



**\* Notes**

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

Newly added: - Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

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

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

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

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common stock)

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

As of Dec. 31, 2023:	89,089,701 shares	As of Mar. 31, 2023:	89,065,301 shares
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2) Number of shares of treasury stock at the end of the period

As of Dec. 31, 2023:	8,423,277 shares	As of Mar. 31, 2023:	8,422,649 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2023:	80,654,507 shares	Nine months ended Dec. 31, 2022:	80,592,673 shares
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Note 1: The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

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

Forecasts regarding future performance in these materials are based on assumptions judged to be valid and information currently available to the Company. These materials are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of factors. Please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecasts and Other Forward-looking Statements” on page 6 of the attachments for forecast assumptions and notes of caution for usage.

**Contents of Attachments**

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	5
(3) Explanation of Consolidated Forecasts and Other Forward-looking Statements	6
(4) Basic Policy Regarding Profit Distribution and Dividends for FY2023	6
2. Quarterly Consolidated Financial Statements and Notes	7
(1) Consolidated Balance Sheets	7
(2) Consolidated Income Statements and Consolidated Comprehensive Income Statements	9
Consolidated Income Statements	
For the Nine-month Period	9
Consolidated Comprehensive Income Statements	
For the Nine-month Period	10
(3) Notes to Quarterly Consolidated Financial Statements	11
Going Concern Assumption	11
Significant Changes in Shareholders' Equity	11
Segment and Other Information	11
Subsequent Events	12

## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

During the first nine months of the fiscal year under review, the Japanese economy continued to recover as economic activities normalized and the number of foreign tourists increased following the reclassification of COVID-19 as a category 5 infection. However, the outlook remains uncertain due to prolonged conflicts in Europe, growing tensions in the Middle East, the impact of global monetary tightening on the economy, and concerns about the effects of rising prices and exchange rate fluctuations accompanying soaring energy and raw material costs.

Amid these conditions, the Sanrio Group set the current fiscal year as the final year of the three-year medium-term management plan “Creating and Challenging for our Future” concluding in the fiscal year ending March 31, 2024, and we have steadily implemented various initiatives based on the three pillars of this plan: corporate culture reform, initiation and completion of domestic and overseas structural reforms, and planting the seeds for regrowth strategies and growth markets. In addition, Hello Kitty celebrates its 50th anniversary in 2024, and limited-edition products as well as various events are being offered as part of its 50th Anniversary Year (November 2023–December 2024). The celebration has received support from people of all ages.

At domestic shops and theme parks, the reclassification of COVID-19 and successful implementation of various measures in addition to a sharp rise in the numbers of domestic customers and foreign tourists boosted sales. In the licensing business, the strategy of featuring a wide range of Sanrio characters, both in Japan and overseas, proved successful, and product development from existing licensees increased, contributing to the growth in sales.

Moreover, the membership of Sanrio+, an app for Sanrio fan members, reached around 1.70 million as of the end of December 2023.

As for consolidated operating profit, the Company posted a substantial increase due to significant sales growth both in Japan and overseas, as well as improved profitability due to the control of operating expenses at an appropriate level through structural reforms.

As a result of these factors, sales rose 40.3% year-on-year to 72.4 billion yen, operating profit increased 101.8% year-on-year to 21.3 billion yen, ordinary profit rose 104.2% year-on-year to 22.4 billion yen, and net profit attributable to owners of parent rose 137.6% year-on-year to 16.1 billion yen.

Since the accounting period for all overseas consolidated subsidiaries runs from January to December, the fiscal year under review for these subsidiaries covers the period from January to September 2023.

