May 14, 2021

Summary of Financial Results for the Fiscal Year Ended March 31, 2021 (FY2020) [Japanese GAAP]

Company name: Sanrio Company, Ltd. Listed Stock Exchange: TSE 1st Section
Stock code: 8136 URL: https://www.sanrio.co.jp/english/corporate/ir/
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Scheduled date of Annual General Meeting of Shareholders: June 24, 2021
Scheduled date of filing of Annual Securities Report: June 25, 2021
Starting date of dividend payment: -
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

Note: The original disclosure in Japanese was released on May 14, 2021 at 16:00 (GMT +9).

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for FY2020 (April 1, 2020 – March 31, 2021)

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

	Sales		Operating Profit		Ordinary Profit		Net Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2020	41,053	(25.7)	(3,280)	-	(1,731)	-	(3,960)	-
FY2019	55,261	(6.5)	2,106	(56.0)	3,274	(43.9)	191	(95.1)

Note: Comprehensive income (millions of yen) FY2020: (1,225) (-%) FY2019: (1,521) (-%)

	Net Profit per Share	Fully-Diluted Net Profit per Share	Return on Equity (ROE)	Return on Assets (ROA)	Operating Profit to Sales
	Yen	Yen	%	%	%
FY2020	(47.93)	-	(9.5)	(2.0)	(8.0)
FY2019	2.26	-	0.4	3.5	3.8

Reference: Equity in earnings of unconsolidated subsidiaries (millions of yen) FY2020: - FY2019: -

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2021	85,040	37,285	43.7	461.32
As of Mar. 31, 2020	89,515	46,387	51.5	548.78

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2021: 37,155 As of Mar. 31, 2020: 46,060

(3) Consolidated cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2020	(2,287)	7,007	(862)	24,788
FY2019	834	(3,624)	(4,993)	21,011

2. Dividends

	Dividend per Share					Total Dividends	Dividend Payout Ratio (Consolidated)	Dividend on Equity (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2019	-	15.00	-	20.00	35.00	2,951	1,545.3	6.0
FY2020	-	0.00	-	0.00	0.00	-	-	-
FY2021 (forecast)	-	8.00	-	8.00	16.00		61.4	

Note: Breakdown of the year-end dividend for FY2019:
Ordinary dividend: 15.00 yen; 60th anniversary commemorative dividend: 5.00 yen

3. Consolidated Forecast for FY2021 (April 1, 2021 – March 31, 2022)

(Percentages represent year-on-year changes)

	Sales		Operating Profit		Ordinary Profit		Net Profit Attributable to Owners of Parent		Net Profit per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	23,000	34.7	(1,100)	-	(1,000)	-	1,900	-	23.59
Full year	49,100	19.6	(700)	-	(400)	-	2,100	-	26.07

*** Notes**

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

Newly added: - Excluded: -

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

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

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

3) Changes in accounting-based estimates: None

4) Restatements: None

(3) Number of outstanding shares (common stock)

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

As of Mar. 31, 2021: 89,065,301 shares As of Mar. 31, 2020: 89,065,301 shares

2) Number of shares of treasury stock at the end of the period

As of Mar. 31, 2021: 8,523,746 shares As of Mar. 31, 2020: 5,131,983 shares

3) Average number of shares outstanding during the period

FY2020: 82,628,774 shares FY2019: 84,640,664 shares

Reference: Unconsolidated Financial Results

1. Unconsolidated Financial Results for FY2020 (April 1, 2020 – March 31, 2021)

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

	Sales		Operating Profit		Ordinary Profit		Net Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2020	30,563	(19.7)	(1,757)	-	7,339	161.3	6,542	276.3
FY2019	38,044	(6.8)	330	(85.9)	2,808	(41.3)	1,738	(51.5)

	Net Profit per Share	Fully-Diluted Net Profit per Share
	Yen	Yen
FY2020	79.18	-
FY2019	20.54	-

(2) Unconsolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2021	55,631	22,235	40.0	276.08
As of Mar. 31, 2020	50,412	22,223	44.1	264.78

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2021: 22,235 As of Mar. 31, 2020: 22,223

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

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

Forecasts regarding future performance in these materials are based on assumptions judged to be valid and information currently available to the Company. These materials are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of factors. Please refer to "1. Overview of Results of Operations, etc., (4) Outlook" on page 8 of the attachments for forecast assumptions and notes of caution for usage.

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1. Overview of Results of Operations, etc.

(1) Results of Operations

(100 millions of yen)

	FY2020 Results	Vs. Plan			Y-O-Y		
		*Final plan	Increase/ decrease	Change (%)	FY2019 Results	Increase/ decrease	Change (%)
Sales	410	402	8	2.1	552	(142)	(25.7)
Gross profit	252	248	4	2.0	350	(97)	(27.8)
Selling, general & administrative expenses	285	288	(2)	(0.8)	329	(43)	(13.2)
Operating profit	(32)	(40)	7	-	21	(53)	-
Non-operating profit or expenses	15	9	6	72.1	11	3	32.5
Ordinary profit	(17)	(31)	13	-	32	(50)	-
Extraordinary gains or losses	(9)	(3)	(6)	-	(20)	10	-
Net profit before income taxes	(26)	(34)	7	-	12	(39)	-
Total income taxes	12	1	10	604.0	10	2	22.6
Net profit attributable to owners of parent	(39)	(36)	(3)	-	1	(41)	-
Gross margin	61.6%	61.7%	(0.1)%	-	63.4%	(1.8)%	-
Operating margin	(8.0)%	(10.0)%	2.0%	-	3.8%	(11.8)%	-
Ordinary margin	(4.2)%	(7.7)%	3.5%	-	5.9%	(10.1)%	-

*Since the initial forecast has been revised, the table above shows comparisons with the final plan.

During the fiscal year under review, the economy suffered a major setback due to factors including economic stagnation and the loss of demand from tourists visiting from abroad caused by the spread of COVID-19. Despite the gradual resumption of economic activities in Japan and signs of moderate recovery from the third quarter onward, the outlook remains uncertain due to weakening consumption accompanying the spread of the pandemic. Sanrio has continued to protect the health of our customers and employees and take measures to prevent the spread of infection while operating safe stores and facilities.

