	1,187
(Royalty)	(11,435)	(14,089)	(25,525)	(13,691)	(16,106)	(29,798)	(14,208)	(13,727)	(27,935)	(2,410)	1,862
Total	62,807	82,097	144,904	83,600	85,200	168,800	87,676	96,623	184,300	39,395	15,500
(Royalty)	29,444	41,294	70,738	38,313	43,458	81,772	43,422	46,560	89,983	19,244	8,210

Adjusted Operating profit	FY3/2025 (A)			FY3/2026 Forecasts announced on Aug 8, 2025 (B)			FY3/2026 Forecasts announced on Nov 5, 2025 (C)			Change (C)-(A)	Change (C)-(B)
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	Full year	Full year
Japan	16,584	20,017	36,602	21,889	21,817	43,707	25,431	19,798	45,229	8,627	1,522
Europe	445	1,155	1,600	874	878	1,753	1,216	910	2,126	526	373
Americas	4,285	6,670	10,955	4,379	7,549	11,928	4,066	6,458	10,524	(430)	(1,403)
Asia	4,474	4,593	9,068	8,025	4,508	12,533	8,011	6,686	14,697	5,629	2,164
Adjustment	(1,015)	(1,566)	(2,581)	(1,586)	267	(1,318)	(1,595)	(1,383)	(2,978)	(396)	(1,659)
Total	24,773	30,870	55,644	33,582	35,020	68,603	37,129	32,470	69,600	13,955	996

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

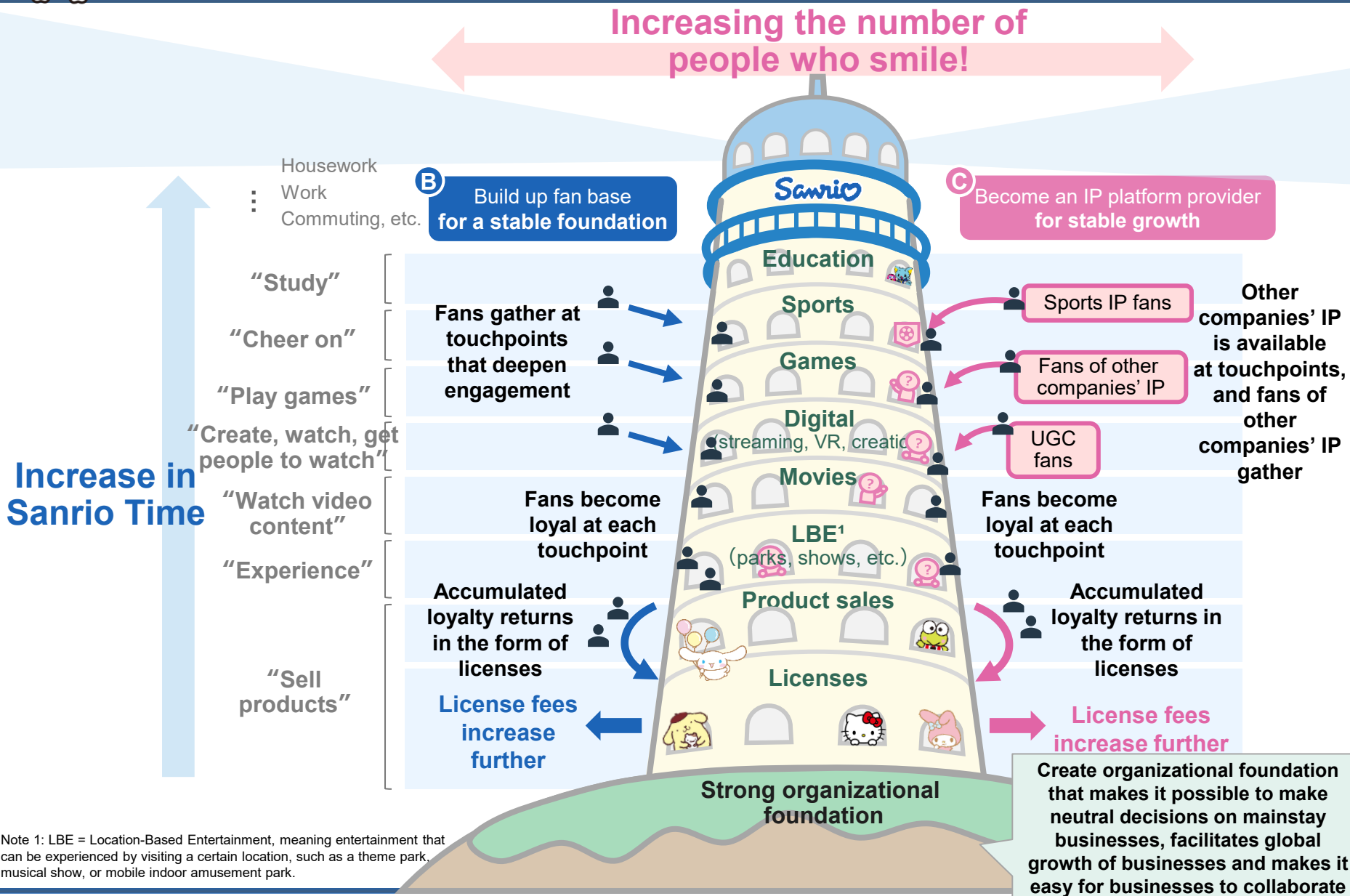
"Adjusted Operating Profit" refers to operating profit based on financial accounting, excluding the impact of consolidation adjustments due to differences in fiscal year-ends between the parent company and its overseas subsidiaries. This is a proprietary metric defined by Sanrio. For details, please refer to page 32.



