Fiscal Year ended 3/2026 Results

Sanrio Co., Ltd. | June 23, 2026

Explanation of the Special Investigation Committee's Findings Regarding Suspected Inappropriate Compensation Received by a Former Managing Director of the Company and Measures to Prevent Recurrence

We sincerely apologize for the significant concern and inconvenience caused to our shareholders and investors, as well as our business partners and other stakeholders, as a result of the incident (the "Incident") involving the inappropriate receipt of compensation by a former managing director of the Company.

We take the Incident very seriously, and we intend to implement detailed measures to prevent any recurrence and to strengthen governance throughout the Sanrio Group, thereby restoring confidence in our company.

Facts Identified by the Special Investigation Committee Investigation and Impact on Earnings

Recognized Facts

- **For a period covering several years, a former managing director received financial benefits from Sanrio Inc., the U.S. subsidiary of Sanrio Co., Ltd., where said individual concurrently served as CEO. The financial benefits in question were in addition to the compensation approved by the Nomination and Remuneration Advisory Committee at the Sanrio Head Office.**
- The total amount in question was US$1,682,018 (approximately ¥252,302,700*), including a COLA (cost of living adjustment) bonus.
- The above-mentioned compensation was **not subject to the full formal approval process** under the Board of Directors and the Remuneration Committee as required for the U.S. subsidiary but was **rather based on informal discussions by senior management.**
  No prior approval was received from or organizational reporting made to the Sanrio Head Office.
- Besides the director in question, executive officers at the U.S. subsidiary (at the time) were paid COLA bonuses in a similar manner, without a sufficiently formal approval process.
- The investigation deemed that **an evasion or deviation from internal controls occurred at the Sanrio Head Office and the U.S. subsidiary** in connection with the decision-making process of senior management at the U.S. subsidiary.
- The investigation **uncovered no further similar incidents** at the U.S. subsidiary or other subsidiaries.

Impact on Earnings

- The financial benefits provided to the directors in question have been recorded as an expense of the U.S. subsidiary for the respective fiscal years.
- At this time, **no misstatements have been confirmed in the Company's consolidated earnings or those of the U.S. subsidiary in question.**
- **The Company will incur investigation costs related to the Incident for FY3/2027. However,** we expect **the impact of said costs to be immaterial.**

*calculated at an exchange rate of USD1 = JPY150

Underlying Causes Behind the Incident

Beyond factors at the individual level, a combination of structural factors contributed to the Incident. These structural factors included unclear controls between the parent and subsidiary related to compensation, dysfunctional controls at the subsidiary, and weak reporting and information-sharing systems.
The investigation uncovered issues related to the effectiveness of group-wide governance and internal controls.

Individual level

- **A subjective justification** was offered by the director and executive officers of the U.S. subsidiary in question, indicating their interpretation that COLA did not constitute compensation.
- **A rationale to circumvent internal control procedures was formed** based on a shared acceptance of the above interpretation among the executive officers concerned.
- There was **a lack of awareness** of the expectations demanded of a director to engage with care and submit reports regarding one's own compensation.

System level

- **Rules were ambiguous regarding compensation management** group-wide, including compensation at overseas subsidiaries.
- While the U.S. subsidiary had a system in place for Board approval and deliberations by the Remuneration Committee, details related to **the method of operation and responsible parties were unclear**, and the system was not utilized in practice.

Organizational level

- Senior management had **relative ease in making decisions based on their own discretion** without the involvement of the Board of Directors, the Remuneration Committee, or other formal meeting bodies in connection with decisions regarding compensation at the U.S. subsidiary.
- Systems were lacking for reporting to and receiving approval for additional compensation at the U.S. subsidiary from the Sanrio Head Office, **allowing for compensation management to proceed outside the control of the Sanrio Head Office.** Opportunities for remediation within the organization were limited in nature.

The Company's Response to the Incident (1)

1. Correction to the "Total Amount of Consolidated Compensation, etc., by Officer" in Annual Securities Reports for Previous Fiscal Years

- Based on the findings of the Special Investigation Committee, as soon as the calculation and verification of the amount to be added to that item regarding the compensation of the director in question have been completed, we will promptly submit an amended securities report so that the compensation amount for the relevant director is added.

2. Measures Regarding the Relevant Director and Key Executives

- The director in question has resigned
- President and CEO : Return of 30% of monthly compensation (for three months)
- Senior Managing Director : Return of 10% of monthly compensation (for one month)
- Former officers of the U.S. subsidiary : Considering appropriate action based on the nature of involvement in the Incident

Sanrio

The Company's Response to the Incident (2): Measures to Prevent Recurrence

3. Recognizing the serious nature of the Incident and considering the recommendations of the Special Investigation Committee, we intend to implement the following preventive measures to strengthen governance across the Sanrio Group.

A) Clarifying the Roles of Company Directors and Ensuring Effectiveness through Appropriate Staffing
B) Clarification of Controls Regarding Compensation for Directors of Overseas Affiliates
C) Addition of a Reporting Line to Head Office for CFOs of Overseas Affiliates
D) Strengthening Subsidiary Management and Supervision by the Head Office
E) Strengthening Approval Procedures at Overseas Affiliates
F) Strengthening the Implementation of the Above Regulations (The Company's Regulations /Subsidiary Regulations)
G) Strengthening Internal Checks and Balances at Overseas Affiliates
H) Strengthening Education and Monitoring of the Company's Executives
I) Qualitative Enhancement of the Internal Audit System

Financial Results for Fiscal Year Ending March 2026

Summary

- Net sales and operating profit marked a fifth consecutive year of growth, reaching historical highs at 194.0 billion yen (+33.9% YoY) and 78.4 billion yen (+41.0% YoY), respectively.
- In Japan, ongoing exposure through owned media and licensee promotions proved to be effective. At the same time, the expansion of our store network in mainland China and advancements in fast fashion in Europe contributed to earnings growth.
- Our FY3/2027 earnings forecast calls for continued strong growth, with net sales of 229.8 billion yen (+18.4% YoY) and adjusted operating profit of 88.8 billion yen (+13.2% YoY).

Summary For FY 3/2026 (Japan:Apr, 2025 - Mar, 2026, Overseas : Jan, 2025 – Dec, 2025)

Japan Product Sales	Operating Profit※ YoY +51%	In addition to the strategic rollout of Sanrio original products throughout the year, we have also strengthened infrastructure by improving the accuracy of the automated ordering system and increasing the number of cash registers, resulting in advanced inventory control and operational improvements. Growth in existing store sales in Q4, including the Harajuku and Tokyo Street stores (opened in December 2025), contributed to the increase.
Japan License Business	Operating Profit※ YoY +64%	Through efforts in cooperation with strong-brand licensees, we continued to supply products that meet customer needs while our own characters remained in the spotlight. A number of factors contributed to continued performance growth, including expanded licensing across a wide range of industries, particularly in apparel and food and beverage, the use of multiple Sanrio characters together, and promotional activities on the part of clients.
Asia	Contribution Profit YoY +58%	We expanded licensing in mainland China, particularly in the toy category, creating a larger supply network with popular-brand licensees. In addition, the Product Sales Business continued to expand our store network, growing substantially. Sales in other Asian regions also increased, mainly due to the rising popularity of using multiple Sanrio characters together.
Americas	Contribution Profit YoY +1.4%	Largest contributions to performance growth were from the toy and apparel categories. We stepped up marketing investments for sustainable growth in FY3/2027 and beyond compared with the previous fiscal year. Despite tariffs and the difficult market environment in the second half of the fiscal year, we strengthened partnerships with large licensees through unique projects, using seasonal events as a hook. These efforts proved successful, and contribution profit remained at the same level as the previous fiscal year.
Europe	Contribution Profit YoY +113%	Ongoing efforts of using multiple Sanrio characters togetherwith major global fast fashion brands resulted in the apparel category contributing to performance growth. In standalone Q4, SG&A expenses increased significantly due to strategic marketing investments; however, we expect solid growth from the next fiscal year onward.

See the frequently asked questions about financial results. ➡ P.25

Notes: Percentages are rounded to the nearest tenth of a percent. Product Sales Business and Licensing Business operating profit shown in the table represent figures before the allocation of overhead expenses.

Consolidated Financial Results for Full Year

JPY: Million

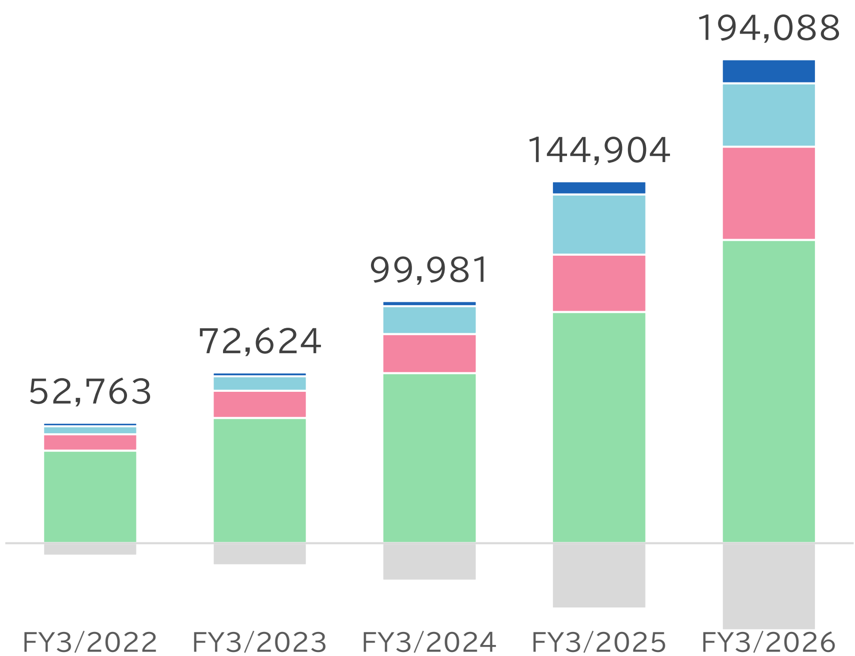
	FY3/2025	FY3/2026	Change
Sales	144,904	194,088	+33.9%
Gross Profit	109,899	150,062	+36.5%
Gross Profit Margin	75.8%	77.3%	+1.5pt
Operating Profit	51,806	77,859	+50.3%
OP Margin	35.8%	40.1%	+4.3pt
Adjusted Operating Profit	55,644	78,453	+41.0%
EBITDA	54,107	80,731	+49.2%
EBITDA Margin	37.3%	41.6%	+4.3pt
Ordinary Profit	53,453	79,335	+48.4%
Net Profit attribute to owners of parent	41,731	54,608	+30.9%
ROE	48.6%	41.6%	(7.0pt)
EPS	35.32	45.33	+10.01
Dividends Paid (Yen)	53	69	+16
Dividend payout ratio	30.0%	30.4%	+0.4pt
Total Payout Ratio	30.1%	58.3%	+28.2pt

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.
The company conducted a 5 for 1 common stock split on April 1, 2026. The calculation of net profit per share assumes that the stock split was conducted at the beginning of the previous consolidated fiscal year.

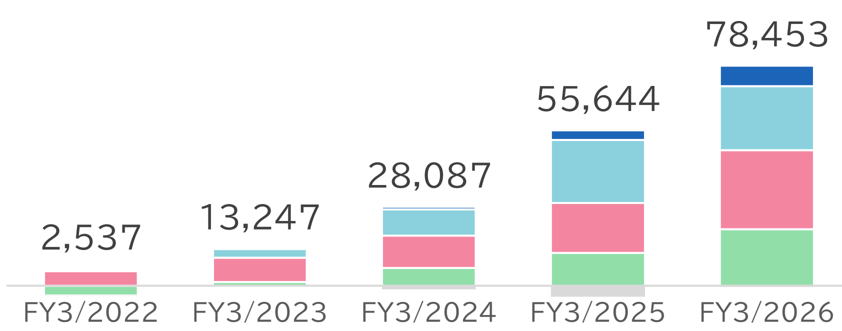
Consolidated Financial Results Trend (Sales, Contribution Profit)

- Net sales and contribution profit increased for a fifth consecutive year, both marking historic highs.
- Both the Licensing Business and Product Sales Business drove performance amid increased awareness of a wide range of Sanrio characters in Japan and mainland China.

Sales JPY: Million



Contribution Profit JPY: Million

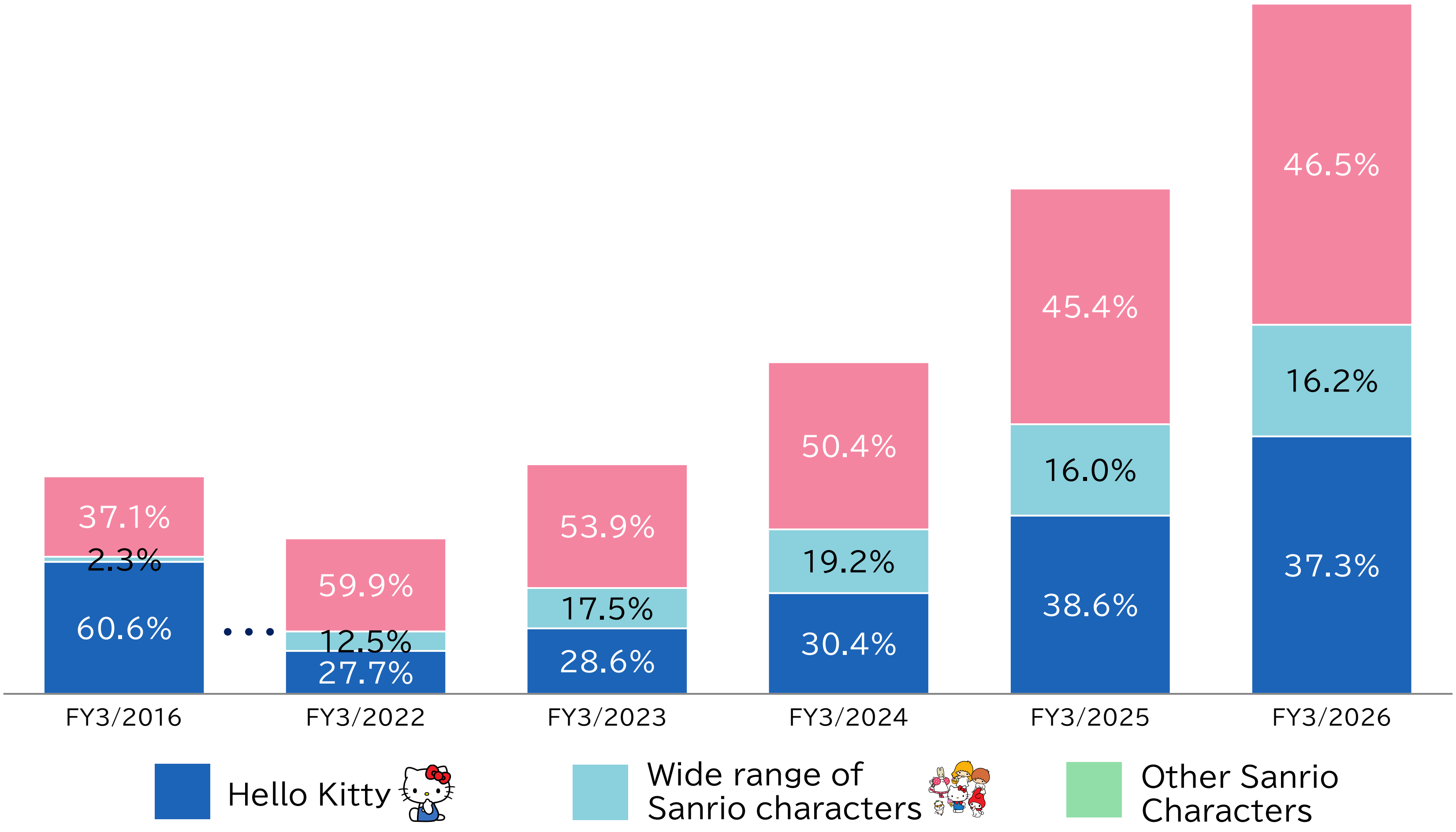


Japan Asia Americas Europe Adjustment

Notes: Figures are rounded down to the nearest one million yen.
Overseas subsidiaries pay fees proportional to their royalty income to the Japanese parent company, the copyright holder, as cost of sales, which is recorded as sales by the parent company. In order to see the actual amount of value created by Overseas Business, Sanrio uses “contribution profit,” which is calculated by adding the amount of royalty payments to the HQ to the operating profit of overseas subsidiaries, as an indicator unique to Sanrio.
Beginning Q2 FY3/2026, contribution profit in the financial results materials is presented net of consolidation adjustments related to differences in fiscal periods. Past figures are retrospectively restated.

Character Portfolio Trend

- Through the continued strengthening of our character portfolio strategy, the use of characters beyond Hello Kitty has accelerated, with a broader range of characters contributing to business growth.



Notes: Composition of characters is calculated based on gross profit from the Product Sales business and the License business in Japan and overseas.
Data for the FY3/2025 are retrospectively restated.