In Japan, the Company managed to increase sales amid the COVID-19 pandemic in the e-commerce sector, for hygiene-related products such as masks and disinfectant sprays, and for products targeting students and adults such as the Enjoy Idol series. However, this was not enough to fully compensate for the decline in gift sales due to self-restraint in events and sales promotion activities, loss of demand from tourists visiting from abroad, and declining consumer confidence. The theme park business continued to face difficulties even after reopening as admission restrictions led to a sharp drop in visitor numbers; however, the Company is focusing on initiatives such as launching an e-commerce website and other online businesses.

Overseas, as in Japan, the spread of COVID-19 had a huge impact, and product promotion and event and other activities still cannot be implemented. Moreover, despite double-digit growth in the North American e-commerce business, a series of school closures due to lockdowns in Europe and other countries led to a drop in licensing sales, especially those related to school children.

As a result of these factors, sales fell 25.7% year-on-year to 41.0 billion yen, and operating loss was 3.2 billion yen (profit of 2.1 billion yen in the previous fiscal year). Ordinary loss was 1.7 billion yen (profit of 3.2 billion yen in the previous fiscal year) due to accounting interest income and gain on investments in partnership as non-operating profit. Net loss attributable to owners of parent was 3.9 billion yen (profit of 0.1 billion yen in the previous fiscal year) after accounting for extraordinary gains including 1.0 billion yen from subsidies for employment adjustment; extraordinary losses including 1.9 billion yen from the temporary closure of stores and theme parks to prevent the spread of COVID-19; total income taxes of 1.2 billion yen.

Since the accounting period for all overseas consolidated subsidiaries runs from January to December, the fiscal year under review for these subsidiaries covers the period from January to December 2020.

Reportable Segment (100 millions of yen)

		Sales				Segment profit (operating profit)			
		FY2019	FY2020	Increase/ decrease	Change (%)	FY2019	FY2020	Increase/ decrease	Change (%)
Japan	Product sales/others	339	236	(102)	(30.2)	17	(29)	(46)	-
	Royalties	91	79	(12)	(13.6)				
	Total	430	315	(115)	(26.7)				
Europe	Product sales/others	0	0	0	340.8	(5)	(3)	2	-
	Royalties	14	11	(2)	(18.7)				
	Total	14	12	(2)	(17.6)				
North America	Product sales/others	9	10	1	13.1	(11)	(11)	(0)	-
	Royalties	16	10	(5)	(36.3)				
	Total	26	21	(4)	(18.1)				
Latin America	Product sales/others	0	0	0	47.5	0	0	(0)	(62.2)
	Royalties	4	2	(2)	(40.8)				
	Total	5	3	(1)	(39.4)				
Asia	Product sales/others	11	5	(5)	(50.5)	28	19	(9)	(31.9)
	Royalties	64	52	(12)	(18.6)				
	Total	76	58	(17)	(23.4)				
Adjustment		-	-	-	-	(8)	(8)	(0)	-
Consolidated	Product sales/others	360	253	(106)	(29.7)	21	(32)	(53)	-
	Royalties	192	157	(35)	(18.3)				
	Total	552	410	(142)	(25.7)				

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

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

i. Japan: Sales fell 26.7% year-on-year to 31.5 billion yen and operating loss stood at 2.9 billion yen compared with operating profit of 1.7 billion yen a year earlier.

In the retail division of the product sales business, customer numbers fell and sales were greatly impacted due to measures undertaken by various commercial facilities to prevent the spread of COVID-19 on the occasions of the year-end and New Year holidays as well as the first sales of the new year. Customer numbers also continued to struggle after that period in the insecure social environment.

Meanwhile, the e-commerce business continued to perform well. Fourth-quarter membership grew by more than 10,000 a month to reach 162.9% of the previous year-end total while sales grew by a substantial 147.0% year-on-year.

In the wholesale division, while shipments of children's items struggled, sales channels expanded for student and adult products such as hair clips for bangs and the Enjoy Idol series and fewer seasonal products were returned. Consequently, fourth-quarter sales performed strongly, reaching 108.4% of the previous fourth-quarter figure.

In the product category, character promotions of Cogimyun, My Melody, and Hapidanbui, hygiene products such as masks, and lucky draws proved popular.

To celebrate the 25th anniversary of Pompompurin, a pop-up shop opened at Shinjuku Takashimaya Department Store, in February under measures to prevent the spread of COVID-19.

Concerning product licensing in the licensing business, the spread of COVID-19 continued to have a major impact in the fourth quarter. Sales of famous confectionaries, confectionaries for tourists arriving from overseas, and miscellaneous goods for tourist destinations struggled, but sales rose significantly at clothing chains such as UNIQLO and Honeys through promoting the introduction of spring clothing lines. Sales of cushions and other interior sundries also performed well due to robust "nesting" demand from stay-at-home consumers.

In the area of corporate planning, in addition to a steady flow of contracts with official bodies, including government agencies such as the Ministry of Foreign Affairs of Japan and the Tochigi Prefectural Police as well as with local governments including Yamanashi Prefecture, Metropolitan Tokyo, and Soja City in Okayama Prefecture, new advertising contracts with Seino Transportation Co., Ltd., House Mate Partners Co., Ltd., and others also contributed greatly.

The Entertainment Business Department achieved double-digit growth in the fourth quarter when compared both to the budget and the previous fourth quarter. In the product licensing business, entertainment-related licensing performed very strongly. This included product licensing of prizes and capsule toys through contracts with various companies, such as Nintendo Co., Ltd, which was licensed to provide Sanrio characters for the Animal Crossing amiibo cards marketed for Nintendo Switch; SEGA Corporation; FURYU Corporation; BANDAI CO., LTD; and T-ARTS Company, Ltd.

In the digital business, in addition to providing continuous licensing for games and digital content for LINE, cocone, and others, we have proactively cultivated new customers to acquire new deals with fast-growing digital companies such as coly Inc. and BIGO Technology Pte. Ltd.

In the anime-related business, various collaborative projects with THE IDOLM@STER and others contributed to sales. Moreover, design-produced merchandise for other companies' intellectual property expanded, mainly in the apparel volume market. We will continue to promote global development with leading digital companies while focusing on development and consolidation of new characters such as Cogimyun and BEATCATS.