**Our Long-Term Vision and
Medium-Term Management Plan
Progress**



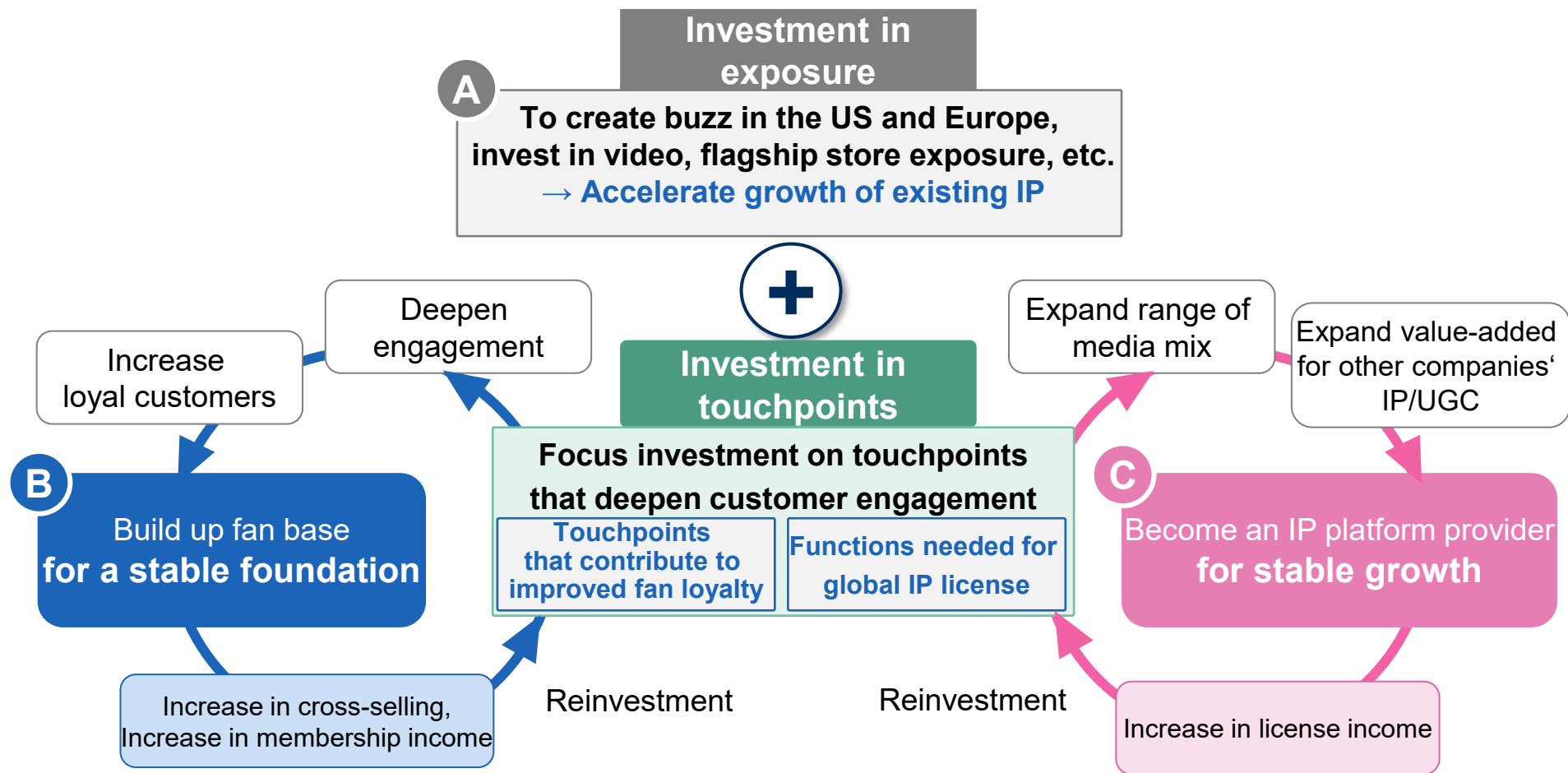
Sanrio's Long-term Vision





Sanrio's Long-term Vision

Expand the entertainment platform to deepen fan engagement and aim to become a **"Global IP Platform Provider"**





Initiatives Aligned With Sanrio's Long-Term Vision

- Exploring and planning initiatives to acquire IDs and build loyalty beyond retail and theme parks
→ Aiming to reach **over 100 million Users in 10 years**

Increase in Sanrio Time

Invest in touchpoints that deepen engagement

- [ID Strategy]**
Formulate group-wide policies to **acquire ID** and **enhance customer loyalty**
- [Digital Business Strategy]**
Formulate a **digital strategy** to achieve the long-term vision
- [Game Business Strategy]**
Formulate a **game business strategy** to achieve the long-term vision

Note 1: MD =Merchandising, product planning and sales strategy
Note 2: SPA model =The SPA (Specialty store retailer of Private label Apparel) model refers to a business strategy in which a company integrates the entire process—from product planning and manufacturing to retail sales—under a single brand.

B Build up fan base for a stable foundation

Fans gather at touchpoints that deepen engagement

Investment in creating buzz in Europe and the US

[Enhancing Video Functions]

Strengthen in-house video production capabilities and build collaborative frameworks

[Enhancing LBE Functions]

Strengthen direct engagement channels with Sanrio fans and build collaborative frameworks

[Enhancing Global Retail Functions]

Build collaborative frameworks for global-standard MD⁽¹⁾ and expand the SPA⁽²⁾ model worldwide

- **Entered a capital and business alliance agreement with IG Port, Inc.** in June 2025, with multiple projects in progress
- Warner Bros. plans to release **the first Hollywood film featuring Sanrio characters** in July 2028

Sports IP fans

Other companies' IP is available at touchpoints, and fans of

Fans of other companies' IP

Expand IP platform provider capabilities and IP

[IP Sourcing]

Build capabilities for **discovering and collaborating** on external and individual IPs

[Enhancing IP Development Functions]

Acquire and strengthen capabilities for **producing social media-based content** to expand IP reach

Building a Strong Organizational Foundation

[Organizational Enhancement]