#### Reportable Segment

(100 millions of yen)

	First nine months of	Sales				Segment profit (operating profit)			
		FY2022	FY2023	Increase/ decrease	Change (%)	FY2022	FY2023	Increase/ decrease	Change (%)
Japan	Product sales/others	300	407	107	35.8	78	150	72	92.2
	Royalties	77	103	25	32.3				
	Total	378	510	132	35.1				
Europe	Product sales/others	(0)	(0)	0	-	(1)	2	3	-
	Royalties	12	17	4	36.4				
	Total	12	17	4	36.9				
North America	Product sales/others	13	14	1	10.6	6	14	8	126.1
	Royalties	29	60	31	107.4				
	Total	42	75	32	77.4				
Latin America	Product sales/others	0	0	0	30.1	0	1	0	177.4
	Royalties	3	5	2	65.0				
	Total	3	5	2	63.5				
Asia	Product sales/others	4	24	19	410.6	32	54	22	68.7
	Royalties	74	90	15	21.4				
	Total	79	115	35	44.9				
Adjustment		-	-	-	-	(9)	(8)	1	-
Consolidated	Product sales/others	318	447	128	40.4	106	213	107	101.8
	Royalties	197	277	79	40.1				
	Total	516	724	207	40.3				

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

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

**i. Japan:** Sales rose 35.1% year-on-year to 51.0 billion yen and operating profit rose 92.2% to 15.0 billion yen.

#### 1. Domestic Sales Division (Product sales business/Licensing business)

In April 2023, we merged the Product Sales and the Licensing Business divisions and renamed them as the Domestic Sales Division in order to create synergy effects and contribute to company-wide profit optimization.

In the product sales business, the normalization of socioeconomic activities accompanying the reclassification of COVID-19 and the successful implementation of various measures resulted in a significant rise in the number of customers visiting stores. Foreign tourist numbers also continued to increase, which greatly boosted store sales, especially in urban centers and tourist destinations. In 2024, Hello Kitty celebrates its 50th anniversary, and as part of the anniversary year celebrations (November 2023–December 2024), the release of limited-edition products and the Hello Kitty 50th Anniversary National Tour event, in which Hello Kitty travels to stores nationwide, are proving popular. Meanwhile, strong sales were seen from characters other than Hello Kitty, including Cinnamoroll and Pompompurin, which were top-ranking characters in the popular voting event of the 2023 Sanrio Character Awards, as well as from collaborations with popular characters from other companies. Mascot holders featuring a wide range of Sanrio characters performed especially well among customers in Japan and overseas.

In the licensing business, the strategy for a wide range of Sanrio characters continued to be successful, and sales increased due to strong performances from such characters, including Kuromi and Cinnamoroll, as well as Hello Kitty, which has been in the spotlight since its 50th anniversary. In product licensing, sales in all categories exceeded the previous year's results, with particularly strong sales of capsule toys and crane game prizes, which continue to be popular; major apparel products with a wide range of Sanrio characters; and souvenirs due to increased demand from visiting foreign tourists. Moreover, a collaboration with a popular confectionery shop in the grocery section of a department store attracted a lot of attention.

For advertising licenses, character proposals tailored to licensees' agendas proved successful and were adopted in campaigns for a variety of business categories, including commercial facilities, restaurants, confectionery and food products.

Operating profit rose significantly due to a substantial increase in sales.

#### 2. Theme park business

Sanrio Puroland in Tokyo and Harmonyland in Oita Prefecture saw an increase in domestic visitor numbers following the reclassification of COVID-19 and a surge in foreign tourists. This contributed to a rise in sales.

At Sanrio Puroland, events that allow visitors to shake hands with and hug characters, as well as the Miracle Gift Parade, the facility's most popular entertainment, resumed after a three-year hiatus following the reclassification of COVID-19. In particular, the reopening of the parade resulted in strong sales of paid seats and related merchandise. Additionally, the Company staged the Makkuro Halloween Party, a seasonal parade with the popular character Kuromi playing the lead role for the first time. The performance of a new parade, the first in four years, proved popular among both domestic and international audiences, contributing to attracting more customers and boosting sales of related products. Furthermore, the first interactive English-speaking attraction at Sanrio Puroland, BUDDYEDDY WONDERFUL CLUB, opened in October 2023. The attraction is linked to Sanrio English Master, Sanrio's English learning material that launched last March, and has been the center of attraction since its opening, proving popular among a wide range of audiences from adults to children.