In the theme park business, Sanrio Puroland in Tama City, Tokyo, was impacted by the Tokyo Metropolitan Government’s second declaration of a state of emergency, with fourth-quarter visitor numbers falling by 22,000, or 11.6%, to 171,000 year-on-year and 871,000, or 65.8% to 453,000 over the full year. On December 7, the 30th Anniversary Parade titled Hello, New World: Let’s Connect the Rainbows proved popular and contributed to sales. Additionally, since June, we have been taking measures such as implementing digital distribution of our own and other companies' content and online sales of original products while reducing sales promotion and advertising expenses. Despite this, a significant operating loss was recorded.

In November 2020, visitor numbers to Harmonyland in Oita Prefecture recovered to 87% of the previous November’s figure, but the impact of the declaration of a state of emergency in neighboring prefectures and other factors led fourth-quarter visitor number to fall by 10,000, or 17.2%, year-on-year to 48,000 and 252,000, or 58.8%, to 176,000 for the year as a whole. With the park celebrating its 30th anniversary in April 2021, we will strive to recover visitor numbers while paying attention to preventing infection.

Note: Sanrio Puroland closed temporarily from February 22 to July 12, 2020, and Harmonyland from February 22 to June 7, 2020.

ii. Europe: Sales fell 17.6% year-on-year to 1.2 billion yen and operating loss stood at 0.3 billion yen, an improvement of 0.2 billion yen.

Lockdowns caused by the impact of COVID-19 led to a series school closures, and the decline in licensees for school supplies and other products had a significant impact. Meanwhile, contributions from a global-scale collaboration with a major Spanish apparel manufacturer and a collaboration with a French luxury brand kept the year-on-year fall relatively small.

Mr. Men and Little Miss performed well in the important publishing license category. Additionally, a permanent store opened in Hong Kong selling smartphone cases, earrings, and other items.

iii. North America: Sales fell 18.1% year-on-year to 2.1 billion yen and operating loss stood at 1.1 billion yen, a fall of 41 million yen.

The licensing business was affected by non-renewal of contracts with major consumer goods manufacturers, and was unable to compensate for the absence of the large-scale collaborations connected to the 45th anniversary of Hello Kitty in the previous fiscal year.

The product sales business struggled due to the impact of store closures caused by the spread of COVID-19, but the e-commerce business continued to grow. In November, we entered into an alliance with a major e-commerce

company and are also endeavoring to increase the number of products handled.

iv. Latin America: Sales fell 39.4% year-on-year to 0.3 billion yen and operating profit fell 62.2% year-on-year to 7 million yen.

In the Latin American region, while initiatives with businesses that mainly handle sanitary products proved popular, the explosive growth of COVID-19 caused hardship for many of our customers. Inventory increased due to the closure of retail stores, and overall sales trended downward. The Company has also been affected by foreign exchange losses due to the ongoing depreciation of the real from February 2020.

v. Asia: Sales fell 23.4% year-on-year to 5.8 billion yen and operating profit fell 31.9% to 1.9 billion yen.

In Hong Kong and Macau, mall decorations and other areas struggled. Although sales of daily necessities trended upward, a sales slump due to shortened operations and closures among our major customers has had a significant impact. The difficult situation also persisted in Southeast Asia as our largest partner, a department store in Thailand, temporarily closed its doors.

In Taiwan, COVID-19 was successfully suppressed, and the Company was able to acquire promotion projects with convenience and department stores. On the other hand, the temporary cessation of development by a major customer that manufactures in China and other factors led to difficulties with product licensing.

In South Korea, strong sales to major customers who use TV shopping as their main sales channel were unable to fully compensate for the impact of COVID-19 on other customers. Collaborations with game applications performed as well as ever, and we are continuing with initiatives in this area. Sales of stamps for messaging applications are also growing.

In China, the impact of COVID-19 led to a difficult campaign in the accessories, school supplies, and toys categories. However, a large-scale collaboration with a major sporting goods manufacturer and strong sales in the health & beauty category helped keep the year-on-year decline relatively small.

Reference: Sales and operating profit by overseas subsidiaries (local currency basis: unconsolidated figures before consolidation eliminations)

(Unit: thousand)	Sales			Operating profit
	Royalties	Product sales	Total	
Germany (EUR)	7,064	120	7,184	(1,432)
Year-on-year change (%)	(19.3)	136.6	(18.4)	-
UK (GBP)	3,238	196	3,435	(740)
Year-on-year change (%)	(13.7)	(38.0)	(15.6)	-
North America (USD)	9,819	10,366	20,185	(10,946)
Year-on-year change (%)	(34.7)	16.6	(15.6)	-
Brazil (BRL)	14,177	843	15,021	360
Year-on-year change (%)	(20.8)	104.1	(18.0)	(45.9)
Chile (CLP)	-	4,710	4,710	(1,792)
Year-on-year change (%)	-	(57.9)	(57.9)	-
Hong Kong (HKD)	93,849	35,468	129,318	32,100
Year-on-year change (%)	(20.1)	(40.3)	(26.9)	(42.3)
Taiwan (NTD)	274,525	22,015	296,541	84,731
Year-on-year change (%)	(8.7)	(34.5)	(11.3)	(19.1)
South Korea (KRW)	4,743,867	343,731	5,087,599	219,365
Year-on-year change (%)	(23.4)	(7.8)	(22.5)	(70.9)
China (CNY)	157,485	65,576	223,062	75,269
Year-on-year change (%)	(18.0)	(33.6)	(23.3)	(23.6)

Note: The table shows figures before category adjustment for the handling of other regions included in each subsidiary. There is no connection with the figures and currency conversions for previously mentioned regional segments and exchanges.

Reference: Overseas sales and profits for the past three years by area (Millions of yen)

Areas		Sales to customers					Operating profit				
		FY2018	FY2019	Change (%)	FY2020	Change (%)	FY2018	FY2019	Change (%)	FY2020	Change (%)
Europe	Germany	1,366	1,063	(22.2)	857	(19.4)	(192)	(439)	-	(174)	-
	UK	397	396	(0.3)	346	(12.7)	(206)	(113)	-	(130)	-
	Subtotal	1,764	1,459	(17.3)	1,203	(17.6)	(398)	(553)	-	(305)	-
North America	USA	2,661	2,607	(2.0)	2,136	(18.1)	(1,082)	(1,126)	-	(1,167)	-
Latin America	Brazil/Chile	561	504	(10.1)	305	(39.4)	16	19	14.0	7	(62.2)
Asia	Hong Kong	2,952	2,531	(14.3)	1,767	(30.2)	1,173	874	(25.5)	470	(46.2)
	Taiwan	1,356	1,087	(19.9)	1,019	(6.3)	444	371	(16.4)	306	(17.5)
	South Korea	824	617	(25.1)	457	(25.9)	167	71	(57.3)	19	(72.1)
	China	3,809	3,369	(11.6)	2,580	(23.4)	1,765	1,560	(11.6)	1,162	(25.5)
	Subtotal	8,943	7,605	(15.0)	5,825	(23.4)	3,551	2,878	(18.9)	1,959	(31.9)
Total		13,930	12,177	(12.6)	9,470	(22.2)	2,087	1,217	(41.7)	493	(59.5)

