



August 2, 2024

## Summary of Financial Results for the First Quarter of Fiscal Year Ending March 31, 2025 (FY2024) (Three Months Ended June 30, 2024) [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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 Starting date of dividend payment: -  
 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 the First Quarter of FY2024 (April 1, 2024 – June 30, 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	%
Three months ended Jun. 30, 2024	28,911	42.3	10,746	80.2	11,704	83.6	10,296	109.4
Three months ended Jun. 30, 2023	20,315	46.9	5,964	150.2	6,374	153.7	4,916	525.9

Note: Comprehensive income (millions of yen) Three months ended Jun. 30, 2024: 12,852 (up 185.9%)  
 Three months ended Jun. 30, 2023: 4,494 (up 58.6%)

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
Three months ended Jun. 30, 2024	43.60	42.91
Three months ended Jun. 30, 2023	20.32	-

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
	Millions of yen	Millions of yen	%
As of Jun. 30, 2024	161,558	74,334	45.8
As of Mar. 31, 2024	156,062	64,897	41.4

Reference: Shareholders' equity (millions of yen) As of Jun. 30, 2024: 73,982 As of Mar. 31, 2024: 64,608

### 2. Dividends

	Dividend per Share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2023	-	22.50	-	43.50	66.00
FY2024	-				
FY2024 (forecast)		18.50	-	18.50	37.00

Notes: 1. Revisions to the most recently announced dividend forecast: Yes

2. The Company conducted a 3-for-1 common stock split effective on April 1, 2024. Dividends per share for 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	57,000	29.8	18,300	37.5	19,800	39.4	16,100	53.2	68.17
Full year	119,300	19.3	37,100	37.6	38,700	36.9	28,700	63.2	121.50

Note: Revisions to the most recently announced consolidated forecasts: Yes

**\* Notes**

(1) Significant changes in scope of consolidation during the period: 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: Yes

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 shares)

As of Jun. 30, 2024:	255,408,303 shares	As of Mar. 31, 2024:	255,408,303 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2024:	19,245,658 shares	As of Mar. 31, 2024:	19,244,124 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2024:	236,163,403 shares	Three months ended Jun. 30, 2023:	241,927,741 shares
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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.

Note 1: Review of the attached quarterly financial statements by a certified public accountant or an auditing firm: None

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 5 of the attachments for forecast assumptions and notes of caution for usage.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

During the first quarter of the fiscal year under review, the Japanese economy experienced a gradual recovery due to an upturn in inbound demand and an improved employment and income environment, despite the impact of rising prices and other factors associated with the weak yen. However, the outlook remains uncertain due to such factors as the prolonged conflict in Europe and growing tensions in the Middle East, in addition to global monetary tightening and concerns over the Chinese economy.

Against this backdrop, the Sanrio Group has formulated a new three-year medium-term management plan, which concludes in the fiscal year ending March 31, 2027. We are aiming for operating profit of 40 billion yen or more in the plan's final fiscal year, and in order to achieve our targets of operating profit of 50 billion yen and market capitalization of 1 trillion yen over the next 10 years, we will take the following key initiatives, which we call the "Three Approaches": "Review marketing and sales strategies to make Evergreen global IP", "Develop a foundation for global growth"; and "Expand IP portfolio and monetize in multiple layers".

Domestic Sanrio stores and theme parks experienced a sharp rise in the number of domestic customers and foreign tourists, driving growth in sales, due to initiatives such as the 2024 Sanrio Character Awards, a popular voting event that recorded an unprecedented 57.07 million votes, and Hello Kitty's 50th anniversary. 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 2.07 million as of the end of June 2024.

Consolidated operating profit rose substantially due to sales growth, improved profitability resulting from an increase in the sales composition of the licensing business, and lower SG&A expenses than originally planned.

As a result of these factors, net sales rose 42.3% year-on-year to 28.9 billion yen, operating profit increased 80.2% year-on-year to 10.7 billion yen, ordinary profit rose 83.6% year-on-year to 11.7 billion yen, and profit attributable to owners of parent rose 109.4% year-on-year to 10.2 billion yen.

Since the accounting period for all overseas consolidated subsidiaries runs from January to December, the first quarter under review for these subsidiaries covers the period from January to March 2024.