At Harmonyland, the new Water Shot attraction, which opened on July 14, 2023, HAPPY HALLOWEEN, HAPPY CHRISTMAS, and other seasonal events contributed to an increase in visitor numbers. Moreover, original products linked to these new events and higher ticket prices for entry to the park raised spending per customer and contributed to the increase in sales.

Operating profit rose due to a substantial increase in sales at both theme parks.

**ii. Europe:** Sales rose 36.9% year-on-year to 1.7 billion yen and operating profit stood at 0.2 billion yen compared with operating loss of 0.1 billion yen in the same period a year earlier.

In the licensing business, collaboration with a famous Germany brand and initiatives with major licensees continued, resulting in an improvement in brand value. Regarding category-specific trends, a wide range of character sneakers, developed globally through collaborations with famous brands, performed well in the footwear category. In the apparel category, initiatives with major fast fashion licensees proved successful. In the food category, confectionery with Hello Kitty designs performed well and sales grew.

Regarding Mr. Men and Little Miss, existing licensees in the apparel category performed well. The toy category also performed well due to the success of efforts with existing licensees in the United States and France.

Operating profit (loss) returned to the black due to the increase in sales.

**iii. North America:** Sales rose 77.4% year-on-year to 7.5 billion yen and operating profit rose 126.1% year-on-year to 1.4 billion yen.

The product sales business (in-house e-commerce) continued to perform well, with cameras, plush toys, and footwear from new licensees proving especially popular.

In the licensing business, the apparel, toy, and health & beauty categories performed well. In the apparel category, initiatives with existing licensees continued to produce results while collaborations with famous anime characters contributed to increasing recognition. In the toy category, we concluded a medium- to long-term contract with a major manufacturer in December 2022, and Sanrio characters have featured in various toy products from the manufacturer, contributing significantly to sales growth. In the health & beauty category, cosmetic products created in collaboration with famous artists' characters enjoyed strong sales. In the digital category, the distribution of game content from July 2023 attracted a lot of attention and contributed to the increase in sales. Furthermore, offline events in collaboration with Major League Baseball (MLB) are regularly held to strengthen customer engagement.

Operating profit rose significantly due to a substantial increase in sales.

**iv. Latin America:** Sales rose 63.5% year-on-year to 0.5 billion yen and operating profit rose 177.4% year-on-year to 0.1 billion yen.

In Latin America as a whole, the licensing business performed well in the categories of health & beauty, bags, special corporate sales, and stationery. In Mexico, strong sales continued in the corporate special sales category, where Hello Kitty cafés continue to be popular; the health & beauty category, where perfumes and sanitary products perform well; and the footwear category, where sneakers and beach sandals prove popular. In Peru, the bag category drove sales due to higher demand for school bags. In Brazil, the Hello Kitty & Friends restaurant, which opened in April 2023, attracted a lot of attention, including an award at the country's licensing exposition, and helped raise brand awareness. In Chile, the stationery and health & beauty categories performed well.

Operating profit rose significantly due to a substantial increase in sales.

**v. Asia:** Sales rose 44.9% year-on-year to 11.5 billion yen and operating profit rose 68.7% to 5.4 billion yen.

In the Hong Kong and Macau region, licensing business sales in the special corporate sales category increased, driven by ongoing promotions with financial institutions. In addition, the household goods and stationery categories, which feature a wide range of Sanrio characters, performed well.

In Taiwan, in the licensing business, corporate special sales and the health & beauty category performed well, contributing to an increase in sales.

In South Korea, recognition among Generation Z and brand value were enhanced by collaborations with idol groups belonging to major South Korean entertainment agencies, which were implemented in the previous fiscal year, and product development by existing licensees further expanded in addition to the acquisition of new licensees. In the licensing business in particular, sales of plush toys developed with a wide range of Sanrio characters drove sales growth, contributing to the expansion of the toys & hobby category.

