

Summary of Financial Results for the Fiscal Year Ended March 31, 2024 (FY2023) [Japanese GAAP]

Company name: Sanrio Company, Ltd. Listed Stock Exchange: Tokyo Stock Exchange
 Stock code: 8136 URL: <https://www.sanrio.co.jp/english/corporate/ir/>
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 Scheduled date of Annual General Meeting of Shareholders: June 27, 2024
 Scheduled date of filing of Annual Securities Report: June 28, 2024
 Starting date of dividend payment: June 11, 2024
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)
 (All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for FY2023 (April 1, 2023 – March 31, 2024)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2023	99,981	37.7	26,952	103.5	28,265	106.0	17,584	115.5
FY2022	72,624	37.6	13,247	422.0	13,724	313.6	8,158	138.3

Note: Comprehensive income (millions of yen) FY2023: 22,542 (up 59.6%) FY2022: 14,127 (up 98.7%)

	Basic Earnings per Share	Diluted Earnings per Share	Return on Equity (ROE)	Return on Assets (ROA)	Operating Profit to Sales
	Yen	Yen	%	%	%
FY2023	73.08	71.83	29.2	22.0	27.0
FY2022	33.74	-	16.4	14.9	18.2

Reference: Equity in earnings of unconsolidated subsidiaries (millions of yen) FY2023: - FY2022: -

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

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2024	156,062	64,897	41.4	273.57
As of Mar. 31, 2023	100,704	56,295	55.6	231.49

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2024: 64,608 As of Mar. 31, 2023: 56,005

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

(3) Consolidated cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2023	22,173	(3,457)	15,704	67,935
FY2022	11,525	(2,079)	(2,718)	32,139

2. Dividends

	Dividend per Share					Total Dividends	Dividend Payout Ratio (Consolidated)	Dividend on Equity (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2022	-	15.00	-	20.00	35.00	2,822	34.6	5.7
FY2023	-	22.50	-	43.50	66.00	5,239	30.1	8.7
FY2024 (forecast)	-	13.50	-	13.50	27.00		30.7	

Notes: 1. Breakdown of the year-end dividend for FY2023:

Ordinary dividend: 33.50 yen; commemorative dividend for celebrating Hello Kitty's 50th anniversary: 10.00 yen

2. The Company conducted a 3-for-1 common stock split effective on April 1, 2024. Dividends per share for FY2022 and FY2023 are the actual amounts before the stock split. Dividends per share for FY2024 (forecast) have been adjusted to reflect the stock split.

3. Consolidated Forecast for FY2024 (April 1, 2024 – March 31, 2025)

(Percentages represent year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Basic Earnings per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	52,200	18.8	12,600	(5.3)	13,100	(7.8)	8,700	(17.2)	36.84
Full year	110,300	10.3	30,000	11.3	30,400	7.6	20,800	18.3	88.07

Note: The Company conducted a 3-for-1 common stock split effective on April 1, 2024. Basic Earnings per share for the consolidated forecast for FY2024 have been adjusted to reflect the stock split.

* Notes

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

Newly added: -

Excluded: -

(2) 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

(3) Number of outstanding shares (common stock)

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

As of Mar. 31, 2024: 255,408,303 shares As of Mar. 31, 2023: 267,195,903 shares

2) Number of treasury shares at the end of the period

As of Mar. 31, 2024: 19,244,124 shares As of Mar. 31, 2023: 25,267,947 shares

3) Average number of shares outstanding during the period

FY2023: 240,625,326 shares FY2022: 241,812,635 shares

Note: The Company conducted a 3-for-1 common stock split effective on April 1, 2024. Number of outstanding shares at the end of the period (including treasury shares), number of treasury shares at the end of the period and average number of shares outstanding during the period are calculated as if this stock split had taken place at the beginning of the previous fiscal year.

Reference: Unconsolidated Financial Results

1. Unconsolidated Financial Results for FY2023 (April 1, 2023 – March 31, 2024)

(1) Unconsolidated results of operations (Percentages represent year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2023	68,160	36.2	14,994	114.5	38,057	349.9	32,708	538.3
FY2022	50,049	33.4	6,991	333.0	8,459	296.6	5,124	62.7

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
FY2023	135.93	133.80
FY2022	21.19	-

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

(2) Unconsolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2024	115,085	48,488	42.1	205.32
As of Mar. 31, 2023	59,114	28,557	48.3	118.04

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2024: 48,488 As of Mar. 31, 2023: 28,557

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

Note 1: The current financial report is not subject to audit 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. Overview of Results of Operations, etc., (4) Outlook" on page 6 of the attachments for forecast assumptions and notes of caution for usage.

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1. Overview of Results of Operations, etc.

