



March 12, 2021

Company Name: Sanrio Company, Ltd.
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Notice Regarding Transfer of Fixed Assets and Extraordinary Gain (Gain on Sale of Fixed Assets)

At a meeting held March 12, 2021, the Sanrio Co., Ltd. board of directors resolved to transfer company fixed assets as described below.

1. Reasons for the transfer

The company has decided to sell land and buildings currently in use as group offices and other facilities to utilize management resources more effectively and improve and strengthen the company's financial position. After the transfer of the assets in question, the facilities will continue to be used by the company under a fixed-term (three years) building lease contract with the transferee.

2. Details of assets to be transferred

| Description and location of assets | Current status |
|--|-----------------------|
| Land: 16,914 m ² Building (total floor space): 19,499.01 m ² (2 Oyamagaoka, Machida City, Tokyo and other) | Offices and warehouse |

Due to a confidentiality agreement with the transferee, the company will refrain from disclosing the transfer price and carrying value of the transaction. However, the transfer will be at a fair price reflecting market value.

3. Gain on transfer

Approximately 3,820 million yen

Gain on transfer is an approximate amount obtained by deducting the carrying value and estimated amount of expenses related to the transfer from the transfer price.

4. Overview of party to transfer

Although the transferee is a regular business corporation; however, the company cannot disclose information related to the transferee due to the terms of a confidentiality agreement. Further, while a business relationship exists between the company and the transferee, there is no capital or personal relationship between these two parties. Additionally, the transferee is not a related party of the company. In addition, the company has confirmed that the transferee has no relationships with antisocial forces.

5. Transfer schedule

| | |
|--|----------------------------|
| (1) Date of board of director resolution | March 12, 2021 |
| (2) Date of contract execution | March 26, 2021 (tentative) |
| (3) Date of property delivery | April 20, 2021 (tentative) |

6. Future outlook

As a result of the transfer of said fixed assets, the company intends to recognize an extraordinary gain of approximately 3,820 million yen, recorded as a gain on sales of fixed assets in the company's financial results for the first quarter of the fiscal year ending March 31, 2022.