Strengthen organizational structures to support **global management**

Create organizational foundation that makes it possible to make neutral decisions on mainstay businesses, facilitates global growth of businesses and makes it easy for businesses to collaborate



ID Strategy

Past Initiatives

Future Initiatives

Sanrio IP



Other Company IP

- Acquire IDs through existing Sanrio character customer touchpoints (lighthouse windows) such as licensed products and events, and expand ID acquisition further through new customer touchpoints (lighthouse windows) including LBE, games, and streaming.
- Aim to reach over 100 million users in 10 years** by leveraging our position as an IP platform provider to become a platform provider for VR streaming and fan creation

Expanding Fanbase

2.92 million
users now
(existing Sanrio+ Users)

Over 100 million
users in 10 years

VR Streaming PF (V-Puroland)

Fan Creation Support (Charaforio)

New customer touchpoints (LBE, games, streaming)

ID Acquisition Through Existing Customer Touchpoints (licensed products, events)

Expand existing ID further (Sanrio stores, e-commerce sites, theme parks)

- Provide an engagement platform offering exclusive products and content, fan communities, and point programs for both Sanrio character fans, as well as fans of other company IPs
- Also create enjoyment through seamless connections across multiple customer touchpoints (lighthouse windows), linking physical products and digital services**

Loyal Customer Programs (e.g., members-only products and content)

Fan Community Management (e.g., visualization of fan support and achievements)

Smile Point Economic System Expansion

Loyalty Building

Note: PF = platform

Smile points = Shared loyalty points usable at Sanrio Shops, the Sanrio Online Shop, Sanrio Puroland, and Harmonyland etc.

LBE = Location-Based Entertainment



Medium-Term Management Plan Progress

Progress on all three approaches is on track

Progress in 1H of FY 3/2026: Outline

1st Approach

“Change our approach to branding”

Review marketing and sales strategies to make **Evergreen** global IP

[Growth in North America]

- Entered a capital and business alliance agreement with IG Port, Inc. in June to strengthen global content development.
- Released the stop-motion animation **My Melody & Kuromi on Netflix**, which ranked second globally in the non-English TV series category during its first week of streaming.