(1) Results of Operations

(100 millions of yen)

	FY2023 Results	Vs. Plan			Y-O-Y		
		*Final plan	Increase/ decrease	Change (%)	FY2022 Results	Increase/ decrease	Change (%)
Net sales	999	974	25	2.7	726	273	37.7
Gross profit	721	706	15	2.1	499	221	44.3
Selling, general & administrative expenses	451	438	13	3.1	367	84	23.0
Operating profit	269	268	1	0.6	132	137	103.5
Non-operating income or expenses	13	16	(2)	(18.0)	4	8	175.2
Ordinary profit	282	284	(1)	(0.5)	137	145	106.0
Extraordinary income or losses	3	5	(1)	(26.2)	(4)	8	-
Profit before income taxes	286	289	(2)	(0.9)	132	153	115.5
Total income taxes	109	115	(5)	(5.0)	50	58	115.8
Profit attributable to owners of parent	175	174	1	1.1	81	94	115.5
Gross margin	72.1%	72.5%	(0.4)%	-	68.8%	3.3%	-
Operating margin	27.0%	27.5%	(0.5)%	-	18.2%	8.8%	-
Ordinary margin	28.3%	29.2%	(0.9)%	-	18.9%	9.4%	-

*Since the initial forecast has been revised, the table above shows comparisons with the final plan.

During 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 the impact of soaring raw material costs and global monetary tightening on the economy, as well as concerns about prolonged conflicts in Europe and growing tensions in the Middle East.

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, we are celebrating the 50th anniversary year of the popular character Hello Kitty from November 2023 to December 2024. The celebration is receiving support from people of all ages through limited-edition products and various events.

At domestic shops and theme parks, the reclassification of COVID-19 and initiatives such as the 50th anniversary of Hello Kitty led to a sharp rise in the numbers of domestic customers and foreign tourists, driving growth in sales. In the licensing business in Japan and overseas, the strategy of featuring a wide range of Sanrio characters continued to be 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 1.87 million as of the end of March 2024.

As regards consolidated operating profit, the Company posted a substantial increase due to sales growth and improved profitability through structural reforms.

As a result of these factors, net sales rose by a substantial 37.7% year-on-year to 99.9 billion yen, operating profit increased 103.5% year-on-year to 26.9 billion yen, a record high for the first time in ten years since the fiscal year ended March 31, 2014. Ordinary profit rose 106.0% year-on-year to 28.2 billion yen, and profit attributable to owners of parent rose 115.5% year-on-year to 17.5 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 December 2023.

Reportable Segment

(100 millions of yen)

		Sales				Segment profit (operating profit)			
		FY2022	FY2023	Increase/ decrease	Change (%)	FY2022	FY2023	Increase/ decrease	Change (%)
Japan	Product sales/others	417	547	130	31.4	105	197	92	87.5
	Royalties	105	141	35	33.6				
	Total	523	689	166	31.8				
Europe	Product sales/others	(0)	0	0	-	(1)	2	4	-
	Royalties	18	24	5	32.6				
	Total	18	24	6	32.9				
North America	Product sales/others	20	22	1	8.4	7	28	21	290.5
	Royalties	44	101	57	131.4				
	Total	64	124	59	92.2				
Latin America	Product sales/others	0	0	0	60.7	0	2	2	783.5
	Royalties	4	10	5	104.8				
	Total	5	10	5	103.5				
Asia	Product sales/others	12	31	18	147.5	40	60	19	47.9
	Royalties	102	120	17	17.2				
	Total	115	151	36	31.5				
Adjustment		-	-	-	-	(19)	(21)	(2)	-
Consolidated	Product sales/others	450	601	151	33.6	132	269	137	103.5
	Royalties	275	398	122	44.4				
	Total	726	999	273	37.7				

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: Net sales rose 31.8% year-on-year to 68.9 billion yen and operating profit rose 87.5% to 19.7 billion yen.

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

In the product sales business, the normalization of socioeconomic activities accompanying the reclassification of COVID-19 and the successful implementation of various measures, such as the Hello Kitty 50th anniversary, 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. Regarding individual characters, sales were driven by Cinnamoroll and Kuromi, which are very popular with both domestic customers and foreign tourists, as well as Hello Kitty, which celebrates its 50th anniversary this year.

In the licensing business, sales grew thanks to the success of the strategy for a wide range of Sanrio characters. In addition to Hello Kitty, which is celebrating its 50th anniversary, other characters such as Kuromi and Cinnamoroll have attracted attention. This has helped to refine our solution-based approach to customer issues, leading to an increase in repeat business from existing licensees and an expansion of product offerings. In product licensing, sales in all categories exceeded the previous year's results, with particularly strong sales of major apparel products with a wide range of Sanrio characters; capsule toys and prizes, which continue to be popular; and souvenirs due to increased demand from visiting foreign tourists.

Operating profit rose significantly due to a substantial increase in sales and effective control of SG&A expenses.

2. Theme park business

Sanrio Puroland, located in Tama City, Tokyo, saw a significant increase in the number of domestic and foreign visitors following the reclassification of COVID-19 due to the resumption of interactions such as handshakes and

hugs with Sanrio characters and the reopening of its most popular entertainment, the Miracle Gift Parade, after a three-year hiatus. The reopening of this entertainment also led to strong results from paid seats and related merchandise, boosting sales. 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 children to adults. The seasonal event Spring Puroland Gakuen Festival (January 12th - April 9th, 2024), featuring limited edition items themed around a school festival and a maid cafe as a new initiative, proved popular. This helped attract new customers and increase average customer spending, resulting in sales growth.

At Harmonyland, the seasonal events IcefulParade, A Very Special Rainy Day and HAPPY CHRISTMAS, as well as the new Water Shot attraction, which opened on July 14, 2023, contributed to an increase in visitor numbers. Moreover, original products linked to these new events and admission ticket price revisions raised spending per customer and contributed to the increase in sales. In addition, the Company has taken measures to improve hospitality, including the expansion of the kids' area of the summer-only Splash Island swimming pool and renovating restaurants.