In China, the master licensee has changed to Alibaba Group's Alifish from January 2023 in the licensing business. Although business activities slowed in early 2023 due to the spread of COVID-19, the health & beauty, corporate

special sales and toys & hobby categories grew. In the product sales business, in addition to a rebound from the previous year, the release of a wide range of Sanrio characters proved successful, attracting attention not only for Hello Kitty but also for Cinnamoroll, Kuromi, and Pochacco, and resulting in a significant increase in sales.

In Southeast Asia, sales were driven by Thailand. In particular, a collaboration with Thailand's largest convenience store contributed to sales growth.

Operating profit increased due to the contribution of overall sales growth in Asian countries.

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

(Unit: thousand)	Sales			Operating profit
	Royalties	Product sales	Total	
Germany (EUR)	8,291	211	8,502	577
Year-on-year change (%)	30.9	76.6	31.8	-
UK (GBP)	3,296	-	3,296	929
Year-on-year change (%)	7.1	-	7.6	21.9
North America (USD)	43,591	10,792	54,383	18,511
Year-on-year change (%)	91.2	3.1	63.5	270.3
Brazil (BRL)	20,723	1,202	21,925	4,475
Year-on-year change (%)	48.6	41.9	48.2	148.7
Chile (CLP)	-	14,440	14,440	7,946
Year-on-year change (%)	-	42.9	42.9	300.5
Hong Kong (HKD)	36,270	28,971	65,241	14,068
Year-on-year change (%)	(1.0)	46.9	15.7	23.7
Taiwan (NTD)	211,182	16,659	227,841	55,447
Year-on-year change (%)	15.2	60.6	17.6	11.9
South Korea (KRW)	18,917,935	292,643	19,210,578	7,187,808
Year-on-year change (%)	83.7	54.7	83.2	116.3
China (CNY)	224,508	213,584	438,093	153,846
Year-on-year change (%)	1.6	203.9	50.4	30.5
Singapore (USD)	6,879	1,330	8,209	1,847
Year-on-year change (%)	31.4	12.5	27.9	46.2

## (2) Explanation of Financial Position

At the end of the third quarter of the current fiscal year, total assets stood at 158.8 billion yen, an increase of 58.0 billion yen from the end of the previous fiscal year. The main increases were 46.0 billion yen in cash and deposit, 5.1 billion yen in accounts receivable-trade, 3.0 billion yen in merchandise and finished goods, and 2.4 billion yen in investments and other assets.

Liabilities increased 42.0 billion yen from the end of the previous fiscal year to 86.4 billion yen. The main increases were 2.2 billion yen in short- and long-term borrowings and corporate bonds (including current portion of bonds to be redeemed), 31.1 billion yen in convertible-bond-type bonds with share acquisition rights, 2.9 billion yen in trade notes and accounts payable, and 1.9 billion yen in accrued income taxes.

Net assets increased 16.0 billion yen from the end of the previous fiscal year to 72.3 billion yen. The main increases were 12.7 billion yen in retained earnings and 3.8 billion yen in foreign currency translation adjustments. The main decrease was 1.2 billion yen in remeasurements of defined benefit plans.

As a result, the equity ratio was 45.3%, down 10.3 percentage points from the end of the previous fiscal year.

**(3) Explanation of Consolidated Forecasts and Other Forward-looking Statements**

In the first nine months of the fiscal year ending March 31, 2024, the outlook for the external environment remained uncertain due to the prolonged conflict in Europe, growing tensions in the Middle East, rising prices, supply constraints, fluctuations in the financial and capital markets, etc. However, sales increased significantly both in Japan and overseas, mainly due to strong overseas and domestic demand that exceeded the plan's expectations. In addition, profitability improved due to the control of operating expenses at an appropriate level through structural reforms. As a result, our consolidated financial results exceeded the full-year forecasts. We have reviewed our forecasts for the fourth quarter based on recent business trends, and as a result have revised our consolidated earnings forecast for the fiscal year ending March 31, 2024.