[Growth in Mainland China]

- Content production with Alifish is underway for release in FY3/2026.
- Implemented multiple measures against counterfeit products, significantly reducing counterfeit product ratios. Joined the anti-counterfeit product committee of Content Overseas Distribution Association (CODA).
- Launched a total of 15 new China-originated IPs and conducted trial sales for three IPs at local events in the country.

2nd Approach

“Develop the foundation”

Develop a foundation for global growth

[Build human resource infrastructure]

- Held a summer internship program for students graduating in 2027 to develop producer talent as outlined in the medium-term management plan.

[Establish an aggressive finance and governance structure]

- Entered a capital and business alliance agreement with IG Port, Inc., and acquired shares of Gugenka Co., Ltd. in July

[Strengthening Collaboration Between Headquarters and Overseas Subsidiaries]

- Held business conferences and offline meetings for the entire Group, including overseas subsidiaries. Advanced the management of global financial metrics and KPIs.

3rd Approach

“Change creatives and monetization underlying the new MTMP”

Expand IP portfolio and monetize in multiple layers

[Continue to grow in mature markets (Japan)]

- The domestic Product Sales and Licensing businesses continue to perform strongly, supported by ongoing inbound demand. In Product Sales, we introduced a new personnel system to strengthen the staffing structure.
- Plans to develop Oita as an entertainment resort, offering real-world experiences, are progressing as scheduled.

[Create Time Deeply Absorbed in Sanrio]

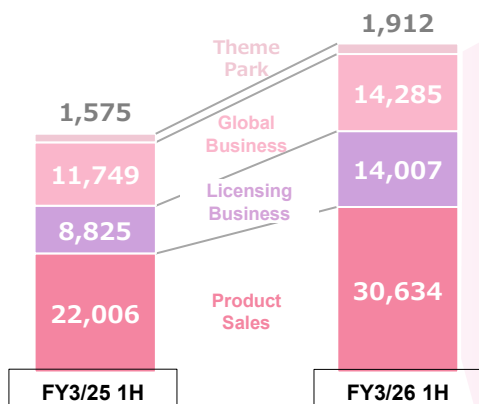
- In the edutainment business, established a joint venture to expand WeAct!, an English conversation school launched last year. In the digital business, held a VTuber general election and next-generation character discovery event on the Charaforio creation platform; developing multiple titles for launch in the next fiscal year in the game business.



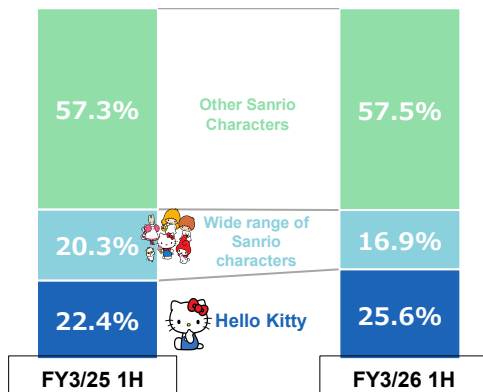
Japan Business Overview

Large-scale collaborations, including Expo 2025 Osaka, Kansai, Japan contributed to sustained strong performance and enhanced brand value

Business Revenue Composition



Character Portfolio in Japan Business



Product Sales



Hello Kitty Exhibition
Touring across Japan



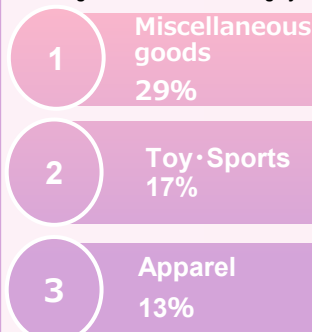
Chiikawa x Sanrio Characters



Everlasting Summer Vacation
Design Series

License Business

Licensing Business Sales Ranking by Category



McDonald's



UNIQLO



MORINAGA MILK

Theme Park



Puroland's first experiential shop
My Melody & Kuromi Shop



Puroland Neo Natsumatsuri II
Launch of limited-time menu



Oita Hello Kitty Airport



Opening of greeting studio at Harmonyland

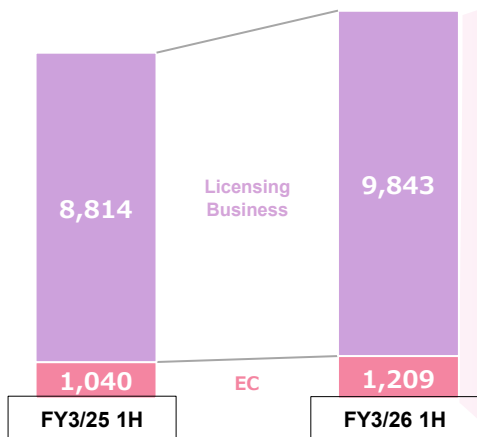
Note: Character portfolio is calculated based on gross profit generated by Sanrio HQ, including product sales and licensing business.



