First Quarter of FY ending 3/2027 Financial Results

Sanrio Co., Ltd. Aug 10, 2026

First Quarter of FY3/2027 Financial Results

FY3/2027 Q1 Financial Results Summary: Consolidated P&L

- Consolidated net sales and operating profit for the first quarter of FY3/2027 marked a record high for a first quarter.
- A wider range of Sanrio characters continued to gain popularity globally, with greater character use by licensees. The range of product categories featuring our characters also continued to expand.
- Net sales for the first quarter of FY3/2027 progressed largely in line with the full-year forecast.
- Operating profit slightly exceeded the initial forecast, primarily because a portion of the SG&A budget, mainly in Japan, is now expected to be recognized in Q2 and beyond.
  We have made no changes to our full-year forecast of 229.8 billion yen in sales (up 18.4% year on year), 89.5 billion yen in operating profit (up 15.0% year on year), and 88.8 billion yen in adjusted operating profit (up 13.2%).

JPY: Million

	Q1 FY3/2026	Q1 FY3/2027	YoY
Sales	43,097	52,035	+20.7%
Gross Profit	34,765	40,683	+17.0%
Gross Profit Margin	80.7%	78.2%	(2.5pt)
Operating Profit	20,198	22,435	+11.1%
OP Margin	46.9%	43.1%	(3.8pt)
Adjusted Operating Profit	18,126	22,077	+21.8%
EBITDA	20,829	23,348	+12.1%
EBITDA Margin	48.3%	44.9%	(3.4pt)
Ordinary Profit	20,205	22,624	+12.0%
Net Profit attributable to owners of parent	14,190	15,516	+9.3%

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.

Q1 FY2027 Summary by Segment

JPY: Million

	Q1 FY2026/3	Q1 FY2027/3	YoY
Sales	43,097	52,035	+20.7%
❶ Japan	31,600	38,477	+21.8%
❷ Asia	11,749	13,563	+15.4%
❸ Americas (North America・South America)	6,493	7,240	+11.5%
❹ Europe	2,207	3,396	+53.9%
Contribution Profit	18,126	22,077	+21.8%
❶ Japan	3,822	5,486	+43.5%
❷ Asia	8,085	9,194	+13.7%
❸ Americas (North America・South America)	4,891	5,236	+7.1%
❹ Europe	1,507	2,361	+56.6%

Exchange rate	Q1 FY3/2026	Q1 FY3/2027
USD/JPY	152 yen/USD	156 yen/USD
EUR/JPY	160 yen/EUR	183 yen/EUR
CNY/JPY	20.9 yen/CNY	22.5 yen/CNY

Notes: Percentages are rounded to the nearest tenth of a percent.
The reporting periods for each segment are as follows: Japan (April-June 2026) and Overseas (January-March 2026).

Japan
Contribution Profit YoY+43.5%

- **Driven by growing character popularity**, Product Sales Business benefited from **the strategic rollouts of Sanrio original products** and stronger performance across existing stores, including flagship locations such as the Harajuku store.
- The License Business saw **improvements in profitability per licensee**, **driven by the adoption of a more diverse range of characters**, particularly in the miscellaneous goods category.

Asia
Contribution Profit YoY+13.7%

- In mainland China, **new and existing stores in Product Sales performed well, contributing to earnings growth**.
- The License Business continued to perform well on its own merits, supported by **progress in category expansion**.
- Sales in other Asian regions are also steadily expanding, supported by the rising popularity of designs featuring multiple Sanrio characters together in the one design.

Americas
Contribution Profit YoY+7.1%

- Sales showed **progress toward recovery as we continued to adapt to a business environment affected by ongoing tariff impacts.** Contribution profit increased despite higher personnel expenses and other SG&A costs incurred to strengthen the business foundation, aided in part by favorable foreign exchange effects.
- Growth in the toy and apparel categories, together with **expanded use of characters led by HELLO KITTY AND FRIENDS**, contributed to performance.

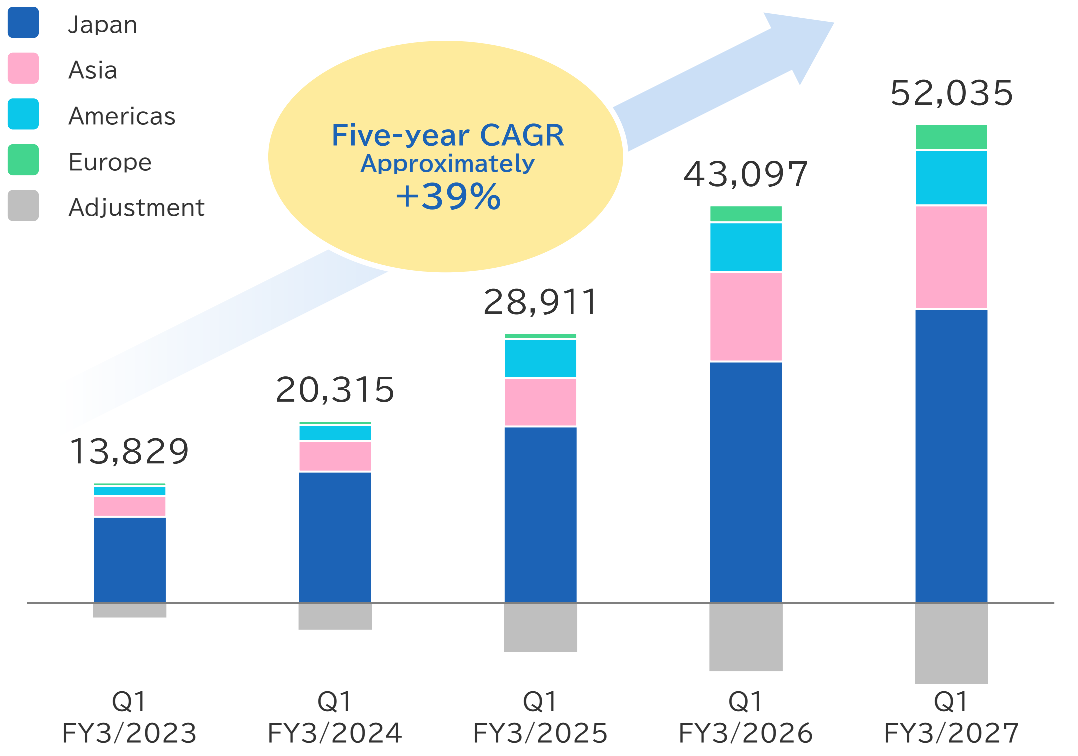
Europe
Contribution Profit YoY+56.6%

- **Ongoing efforts aimed at using a wider range of Sanrio characters with global brands** resulted in the apparel category making a particularly strong contribution to earnings growth.
- Initiatives to expand product categories and develop new markets continued to progress steadily.