Operating profit improved significantly due to a substantial increase in sales at both theme parks and successful cost control.

ii. Europe: Net sales rose 32.9% year-on-year to 2.4 billion yen and operating profit stood at 0.2 billion yen compared with operating loss of 0.1 billion yen a year earlier.

In the licensing business, brand value and recognition increased as a result of successful ongoing collaborations with famous brands and major licensees. Regarding category-specific trends, strong performances with the adoption of a wide range of Sanrio characters were seen in the apparel category, where initiatives with major licensees attracted attention, and the footwear category, where global development was carried out with a famous German brand. In the food category, confectionery featuring Hello Kitty, which is celebrating its 50th anniversary, proved popular.

Operating profit (loss) returned to the black for the first time in eight years, due to the increase in sales.

iii. North America: Sales rose 92.2% year-on-year to 12.4 billion yen and operating profit rose 290.5% year-on-year to 2.8 billion yen.

The licensing business continued to perform 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, sales of plush toys of Hello Kitty and various other characters, including Cinnamoroll, performed well. In the health & beauty category, cosmetic products created in collaboration with famous artists' character IPs proved popular. 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, we are making efforts to strengthen customer engagement through such means as the distribution of original animations on YouTube and offline events with Major League Baseball (MLB).

The product sales business (in-house e-commerce) continued to perform well, with cameras, bags, and collaborative products with famous animation characters proving especially popular. Exposure of Sanrio characters through famous artists also attracted attention.

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

iv. Latin America: Net sales rose 103.5% year-on-year to 1.0 billion yen and operating profit rose 783.5% year-on-year to 0.2 billion yen.

In Latin America as a whole, the licensing business performed well in the categories of health & beauty, apparel, bags, and special corporate sales. In Mexico, sales contributed to growth in the corporate special sales category, where Hello Kitty cafés continue to be popular; the apparel category, where children's clothing performed well; and the health & beauty category, where perfumes and sanitary products performed well. In addition, touchpoints

such as the opening of a burger shop in Monterrey, Mexico's second largest city (December 2023), have increased. In Brazil, the household products and corporate special sales categories performed well. In Peru, the bag category drove sales due to higher demand for school bags.

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

v. Asia: Net sales rose 31.5% year-on-year to 15.1 billion yen and operating profit rose 47.9% to 6.0 billion yen.

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. 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 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 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 the Hong Kong and Macau region, licensing business sales in the special corporate sales category increased, driven by ongoing promotions with financial institutions.

In Taiwan, in the licensing business, corporate special sales and the health & beauty category performed well, contributing to an increase in sales. In addition, the digital category contributed to increasing awareness by expanding collaborations with mobile games globally.

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

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

(2) Financial Position

(100 millions of yen)

	As of Mar. 31, 2023	As of Mar. 31, 2024	Increase/decrease	As of Sep. 30, 2023
Assets	1,007	1,560	553	1,216
Liabilities	444	911	467	537
(Interest-bearing debt)	199	506	307	244
Net assets	562	648	86	679
Equity ratio	55.6%	41.4%	(14.2)pt	55.5%

* Interest-bearing debt excludes lease obligations and includes 31.0 billion yen of convertible-bond-type bonds with share acquisition rights.

At the end of the current fiscal year, total assets stood at 156.0 billion yen, an increase of 55.3 billion yen from the end of the previous fiscal year. The main increases were 38.4 billion yen in cash and deposits, 5.2 billion yen in accounts receivable-trade, 2.1 billion yen in merchandise and finished goods, and 3.9 billion yen in retirement benefit asset.

Liabilities increased 46.7 billion yen from the end of the previous fiscal year to 91.1 billion yen. The main increases were 0.8 billion yen in notes and accounts payable-trade, 4.4 billion yen in income taxes payable and 0.6 billion yen in contract liabilities, 31.0 billion yen in convertible-bond-type bonds with share acquisition rights and 5.3 billion yen in retirement benefit liability.

Net assets increased 8.6 billion yen from the end of the previous fiscal year to 64.8 billion yen. The main increases were 3.4 billion yen in retained earnings, 1.0 billion yen in valuation difference on available-for-sale securities, 3.0 billion yen in foreign currency translation adjustments and 0.7 billion yen in remeasurements of defined benefit plans.

As a result, the equity ratio was 41.4%, down 14.2 percentage points from the end of the previous fiscal year.

(3) Cash Flows

(100 millions of yen)

	FY2022	FY2023	Increase/decrease
Cash flows from operating activities	115	221	106
Cash flows from investing activities	(20)	(34)	(13)
Cash flows from financing activities	(27)	157	184
Effect of exchange rate changes on cash and cash equivalents	12	13	1
Increase (decrease) in cash and cash equivalents	80	357	277
Cash and cash equivalents at beginning of year	238	321	82
Cash and cash equivalents at end of year	321	679	357

Cash and cash equivalents at the end of the current fiscal year increased 35.7 billion yen from the end of the previous fiscal year to 67.9 billion yen.

