

Fiscal Year ended 03/2020 Results Briefing



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Financial Results for Fiscal Year ended 03/2020



Summary of Income Statement

(y-o-y and comparison to revised forecast)

Our domestic business struggled as a result of the novel coronavirus outbreak. There are signs that the US market is bottoming out and the situation in Europe remains challenging. We are facing many unforeseen obstacles in Asia as well, such as strained US-China relations and demonstrations in Hong Kong.

[JPY million]

	FY03/2020 results	Comparison y-o-y			Comparison to revised forecast (Oct 31.)		
		FY03/2019 Results	Increase (Decrease)	Change y-o-y	Forecast	Increase (Decrease)	Progress
Sales	55,261	59,120	(3,858)	(6.5)	57,700	(2,438)	(4.2)
Operating profit	2,106	4,786	(2,679)	(56.0)	4,000	(1,893)	(47.3)
Ordinary profit	3,274	5,836	(2,561)	(43.9)	5,000	(1,725)	(34.5)
Net profit attributable to owners of parent	191	3,880	(3,688)	(95.1)	2,300	(2,108)	(91.7)



Income Statements (1H FY03/2015 - 1H FY03/2019)

[JPY million]

	2016.3		2017.3		2018.3		2019.3		2020.3	
	1H result	Full-year result	1H result	Full-year result	1H result	Full-year result	1H result	Full-year result	1H result	Full-year result
Sales	35,458	72,476	31,451	62,695	28,299	60,220	28,272	59,120	27,660	55,261
Ratio of royalties	42.8%	40.8%	38.9%	38.0%	37.1%	36.7%	36.7%	36.7%	34.2%	34.8%
Gross profit	24,171	47,306	20,552	40,470	18,500	38,718	18,341	37,871	17,877	35,017
Operating profit	7,177	12,675	3,887	6,904	2,401	5,734	2,158	4,786	1,374	2,106
Ordinary profit	7,262	13,178	3,729	7,255	2,664	6,020	2,730	5,836	2,039	3,274
Net income attributable to shareholders of parent company	5,402	9,609	3,804	6,475	1,935	4,928	1,516	3,880	326	191
Operating profit margin	20.2%	17.5%	12.4%	11.0%	8.5%	9.5%	7.6%	8.1%	5.0%	3.8%
Net profit margin	15.2%	13.3%	12.1%	10.3%	6.8%	8.2%	5.4%	9.9%	1.2%	0.3%

Exchange Rate

[JPY]

E U R	135.65	134.68	125.42	121.49	122.28	126.87	131.26	130.39	124.49	122.67
G B P	184.78	184.95	161.77	149.77	142.42	145.20	149.33	147.19	142.07	139.57
U S D	120.49	120.99	113.05	110.30	112.76	112.39	109.14	110.57	110.12	109.37
H K D	15.54	15.61	14.56	14.21	14.50	14.42	13.93	14.11	14.05	13.96
T W D	3.87	3.81	3.45	3.41	3.67	3.69	3.68	3.67	3.56	3.55
K R W	0.1098	0.1072	0.0961	0.0950	0.0986	0.0998	0.1014	0.1009	0.0966	0.0945
C N Y	19.36	19.21	17.22	16.56	16.42	16.64	17.05	16.69	16.22	15.85



FY03/2020 Income Statement (comparison y-o-y and vs. revised forecast)

[JPY million]

	FY03/2020 Results	Comparison y-o-y			Comparison to revised forecast (Oct.31)		
		FY03/2019 Results	Increase (Decrease)	Change y-o-y	Forecast	Increase (Decrease)	Change y-o-y
Sales	55,261	59,120	(3,858)	(6.5)	57,700	(2,438)	(4.2)
Gross profit	35,017	37,871	(2,853)	(7.5)	37,400	(2,382)	(6.4)
SG&A and administrative expenses	32,910	33,084	(174)	(0.5)	33,400	(489)	(1.5)
Operating profit	2,106	4,786	(2,679)	(56.0)	4,000	(1,893)	(47.3)
Non-operating profit	1,168	1,050	118	11.2	1,000	168	16.9
Ordinary profit	3,274	5,836	(2,561)	(43.9)	5,000	(1,725)	(34.5)
Extraordinary profit	(2,008)	234	(2,242)	—	(1,100)	(908)	—
Earnings before taxes	1,266	6,070	(4,804)	(79.1)	3,900	(2,633)	(67.5)
◆ Taxes and adjustments	1,033	2,141	(1,108)	(51.8)	1,600	(566)	(35.4)
Net profit attributable to owners of parent	191	3,880	(3,688)	(95.1)	2,300	(2,108)	(91.7)
Gross margin (%)	63.4	64.1	(0.7)		64.8	(1.4)	
Operating profit margin (%)	3.8	8.1	(4.3)		6.9	(3.1)	
Ordinary profit margin (%)	5.9	9.9	(4.0)		8.7	(2.8)	

Note: Figures are rounded down to the nearest 1 million yen. Percentages are rounded to the nearest tenth of a percent.

Ver. 1

Note: All information in this material is based on data as of June 12, 2020.





Balance Sheets from FY03/2016 to FY03/2020

[JPY : million]

		2016.3	2017.3	2018.3	2019.3	2020.3	
		End of FY	End of FY	End of FY	End of FY	End of 1H	End of FY
Assets	I. Current assets	57,757	56,295	57,871	56,387	59,742	53,780
	II. Noncurrent assets	48,006	44,967	40,368	38,768	37,438	35,704
	Property, plant and equipment	18,744	18,539	16,430	15,912	15,948	15,890
	Intangible assets	5,200	4,715	3,905	3,397	3,181	2,474
	Investments and other assets	24,060	21,711	20,033	19,458	18,307	17,339
	III. Deferred assets	62	49	33	29	36	30
	Total assets	105,826	101,312	98,274	95,185	97,217	89,515
Liabilities and net assets	I. Current liabilities	23,022	24,824	24,506	22,891	24,362	22,595
	II. Noncurrent liabilities	28,070	23,429	21,033	19,896	22,097	20,532
	Total liabilities	51,092	48,253	45,539	42,788	46,459	43,127
	I. Shareholders' equity	57,585	57,272	55,413	56,762	55,815	52,466
	II. Accumulated other comprehensive income	(3,177)	(4,418)	(2,921)	(4,652)	(5,362)	(6,405)
	III. Stock acquisition right	162	—	—	—	—	—
	IV. Minority interest	164	204	243	287	298	326
	Total net assets	54,733	53,058	52,734	52,396	50,758	46,387
	Total liabilities and net assets	105,826	101,312	98,274	95,185	97,217	89,515



Breakdown by Segment



FY03/2020 Sales by Segment (y-o-y and comparison to forecast)

[JPY million]

		FY03/2020 results	Comparison y-o-y			Comparison to forecast (No revision)		
			FY03/2019 results	Increase (Decrease)	Change y-o-y (%)	Forecast	Difference	Change (%)
Sales by segment	Overseas	18,597	21,528	(2,931)	(13.6)	19,124	(527)	(2.8)
	Domestic	45,222	47,290	(2,067)	(4.4)	47,659	(2,436)	(5.1)
	Licensing	8,724	9,633	(909)	(9.4)	9,486	(762)	(8.0)
	Retail & Wholesale	18,735	18,671	64	0.3	18,850	(115)	(0.6)
	Theme parks	9,524	9,777	(253)	(2.6)	10,473	(949)	(9.1)
	Other	8,239	9,209	(969)	(10.5)	8,850	(610)	(6.9)
Elimination, etc.		(8,558)	(9,698)	1,140	—	(9,083)	525	—
Consolidated net sales		55,261	59,120	(3,858)	(6.5)	57,700	(2,438)	(4.2)

Note: Figures are rounded down to the nearest 1 million yen. Percentages are rounded to the nearest tenth of a percent.



FY03/2020 Operating Profit by Segment

(y-o-y and comparison to forecast)

[JPY million]

		FY03/2020 results	Comparison y-o-y			Comparison to forecast (No revision)		
			FY03/2019 results	Increase (Decrease)	Change y-o-y (%)	Forecast	Difference	Change (%)
(Direct) Operating Profit by Segment	Overseas	4,618	6,591	(1,973)	(29.9)	5,310	(692)	(13.0)
	Domestic	(2,511)	(1,804)	(707)	—	(1,310)	(1,202)	—
	Licensing	5,879	6,559	(680)	(10.4)	6,897	(1,018)	(14.8)
	Retail & Wholesale	1,238	890	348	39.1	1,572	(334)	(21.2)
	Theme parks	516	360	156	43.3	423	93	22.0
	Other	566	554	12	2.2	625	(58)	(9.4)
	HQ cost center expenses, etc.	(10,711)	(10,168)	(543)	—	(10,827)	116	—
Consolidated operating profit		2,106	4,786	(2,679)	(56.0)	4,000	(1,893)	(47.3)

Note: Figures are rounded down to the nearest 1 million yen. Percentages are rounded to the nearest tenth of a percent.