(2) Financial Position

(100 millions of yen)

	As of Mar. 31, 2020	As of Mar. 31, 2021	Increase/decrease	As of Sep. 30, 2020
Assets	895	850	(44)	954
Liabilities	431	477	46	542
(Interest-bearing debt)	201	278	76	329
Net assets	463	372	(91)	412
Equity ratio	51.5%	43.7%	(7.8) pt	43.0%

* Interest-bearing debt excludes lease obligations.

At the end of the current fiscal year, total assets stood at 85.0 billion yen, a decrease of 4.4 billion yen from the end of the previous fiscal year. The main increase was 2.5 billion yen in investment securities, and the main decreases were 3.1 billion yen in cash and deposit, 0.9 billion yen in trade notes and accounts receivable and 2.5 billion yen in deferred tax assets.

Liabilities increased 4.6 billion yen from the end of the previous fiscal year to 47.7 billion yen. The main increase was 7.6 billion yen in interest-bearing debt and the main decrease was 2.7 billion yen in retirement benefit liability. Net assets decreased 9.1 billion yen to 37.2 billion yen. The main increases were 1.1 billion yen in net unrealized gain (loss) on other securities and 2.4 billion yen in remeasurements of defined benefit plans. In addition, there were a net loss attributable to owners of parent of 3.9 billion yen, a 5.6 billion yen fall in retained earnings due to dividend payment of 1.6 billion yen, and the acquisition of 5.9 billion yen in treasury stock as announced in the timely disclosure of November 5, 2020. As a result, the equity ratio was 43.7%, down 7.8 percentage points from the end of the previous fiscal year.

(3) Cash Flows

(100 millions of yen)

	FY2019	FY2020	Increase/decrease
Cash flows from operating activities	8	(22)	(31)
Cash flows from investing activities	(36)	70	106
Cash flows from financing activities	(49)	(8)	41
Effect of exchange rate changes on cash and cash equivalents	(4)	(0)	3
Increase (decrease) in cash and cash equivalents	(82)	37	120
Cash and cash equivalents at beginning of year	292	210	(82)
Cash and cash equivalents at end of year	210	247	37

Cash and cash equivalents at the end of the current fiscal year increased 3.7 billion yen from the end of the previous fiscal year to 24.7 billion yen.

Cash flows from operating activities resulted in a use of 2.2 billion yen (a provision of 0.8 billion yen a year earlier). This was mainly attributable to depreciation of 1.7 billion yen (a year-on-year decrease of 0.3 billion yen), a 1.0 billion yen decrease in accounts receivable (a year-on-year increase of 0.2 billion yen). On the other hand, there were a net loss before income taxes of 2.6 billion yen (net profit of 1.2 billion yen a year earlier), a 0.7 billion yen decrease in accounts payable (a year-on-year increase of 0.2 billion yen), and income taxes paid of 1.0 billion yen (a year-on-year decrease of 0.3 billion yen).

Cash flows from investing activities amounted to a provision of 7.0 billion yen (a use of 3.6 billion yen a year earlier). This was mainly attributable to net proceeds of 6.5 billion yen for increased time deposits (net payments of 3.8 billion yen a year earlier) and proceeds of 1.0 billion yen from distributions from investment partnerships (a year-on-year increase of 0.7 billion yen), while there were net payments of 0.7 billion yen for purchase and sale of tangible fixed assets (a year-on-year increase of 0.3 billion yen).

Cash flows from financing activities resulted in a use of 0.8 billion yen (a year-on-year decrease of 4.1 billion yen). This was mainly attributable to the payment of 6.0 billion yen (a year-on-year increase of 0.4 billion yen) for the purchase of treasury stock and dividends paid of 1.6 billion yen (a year-on-year decrease of 0.8 billion yen), while there were net proceeds of 9.2 billion yen from short-term and long-term borrowings (a year-on-year increase of 8.0 billion yen).

Reference: The trend of cash flow-related indicators

	FY2016	FY2017	FY2018	FY2019	FY2020
Equity ratio (%)	52.2	53.4	54.7	51.5	43.7
Equity ratio, at market value (%)	171.3	166.9	235.4	134.7	166.1
Interest-bearing debt to cash flow ratio (%)	296.2	509.6	411.3	2,415.8	-
Interest coverage ratio (times)	34.5	24.3	47.3	8.9	-

Notes: Equity ratio: Shareholders' equity / Total assets
Equity ratio, at market value: Market capitalization / Total assets
Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows
Interest coverage ratio: Operating cash flows (excluding interest payment) / Interest payment

* All indicators are calculated from consolidated financial data.
* Market capitalization is calculated by multiplying the term-end listed stock price with the term-end number of shares outstanding (excluding treasury stock).
* Cash flows use cash flows from operating activities stated on the consolidated cash flow statements.
* Interest-bearing debt is a sum of all interest-bearing debt stated on the consolidated balance sheets (excluding lease obligations).
* Interest payment uses the amount of interest paid stated on the consolidated cash flow statements.
* Interest-bearing debt to cash flow ratio and interest coverage ratio are not presented for FY2020 because operating cash flows were negative.

(4) Outlook

Regarding the outlook for the future, the COVID-19 situation has currently reached the point where a third state of emergency has been declared due to the spread of mutated strains and other factors, creating a situation where the timescale for a complete resolution cannot be predicted. However, we believe that the start of vaccinations will gradually bring about an end to the situation, and accordingly we are disclosing our consolidated business forecast for the fiscal year ending March 31, 2022, based on the assumption that the domestic economy will be on a recovery track.

(5) Medium-term Management Plan

The Company has formulated a three-year medium-term management plan concluding in the fiscal year ending March 31, 2024, which will be announced on TDnet and the Company's website on Tuesday, May 25, 2021. The three pillars of this plan are organizational climate reform, initiation and fulfillment of domestic and overseas structural reforms, and sowing the seeds for re-growth strategies and growth markets. We intend to fulfill this plan through radically restructuring our organization.

