

Summary of Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2026 (FY2025) (Nine Months Ended December 31, 2025) [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 Third Quarter of FY2025 (April 1, 2025 – December 31, 2025)

(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	%
Nine months ended Dec. 31, 2025	143,194	36.7	62,398	51.8	63,456	48.7	43,679	29.3
Nine months ended Dec. 31, 2024	104,786	44.7	41,093	92.1	42,665	89.8	33,790	109.4

Note: Comprehensive income (millions of yen) Nine months ended Dec. 31, 2025: 41,403 (up 24.4%)
 Nine months ended Dec. 31, 2024: 33,279 (up 72.3%)

		Operating Profit before Consolidation Adjustments due to Differences in Fiscal Year-ends of Consolidated Subsidiaries	
		Millions of yen	%
Nine months ended Dec. 31, 2025		60,497	44.1
Nine months ended Dec. 31, 2024		41,969	93.9

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
Nine months ended Dec. 31, 2025	181.66	179.60
Nine months ended Dec. 31, 2024	143.07	137.41

Note: “Operating profit before consolidation adjustments due to differences in fiscal year-ends of consolidated subsidiaries” refers to figures based on the official financial statements of the subsidiaries before making the necessary adjustments for significant discrepancies in intercompany transactions arising from differences in fiscal year-ends.

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2025	210,108	137,866	65.5
As of Mar. 31, 2025	202,406	107,608	52.9

Reference: Shareholders' equity (millions of yen) As of Dec. 31, 2025: 137,697 As of Mar. 31, 2025: 107,031

2. Dividends

	Dividend per Share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2024	-	20.00	-	33.00	53.00
FY2025	-	31.00	-		
FY2025 (forecast)				35.00	66.00

Note: Revisions to the most recently announced dividend forecast: Yes

3. Consolidated Forecast for FY2025 (April 1, 2025 – March 31, 2026)

(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
Full year	190,600	31.5	75,100	45.0	76,400	42.9	52,000	24.6	215.84

		Operating Profit before Consolidation Adjustments due to Differences in Fiscal Year-ends of Consolidated Subsidiaries	
		Millions of yen	%
Full year		74,500	33.9

Notes: 1. Revisions to the most recently announced consolidated forecasts: Yes

2. “Operating profit before consolidation adjustments due to differences in fiscal year-ends of consolidated subsidiaries” refers to figures based on the official financial statements of the subsidiaries before making the necessary adjustments for significant discrepancies in intercompany transactions arising from differences in fiscal year-ends.

*** 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: 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 shares)

As of Dec. 31, 2025:	255,408,303 shares	As of Mar. 31, 2025:	255,408,303 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2025:	12,974,892 shares	As of Mar. 31, 2025:	18,121,226 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2025:	240,445,895 shares	Nine months ended Dec. 31, 2024:	236,179,623 shares
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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

The Sanrio Group is implementing a three-year medium-term management plan, “From Uncertain Growth to Stable and Perpetual Growth,” covering the fiscal year ended March 31, 2025 through the fiscal year ending March 31, 2027. During the first nine months of the fiscal year under review, we made progress with each of three approaches: reviewing marketing and sales strategies to make Evergreen global IP; developing a foundation for global growth; and expanding IP portfolios and monetizing in multiple layers. In May 2025, we announced our 10-year long-term vision, “Lighting the Way to Bring Smiles to All.” We are implementing various initiatives aimed at achieving a market capitalization of 5 trillion yen within the next ten years.

In our domestic and overseas licensing and product sales businesses, Hello Kitty saw a further increase in popularity following last year’s 50th anniversary initiatives, while anniversary campaigns for Kuromi and My Melody improved the recognition of these characters, contributing to the sustained global popularity of a wide range of Sanrio characters. Moreover, the number of members of Sanrio+, a membership service for all Sanrio Group members, reached around 3.10 million as of the end of December 2025.