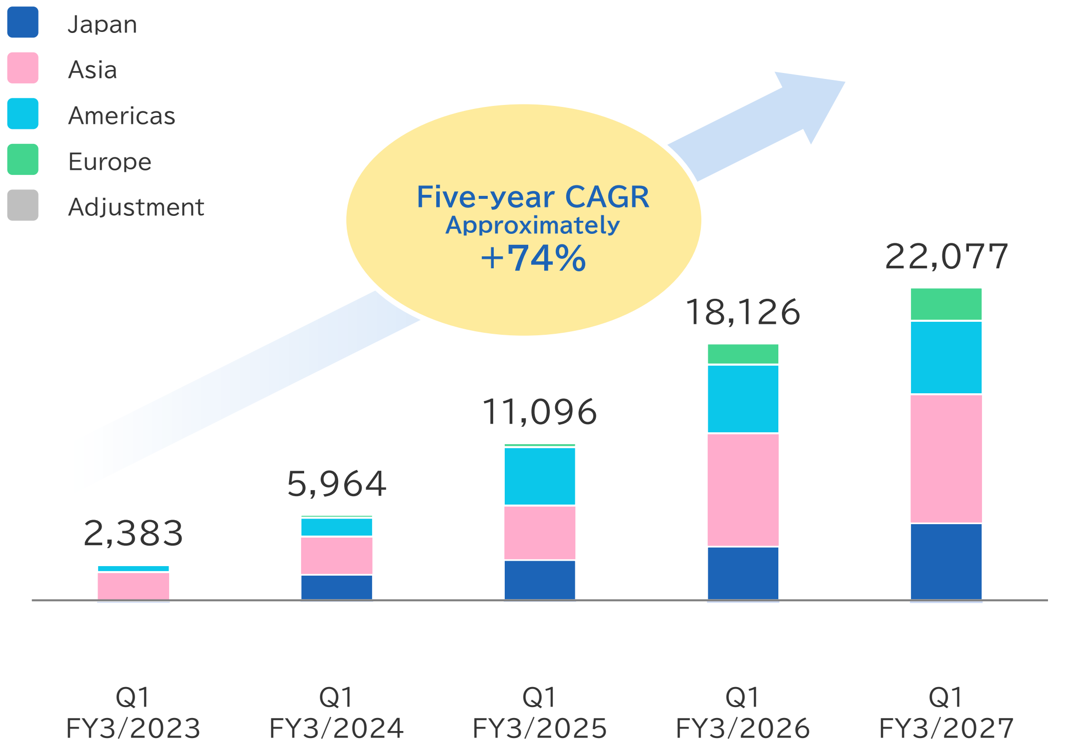
Consolidated Financial Results Trend (Sales, Contribution Profit)

In Q1, Sales and contribution profit increased for a sixth consecutive year, both marking record highs.
Growth continued across regions amid increased awareness of a wide range of Sanrio characters.
Europe has gained greater prominence, contributing to the evolution of a more balanced regional portfolio.

Sales JPY: Million



Contribution Profit JPY: Million

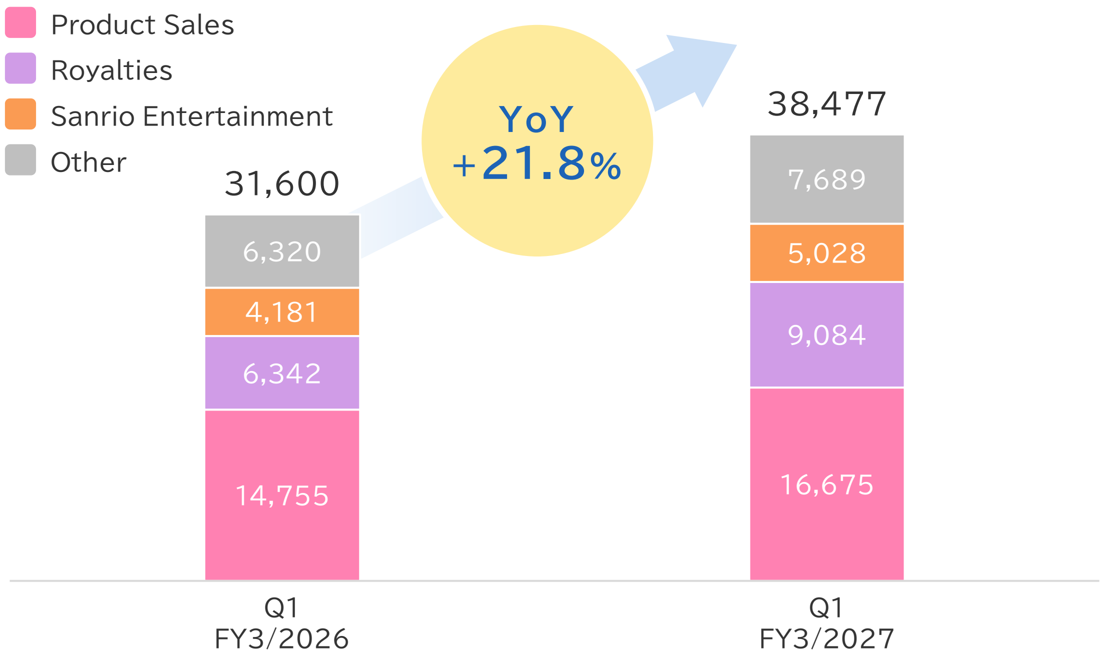


Notes: Figures are rounded down to the nearest one million yen.
Overseas subsidiaries pay fees proportional to their royalty income to the Japanese parent company, the copyright holder, as cost of sales, which is recorded as sales by the parent company. In order to see the actual amount of value created by Overseas Business, Sanrio uses “contribution profit,” which is calculated by adding the amount of royalty payments to the HQ to the operating profit of overseas subsidiaries, as an indicator unique to Sanrio.