Breakdown by Reportable Segment

[JPY: Million]

Segment	FY3/2025	FY3/2026	YoY%
Sales	**144,904**	**194,088**	**+33.9%**
Japan	113,009	148,250	+31.2%
Europe	6,383	11,721	+83.6%
Americas	29,461	31,062	+5.4%
Asia	28,003	45,539	+62.6%
Adjustment	(31,953)	(42,486)	-
Royalty	**70,738**	**96,424**	**+36.3%**
Japan	45,368	62,767	+38.4%
Europe	6,110	11,392	+86.4%
Americas	26,707	28,226	+5.7%
Asia	18,077	25,670	+42.0%
Adjustment	(25,525)	(31,632)	-
Adjusted Operating profit	**55,644**	**78,453**	**+41.0%**
Japan	36,602	53,843	+47.1%
Europe	1,600	2,328	+45.5%
Americas	10,955	10,494	(4.2%)
Asia	9,068	15,515	+71.1%
Adjustment	(2,581)	(3,728)	-
Contribution Profit	**55,644**	**78,453**	**+41.0%**
Japan	11,722	20,234	+72.6%
Europe	3,450	7,360	+113.3%
Americas	22,646	22,967	+1.4%
Asia	17,900	28,313	+58.2%
Adjustment	(75)	(422)	-

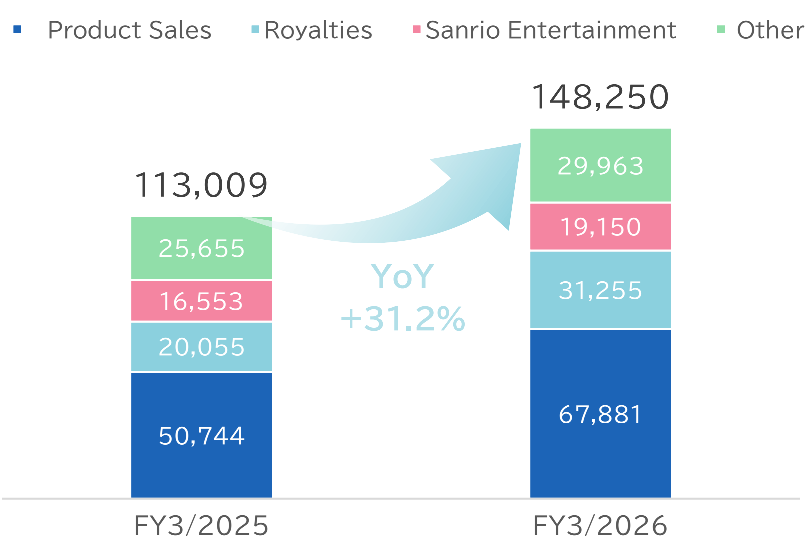
Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent. Sales refers to those of the reporting segments.

Details by Segment: Japan (Sales and Contribution Profit)

- Substantial increase in sales and profit in domestic Product Sales and License Business amid improved experience value with the opening of our Harajuku flagship store in December 2025, the strategic development of Sanrio original products, and the use of multiple Sanrio characters together.

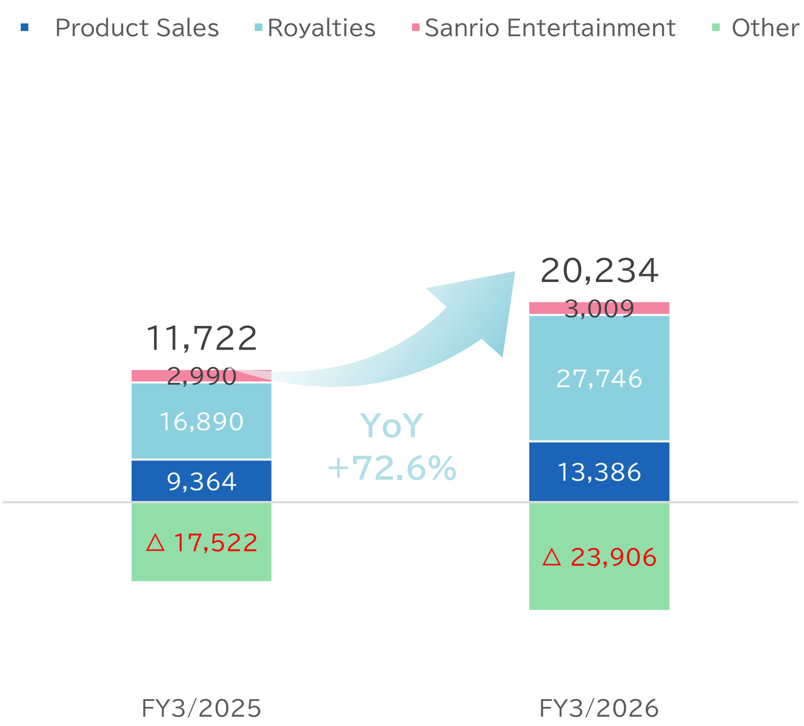
Sales

JPY: Million



Contribution Profit

JPY: Million



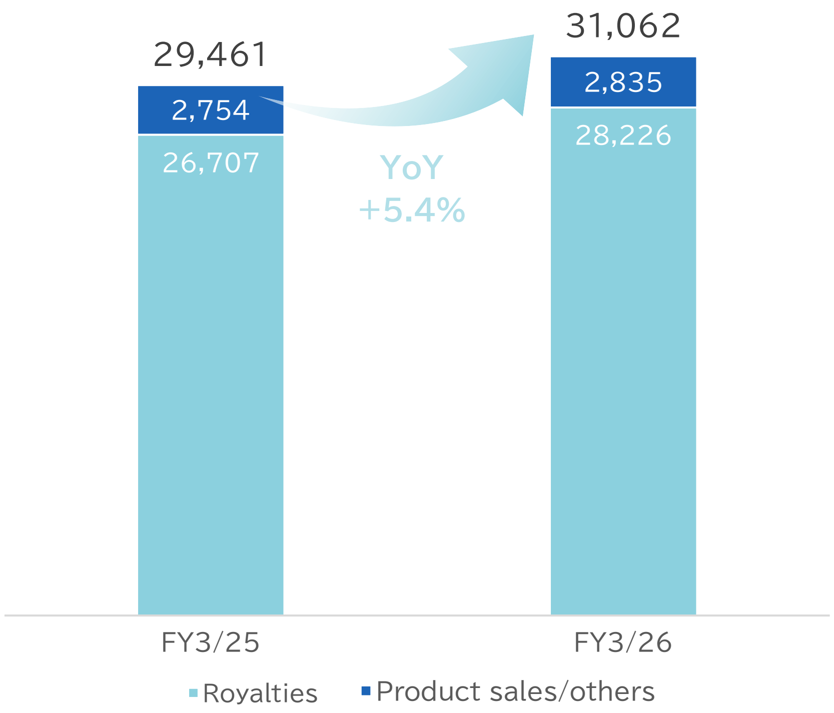
Notes: Figures are rounded down to the nearest million yen. Percentages are rounded to the nearest tenth of a percent.
'Other' includes SG&A expenses and the elimination of master license fees paid by overseas subsidiaries to the head office, as well as domestic consolidated subsidiaries.

Details by Segment: Americas (Sales and Contribution Profit)

- Brand momentum remained favorable, despite slowing performance growth due to delays and stoppages in production and shipments by some licensees as a result of the U.S. tariffs.

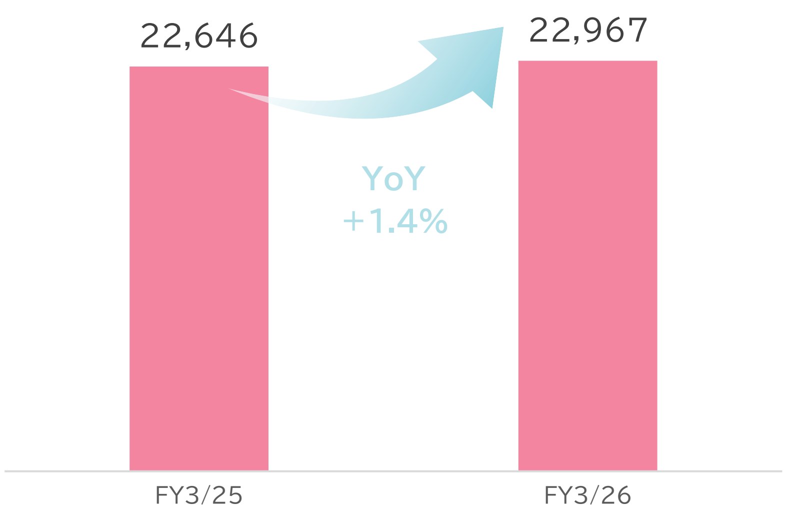
Sales

JPY: Million



Contribution Profit

JPY: Million



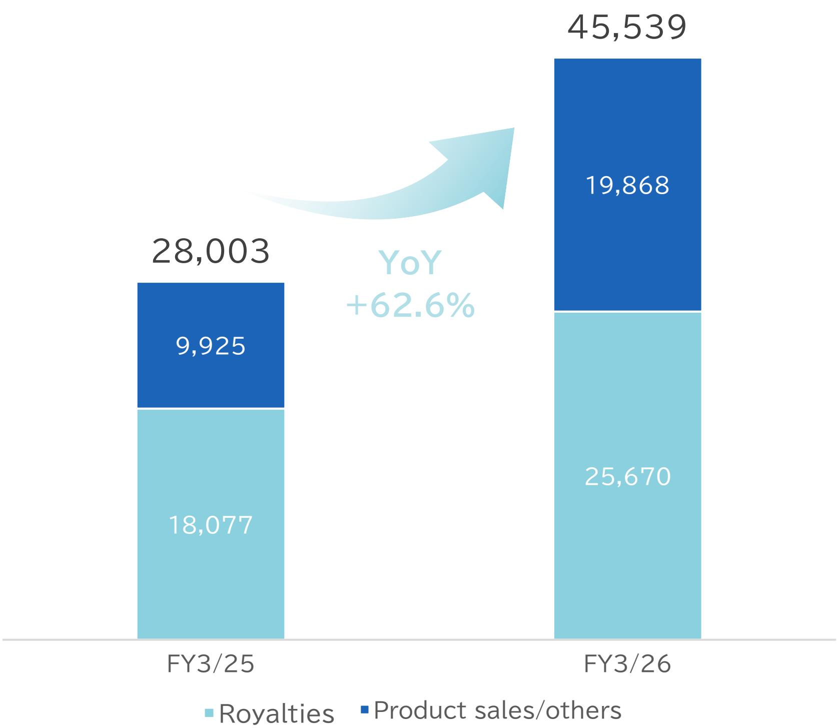
Note : Figures are rounded down to the nearest million yen. Percentages are rounded to the nearest tenth of a percent.

Details by Segment: Asia (Sales and Contribution Profit)

- In mainland China, Product Sales performance was strong at new and existing stores—mainly in first-tier cities (*1). Merchandise licensing continued to be strong, particularly for toys, while Alifish sales promotions created further synergies.

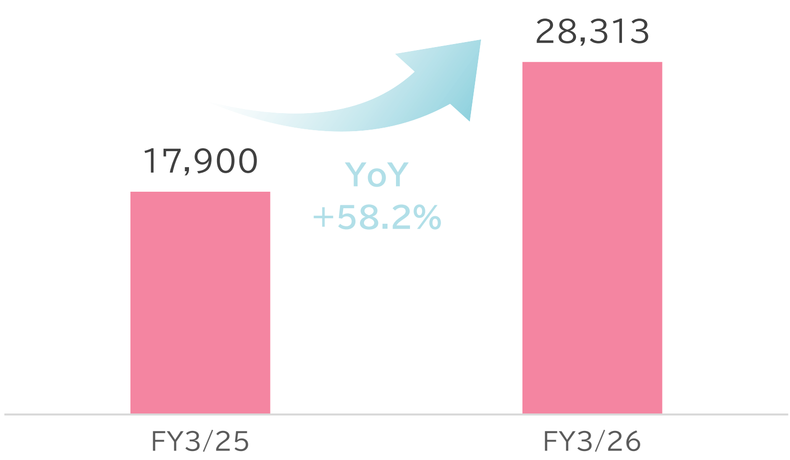
Sales

JPY: Million



Contribution Profit

JPY: Million



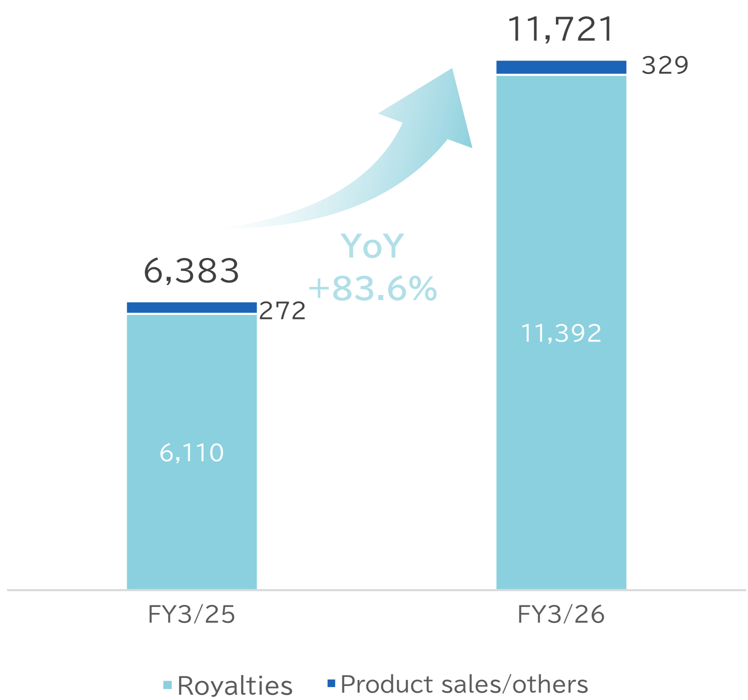
Note 1: Tier 1 cities refer to the leading cities in mainland China which rank at the top domestically in terms of economic scale, infrastructure, population, and international influence. This term generally refers to the four cities of Beijing, Shanghai, Guangzhou, and Shenzhen.
Note 2: Figures are rounded down to the nearest million yen. Percentages are rounded to the nearest tenth of a percent.
Note 3: We acquired an additional 30% stake in SANRIO SOUTHEAST ASIA PTE. LTD. ("SSEA") from Avex Inc. in December 2025, making SSEA a wholly owned subsidiary.

Details by Segment: Europe(Sales and Contribution Profit)

- Global fast fashion brands and other apparel contributed positively to business performance, while increased brand awareness through expanded online and offline touchpoints has driven the continued adoption of a wide range of Sanrio characters.

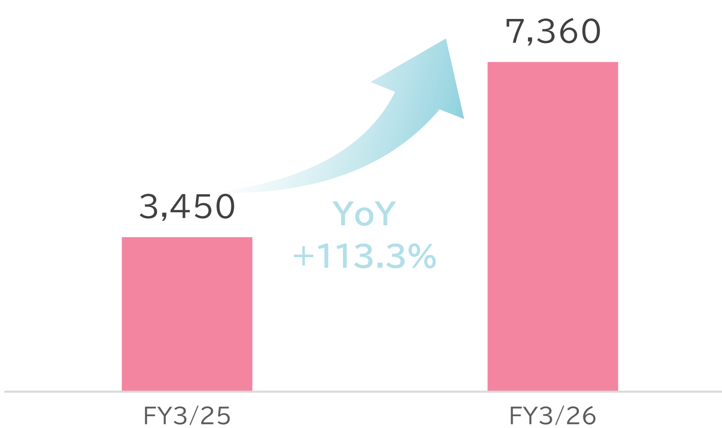
Sales

JPY: Million



Contribution Profit

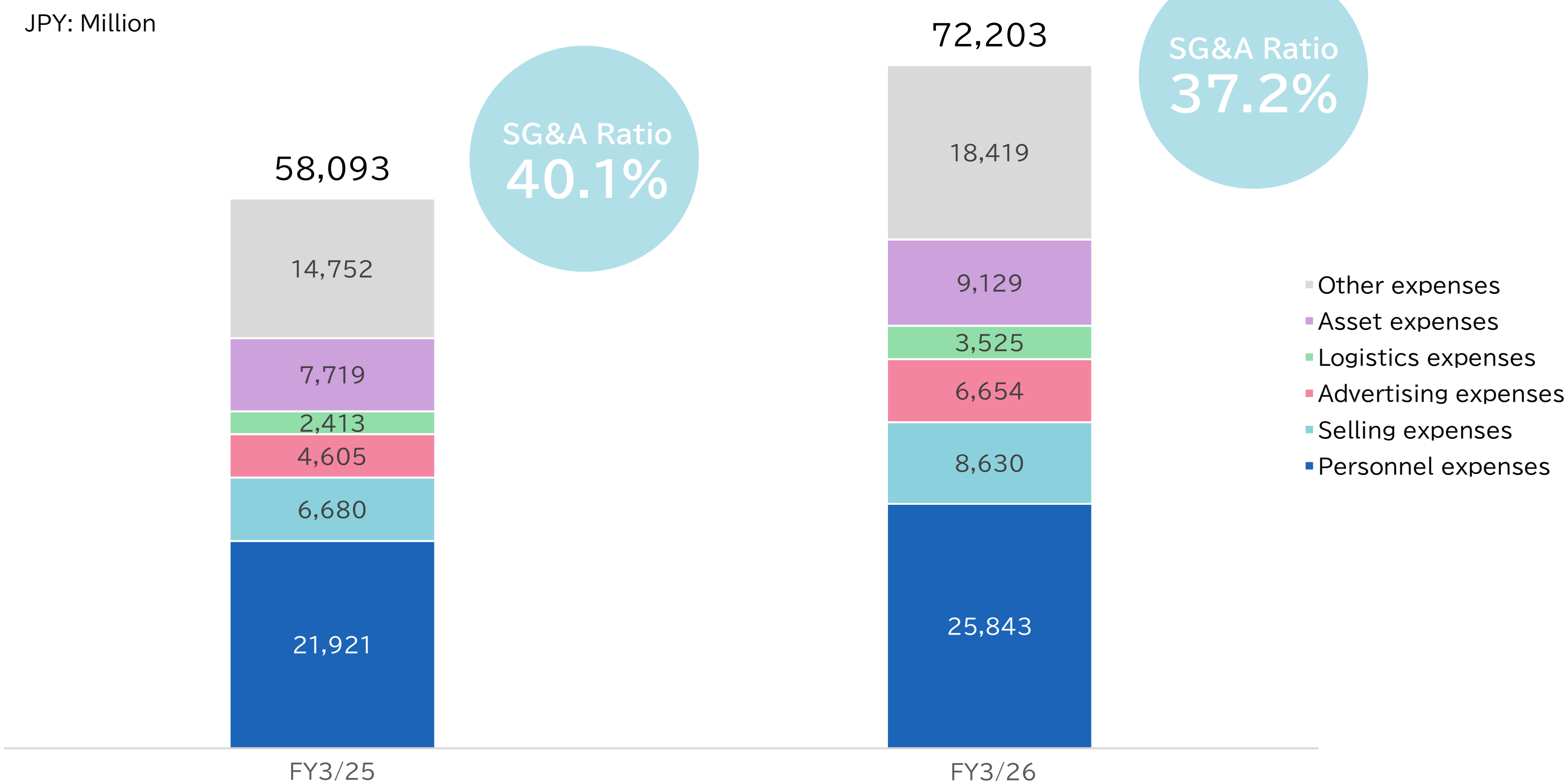
JPY: Million



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

Consolidated SG&A Expenses Trend

- The SG&A ratio was maintained at a level that supports sustainable medium- to long-term growth.
- In particular, during Q4, the Company made strategic marketing investments aimed at increasing global character exposure, in addition to higher personnel expenses associated with expanding its business foundation. These investments are expected to contribute to profit growth from the fiscal year ending March 2027 onward.