#### Reportable Segment

(100 millions of yen)

	First three months of	Sales				Segment profit (operating profit)			
		FY2023	FY2024	Increase/ decrease	Change (%)	FY2023	FY2024	Increase/ decrease	Change (%)
Japan	Product sales/others	116	135	19	16.6	43	76	33	75.8
	Royalties	30	41	11	39.1				
	Total	146	177	31	21.3				
Europe	Product sales/others	0	0	0	-	0	0	0	23.7
	Royalties	5	6	1	26.2				
	Total	5	7	1	31.5				
North America	Product sales/others	4	4	0	0.7	6	11	5	92.1
	Royalties	14	42	27	195.1				
	Total	19	47	27	145.1				
Latin America	Product sales/others	0	0	(0)	(39.2)	0	1	0	261.5
	Royalties	1	3	1	103.0				
	Total	1	3	1	93.9				
Asia	Product sales/others	1	14	12	626.1	13	24	11	87.5
	Royalties	28	40	11	39.7				
	Total	30	54	23	77.3				
Adjustment		-	-	-	-	(4)	(8)	(3)	-
Consolidated	Product sales/others	123	154	31	25.9	59	107	47	80.2%
	Royalties	80	134	54	67.5				
	Total	203	289	85	42.3				

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:** Net sales rose 21.3% year-on-year to 17.7 billion yen and operating profit rose 75.8% to 7.6 billion yen.

#### 1. Product sales business/Licensing business

In the product sales business, an increase in customer numbers in each sales channel, including store operations and wholesale, contributed to sales growth. Hello Kitty, which is gaining attention for its 50th anniversary, and a wide range of Sanrio characters, including Cinnamoroll and Kuromi, continued to be popular. In addition, the 2024 Sanrio Character Awards, a popular voting event that ran from April 11 to May 26, recorded 28% more votes than in the previous year to reach an unprecedented 57.07 million votes. Customer numbers increased not only domestically but also internationally, and the share of sales revenue from foreign tourists in our stores grew. The Ginza store, which was renovated in March 2024, achieved a substantial sales boost from efforts to improve convenience, including a significant rise in the number of cash registers. In the products category, both domestic and foreign customers have been purchasing plush toys, mascot holders, key holders, and hair-bang clips of their favorite characters, leading to strong sales across a wide range of Sanrio character products.

In the licensing business, in addition to Hello Kitty celebrating its 50th anniversary, a wide range of Sanrio characters attracted attention, including Cinnamoroll and Kuromi, the top-ranked characters in the Sanrio Character Awards. This has led to the acquisition of new projects, an increase in repeat business from existing licensees, and an expansion of product offerings. The adoption of a wide range of Sanrio characters led to year-on-year growth in all categories, especially from collaborations with other companies' characters by a major apparel company; capsule toys and prizes, which continue to be popular; and souvenirs due to the increase in domestic and foreign tourists.

Operating profit rose significantly due to a substantial increase in sales and successful cost control.

#### 2. Theme park business

Sanrio Puroland in Tokyo saw a rise in the number of visitors from Japan and abroad following the reopening in June 2023 of the facility's most popular entertainment event, the Miracle Gift Parade, after a three-year hiatus and various other events, driving an increase in sales. The new event PUROSPRINGPARTY (April 12–June 4) became a hot topic for its participatory show, where visitors danced with popular characters, and the installation of a self-photo booth popular in Korea. In addition, the Mignon fuwafuwa matsuri (June 7–July 9), a Tanabata event that resumed after a six-year absence, proved popular for its cute and fluffy visuals of Little Twin Stars (Kiki & Lala) and other characters. Limited-edition products linked to these events and products related to the 50th anniversary of Hello Kitty gained popularity.

Operating profit increased due to higher sales.

Harmonyland in Oita Prefecture saw an increase in visitor numbers due to the new Heartful spring Days event (March 22–June 4) and the popular Rainy Day event (June 7–July 9). Products related to these events also contributed to sales growth.

Operating profit fell due to an increase in SG&A expenses, which were caused by the strengthening of the previously insufficient staffing system and costs for repairs.

**ii. Europe:** Net sales rose 31.5% year-on-year to 0.7 billion yen and operating profit rose 23.7% year-on-year to 98 million yen.