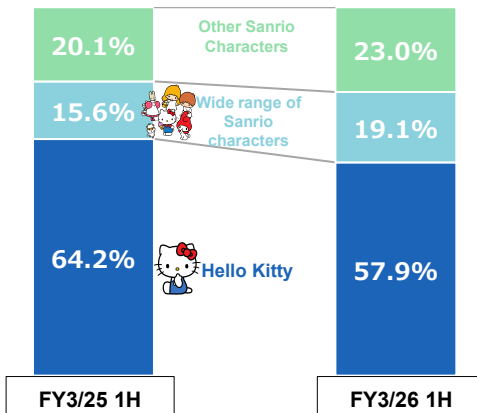
North America Business Overview

Sanrio characters maintain strong digital presence despite the uncertain market environment under U.S. tariff policies

Business Revenue Composition



Character Portfolio in North America Business

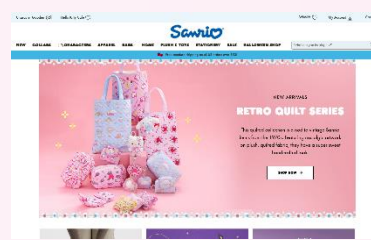


License Business

Licensing Business Sales Ranking by Category



EC



Digital



YouTube : HELLO KITTY AND FRIENDS



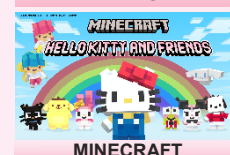
SNS: Tik Tok, Instagram, etc...



Japan Parade in New York



HELLO KITTY ISLAND ADVENTURE



MINECRAFT



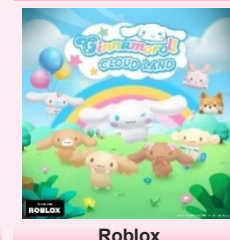
HELLO KITTY AND FRIENDS CAFE



Pottery Barn



Crocs



Roblox

Number of YouTube HELLO KITTY AND FRIENDS Subscribers

4.53 million

CAGR 103% (Oct, 2021~Sep, 2025)



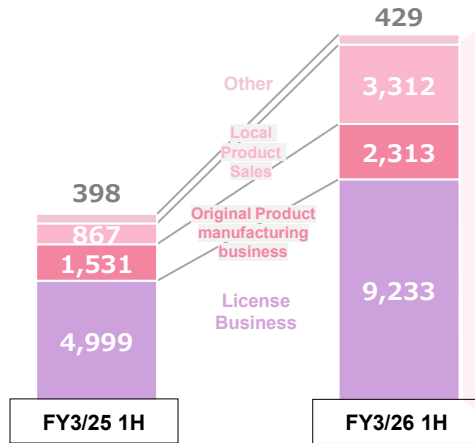
Note: Composition ratio of characters is calculated based on gross profit from License Business.



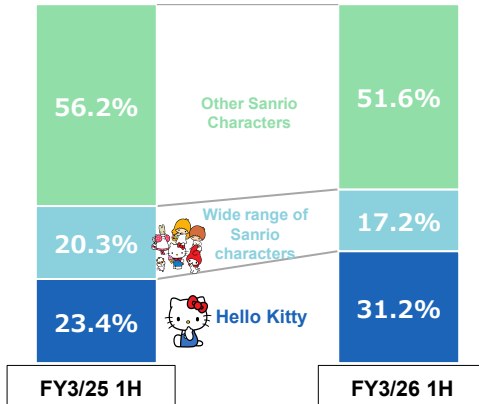
China Business Overview

Expanded licensee network through Alifish, achieving broader reach across China; driving overall growth in the toy category amid expansion of the trendy toy market