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

Consolidated Financial Results (B/S)

[PY: Million

	FY3/2025	FY3/2026	Increase/Decrease YoY	Change YoY(%)	Increase/Decrease Factors
Current assets	151,698	168,567	+16,868	+11.1%	Merchandise and finished goods(+3.9B JPY) Accounts receivable-trade(+2.7B JPY)
Cash and deposits	118,976	125,433	+6,456	+5.4%	
Others	32,721	43,133	+10,411	+31.8%	
Non-current assets	50,707	66,117	+15,410	+30.4%	
Policy ownership	6,671	7,379	+708	+10.6%	
Total assets	202,406	234,684	+32,277	+15.9%	
Current liabilities	49,277	51,393	+2,115	+4.3%	Convertible bond-type bonds with stock acquisition rights (-21B JPY) Short-term and long-term borrowings and bonds (including bonds due within one year) (-5.2B JPY), etc.
Non-current liabilities	45,521	27,319	(18,201)	(40.0%)	
Interest-bearing debt	40,291	13,938	(26,352)	(65.4%)	
Total liabilities	94,798	78,713	(16,085)	(17.0%)	
Net asset	107,608	155,971	+48,363	+44.9%	Retained earnings increased by 39.1 billion yen
Total liabilities and assets	202,406	234,684	+32,277	+15.9%	
Net cash	78,685	111,495	+32,809	+41.7%	
Equity ratio	52.9%	66.4%	13.5pt	—	
Policy ownership / Net assets	6.2%	4.7%	(1.5pt)	—	

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.
Policy holdings include unlisted shares.
Interest-bearing debts include convertible bond-type bonds with stock acquisition rights.
Net cash = Cash and deposits - Interest-bearing debts

Outlook for the Fiscal Year Ending March 2027

Full-year Forecasts for FY3/2027: Consolidated P/L

Building on our global business foundation, we aim to further accelerate brand momentum and achieve a sixth consecutive year of revenue and profit growth, along with a new record-high profit.

JPY: Million

Consolidated PL	FY3/2026 Full Year	FY3/2027 (Expected) Full Year	YoY Full Year
Sales	194,088	229,800	+18.4%
Gross profit	150,062	178,600	+19.0%
Gross Profit Margin	77.3%	77.7%	+0.4pt
Operating profit	77,859	895,00	+15.0%
OP Margin	40.1%	38.9%	-1.2pt
Adjusted Operating Profit	78,453	88,800	+13.2%
Ordinary profit	79,335	90,200	+13.7%
Net profit attributable to owners of parent	54,608	63,800	+16.8%

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

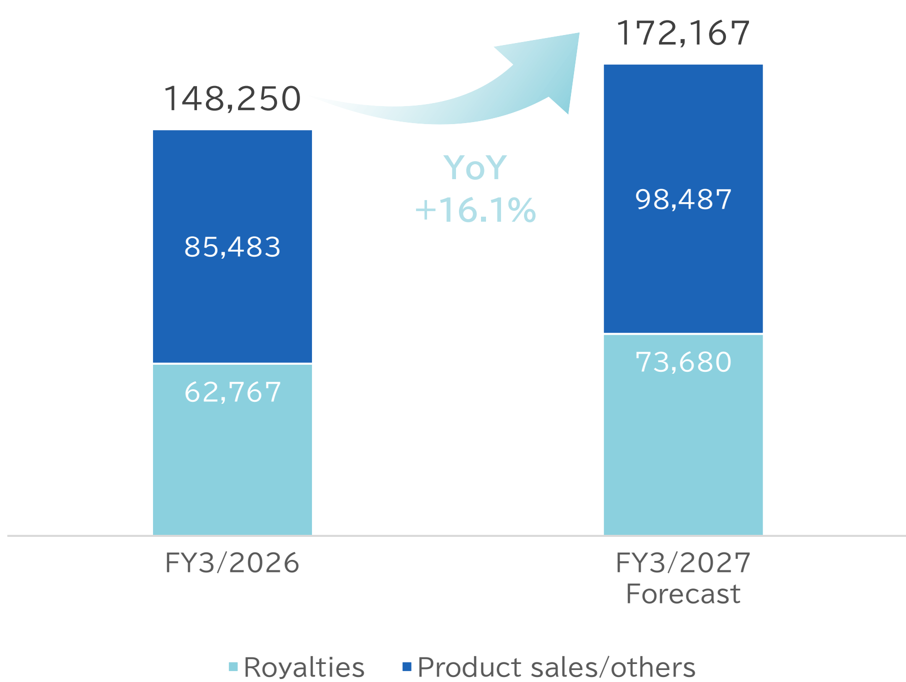
Exchange rate assumptions	FY3/2026	FY3/2027
USD/JPY	150 yen/USD	155 yen/USD
EUR/JPY	169 yen/EUR	185 yen/EUR
CNY/JPY	20.9 yen/CNY	22.5 yen/CNY

* Major exchange rate assumptions reflect USD/JPY, EUR/JPY, CNY/JPY.

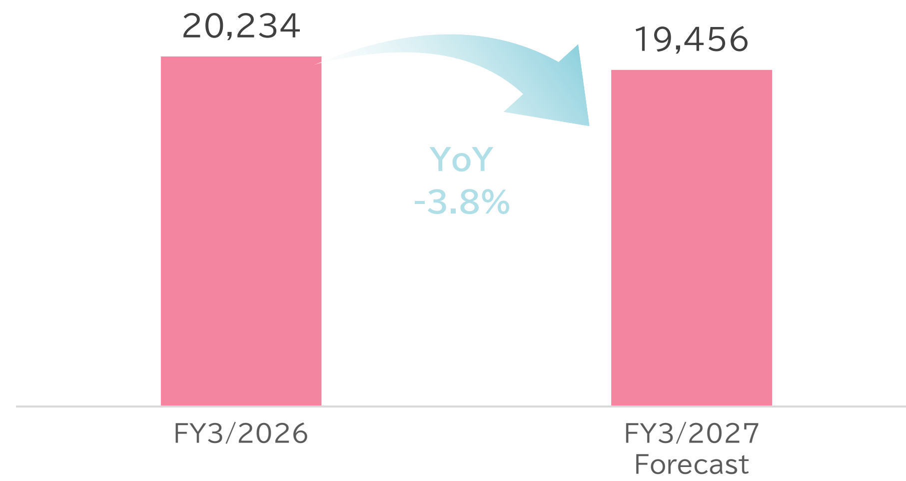
Full-year Forecasts for FY3/2027: Japan

- Investments made by the Japan HQ to expand global character exposure, along with higher personnel costs to strengthen the business foundation, will weigh on contribution profit.
- However, as evidenced by the strong top-line growth, the merchandise business is expected to continue increasing sales in high-traffic areas while improving store-operation efficiency, and the licensing business is also maintaining strong momentum. As a result, the overall business is projected to remain on a solid growth trajectory.

Sales
JPY: Million



Contribution Profit
JPY: Million



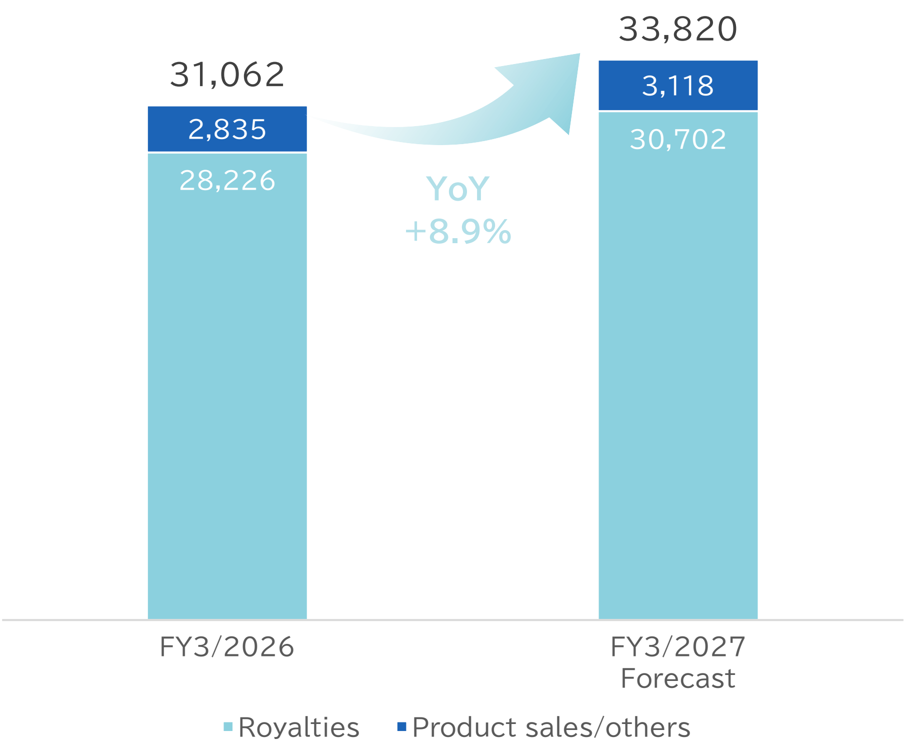
Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.

Full-year Forecasts for FY3/2027: Americas

- We anticipate continued growth across existing major categories (apparel, toys, etc.), and we plan to enter new areas. While the negative impact of tariffs will likely continue and we expect an increase in expenses for strengthening and expanding our business base, we are seeing steady progress in several projects for new growth in FY3/2028 and beyond.

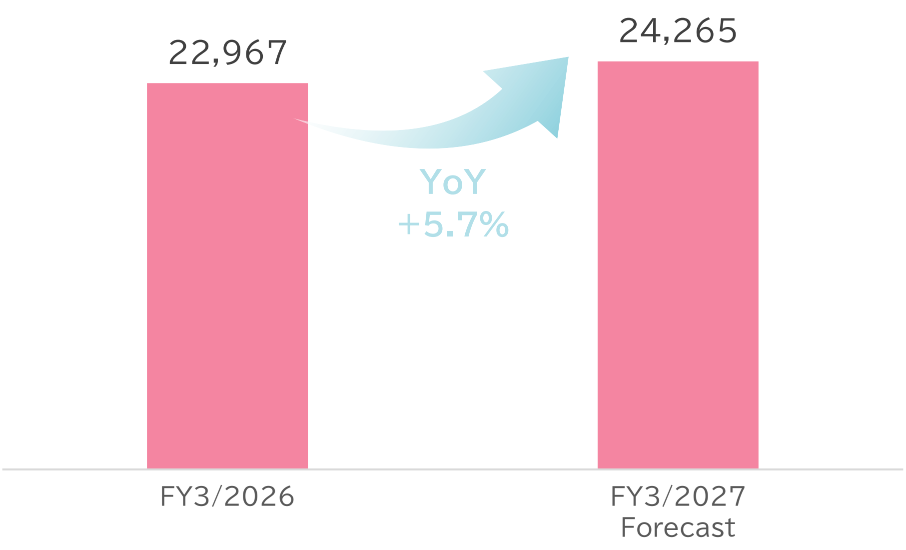
Sales

JPY: Million



Contribution Profit

JPY: Million



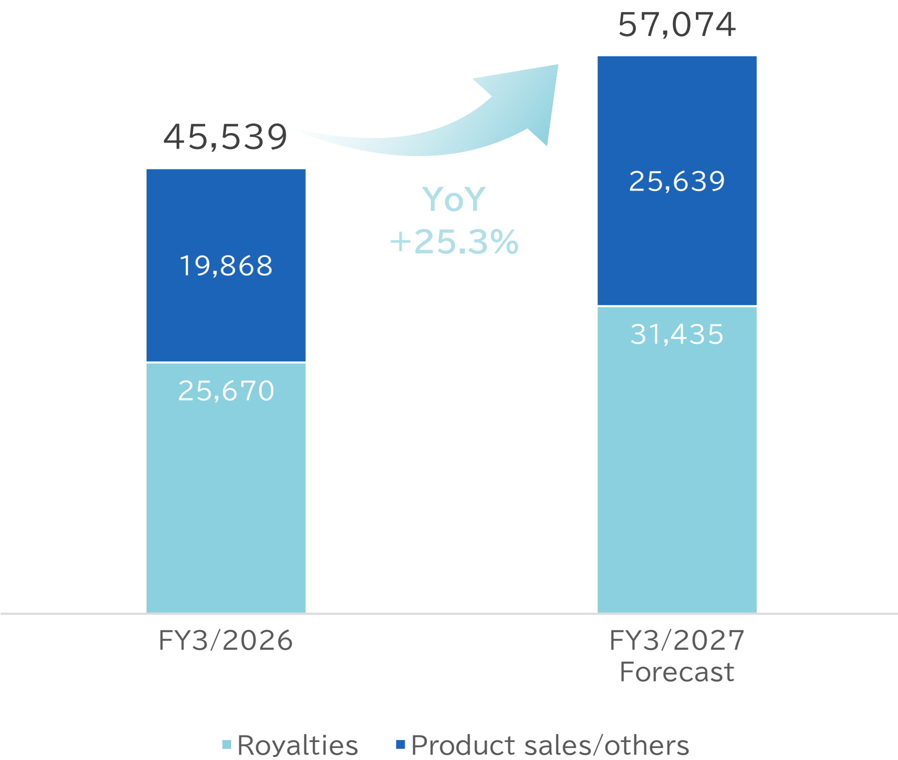
Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.

Full-year Forecasts for FY3/2027: Asia

- We expect the License Business to remain strong in mainland China, as we step up activities in the toy, apparel, and FMCG (daily consumer goods) categories. We plan to open roughly 20 new stores in the Product Sales Business, mainly in Tier 1 and Tier 2 cities. We also expect to see steady progress in our business model tying expanded Product Sales to License Business growth.

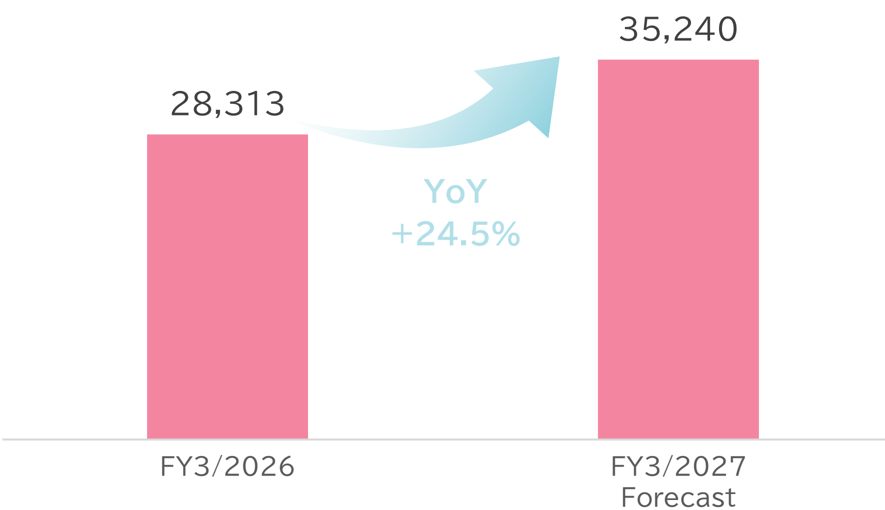
Sales

JPY: Million



Contribution Profit

JPY: Million



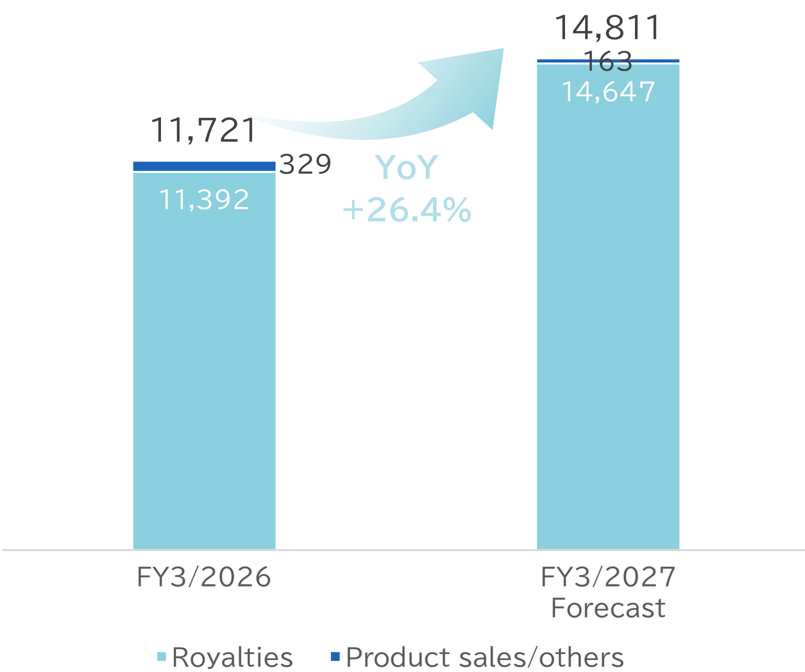
Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.

Full-year Forecasts for FY3/2027: Europe

- We also expect global fast fashion brands and other brands in the apparel category to contribute positively to earnings. Accelerate licensees’ deployment of a wide range of Sanrio characters, while expanding real-world touchpoints such as sports collaborations and cafés, to further enhance customer engagement through experiential value.

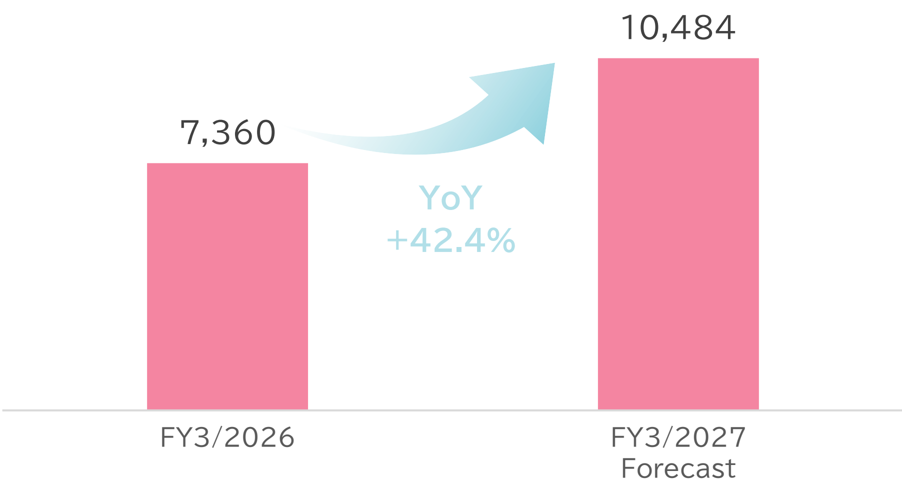
Sales

JPY: Million



Contribution Profit

JPY: Million



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

Sanrio

Q&A on our financial results

Q1 What is your policy for shareholder returns?