Details of HQ cost center expenses

[JPY million]

		FY03/2020 results	Comparison Y-O-Y			Comparison to Revised Plan		
			FY03/2019 results	Increase (Decrease)	Change Y-O-Y (%)	Initial-year plan	Difference	Change (%)
HQ cost center expenses, etc.	Personal expenses	5,264	4,981	282	5.7	5,269	(5)	(0.1)
	Selling expenses	425	339	85	25.3	404	20	5.1
	Advertising expenses	954	838	115	13.8	1,024	(70)	(6.8)
	Logistics expenses	266	257	8	3.3	263	2	1.0
	Asset expenses	1,386	1,376	10	0.8	1,430	(44)	(3.1)
	Other expenses	2,414	2,374	39	1.7	2,433	(19)	(0.8)
Total		10,711	10,168	543	5.3	10,827	(116)	(1.1)

Note: Figures are rounded down to the nearest 1 million yen. Percentages are rounded to the nearest tenth of a percent.



Overseas Sales and Operating Profit by Region/Country



FY03/2020 Overseas Sales by Region/Country

(y-o-y and comparison to forecast)

[JPY million]

		FY03/2020 results	Comparison y-o-y			Comparison to forecast (no revision)		
			FY03/2019 results	Increase (Decrease)	Change y-o-y (%)	Forecast	Difference	Change (%)
Europe	Germany	1,531	2,014	(483)	(24.0)	1,678	(147)	(8.8)
	UK (Mr. Men)	577	643	(66)	(10.3)	518	59	11.4
North America	USA	* * 3,350	3,610	(260)	(7.2)	3,598	(248)	(6.9)
South America	Brazil	699	804	(105)	(13.1)	733	(34)	(4.6)
Asia	HK	3,779	4,385	(606)	(13.8)	3,773	6	0.2
	Taiwan	1,868	2,290	(422)	(18.4)	1,923	(55)	(2.9)
	S. Korea	865	1,148	(283)	(24.7)	978	(113)	(11.6)
	China	5,928	6,585	(657)	(10.0)	5,917	11	0.2
	Asia Total	12,440	14,408	(1,968)	(13.7)	12,591	(151)	(1.2)
Other		0	49	(49)	—	6	(6)	—
Grand Total		18,597	21,528	(2,931)	(13.6)	19,124	(527)	(2.8)

Note: In the sales figure of overseas, licensing revenues, etc. received by the parent company from overseas subsidiaries are reallocated back to those companies, in order to more accurately reflect profits by region.

**Note: Due to an adjustment in the licensing fee rate as a result of the Japan-US transfer pricing preconfirmation at the end of the fiscal year under review, the majority of which was used to return a portion of the past two years of royalties to a US subsidiary, net sales for the fiscal year under review in the above table decreased by 193 million yen. Note that this has no effect on profit by region as it is a consolidated intercompany transaction.

Note: Figures are rounded down to the nearest 1 million yen. Percentages are rounded to the nearest tenth of a percent.

Ver. 1

Note: All information in this material is based on data as of June 12, 2020.





FY03/2020 Overseas Operating Profit by Region/Country

(y-o-y and comparison to forecast)

[JPY million]

		FY03/2020 results	Comparison y-o-y			Comparison to forecast		
			FY03/2019 results	Increase (Decrease)	Change y-o-y (%)	Forecast	Difference	Change (%)
Europe	Germany	(69)	405	(474)	—	58	(127)	—
	UK (Mr. Men)	(12)	(94)	82	—	(104)	92	—
North America	USA	(611)	(371)	(240)	—	72	(683)	—
South America	Brazil	198	244	(46)	(18.9)	110	88	80.0
Asia	HK	1,550	1,933	(383)	(19.8)	1,455	95	6.5
	Taiwan	802	986	(184)	(18.7)	765	37	4.8
	S. Korea	263	445	(182)	(40.9)	326	(63)	(19.3)
	China	2,654	3,321	(667)	(20.1)	2,799	(145)	(5.2)
	Asia Total	5,269	6,685	(1,416)	(21.2)	5,345	(76)	(1.4)
Other		(157)	(278)	121	—	(170)	13	—
Grand Total		4,618	6,591	(1,973)	(29.9)	5,310	(692)	(13.0)

Note: The above table shows the sum of the operating profit for each region recorded by HQ overseas-related business departments and the operating profit for each overseas subsidiary by region.

Note: Figures are rounded down to the nearest 1 million yen. Percentages are rounded to the nearest tenth of a percent.



Full-year Sales and Operating Profit of Overseas Subsidiaries (Local-currency based)

[Jan-Dec. 2019]		Sales						Operating profit		O.P. Margin
		Licensing		Retail & Wholesale		Total				
Europe (Germany) EUR in thousand		8,751		50		8,802		(3,587)		—
Change Y-O-Y (%)	Compared to forecast (%)	(16.7)	(23.9)	(29.5)	(33.2)	(16.8)	(24.0)	—	—	
UK (Mr. Men) GBP in thousand		3,752		317		4,069		(109)		—
Change Y-O-Y (%)	Compared to forecast (%)	(9.5)	(16.1)	771.5	—	(2.7)	(9.0)	—	—	
North America USD in thousand		15,041		8,888		23,929		(10,298)		—
Change Y-O-Y (%)	Compared to forecast (%)	(0.3)	(1.9)	(1.9)	(12.9)	(0.9)	(9.1)	—	—	
Brazil BRL in thousand		17,893		413		18,307		666		3.6
Change Y-O-Y (%)	Compared to forecast (%)	(0.4)	(5.7)	(16.7)	(10.1)	(0.9)	(5.7)	7.2	(36.7)	
Hong Kong HKD in thousand		117,505		59,460		176,965		55,591		31.4
Change Y-O-Y (%)	Compared to forecast (%)	(14.8)	(18.0)	(16.8)	(18.9)	(15.5)	(18.3)	(26.1)	(25.5)	
Taiwan NTD in thousand		300,806		33,637		334,443		104,702		31.3
Change Y-O-Y (%)	Compared to forecast (%)	(10.4)	(17.7)	(45.0)	10.2	(15.8)	(15.5)	(13.6)	(19.6)	
Korea KRW in thousand		6,194,157		372,696		6,566,853		754,818		11.5
Change Y-O-Y (%)	Compared to forecast (%)	(21.9)	(25.6)	19.8	24.2	(20.3)	(23.9)	(54.5)	(50.0)	
China CNY in thousand		191,998		98,732		290,730		98,468		33.9
Change Y-O-Y (%)	Compared to forecast (%)	(10.5)	(15.3)	24.0	13.5	(1.2)	(7.3)	(6.9)	(14.8)	

Note) Operating profit and operating profit margin calculated after payment of master license fee to the HQ.

Note: Figures are rounded down to the nearest 1 thousand yen.



FY03/2020 Currency Fluctuation Impacts

(On Overseas' Sales and Operating Profit)

FY03/2020 (Jan – Dec 2019)	EUR	GBP	USD	HKD	TWD	KRW	CNY	Total
Exchange rate in FY03/2019 (JPY)	122.53	139.57	109.37	13.96	3.55	0.0945	15.85	—
Exchange rate in FY03/2018 (JPY)	130.39	147.19	110.57	14.11	3.67	0.1009	16.69	—
Difference (JPY)	(7.86)	(7.62)	(1.20)	(0.15)	(0.12)	(0.0064)	(0.84)	—
Fluctuation rate (%)	(6.03)	(5.12)	(1.09)	(1.06)	(6.34)	(6.34)	(5.03)	—

Sales denominated in local currency (Million)	8.8	4.1	28.6	177.0	334.4	6,566.9	290.7	—
Currency fluctuation impact (JPY million)	(69)	(31)	(34)	(26)	(40)	(42)	(244)	(487)

Operating profit denominated in local currency (Million)	(3.8)	(0.1)	(10.2)	55.6	104.7	754.8	98.5	—
Currency fluctuation impact (JPY million)	30	0	12	(8)	(12)	(4)	(82)	(65)

Currency exchange rate: Average rate during the relevant period (average of month-end TTM for 13 months from December of previous year to December of the relevant year) is used.

Amount pertaining to our subsidiary in Brazil, which is a consolidated subsidiary of our subsidiary in North America, is included in USD.

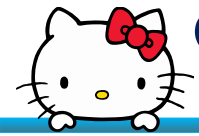
Currency fluctuation impact is difference between operating profit of overseas subsidiaries for the current year converted into JPY at the rate of previous FY and that of current FY.