In the licensing business, sales were driven by the apparel category, where we continued to work with major fast fashion brands. Other categories also performed well, with health & beauty seeing the continued popularity of facial care products, food seeing strong sales of confectionery products for infants, and toys focused on collectible products. Mr. Men and Little Miss, a popular character in the European region, contributed to increased recognition through collaboration with a major fast-food chain.

Operating profit increased due to sales growth.

**iii. North America:** Net sales rose 145.1% year-on-year to 4.7 billion yen and operating profit rose 92.1% year-on-year to 1.1 billion yen.

In the licensing business, the apparel, toy, and health & beauty categories performed well, contributing to an increase in sales. In the apparel category, sales increased due to the development of a wide range of Sanrio characters by existing licensees, which improved the recognition of many characters. The toy category continued to perform well, thanks to successful collaborations with major toy manufacturers, with plush toys gaining popularity. In the health & beauty category, sales grew due to continued efforts with popular brands. Moreover, in the digital category, freshness was maintained by holding regular events on major-platform game content and expanding the Sanrio fan base while increasing customer loyalty.

In addition, we are working to strengthen customer engagement by such means as distributing original anime on YouTube and holding collaborative events with the professional sports leagues Major League Baseball (MLB) and the National Basketball Association (NBA).

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

**iv. Latin America:** Net sales rose 93.9% year-on-year to 0.3 billion yen and operating profit rose 261.5% year-on-year to 0.1 billion yen.

In Latin America, the licensing business performed well in the categories of health & beauty, apparel, stationery, and corporate special sales.

In Mexico, strong performances were seen in the health & beauty category, where hygiene products performed well; the apparel category, where children's clothing sold well; and the corporate special sales category, where the burger shop that opened in December 2023 proved popular.

In Brazil, the food and household product categories performed well. We are working to maintain the freshness of the Hello Kitty brand by increasing the character's exposure through events and exhibitions to commemorate its 50th anniversary. In Peru, sales were driven by the bag category, where demand for school bags increased, and by the corporate special sales category, where designer debit cards performed well. In Chile, the stationery category, especially notebooks, performed well.

Operating profit rose due to a substantial increase in sales.

**v. Asia:** Net sales rose 77.3% year-on-year to 5.4 billion yen and operating profit rose 87.5% to 2.4 billion yen.

In China, licensing business sales in the toys & hobby, corporate special sales and health & beauty categories were strong. In addition, the strategy for a wide range of Sanrio characters proved successful, with sales driven not only by Hello Kitty but also by characters including Kuromi and Cinnamoroll. In the retail business, the opening of multiple franchise stores and the development of new e-commerce channels increased the number of touch points with customers and contributed to sales growth.

In South Korea, a major telecommunications company contributed to an increase in sales as a new licensee by adopting Cinnamoroll for children's mobile phones. Additionally, existing licensees contributed to the growth of the apparel and accessories category through the regular release of new products.

In the Hong Kong and Macau region, the corporate special sales category drove growth in the licensing business through promotions with one of Hong Kong's largest commercial facilities.

In Taiwan, the licensing business saw strong sales in the toy, stationery, and interior categories, contributing to sales growth, due to the development of a wide range of Sanrio characters.

In Southeast Asia, sales were driven by Thailand. In particular, the health & beauty category contributed to sales growth following successful initiatives with existing licensees.

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

## **(2) Explanation of Financial Position**

At the end of the first quarter of the current fiscal year, total assets stood at 161.5 billion yen, an increase of 5.4 billion yen from the end of the previous fiscal year. The main increases were 2.6 billion yen in cash and deposits, 0.6 billion yen in accounts receivable-trade, 0.3 billion yen in merchandise and finished goods, 0.2 billion yen in other, net under property and equipment, 0.3 billion yen in investment securities, 0.2 billion yen in retirement benefit asset and 0.5 billion yen in deferred tax assets. Liabilities decreased 3.9 billion yen from the end of the previous fiscal year to 87.2 billion yen. The main increases were 0.3 billion yen in notes and accounts payable-trade, 0.4 billion yen in provision for bonuses and 1.0 billion yen in contract liabilities. The main decreases were 1.4 billion yen in income taxes payable, 2.0 billion yen in long- and short-term borrowings and bonds payable (including current portion of bonds payable) and 2.2 billion yen in other non-current liabilities. Net assets increased 9.4 billion yen from the end of the previous fiscal year to 74.3 billion yen. The main increases were 6.8 billion yen in retained earnings and 2.2 billion yen in foreign currency translation adjustment. As a result, the equity ratio was 45.8%, up 4.4 percentage points from the end of the previous fiscal year.