As a result of these factors, net sales rose by 36.7% year-on-year to 143.1 billion yen. Operating profit increased 51.8% year-on-year to 62.3 billion yen, ordinary profit increased 48.7% year-on-year to 63.4 billion yen, and profit attributable to owners of parent increased 29.3% year-on-year to 43.6 billion yen.

Since the accounting period for all overseas consolidated subsidiaries runs from January to December, the first nine months under review for these subsidiaries covers the period from January to September 2025.

Reportable Segment

(100 millions of yen)

	First nine months of	Sales				Segment profit (operating profit)			
		FY2024	FY2025	Increase/ decrease	Change (%)	FY2024	FY2025	Increase/ decrease	Change (%)
Japan	Product sales/others	485	619	134	27.6	272	406	133	48.8
	Royalties	150	232	82	54.9				
	Total	635	852	216	34.1				
Europe	Product sales/others	0	1	0	29.5	9	23	14	163.4
	Royalties	33	78	44	130.9				
	Total	34	79	44	128.3				
North America	Product sales/others	14	16	1	13.4	52	58	6	13.1
	Royalties	167	171	3	2.3				
	Total	182	188	5	3.2				
Latin America	Product sales/others	0	0	0	19.6	3	6	2	59.0
	Royalties	11	22	11	100.0				
	Total	11	22	11	98.5				
Asia	Product sales/others	40	88	48	121.0	87	149	62	72.1
	Royalties	142	199	56	39.8				
	Total	183	288	105	57.6				
Adjustment		-	-	-	-	(14)	(20)	(6)	-
Consolidated	Product sales/others	541	726	185	34.2	410	623	213	51.8
	Royalties	506	705	198	39.3				
	Total	1,047	1,431	384	36.7				

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 34.1% year-on-year to 85.2 billion yen and operating profit rose 48.8% to 40.6 billion yen.

1. Product sales business/Licensing business

The product sales and licensing businesses continued to perform well, supported by the sustained popularity of Hello Kitty and the ongoing success of a strategy featuring a wide range of Sanrio characters centered on Kuromi and My Melody, both of which celebrated anniversaries in 2025.

In the product sales business, the Tokyo Character Street store opened in November 2025 and the Harajuku store in December. Store-exclusive offerings proved popular, including the patch decoration corner at the Harajuku store where customers can create original goods, contributing to both stores significantly exceeding their sales targets.

In the licensing business, a wide range of Sanrio characters—particularly those celebrating anniversaries—were adopted, driving significant sales growth across diverse categories including beverages, food service, consumer goods, cosmetics, and apparel. Related merchandise gained popularity, reflecting the growing demand for stickers. Operating profit rose significantly due to a big increase in sales.

2. Theme park business

Sanrio Puroland in Tama City, Tokyo, renewed its popular attraction Miracle Gift Parade for the first time in ten years, relaunching it on December 7 as The Quest of Wonders Parade. Additionally, seasonal events such as PUROHALLOWEEN (September 5–November 4) and Puroland Illumination Christmas (November 7–December 25) proved popular, and event-related limited-edition products and food menus also performed well.

Operating profit increased due to sales growth.

Harmony Land in Oita Prefecture saw strong performances from seasonal events such as Harmony Halloween Magical Masquerade (September 12–November 4) and HARMONYLAND CHRISTMAS (November 7–December 25), as well as from event-related limited-edition products and food offerings.

In addition, the pilot operation of the Harmony Liner bus service, connecting Oita Airport, Kitsuki Station, and Harmony Land in coordination with the train schedule, has been extended until the end of March 2026 due to strong demand. The service was initially conducted on a trial basis from August 2 to November 15, 2025.

Operating profit increased due to sales growth.

ii. Europe: Net sales rose 128.3% year-on-year to 7.9 billion yen and operating profit rose 163.4% year-on-year to 2.3 billion yen.

In the licensing business, sales rose significantly, driven by the continued strategy of featuring a wide range of Sanrio characters and successful initiatives with global brands. In particular, growth was led by the apparel category, which benefited from partnerships with fast fashion brands, and the toy category, which also featured a wide range of Sanrio characters.