Consolidated Result (FY03/2017-FY03/2020)

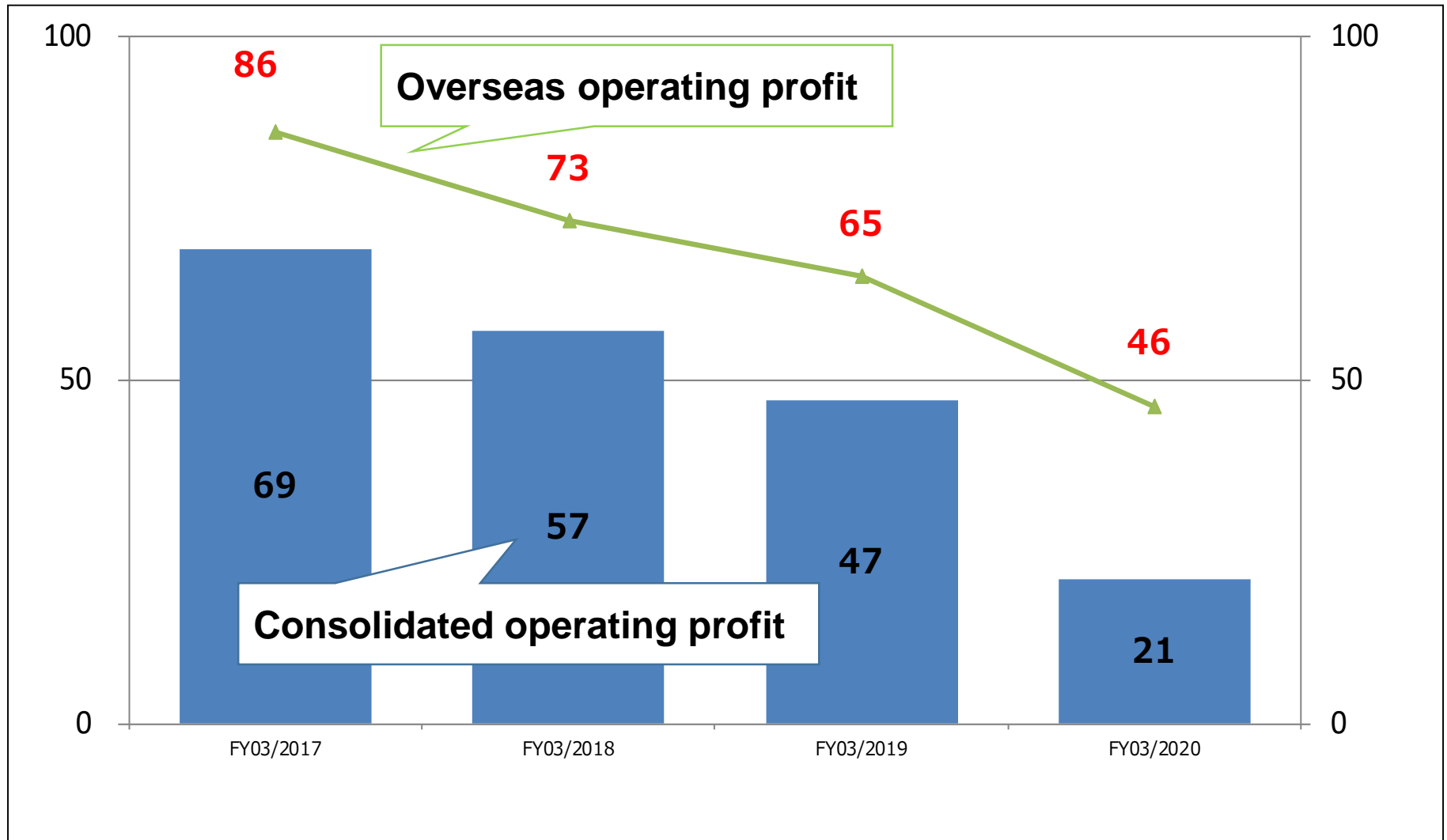
[JPY million]

	FY03/2017	FY03/2018	FY03/2019	FY03/2020
Sales	62,695	60,220	59,120	55,261
Operating profit	6,904	5,734	4,786	2,106
Ordinary profit	7,255	6,020	5,836	3,274
Net profit attribute to owners of parent	6,475	4,928	3,880	191



Operating profit FY03/2017 – FY03/2020: Japan and Overseas

[JPY 100million]



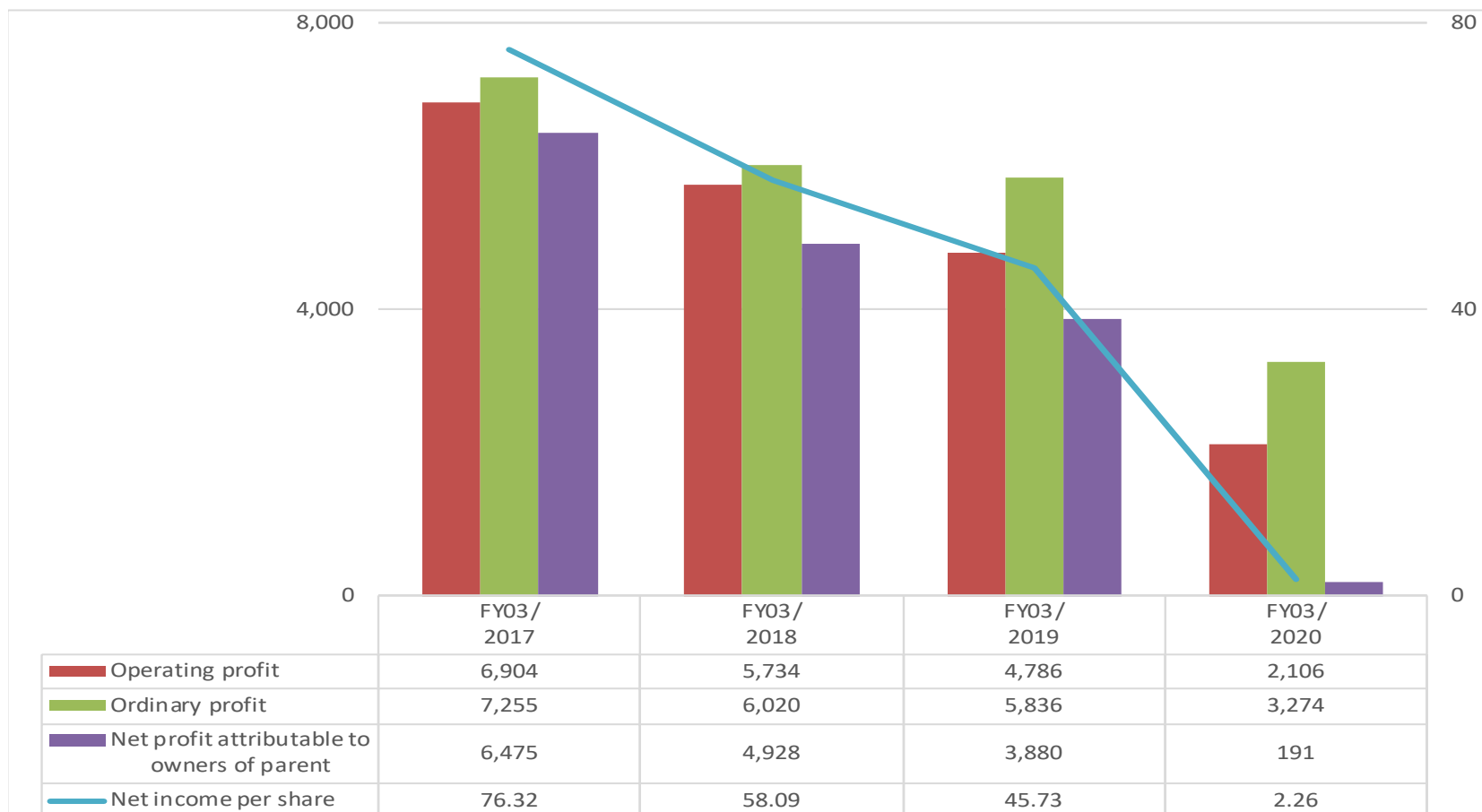
Note: Figures are rounded to the nearest 100 million yen.



Results of Consolidated Operation

[JPY 100million]

[JPY]



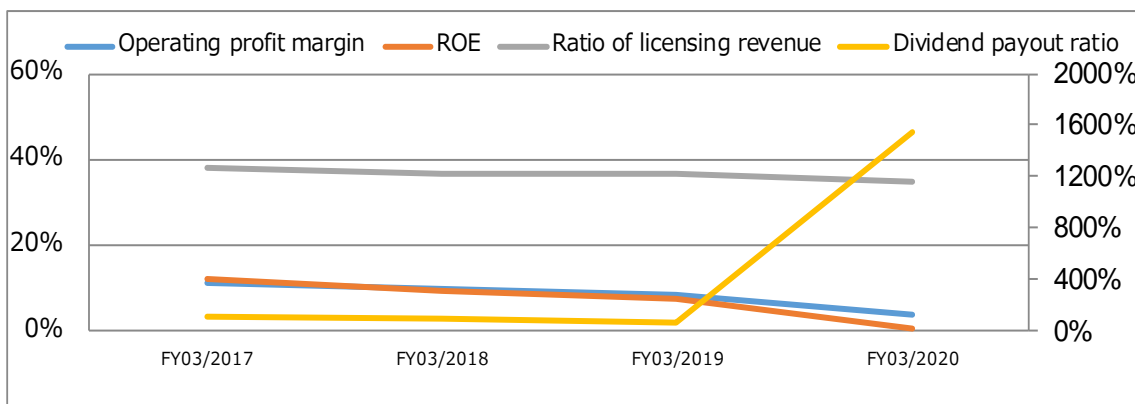
Note: Figures are rounded down to the nearest 1 million yen



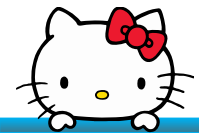
ROE & Licensing Revenue (FY03/2017 – FY03/2021 forecast)

**Dividend for the current period: JP Yen 35 / year
(including commemorative dividend 5 yen).
ROE: %, Dividend payout ratio: %**

(%)	FY03/2017	FY03/2018	FY03/2019	FY03/2020
Operating profit margin	11.0	9.5	8.1	3.8
ROE	12.1	9.4	7.4	0.4
Ratio of licensing revenue	38.0	36.7	36.7	34.8
Dividend payout ratio	104.8	94.7	65.6	1,545.3
Corporate tax burden ratio	17.6	53.5	35.3	81.6
DOE	12.7	8.9	4.9	6.0