FY3/2027 Q1 Details by Segment: Japan (Sales and Contribution Profit)

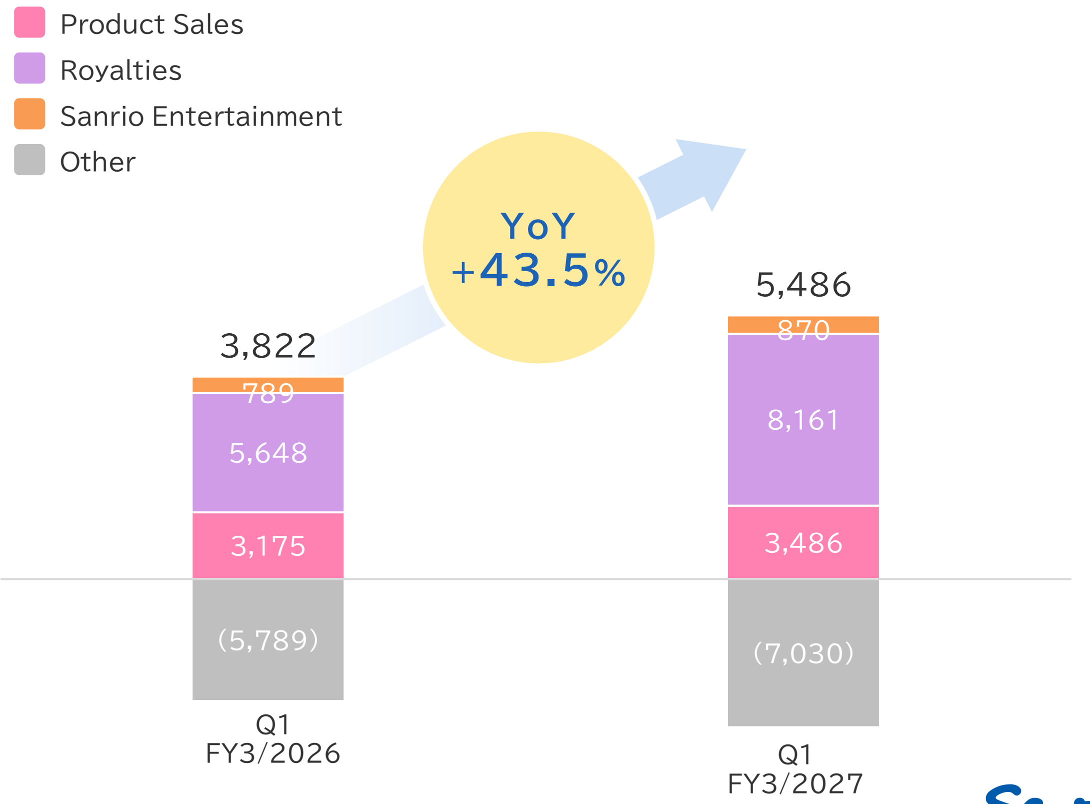
Increased use of a wide range of characters, together with initiatives tailored to each business, drove significant year-on-year growth in sales and profit in the first quarter of FY3/2027.
Contribution profit slightly exceeded the initial forecast, reflecting the deferral of a portion of SG&A expenses to Q2 and subsequent quarters.
Building on growing character popularity, we are driving sustainable business growth through the positive cycle between the Product Sales Business and the Licensing Business.

Sales JPY: Million



Notes: Figures are rounded down to the nearest million yen. Percentages are rounded to the nearest tenth of a percent.
'Other' includes SG&A expenses and the elimination of master license fees paid by overseas subsidiaries to the head office, as well as domestic consolidated subsidiaries.

Contribution Profit JPY: Million



Japan Business Overview

Business Overview

Product Sales Business

- Enhance product appeal
- Improve store profitability

- **Demand Expansion:** Rapid, high-frequency launches of new products, including Sanrio original products, generated sustained demand and strengthened customer loyalty. Sales of Pompompurin-related products were especially strong as the character gained popularity. The inbound sales ratio declined, mainly due to fewer visitors from mainland China, while the number of customers increased 17%(*) year on year due to more visits by Japanese customers.
- **Store Expansion:** We enhanced the character experience value and promoted operational efficiency through our flagship stores in high-traffic areas.

Sanrio Original Secret Chibi Tomo Series

Licensing Business

- Expand character portfolio
- Expand into new markets

- **Wide Range of Character Merchandise:** We expanded our customer base and supported revenue growth by continuing to roll out products and licensing opportunities tailored to diverse generations and preferences, alongside offerings featuring popular characters.
- **Customer Touchpoint Expansion:** Total votes cast in the 2026 Sanrio character ranking reached a record high of 70.64 million votes. The ranking expanded customer touchpoints with our characters and increased character recognition through voting. Profitability per licensee also improved.

the 2026 Sanrio character ranking

Theme Parks

- Enhance the experience value
- Expand revenue opportunities

- **Enhanced visitor attraction:** Our continued rollout of anniversary and seasonal events lead to significant increases in visitor traffic and in-park spending compared with the previous year. The total number of visitors to both parks increased by 34 thousands to 514 thousands, up 7% year on year.
- **Increased In-Park Spending:** Food and beverage menus and merchandise tied to events continued to perform well.