Please refer to the “Notice Regarding Revisions to Full year Forecasts for the Fiscal Year Ending March 31, 2024” announced today (February 14, 2024).

We will continue to closely monitor the economic environment and market trends while striving to appropriately disclose our earnings forecasts.

Reference: Overseas Sales and Profits for the Past Three Years by Area

(Millions of yen)

Nine months ended		Sales to customers					Operating profit				
		Dec. 2021	Dec. 2022	Change (%)	Dec. 2023	Change (%)	Dec. 2021	Dec. 2022	Change (%)	Dec. 2023	Change (%)
Europe	Germany	743	859	15.6	1,244	44.8	(220)	(220)	-	86	-
	UK	448	389	(13.3)	464	19.5	149	64	(56.7)	118	83.1
	Subtotal	1,192	1,248	4.7	1,709	36.9	(70)	(155)	-	205	-
North America	USA	2,152	4,230	96.6	7,503	77.4	(378)	637	-	1,440	126.1
Latin America	Brazil/Chile	264	364	37.6	595	63.5	34	45	31.3	125	177.4
Asia	Hong Kong	1,082	967	(10.6)	1,183	22.3	338	243	(28.3)	291	19.7
	Taiwan	675	802	18.7	968	20.8	185	217	17.0	248	14.5
	South Korea	411	1,047	154.3	2,033	94.1	63	334	428.9	767	129.2
	China	3,004	4,347	44.7	6,241	43.6	1,300	2,278	75.2	3,893	70.9
	Singapore	-	794	-	1,103	38.9	-	161	-	256	58.6
	Subtotal	5,175	7,958	53.8	11,530	44.9	1,887	3,235	71.4	5,456	68.7
Total		8,784	13,802	57.1	21,339	54.6	1,473	3,762	155.4	7,228	92.1

**(4) Basic Policy Regarding Profit Distribution and Dividends for FY2023**

The Company considers distributing earnings to shareholders to be one of the Sanrio Group's highest priorities.

Earnings in the first nine months exceeded the figures in the full-year forecast. As a result of the upward revision of the earnings forecasts for the full year, net profit attributable to owners of parent amounting to 17,400 million yen is now expected to be recorded. The Company has adjusted the dividends payable at year-end to 42.5 yen per share including commemorative dividend of 10 yen, up 20 yen from the previous forecast of 22.5 yen per share. Accordingly, the annual dividend will be 65 yen per share, up 20 yen from the previous forecast of 45 yen per share.

Please refer to the “Notice Regarding Revisions to the Year-end Dividend Forecast and the Payment of a Hello Kitty 50th Anniversary Commemorative Dividend” announced today (February 14, 2024).

We will continue striving to improve business performance in order to consistently return profits to our shareholders, and we ask for your continued support.

**2. Quarterly Consolidated Financial Statements and Notes****(1) Consolidated Balance Sheets**

(Millions of yen)

	FY2022 (As of Mar. 31, 2023)	Third quarter of FY2023 (As of Dec. 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposit	52,008	98,022
Notes receivable-trade	313	550
Accounts receivable-trade	8,392	13,511
Merchandise and finished goods	3,894	6,921
Work in process	299	111
Raw materials and supplies	348	563
Other accounts receivable	441	453
Other	1,210	1,440
Allowance for doubtful accounts	(156)	(117)
Total current assets	66,752	121,458
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	3,296	3,306
Land	6,140	6,161
Other, net	3,914	4,615
Total tangible fixed assets	13,350	14,083
Intangible fixed assets	2,244	2,655
Investments and other assets		
Investment securities	9,720	9,599
Deferred tax assets	145	68
Other	8,816	11,245
Allowance for doubtful accounts	(332)	(312)
Total investments and other assets	18,350	20,600
Total fixed assets	33,946	37,339
Deferred assets	5	3
Total assets	100,704	158,800
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	4,074	7,013
Short-term borrowings	9,086	9,883
Accrued income taxes	1,563	3,548
Contract liabilities	4,062	4,937
Allowance for bonuses	638	285
Provision for shareholder benefit program	39	29
Provision for point card certificates	8	7
Other	8,273	8,451
Total current liabilities	27,746	34,157
Long-term liabilities		
Corporate bonds	141	39
Convertible-bond-type bonds with share acquisition rights	-	31,103
Long-term borrowings	10,378	12,085
Retirement benefit liability	1,020	1,025
Other	5,121	8,057
Total long-term liabilities	16,662	52,310
Total liabilities	44,408	86,467