Cash flows from operating activities amounted to a provision of 22.1 billion yen (a year-on-year increase of 10.6 billion yen). This was mainly attributable to profit before income taxes of 28.6 billion yen (a year-on-year increase of 15.3 billion yen), depreciation of 1.8 billion yen (slight increase year on year) and a 3.0 billion yen increase in other liabilities (a year-on-year increase in income of 1.0 billion yen). On the other hand, there was a 4.7 billion yen increase in trade receivable (a year-on-year decrease in income of 2.8 billion yen), a 1.8 billion yen increase in inventories (a year-on-year decrease in income of 0.9 billion yen), and income taxes paid of 4.7 billion yen (a year-on-year increase in income of 0.9 billion yen).

Cash flows from investing activities resulted in a use of 3.4 billion yen (a year-on-year increase in outlays of 1.3 billion yen). This was mainly attributable to proceeds from liquidation of subsidiaries and associates of 0.9 billion yen (a year-on-year increase in income of 0.9 billion yen), while there were net payments of 1.1 billion yen for increased time deposits (a year-on-year decrease in outlays of 1.7 billion yen), net payments of 1.6 billion yen for purchase and sale of property and equipment (a year-on-year increase in outlays of 1.0 billion yen), and net payments of 1.6 billion yen for other investing activities (net proceeds of 11 million yen a year earlier).

Cash flows from financing activities resulted in a provision of 15.7 billion yen (net payments of 2.7 billion yen a year earlier). This was mainly attributable to proceeds from issuance of convertible-bond-type bonds with share acquisition rights of 31.1 billion yen (a year-on-year increase in income of 31.1 billion yen), while there were purchase of treasury shares of 10.8 billion yen (a year-on-year increase in outlays of 10.8 billion yen), dividends paid of 3.4 billion yen (a year-on-year increase in outlays of 1.5 billion yen), and net payments of 0.7 billion yen for other financing activities (a year-on-year decrease in outlays of 11 million yen).

(4) Outlook

The Company has drawn up a new three-year medium-term management plan ending March 31, 2027.

The new plan is intended to move beyond the “foothold” phase of the previous medium-term management plan and enter the “growth and investment” phase. In implementing the plan, the following key initiatives, known as the “Three Approaches,” have been set out.

1. Reform marketing and sales strategies to create global Evergreen IP
2. Develop a foundation for global growth
3. Expand IP portfolio and monetize in multiple layers

Through the implementation of these key measures, the Company aims to achieve sustainable business growth without volatility, with the target of achieving net sales of 135 billion yen and operating profit of 40 billion yen or more in the year ending March 31, 2027, the final year of the plan. For details of the medium-term management plan, please refer to the document published on our company website today (May 14, 2024).

For the year ending March 31, 2025, we forecast consolidated sales of 110.3 billion yen and operating profit of 30 billion yen, driven by continued demand growth in Japan and abroad as well as the implementation of various initiatives in line with the new medium-term management plan, including investments for growth.

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

(5) Basic Policy Regarding Profit Distribution and Dividends for FY2023 and FY2024

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

As a result of the significant growth in consolidated results in the financial year under review, the Company recorded profit attributable to owners of parent of 17.5 billion yen. The year-end ordinary dividend will be 33.5 yen per share, an increase of 13.5 yen from the 20 yen per share at the end of the previous year. In addition, we plan to pay a commemorative dividend of 10 yen per share to celebrate the 50th anniversary of Hello Kitty. As a result, the dividend from surplus (year-end dividend) will be 43.5 yen per share. Combined with the interim dividend of 22.5 yen per share paid on the record date of September 30, 2023, we plan to raise the annual dividend by 31 yen per share from the previous fiscal year's 35 yen per share for a total of 66 yen per share.

2. Basic Approach for the Selection of Accounting Standards

The Sanrio Group will continue to prepare consolidated financial statements based on generally accepted accounting principles in Japan. We are examining systems and schedule with regard to the application of International Financial Reporting Standards (IFRS) in the future.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

	(Millions of yen)	
	FY2022	FY2023
	(As of Mar. 31, 2023)	(As of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	52,008	90,442
Notes receivable-trade	313	303
Accounts receivable-trade	8,392	13,643
Merchandise and finished goods	3,894	6,094
Work in process	299	53
Raw materials and supplies	348	307
Other accounts receivable	441	633
Other	1,210	1,814
Allowance for doubtful accounts	(156)	(120)
Total current assets	66,752	113,173
Non-current assets		
Property and equipment		
Buildings and structures	49,676	50,387
Accumulated depreciation and impairment	(46,380)	(46,778)
Buildings and structures, net	3,296	3,609
Machinery and vehicles	12,910	12,582
Accumulated depreciation and impairment	(12,710)	(12,278)
Machinery and vehicles, net	199	304
Tools, furniture and fixtures	6,020	6,545
Accumulated depreciation and impairment	(5,524)	(5,692)
Tools, furniture and fixtures, net	496	852
Land	6,140	6,160
Leased assets	5,234	5,542
Accumulated depreciation and impairment	(2,048)	(1,846)
Leased assets, net	3,185	3,696
Construction in progress	31	224
Total property and equipment	13,350	14,847
Intangible assets	2,244	2,726
Investments and other assets		
Investment securities	9,720	10,405
Long-term loans receivable from employees	50	14
Guarantee deposits	1,802	1,836
Deferred tax assets	145	874
Retirement benefit asset	5,398	9,391
Other	1,564	2,978
Allowance for doubtful accounts	(332)	(187)
Total investments and other assets	18,350	25,313
Total non-current assets	33,946	42,886
Deferred assets		
Bond issuance costs	5	2
Total deferred assets	5	2
Total assets	100,704	156,062

