October 31, 2019

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Notice Regarding Difference between Results Forecasts and Results for the First Half of the Fiscal Year and Revision to Full-Year Results Forecasts

Sanrio Company Ltd. announces the difference between the forecasts for the first half of the fiscal year ending March 2020 released on July 31, 2019 and the actual results in this day's announcement. In addition, given recent business performance trends, we have revised our business forecasts for the fiscal year ending March 2020. Please note that dividend forecasts have not been amended as a result of this announcement.

1. Differences between the results and the forecasts for the first half of Fiscal Year 3/2020 (April 1, 2019 to September 30, 2019)

	Sales	Operating Profit	Ordinary Profit	Net Profit Attributable to Owners of parent	Net Profit per Share
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)
Prior Forecasts (A) Published on July 31,2019	27,800	1,700	2,200	600	7.07
Actual Results (B)	27,660	1,374	2,039	326	3.85
Difference (B-A))	(139)	(325)	(160)	(273)	
Difference (%))	(0.5)	(19.1)	(7.3)	(45.6)	
(Reference) Results for 1st Half of Fiscal Year Ended 03/2019.	28,272	2,158	2,730	1,516	17.87

2. Revision of the Results Forecasts for the Fiscal Year Ending March 2020 (April 1, 2019 to March 31, 2020)

	Sales	Operating Profit	Ordinary Profit	Net Profit Attributable to owners of parent	Net Profit per Share
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)
Prior Forecasts (A) Published on July 31,2019	60,000	6,100	7,100	4,100	48.32
Revised Forecasts (B)	57,700	4,000	5,000	2,300	27.10
Difference (B-A))	(2,300)	(2,100)	(2,100)	(1,800)	
Difference (%))	(3.8)	(34.4)	(29.6)	(43.9)	
(Reference) Results for Fiscal Year Ended 03/2019.	59,120	4,786	5,836	3,880	45.73

3. Reasons for the differences between the results and the forecasts for the first half of fiscal year 3/2020, and reasons for revision of the forecasts for the fiscal year ending March 2020

(1) Reasons for the differences between the results and the forecasts for the first half of fiscal year ending March 2020

Consumption trends in China, Hong Kong, and Southeast Asia were below expectations. The recovery in Europe was slow. As a result, net sales and operating income fell short of our forecasts and ordinary income also fell short of our forecasts. Further, the recovery in the stock market was insufficient to cover the loss on devaluation of investment securities recorded at the end of the first quarter.

(2) Reasons for revision of the forecasts for the fiscal year ending March 2020

In the domestic business, the product sales business and the theme park business are expected to perform well. Overseas, however, due to the sluggish economy in China, the closure of stores on weekends due to demonstrations in Hong Kong, and the poor relations between Japan and South Korea, business partners in China, Hong Kong, Macao, and other Asian regions are in a difficult situation. In addition, licensing transactions in Asia and product exports from Japan are also struggling.

We have revised full-year consolidated earnings forecasts due to factors including the current issues in Asia to persist for a while, the recovery in Europe lagging behind our expectations, and the appreciation of the yen is progressing.