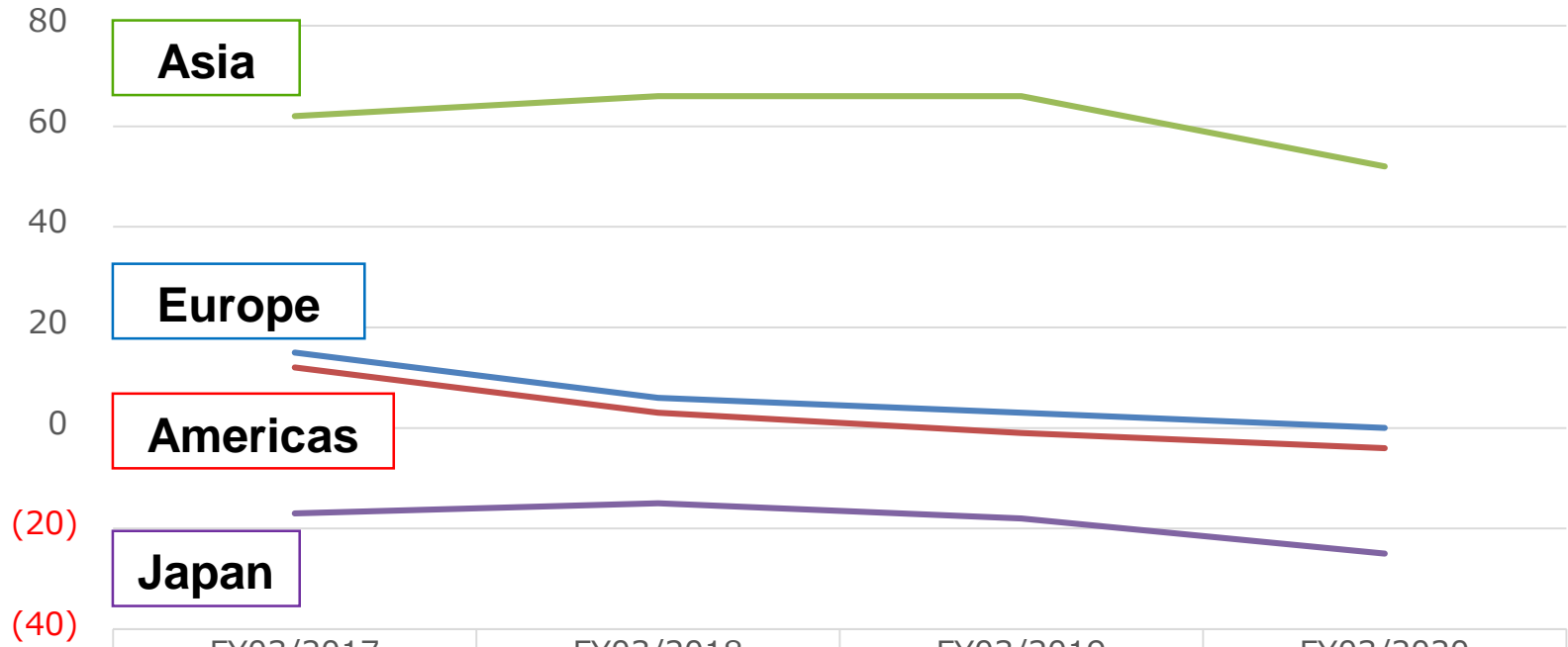


(Dividend)
For FY03/2021, we have not decided dividend plan.



Operating Profit Trend by Region (FY03/2017 – FY03/2021 forecast)

[JPY 100million]



	FY03/2017	FY03/2018	FY03/2019	FY03/2020
Europe	15	6	3	(0)
Americas	12	3	(1)	(4)
Asia	62	66	66	52
Japan	(17)	(15)	(18)	(25)

In the operating profits stated above, licensing revenues, etc. received by the parent company from overseas subsidiaries are reallocated back to those companies, in order to more accurately reflect profits by region.

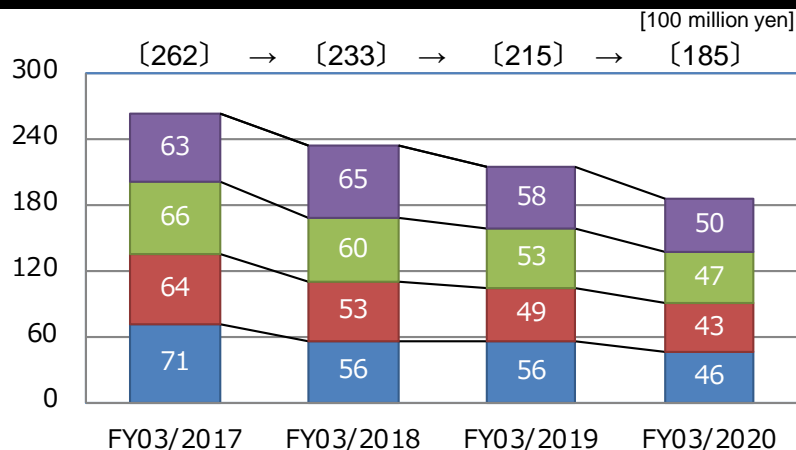
Note) UK (Mr. Men) is included in Europe.



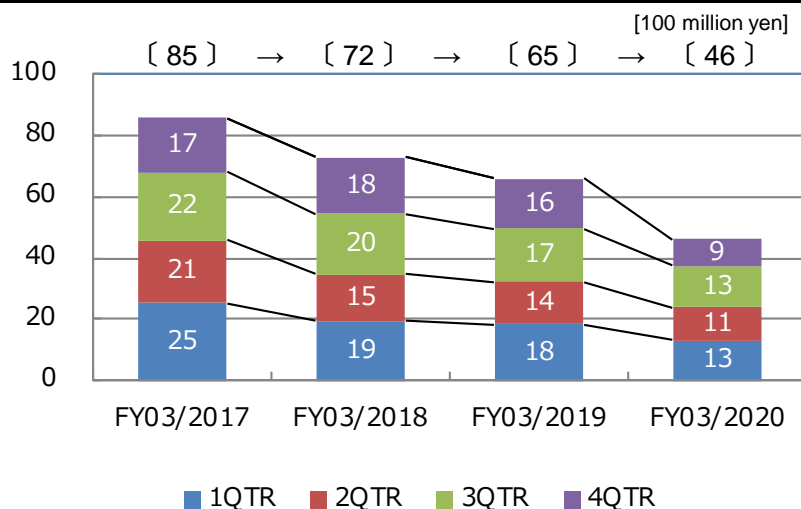
Details by Segment (1)

Overseas Business

Sales: Results and outlook



Direct Operating Profit: Results and outlook



Results of FY03/2020

Sales declined 13.6% (-¥ 2.9B) y-o-y. Profit declined 29.9% (-¥ 1.9B) y-o-y.

In Europe, Sanrio was unable to make up for significant losses resulting from minimum guarantee payments recorded in the previous term. In addition to growing sales in regions such as Oceania, South Africa and Israel, which are under the jurisdiction of European subsidiaries, signs of recovery began to appear in major European countries. Sanrio Global Ltd., which handles Mr. Men Little Miss, struggled in Europe which is its main market, and business in China did not unfold as planned.

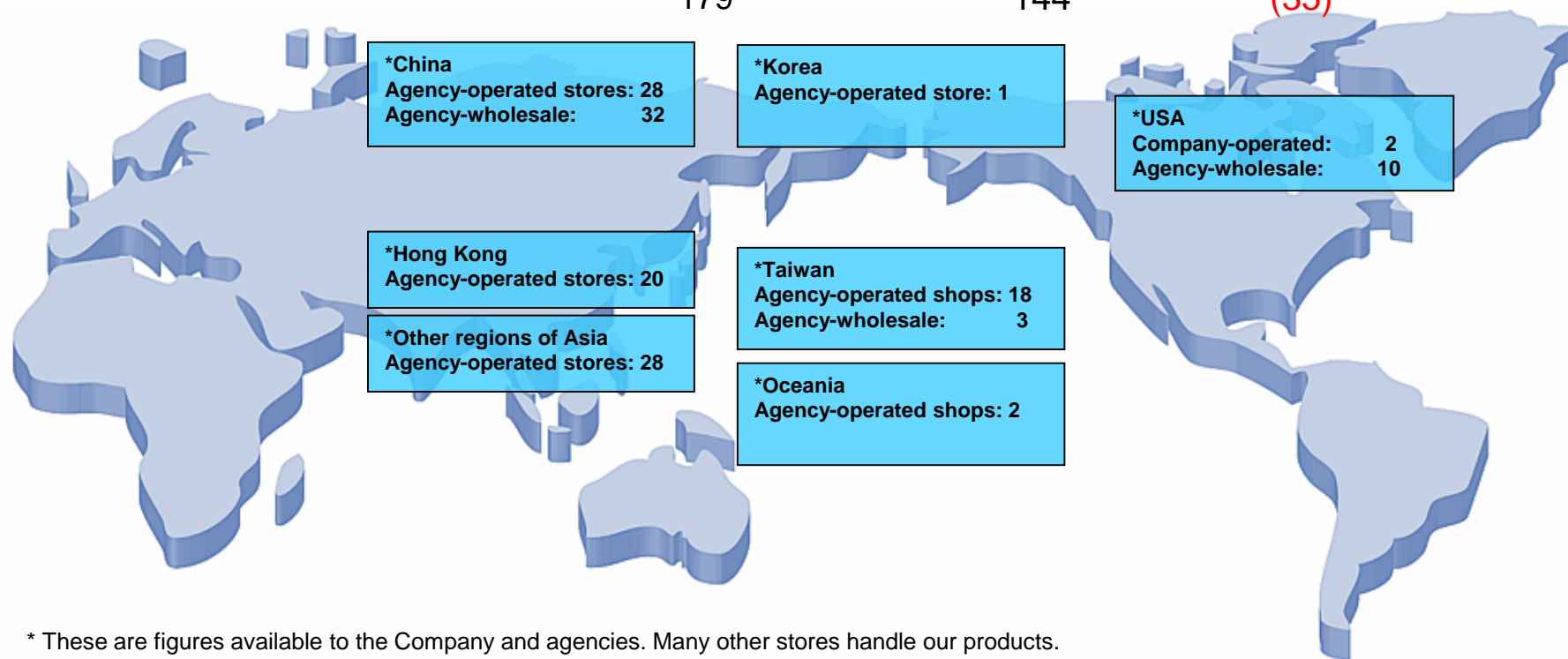
The licensing business in North America continued to be sluggish for mass retailers, but success was had with collaborations with other brands and the carving out of distribution routes for specialty retailers. In terms of product sales, the EC category performed well, but sales decreased due to a fall in the number of shipments to Central and South America and a system failure resulting from outsourced warehouse operations. In addition, while personnel costs were significantly reduced, marketing investment and outsourcing logistics costs exceeded forecasts, resulting in an inability to curtail operating losses. In South America, although sales were down slightly on a local currency basis, the weakened Brazilian Real significantly impacted results. Business was solid in Mexico, but Brazil struggled.

