



February 26, 2021

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## **Announcement Regarding Judgment of the Court of First Instance on the Lawsuit Seeking Rescission of Tax Reassessment Under the Anti-tax Haven Rules**

On December 15, 2017, Sanrio Company, Ltd. received a notice of tax reassessment, etc. from the Tokyo Regional Taxation Bureau, indicating a reassessed additional income of approximately 2.8 billion yen for Sanrio and its subsidiaries in its consolidated tax filing group for the four fiscal years ended March 2013 to March 2016, and approximately 1.1 billion yen in additional taxes, including local taxes, on the grounds that its subsidiaries in Hong Kong did not meet the conditions for exemption to the anti-tax haven rules, etc. (The foregoing was expensed as “income taxes, etc. for prior periods” in the fiscal year ended March 31, 2018.)

Dissatisfied with these proceedings, we filed a suit with the Tokyo District Court for rescission of tax reassessment, etc. Today, we received a decision from the Tokyo District Court to the effect that our request for rescission of tax reassessment, etc. was dismissed.

### **1. Historical background**

December 15, 2017	Sanrio receives a notice of tax reassessment from the Tokyo Regional Taxation Bureau
March 13, 2018	Sanrio appeals to the Tokyo Regional Taxation Bureau requesting re-examination
June 11, 2018	Sanrio receives a decision from the Tokyo Regional Taxation Bureau to the effect that its request for re-examination is dismissed
July 9, 2018	Sanrio files a request for reconsideration with the Tokyo Regional Tax Tribunal
June 11, 2019	Sanrio files a suit with the Tokyo District Court for rescission of tax reassessment, etc.
February 26, 2021	Judgment is rendered by the Tokyo District Court

### **2. Details of the judgment**

With respect to the conditions for exemption to the anti-tax haven rules, our claim was dismissed and, as a result, no rescission of tax reassessment, etc. was granted.

### **3. Future outlook, etc.**

It is very unfortunate that our claim was dismissed. As we cannot accept this decision, we intend to appeal to the Tokyo High Court after careful evaluation of the contents of the judgment.