Operating profit increased significantly due to sales growth.

iii. North America: Net sales rose 3.2% year-on-year to 18.8 billion yen and operating profit rose 13.1% year-on-year to 5.8 billion yen.

The licensing business saw sales growth in the toy, apparel, and digital categories. In the toy category, plush toys, character figures, and other products performed well. The apparel category continued to expand its product lineup for the mass market (such as large retail chains) through initiatives with existing licensees. In the digital category, the launch of game content featuring a wide range of Sanrio characters across additional platforms contributed to increased sales and higher brand awareness.

Additionally, as part of its initiatives to enhance brand value and expand customer touchpoints, the Group held several sports and culture events. These included events in partnership with professional sports leagues such as MLB (baseball), NHL (ice hockey), NBA (basketball), MLS and NWSL (football), and F1 Academy.

Operating profit increased despite factors including marketing investments and higher e-commerce shipping costs.

iv. Latin America: Net sales rose 98.5% year-on-year to 2.2 billion yen and operating profit rose 59.0% year-on-year to 0.6 billion yen.

In Latin America as a whole, the licensing business performed well in the categories of apparel, health & beauty, stationery, accessories and bags. Moreover, characters other than Hello Kitty grew in popularity, including My Melody, which is marking its 50th, Kuromi, which is celebrating its 20th anniversary, and Cinnamoroll.

In Mexico, the bag category performed well, driven by strong sales of school bags, as did the stationery category, supported by the popularity of school supplies targeting teenagers. In Brazil, higher sales were driven by the health

& beauty category, due to the success of a lip balm created in collaboration with a major pharmaceutical company. The apparel category also saw higher sales of merchandise featuring Kuromi and Hello Kitty amid their growing popularity. Additionally, throughout Latin America, the rollout of products across multiple categories by major global brands drove sales. Furthermore, collaboration with a global fast-food chain contributed significantly to increasing Hello Kitty brand awareness.

Operating profit increased due to sales growth.

v. Asia: Net sales rose 57.6% year-on-year to 28.8 billion yen and operating profit rose 72.1% to 14.9 billion yen.

In China, licensing business sales in the toys & hobby, apparel and accessories and corporate special sales categories were strong. The strategic deployment of a wide range of Sanrio characters proved successful, with not only Hello Kitty but also Kuromi and My Sweet Piano gaining in popularity. In the product sales business, sales increased significantly through new store openings and the rollout of region-exclusive products, which expanded customer touchpoints and generated market buzz.

In South Korea, licensing business sales in the health & beauty, corporate special sales and stationary categories were strong with Hello Kitty and Pochacco attracting attention.

In Taiwan, the licensing business performed well in the toy, apparel and food categories. The strategic deployment of a wide range of Sanrio characters proved successful. Notably, the popularity of My Melody and Kuromi has further increased.

In the Hong Kong and Macau region, the licensing business saw growth in sales, driven by the success of the corporate special sales category, which implemented initiatives in collaboration with financial institutions and local governments.

In Southeast Asia, sales of the licensing business were driven by multi-regional expansion through toy licensees and the corporate special sales category also performed well, contributing to sales growth. Hello Kitty maintained its popularity, and the toy and food categories saw sales growth due to the strong performance of a wide range of Sanrio characters.

Operating profit increased due to sales growth across Asia.

(2) Explanation of Financial Position

At the end of the third quarter of the current fiscal year, total assets stood at 210.1 billion yen, an increase of 7.7 billion yen from the end of the previous fiscal year. The main increases were 7.0 billion yen in accounts receivable-trade, 3.9 billion yen in merchandise and finished goods, 0.5 billion yen in raw materials and supplies, 1.4 billion yen in other current assets, 0.4 billion yen in buildings and structures, net, 0.8 billion yen in other, net under property, plant and equipment, 1.9 billion yen in intangible assets, 1.1 billion yen in investment securities, 0.3 billion yen in retirement benefit asset, and 1.8 billion yen in investments and other assets. The main decrease was 11.7 billion yen in cash and deposits.