In Hong Kong and Macau, due to demonstrations and other factors, over-the-counter store sales failed to grow, and sales of our main licensee customers fell sharply across the board. In Southeast Asia, sales were sluggish in Vietnam, Thailand, Singapore and Malaysia. In the Philippines and Indonesia, sales were slow, but the number of business partners increased. In Taiwan, although the home appliance category saw solid growth, a decline in corporate campaign and apparel sales had a significant impact. In South Korea, main licensees with commercialization rights experienced sluggish times and were hit hard by a shrink in product development and cancelled business talks due to the Japan-Korea relationship. In China, new business partners were secured, and the number of licensees increased, but it was not enough to compensate for the deterioration of the economy triggered by US-China trade friction and the decline of existing major licensees due to the entry of competing IP.



Number of Stores in Overseas Market

	FY03/2019 (Results)	FY03/2020 (Results)	[Change]
Company-operated shops	3	2	(1)
Agency-operated shops	104	97	(7)
Agency-wholesale shops (including franchise)	72	45	(27)
Total	179	144	(35)



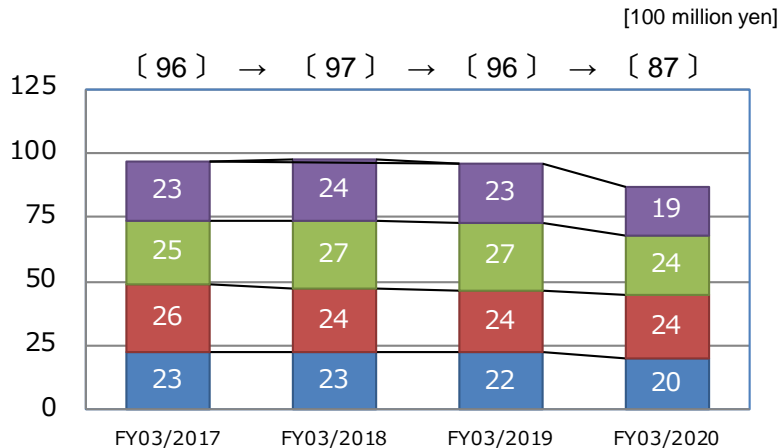
* These are figures available to the Company and agencies. Many other stores handle our products.



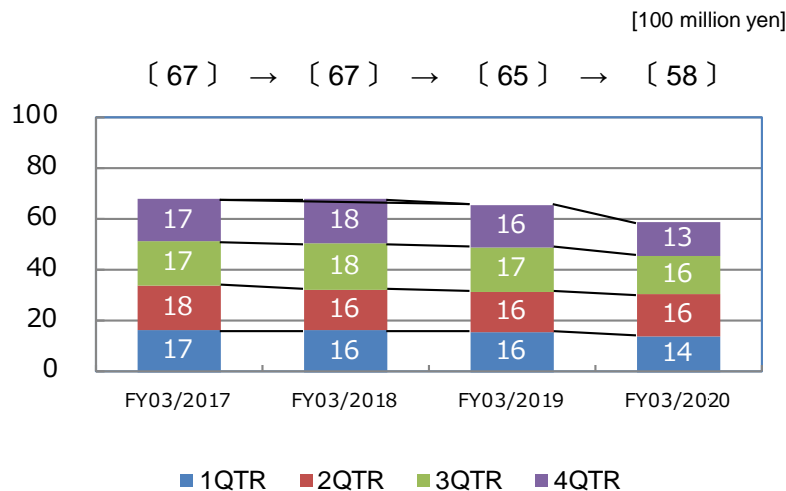
Details: Domestic Sales and Operating Profit by Segment



Sales: Results and outlook



Direct Operating Profit: Results and outlook



Results of FY03/2020

Sales decline of 9.4% (-¥ 0.9B) y-o-y. Profit decline of 10.4% (-¥0.6B) y-o-y.

For merchandising rights in the licensing business, the apparel industry struggled throughout the year due to unseasonable weather and other factors, while widespread rollout of characters was strong, and the animation and digital business continued to grow. For the fourth quarter of the current consolidated fiscal year also, sales were strong mainly for household items and toys in the first half, but from February onward the impact of the novel coronavirus was felt heavily, and we were unable to increase sales due to the stagnation of overseas manufacturing, shrinking sales floors, and weak consumer sentiment.

Moving forward, we will continue to focus on the use of multiple characters and strengthen our e-commerce and digital businesses.

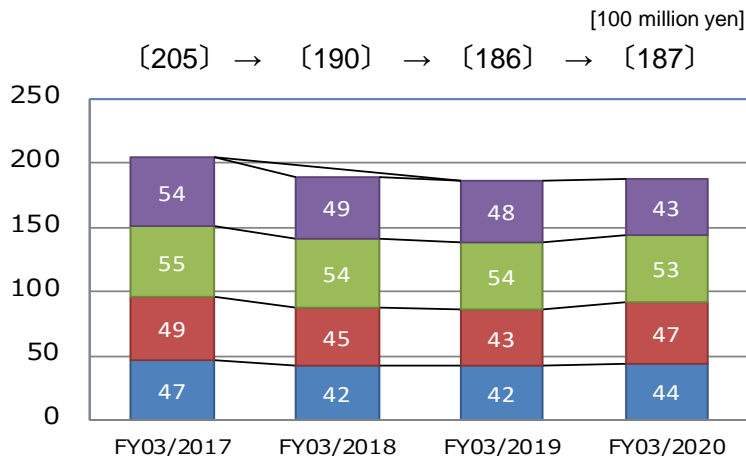
For corporate planning, throughout the year we worked to strengthen our marketing and large-scale advertising and PR activities, while at the same time we restructured the publishing department to bolster profitability. In the fourth quarter of the current consolidated fiscal year, royalties from new issuance of financial cards contributed to sales. These cards included Mitsubishi UFJ Nicos' Cinnamoroll credit card, West Japan Railway's ICOCA Hello Kitty transport e-card, and multiple characters featured on the PASMO card, which can be used mainly on private railways and subways in the Tokyo metropolitan area. In addition, we strengthened our efforts towards major manufacturers, and multiple characters were featured on daily consumables such as Kao Corporation's Megurism eye and face masks and face masks by Daiichi Sankyo Healthcare.



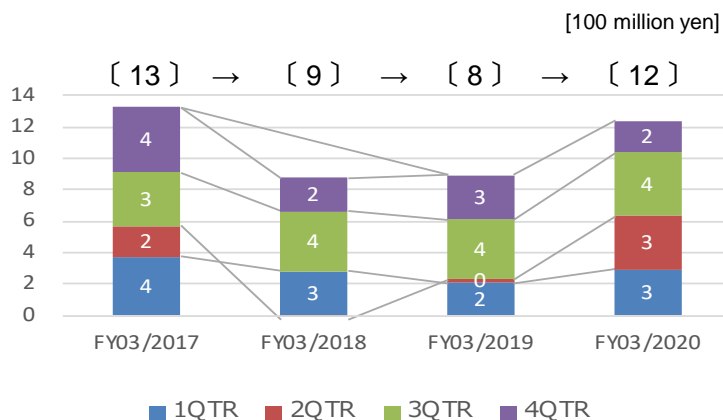
Details by Segment (3)

Domestic Retail & Wholesale business

Sales: Results and outlook



Direct Operating Profit: Results and outlook



Results of FY03/2020

Sales growth by 0.3% (+¥ 0.0B) y-o-y. Profit growth 39.1% (+¥ 0.3B) y-o-y.