POMPOMPURIN 30th Anniversary

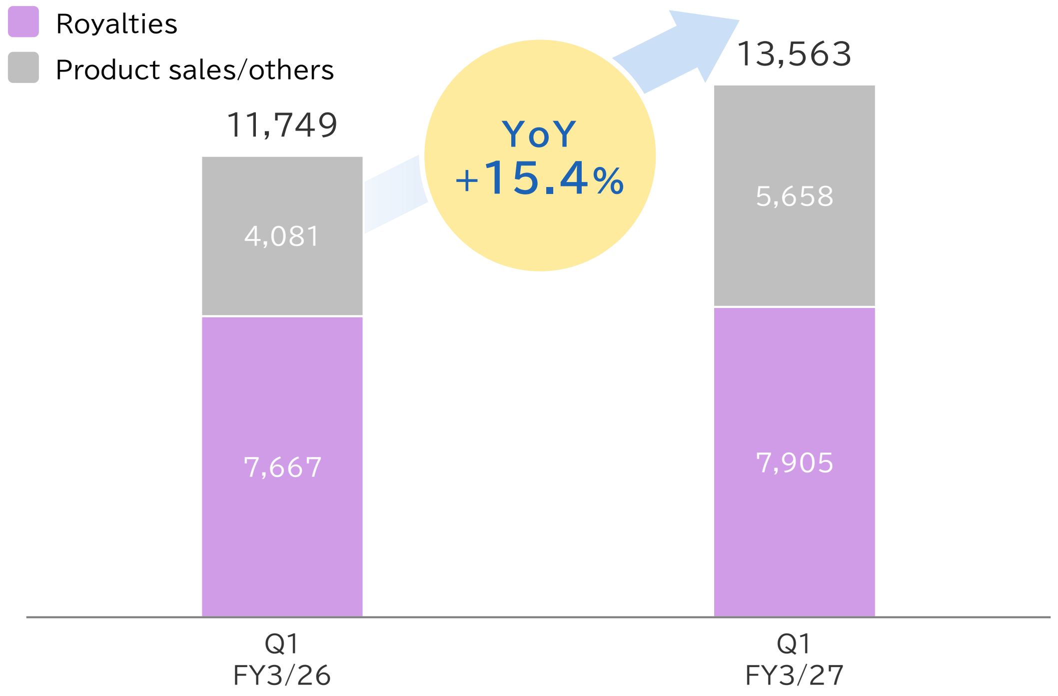
Notes: Figures are aggregated from Sanrio Shop directly managed stores, consignment stores, and department store concession stores in Japan.

FY3/2027 Q1 Details by Segment: Asia (Sales and Contribution Profit)

The growth rate in mainland China appeared weaker due to a temporary boost in the prior-year period from the timing of royalty revenue recognition. Excluding this impact, however, the Licensing Business continued to perform well on its own merits, supported by expansion into additional product categories. New and existing stores in the Product Sales Business also performed well, further strengthening our foundation for growth in mainland China.

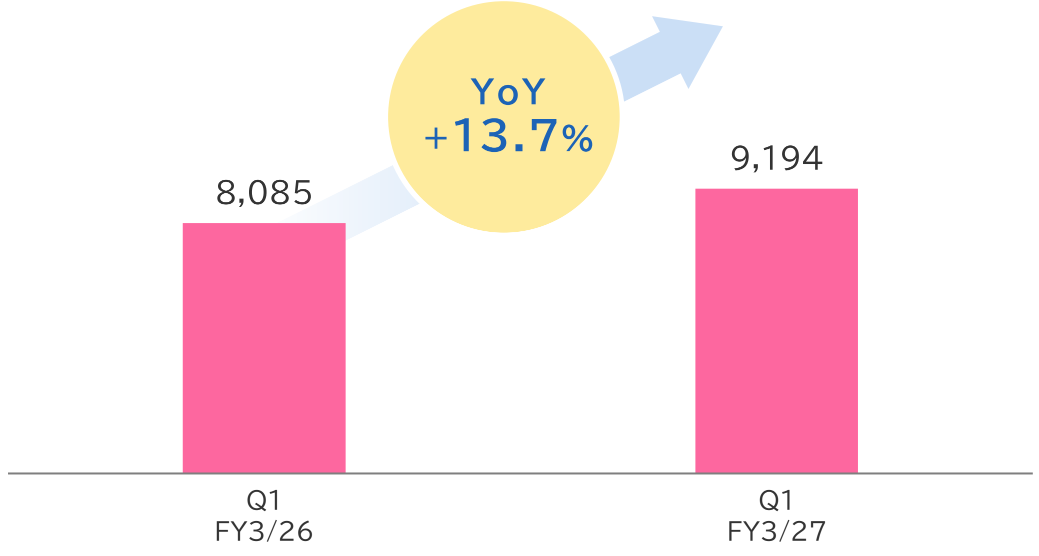
Sales

JPY: Million



Contribution Profit

JPY: Million



Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.

Mainland China Business Overview

Business Overview

Product Sales Business

- Enhance product appeal
- Improve store profitability

- **Unique Product Offerings:** We are enhancing profitability across all stores by selling region-exclusive products in China and building the rapid product supply system that has proven successful in Japan.
- **Store Network Expansion:** We expanded our store network in China to 62 locations*1. Sales in the Product Sales Business increased 125% year on year, supported by the growing popularity of Sanrio characters. *Excludes manufacturing business locations

New store opened at The Ring in Chongqing

Licensing Business

- Expand character portfolio
- Expand into new markets

- **Expanded Use of a Wide Range of Characters:** Rapid growth in Hello Kitty contributed to earnings. We continued to develop other characters to diversify the character portfolio.
- **Category Expansion:** The toy, miscellaneous goods, and food categories delivered solid growth.