Liabilities decreased 22.5 billion yen from the end of the previous fiscal year to 72.2 billion yen. The main increases were 4.4 billion yen in notes and accounts payable-trade and 1.2 billion yen in other non-current liabilities. The main decreases were 3.9 billion yen in long- and short-term borrowings, bonds payable (including current portion of bonds payable), 0.8 billion yen in income taxes payable, 0.3 billion yen in provision for bonuses, 2.0 billion yen in other current liabilities, and 21.0 billion yen in convertible-bond-type bonds with share acquisition rights.

Net assets increased 30.2 billion yen from the end of the previous fiscal year to 137.8 billion yen. The main increases were 28.2 billion yen in retained earnings and 12.0 billion yen in capital surplus mainly due to exercise of rights under the convertible-bond-type bonds with share acquisition rights. The main decreases were 7.1 billion yen in treasury shares, 0.5 billion yen in valuation difference on available-for-sale securities, 1.0 billion yen in foreign currency translation adjustment, and 0.8 billion yen in remeasurements of defined benefit plans.

As a result, the equity ratio was 65.5%, up 12.6 percentage points from the end of the previous fiscal year.

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

Our performance during the first nine months of the fiscal year under review exceeded our plans, driven by the successful execution of our global strategy for a wide range of Sanrio characters and other initiatives as well as the growing popularity of our characters, including Kuromi and My Melody. Based on these strong results and the expectation of robust sales continuing into the fourth quarter and beyond, we have revised our full-year consolidated earnings forecast upward.

(4) Basic Policy Regarding Profit Distribution and Dividends for FY2025

The Company considers distributing earnings to shareholders to be one of the Sanrio Group's highest priorities. The profit attributable to owners of parent was 43.6 billion yen for the first nine months, which exceeded our plan, and is now expected to amount to 52.0 billion yen for the full year. Following the upward revision to our earnings forecast, the year-end dividend will be 35 yen per share, up 4 yen from the previous forecast of 31 yen per share.

This will bring the total annual dividend to 66 yen per share, a 4 yen increase from the previous forecast of 62 yen per share.

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

(Millions of yen)

	FY2024 (As of Mar. 31, 2025)	Third quarter of FY2025 (As of Dec. 31, 2025)
Assets		
Current assets		
Cash and deposits	118,976	107,202
Notes receivable-trade	253	585
Accounts receivable-trade	22,361	29,459
Merchandise and finished goods	7,250	11,235
Work in process	29	22
Raw materials and supplies	460	989
Accounts receivable-other	351	563
Other	2,211	3,632
Allowance for doubtful accounts	(196)	(211)
Total current assets	151,698	153,479
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,971	4,401
Land	6,300	6,312
Other, net	6,546	7,432
Total property, plant and equipment	16,818	18,145
Intangible assets	3,595	5,502
Investments and other assets		
Investment securities	7,558	8,727
Retirement benefit asset	16,192	16,588
Deferred tax assets	2,617	1,985
Other	4,077	5,960
Allowance for doubtful accounts	(152)	(281)
Total investments and other assets	30,293	32,980
Total non-current assets	50,707	56,628
Deferred assets	0	-
Total assets	202,406	210,108
Liabilities		
Current liabilities		
Notes and accounts payable-trade	5,420	9,856
Short-term borrowings	6,916	4,538
Income taxes payable	9,547	8,666
Contract liabilities	6,170	6,210
Provision for bonuses	1,267	947
Provision for shareholder benefit program	106	24
Provision for point card certificates	15	11
Other	19,833	17,802
Total current liabilities	49,277	48,057
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	28,312	7,265
Long-term borrowings	5,023	3,527
Retirement benefit liability	1,027	993
Other	11,157	12,398
Total non-current liabilities	45,521	24,185
Total liabilities	94,798	72,242