	(Millions of yen)	
	FY2022	FY2023
	(As of Mar. 31, 2023)	(As of Mar. 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,074	4,882
Short-term borrowings	9,086	9,154
Current portion of bonds payable	332	102
Lease liabilities	653	847
Income taxes payable	1,563	6,049
Contract liabilities	4,062	4,705
Provision for bonuses	638	952
Provision for shareholder benefit program	39	31
Provision for point card certificates	8	9
Other	7,287	11,256
Total current liabilities	27,746	37,990
Non-current liabilities		
Bonds payable	141	39
Convertible-bond-type bonds with share acquisition rights	-	31,047
Long-term borrowings	10,378	10,305
Lease liabilities	2,876	3,226
Long-term deposits received	692	700
Long-term accounts payable-other	496	411
Retirement benefit liability	1,020	1,015
Other	1,056	6,430
Total non-current liabilities	16,662	53,174
Total liabilities	44,408	91,165
Net assets		
Shareholders' equity		
Share capital	10,000	10,261
Capital surplus	3,468	2,764
Retained earnings	56,211	59,655
Treasury shares	(19,528)	(18,728)
Total shareholders' equity	50,152	53,953
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	383	1,390
Deferred gains or losses on hedges	2	-
Foreign currency translation adjustment	1,707	4,762
Remeasurements of defined benefit plans	3,758	4,502
Total accumulated other comprehensive income	5,853	10,655
Non-controlling interests	290	288
Total net assets	56,295	64,897
Total liabilities and net assets	100,704	156,062

(2) Consolidated Statements of Income and Comprehensive Income**Consolidated Statements of Income**

(Millions of yen)

	FY2022 (Apr. 1, 2022 – Mar. 31, 2023)	FY2023 (Apr. 1, 2023 – Mar. 31, 2024)
Net sales	72,624	99,981
Cost of sales	22,663	27,865
Gross profit	49,960	72,115
Selling, general and administrative expenses		
Sales promotion expenses	2,528	3,366
Provision for allowance for doubtful accounts	2	(141)
Directors' bonuses and salaries	8,157	9,111
Miscellaneous wages	2,833	3,291
Bonuses	1,494	2,270
Provision of bonuses	653	972
Provision for shareholder benefit program	(4)	(5)
Provision for point card certificates	(4)	0
Retirement benefit expenses	888	611
Freight and packing costs	1,537	1,564
Rent expenses	2,907	3,488
Depreciation	899	988
Other	14,820	19,643
Total selling, general and administrative expenses	36,713	45,162
Operating profit	13,247	26,952
Non-operating income		
Interest income	520	1,101
Dividend income	206	183
Foreign exchange gains	104	-
Gain on investments in investment partnerships	-	225
Other	441	434
Total non-operating income	1,273	1,944
Non-operating expenses		
Interest expenses	173	180
Loss on investments in investment partnerships	371	-
Foreign exchange losses	-	299
Commission expenses	116	128
Other	135	24
Total non-operating expenses	796	632
Ordinary profit	13,724	28,265
Extraordinary income		
Gain on sale of non-current assets	1	0
Gain on sale of investment securities	492	-
Gain on liquidation of subsidiaries and associates	-	581
Other	2	-
Total extraordinary income	496	581

	(Millions of yen)	
	FY2022	FY2023
	(Apr. 1, 2022 – Mar. 31, 2023)	(Apr. 1, 2023 – Mar. 31, 2024)
Extraordinary losses		
Loss on disposal of non-current assets	20	56
Impairment losses	123	37
Loss on sale of investment securities	505	12
Loss on valuation of investment securities	157	-
Business restructuring expenses	-	106
Loss on valuation of shares of subsidiaries and associates	122	-
Other	6	-
Total extraordinary losses	934	212
Profit before income taxes	13,286	28,634
Current income taxes	3,283	9,081
Current income taxes for prior years	1,297	-
Deferred income taxes	479	1,841
Total income taxes	5,060	10,922
Profit	8,225	17,711
Profit attributable to non-controlling interests	67	127
Profit attributable to owners of parent	8,158	17,584

Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	FY2022	FY2023
	(Apr. 1, 2022 – Mar. 31, 2023)	(Apr. 1, 2023 – Mar. 31, 2024)
Profit	8,225	17,711
Other comprehensive income		
Valuation difference on available-for-sale securities	351	1,006
Deferred gains or losses on hedges	2	(2)
Foreign currency translation adjustment	2,742	3,082
Remeasurements of defined benefit plans	2,805	744
Total other comprehensive income	5,901	4,830
Comprehensive income	14,127	22,542
Total comprehensive income attributable to:		
Owners of parent	14,025	22,386
Non-controlling interests	101	155