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

In the first quarter of the fiscal year under review, domestic Sanrio stores and theme parks saw a sharp rise in customer numbers due to successful internal initiatives and increased activity from domestic and foreign tourists, leading to sales exceeding initial plans. In the licensing business, strategic initiatives such as the ongoing deployment of a wide range of Sanrio characters, both in Japan and overseas, proved effective, with particularly strong performances in North America and China driving sales above initial plans. In addition, first-quarter operating profit rose substantially due to sales growth in Japan and overseas that exceeded the initial plan, improved profitability resulting from an increase in the sales composition of the licensing business, and lower SG&A expenses than originally planned.

In the second quarter of the fiscal year, sales are expected to continue growing and profits to remain strong. Accordingly, we have revised the consolidated earnings forecast for the first half announced on May 14, 2024.

Regarding the full fiscal year, we have incorporated the upwards revision of the first-half forecast into the full-year forecast and have further revised the full-year consolidated earnings forecast, as both sales and profits are expected to remain strong into the third quarter and beyond. Please refer to the “Notice Regarding Revisions to Forecasts for First Half and Full year for the Fiscal Year Ending March 31, 2025” announced today.

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

## **(4) Basic Policy Regarding Profit Distribution and Dividends for FY2024**

The Company considers distributing earnings to shareholders to be one of the Sanrio Group’s highest priorities. As a result of the upward revision of the earnings forecast based on recent business trends, profit attributable to owners of parent amounting to 16.1 billion yen for the first half and 28.7 billion yen for the full year are now expected to be recorded. The Company has adjusted the dividends payable at the end of the second quarter and at year-end to 18.5 yen per share, up 5 yen from the previous forecast of 13.5 yen per share. Accordingly, the annual dividend will be 37 yen per share, up 10 yen from the previous forecast of 27 yen per share.

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

(Millions of yen)

	FY2023 (As of Mar. 31, 2024)	First quarter of FY2024 (As of Jun. 30, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	90,442	93,087
Notes receivable-trade	303	283
Accounts receivable-trade	13,643	14,319
Merchandise and finished goods	6,094	6,464
Work in process	53	86
Raw materials and supplies	307	316
Other accounts receivable	633	640
Other	1,814	1,998
Allowance for doubtful accounts	(120)	(118)
Total current assets	113,173	117,079
Non-current assets		
Property and equipment		
Buildings and structures, net	3,609	3,580
Land	6,160	6,168
Other, net	5,077	5,314
Total property and equipment	14,847	15,062
Intangible assets	2,726	2,900
Investments and other assets		
Investment securities	10,405	10,744
Retirement benefit asset	9,391	9,679
Deferred tax assets	874	1,433
Other	4,829	4,783
Allowance for doubtful accounts	(187)	(127)
Total investments and other assets	25,313	26,513
Total non-current assets	42,886	44,477
Deferred assets	2	2
Total assets	156,062	161,558
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	4,882	5,232
Short-term borrowings	9,154	8,698
Income taxes payable	6,049	4,614
Contract liabilities	4,705	5,770
Provision for bonuses	952	1,434
Provision for shareholder benefit program	31	27
Provision for point card certificates	9	7
Other	12,206	12,113
Total current liabilities	37,990	37,899
Non-current liabilities		
Bonds payable	39	39
Convertible-bond-type bonds with share acquisition rights	31,047	30,990
Long-term borrowings	10,305	8,706
Retirement benefit liability	1,015	1,094
Other	10,768	8,494
Total non-current liabilities	53,174	49,325
Total liabilities	91,165	87,224



	(Millions of yen)	
	FY2023	First quarter of FY2024
	(As of Mar. 31, 2024)	(As of Jun. 30, 2024)
Net assets		
Shareholders' equity		
Share capital	10,261	10,261
Capital surplus	2,764	2,764
Retained earnings	59,655	66,527
Treasury shares	(18,728)	(18,729)
Total shareholders' equity	53,953	60,825
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,390	1,798
Foreign currency translation adjustment	4,762	7,025
Remeasurements of defined benefit plans	4,502	4,332
Total accumulated other comprehensive income	10,655	13,156
Non-controlling interests	288	352
Total net assets	64,897	74,334
Total liabilities and net assets	156,062	161,558