A1

- Our basic policy for shareholder returns is to provide stable and consistent dividends. Our financial policy targets a dividend payout ratio of at least 30%. We will conduct a comprehensive review of progress under the growth investment framework in our medium-term management plan, which calls for 50 billion yen or more (through FY3/2027). We will also carefully review available investment opportunities. Subsequent to this review, we intend to consider shareholder returns of up to 30 billion yen as one important option if we are unable to identify a sufficient number of attractive investment opportunities.
- We have consistently regarded our stock price as a key management indicator, and our long-term vision (through FY3/2035) includes a target market capitalization of 5 trillion yen. We believe that the key to increasing our stock price lies in medium- to long-term earnings growth. At the same time, we must be consistent in implementing measures to prevent any recurrence of the publicly announced inappropriate incident to restore the trust of our investors.
- Our policy of prioritizing growth investments remains unchanged. We will also consider opportunistic share buybacks using excess capital, assuming a solid financial base and a comprehensive assessment of stock prices, investment opportunities, and the business environment. We believe that balancing growth investments and shareholder returns will enhance corporate value over the medium to long term.

Q2 Are you more concerned with short-term performance or medium- to long-term growth?

A2

- The Company pursues a management policy of steady growth for any single fiscal year, while achieving medium- to long-term growth at the same time.
- In FY3/2027, our task is to maximize growth and profitability by maximizing sales and improving business efficiencies. At the same time, we recognize the importance of strategic investments, including strengthening the brand marketing of Sanrio IP, which is the source of our value. We also invest to increase customer interaction points, such as with the game business, and to build a global organizational structure. In this way, we strive to achieve our long-term vision and solidify sustainable growth over the medium to long term.
- We recognize that we have the potential to achieve higher profit levels over a single-year span if we were to curtail strategic investments. But as I stated earlier, we endeavor to strike a balance between both to ensure medium- to long-term sustainable growth, and we expect operating profit to increase around 15% for the current fiscal year.

Sanrio

Q&A on our financial results

Q3 Medium-Term Management Plan Updates

A3

- Our disclosures based on the medium-term management plan extend through FY3/2027. In the future, we intend to disclose the progress of the measures toward achieving our long-term vision.
- We are in the process of implementing a three-year medium-term management plan ending in FY3/2027. We have made steady progress in building our business foundation, despite the daily changes in the business environment, and we have raised our final-year targets every year of the plan.
- We expect the business environment to change even more rapidly and dramatically in the future. Given this environment, we intend to shift from formulating medium-term management plans to focus on implementing strategies and measures in a more flexible and agile manner to achieve sustainable growth and our FY3/2035 long-term vision (announced in May 2025).
- We will confirm progress toward the goals and measures of our long-term vision internally as necessary, and disclose this information in conjunction with the release of annual financial results.

Q4 How much of the game business sales and profits been factored into the forecast for this fiscal year?

A4

- We expect to incur certain costs in the current fiscal year, which is the initial stage of the business. Accordingly, the contribution of the business to earnings will likely be limited.
- On April 21, 2026, we announced the launch of our own brand, Sanrio Games, and the first title, Sanrio Party Land. Sanrio Party Land is scheduled for global release in fall 2026 for the Nintendo Switch and Switch 2. We plan to release our second game by the end of FY3/2027. We expect to incur certain costs in the initial stages. Accordingly, the contribution to earnings will likely be limited in this first fiscal year.
- By linking the game business with existing businesses, such as Product Sales, License, and theme parks, we will create more opportunities for customers to interact with Sanrio characters in both the digital and real worlds. Over the long term, we will develop multiple titles (approximately 10 titles over three years), leading to sustainable growth and contribution to earnings.

Q&A on our financial results

Q5 Impact of the Middle East Situation on Earnings and Future Outlook

A5

- At this point, we think that changes in the external environment will only have a limited impact on earnings, but we will continue to monitor future developments closely.
- The impact of the situation in the Middle East means there is a possibility of higher raw materials prices and changes in the materials procurement environment, impacting certain aspects of our Product Sales and License businesses. Given the environment, we may be able to secure earnings from character products by passing on costs to a certain degree. At the same time, it will be necessary to carefully assess the impact of price increases on demand.
- In addition, both the Company and our licensees may revise product strategies and contract terms in the face of rising costs, which could affect our earnings. We will continue to monitor changes in the external environment and, if necessary, consider ways to optimize product portfolio, contract design, and logistics.

Q6 What impact will the proliferation of AI have on Sanrio earnings?

A6

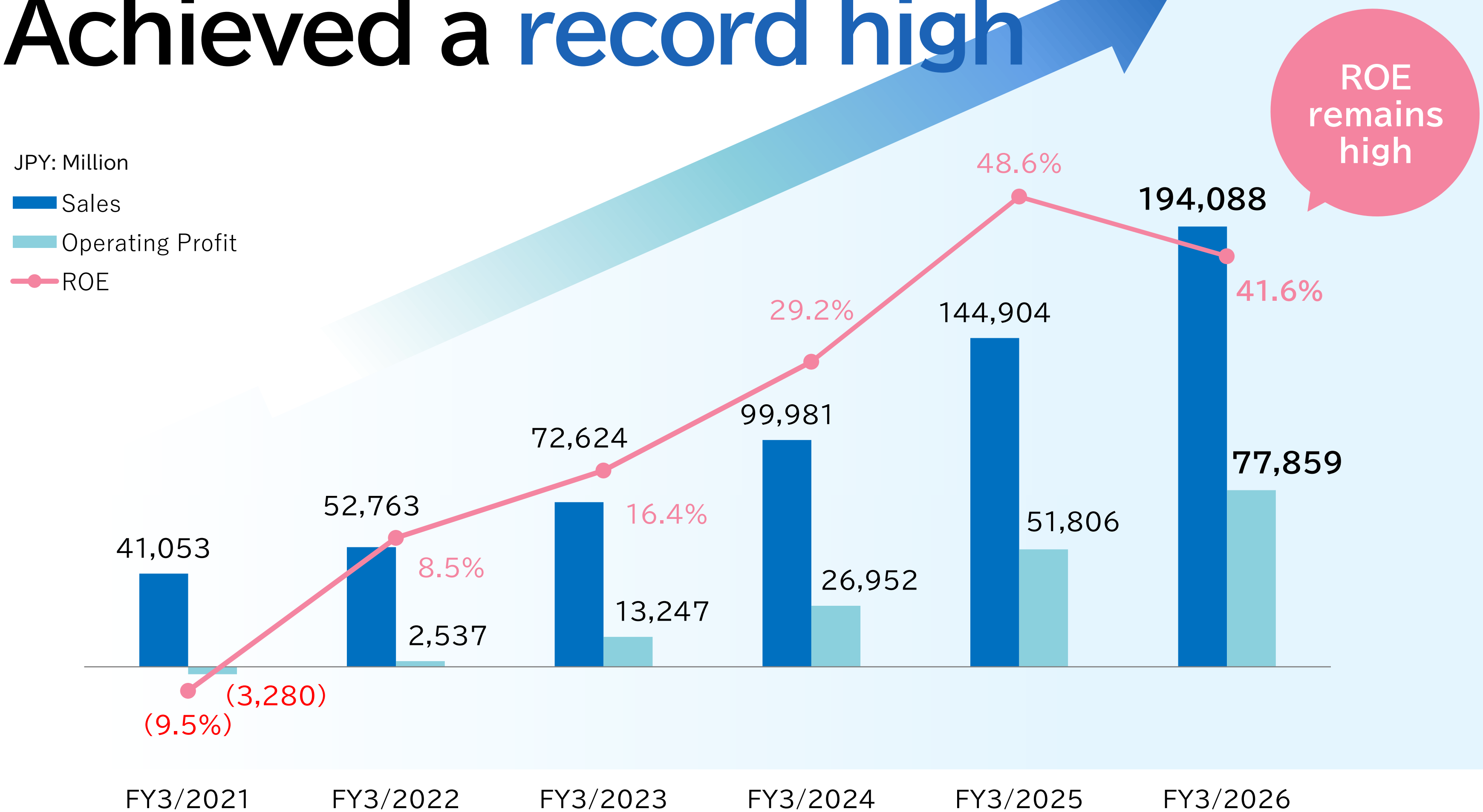
- We do not believe the proliferation of AI itself will have a direct impact on earnings.
- At the same time, we continue to respect the rights of creators, and we have not adopted a policy regarding the use of AI in areas that play a central role in creative activities. Having said that, we are watching AI closely as a technology that has the potential to improve operational efficiency and the customer experience. We do not intend to monetize AI in the short term, but, rather, carefully consider how to utilize AI in a manner that leads to higher added value over the medium to long term. Our highest priority remains on brand value.

Our Long-Term Vision and Medium-Term Management Plan Progress

Sales and operating profit rose for a fifth consecutive year, both marking historic highs

FY3/2026 Sales and operating profit

Achieved a record high



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

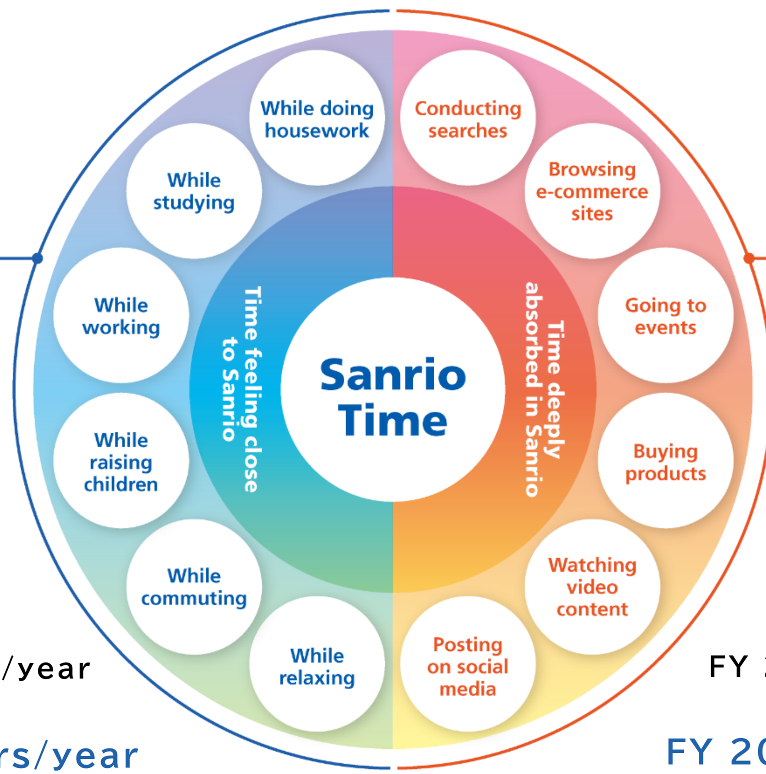
Sanrio Time

**Sanrio Time measures the smiles delivered to everyone.
In this past year alone,
we have increased Sanrio Time 1.5 times the previous year.**

Time feeling close to Sanrio[1]

Time customers spend with Sanrio characters, products, and services in various situations in their daily lives

FY2025: 113.6 billion hours/year
↓
FY2026:164.4 billion hours/year



Time deeply absorbed in Sanrio[2]

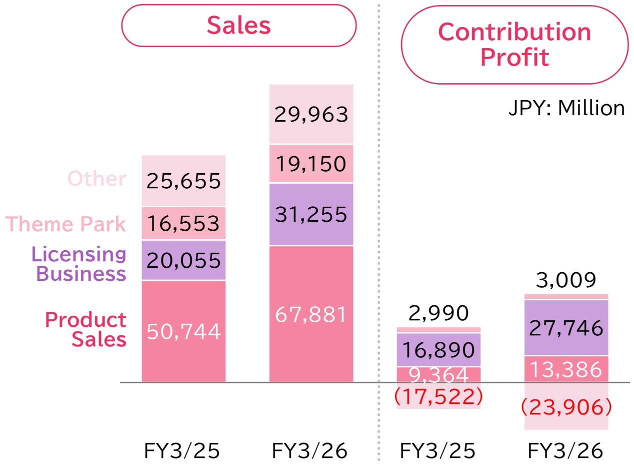
Time when customers actively engage with Sanrio characters, products, and services

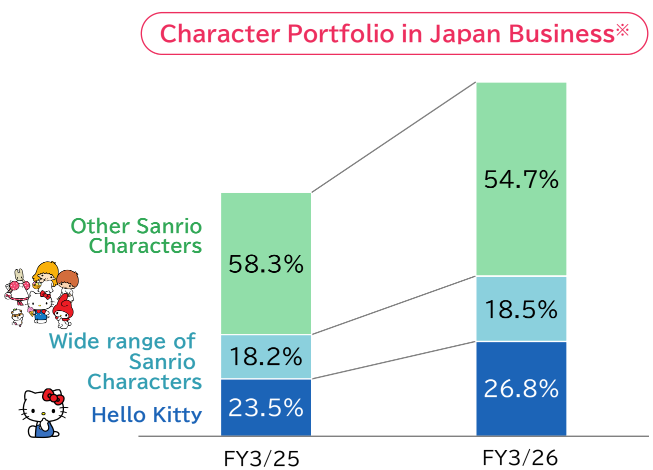
FY 2025: 0.5 billion hours/year
↓
FY 2026:0.5 billion hours/year

＊Time Feeling Close to Sanrio = Calculated by multiplying the annual number of units sold by the unit time for each category
＊Time Absorbed in Sanrio = Total time spent on searches, major physical touch points, and major digital touch points

Japan Business Overview

Marketing through owned media and promotions by licensees produced synergistic effects, accelerating overall sales and profits in the Japan Business.





Product Sales

In addition to in-store measures to enhance customer experience value, **we engage in product development that complements consumer demand and improves inventory accuracy** which we believe will lead to **stable sales growth and increased efficiency**.

Licensing Business

We are making further progress in **commercializing and selling Sanrio characters through licensees who have strong brand power**, contributing to **earnings growth**.

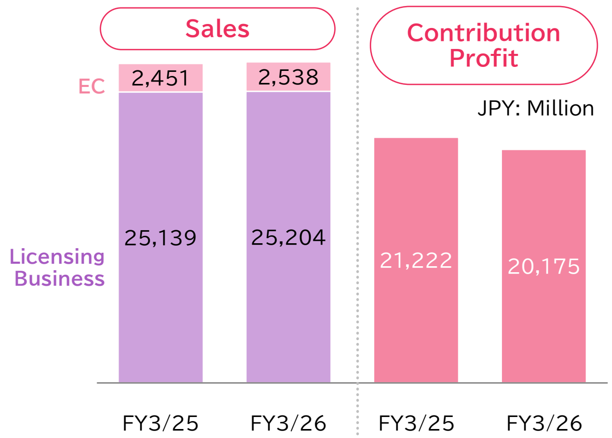
Theme Park

We posted **historic highs in sales and operating profit** thanks to an update to the parade and the development of a variety of events and products to enhance experience value.

Note: Character portfolio is calculated based on gross profit generated by Sanrio HQ, including product sales and licensing business.

North America Business Overview

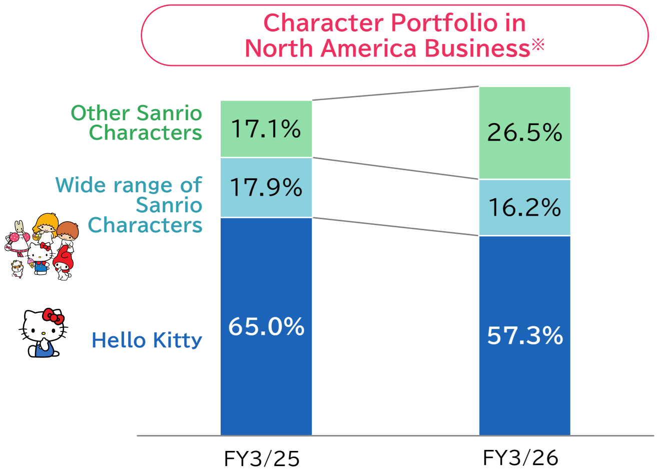
Despite market headwinds due to U.S. tariff policy, stepped-up marketing from in-house efforts resulted in higher Sanrio character visibility, increased B2B and B2C recognition, and improved freshness.



Licensing Business

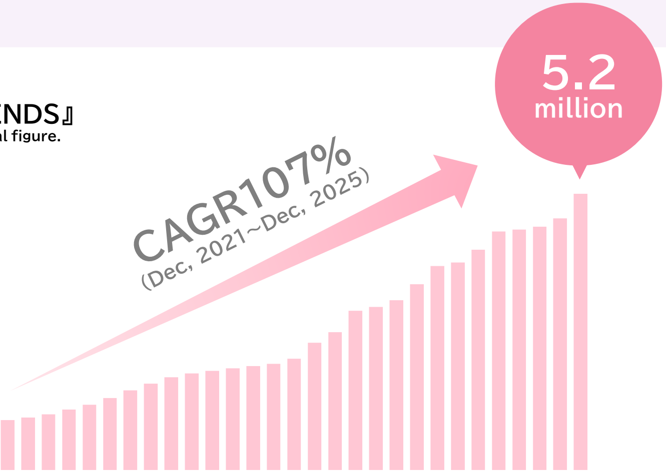
In addition to licensing deals that have enhanced the Sanrio brand value, we are seeing the steady progress of Sanrio character usage by existing licensees in the toy and apparel industries.

・As part of the unique Sanrio strategy, we collaborated with major partners to hold Halloween-themed events to capture market share for Kuromi.