Business Revenue Composition



Character Portfolio in China Business⁽¹⁾



Product Sales



Opening of Nanjing East Road store in China



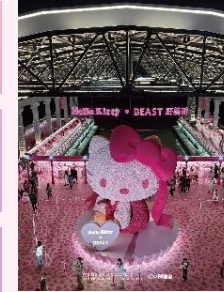
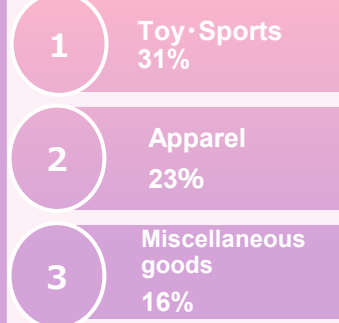
50 franchise stores and 5 directly managed stores⁽²⁾, mainly in major cities in China



China-exclusive breakfast series

License Business

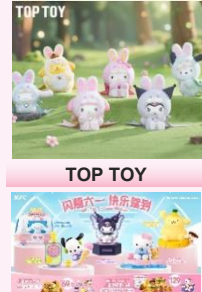
Licensing Business Sales Ranking by Category



BEAST&tbh



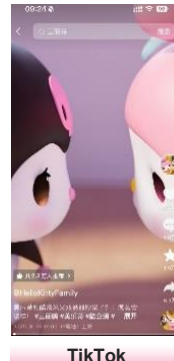
RE'VAN



KFC

Digital Marketing

Strengthening brand awareness through consistent character exposure on major Chinese platforms



TikTok



RED BOOK



Weibo



Agile-developed IP: Sticker debut on WeChat

Note1: Composition ratio of characters is calculated based on gross profit from License business.
Note2: Number of Stores as of the End of September 2025



Investment Progress under the Medium-Term Management Plan













Steady implementation and consideration of the investment projects outlined in the medium-term management plan

	Principal Investment cases	Investment Allocation (through FY27/3)	Progress for the Period FY3/2025 to 1H of 3/2026
Organic Investments	[Marketing] • Global branding plan toward establishing Evergreen IPs	10 Billion yen	<ul style="list-style-type: none"> Developed a global 36-month marketing calendar and executed global promotions linked to overseas offices and stores for Hello Kitty, Kuromi, and others. Currently planning promotions for Cinnamoroll's 25th anniversary in 2027. Approx. 4 billion yen
	[Game Development] Total of 6 pipelines	10 Billion yen	<ul style="list-style-type: none"> Moved into full development phase for multiple titles Began planning and pre-production for new projects, targeting the launch of over six titles over the medium to long term Approx. 2 billion yen
	[Edutainment and digital areas] Sales promotion activities in edutainment • Development of new businesses, including V-Puroland	3 Billion yen	<ul style="list-style-type: none"> Planning to make V-Puro a permanent virtual theme park in FY3/2026, allowing fans to enjoy it anytime, anywhere Held collaboration events on Charaforio to discover independently created IPs Approx. 1.5 billion yen
	[Sanrio+] • Infrastructure investment and enhancement of customer experience value	1.5 Billion yen	<ul style="list-style-type: none"> MAUs increased through online voting for the character ranking and enhancement of digital content Planning to strengthen the loyalty program and UI/UX ahead of April 2026 Approx. 1 billion yen
	[System] • Replacement of core systems to improve operational efficiency and enhance business management sophistication	4 Billion yen	<ul style="list-style-type: none"> Agreed on the direction of ideal systems and are proceeding with individual system projects (currently defining system requirements) Approx. 1 billion yen
	Total amount of organic investments	30 Billion yen	<ul style="list-style-type: none"> Total ~Approx. 10 billion yen
Inorganic Investments	[M&A and minority contribution] • Focused on video production, games, and digital domains • Subject to rigorous screening through the Investment Committee	50 Billion yen~	<ul style="list-style-type: none"> Invested in ClaN Invested in Brave Group Invested in IG Port Made Gugenka a subsidiary Total investment: Several billion yen

Note: Investment amounts are on a cash-out basis



Updates to Medium-Term Roadmap

	FY25/3	FY26/3	FY27/3	FY28/3	FY29/3
Character Anniversaries	50 th Anniversary 	50 th Anniversary 	30 th Anniversary 	25 th Anniversary 	15 th Anniversary 
	35 th Anniversary 	20 th Anniversary 	55 th Anniversary 	40 th Anniversary 	35 th Anniversary 
		50 th Anniversary 	30 th Anniversary 		
Sanrio character ranking	Sanrio character ranking	Sanrio character ranking	Sanrio character ranking	Sanrio character ranking	Sanrio character ranking
Games			In-House 2 Title Launch	Ongoing Launches	
	Ongoing Launches of Licensed Games				
Animation		My Melody Kuromi on Netflix	Co-Production with Alifish	In-House Animation	
	Licensed Animation				
Social media		Launch of a YouTube Channel for Pre-School-Age Children	Release of Cinnamoroll YouTube Anime		
	Continuous Release of Original Contents on Platforms like YouTube and TikTok				
Movie*			Release of co-produced films		Appear in Warner Bros. licensed works
Digital*		Make V-Puroland a permanent virtual park Integrate ID platforms with other companies	Expand large-scale IP worlds Develop VTuber streaming functions	Provide new user experiences through Sanrio+ Enhance services for loyal customers	
Real-Life	New parade at Puroland Continuous Events at Sports Venues, Cafes, and Other Locations				

Note: Underlined are the updated locations. Schedule is subject to change without prior notice.