TOP TOY

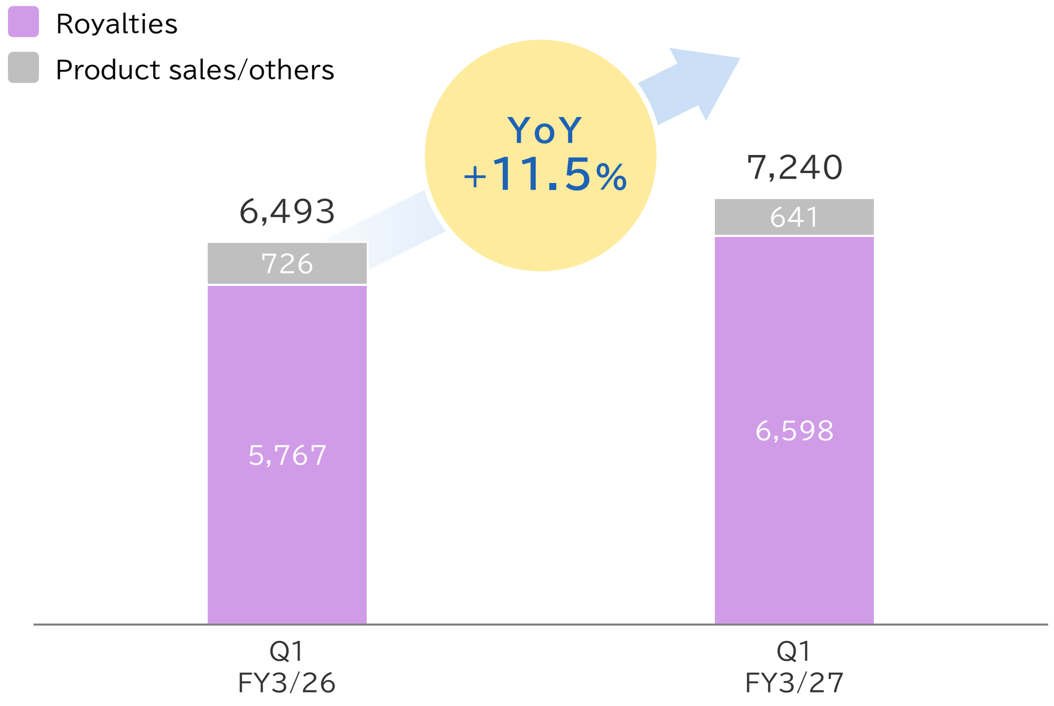
Note: Includes 6 directly operated stores and 56 franchise stores as of March 31, 2026.

FY3/2027 Q1 Details by Segment: Americas (Sales and Contribution Profit)

Sales in North America showed progress toward recovery as we continued to adapt to a business environment affected by ongoing tariff impacts.
Contribution profit increased despite higher SG&A expenses, including personnel costs incurred to strengthen the business foundation, supported in part by favorable foreign exchange effects.
We saw steady progress in our growth strategy, which combines character portfolio expansion and market expansion.

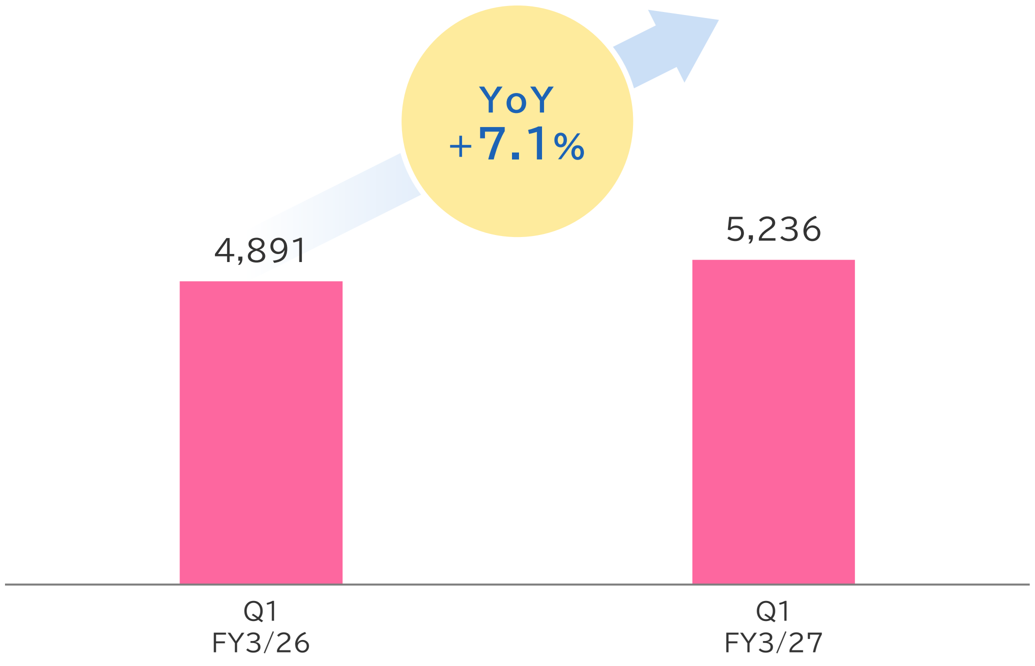
Sales

JPY: Million



Contribution Profit

JPY: Million



Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.

North America Business Overview

Licensing Business

Business Overview

Expand character portfolio

- **Expanded Character Use by Licensees:** Ongoing exposure of HELLO KITTY & FRIENDS led to increased use of a wide range of Sanrio characters.
- **Character Development:** Enhanced exposure for Kuromi, Cinnamoroll, and other characters increased character awareness, leading to increased use of individual characters by licensees.

MINISO Hello Kitty® and Friends POP UP

Expand into new markets

- **Category Expansion:** Existing core categories, including toys and apparel, continued to grow. We launched products featuring a variety of characters with licensees operating large retail networks around the world. We also collaborated with high-profile luxury brands.
- **Customer Touchpoint Expansion:** We opened the first HELLO KITTY CAFE in Chicago, an untapped area in the Midwest region of the U.S. We also began building touchpoints with diverse communities and customer segments.