The Number of Subscribers YouTube『HELLO KITTY AND FRIENDS』

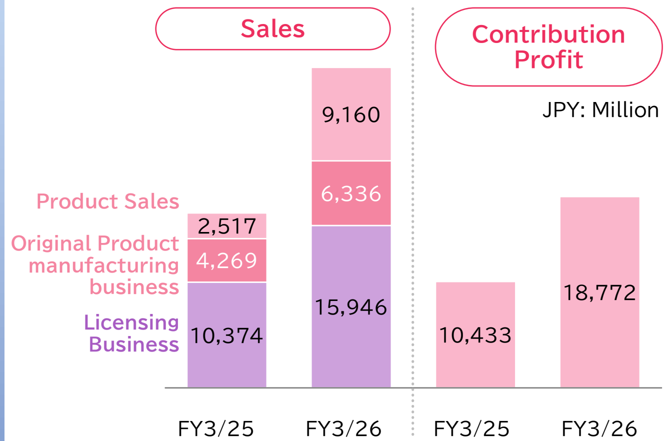
＊The number of subscribers is calculated as the total global figure.

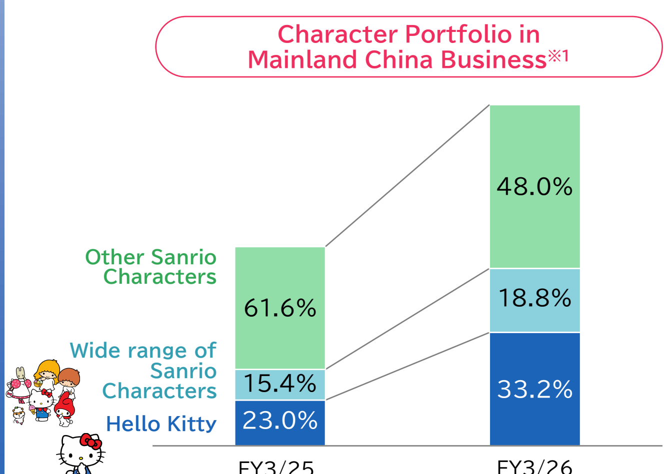


Note: Composition ratio of characters is calculated based on gross profit from License Business.

Mainland China Business Overview

The toy category made a strong contribution to the expansion of the trendy toy market, while overall licensing grew, including apparel. Sales rose at existing stores, in addition to an increased number of new stores; Product Sales Business performed well.





Note1: Composition ratio of characters is calculated based on gross profit from License business.

Product Sales

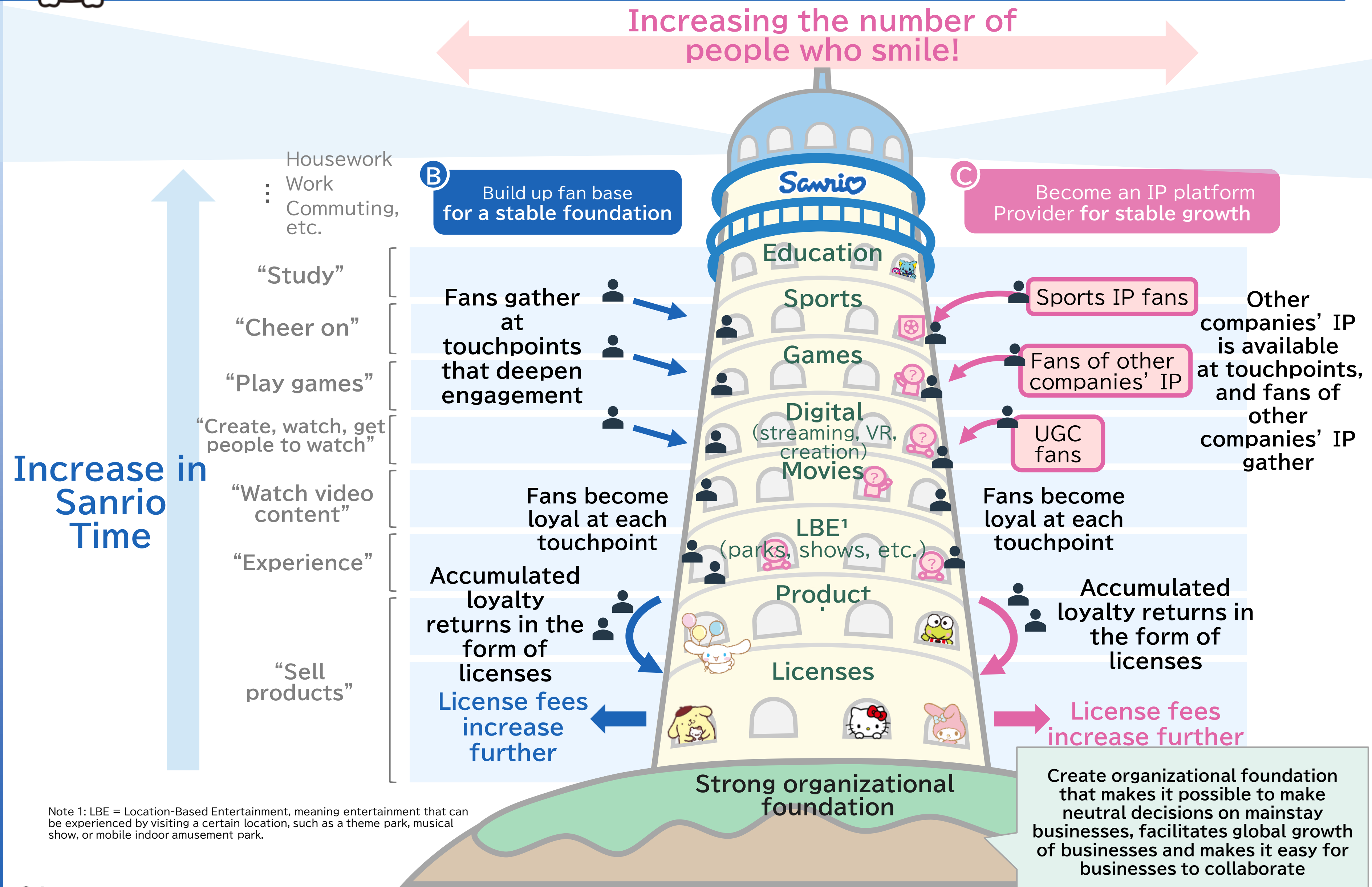
With 59 stores in mainland China※1 (+31 stores year on year), we have seen steady growth in customer traffic and support for city-specific products, leading to a steady increase in earnings.

Licensing Business

Merchandise licensing remained strong, while licensees stepped up their promotion efforts effectively. We continue to use a wide range of characters, and Kuromi and My Melody have contributed consistently to earnings.

Note2: Number of Stores as of the End of December 2025, 5 Direct stores, 54 FC stores

Sanrio's Long-term Vision



Note 1: LBE = Location-Based Entertainment, meaning entertainment that can be experienced by visiting a certain location, such as a theme park, musical show, or mobile indoor amusement park.

Initiatives Aligned With Sanrio's Long-Term Vision

Investments to increase presence in Europe and the U.S.

Enhancing Video Functions
Strengthen in-house video production capabilities and build collaborative frameworks

Enhancing LBE Functions
Strengthen direct engagement channels with Sanrio fans and build collaborative frameworks

Enhancing Global Retail Functions
Build collaborative frameworks for global-standard MD(1) and expand the SPA(2) model worldwide

- Warner Bros. plans to release **the first Hollywood film featuring Sanrio characters** in July 2028
- Announced conversion of **Oita Harmonyland into a resort** (December 2025

- **Permanent VR theme park, *Virtual Sanrio Puroland*,** opened in December 2025
- Launched **new in-house game brand, *Sanrio Games***; plans to publish **10 titles**

Invest in touchpoints that deepen engagement

ID Strategy
Formulate group-wide policies to acquire ID and enhance customer loyalty

Digital Business Strategy
Formulate a digital strategy to achieve the long-term vision

Game Business Strategy
Formulate a game business strategy to achieve the long-term vision

Expand IP platform provider capabilities and IP

IP Sourcing
Build capabilities for discovering and collaborating on external and individual IPs

Enhancing IP Development Functions
Acquire and strengthen capabilities for producing social media-based content to expand IP reach

Building a Strong Organizational Foundation

Organizational Enhancement
Strengthen organizational structures to support global management

Note 1: MD =Merchandising, product planning and sales strategy
Note 2: SPA model =The SPA (Specialty store retailer of Private label Apparel) model refers to a business strategy in which a company integrates the entire process—from product planning and manufacturing to retail sales—under a single brand.

Initiatives to Achieve Our Long-Term Vision (Current Projections)

Pursue initiatives that contribute to IP value enhancement to expand global market share.

		In the Short to Medium term	In the Long term
Investments to increase presence in Europe and the U.S.	Enhancing Video Functions	• Planning for major celebrations of the 55th anniversary of Hello Kitty and 25th anniversary of Cinnamoroll; Halloween planning for Kuromi • Release of film co-produced with Warner Bros. Pictures	• Planning for major celebration of the 60th anniversary of Hello Kitty
	Enhancing LBE Functions	• Develop immersive entertainment content in North America • Tour Hello Kitty, Cinnamoroll, and other musicals in Europe and the U.S.	• Develop theme parks on a global scale (assuming licensing or other mechanism to reduce financial burden) • Launch Oita Harmonyland Resort conversion
	Enhancing Global Retail Functions	• Open flagship stores in the U.S.	• Expand flagship stores globally, mainly in the U.S.
Invest in touchpoints that deepen engagement	ID / Digital Business Strategy	• Expand customer contacts through licensed merchandise and new businesses, in addition to our own stores, e-commerce, and theme parks	• Launch services for loyal customers • Manage fan communities
	Game Business Strategy	• Launch Sanrio Games (launched April 2026) • Publish 10 game titles in-house	• Create new IP from games • Publish several new IP game titles
Expand IP platform provider capabilities and IP	Enhancing IP Development Functions	• Establish business infrastructure for IP sourcing and development	• Create and develop Japan-originated IP, overseas-originated IP
Building a Strong Organizational Foundation	Organizational Enhancement	• Strengthen head office functions as a global entertainment company, collaborate further with overseas subsidiaries	• Reorganize as a global entertainment company in phases (e.g., create divisions of designated existing and new businesses)

Sanrio

Five-Year Roadmap

	FY26/3	FY27/3	FY28/3	FY29/3	FY30/3
Character Anniversaries	50th Anniversary 20th Anniversary 50th Anniversary	30th Anniversary 55th Anniversary 30th Anniversary	25th Anniversary 40th Anniversary	15th Anniversary 35th Anniversary	55th Anniversary 40th Anniversary
Sanrio character ranking	Sanrio character ranking	Sanrio character ranking	Sanrio character ranking	Sanrio character ranking	Sanrio character ranking
Games	Ongoing Launches of Licensed Games	2 In-House Title Launches	Ongoing Launches		
Animation	My Melody&Kuromi on Netflix Licensed Animation	Co-Production with Alifish *Launch date in flux at this time	In-House Animation		
Social media	Launch of a YouTube Channel for Pre-School-Age Children Continuous Release of Original Contents on Platforms like YouTube and TikTok	Release of Cinnamoroll YouTube Anime			
Movie		MR. MEN LITTLE MISS THE MOVIE (Timeline: TBD) Release of co-produced films		Appear in WB licensed works	
Digital	Make V-Puroland a permanent virtual park Integrate ID platforms with other companies	Expand large-scale IP worlds Develop VTuber streaming functions	Provide new user experiences through Sanrio+ Enhance services for loyal customers		
Real-Life	New Parade at Puroland Full-Scale Launch of Harmonyland Entertainment Resort Continuous Events at Sports Venues, Cafes, and Other Locations	Cinnamoroll musical	Global touring Immersive Location-Based Entertainment (LBE)		

Notes: Areas shown in white indicate updated sections. The schedule is subject to change without prior notice. WB = Warner Bros.

Sanrio

Strategic Policy for Each Region Based on Our Long-Term Vision

Continue to stabilize our business foundation in Japan; pursue efforts to expand the market of characters other than Hello Kitty in Europe and the U.S. Focus on creating new IP in addition to existing characters in mainland China.

JAPAN

- Continue to focus on existing Sanrio characters, while also working on new characters (Hanamaruobake, etc.) and Sanrio-produced projects for characters owned by other companies
- Target existing Sanrio character s in unexplored merchandise categories and targeted licensees/consumers. Plan new characters every year under different IP; use social media to discover and produce characters owned by other companies.

market share in Japan

Max+5pt by FY3/2035

approx.19%※

CHINA

- Deepen and expand customer touchpoints across SNS, stores, and LBE, and strengthen emotional connections through experiential engagement.
- Focus on creating and nurturing new IP tailored to the mainland China market.

market share in China

Max+5pt by FY3/2035

approx.16%※

US

- Continue to increase the already large market share of Hello Kitty and Friends, striving to raise awareness of other characters, particularly Kuromi and Cinnamoroll.
- Execute seasonal projects, such as the Kuromi Halloween project, Easter project (other characters), etc.
- Expand market share and sales in top-selling categories, including apparel, toys, health and beauty, home goods, and food and beverage (see next page for details).

market share in North America

10% by FY3/2035

approx.4%※

EUROPE

- In addition to Hello Kitty, expand the market share of Kuromi, Cinnamoroll, My Melody, and Pompompurin, while working on characters for boys.
- Coordinate branding initiatives led by the head office (e.g., video content and LBE experiences) while improving value and increasing earnings, particularly in apparel, toys, and health and beauty.

market share in Europe

Max+5pt by FY3/2035

approx.1%※

Note: Based on character and entertainment sales revenue of licensed merchandise and services by country in 2024; from 2025 Global Licensing Industry Study by Licensing International. Figures are rounded down.

Strategy Map for the U.S.

Measures toward achieving a 10% market share in FY3/2035 are progressing well. Aiming to expand sales through lifestyle brands, responding quickly to market and consumer trends.

Diversify our character portfolio based on unique Sanrio strategy

Female
- Boomers
- Current Strength: Millennials
- Current Strength: Gen Z
- Gen Alpha
- Infant

Male
- Boomers
- Millennials
- Gen Z
- Gen Alpha
- Infant

①Overall boost in relatively weak market

②Female Adult

③Male

④Female Gen Z

⑤~K12

⑤~K12

Continue to expand into adjacent categories in each segment, working from core product categories, to increase market share sustainability

Execute business strategies with a view to medium- to long-term value creation for major, high-priority business partners

Apparel	Provide **designs** for adults → Expand into **Midwest & South US** → Expand into **Hispanic & Black** communities
HBA	Partner **with K-Beauty** → Enter **mass retailers**
Home Goods	Target young moms with **retailer/licensee collab** & **season products** Work with "***attainable luxury***" "***premium***" brands and retailers
Accessories	Work with **retailers on pulling together assortments** Expand breadth in the category across **specialty retailers**
Toys	Increase **figure** sales in the Kidult market Grow in **kids' toy market** with play patterns
Other categories	Expand in Food/Beverage, Infant, Music/Video, Pet etc.
Season	Dominate **Halloween** → Take share from **other seasonal momentum**

We will agilely adapt to market and consumer trends, building its lifestyle brand while driving sales

Note: "Play pattern" refers to specific behavior patterns and play mechanisms/structures that indicate how kids play with toys.

Strategy and Initiatives in the North America Region

Building a Foundation for Brand Growth Through a Priority Account Strategy Based on IP × Demographics × Category, and Focused Investment in Key Consumer Touchpoints

Marketing Investments Concentrated on Key Target Touchpoints

We execute strategic marketing designed to maximize IP exposure across the most relevant touchpoints for each target audience.

Digital × Social Media Mix Tailored to Each IP for Gen Z and Alpha

We deploy media combinations optimized for each character's target audience—YouTube, Instagram, TikTok, Roblox, Nintendo Switch games—ensuring the visuals, worldviews, and appeal of each IP are communicated effectively.

Leveraging Cultural Touchpoints for Gen Z, Alpha, and Millennial Audiences

We activate diverse cultural touchpoints including music, sports, fashion, shopping malls, theme parks, and brand collaborations. Initiatives include partnerships with Hello Kitty Café, F1 Academy, and other culturally resonant events such as KCON and brand experiences.

Driving an Account Strategy Anchored in IP × Demographics

We are engaging high priority accounts with tailored retailer strategies that combine demographics, IP, and product categories.

Product Development for Gen Z and Millennial Women in Mass Retail

We are launching K-POP collaborations and seasonal collections that capture rising Gen Z demand in North America. Product lines are aligned with major seasonal events such as Halloween, Back to School, Easter, and the holiday season.

Retail Expansion of Next-Generation Character Products for Alpha, Male and Kidult Markets

We are expanding product offerings for the toy and kidult markets across diverse channels including department stores, mass retailers, and specialty stores. We are also strengthening specialty retail development for next-generation characters such as Hanamaru Obake and Lovely Mocha.

Visualizing and Monitoring Progress Through "Brand Equity Metrics"

Laying the groundwork for further future growth, we will continuously monitor performance through key brand metrics and strengthen strategies as needed.

Our Game Business

Launched own game brand, Sanrio Games.Targeting not only stand-alone sales, but also leveraging the business as a new point of contact for expanding IP on a global scale.

Significance of entering the game business

Sanrio Games

- Expand global contact through games
- Increase in the amount of time customers spend in contact with characters
- Offer a strategically designed worldview and gameplay through in-house development
- Create new revenue sources through multiple titles and genres

Expand Character Popularity

Carryover effect on licensing and other existing businesses

Contribution to business performance

- Consistent planning for the pipeline. At present, we plan to release a total of 10 titles or so by the end of the fiscal year ending March 31, 2029.
- While launches will begin during the fiscal year ending March 31, 2027, we expect the timing to be in the second half of the fiscal year. Accordingly, we do not expect a contribution to business performance until the following fiscal year.
- Using multiple popular characters and diversified genres, targets, media, and launch dates for each title.
- Develop each game with an external partner to share the financial burden, which will vary from project to project.
- We will also continue to product games through out-licensing.

