



Nov 1, 2024

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Notice Regarding Differences Between Consolidated Forecasts and Results of Operations for the First Half of the Fiscal Year Ending March 31, 2025 and Revisions to Full-year Forecasts

Differences existed between the consolidated earnings forecasts announced on August 2, 2024 by Sanrio Company, Ltd. (the "Company") for the first half of the fiscal year ending March 31, 2025, and the actual financial results announced today. The Company also announced revisions to its consolidated earnings forecasts for the fiscal year ending March 31, 2025.

1. Differences Between Consolidated Earnings Forecasts and Financial Results for the First Half of the Fiscal Year Ending March 31, 2025 (April 1, 2024 to September 30, 2024)

	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 Aug 2, 2024	57,000	18,300	19,800	16,100	68.17
Results (B)	62,807	23,591	24,196	19,076	80.77
Differences (B-A)	5,807	5,291	4,396	2,976	—
Differences (%)	10.2	28.9	22.2	18.5	—
(Reference) Results for 1H of the Fiscal Year Ended 3/2024	43,930	13,307	14,201	10,506	43.42

Note: The Company conducted a 3-for-1 common stock split effective on April 1, 2024. Net profit per share is calculated as if this stock split had taken place at the beginning of the previous fiscal year.

2. Revisions to Forecasts for Full Year for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

	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 Aug 2, 2024	119,300	37,100	38,700	28,700	121.50
Revised Forecasts (B)	130,600	41,000	41,800	31,100	131.66
Differences (B-A)	11,300	3,900	3,100	2,400	—
Differences (%)	9.5	10.5	8.0	8.4	—
(Reference) Results for the Fiscal Year Ended 3/2024	99,981	26,952	28,265	17,584	73.08

Note: The Company conducted a 3-for-1 common stock split effective on April 1, 2024. Net profit per share is calculated as if this stock split had taken place at the beginning of the previous fiscal year.

3. Reasons for the Differences and Revisions

(1) Reasons for the Differences between the Consolidated Earnings Forecasts and Financial Results for the First Half

In the first half of the consolidated fiscal year, brick-and-mortar store and theme park sales exceeded our earnings forecasts thanks to the steady progress of various measures and a significant increase in numbers of both domestic customers and foreign tourists. Also, in the License business, strategic measures, such as development of products and services featuring a wide range of Sanrio characters, continued to be successful in Japan and overseas, and the royalty sales exceeded our forecast, driven primarily by our performance in North America and China. As a result, sales were 5.8 billion yen higher on a consolidated basis. Operating profit for the first half of the consolidated fiscal year was 5.2 billion yen higher due to factors such as progress against sales forecasts that substantially exceeded our forecast in Japan and overseas, an improvement in profitability resulting from a higher proportion of sales from the License business, and lower SG&A expenses than forecast. Ordinary profit was 4.3 billion yen higher, due mainly to higher operating profit. Net profit attributable to owners of parent was 2.9 billion yen higher due to higher ordinary profit.

(2) Reasons for revisions to forecasts for the full fiscal year ending on March 31, 2025

For the full year, as the interim consolidated results exceeded our forecasts, we have incorporated this into the full-year consolidated earnings forecast. In addition, from the third quarter and beyond, we expect continued strong sales, and have factored in an increase in planned SG&A expenses, resulting in a revision of the full-year consolidated earnings forecast.

The above forecasts are based on the information available to the Company at this point and on certain assumptions deemed reasonable, and are not a guarantee that such results will be achieved. Actual results may differ significantly due to a variety of factors.