(6) Basic Policy Regarding Profit Distribution and Dividends for FY2020 and FY2021

The Company considers distributing earnings to shareholders to be one of the Sanrio Group's highest priorities. However, the stagnation of economic activity due to the impact of the COVID-19 pandemic and the loss of demand from tourists visiting from abroad resulted in a net loss attributable to shareholders of the parent of 3.9 billion yen for the current fiscal year, and we regret to announce that no dividend will be forthcoming. We would like to express our deepest apologies to our shareholders.

Concerning dividends for the next fiscal year, the Company will implement all measures necessary for our business performance to recover. We plan to allocate an annual dividend of 16 yen per share in two installments of eight yen each, payable at the end of the second and fourth quarters. We will strive to improve income and expenditure with the goal of increasing the dividend at the end of the fiscal year, and we ask for your continued support.

2. Basic Approach for the Selection of Accounting Standards

The Sanrio Group will continue to prepare consolidated financial statements based on generally accepted accounting principles in Japan. We are examining systems and schedule with regard to the application of International Financial Reporting Standards (IFRS) in the future.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	FY2019 (As of Mar. 31, 2020)	FY2020 (As of Mar. 31, 2021)
Assets		
Current assets		
Cash and deposit	40,053	36,876
Trade notes and accounts receivable	6,211	5,269
Merchandise and finished goods	4,589	4,383
Work in process	22	10
Raw materials and supplies	243	213
Other accounts receivable	1,683	1,631
Other	1,078	637
Allowance for doubtful accounts	(102)	(85)
Total current assets	53,780	48,937
Fixed assets		
Tangible fixed assets		
Buildings and structures	51,107	51,170
Accumulated depreciation and impairment loss	(45,801)	(46,539)
Buildings and structures, net	5,306	4,631
Machinery and vehicles	12,968	13,006
Accumulated depreciation and impairment loss	(12,656)	(12,705)
Machinery and vehicles, net	312	300
Tools, furniture and fixtures	5,563	5,649
Accumulated depreciation and impairment loss	(5,048)	(5,249)
Tools, furniture and fixtures, net	514	399
Land	7,825	7,831
Lease assets	3,357	4,311
Accumulated depreciation and impairment loss	(1,431)	(1,380)
Lease assets, net	1,925	2,930
Construction in process	5	4
Total tangible fixed assets	15,890	16,098
Intangible fixed assets	2,474	2,216
Investments and other assets		
Investment securities	9,062	11,649
Long-term loans to employees	144	114
Guarantees	1,728	1,722
Deferred tax assets	2,956	364
Retirement benefit asset	898	1,812
Other	3,080	2,557
Allowance for doubtful accounts	(531)	(454)
Total investments and other assets	17,339	17,766
Total fixed assets	35,704	36,081
Deferred assets		
Corporate bond issuance costs	30	21
Total deferred assets	30	21
Total assets	89,515	85,040

(Millions of yen)

	FY2019 (As of Mar. 31, 2020)	FY2020 (As of Mar. 31, 2021)
Liabilities		
Current liabilities		
Trade notes and accounts payable	3,964	3,180
Short-term borrowings	8,089	17,030
Current portion of corporate bonds to be redeemed	1,686	512
Lease obligations	656	752
Accrued income taxes	425	486
Allowance for bonuses	479	421
Reserve for adjustment of returned goods	25	8
Provision for shareholder benefit program	45	38
Provision for point card certificates	71	118
Other	7,152	6,786
Total current liabilities	22,595	29,336
Long-term liabilities		
Corporate bonds	1,347	935
Long-term borrowings	9,048	9,382
Lease obligations	1,395	2,351
Long-term deposits received	638	620
Long-term accounts payable	1,334	1,142
Retirement benefit liability	5,883	3,091
Other	885	893
Total long-term liabilities	20,532	18,417
Total liabilities	43,127	47,754
Net assets		
Shareholders' equity		
Capital	10,000	10,000
Capital surplus	3,409	3,409
Retained earnings	52,818	47,179
Treasury stock	(13,762)	(19,762)
Total shareholder's equity	52,466	40,827
Accumulated other comprehensive income		
Net unrealized gain (loss) on other securities	(995)	139
Deferred hedge gain (loss)	(0)	-
Foreign currency translation adjustments	(2,494)	(3,320)
Remeasurements of defined benefit plans	(2,914)	(490)
Total accumulated other comprehensive income	(6,405)	(3,671)
Non-controlling interests	326	130
Total net assets	46,387	37,285
Total liabilities and net assets	89,515	85,040

(2) Consolidated Income Statements and Consolidated Comprehensive Income Statements

Consolidated Income Statements

(Millions of yen)

	FY2019 (Apr. 1, 2019 – Mar. 31, 2020)	FY2020 (Apr. 1, 2020 – Mar. 31, 2021)
Sales	55,261	41,053
Cost of sales	20,222	15,779
Gross profit	35,039	25,273
Provision for sales returns	22	-
Reversal of provision for sales returns	-	17
Net gross profit on sales	35,017	25,290
Selling, general and administrative expenses		
Sales and promotion expenses	2,845	1,875
Provision of allowance for doubtful accounts	(109)	113
Directors bonuses and salaries	7,641	7,280
Miscellaneous wages	3,166	2,441
Bonus	961	834
Provision of reserves for bonuses	464	405
Provision for shareholder benefit program	16	(15)
Provision for point card certificates	(15)	43
Retirement benefit expenses	1,972	1,792
Freight charges	990	1,066
Rent	2,676	2,368
Depreciation	1,230	885
Other	11,070	9,478
Total selling, general and administrative expenses	32,910	28,570
Operating profit (loss)	2,106	(3,280)
Non-operating profit		
Interest income	557	412
Dividend income	213	200
Gain on valuation of investment securities	-	286
Gain on investments in partnership	277	919
Compensation for expropriation	167	-
Subsidies for employment adjustment	-	140
Other	264	423
Total non-operating profit	1,480	2,382
Non-operating expenses		
Interest expense	107	131
Foreign exchange loss	74	301
Commission expenses	106	123
Settlement package	-	141
Other	23	135
Total non-operating expenses	311	833
Ordinary profit (loss)	3,274	(1,731)
Extraordinary gains		
Gain on sales of fixed assets	122	-
Gain on sales of investment securities	397	528
Subsidies for employment adjustment	-	487
Total extraordinary gains	519	1,015