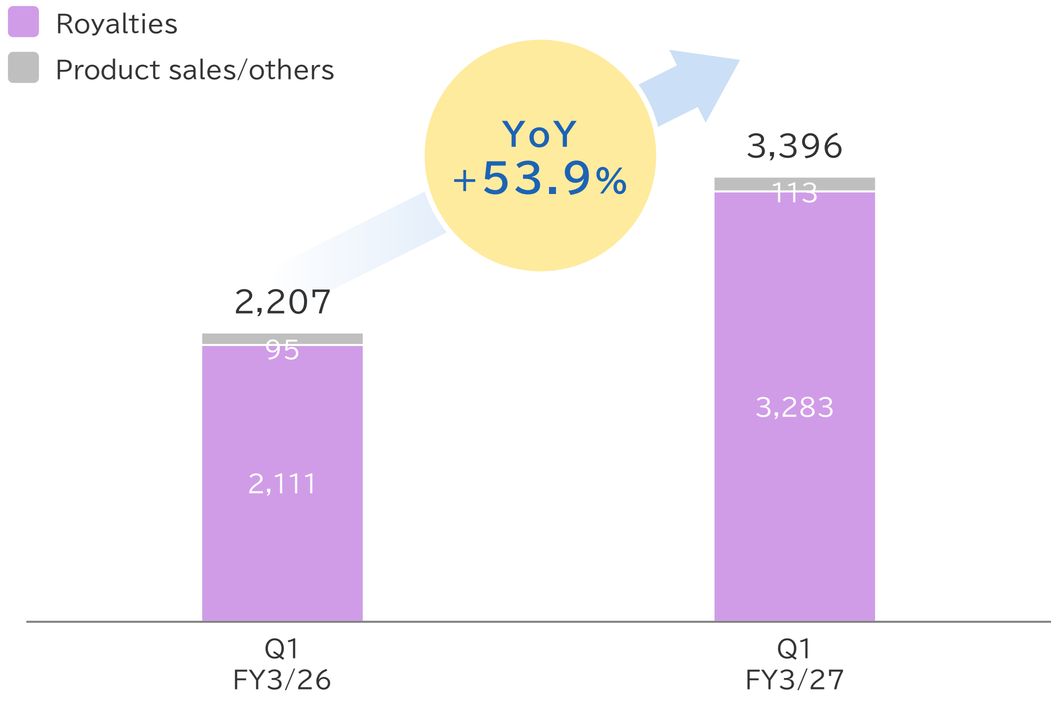
HELLO KITTY CAFÉ Chicago

FY3/2027 Q1 Details by Segment: Europe (Sales and Contribution Profit)

Our core apparel category drove expansion across a broad range of licensees, while increased awareness of characters beyond Hello Kitty also led to more opportunities featuring those characters.
We aim to expand into toys and other new categories by leveraging the strong brand value we have built through licensing with global brands.

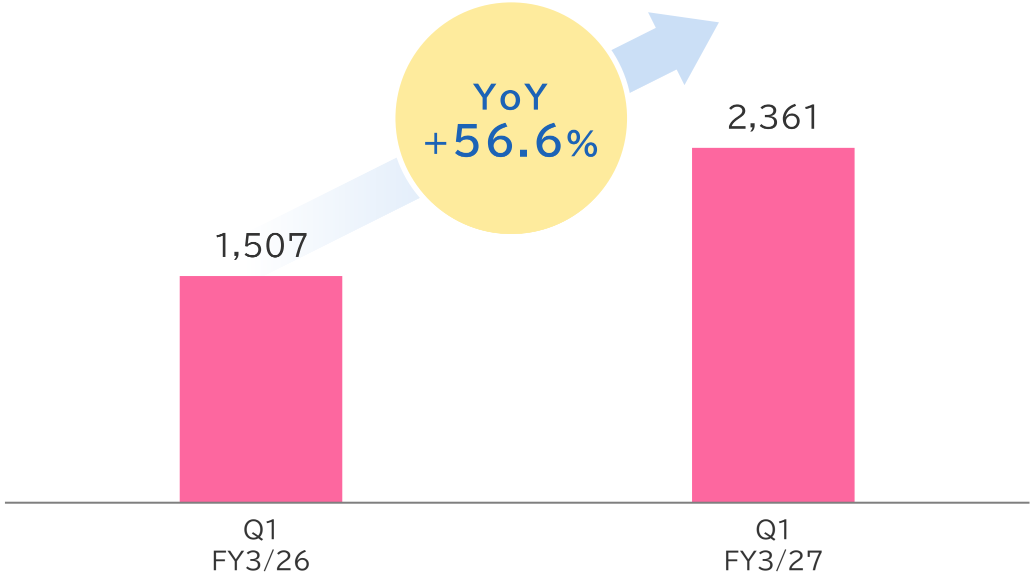
Sales

JPY: Million



Contribution Profit

JPY: Million



Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.

Europe Business Overview

Business Overview

Licensing Business

Expand character portfolio

- **Touchpoint Expansion:** Adoption by major global apparel brands created a ripple effect, leading to adoption by other apparel manufacturers.
- **Expansion of a Wide Range of Sanrio Characters:** Standalone collections featuring characters beyond Hello Kitty were launched to further expand our character portfolio.

WOMEN 'SECRET× HELLO KITTY AND FRIENDS

BURGER KING× HELLO KITTY AND FRIENDS

Expand into new markets

- **Category Expansion:** Revenue and profit increased year on year in Turkiye, Italy, Eastern Europe, and other markets. Continued growth in existing core categories (e.g., apparel and toys), together with further expansion of product offerings by existing licensees featuring Sanrio characters, contributed to revenue growth.
- **New Market Development:** The Reliance Group, one of India's largest retailers, introduced sections for Sanrio brand items in 40 AZORTE apparel stores. We are continuing efforts to develop new markets and expand our customer base.