(3) Consolidated Statements of Changes in Net Assets

FY2022 (Apr. 1, 2022 – Mar. 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period (Balance, April 1, 2022)	10,000	3,403	49,968	(19,716)	43,656
Changes during period					
Dividends of surplus			(1,853)		(1,853)
Profit attributable to owners of parent			8,158		8,158
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		65		188	253
Increase (decrease) due to inclusion of subsidiaries in consolidation			(62)		(62)
Net changes in items other than shareholders' equity					
Total changes during period	-	65	6,242	187	6,495
Balance at end of period (Balance, March 31, 2023)	10,000	3,468	56,211	(19,528)	50,152

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period (Balance, April 1, 2022)	32	-	(999)	953	(14)	158	43,800
Changes during period							
Dividends of surplus							(1,853)
Profit attributable to owners of parent							8,158
Purchase of treasury shares							(0)
Disposal of treasury shares							253
Increase (decrease) due to inclusion of subsidiaries in consolidation							(62)
Net changes in items other than shareholders' equity	351	2	2,707	2,805	5,867	132	5,999
Total changes during period	351	2	2,707	2,805	5,867	132	12,495
Balance at end of period (Balance, March 31, 2023)	383	2	1,707	3,758	5,853	290	56,295

FY2023 (Apr. 1, 2023 – Mar. 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period (Balance, April 1, 2023)	10,000	3,468	56,211	(19,528)	50,152
Changes during period					
Issuance of new shares	261	261			523
Dividends of surplus			(3,427)		(3,427)
Profit attributable to owners of parent			17,584		17,584
Purchase of treasury shares				(10,878)	(10,878)
Cancellation of treasury shares		(965)	(10,712)	11,678	-
Net changes in items other than shareholders' equity					
Total changes during period	261	(703)	3,443	799	3,801
Balance at end of period (Balance, March 31, 2024)	10,261	2,764	59,655	(18,728)	53,953

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period (Balance, April 1, 2023)	383	2	1,707	3,758	5,853	290	56,295
Changes during period							
Issuance of new shares							523
Dividends of surplus							(3,427)
Profit attributable to owners of parent							17,584
Purchase of treasury shares							(10,878)
Cancellation of treasury shares							-
Net changes in items other than shareholders' equity	1,006	(2)	3,054	744	4,802	(1)	4,800
Total changes during period	1,006	(2)	3,054	744	4,802	(1)	8,601
Balance at end of period (Balance, March 31, 2024)	1,390	-	4,762	4,502	10,655	288	64,897

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2022	FY2023
	(Apr. 1, 2022 – Mar. 31, 2023)	(Apr. 1, 2023 – Mar. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	13,286	28,634
Depreciation	1,872	1,873
Amortization of long-term prepaid expenses	86	94
Increase (decrease) in allowance for doubtful accounts	(5)	(213)
Increase (decrease) in provision for bonuses	153	305
Decrease(increase) in retirement benefit asset	(518)	(1,557)
Increase (decrease) in retirement benefit liability	(499)	332
Increase (decrease) in provision for shareholder benefit program	(3)	(8)
Increase (decrease) in provision for point card certificates	(5)	0
Increase (decrease) in provision for founder meritorious bonus upon retirement	(300)	-
Interest and dividend income	(727)	(1,210)
Interest income on securities	-	(74)
Interest expenses	173	180
Loss (gain) on disposal of non-current assets	19	56
Impairment losses	123	37
Loss (gain) on sale of investment securities	12	12
Loss (gain) on valuation of investment securities	157	-
Loss on valuation of shares of subsidiaries and associates	122	-
Gain on liquidation of subsidiaries and associates	-	(581)
Decrease (increase) in trade receivables	(1,885)	(4,750)
Decrease (increase) in inventories	(957)	(1,876)
Decrease (increase) in other assets	(158)	470
Increase (decrease) in trade payables	177	767
Increase (decrease) in accrued consumption taxes	66	11
Increase (decrease) in contract liabilities	593	424
Increase (decrease) in other liabilities	1,993	3,037
Other, net	671	4
Subtotal	14,449	25,973
Interest and dividends received	703	1,157
Interest paid	(204)	(214)
Income taxes paid	(3,837)	(4,743)
Income taxes refund	414	-
Net cash provided by (used in) operating activities	11,525	22,173
Cash flows from investing activities		
Payments into time deposits	(23,228)	(28,462)
Proceeds from withdrawal of time deposits	20,316	27,270
Purchase of property and equipment	(658)	(1,685)
Proceeds from sale of property and equipment	74	5
Purchase of intangible assets	(347)	(654)
Purchase of investment securities	(786)	(3)
Proceeds from sale of investment securities	2,504	884
Proceeds from distributions from investment partnerships	18	8
Proceeds from collection of loans receivable	65	36
Payments of guarantee deposits	(174)	(178)
Proceeds from refund of guarantee deposits	125	59
Proceeds from liquidation of subsidiaries and associates	-	949
Other, net	11	(1,688)
Net cash provided by (used in) investing activities	(2,079)	(3,457)

	(Millions of yen)	
	FY2022	FY2023
	(Apr. 1, 2022 – Mar. 31, 2023)	(Apr. 1, 2023 – Mar. 31, 2024)
Cash flows from financing activities		
Repayments of short-term borrowings	-	(300)
Proceeds from long-term borrowings	10,100	9,100
Repayments of long-term borrowings	(9,714)	(8,804)
Redemption of bonds	(462)	(332)
Proceeds from issuance of convertible-bond-type bonds with share acquisition rights	-	31,121
Purchase of treasury shares	(0)	(10,878)
Dividends paid	(1,853)	(3,425)
Other, net	(787)	(776)
Net cash provided by (used in) financing activities	(2,718)	15,704
Effect of exchange rate change on cash and cash equivalents	1,275	1,375
Net increase (decrease) in cash and cash equivalents	8,003	35,796
Cash and cash equivalents at the beginning of the year	23,882	32,139
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	253	-
Cash and cash equivalents at the end of the year	32,139	67,935