(Millions of yen)

	FY2019 (Apr. 1, 2019 – Mar. 31, 2020)	FY2020 (Apr. 1, 2020 – Mar. 31, 2021)
Extraordinary losses		
Loss on disposal of fixed assets	87	17
Impairment loss	129	470
Loss on sale of investment securities	218	51
Loss on valuation of investment securities	721	11
Business restructuring expenses	48	35
Loss related to competition law	760	-
Loss from the temporary closure of theme parks, etc.	562	1,370
Other	-	2
Total extraordinary losses	2,528	1,960
Net profit (loss) before income taxes	1,266	(2,676)
Income taxes – current	747	1,155
Refund of income taxes	-	(820)
Income taxes – deferred	286	931
Total income taxes	1,033	1,267
Net profit (loss)	233	(3,943)
Net profit attributable to non-controlling interests	41	16
Net profit (loss) attributable to owners of parent	191	(3,960)

Consolidated Comprehensive Income Statements

(Millions of yen)

	FY2019 (Apr. 1, 2019 – Mar. 31, 2020)	FY2020 (Apr. 1, 2020 – Mar. 31, 2021)
Net profit (loss)	233	(3,943)
Other comprehensive income		
Net unrealized gain (loss) on other securities	(763)	1,135
Deferred hedge gain (loss)	0	0
Foreign currency translation adjustments	(710)	(841)
Remeasurements of defined benefit plans, net of tax	(280)	2,424
Total other comprehensive income	(1,754)	2,717
Comprehensive income	(1,521)	(1,225)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,560)	(1,226)
Comprehensive income attributable to non-controlling interests	39	0

(3) Consolidated Statements of Changes in Shareholders' Equity

FY2019 (Apr. 1, 2019 – Mar. 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	10,000	3,409	55,114	(11,762)	56,762
Cumulative effects of changes in accounting policies			58		58
Restated balance	10,000	3,409	55,172	(11,762)	56,820
Changes during period					
Dividends of surplus			(2,545)		(2,545)
Net profit attributable to owners of parent			191		191
Purchase of treasury stock				(1,999)	(1,999)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(2,353)	(1,999)	(4,353)
Balance at end of period	10,000	3,409	52,818	(13,762)	52,466

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gain (loss) on other securities	Deferred hedge gain (loss)	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(231)	(0)	(1,786)	(2,634)	(4,652)	287	52,396
Cumulative effects of changes in accounting policies							58
Restated balance	(231)	(0)	(1,786)	(2,634)	(4,652)	287	52,454
Changes during period							
Dividends of surplus							(2,545)
Net profit attributable to owners of parent							191
Purchase of treasury stock							(1,999)
Net changes in items other than shareholders' equity	(763)	0	(708)	(280)	(1,752)	39	(1,713)
Total changes during period	(763)	0	(708)	(280)	(1,752)	39	(6,067)
Balance at end of period	(995)	(0)	(2,494)	(2,914)	(6,405)	326	46,387

FY2020 (Apr. 1, 2020 – Mar. 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	10,000	3,409	52,818	(13,762)	52,466
Changes during period					
Dividends of surplus			(1,678)		(1,678)
Net loss attributable to owners of parent			(3,960)		(3,960)
Purchase of treasury stock				(6,000)	(6,000)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(5,639)	(6,000)	(11,639)
Balance at end of period	10,000	3,409	47,179	(19,762)	40,827

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gain (loss) on other securities	Deferred hedge gain (loss)	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(995)	(0)	(2,494)	(2,914)	(6,405)	326	46,387
Changes during period							
Dividends of surplus							(1,678)
Net loss attributable to owners of parent							(3,960)
Purchase of treasury stock							(6,000)
Net changes in items other than shareholders' equity	1,135	0	(825)	2,424	2,733	(195)	2,537
Total changes during period	1,135	0	(825)	2,424	2,733	(195)	(9,101)
Balance at end of period	139	-	(3,320)	(490)	(3,671)	130	37,285

(4) Consolidated Cash Flow Statements

(Millions of yen)

	FY2019 (Apr. 1, 2019 – Mar. 31, 2020)	FY2020 (Apr. 1, 2020 – Mar. 31, 2021)
Cash flows from operating activities		
Net profit (loss) before income taxes	1,266	(2,676)
Depreciation	2,115	1,792
Amortization of long-term prepaid expenses	70	54
Increase (decrease) in allowance for doubtful accounts	(551)	(74)
Increase (decrease) in provision for business restructuring	(244)	-
Increase (decrease) in reserve for bonuses	(15)	(58)
Decrease (increase) in retirement benefit asset	(417)	(428)
Increase (decrease) in retirement benefit liability	(148)	370
Increase (decrease) in reserve for adjustment of returned goods	22	(17)
Increase (decrease) in provision for shareholder benefit program	15	(6)
Increase (decrease) in provision for point card certificates	(15)	47
Interest and dividend income	(770)	(613)
Interest expense	107	131
Loss (gain) on disposal of fixed assets	(34)	17
Impairment loss	129	470
Loss (gain) on sale of investment securities	(179)	(476)
Valuation loss (gain) on investment securities	721	(274)
Loss related to competition law	760	-
Decrease (increase) in accounts receivable	822	1,023
Decrease (increase) in inventories	(435)	222
Decrease (increase) in other assets	164	(22)
Increase (decrease) in accounts payable	(462)	(752)
Increase (decrease) in consumption tax payable	72	(291)
Increase (decrease) in other liabilities	(506)	230
Other	(170)	(787)
Subtotal	2,315	(2,118)
Interests and dividends received	781	618
Interests paid	(105)	(134)
Payments related to competition law	(760)	-
Income taxes paid	(1,396)	(1,082)
Income taxes refund	-	429
Cash flows from operating activities	834	(2,287)

(Millions of yen)