Dedicated Hello Kitty and Friends corner at Azorte, an India-born apparel brand

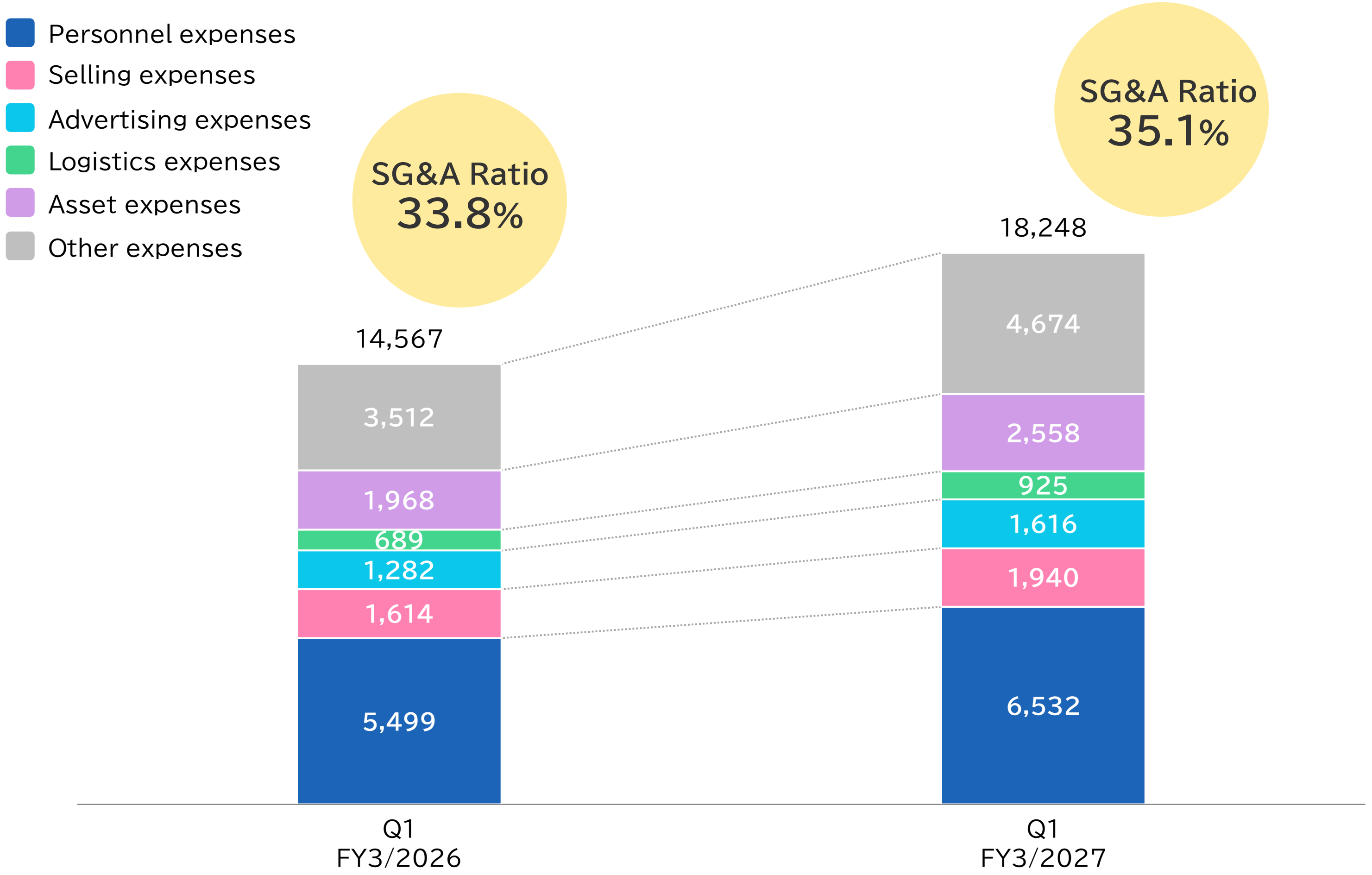
Notes: Based on the geographic scope of our European subsidiary, the Europe segment includes Oceania and parts of Asia, as well as the UK and continental Europe.

Consolidated SG&A Expenses Trend

- We maintained an SG&A ratio at a level that supports medium- to long-term growth.
- In the first quarter of FY3/2027, we saw higher personnel expenses in connection with our efforts to strengthen and expand our business base. We also made strategic marketing investments to expand global awareness of a wide range of characters. We expect to link these expenses to profit growth in FY3/2027 and beyond.
- Approximately 2.0 billion yen of SG&A expenses originally budgeted for Q1 are expected to be deferred to Q2 and beyond. The full-year SG&A expense forecast remains unchanged.

SG&A Expenses as a Percentage of Sales

JPY: Million



Notes: Figures are rounded down to the nearest one million yen.
Percentages are rounded to the nearest tenth of a percent.

Consolidated Financial Results (B/S)

JPY: Million

	FY3/2026	Q1 FY3/2027	Change	YoY	Increase/Decrease Factors
Current assets	168,567	179,154	+10,587	+6.3%	
Cash and deposits	125,433	136,066	+10,632	+8.5%	Cash and deposits increased by 10.6 billion yen
Others	43,133	43,088	(45)	(0.1%)	
Non-current assets	66,117	68,559	+2,441	+3.7%	
Policy ownership	7,379	7,436	+56	+0.8%	
Total assets	234,684	247,713	+13,028	+5.6%	
Current liabilities	51,393	56,892	+5,498	+10.7%	
Non-current liabilities	27,319	27,445	+125	+0.5%	
Interest-bearing debt	13,938	12,564	(1,374)	(9.9%)	
Total liabilities	78,713	84,337	+5,624	+7.1%	
Net assets	155,971	163,375	+7,404	+4.7%	Retained earnings increased by 6.3 billion yen
Total liabilities and net assets	234,684	247,713	+13,028	+5.6%	
Net cash	111,495	123,502	+12,006	+10.8%	
Equity ratio	66.4%	65.9%	(0.5pt)	—	
Policy ownership / Net assets	4.7%	4.6%	(0.1pt)	—	

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent. Policy ownership include unlisted shares.
Interest-bearing debts include convertible bond-type bonds with stock acquisition rights. Net cash = Cash and deposits - Interest-bearing debts

Full-year Forecasts for FY3/2027: Consolidated P/L

Our full-year forecast remains unchanged from the previous announcement.

JPY: Million

Consolidated PL	FY3/2026 Full Year	FY3/2027 (Expected) Full Year	YoY Full Year
Sales	194,088	229,800	+18.4%
Gross profit	150,062	178,600	+19.0%
Gross Profit Margin	77.3%	77.7%	+0.4pt
Operating profit	77,859	89,500	+15.0%
OP Margin	40.1%	38.9%	(1.2pt)
Adjusted Operating Profit	78,453	88,800	+13.2%
Ordinary profit	79,335	90,200	+13.7%
Net profit attributable to owners of parent	54,608	63,800	+16.8%

Notes: Figures are rounded down to the nearest one million yen. Percentages are rounded to the nearest tenth of a percent.