For our product sales business in the fourth quarter of the current consolidated fiscal year, the retail division contributed to revenue with strong sales at Sanrio shops and pop-up shops in department stores of items such as lucky bags, lotteries, and My Melody birthday promotions commemorating her 45th anniversary in 2020. Customer numbers increased steadily until the beginning of February, but thereafter consumption dropped due to outbreak of novel coronavirus. Although we temporarily closed roadside stores to ensure the safety of our customers and employees, cumulative sales for existing stores (based on our directly managed stores and Sanrio-branded stores within department stores) were 103.8% compared to the previous fiscal year. In the wholesale department, although store sales overall struggled due to a fall in inbound tourist demand, sales to Don Quixote, AEON, and Amazon were significantly higher than the previous fiscal year, contributing to overall year-on-year sales of 104.0% for the product sales business.

Note: Figures are rounded to the nearest 100 million yen.

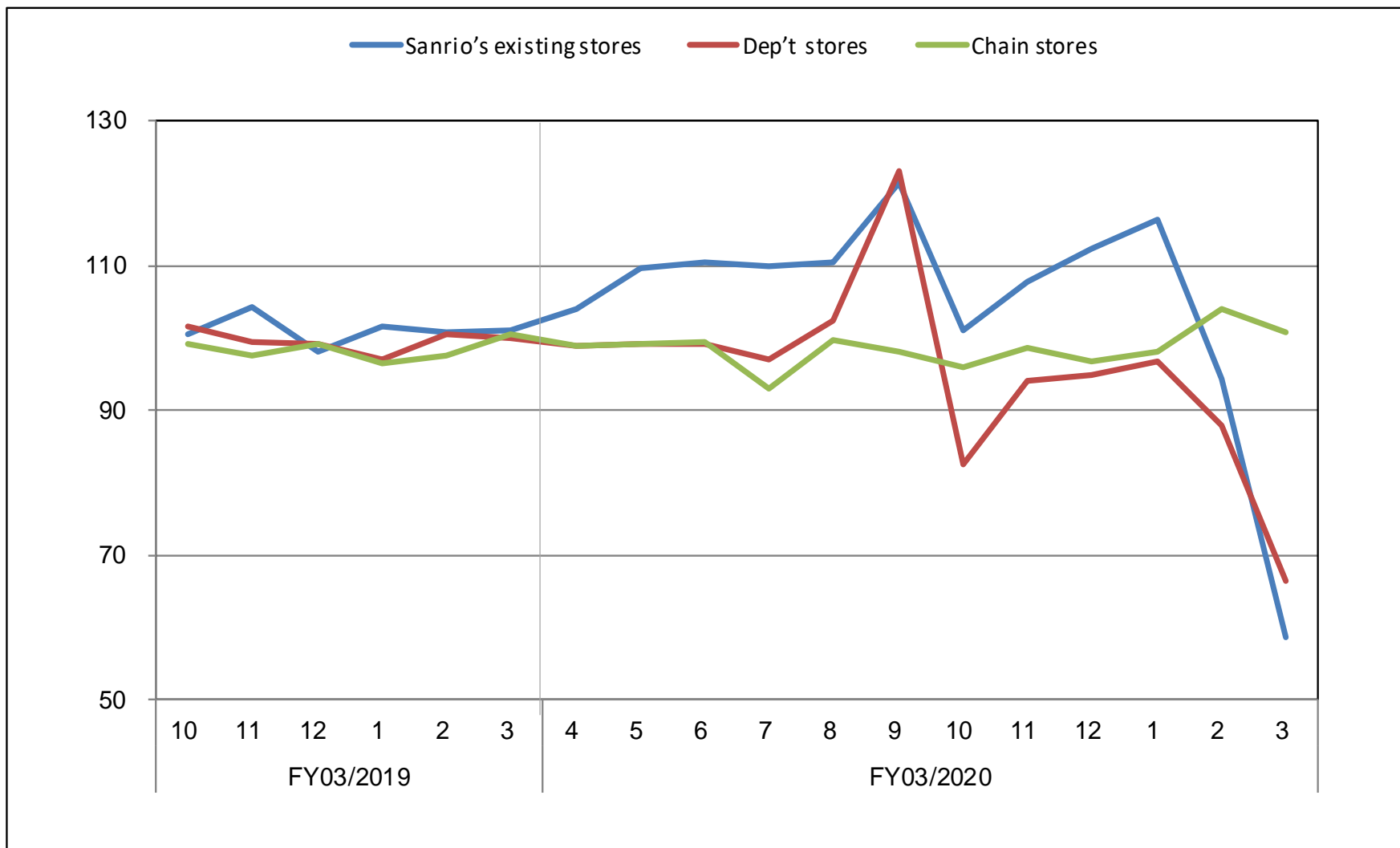
Ver. 1

Note: All information in this material is based on data as of June 12, 2020.





Monthly Y-O-Y Changes in Sales of Existing Stores



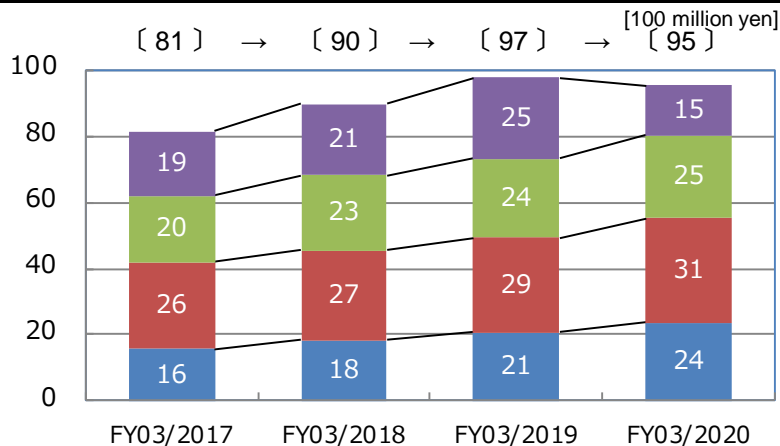


Details by Segment (4)

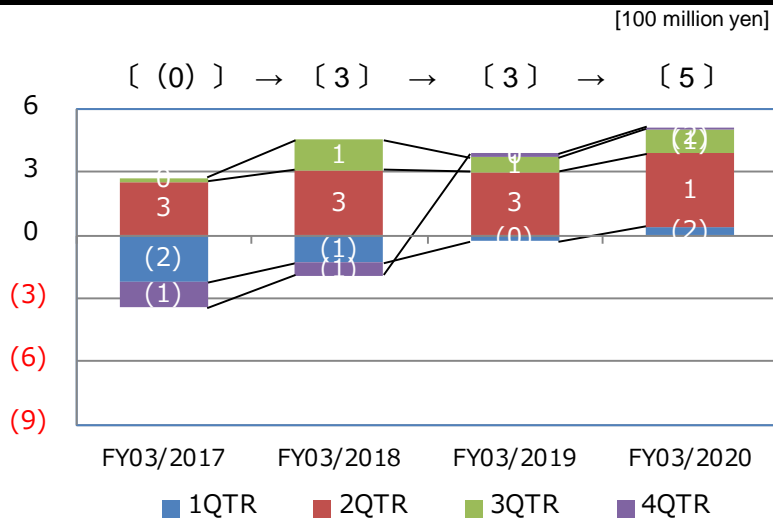
Theme Park Business

Sanrio Puroland (SPL) & Oita Harmonyland (OHL)

Sales: Results and outlook



Direct Operating Profit: Results and outlook



Results of FY03/2020

Sales declined 2.6% (-¥ 200M) y-o-y. Profit growth by 43.3%(+¥ 0.1B) y-o-y.

Sanrio Puroland in Tama City, Tokyo, temporarily closed from February 22 to prevent the spread of new coronavirus infections, bringing the total number of annual visitors to 1,324,000 (down 9.3% from the previous year), a decrease of 135,000 from the previous year. In regard to the situation before the temporary closure, thanks to our marketing efforts targeting young females on SNS platforms throughout the year, the number of park visitors remained strong with an annual increase of 31,000 (a year-on-year increase of 2.4%), but in addition to the suspension of ticket sales due to the park closure, expenses increased for such items as personnel costs for events, and repair and depreciation expenses from facility renovations such as the restaurant that reopened in April, resulting in a fall of both sales and profits.

Visitors to Harmonyland in Oita Prefecture decrease by 42,000, resulting in a total of 429,000 visitors for the year (a 9.0% year-on-year decrease). In the first half of the year, the number of visitors exceeded the same period last year, despite the effects of long stints of rain and frequent typhoons over the summer. In the second half of the year, corporate members' events such as "Halloween Night" and "Thanks Party" attracted a solid number of visitors on event days and the cumulative total of visitors until January was 15,000 more than in the same period of the previous year. However, due to the temporary closure of the park, the overall number of visitors for the year fell short of the previous year.

Note: Figures are rounded to the nearest 100 million yen.

Ver. 1

Note: All information in this material is based on data as of June 12, 2020.