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

	(Millions of yen)	
	First three months of FY2023 (Apr. 1, 2023 – Jun. 30, 2023)	First three months of FY2024 (Apr. 1, 2024 – Jun. 30, 2024)
Net sales	20,315	28,911
Cost of sales	5,388	6,758
Gross profit	14,927	22,153
Selling, general and administrative expenses	8,962	11,406
Operating profit	5,964	10,746
Non-operating income		
Interest income	186	344
Interest on securities	-	56
Dividend income	35	6
Foreign exchange gains	118	376
Gain on investments in investment partnerships	39	161
Other	112	104
Total non-operating income	492	1,049
Non-operating expenses		
Interest expenses	40	43
Commission expenses	34	41
Other	7	7
Total non-operating expenses	82	91
Ordinary profit	6,374	11,704
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on liquidation of subsidiaries and associates	537	-
Total extraordinary income	537	0
Extraordinary losses		
Loss on disposal of non-current assets	0	6
Loss on sale of investment securities	12	-
Total extraordinary losses	13	6
Profit before income taxes	6,898	11,698
Current income taxes	1,532	4,139
Deferred income taxes	426	(2,776)
Total income taxes	1,958	1,363
Profit	4,939	10,335
Profit attributable to non-controlling interests	23	38
Profit attributable to owners of parent	4,916	10,296

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

	(Millions of yen)	
	First three months of FY2023 (Apr. 1, 2023 – Jun. 30, 2023)	First three months of FY2024 (Apr. 1, 2024 – Jun. 30, 2024)
Profit	4,939	10,335
Other comprehensive income		
Valuation difference on available-for-sale securities	300	408
Deferred gains or losses on hedges	(2)	-
Foreign currency translation adjustment	440	2,279
Remeasurements of defined benefit plans	(1,183)	(170)
Total other comprehensive income	(445)	2,517
Comprehensive income	4,494	12,852
Total comprehensive income attributable to:		
Owners of parent	4,470	12,798
Non-controlling interests	24	54

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

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Changes in Accounting Policies**

The Company has applied the Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022) beginning with the first quarter of the fiscal year ending March 31, 2025.

Revisions concerning the accounting classification of income taxes (taxation of other comprehensive income) are made in accordance with the transitional treatment stipulated in the proviso of Paragraph 20-3 of this revised accounting standard and with Paragraph 65-2, Item 2 of Implementation Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022). The application of this standard has no effect on the consolidated financial statements.

For the revision concerning the change in the treatment in the consolidated financial statements of the tax deferral of gains or losses on sales of shares of subsidiaries, etc. between consolidated companies, the Company has applied the Implementation Guidance on Accounting Standard for Tax Effect Accounting beginning with the first quarter of the current fiscal year. This change has been applied retrospectively and the quarterly and fiscal year consolidated financial statements for the previous fiscal year are shown after this restatement. This change in accounting policies has no effect on the consolidated financial statements in the previous fiscal year.

**Segment and Other Information**

I. First three months of FY2023 (Apr. 1, 2023 – Jun. 30, 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	14,607	544	1,919	171	3,072	20,315	-	20,315
(Royalty income)	( 3,003)	( 543)	( 1,425)	( 160)	( 2,875)	( 8,009)	( -)	( 8,009)
Inter-segment	2,575	10	14	5	899	3,505	(3,505)	-
(Royalty income)	( 2,412)	( 1)	( -)	( -)	( -)	( 2,413)	( 2,413)	( -)
Total	17,183	554	1,934	177	3,972	23,821	(3,505)	20,315
Segment profit	4,370	79	613	33	1,327	6,424	(460)	5,964

Notes: 1. The minus 460 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 non-current assets, goodwill, etc. for each reportable segment

Not applicable.