	FY2019 (Apr. 1, 2019 – Mar. 31, 2020)	FY2020 (Apr. 1, 2020 – Mar. 31, 2021)
Cash flows from investing activities		
Payments for time deposits	(35,860)	(29,121)
Withdrawal of time deposits	32,018	35,720
Purchase of tangible fixed assets	(1,091)	(723)
Proceeds from sale of tangible fixed assets	752	1
Purchase of intangible fixed assets	(343)	(330)
Proceeds from sale of intangible fixed assets	0	734
Payments for purchase of investment securities	(1,505)	(2,978)
Proceeds from sale of investment securities	2,276	3,107
Proceeds from distributions from investment partnerships	328	1,091
Payment for purchase of shares of unconsolidated subsidiaries	-	(451)
Payments for loans receivable	(150)	-
Collection of loans receivable	49	29
Payments for guarantees	(56)	(54)
Collection of guarantees	194	41
Other	(236)	(60)
Cash flows from investing activities	(3,624)	7,007
Cash flows from financing activities		
Increase in short-term borrowings	-	8,000
Decrease in short-term borrowings	(40)	(610)
Increase in long-term borrowings	7,800	10,100
Decrease in long-term borrowings	(6,519)	(8,214)
Proceeds from issuance of corporate bonds	685	98
Payment for redemption of corporate bonds	(1,795)	(1,686)
Payment for purchase of treasury stock	(1,999)	(6,000)
Dividends paid	(2,556)	(1,688)
Other	(568)	(861)
Cash flows from financing activities	(4,993)	(862)
Effect of exchange rate changes on cash and cash equivalents	(463)	(81)
Increase (decrease) in cash and cash equivalents	(8,246)	3,776
Cash and cash equivalents at beginning of period	29,258	21,011
Cash and cash equivalents at end of period	21,011	24,788

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Additional Information

Effect of COVID-19 on Accounting Estimates

With the spread of COVID-19, the Sanrio Group suffered severe conditions including the obligation to reduce store opening hours and suspend business in accordance with regulations and appeals for self-restraint from national and local governments in each country. Since then, stores and other facilities have successively reopened for business following the later relaxation of these restrictions. However, we anticipate a slump in consumption and fall in demand for licenses in Japan and overseas accompanying the resurgence of COVID-19 in various countries and the reissuing of emergency declarations in Japan.

In preparing the consolidated financial statements, based on external sources and other information, and assuming that demand will gradually recover over a certain period during the next fiscal year while the impact of COVID-19 will continue to be felt, the Group has made accounting estimates related to the impairment of fixed assets and determination of the recoverability of deferred tax assets.

Although the Group makes the best estimates based on information available at the time of preparing the consolidated financial statements, uncertainty remains due to the nature of the assumptions used in the estimation. Accordingly, the Group's financial condition and operating results may be affected if and when COVID-19 comes to an end and its impact on the economic environment changes.

Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System

With regard to the transition to the group tax sharing system that was established by the "Act for Partial Revision of the Income Tax Act, etc." (Act No. 8 of 2020) and the non-consolidated tax system items that were revised by this act, the Company and certain domestic consolidated subsidiaries have not applied "Guidance on Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Guidance No. 28, February 16, 2018) Article 44 pursuant to "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ Practical Issues Task Force (PITF) No. 39, March 31, 2020) Article 3. Consequently, deferred tax assets and deferred tax liabilities are based on the tax law before the revision.

Segment and Other Information

Segment Information

1. Overview of reportable segment

Segments used for financial reporting are the Sanrio Group's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Group is engaged primarily in the social communication gifts business, which involves the planning and sale of social communication gift products and character licensing operations, and the theme parks business. The Company and its domestic consolidated subsidiaries conduct business operations in Japan and overseas consolidated subsidiaries in each region conduct business operations in Europe (mainly Italy, France, Spain, Germany and the U.K.), North America (mainly the United States), Latin America (mainly Brazil, Chile, Peru and Mexico) and Asia (mainly Hong Kong, Taiwan, South Korea and China). The Company and each consolidated subsidiary are independent operating units that establish comprehensive strategies concerning their products and other aspects of operations and conduct business operations based on those strategies.

As a result, there are five reportable segments based on the structure of sales activities by geographical segments: Japan, Europe, North America, Latin America and Asia.

2. Calculation method for sales, profit or loss, assets, liabilities and other items for each reportable segment

The accounting methods used for reportable business segments generally accords with those used for the preparation of consolidated financial statements. Profits for reportable segments are operating profit. Profits and transfer sums for inter-segment transactions within the Group are based on market prices.

3. Information related to sales, profit or loss, assets, liabilities and other items for each reportable segment

FY2019 (Apr. 1, 2019 – Mar. 31, 2020) (Millions of yen)

	Reportable segment						Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Japan	Europe	North America	Latin America	Asia	Total		
Sales								
Customers	43,084	1,459	2,607	504	7,605	55,261	-	55,261
(Royalty income)	(9,178)	(1,455)	(1,645)	(496)	(6,457)	(19,232)	(-)	(19,232)
Inter-segment	4,362	24	9	5	1,376	5,778	(5,778)	-
(Royalty income)	(4,108)	(22)	(-)	(-)	(0)	(4,130)	((4,130))	(-)
Total	47,447	1,484	2,617	509	8,981	61,040	(5,778)	55,261
Segment profit (loss)	1,716	(553)	(1,126)	19	2,878	2,933	(827)	2,106
Segment assets	49,244	10,069	5,865	2,101	23,120	90,401	(886)	89,515
Other items								
Depreciation	1,666	234	74	13	196	2,185	1	2,186
Increase in tangible and intangible fixed assets	1,732	188	131	0	541	2,594	-	2,594

Notes: 1. Adjustments are as follows.

(1) The minus 827 million yen adjustment to segment profit (loss) is the sum of eliminations for inter-segment transactions and unallocated operating expenses that are mostly general and administrative expenses that cannot be assigned to any particular segment.

(2) The minus 886 million yen adjustment to segment assets is the sum of eliminations for inter-segment transactions and corporate assets which belong to administration department of the Company.

(3) The 1 million yen adjustment to depreciation is the depreciation related to corporate assets.