The Feature Film Marks Hello Kitty and Her Friends' Big Screen Hollywood Debut on July 21, 2028

Sanrio's Hello Kitty from New Line Cinema and Warner Bros. Pictures Animation will be distributed globally by Warner Bros. Pictures on July 21, 2028. The feature film marks Hello Kitty's Hollywood theatrical debut, as Hello Kitty and her friends embark on a cinematic adventure sure to delight audiences of all ages.

The film will deliver a globe-spanning, four-quadrant experience rooted in friendship, connection, and fun—core values that have defined Hello Kitty for generations.



WARNER BROS.
PICTURES



Appendix



Sanrio Proprietary Performance Indicators

■ Adjusted Operating Profit

Adjusted operating profit is a proprietary indicator defined by the Company, referring to operating profit excluding the impact of consolidation adjustments arising from the difference in fiscal year-ends between the parent company in Japan (fiscal year ending in March) and overseas subsidiaries (fiscal year ending in December)

- ✓ 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 Q2 in FY3/2026, the figures for the parent company (in Apr.–Sep.) and overseas subsidiaries (in Jan.–Jun.) are added together, and then consolidated eliminations are made based on the transaction volume on the parent company side. During this process, any material discrepancies (significant variances) are reviewed and adjusted in consultation with the audit firm.
- ✓ Operating profit at overseas subsidiaries in North America and China increased significantly, creating a gap with actual business performance of the Company and resulting in a larger consolidation adjustment. To address this gap, the Company began disclosing adjusted operating profit, a proprietary indicator that represents operating profit before reflecting adjustments for fiscal period differences, starting from the second quarter of FY3/2026.

[JPY: Million]

ex) 1H of FY3/2026(Consolidated)	Operating Profit (Financial Accounting)	Adjusted Operating Profit (Managerial Accounting)
Total before consolidation adjustments	37,279	37,279
+ Adjustments	1,904	(150)
(Adjustment for differences in fiscal year-ends)	2,054	-
(Other consolidation entries)	(150)	(150)
Profit	39,183	37,129

【Consolidated Adjustment Amount due to differences in fiscal year-ends】 [JPY: Billion]

	FY3/2024		FY3/2025				FY3/2026	
	Q3 cumulative	Q4 cumulative	Q1 cumulative	Q2 cumulative	Q3 cumulative	Q4 cumulative	Q1 cumulative	Q2 cumulative
North America (License)	(1.1)	(1.4)	(0.9)	(1.9)	(2.2)	(1.5)	0.6	(0.1)
China (License)	0.1	-	-	-	-	(2.5)	0.4	0.9
China (Product sales)	0.7	0.3	0.5	0.7	1.4	0.2	0.9	1.2
Total Consolidated Adjustment	(0.2)	(1.1)	(0.4)	(1.2)	(0.8)	(3.8)	2	2



Sanrio Proprietary Performance Indicators

■ Contribution Profit

Contribution profit is a proprietary indicator defined by the Company to measure the actual amount of value created by Overseas subsidiaries

- ✓ 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.
- ✓ “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.
- ✓ Beginning in the second quarter of FY3/2026, segment profit in the financial results materials is presented after deducting consolidation adjustments related to differences in fiscal year-ends. For contribution profit, the same adjustment is deducted from the adjustment amount. Past figures are restated retrospectively.

[JPY: Million]

ex) 1H of FY3/2026(North America Segment)	Reportable Segment OP (Financial Accounting)	Contribution Profit (Managerial Accounting)
Profit of subsidiaries within the segment	3,634	3,634
+ Royalty payments to HQ	-	4,168
+ Adjustment for differences in fiscal year-ends	(170)	-
Profit	3,463	7,801



Initiatives for the fiscal year ending March 2026

April 11, 2025

Hello Kitty Night at Dodger Stadium

We presented the first 40,000 attendees to this year's Hello Kitty Night in Los Angeles with a Hello Kitty plush toy as a special giveaway



**April 13 –
October 13**

Expo 2025 Osaka

Hello Kitty appointed a special supporter

Hello Kitty was appointed as a Special Supporter for Expo 2025 Osaka Kansai and is taking part in various promotional activities targeting Japan and overseas. The Japan Pavilion at Expo 2025 Osaka features 32 unique versions of Hello Kitty, each transformed into a different form of algae. In addition, the United Nations, which collaborates with Hello Kitty on the #HelloGlobalGoals project, joined forces with more than 30 UN agencies to present the UN Pavilion.