Exchange rate	FY3/2026	FY3/2027
USD/JPY	150 yen/USD	155 yen/USD
EUR/JPY	169 yen/EUR	185 yen/EUR
CNY/JPY	20.9 yen/CNY	22.5 yen/CNY

* Major exchange rate reflect USD/JPY, EUR/JPY, CNY/JPY.

Appendix

Five-Year Roadmap

	FY2026/3	FY2027/3	FY2028/3	FY2029/3	FY2030/3
Character Anniversaries	50th Anniversary 20th Anniversary 50th Anniversary	30th Anniversary 55th Anniversary 30th Anniversary	25th Anniversary 40th Anniversary	15th Anniversary 35th Anniversary	55th Anniversary 40th Anniversary
Character ranking	Sanrio character ranking	Sanrio character ranking	Sanrio character ranking	Sanrio character ranking	Sanrio character ranking
Games	Ongoing Launches of Licensed Games	2 In-House Title Launches	Ongoing Launches		
Animation	My Melody&Kuromi on Netflix Licensed Animation	Co-Production with Alifish *Launch date in flux at this time	In-House Animation		
Social media	Launch of a YouTube Channel for Pre-School-Age Children Continuous Release of Original Contents on Platforms like YouTube and TikTok	Release of Cinnamoroll YouTube Anime			
Movie		MR. MEN LITTLE MISS THE MOVIE (Timeline: TBD) Release of co-produced films		Appear in WB licensed works	
Digital	Make V-Puroland a permanent virtual park Integrate ID platforms with other companies	Expand large-scale IP worlds Develop VTuber streaming functions	Provide new user experiences through Sanrio+ Enhance services for loyal customers		
Real-Life	New Parade at Puroland Full-Scale Launch of Harmonyland Entertainment Resort Continuous Events at Sports Venues, Cafes, and Other Locations	Cinnamoroll musical	Global touring Immersive Location-Based Entertainment (LBE)		

Notes: Areas shown in white indicate updated sections. The schedule is subject to change without prior notice. WB = Warner Bros.

About Adjusted Operating Profit

■ Adjusted Operating Profit

Adjusted operating profit is a proprietary indicator defined by the Company, referring to operating profit excluding the impact of consolidation adjustments arising from the difference in fiscal year-ends between the parent company in Japan (fiscal year ending in March) and overseas subsidiaries (fiscal year ending in December)

- ✓ Under Japanese accounting standards, a difference of up to three months is allowed between the accounting periods of the parent company and its subsidiaries.
- ✓ We calculated consolidated operating profit for the fiscal year ended March 2026 by combining the parent company's results (April 2025 to March 2026) with overseas subsidiaries' results (January to December 2025). We eliminated royalties paid by subsidiaries to the parent company by eliminating the subsidiaries' royalty expense (cost of sales) against the corresponding royalty revenue recognized by the parent company (net sales) for the April-to-March fiscal year. The subsidiaries recognized the corresponding royalty expense for the January-to-December period. If the difference in reporting periods results in a material mismatch (significant discrepancy) between the parent company's net sales and the subsidiaries' cost of sales (royalty payments), we adjust the subsidiaries' cost of sales in consultation with our independent auditor before calculating operating profit.
- ✓ Licensing transactions at our overseas subsidiaries in North America, China, and Europe have increased significantly in recent years, increasing the amount of this adjustment. Therefore, to better reflect our underlying business performance, we disclose adjusted operating profit as operating profit before the adjustment to subsidiaries' cost of sales arising from differences in the fiscal year-ends of the parent company and its subsidiaries.

JPY: Billion

Q1 FY3/2027(Consolidated)	Operating Profit (Financial Accounting)	Adjusted Operating Profit (Managerial Accounting)
Total before consolidation adjustments	22.2	22.2
+Adjustments	0.1	(0.2)
(Adjustment for differences in fiscal year-ends)	0.3	—
(Other consolidation entries)	(0.2)	(0.2)
Profit	22.4	Difference(0.3) 22.0

JPY: Billion

Consolidated Adjustment Amount due to differences in fiscal year-ends	FY3/2025 Q1 Three Months	FY3/2025 Q2 Six Months	FY3/2025 Q3 Nine Months	FY3/2025 Q4 Twelve Months	FY3/2026 Q1 Three Months	FY3/2026 Q2 Six Months	FY3/2026 Q3 Nine Months	FY3/2026 Q4 Twelve Months	FY3/2027 Q1 Three Months
North America (License)	(0.9)	(1.9)	(2.2)	(1.5)	0.6	(0.1)	(0.8)	0.1	0
Europe(License)	—	—	—	—	—	—	—	(1.4)	(0)
China (License)	—	—	—	(2.5)	0.4	0.9	1.1	(0)	0.2
China (Manufacturing)	0.5	0.7	1.4	0.2	0.9	1.2	1.6	0.7	0
Total Consolidated Adjustment	(0.3)	(1.1)	(0.8)	(3.8)	2	2	1.9	(0.5)	0.3

Glossary for this presentation

Contribution Profit

- In order to see the actual amount of value created by Overseas Business, Sanrio uses "contribution profit," which is calculated by adding the amount of royalty payments to the HQ to the operating profit of overseas subsidiaries, as an indicator unique to Sanrio.
- Overseas subsidiaries pay fees proportional to their royalty income to the Japanese parent company, the copyright holder, as cost of sales, which is recorded as sales by the parent company.
- Beginning Q2 FY3/2026, contribution profit in the financial results materials is presented net of consolidation adjustments related to differences in fiscal periods. Past figures are retrospectively restated.

Other IR Materials

Integrated Report 2025

This report provides an overview of the Sanrio long-term vision for the next 10 years, the framework surrounding the love for Sanrio characters by our fans, and the results and prospects of the first year of our medium-term management plan.

10-Year Long-Term Vision

Lighting the Way to Bring Smiles to All

-Roadmap to a World of Smiles-

This presentation discusses the Sanrio growth strategy from a long-term perspective, focusing on sustainable value creation.

Please see the Sanrio corporate website for the latest investor relations materials

https://corporate.sanrio.co.jp/en/ir/

Quarterly performance trends from prior periods are now available under IR DATA.

Disclaimer on forward-looking statements and other matters

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All information in this material is based on data as of August 10, 2026