2. Segment profit (loss) is adjusted to be consistent with operating profit shown on the consolidated income statements.

3. Depreciation includes amortization of long-term prepaid expenses.

FY2020 (Apr. 1, 2020 – Mar. 31, 2021) (Millions of yen)

	Reportable segment						Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Japan	Europe	North America	Latin America	Asia	Total		
Sales								
Customers	31,582	1,203	2,136	305	5,825	41,053	-	41,053
(Royalty income)	(7,928)	(1,183)	(1,047)	(293)	(5,256)	(15,709)	(-)	(15,709)
Inter-segment	3,357	22	17	6	1,023	4,426	(4,426)	-
(Royalty income)	(3,182)	(13)	(-)	(-)	(0)	(3,196)	((3,196))	(-)
Total	34,940	1,225	2,153	311	6,848	45,479	(4,426)	41,053
Segment profit (loss)	(2,938)	(305)	(1,167)	7	1,959	(2,445)	(834)	(3,280)
Segment assets	55,180	7,331	5,849	1,363	16,116	85,841	(801)	85,040
Other items								
Depreciation	1,329	243	64	8	194	1,841	5	1,847
Increase in tangible and intangible fixed assets	2,229	47	164	0	163	2,606	26	2,632

Notes: 1. Adjustments are as follows.
(1) The minus 834 million yen adjustment to segment profit (loss) is the sum of eliminations for inter-segment transactions and unallocated operating expenses that are mostly general and administrative expenses that cannot be assigned to any particular segment.
(2) The minus 801 million yen adjustment to segment assets is the sum of eliminations for inter-segment transactions and corporate assets which belong to administration department of the Company.
(3) The 5 million yen adjustment to depreciation is the depreciation related to corporate assets.
2. Segment profit (loss) is adjusted to be consistent with operating loss shown on the consolidated income statements.
3. Depreciation includes amortization of long-term prepaid expenses.

Related Information

FY2019 (Apr. 1, 2019 – Mar. 31, 2020)

1. Information by product or service (Millions of yen)

	Social communication gifts	Theme parks	Other	Total
Sales to customers	45,317	8,616	1,328	55,261

2. Information by region

(1) Sales (Millions of yen)

Japan	Europe	North America	Asia	Other	Total
41,998	1,482	2,660	8,615	504	55,261

Note: Sales are based on the location of the client and categorized by country or region.

(2) Tangible fixed assets (Millions of yen)

Japan	Europe	North America	Latin America	Asia	Other	Total
14,248	851	234	131	426	(2)	15,890

3. Information about specific customers

Omitted because no single external customer accounts for 10% or more of sales as shown on the consolidated income statements.

FY2020 (Apr. 1, 2020 – Mar. 31, 2021)

1. Information by product or service

(Millions of yen)

	Social communication gifts	Theme parks	Other	Total
Sales to customers	36,938	3,513	601	41,053

2. Information by region

(1) Sales

(Millions of yen)

Japan	Europe	North America	Asia	Other	Total
30,730	1,214	2,178	6,624	305	41,053

Note: Sales are based on the location of the client and categorized by country or region.

(2) Tangible fixed assets

(Millions of yen)

Japan	Europe	North America	Latin America	Asia	Other	Total
14,767	771	49	82	405	23	16,098

3. Information about specific customers

Omitted because no single external customer accounts for 10% or more of sales as shown on the consolidated income statements.

Information related to impairment loss of fixed assets for each reportable segment

FY2019 (Apr. 1, 2019 – Mar. 31, 2020)

Impairment loss of 70 million yen on store assets and idle assets was recorded in the “Japan” segment. Impairment loss of 59 million yen on office facilities was recorded in the “North America” segment.

FY2020 (Apr. 1, 2020 – Mar. 31, 2021)

Impairment loss of 197 million yen on store assets and idle assets was recorded in the “Japan” segment. Impairment loss of 272 million yen on office facilities was recorded in the “North America” segment.

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY2019 (Apr. 1, 2019 – Mar. 31, 2020)

Not applicable.

FY2020 (Apr. 1, 2020 – Mar. 31, 2021)

Not applicable.

Per Share Information

(Yen)

FY2019 (Apr. 1, 2019 – Mar. 31, 2020)		FY2020 (Apr. 1, 2020 – Mar. 31, 2021)	
Net assets per share	548.78	Net assets per share	461.32
Net profit per share	2.26	Net loss per share	(47.93)

Notes: 1. Fully-diluted net profit per share is not stated because dilutive shares do not exist.

2. Basis for calculating net assets per share is as shown below.

	FY2019 (As of Mar. 31, 2020)	FY2020 (As of Mar. 31, 2021)
Total net assets on the consolidated balance sheets (million yen)	46,387	37,285
Net assets associated with common stock shares (million yen)	46,060	37,155
Breakdown of differences		
Non-controlling interests (million yen)	326	130
Number of common stock shares outstanding (thousand shares)	89,065	89,065
Number of shares of treasury common stock (thousand shares)	5,131	8,523
Number of common stock shares used in calculation of net assets per share (thousand shares)	83,933	80,541

3. Basis for calculating net profit (loss) per share and fully-diluted net profit per share is as shown below.

	FY2019 (Apr. 1, 2019 – Mar. 31, 2020)	FY2020 (Apr. 1, 2020 – Mar. 31, 2021)
Net profit (loss) per share		
Net profit (loss) attributable to owners of parent (million yen)	191	(3,960)
Amount not returned to common stock shareholders (million yen)	-	-
Net profit (loss) attributable to owners of parent applicable to common stock (million yen)	191	(3,960)
Average number of common stock shares outstanding (thousand shares)	84,640	82,628

Note: Fully-diluted net profit per share is not stated because dilutive shares do not exist.

Subsequent Events

Sale of Fixed Assets

The Company's Board of Directors approved a resolution on March 12, 2021 to sell fixed assets and concluded a sales agreement on March 26, 2021. The sale of fixed assets was completed on April 20, 2021.

1. Reason for sale

The Company has decided to sell fixed assets for an effective use of its management resources and improvement and enhancement of its financial conditions.

2. Assets to be sold

Location:	Oyamagaoka 2-chome, Machida City, Tokyo, others
Description:	Land (16,914 square meters) and building (19,499.01 square meters)
Current state:	Office and warehouse

3. Purchaser

The purchaser is a general business corporation, but due to the confidentiality agreement with the purchaser, the Company will not disclose the information.

Although there is a business relationship between the Sanrio Group and the purchaser, there is no capital or personal relationships. The purchaser is not a related party of the Sanrio Group. In addition, the Company has confirmed that the purchaser has no relationship with antisocial forces.

4. Impact of the sale on profit or loss of the Company

Due to this sale, the gain on sales of fixed assets of approximately 3,855 million yen will be recorded as extraordinary gains in the first quarter of the fiscal year ending March 31, 2022.

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