October 10, 2017

Company name: Sanrio Company, Ltd.
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Notice Regarding Revision to Forecasts of Financial Results and Dividends for Fiscal Year Ending March 2018

Sanrio Company, Ltd. has revised its initial forecasts of financial results and dividends for fiscal year ending March 31, 2018 that were announced on May 12, 2017.

1. Revision to forecasts for the First-Half of FY3/2018 (April 1, 2017 - September 30, 2017)

(1) Consolidated forecasts

	Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent	Earnings per Share
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)
Previous Forecast (A)	30,600	4,100	4,300	2,900	34.18
Revised Forecast (B)	28,300	2,400	2,600	2,000	23.57
Difference (B)-(A)	(2,300)	(1,700)	(1,700)	(900)	—
Change (%)	(7.5)	(41.5)	(39.5)	(31.0)	—
(Reference) Results for the 1H of FY3/2018	31,451	3,887	3,729	3,804	44.83

(2) Non-consolidated forecasts

	Sales	Ordinary Income	Net Profit	Earnings per Share
	(million yen)	(million yen)	(million yen)	(yen)
Previous Forecast (A)	22,000	2,800	1,900	22.39
Revised Forecast (B)	19,800	1,200	1,000	11.79
Difference (B)-(A)	(2,200)	(1,600)	(900)	—
Change (%)	(10.0)	(57.1)	(47.4)	—
(Reference) Results for the 1H of FY3/2018	21,696	1,746	2,299	27.10

2. Revision to forecasts for FY3/2018 (April 1, 2017 - March 31, 2018)

(1) Consolidated forecasts

	Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent	Earnings per Share
	(million yen)	(million yen)	(million yen)	(million yen)	(unit: yen)
Previous Forecast (A)	65,700	10,800	11,200	7,800	91.93
Revised Forecast (B)	60,300	6,300	6,600	4,800	56.57
Difference (B)-(A)	(5,400)	(4,500)	(4,600)	(3,000)	—
Change (%)	(8.2)	(41.7)	(41.1)	(38.5)	—
(Reference) Results for the 1H of FY3/2018	62,695	6,904	7,255	6,475	76.32

(2) Non-consolidated forecasts

	Sales	Ordinary Income	Net Profit	Earnings per Share
	(million yen)	(million yen)	(million yen)	(yen)
Previous Forecast (A)	46,800	7,000	4,800	56.57
Revised Forecast (B)	42,500	3,700	2,700	31.82
Difference (B)-(A)	(4,300)	(3,300)	(2,100)	—
Change (%)	(9.2)	(47.1)	(43.8)	—
(Reference) Results for the 1H of FY3/2018	44,722	12,658	12,732	150.07

3. Reasons for revision to earnings forecasts

(1) First-half earnings forecasts (consolidated)

Earnings forecasts have been revised, as the sluggish non-consolidated performance and business contraction at some leading licensees, stemming from a structural change in the retail industry in North America, more than offset the favorable performance of the theme park business and the license business in China, Hong Kong, and ASEAN.

(2) Full-year earnings forecasts (consolidated)

Full-year earnings forecasts have been revised due to sluggish sales in Japan as well as a drop in royalty income, caused by the fact that business in Europe and America is likely to bottom out later than initially expected.

*** Sanrio is planning to disclose a new medium-term business plan at the announcement of year-end business results.**

4. Revision to dividend forecast

	Dividend per Share (yen)		
	End of the Second Quarter	End of the Fiscal Year	Total
Previous Forecast	40.00	40.00	80.00
Revised Forecast	40.00	15.00	55.00
Results for FY03/2018			
Results for FY03/2017	40.00	40.00	80.00

5. Reason for revision to dividend forecast

Distributing earnings to shareholders is one of the highest priorities of Sanrio, and we pay dividends that reflect our consolidated performance.

The dividend forecast for the current fiscal year has been revised, as profit attributable to owners of parent is expected to significantly fall short of the initial forecast. While the interim dividend forecast remains unchanged at 40 yen per share, the year-end dividend forecast has been changed from 40 yen to 15 yen.