	(Millions of yen)	
	FY2022 (As of Mar. 31, 2023)	Third quarter of FY2023 (As of Dec. 31, 2023)
Net assets		
Shareholders' equity		
Capital	10,000	10,074
Capital surplus	3,468	3,543
Retained earnings	56,211	68,920
Treasury stock	(19,528)	(19,531)
Total shareholder's equity	50,152	63,007
Accumulated other comprehensive income		
Net unrealized gain (loss) on other securities	383	808
Deferred hedge gain (loss)	2	(1)
Foreign currency translation adjustments	1,707	5,549
Remeasurements of defined benefit plans	3,758	2,544
Total accumulated other comprehensive income	5,853	8,901
Non-controlling interests	290	424
Total net assets	56,295	72,333
Total liabilities and net assets	100,704	158,800

**(2) Consolidated Income Statements and Consolidated Comprehensive Income Statements****Consolidated Income Statements****(For the Nine-month Period)**

(Millions of yen)

	First nine months of FY2022 (Apr. 1, 2022 – Dec. 31, 2022)	First nine months of FY2023 (Apr. 1, 2023 – Dec. 31, 2023)
Sales	51,625	72,425
Cost of sales	15,967	20,494
Gross profit	35,657	51,930
Selling, general and administrative expenses	25,055	30,540
Operating profit	10,602	21,390
Non-operating profit		
Interest income	342	703
Interest on securities	-	18
Dividend income	121	100
Foreign exchange gains	173	75
Gain on investments in partnership	-	202
Other	376	244
Total non-operating profit	1,013	1,345
Non-operating expenses		
Interest expense	120	134
Commission expenses	100	108
Loss on investments in partnership	326	-
Other	59	13
Total non-operating expenses	606	256
Ordinary profit	11,009	22,478
Extraordinary gains		
Gain on sales of fixed assets	1	0
Gain on sales of investment securities	312	-
Gain on liquidation of subsidiaries and associates	-	570
Other	2	-
Total extraordinary gains	316	571
Extraordinary losses		
Loss on disposal of fixed assets	13	5
Loss on sale of investment securities	46	12
Loss on valuation of investment securities	122	-
Impairment loss	1	1
Business restructuring expenses	-	12
Other	0	-
Total extraordinary losses	184	31
Net profit before income taxes	11,141	23,017
Income taxes – current	2,382	5,679
Income taxes for prior periods	1,297	-
Income taxes – deferred	618	1,114
Total income taxes	4,298	6,794
Net profit	6,843	16,223
Net profit attributable to non-controlling interests	53	87
Net profit attributable to owners of parent	6,790	16,136

**Consolidated Comprehensive Income Statements**  
**(For the Nine-month Period)**

(Millions of yen)

	First nine months of FY2022 (Apr. 1, 2022 – Dec. 31, 2022)	First nine months of FY2023 (Apr. 1, 2023 – Dec. 31, 2023)
Net profit	6,843	16,223
Other comprehensive income		
Net unrealized gain (loss) on other securities	103	424
Deferred hedge gain (loss)	(2)	(4)
Foreign currency translation adjustments	4,457	3,880
Remeasurements of defined benefit plans, net of tax	171	(1,214)
Total other comprehensive income	4,730	3,086
Comprehensive income	11,573	19,310
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,462	19,184
Comprehensive income attributable to non-controlling interests	111	125