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Segment and Other Information**Segment Information**

1. Overview of reportable segment

Segments used for financial reporting are the Sanrio Group's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Group is engaged primarily in character licensing operations, planning and sale of gift products and the theme parks business. The Company and its domestic consolidated subsidiaries conduct business operations in Japan and overseas consolidated subsidiaries in each region conduct business operations in Europe (mainly Italy, France, Spain, Germany and the U.K.), North America (mainly the United States), Latin America (mainly Brazil, Chile, Peru and Mexico) and Asia (mainly Hong Kong, Taiwan, South Korea, China and Singapore). The Company and each consolidated subsidiary are independent operating units that establish comprehensive strategies concerning their products and other aspects of operations and conduct business operations based on those strategies.

As a result, there are five reportable segments based on the structure of sales activities by geographical segments: Japan, Europe, North America, Latin America and Asia.

2. Calculation method for sales, profit or loss, assets, liabilities and other items for each reportable segment

The accounting methods used for reportable business segments generally accords with those used for the preparation of consolidated financial statements. Profits for reportable segments are operating profit. Profits and transfer sums for inter-segment transactions within the Group are based on market prices.

3. Information related to sales, profit or loss, assets, liabilities and other items for each reportable segment

FY2022 (Apr. 1, 2022 – Mar. 31, 2023)

(Millions of yen)

	Reportable segment						Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Japan	Europe	North America	Latin America	Asia	Total		
Sales								
Customers	52,305	1,823	6,473	504	11,517	72,624	-	72,624
(Royalty income)	(10,597)	(1,826)	(4,407)	(488)	(10,259)	(27,580)	(-)	(27,580)
Inter-segment	8,962	35	48	10	1,784	10,841	(10,841)	-
(Royalty income)	(8,197)	(3)	(-)	(-)	(-)	(8,201)	(8,201)	(-)
Total	61,268	1,858	6,522	515	13,302	83,466	(10,841)	72,624
Segment profit (loss)	10,527	(179)	726	25	4,069	15,169	(1,922)	13,247
Segment assets	58,907	8,308	8,681	1,985	24,967	102,850	(2,146)	100,704
Other items								
Depreciation	1,259	247	202	9	237	1,957	1	1,958
Increase in property and equipment, and intangible assets	1,130	48	849	4	244	2,277	11	2,288

Notes: 1. Adjustments are as follows.

(1) The minus 1,922 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) The minus 2,146 million yen adjustment to segment assets is the sum of eliminations for inter-segment transactions and corporate assets which belong to administration department of the Company.
- (3) The 1 million yen adjustment to depreciation is the depreciation related to corporate assets.
2. Segment profit (loss) is adjusted to be consistent with operating loss shown on the consolidated statements of income.
3. Depreciation includes amortization of long-term prepaid expenses.

FY2023 (Apr. 1, 2023 – Mar. 31, 2024)

(Millions of yen)

	Reportable segment						Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Japan	Europe	North America	Latin America	Asia	Total		
Sales								
Customers	68,951	2,423	12,439	1,025	15,140	99,981	-	99,981
(Royalty income)	(14,161)	(2,422)	(10,199)	(1,001)	(12,028)	(39,813)	(-)	(39,813)
Inter-segment	14,136	68	76	38	4,036	18,355	(18,355)	-
(Royalty income)	(13,153)	(3)	(-)	(-)	(-)	(13,157)	((13,157))	(-)
Total	83,088	2,492	12,515	1,063	19,176	118,336	(18,355)	99,981
Segment profit	19,737	268	2,838	227	6,016	29,089	(2,136)	26,952
Segment assets	121,160	9,732	16,252	2,735	32,528	182,409	(26,347)	156,062
Other items								
Depreciation	1,358	244	91	11	257	1,963	5	1,968
Increase in property and equipment, and intangible assets	2,531	55	7	9	551	3,155	0	3,155

Notes: 1. Adjustments are as follows.

- (1) The minus 2,136 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) The minus 26,347 million yen adjustment to segment assets is the sum of eliminations for inter-segment transactions and corporate assets which belong to administration department of the Company.
- (3) The 5 million yen adjustment to depreciation is the depreciation related to corporate assets.
2. Segment profit (loss) is adjusted to be consistent with operating profit shown on the consolidated statements of income.
3. Depreciation includes amortization of long-term prepaid expenses.

Related Information

FY2022 (Apr. 1, 2022 – Mar. 31, 2023)

1. Information by product or service

(Millions of yen)

	Product sales and licensing	Theme parks	Other	Total
Sales to customers	61,466	10,237	920	72,624

2. Information by region

(1) Sales

(Millions of yen)

Japan	Europe	North America	Asia	Other	Total
50,696	1,905	6,787	12,706	527	72,624

Note: Sales are based on the location of the client and categorized by country or region.