Sanrio Puroland (SPL)

SPL			FY03/2020 Results	Y-O-Y		
				FY03/2019 Results	Increase (Decrease)	Change
Sales (million yen)			7,578	7,664	(86)	(1.1%)
Off-site revenues (million yen)			764	761	3	0.4%
In-site revenues (million yen)			6,814	6,903	(89)	(1.3%)
Number of visitors (10K persons)			132.5	146.0	(13.5)	(9.2%)
Total spending/person (yen)			5,143	4,727	416	8.8%
Spending per person	Entrance fee (yen)		2,007	1,940	66	3.4%
	Retail & wholesale (yen)		2,164	1,906	258	13.5%
	Food and beverage (yen)		973	881	92	10.4%
Gross profit (million yen)			5,064	5,209	(146)	(2.8%)
SG&A (million yen)			4,629	4,943	(314)	(6.4%)
Operating profit (million yen)			431	295	135	45.8%
COGS (%)			33.2%	32.0%		

Note: Figures are rounded down to the nearest 1 million yen. Percentages are rounded to the nearest tenth of a percent.



Oita Harmonyland (OHL)

O H L			FY03/2020 Results	Y-O-Y		
				FY03/2019 Results	Increase (Decrease)	Change
Sales (million yen)			1,764	1,862	(98)	(5.3%)
Off-site revenues (million yen)			199	202	(4)	(2.0%)
In-site revenues (million yen)			1,565	1,659	(94)	(5.7%)
Number of visitors (10K persons)			43.0	47.2	(4.2)	(8.9%)
Total spending/person (yen)			3,645	3,517	128	3.6%
Spending per person	Entrance fee (yen)		1,486	1,451	35	2.4%
	Retail & wholesale (yen)		1,479	1,399	81	5.8%
	Food and beverage (yen)		679	667	12	1.8%
Gross profit (million yen)			1,315	1,395	(80)	(5.7%)
SG&A (million yen)			1,271	1,365	(99)	(7.3%)
Operating profit (million yen)			79	64	20	30.9%
COGS (%)			25.5%	25.1%		

Note: Figures are rounded down to the nearest 1 million yen. Percentages are rounded to the nearest tenth of a percent.



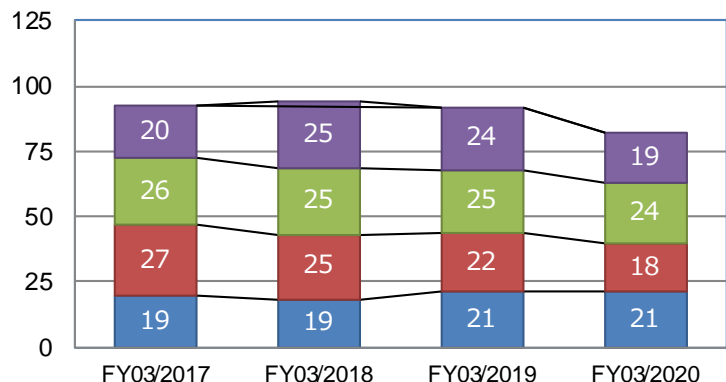
Details by Segment (5)

Other Businesses

Sales: Results and outlook

[100 million yen]

[92] → [94] → [92] → [88]



Results of FY03/2020

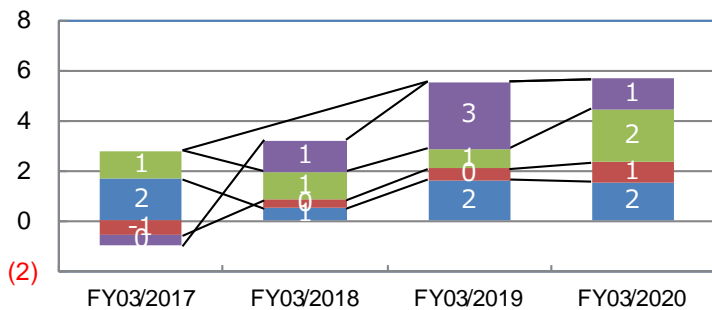
Sales declined 10.05% (-¥ 900M) y-o-y. Profit growth by 2.2% (+¥ 0M) y-o-y.

In other business areas, the robot business also contributed to sales with the tyrannosaurus robot sale to the New York Henna Hotel (Weird Hotel) as well as other areas such as the giant Gundam figure hand category for the Gundam Global Challenge.

Direct Operating Profit: Results and outlook

[100 million yen]

[2] → [3] → [5] → [5]