Sanrio Games Phase 1

Title: Hello Kitty Party Land
Launch: October 29th, 2026
(Japan and overseas)
Genre: Party game

Medium-Term Management Plan Progress

Progress generally on track on all three approaches

	Progress in 2H of FY 3/2026: Outline
1st Approach "Change our approach to branding" Review marketing and sales strategies to make Evergreen global IP	**Growth in North America** • Strengthened marketing team for our U.S. entity. Updated sales policies for key target accounts in North America. Featured close-up of Kuromi at the Halloween event, looking to develop Kuromi as the No.2 character following Hello Kitty. Continued to highlight a wide range of Sanrio characters through social media and YouTube to raise awareness. **Growth in Mainland China** • Launched 30 new IPs from China. • Established a system at overseas entities to respond to infringing products and began operations. Pursuing online takedowns, including in regions outside of China. Continue to maintain and strengthen relationships with local governments and other intellectual property experts. • The timing of the Alifish video content streaming may be delayed, but production continues to move forward.
2nd Approach "Develop the foundation" Develop a foundation for global growth	**Building a Human Infrastructure** • Built a talent management process for creatives and global talent; updated succession plan. • Maintained a target 30% or more for female managers. **Structuring Active Finance and Governance** • Conducting opportunistic share buybacks, upgrading Board of Director meeting management, and considering disciplined M&A activities. **Strengthening Collaboration Between Head Office and Overseas Subsidiaries** • Established a budget process built on the coordination of character strategies between the head office and key locations. Launched a global branding campaign to unite the world in kindness for the Hello Kitty 55th anniversary.
3rd Approach "Change creatives and monetization underlying the new MTMP" Expand IP portfolio and monetize in multiple layers	**Continued Growth in Growth Markets (Japan)** • Conducting product sales via cross-border e-commerce in six countries, including Indonesia and the Philippines. Selling product lines across three series. Licensing continues to benefit from partnerships with licensees who possess strong brands. • Formulating a basic plan for the concept of the Oita entertainment resort announced in December. **Generating Time Absorbed** • Shifting the Edutainment Business away from the traditional one-time purchase model toward a subscription model. The Digital Business achieved the target of cumulative 3.2 million Sanrio+ registered members, and opened the year-round Virtual Sanrio Puroland (permanent VR theme park) in December. Game Business development of 10 titles progressing as planned.

Appendix

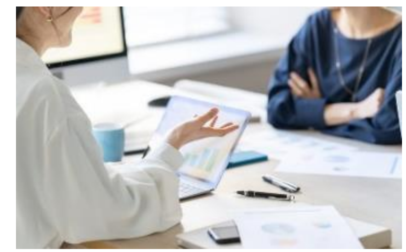
Business Overview

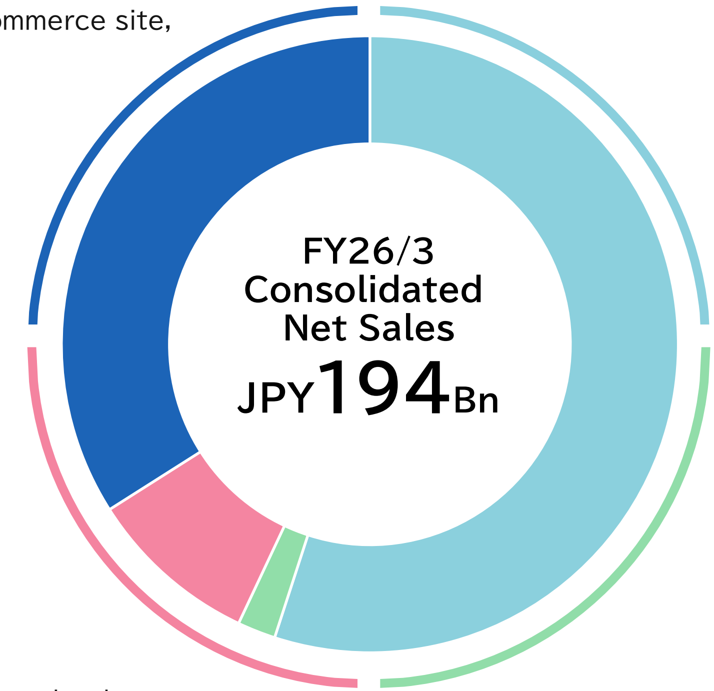
Product Sales Business
net sales composition ratio **36%**

- Planning and sales of products
- Sanrio stores under direct management and in department stores
- Wholesale of mass retailers and specialty stores
- E-commerce site, etc.

Licensing Business
net sales composition ratio **54%**

- Copyright permission and management
- Permission to use Sanrio characters





- Sanrio Puroland (Tokyo)
- Harmonyland (Oita Prefecture)

Theme Park Business
net sales composition ratio **8%**

- Gaming Business
- Edutainment Business
- Digital Business

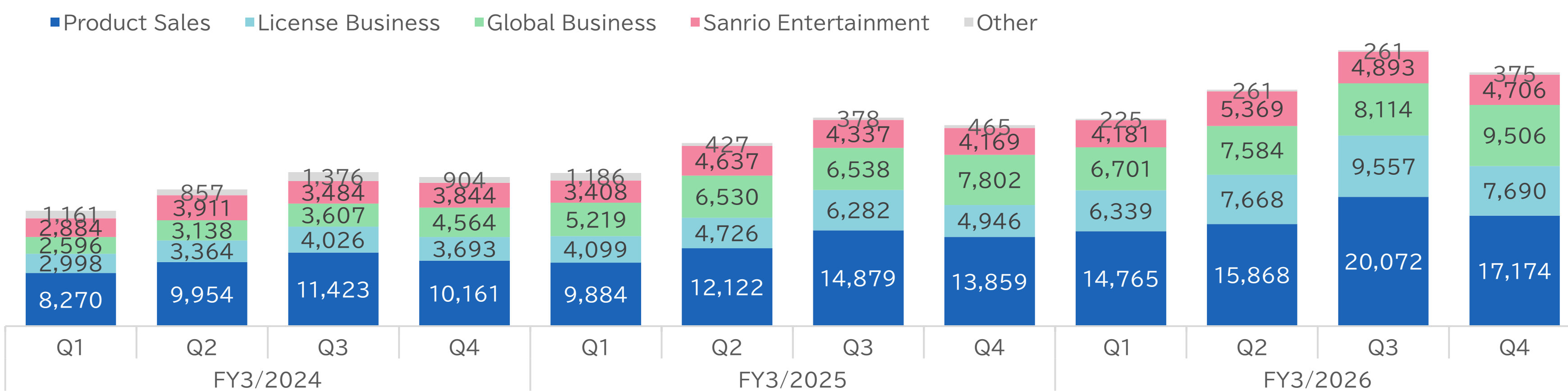
New Business and Others
net sales composition ratio **1%**

Notes: The net sales composition ratio indicates the percentage of each business segment’s sales, calculated before eliminating intercompany transactions within the consolidated group, relative to the simple total of such net sales figures

Quarterly Trend by Segment: Japan (Sales and Adjusted OP)

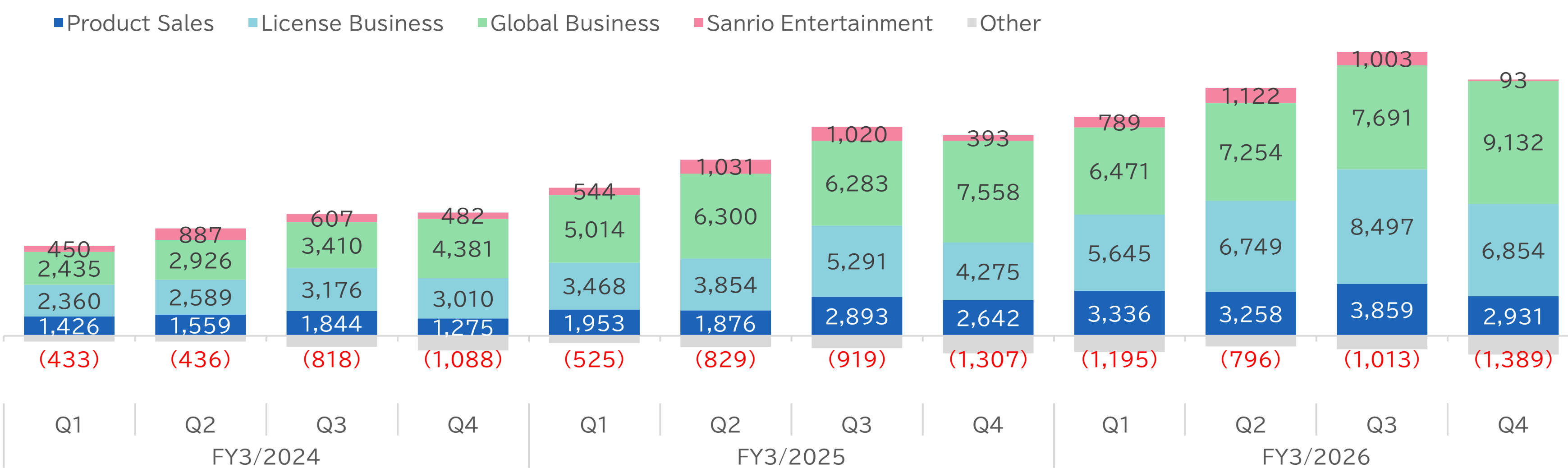
Sales

JPY: Million



Adjusted Operating Profit

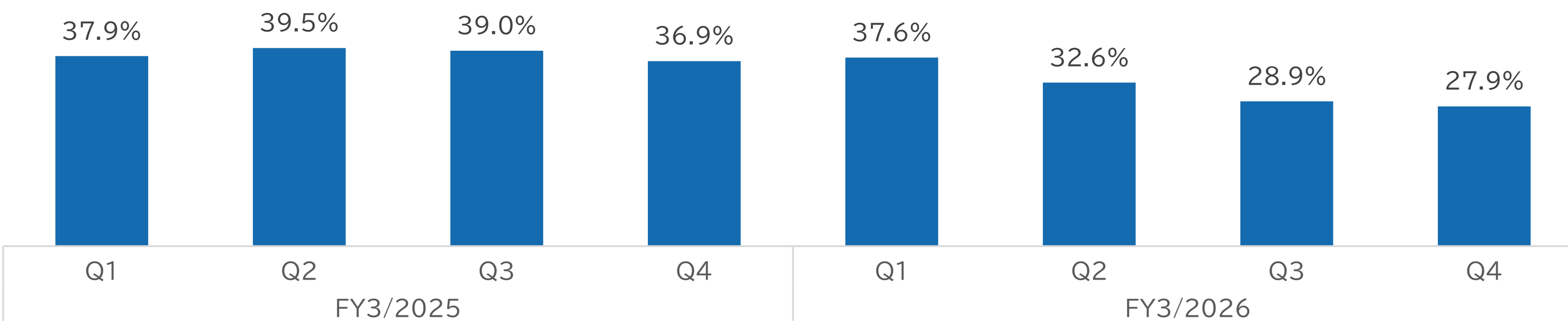
JPY: Million

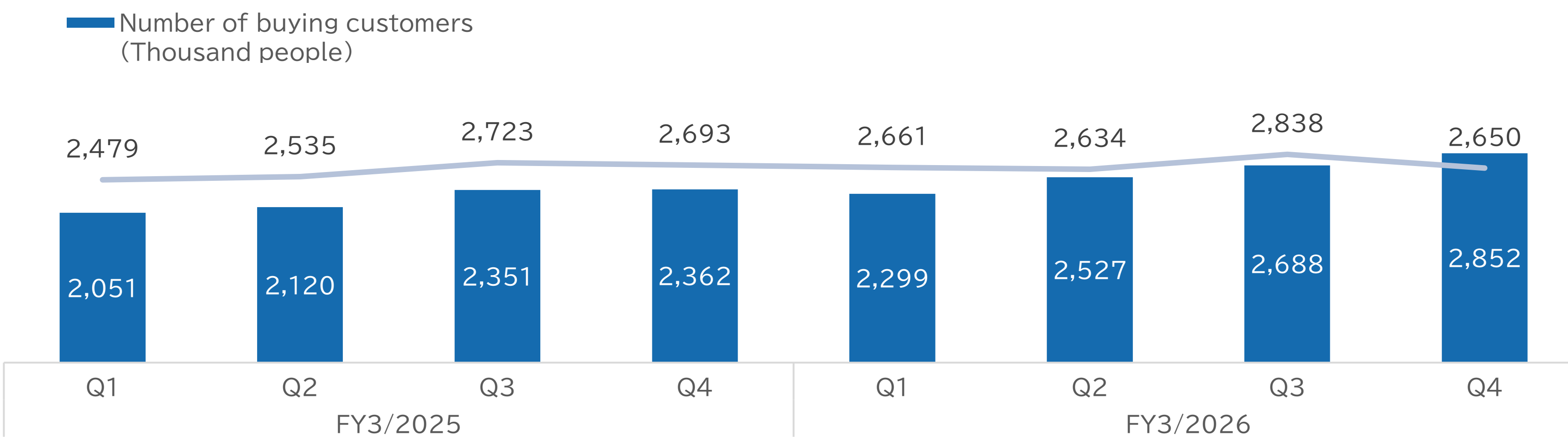


Notes: Figures are rounded down to the nearest one million yen. “Other” includes domestic subsidiaries and new businesses. Figures exclude adjustments.

Details by Segment: Japan (Product sales)

Ratio of inbound sales to store sales (%)

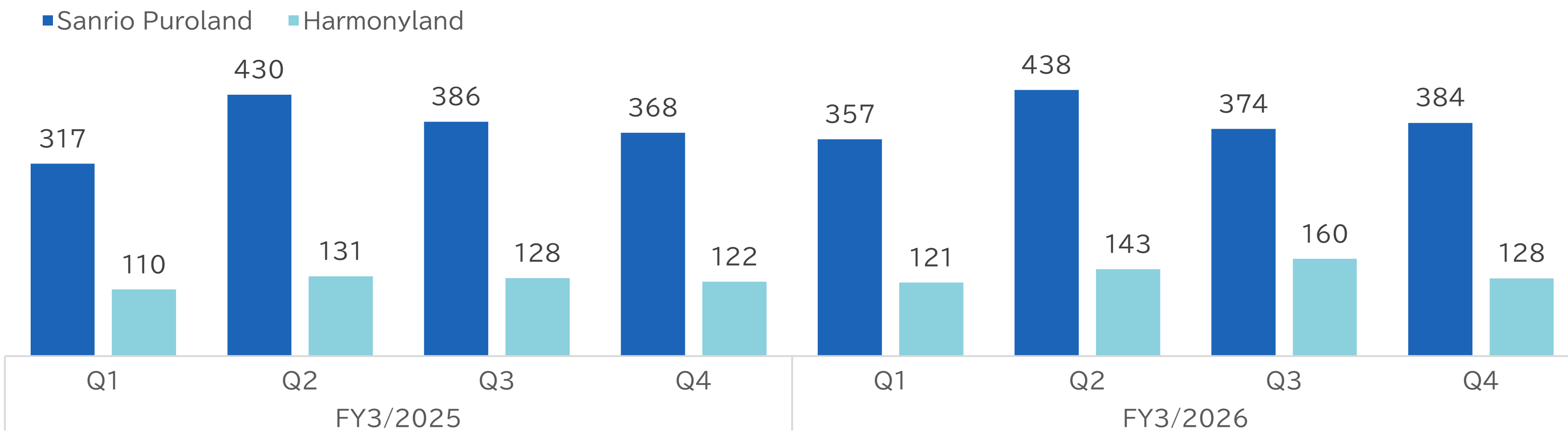




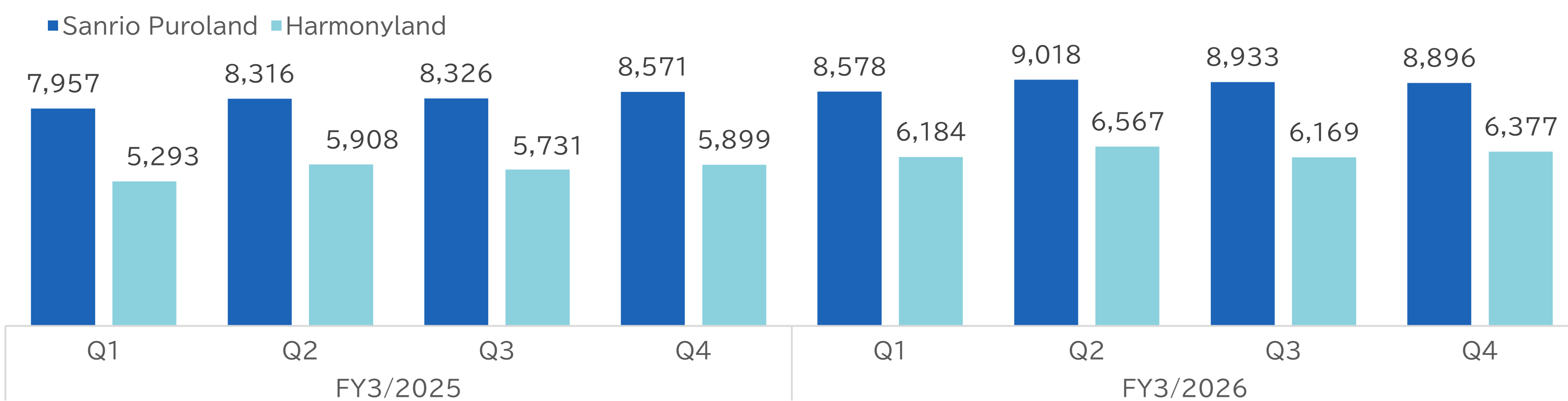
Notes: The inbound sales figures were counted from a total of existing stores (directly managed stores and consignment stores) out of stores in Japan (excluding directly managed stores in department stores, etc.) until FY3/2024. However, from FY3/2025 onward, the numbers of directly managed stores and consignment stores include all stores. The number of buying customers and spending per person were counted from all stores in Japan.
136 stores: 70 directly managed stores, 29 consignment stores, 37 directly managed stores in department stores

Details by Segment: Japan (Sanrio Entertainment Co., Ltd.)