**April 13 –
October 13**

Launched Oita Hello Kitty Airport

Oita Prefecture and Sanrio Entertainment jointly rebranded Oita Airport with the new nickname Oita Hello Kitty Airport as part of a tourism campaign timed with Expo 2025 Osaka (April 13 to October 13, 2025).

June 13

Released new Chiikawa x Sanrio characters products

A new product series featuring a collaborative design with Chiikawa, a popular character that originated on social media, was launched under the title Chiikawa x Sanrio characters. In response to high demand in Japan and abroad, we have decided to offer made-to-order sales.



June 17

Signed a Capital and Business Alliance Agreement with IG Port, Inc.

Sanrio acquired 1,008,000 shares, representing 4.98% of the total number of issued shares (approximately 1.76 billion yen), through a third-party allotment and a share transfer from President and CEO Ishikawa. We aim to create new content and accelerate global expansion by combining the strengths of Sanrio and IG port in IP development, IP cultivation, and video production capabilities.

June 29

Achieved record-high number of votes in the 2025 Sanrio character ranking

The 2025 Sanrio character ranking marked the 40th edition of the annual popularity vote. This year, the event recorded a record-high 63.16 million votes. Pompompurin, who placed fourth last year, won first place





Initiatives for the fiscal year ending March 2026

July 18 –
July 30

Held experiential game event *MY MELODY♥KUROMI GAME PLAZA*

We held a limited-time, special experiential game event, *MY MELODY♥KUROMI GAME PLAZA*, at SHIBUYA TSUTAYA to celebrate the joint anniversary of My Melody (50th anniversary) and Kuromi (20th anniversary). The event featured interactive games and photo spots in a game center-themed space inspired by the *Melo-Kuro* relationship, expressing the idea that the two characters are the perfect pair because they are complete opposites. We plan to bring this event to audiences worldwide.



July 24

My Melody & Kuromi streaming exclusively on Netflix worldwide

This 12-episode original stop-motion animation is set in Mariland, where My Melody and Kuromi live. The story follows the two characters as they confront a crisis that puts their town in danger. The series ranked second globally in the platform's Weekly Top 10 for non-English series in its first week after release and appeared in the Top 10 in 59 countries. The theme song *Kawaii* is performed by the popular group LE SSERAFIM and produced by Gen Hoshino.

Director: Tomoki Misato Writer: Shuko Nemoto Production: TORUKU from WIT STUDIO



July 28

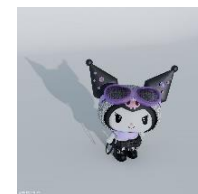
Acquisition of shares in Gugenka Co., Ltd. (became a subsidiary)

We acquired shares in Gugenka Co., Ltd. (Head Office: Chuo-ku, Niigata Prefecture; CEO: Masafumi Mikami), making the company a subsidiary. This acquisition is part of our focused investment in touchpoints, a core initiative to achieve our vision. Through this partnership, we aim to build capabilities for producing and distributing XR and other digital content, strengthen mutual sales capabilities with IP holders, and drive cross-selling between real and digital businesses. We will continue to value diverse partnerships, leverage the unique strengths Gugenka possesses in IP development and XR technology, and accelerate further growth.

July 30

KUROMI announces major debut as a music artist

Kuromi, celebrating her 20th anniversary this year, announced her major debut in October as KUROMI under the music label TOY'S FACTORY, home to many leading artists. Her song *Greedy Greedy*, released for the first phase of the #GlobalKuromiProject, has surpassed 14 million views on YouTube. KUROMI will release her first EP *KUROMI IN MY HEAD* on October 22, 2025.



August 22

Agreement reached with Moonbug for a master license of the global kids' animation *CoComelon*

We reached an agreement with Moonbug Entertainment Ltd., a leading global kids' entertainment company producing and distributing video content, to sign a master license for CoComelon in Japan. CoComelon is one of Moonbug's flagship titles, and we plan to release new videos on YouTube and other platforms featuring Sanrio-designed CoComelon characters alongside Sanrio Characters starting in early 2026.





Disclaimer on forward-looking statements and other matters

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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 Nov 5, 2025