	(Millions of yen)	
	FY2024	Third quarter of FY2025
	(As of Mar. 31, 2025)	(As of Dec. 31, 2025)
Net assets		
Shareholders' equity		
Share capital	10,261	10,261
Capital surplus	4,638	16,732
Retained earnings	93,238	121,483
Treasury shares	(17,630)	(24,825)
Total shareholders' equity	90,508	123,652
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	785	213
Foreign currency translation adjustment	8,154	7,055
Remeasurements of defined benefit plans	7,583	6,776
Total accumulated other comprehensive income	16,522	14,045
Non-controlling interests	576	168
Total net assets	107,608	137,866
Total liabilities and net assets	202,406	210,108

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

	(Millions of yen)	
	First nine months of FY2024 (Apr. 1, 2024 – Dec. 31, 2024)	First nine months of FY2025 (Apr. 1, 2025 – Dec. 31, 2025)
Net sales	104,786	143,194
Cost of sales	24,095	30,920
Gross profit	80,691	112,274
Selling, general and administrative expenses	39,597	49,875
Operating profit	41,093	62,398
Non-operating income		
Interest income	883	805
Interest on securities	168	168
Dividend income	86	52
Foreign exchange gains	227	76
Gain on investments in investment partnerships	136	1
Other	349	385
Total non-operating income	1,852	1,489
Non-operating expenses		
Interest expenses	127	133
Commission expenses	139	184
Settlement expenses	-	97
Other	14	16
Total non-operating expenses	281	431
Ordinary profit	42,665	63,456
Extraordinary income		
Gain on sale of non-current assets	0	1
Gain on sale of investment securities	2,079	-
Total extraordinary income	2,079	1
Extraordinary losses		
Loss on disposal of non-current assets	18	72
Impairment losses	6	7
Business restructuring expenses	4	-
Total extraordinary losses	29	79
Profit before income taxes	44,715	63,377
Income taxes-current	12,967	16,795
Income taxes-deferred	(2,186)	2,676
Total income taxes	10,780	19,472
Profit	33,935	43,905
Profit attributable to non-controlling interests	144	226
Profit attributable to owners of parent	33,790	43,679

Consolidated Statement of Comprehensive Income
(For the Nine-month Period)

	(Millions of yen)	
	First nine months of FY2024 (Apr. 1, 2024 – Dec. 31, 2024)	First nine months of FY2025 (Apr. 1, 2025 – Dec. 31, 2025)
Profit	33,935	43,905
Other comprehensive income		
Valuation difference on available-for-sale securities	(770)	(571)
Foreign currency translation adjustment	598	(1,123)
Remeasurements of defined benefit plans, net of tax	(483)	(806)
Total other comprehensive income	(656)	(2,502)
Comprehensive income	33,279	41,403
Total comprehensive income attributable to:		
Owners of parent	33,136	41,201
Non-controlling interests	142	201

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

Not applicable.

Significant Changes in Shareholders' Equity

During the first nine months of the current fiscal year, the Company disposed of treasury shares due to exercise of rights under the convertible-bond-type bonds with share acquisition rights. As a result, capital surplus increased 12,591 million yen while treasury shares decreased 7,788 million yen. In addition, based on the Board of Directors' resolution dated November 20, 2025, the Company acquired 2,872,200 shares of its common stock as of December 23, 2025. As a result, treasury shares increased 14,999 million yen.

As a result of above and other factors, capital surplus increased 12,094 million yen to 16,732 million yen, and treasury shares increased 7,195 million yen to 24,825 million yen at the end of the third quarter of the current fiscal year.

Segment and Other Information**I. First nine months of FY2024 (Apr. 1, 2024 – Dec. 31, 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 statement of income (Note 2)
	Japan	Europe	North America	Latin America	Asia	Total		
Sales								
Customers	63,573	3,484	18,259	1,149	18,319	104,786	-	104,786
(Royalty income)	(15,027)	(3,398)	(16,778)	(1,127)	(14,292)	(50,623)	(-)	(50,623)
Inter-segment	18,841	103	77	61	3,929	23,014	(23,014)	-
(Royalty income)	(17,807)	(7)	(-)	(-)	(-)	(17,815)	((17,815))	(-)
Total	82,414	3,588	18,337	1,211	22,248	127,800	(23,014)	104,786
Segment profit	27,283	909	5,206	392	8,703	42,496	(1,402)	41,093

Notes: 1. The minus 1,402 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 statement of income.