**(3) Notes to Quarterly Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Segment and Other Information**

## I. First nine months of FY2022 (Apr. 1, 2022 – Dec. 31, 2022)

## 1. Information related to sales and profit or loss for each reportable segment (Millions of yen)

	Reportable segment						Adjustment (Note 1)	Amounts shown on consolidated income statements (Note 2)
	Japan	Europe	North America	Latin America	Asia	Total		
Sales								
Customers	37,823	1,248	4,230	364	7,958	51,625	-	51,625
(Royalty income)	( 7,791)	( 1,253)	( 2,918)	( 348)	( 7,478)	( 19,790)	( -)	( 19,790)
Inter-segment	6,339	19	26	6	1,387	7,779	(7,779)	-
(Royalty income)	( 5,778)	( 1)	( -)	( -)	( -)	( 5,780)	( 5,780)	( -)
Total	44,162	1,268	4,257	370	9,345	59,405	(7,779)	51,625
Segment profit (loss)	7,826	(155)	637	45	3,235	11,588	(986)	10,602

- Notes: 1. The minus 986 million yen adjustment to segment profit (loss) is the sum of eliminations for inter-segment transactions and unallocated operating expenses that are mostly general and administrative expenses that cannot be assigned to any particular segment.
2. Segment profit (loss) is adjusted to be consistent with operating profit shown on the consolidated income statements.

## 2. Information related to impairment losses on fixed assets, goodwill, etc. for each reportable segment

Detailed explanations are omitted due to immateriality of the amount.

## II. First nine months of FY2023 (Apr. 1, 2023 – Dec. 31, 2023)

## 1. Information related to sales and profit or loss for each reportable segment (Millions of yen)

	Reportable segment						Adjustment (Note 1)	Amounts shown on consolidated income statements (Note 2)
	Japan	Europe	North America	Latin America	Asia	Total		
Sales								
Customers	51,085	1,709	7,503	595	11,530	72,425	-	72,425
(Royalty income)	( 10,308)	( 1,710)	( 6,052)	( 574)	( 9,077)	( 27,723)	( -)	( 27,723)
Inter-segment	9,569	35	47	14	3,285	12,953	(12,953)	-
(Royalty income)	( 8,802)	( 2)	( -)	( -)	( -)	( 8,805)	( 8,805)	( -)
Total	60,655	1,744	7,551	610	14,816	85,378	(12,953)	72,425
Segment profit	15,039	205	1,440	125	5,456	22,268	(878)	21,390

- Notes: 1. The minus 878 million yen adjustment to segment profit is the sum of eliminations for inter-segment transactions and unallocated operating expenses that are mostly general and administrative expenses that cannot be assigned to any particular segment.
2. Segment profit is adjusted to be consistent with operating profit shown on the consolidated income statements.

## 2. Information related to impairment losses on fixed assets, goodwill, etc. for each reportable segment

Detailed explanations are omitted due to immateriality of the amount.

## Subsequent Events

### Purchase of Treasury Stock

The Board of Directors of the Company adopted a resolution on November 28, 2023 concerning implementation of stock repurchase by means of a tender offer in accordance with the provisions of Article 459, Paragraph 1 of the Companies Act (Law No. 86 of 2005, as amended). Implementation of the tender offer has been completed as of January 25, 2024.

#### 1. Details of Stock Repurchase

- |  |                                       |
|--|---------------------------------------|
| (1) Type of shares to be acquired:         | Common stock                          |
| (2) Total number of shares to be acquired: | Up to 2,189,100 shares                |
| (3) Total value of shares to be acquired:  | Up to 12,000 million yen              |
| (4) Repurchase period:                     | December 1, 2023 to February 29, 2024 |

#### 2. Repurchase of Treasury Stock

Based on the Board of Directors' resolution regarding treasury stock, the Company acquired 1,991,087 shares of its common stock on January 25, 2024 (acquisition cost: 10,875 million yen).

### Stock Split and Associated Amendments to the Articles of Incorporation

The Board of Directors of the Company adopted a resolution on February 14, 2024 concerning implementation of a stock split and associated amendments to the Articles of Incorporation.