Number of visitors (Ten thousand people)



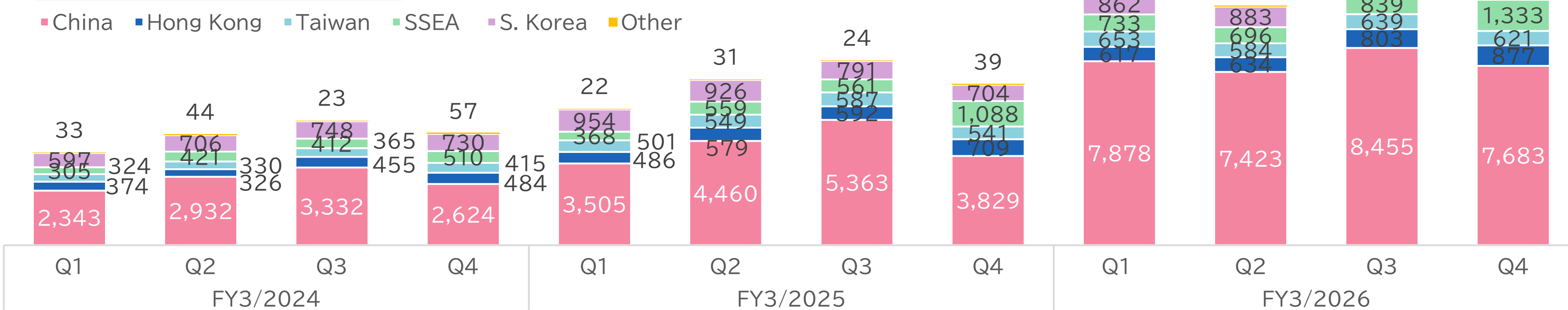
Spending per person (Yen)



Quarterly Trend by Segment: Overseas (Sales)

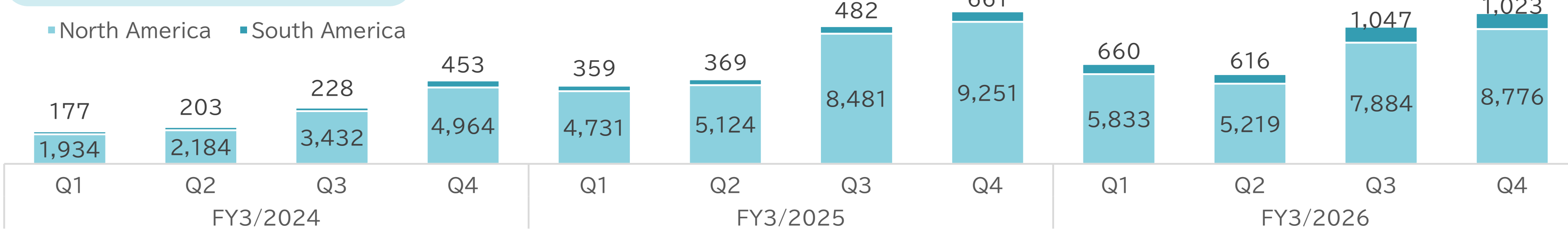
Asia

JPY: Million



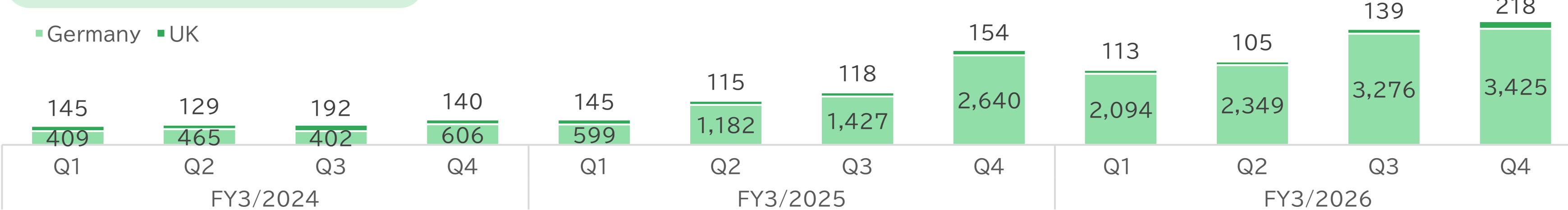
Americas

JPY: Million



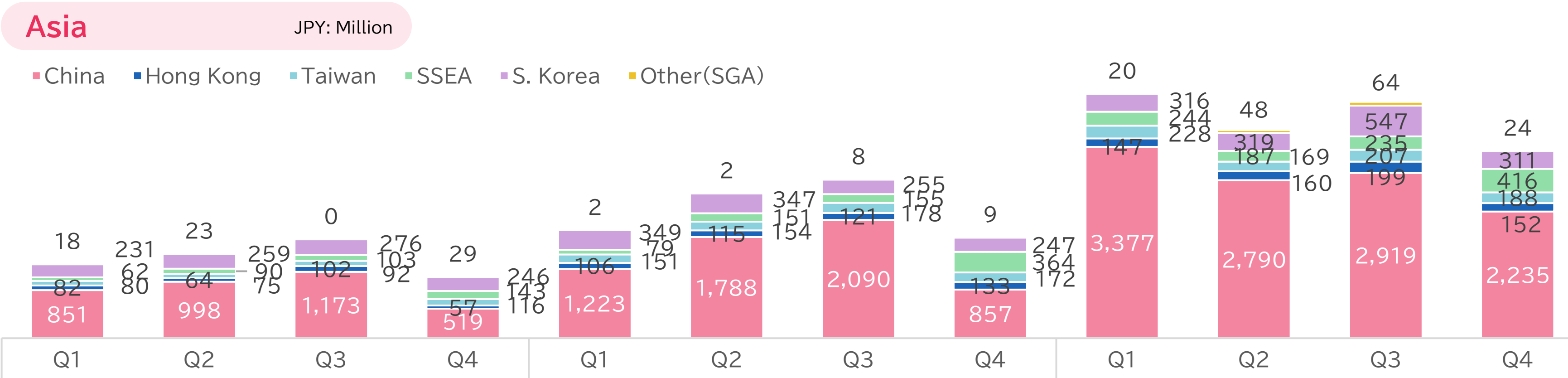
Europe

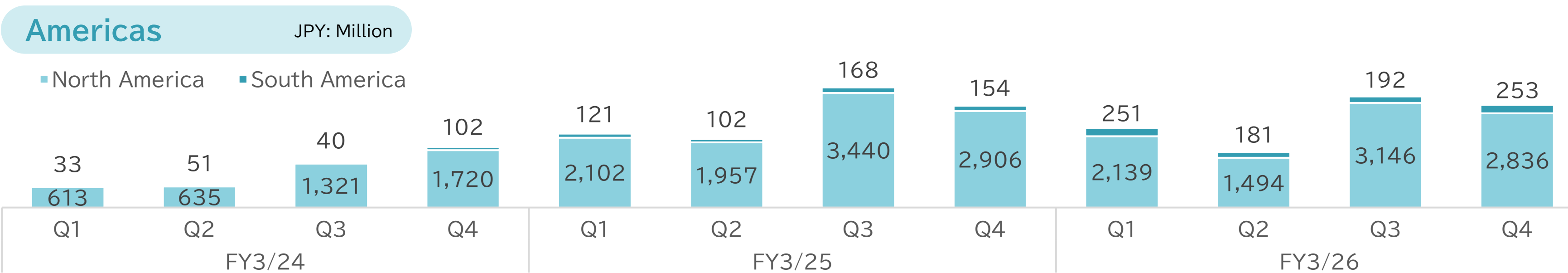
JPY: Million

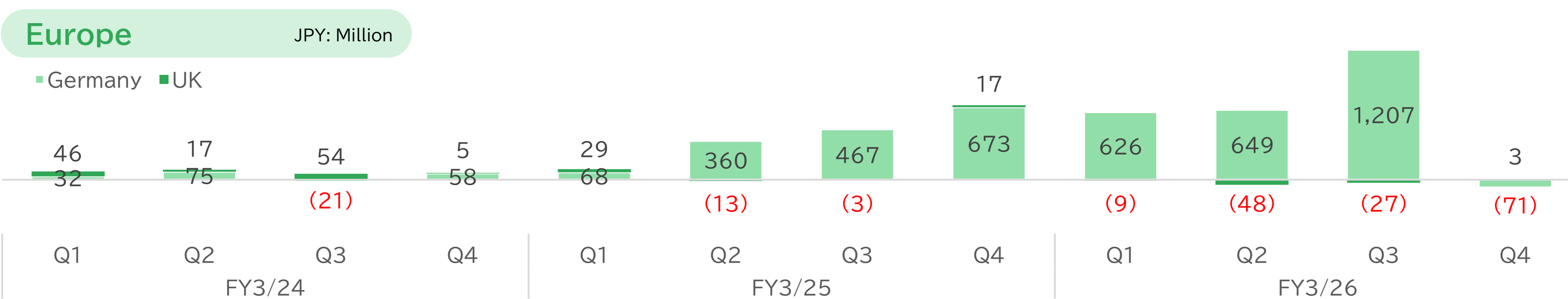


Notes: Figures are rounded down to the nearest one million yen.
Europe includes the results of overseas subsidiaries related to Mr.MEN LITTLE MISS in the U.K., while Germany includes results from Europe, Oceania, and other regions (e.g., Germany, the U.K., and France), excluding the subsidiaries in question.

Quarterly Trend by Segment: Overseas (Adjusted OP)



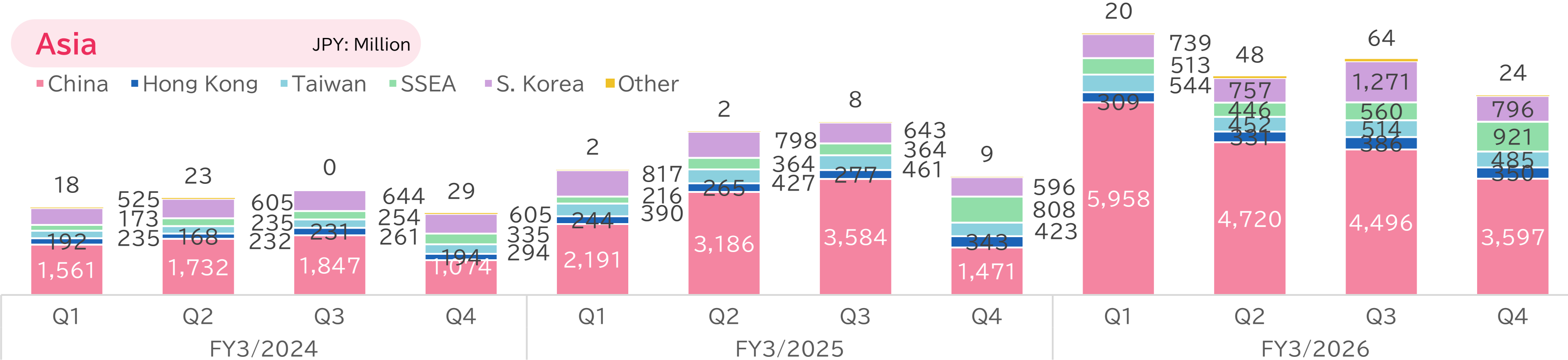


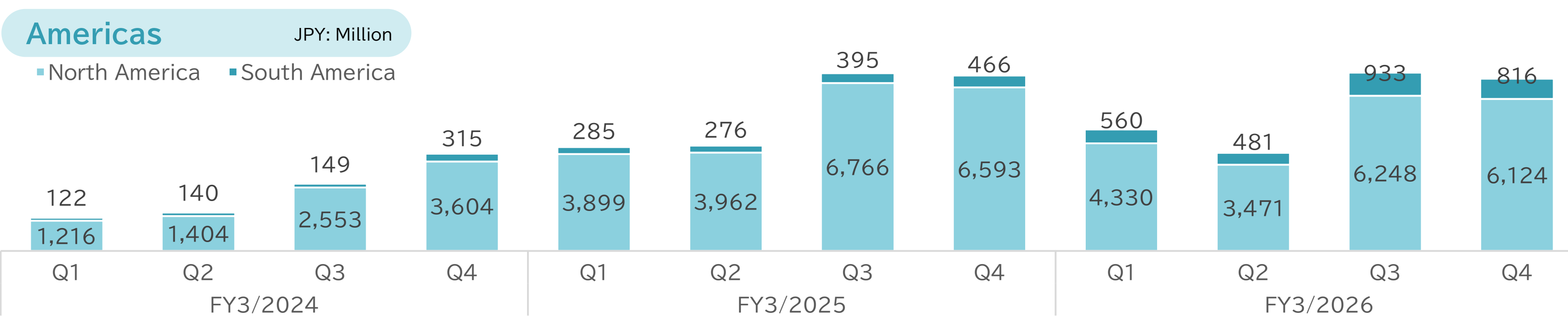


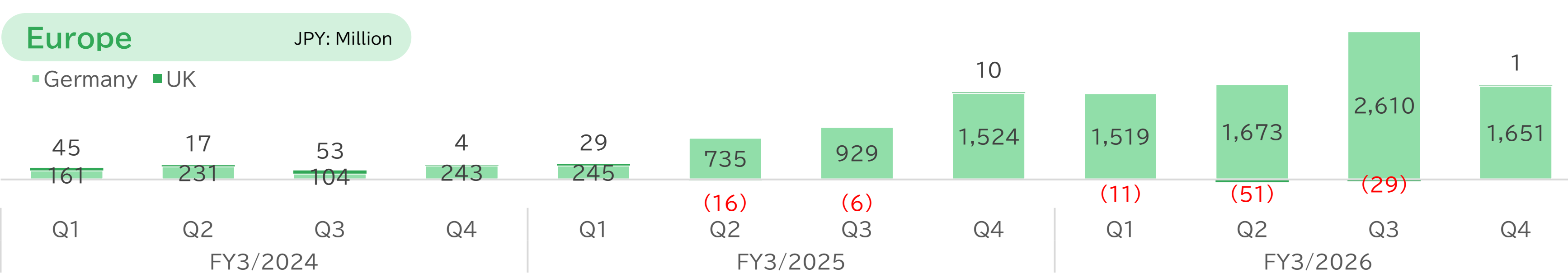
Notes: Figures are rounded down to the nearest one million yen.
Europe includes the results of overseas subsidiaries related to Mr.MEN LITTLE MISS in the U.K., while Germany includes results from Europe, Oceania, and other regions (e.g., Germany, the U.K., and France), excluding the subsidiaries in question.

Sanrio

Quarterly Trend by Segment: Overseas (Contribution Profit)







Notes: Figures are rounded down to the nearest one million yen. For details on “Contribution profit,” please refer to p.59. Europe includes the results of overseas subsidiaries related to Mr.MEN LITTLE MISS in the U.K., while Germany includes results from Europe, Oceania, and other regions (e.g., Germany, the U.K., and France), excluding the subsidiaries in question.

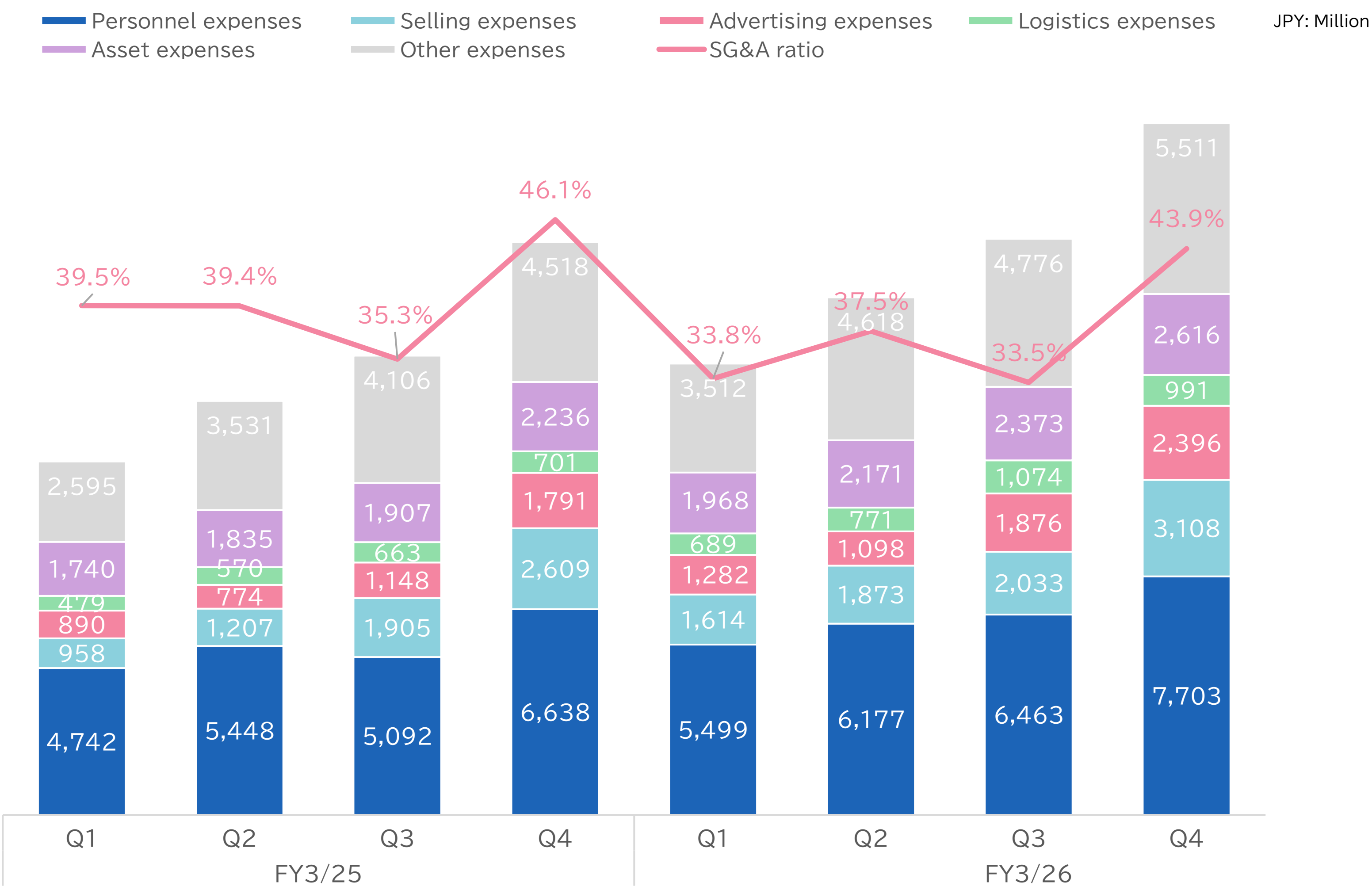
Consolidated SG&A Expenses by Segment

JPY: Million

	FY3/2025 Results					FY3/2026 Results					YoY	YoY%
	Q1	Q2	Q3	Q4	Full-Year	Q1	Q2	Q3	Q4	Full-Year		
Consolidated	**11,406**	**13,367**	**14,822**	**18,495**	**58,093**	**14,567**	**16,710**	**18,597**	**22,328**	**72,203**	**+14,110**	**+24.3%**
Japan	**9,846**	**11,411**	**12,319**	**14,267**	**47,844**	**12,011**	**13,874**	**15,302**	**16,841**	**58,030**	**+10,186**	**+21.3%**
Sanrio Company (HQ)	7,704	8,997	10,123	11,603	38,429	9,658	11,020	12,739	13,510	46,928	+8,499	+22.1%
Personnel cost	2,717	3,212	3,025	3,837	12,792	3,284	3,503	3,991	4,602	15,380	+2,587	+20.2%
Marketing	1,456	1,435	1,936	2,311	7,139	1,864	1,695	2,704	2,536	8,800	+1,661	+23.3%
Other	3,531	4,350	5,160	5,454	18,496	4,510	5,821	6,043	6,372	22,747	+4,250	+23.0%
Other	2,141	2,413	2,195	2,663	9,415	2,353	2,854	2,563	3,331	11,102	+1,686	+17.9%
Europe	**326**	**431**	**465**	**1,081**	**2,305**	**507**	**636**	**631**	**1,738**	**3,513**	**+1,208**	**+52.4%**
Americas	**682**	**1,050**	**1,439**	**2,302**	**5,475**	**1,300**	**1,536**	**1,428**	**2,419**	**6,685**	**+1,209**	**+22.1%**
Asia	**925**	**1,045**	**1,090**	**1,430**	**4,490**	**1,208**	**1,439**	**1,734**	**2,207**	**6,590**	**+2,100**	**+46.8%**
Mainland China	388	393	469	730	1,981	586	766	967	1,241	3,562	+1,580	+79.7%
Other	536	651	620	699	2,509	621	673	767	966	3,028	+519	+20.7%
Adjustment	(374)	(571)	(491)	(585)	(2,022)	(460)	(777)	(500)	(879)	(2,617)	(594)	—

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.
Marketing cost : Sales promotion cost
Other costs: Right-of-use-asset, shipping costs, etc.