## II. First three months of FY2024 (Apr. 1, 2024 – Jun. 30, 2024)

## 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	17,712	715	4,702	333	5,447	28,911	-	28,911
(Royalty income)	( 4,179)	( 685)	( 4,205)	( 326)	( 4,017)	( 13,415)	( -)	( 13,415)
Inter-segment	5,366	29	28	25	950	6,401	(6,401)	-
(Royalty income)	( 5,074)	( 0)	( -)	( -)	( -)	( 5,075)	( (5,075))	( -)
Total	23,079	745	4,731	359	6,397	35,312	(6,401)	28,911
Segment profit	7,686	98	1,178	121	2,488	11,572	(826)	10,746

Notes: 1. The minus 826 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 non-current assets, goodwill, etc. for each reportable segment

Not applicable.

## Notes on Consolidated Statements of Cash Flows

The Consolidated Statements of Cash Flows for the first three months of the fiscal year ending March 31, 2025 have not been prepared. Depreciation (includes amortization expenses related to intangible assets) for the first three months of each fiscal year are as follows.

(Millions of yen)

	First three months of FY2023 (Apr. 1, 2023 – Jun. 30, 2023)	First three months of FY2024 (Apr. 1, 2024 – Jun. 30, 2024)
Depreciation	445	495

## Subsequent Events

## Disposal of Treasury Shares as Restricted Stock Remuneration

The Board of Directors of the Company approved resolutions on July 12 and August 2, 2024 to dispose of treasury shares as restricted stock remuneration.

Resolution of the Board of Directors on July 12, 2024

## 1. Overview of the Disposal

(1)	Disposal date	August 9, 2024
(2)	Class and number of shares to be disposed of	Common shares of the Company: 37,500 shares
(3)	Disposal price	3,177 yen per share
(4)	Total disposal amount	119,137,500 yen
(5)	Planned share recipients	4 Directors (excluding Outside Directors) of the Company: 37,500 shares
(6)	Other	The Company has submitted an extraordinary report on the disposal of treasury shares in accordance with the Financial Instruments and Exchange Act.

## 2. Purpose and Reasons for the Disposal

The Board of Directors of the Company approved a resolution on May 19, 2021 to introduce a restricted stock remuneration plan as a new remuneration program for the Company's Directors (excluding Outside Directors; hereinafter, "Eligible Directors") to provide Eligible Directors with incentives to achieve sustainable increases in the Company's corporate value and to encourage the Company's Directors and shareholders to further share values.

This plan was approved at the 61st Ordinary General Meeting of Shareholders held on June 24, 2021, with approval granted for an annual maximum of 150 million yen in claims for monetary remuneration paid as monetary remuneration to Eligible Directors to serve as capital funds for the acquisition of restricted stock based on this plan. Shareholders also approved a transfer restriction period for the restricted stock as the period from the date of allotment to the date on which the Eligible Director in question resigns or retires from their position as a Director of the Company. At the 64th Ordinary General Meeting of Shareholders held on June 27, 2024, in order to grant restricted stock based on this plan, approval was given to revisions allowing up to 200 million yen per year to be paid in total claims for monetary remuneration and a total of up to 100,000 common shares annually to be issued or disposed of by the Company.

#### Resolution of the Board of Directors on August 2, 2024

##### 1. Overview of the Disposal

(1)	Disposal date	January 17, 2025
(2)	Class and number of shares to be disposed of	Common shares of the Company: 116,400 shares
(3)	Disposal price	3,060 yen per share
(4)	Total disposal amount	356,184,000 yen
(5)	Planned share recipients	6 Managing Executive Officers of the Company: 9,000 shares 13 Executive Officers of the Company: 6,500 shares 44 General Managers of the Company: 13,200 shares 111 Senior Managers of the Company: 22,200 shares 655 general employees of the Company: 65,500 shares
(6)	Other	The Company has submitted an extraordinary report on the disposal of treasury shares in accordance with the Financial Instruments and Exchange Act.

##### 2. Purpose and Reasons for the Disposal

The Board of Directors of the Company approved a resolution on August 2, 2024 to dispose of treasury shares as restricted stock remuneration for Managing Executive Officers, Executive Officers, General Managers, Senior Managers and general employees (excluding Executive Officers and employees living outside Japan) (collectively, “Eligible Employees”) as an incentive for the sustained improvement of the Company’s corporate value, as well as to encourage the Eligible Employees and shareholders to further share values.

*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.*