■ 1QTR ■ 2QTR ■ 3QTR ■ 4QTR

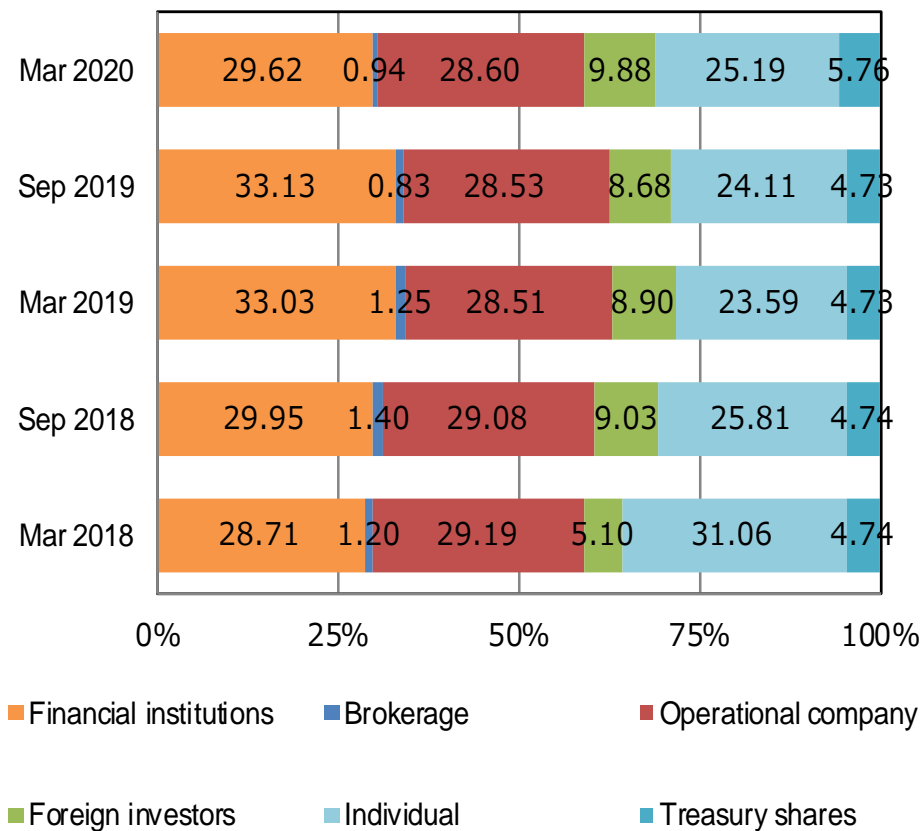


Return to Stockholders

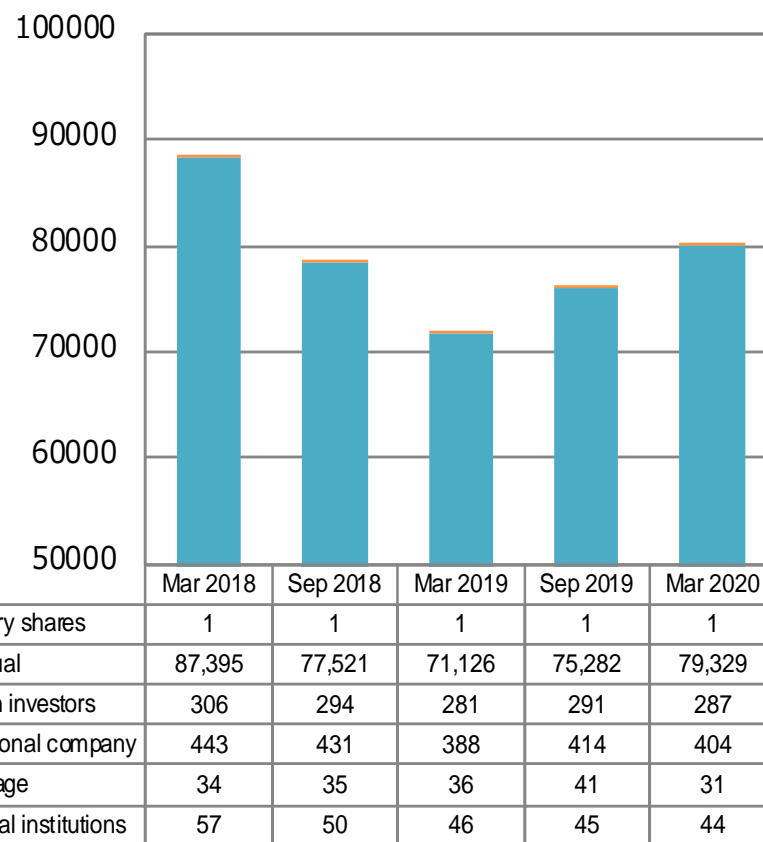


Shareholder Composition

Shareholder composition
by number of stocks held



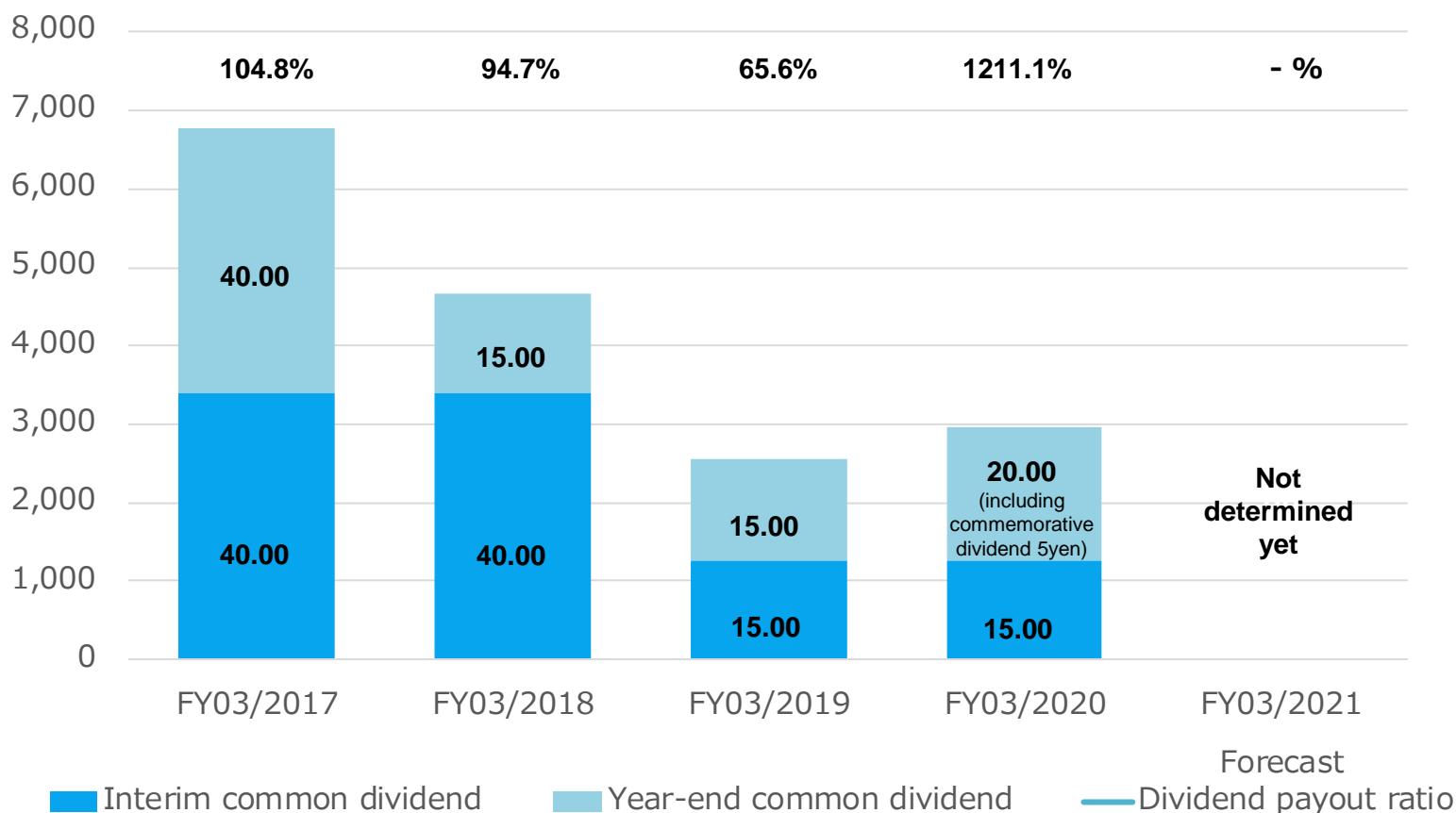
Shareholder composition
by number of shareholders



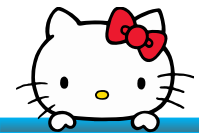


Total amount of dividend paid (FY03/2017 – FY03/2021 forecast)

[JPY Million]



Note) Figures in the chart are amount of dividend per share (JPY)

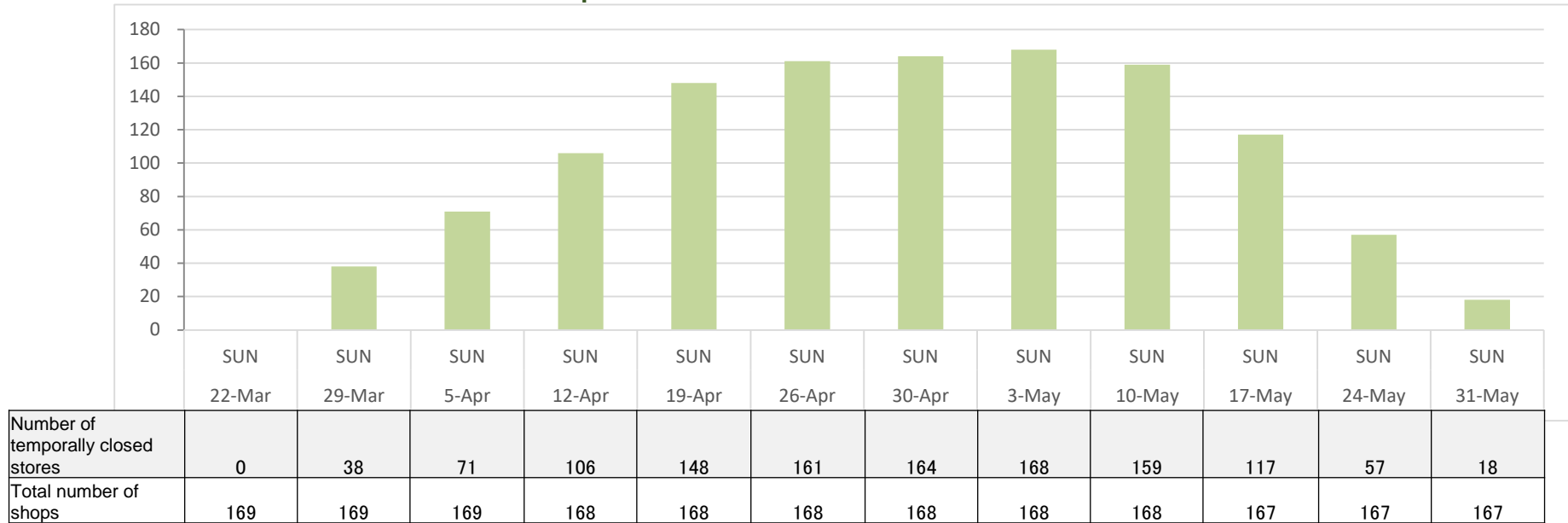


Impact of Novel Coronavirus (COVID-19)



Store and theme park closings

■ Number of closed Sanrio shops



- More than 100 stores closed temporarily due to the declaration of a state of emergency in seven prefectures from April 7.
- The state of emergency was declared nationwide in late April, and all stores were temporarily closed during the major holiday period in May.
- Operations resumed from areas where the state of emergency was lifted from May 7.
- All stores reopened in June.

■ Theme park closing period



From Saturday, February 22 - Park closed until further notice



From Saturday, February 22 to Sunday, June 7



Actions being taken at stores

■ For salespersons

- Masks provided to employees and part-time workers from mid-February
- Disinfectant solution provided to store staff
- Thorough physical condition management
 - Hand-washing, mask-wearing disinfection, daily temperature checks
 - and making people stay home if they are unwell
- Special holiday treatment during store closures

■ In-store measures after reopening

- Installation of plastic scatter-shield sheets at counters.
- Attaching stickers to mark spaces in the waiting line for customers



■ Rent, etc. exemption measures

Due to a significant drop in sales from March and the temporary closure of the store in April, expected rent was reduced by 8.9% in March and by 52.9% in April as a result of rent negotiations with the developer.

■ Status of the Sanrio online shops (in-house operations)

There were some shortages, etc. due to delays, etc. in new products and regular products (manufactured overseas).

Furthermore, due to a concentration of orders, deliveries also became unstable, and orders were suspended during a period in May.



Actions being taken at overseas subsidiaries

		Status of office locations	Actions		Topics
			Teleworking	Actions	
Europe	Germany	Germany :Lockdown from Mar 18 →Gradual easing Italy: Lockdown from Mar 9 →Gradual easing	Germany: Mar 17 - Milan: Mar 13 -	- Business travel suspended - Restrictions on visitors	Theme park in Moscow: temporarily closed from Mar.15
	UK (Mr. Men)	UK: Lockdown From March 23 to April 13 →Gradual easing from mid of May	London: Mar 23 - Hong Kong: reopen office on May 18.		
Americas	USA	California State: Lockdown from March 23	Office: Mar 23 - Store: Temporally closed from Mar 23	Work started on May 13 with partial attendance (warehouses)	Online shop: Partial use of an advance reservation system
	Brazil	Sao Paulo: Declaration of state of emergency from March 24 to May31	Mar 24-	- Preparations to reopen offices underway - Waiting for instructions from authorities	
Asia	Hong Kong	Hong Kong: Severity level from Jan 25 →Measures to restrict entry into the country (As of Jun.2)	- May 3. Normal business from May 4	- Overseas business trips prohibited - Deciding on response on a weekly basis	
	Taiwan	Taipei: All foreigners are banned from entering the country from March 19. →Easing under consideration (As of Jun 1)	- May 3. Normal business from May 4		
	South Korea	Seoul: Special immigration measures, etc. from Mar 19 (ongoing as of June 9) →Domestic reconstruction campaign planned	- May 5. Normal business in principle from May 6		
	China	Shanghai: Quarantine for those entering the country, etc. from Mar28 (ongoing as of June 9)	Lunar New Year- Mar 17 Normal business from Mar 18		Theme parks Anji: Resumption on May 1 Shimao: Resumption date undecided



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