#### 1. Purpose of the Stock Split

The stock split is aimed at expanding the range of potential investors and enhancing the liquidity of the Company's shares by lowering the monetary amount needed to invest in each trading unit and creating an environment that facilitates investment by all investors, thus resulting in the appropriate valuation of the Company's intrinsic worth in equity markets.

#### 2. Overview of the Stock Split

##### (1) Method

Each share of the Company's common stock held by shareholders listed or recorded in the shareholder registry as of March 31, 2024, the record date (effectively March 29, 2024, as March 31, 2024 is not a business day for the administrator of the shareholder registry) will be split into three shares.

##### (2) Increase in the number of shares due to the stock split (Note)

Number of outstanding shares before the stock split	Common stock: 85,136,101 shares
Increase in the number of shares due to the stock split	Common stock: 170,272,202 shares
Number of outstanding shares after the stock split	Common stock: 255,408,303 shares
Number of authorized shares after the stock split	930,000,000 shares

Note: The number of outstanding shares before the stock split represents the number after the cancellation of treasury stock planned for February 29, 2024. The increase in the number of shares due to the stock split and the number of outstanding shares after the stock split are also calculated based on this number.

##### (3) Schedule

Public notice of the record date (planned)	Friday, March 15, 2024
Record date	Sunday, March 31, 2024 *Effectively Friday, March 29, 2024
Effective date	Monday, April 1, 2024

##### (4) The impact on per share information

Per share information assuming stock split at the beginning of previous fiscal year is as follows:

	First nine months of FY2022 (Apr. 1, 2022 – Dec. 31, 2022)	First nine months of FY2023 (Apr. 1, 2023 – Dec. 31, 2023)
Net profit per share	28.08 yen	66.69 yen
Fully-diluted net profit per share	-	66.44 yen

Note: Fully-diluted net profit per share for the first nine months of FY2022 is not stated because dilutive shares do not exist.

### 3. Amendments to the Articles of Incorporation

#### (1) Reason for the amendments

Part of the Company's Articles of Incorporation will be amended pursuant to the stock split described above, effective April 1, 2024, based on the provisions of Article 184, Paragraph 2 of the Companies Act.

#### (2) Details of the amendments

Articles of Incorporation before amendment	Articles of Incorporation after amendment
(Number of Authorized Shares) Article 6 The total number of shares authorized to be issued by the Company shall be 310,000,000 shares.	(Number of Authorized Shares) Article 6 The total number of shares authorized to be issued by the Company shall be <u>930,000,000</u> shares.

#### (3) Amendment schedule

Date of Board of Directors' resolution: Wednesday, February 14, 2024

Effective date of the amendments to the Articles of Incorporation: Monday, April 1, 2024

### 4. Others

#### (1) Capital

There will be no change in the amount of capital due to the stock split.

#### (2) Changes to the shareholder benefit plan

The Company grants shareholder benefits to shareholders recorded in the shareholder registry as of March 31 of each year, based on the number of shares held. The Company plans to change this shareholder benefits resulting from the stock split with an effective date of April 1, 2024, resolved at today's meeting of the Board of Directors.

The new shareholder benefit plan resulting from the stock split will be effective for shareholders recorded in the shareholder registry as of September 30, 2024. The Company is currently considering the details of this plan and will provide notice promptly when the specific details are decided.

#### (3) Year-end dividend

The effective date of the stock split will be April 1, 2024. The year-end dividend for the fiscal year ending March 31, 2024, which has a record date of March 31, 2024, will be paid based on the number of shares before the stock split.

#### (4) Adjustment of the conversion price of the euro-yen convertible-bond-type bonds with share acquisition rights due 2028

The conversion price of the following convertible bonds issued by the Company will be adjusted as follows.

##### 1) Adjustment of conversion price

Type of stock	Conversion price before adjustment	Conversion price after adjustment
Euro-yen Convertible-bond-type Bonds with Share Acquisition Rights due 2028	7,710 yen	2,570 yen

##### 2) Effective date: On and after April 1, 2024

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