Consolidated SG&A Expenses Trend



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

Investment Progress under the Medium-Term Management Plan

	Principal Investment cases	Investment Allocation (through FY27/3)	Progress for the Period FY3/2025 to FY3/2026
Organic Investments	**Marketing** ● Global branding plan toward establishing Evergreen IPs	10 Billion yen	• Developed a global 36-month marketing calendar and executed global promotions linked to overseas offices and stores for Hello Kitty, Kuromi, and others. Currently planning promotions for Cinnamoroll's 25th anniversary in 2027. • Approx. 6 billion yen
	Game Development ● Total of 6 pipelines	10 Billion yen	• Moved into full development phase for multiple titles • Began planning and pre-production for new projects, targeting the launch of over six titles over the medium to long term • Approx. 4 billion yen
	Edutainment and digital areas ● Sales promotion activities in edutainment ● Development of new businesses, including V-Puroland	3 Billion yen	• Planning to make V-Puro a permanent virtual theme park in FY3/2026, allowing fans to enjoy it anytime, anywhere • Held collaboration events on Charaforio to discover independently created IPs • Approx. 2.3 billion yen
	Sanrio+ ● Infrastructure investment and enhancement of customer experience value	1.5 Billion yen	• MAUs increased through online voting for the character ranking and enhancement of digital content • Planning to strengthen the loyalty program and UI/UX ahead of April 2026 • Approx. 1.2 billion yen
	System ● Replacement of core systems to improve operational efficiency and enhance business management sophistication	4 Billion yen	• Agreed on the direction of ideal systems and are proceeding with individual system projects (currently defining system requirements) • Approx. 1.5 billion yen
	Total amount of organic investments	30 Billion yen	• Total ~Approx. 15 billion yen
Inorganic Investments	**M&A and minority contribution** ● Focused on video production, games, and digital domains ● Subject to rigorous screening through the Investment Committee	50 Billion yen~	• Invested in ClaN • Invested in Brave Group • Invested in IG Port • Made Gugenka a subsidiary • Total investment: Several billion yen

Note: Investment amounts are on a cash-out basis

Sanrio

Initiatives for the fiscal year ending March 2026

April 11, 2025

Hello Kitty Night at Dodger Stadium

We presented the first 40,000 attendees to this year's Hello Kitty Night in Los Angeles with a Hello Kitty plush toy as a special giveaway

April 13 – October 13

Expo 2025 Osaka Hello Kitty appointed a special supporter

Hello Kitty was appointed as a Special Supporter for Expo 2025 Osaka Kansai and is taking part in various promotional activities targeting Japan and overseas. The Japan Pavilion at Expo 2025 Osaka features 32 unique versions of Hello Kitty, each transformed into a different form of algae. In addition, the United Nations, which collaborates with Hello Kitty on the #HelloGlobalGoals project, joined forces with more than 30 UN agencies to present the UN Pavilion.

April 13 –

Launched Oita Hello Kitty Airport

Oita Prefecture and Sanrio Entertainment jointly rebranded Oita Airport with the new nickname Oita Hello Kitty Airport as part of a tourism campaign timed with Expo 2025 Osaka (April 13 to October 13, 2025).
In February 2026, Sanrio announced an extension through March 31, 2027 due to popular demand.

June 13

Released new Chiikawa x Sanrio characters products

A new product series featuring a collaborative design with Chiikawa, a popular character that originated on social media, was launched under the title Chiikawa × Sanrio characters.
In response to high demand in Japan and abroad, we have decided to offer made-to-order sales.

June 17

Signed a Capital and Business Alliance Agreement with IG Port, Inc.

Sanrio acquired 1,008,000 shares, representing 4.98% of the total number of issued shares (approximately 1.76 billion yen), through a third-party allotment and a share transfer from President and CEO Ishikawa. We aim to create new content and accelerate global expansion by combining the strengths of Sanrio and IG port in IP development, IP cultivation, and video production capabilities.

June 29

Achieved record-high number of votes in the 2025 Sanrio character ranking

The 2025 Sanrio character ranking marked the 40th edition of the annual popularity vote.
This year, the event recorded a record-high 63.16 million votes.
Pompompurin, who placed fourth last year, won first place

Sanrio

Initiatives for the fiscal year ending March 2026

July 18 – July 30

Held experiential game event *MY MELODY♡ KUROMI GAME PLAZA*

We held a limited-time, special experiential game event, *MY MELODY♡KUROMI GAME PLAZA*, at SHIBUYA TSUTAYA to celebrate the joint anniversary of My Melody(50th anniversary) and Kuromi (20th anniversary).The event featured interactive games and photo spots in a game center–themed space inspired by the *Melo-Kuro* relationship, expressing the idea that the two characters are the perfect pair because they are complete opposites. We plan to bring this event to audiences worldwide.

July 24

My Melody & Kuromi streaming exclusively on Netflix worldwide

This 12-episode original stop-motion animation is set in Mariland, where My Melody and Kuromi live. The story follows the two characters as they confront a crisis that puts their town in danger. The series ranked second globally in the platform' s Weekly Top 10 for non-English series in its first week after release and appeared in the Top 10 in 59 countries. The theme song *Kawaii* is performed by the popular group LE SSERAFIM and produced by Gen Hoshino.
Director: Tomoki Misato Writer: Shuko Nemoto Production: TORUKU from WIT STDUIO

July 28

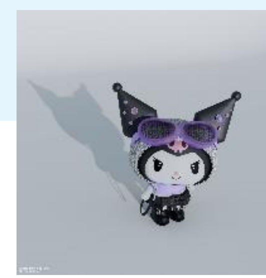
Acquisition of shares in Gugenka Co., Ltd. (became a subsidiary)

We acquired shares in Gugenka Co., Ltd. (Head Office: Chuo-ku, Niigata Prefecture; CEO: Masafumi Mikami), making the company a subsidiary. This acquisition is part of our focused investment in touchpoints, a core initiative to achieve our vision. Through this partnership, we aim to build capabilities for producing and distributing XR and other digital content, strengthen mutual sales capabilities with IP holders, and drive cross-selling between real and digital businesses. We will continue to value diverse partnerships, leverage the unique strengths Gugenka possesses in IP development and XR technology, and accelerate further growth.

July 30

KUROMI announces major debut as a music artist

Kuromi, celebrating her 20th anniversary this year, announced her major debut in October as KUROMI under the music label TOY' S FACTORY, home to many leading artists. Her song *Greedy Greedy,* released for the first phase of the #GlobalKuromiProject, has surpassed 14 million views on YouTube. KUROMI will release her first EP *KUROMI IN MY HEAD* on October 22, 2025.



August 22

Agreement reached with Moonbug for a master license of the global kids' animation *CoComelon*

We reached an agreement with Moonbug Entertainment Ltd., a leading global kids' entertainment company producing and distributing video content, to sign a master license for CoComelon in Japan. CoComelon is one of Moonbug' s flagship titles, and we plan to release new videos on YouTube and other platforms featuring Sanrio-designed CoComelon characters alongside Sanrio Characters starting in early 2026.

Sanrio

Initiatives for the fiscal year ending March 2026

Aug 2 – Aug 3

Sanrio Festival (Hi! Sanrio) in mainland China with Alifish

For a second-consecutive year, we held the Sanrio Festival (Hi! Sanrio) in mainland China in collaboration with Alifish (master licensee). The event attracted more than 20,000 visitors. Sanrio characters appeared in stage performances and fans enjoyed events that included designer signings, character-specific exhibitions, extensive amusement facilities, and on-site merchandise sales.

Aug 5

My Melody and Kuromi Make a First-Ever Appearance at Dodger Stadium

In the past, Hello Kitty Night at Dodger Stadium was confined to Hello Kitty only. We upgraded the event to the LA Dodgers Hello Kitty & Friends Night with the addition of My Melody and Kuromi, celebrating the anniversary of these characters. In addition to the novelties (body bags), Hello Kitty designs appeared on popcorn and drink containers for in-stadium food and beverage products at this year's game.

Oct 9 – Oct 12

MY MELODY♡KUROMI GAME PLAZA Exhibit at New York Comic Con 2025

New York Comic Con is one of the largest pop culture events in North America, held annually in New York City.The event attracts international attention and more than 200,000 visitors each year, including fans and industry professionals from around the world. The event featured interactive games and photo spots in a game center–themed space inspired by the Melo-Kuro relationship, expressing the idea that the two characters are the perfect pair because they are complete opposites. In Japan, we held an event at SHIBUYA TSUTAYA for a limited time during July 2025; cumulative visitors surpassed 140,000.

Oct 22

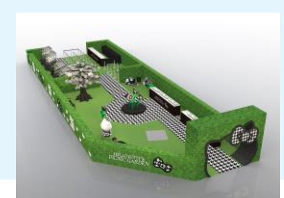
FRAGARIAMEMORIES: Color of Wishes (First Smartphone Game Under Development)

The smartphone game under development represents the long-awaited adaptation of FRAGARIAMEMORIES, a new generation of authentic fantasy featuring human characters from Sanrio. FRAGARIAMEMORIES Color of Wishes is our first-ever smartphone game, a chivalrous fantasy combining story and music. Further information on the game will be announced some time in 2026.

Oct 29 – Nov 14

HELLO KITTY'S PICNIC GARDEN Global Branding Campaign

We celebrated Hello Kitty's 50th anniversary in 2024, and are preparing for the 55th anniversary under the theme, Togetherness to unite the world in kindness. In 2025, the inaugural year of activities, we held a simultaneous event in Japan and China. We intend to expand events globally in the future.



Initiatives for the fiscal year ending March 2026

Nov 20

F1 Academy x HELLO KITTY AND FRIENDS First-Time Collaboration

The event was held in conjunction with the final city night race of the season, FORMULA 1 HEINEKEN LAS VEGAS GRAND PRIX. The collaboration featured limited-edition merchandise, a Hello Kitty-themed grandstand, and local fan activities, exposing the brand at a high-profile global F1 race. The activities helped raise awareness in the global market and created interactions with a new fan segment.

Dec 8

Continuing Evolution in Permanent VR Theme Park, Grand Opening of Virtual Sanrio Puroland

Virtual Sanrio Puroland will open on the VR Chat social VR platform as an evolving VR theme park available for 24/7/365 access from anywhere around the world. Sanrio is stepping up our presence in the digital domain as an IP platformer to broaden our entertainment base for deeper fan engagement. The Sanrio Virtual Festival, which began in 2021, has attracted more than 10 million visitors in total*1 over the past four events, featuring content co-created with various IP and creators. The park has now evolved into a permanent VR theme park, reflecting our desire to continue offering a space for this cycle of co-creation. *1 Data collection: December 11, 2021 to September 28, 2025

Dec 11

Full-Scale Launch of Harmonyland Entertainment Resort

Sanrio unveiled the basic concept behind converting Harmonyland—celebrating its 35th anniversary—into a resort, launching full-scale development. We announced the Park in the Sky concept, which will take advantage of Harmonyland's magnificent topography for a new resort experience that aims to be the world's most calming getaway. Our plans consider a number of elements, including an enormous roof that opens to the sky, offering year-round comfort in any weather, a ropeway, electric mobility, and other means to enhance ease of transportation. The project will include new and upgraded facilities and attractions. We are also considering the construction of a new hotel adjacent to the the park that will serve as the nucleus of the resort.

Jan 17, 2026 – Feb 1, 2026

Celebrating the 30th Anniversary of Pompompurin With JR Yamanote Line Car Wraps

A JR Yamanote Line car wrapped in a Pompompurin design operated between January 17 and February 1, 2026, kicking off the anniversary year activities. Pompompurin provided a soothing and relaxing way to smile and de-stress during the daily commute to and from work and school.

Feb 10

Omoide Badge: Smartphone App to Keep Memories of Sanrio Characters as Digital Tokens After Visits and Purchases

Sanrio is attracting users through Sanrio+, the Group's shared membership service. Our goal is to create a base of more than 100 million users globally in 10 years. Omoide Badge is a new service launched as part of this effort. With this app, users create a trail of memories by linking their user ID to obtain and share digital badges from event participation, store visits, purchase experiences, and so on. This app is a mechanism that crosses real and digital experiences. The more the user accumulates actions (liked, participated, purchased, etc.), the more they will be motivated toward the next action. **Vision Movie:** https://youtu.be/irpHwD4NJYY

Sanrio

Sanrio Proprietary Performance Indicators

■ Adjusted Operating Profit

Adjusted operating profit is a proprietary indicator defined by the Company, referring to operating profit excluding the impact of consolidation adjustments arising from the difference in fiscal year-ends between the parent company in Japan (fiscal year ending in March) and overseas subsidiaries (fiscal year ending in December)

- ✓ Under Japanese accounting standards, a difference of up to three months is allowed between the accounting periods of the parent company and its subsidiaries. In the case of Q3 in FY3/2026, the figures for the parent company (in Apr.–Dec.) and overseas subsidiaries (in Jan.–Sep.) are added together, and then consolidated eliminations are made based on the transaction volume on the parent company side. During this process, any material discrepancies (significant variances) are reviewed and adjusted in consultation with the audit firm.
- ✓ Operating profit at overseas subsidiaries in North America, mainland China and Europe increased significantly, creating a gap with actual business performance of the Company and resulting in a larger consolidation adjustment. To address this gap, the Company began disclosing adjusted operating profit, a proprietary indicator that represents operating profit before reflecting adjustments for fiscal period differences, starting from the second quarter of FY3/2026.

JPY: Million

FY3/2026(Consolidated)	Operating Profit (Financial Accounting)	Adjusted Operating Profit (Managerial Accounting)
Total before consolidation adjustments	78,876	78,876
+Adjustments	(1,016)	(423)
(Adjustment for differences in fiscal year-ends)	(593)	-
(Other consolidation entries)	(423)	(423)
Profit	77,859	78,453

JPY: Billion

Consolidated Adjustment Amount due to differences in fiscal year-ends	FY3/2024		FY3/2025				FY3/2026			
	Q3 Cumulative	Q4 Cumulative	Q1 Cumulative	Q2 Cumulative	Q3 Cumulative	Q4 Cumulative	Q1 Cumulative	Q2 Cumulative	Q3 Cumulative	Q4 Cumulative
North America (License)	(1.1)	(1.4)	(0.9)	(1.9)	(2.2)	(1.5)	0.6	(0.1)	(0.8)	0.1
Europe(License)	-	-	-	-	-	-	-	-	-	(1.4)
China (License)	0.1	0	0	0	0	(2.5)	0.4	0.9	1.1	0
China (Product sales)	0.7	0.3	0,5	0.7	1.4	0.2	0.9	1.2	1.6	0.7
Total Consolidated Adjustment	(0.2)	(1.1)	(0.3)	(1.1)	(0.8)	(3.8)	2	2	1.9	(0.5)

Glossary for this presentation

Contribution Profit

Overseas subsidiaries pay fees proportional to their royalty income to the Japanese parent company, the copyright holder, as cost of sales, which is recorded as sales by the parent company. In order to see the actual amount of value created by Overseas Business, Sanrio uses “contribution profit,” which is calculated by adding the amount of royalty payments to the HQ to the operating profit of overseas subsidiaries, as an indicator unique to Sanrio.

Beginning Q2 FY3/2026, contribution profit in the financial results materials is presented net of consolidation adjustments related to differences in fiscal periods. Past figures are retrospectively restated.

Other IR Materials

Integrated Report 2025

This report provides an overview of the Sanrio long-term vision for the next 10 years, the framework surrounding the love for Sanrio characters by our fans, and the results and prospects of the first year of our medium-term management plan.

10-Year Long-Term Vision

Lightning the Way to Bring Smiles to All

-Roadmap to a World of Smiles -

This presentation discusses the Sanrio growth strategy from a long-term perspective, focusing on sustainable value creation.

Please see the Sanrio corporate website for the latest investor relations materials https://corporate.sanrio.co.jp/en/ir/

Disclaimer on forward-looking statements and other matters

This material is prepared for the purpose of providing information to investors only and is not designed to solicit investment. Forward-looking statements contained in this material are based on plans and forecasts and the Company does not guarantee their accuracy or certainty. When using this material, please keep in mind that actual results could differ materially from any forecasts herein.

Statements on industries and others are based on reliable data but the Company does not guarantee their accuracy or certainty. This material is presented on the premise that users will take full responsibility for the final decision regarding investment on their own and the Company will not be liable for their decisions in any case.

All information in this material is based on data as of June 23, 2026