(2) Property and equipment

(Millions of yen)

Japan	Europe	North America	Latin America	Asia	Other	Total
11,455	736	683	100	358	17	13,350

3. Information about specific customers

Omitted because no single external customer accounts for 10% or more of sales as shown on the consolidated statements of income.

FY2023 (Apr. 1, 2023 – Mar. 31, 2024)

1. Information by product or service (Millions of yen)

	Product sales and licensing	Theme parks	Other	Total
Sales to customers	86,456	12,746	778	99,981

2. Information by region

(1) Sales (Millions of yen)

Japan	Europe	North America	Asia	Other	Total
66,540	2,556	12,799	17,026	1,057	99,981

Note: Sales are based on the location of the client and categorized by country or region.

(2) Property and equipment (Millions of yen)

Japan	Europe	North America	Latin America	Asia	Other	Total
12,624	784	646	114	667	9	14,847

3. Information about specific customers

Omitted because no single external customer accounts for 10% or more of sales as shown on the consolidated statements of income.

Information related to impairment loss of non-current assets for each reportable segment

FY2022 (Apr. 1, 2022 – Mar. 31, 2023)

Impairment loss of 121 million yen on store assets, idle assets and business assets was recorded in the “Japan” segment. Impairment loss of 1 million yen on office facilities was recorded in the “North America” segment.

FY2023 (Apr. 1, 2023 – Mar. 31, 2024)

Impairment loss of 37 million yen on store assets and business assets was recorded in the “Japan” segment.

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY2022 (Apr. 1, 2022 – Mar. 31, 2023)

Not applicable.

FY2023 (Apr. 1, 2023 – Mar. 31, 2024)

Not applicable.

Per Share Information

(Yen)

	FY2022 (Apr. 1, 2022 – Mar. 31, 2023)	FY2023 (Apr. 1, 2023 – Mar. 31, 2024)
Net assets per share	231.49	273.57
Basic earnings per share	33.74	73.08
Diluted earnings per share	-	71.83

Notes: 1. Diluted earnings per share for FY2022 is not stated because dilutive shares do not exist.

2. The Company conducted a 3-for-1 common stock split effective on April 1, 2024. Basic earnings per share and diluted earnings per share are calculated as if this stock split had taken place at the beginning of FY2022.

3. Basis for calculating net assets per share is as shown below.

	FY2022 (As of Mar. 31, 2023)	FY2023 (As of Mar. 31, 2024)
Total net assets on the consolidated balance sheets (million yen)	56,295	64,897
Net assets associated with common stock shares (million yen)	56,005	64,608
Breakdown of differences Non-controlling interests (million yen)	290	288
Number of common stock shares outstanding (thousand shares) (note)	267,195	255,408
Number of shares of treasury common stock (thousand shares) (note)	25,267	19,244
Number of common stock shares used in calculation of net assets per share (thousand shares) (note)	241,927	236,164

Note: The Company conducted a 3-for-1 common stock split effective on April 1, 2024. Number of common stock shares outstanding, number of shares of treasury common stock, and number of common stock shares used in calculation of net assets per share (thousand shares) are calculated as if this stock split had taken place at the beginning of FY2022.

4. Basis for calculating basic earnings per share and diluted earnings per share is as shown below.

	FY2022 (Apr. 1, 2022 – Mar. 31, 2023)	FY2023 (Apr. 1, 2023 – Mar. 31, 2024)
Basic earnings per share		
Profit attributable to owners of parent	8,158	17,584
Amount not returned to common stock shareholders (million yen)	-	-
Profit attributable to owners of parent applicable to common stock (million yen)	8,158	17,584
Average number of common stock shares outstanding (thousand shares) (note 1)	241,812	240,625
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (million yen)	-	(51)
[of which, amortization of bond issuance costs (after deducting amount equivalent to tax)] (million yen) (note 2)	-	(51))
Increase in number of common stock (thousand shares)	-	3,444
[of which convertible-bond-type bonds with share acquisition rights (thousand shares)]	-	(3,444)
Summary of potentially dilutive shares not included in the calculation of diluted earnings per share due to their anti-dilutive effect	-	-

Notes: 1. The Company conducted a 3-for-1 common stock split effective on April 1, 2024. Average number of common stock shares outstanding (thousand shares) is calculated as if this stock split had taken place at the beginning of FY2022.

2. Amortization (net of tax) related to such difference due to the issuance of bonds at a price higher than the face value of the bonds.

Subsequent Events

Stock Split and Associated Amendments to the Articles of Incorporation

At the meeting of the Board of Directors held on February 14, 2024, the Company resolved to implement a stock split and associated amendments to the Articles of Incorporation. The stock split was implemented on April 1, 2024.

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 as of Friday, March 29, 2024, as March 31, 2024 is not a business day for the administrator of the shareholder registry), was split into three shares.

(2) Increase in the Number of Shares Due to the Stock Split

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

(3) Stock Split Schedule

Public notice of the record date	March 15, 2024
Record date	March 31, 2024 *effectively March 29, 2024
Effective date	April 1, 2024

(4) Impact on Per Share Information

Information about the effect on per share information is shown in the corresponding section.

3. Partial 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 to the Articles of Incorporation

Before amendment	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 shares</u> .

(3) Amendment Schedule

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

4. Other

Amount of capital

There will be no change in capital due to this stock split.

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.