2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Detailed explanations are omitted due to immateriality of the amount.

II. First nine months of FY2025 (Apr. 1, 2025 – Dec. 31, 2025)**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 statement of income (Note 2)
	Japan	Europe	North America	Latin America	Asia	Total		
Sales								
Customers	85,239	7,957	18,841	2,281	28,874	143,194	-	143,194
(Royalty income)	(23,279)	(7,844)	(17,160)	(2,255)	(19,976)	(70,517)	(-)	(70,517)
Inter-segment	24,405	120	96	42	6,023	30,688	(30,688)	-
(Royalty income)	(22,222)	(5)	(-)	(-)	(-)	(22,227)	((22,227))	(-)
Total	109,645	8,077	18,937	2,324	34,897	173,882	(30,688)	143,194
Segment profit	40,600	2,396	5,887	624	14,979	64,488	(2,089)	62,398

Notes: 1. The minus 2,089 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 statement of income.

2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Detailed explanations are omitted due to immateriality of the amount.

Notes on Consolidated Statement of Cash Flows

The Consolidated Statement of Cash Flows for the first nine months of FY2025 has not been prepared. Depreciation (includes amortization expenses related to intangible assets) for the first nine months of each fiscal year are as follows.

	(Millions of yen)	
	First nine months of FY2024 (Apr. 1, 2024 – Dec. 31, 2024)	First nine months of FY2025 (Apr. 1, 2025 – Dec. 31, 2025)
Depreciation	1,649	2,023

Subsequent Events**Stock Split and Associated Amendments to the Articles of Incorporation**

The Board of Directors of the Company adopted a resolution on February 12, 2026 concerning implementation of a stock split and associated amendments to the Articles of Incorporation.

1. Purpose of the Stock Split

The minimum monetary amount required to invest in one trading unit of the Company's shares has remained at around the 500,000 yen level. This level significantly exceeds the 100,000 yen investment unit desired by individual investors, as indicated in the Tokyo Stock Exchange's "Study Group Report on the Ideal Structure of Small-Lot Investments." The stock split is aimed at reducing the monetary amount required to invest in each trading unit and creating an environment that facilitates investment by a broader range of investors. Through this initiative, the Company aims to broaden its investor base.

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, 2026, the record date, will be split into five shares.

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

Number of outstanding shares before the stock split	Common stock: 255,408,303 shares
Increase in the number of shares due to the stock split	Common stock: 1,021,633,212 shares
Number of outstanding shares after the stock split	Common stock: 1,277,041,515 shares
Number of authorized shares after the stock split	4,650,000,000 shares

(3) Schedule

Public notice of the record date (planned)	Friday, March 13, 2026
Record date	Tuesday, March 31, 2026
Effective date	Wednesday, April 1, 2026

(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 FY2024 (Apr. 1, 2024 – Dec. 31, 2024)	First nine months of FY2025 (Apr. 1, 2025 – Dec. 31, 2025)
Basic earnings per share	28.61 yen	36.33 yen
Fully-diluted net profit per share	27.48 yen	35.92 yen

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, 2026, 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 930,000,000 shares.	(Number of Authorized Shares) Article 6 The total number of shares authorized to be issued by the Company shall be <u>4,650,000,000</u> shares.

(3) Amendment schedule

Effective date of the amendments to the Articles of Incorporation: Wednesday, April 1, 2026

4. Others

(1) Capital

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

(2) Year-end dividend

The effective date of the stock split will be April 1, 2026. The year-end dividend for the fiscal year ending March 31, 2026, which has a record date of March 31, 2026, will be paid based on the number of shares before the stock split.

(3) 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	2,539.4 yen	507.9 yen

2) Effective date: On and after April 1, 2026

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.