

Statement regarding the UK Modern Slavery Act

Sanrio Company, Ltd. (the “**Company**”) hereby publishes this slavery and human trafficking statement (this “**Statement**”) made pursuant to Section 54 of the Modern Slavery Act 2015 enacted in the UK and covering our commitment and implementation during the period from 1 April 2017 to 31 March 2018 (this “**Fiscal Year**”).

1. Organisation’s Structure, Business and Supply Chains

The Sanrio Group, which consists of the Company, twenty-six subsidiaries and four affiliates, has operated (i) a social communication and gift business that, among other activities, sells Hello Kitty and other character-related products and licenses the merchandising right of such characters, (ii) a theme park business (whereby parks are operated by the Company’s subsidiaries or third parties other than the Sanrio Group companies) and (iii) certain other businesses including the operation of restaurants, robot leasing, and motor vehicles leasing.

The products that use the Company’s character designs consist of the products sold by the Company and the products sold by licensees (the “**Licensees**”) who obtain licenses in respect of the character designs from the Sanrio Group companies. Regarding the Company’s supply chain, since the Company does not own its own manufacturing plant, the products sold by the Company are supplied to the Company by its manufacturing partners (i.e., manufacturers) (the “**Manufacturers**”) on an OEM basis and the products sold by the Licensees are manufactured and sold by the Licensees based on licenses in respect of the character designs by the Company to the Licensees.

Please visit the “Company Information” page of the Company’s website for a further description of the Sanrio Group.

<http://www.sanrio.co.jp/english/corporate/>

2. Policy related to Slavery and Human Trafficking

The Company is committed to maintaining and expanding upon its policies and procedures to protect against any slavery and human trafficking in its supply chains.

Since its establishment, the Company has utilized characters such as Hello Kitty to build a social communication business founded on the basic philosophy that social communication is vital for people of the world to coexist in harmony. The Company has conducted business

according to principles mandating that "we will not steal from others", "we will not engage in violence of any kind", "we will not lie", "we will abide by the law" and that "our employees will help each other and build friendly relationships."

The Company enacted the Sanrio Compliance Charter on 1 October 2004. The charter serves as a universal model to be implemented and adhered to by all of the Company and Sanrio Group executives and employees in the execution of the Sanrio Group business activities. The Sanrio Compliance Charter expressly states that the Company should respect human rights in operating its business. The Sanrio Group has conducted self-inspections regarding compliance for its executives and employees on an annual basis and has endeavoured to familiarise them with the above core philosophy and principles. In addition, the Company has prepared the Sanrio Group Compliance Manual, which embodies the Sanrio Compliance Charter and sets out the codes of conduct that the Sanrio Group executives and employees should comply with when they carry out everyday tasks.

The Sanrio Compliance Charter

1. Core Philosophy

We, through our social communication business that utilizes Hello Kitty and other characters, are committed to building a society where the importance of social communication is recognized and people can live safely and in harmony.

2. Principles

In order to help create a safe and harmonious society where social communication is cherished, Sanrio shall conduct operations based on the below general principles.

(1) We will not steal from others.

(i) Corporate assets (including intangible assets) that form the basis of any business, shall be correctly and properly used and protected.

(ii) We shall protect all personal information, third-party intellectual property rights, confidential information relating to business, etc., in a reasonable and appropriate manner, and shall not engage in the misuse or leaking of such information.

(2) We will not engage in violent activities (against people, nature, or the environment, neither physically nor psychologically).

(i) We will provide products and services that take safety, quality, and the environment into consideration.

(ii) Sanrio places value on the basic human right of equality among people, and Sanrio will not discriminate against anyone or place any individual at a disadvantage for any reason including the social or employment status, age, gender, place of birth, ancestry, nationality, race, the existence of a disability, religion, ideology or marital status.

(iii) A firm and uncompromising stance will be taken towards antisocial forces.

(3) We will not lie.

- (i) Sanrio will share its corporate information in a fair and reasonable manner, further improving operational transparency as it interacts with society on a broad scale.
- (ii) Sanrio will provide appropriate and honest information to consumers and customers regarding its products and services.

(4) We will abide by the law.

- (i) Sanrio will undertake corporate activities in a fair and reasonable manner, adhering to international and domestic law as well as societal rules and provisions.

(5) Employees will help each other and foster friendly relationships.

- (i) Based on the general concept that people are the core of business, Sanrio strives to create a safe, healthy and pleasant working environment where people can work with peace of mind.

3. Due Diligence, Risk Appraisal and Management, and Effectiveness of Procedures in relation to Slavery and Human Trafficking

The Company, in order to avoid slavery and human trafficking occurring in our supply chain, requires the Manufacturers and the Licensees agree to contractual obligations to respect human rights. Contracts include provisions requiring counterparties to prohibit child labor, forced labor and discrimination, and to ensure safe, proper labor conditions.

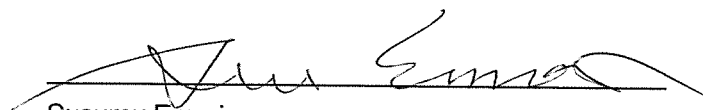
We encourage the Manufacturers to understand the importance of social communication (as described in Sanrio's Compliance Charter) and want to enable them to put that belief into practice. Accordingly, the Company's employees actively cooperate with the Manufacturers and monitor the management of their factories by way of regular on-site inspections. In this Fiscal Year, we have monitored 63 factories in East Asia (including China) and Southeast Asia related to the Company's products manufacturing business. Our review has focused on the risks surrounding safety and sanitation in the workplace. Through our monitoring of 18 items, we have identified issues and requested remedies.

4. Training for Employees in relation to Slavery and Human Trafficking

In September 2017 and February 2018, the Company held corporate social responsibility sessions for its executive officers and senior staff in order to increase awareness of slavery and human trafficking requirements.

This Statement was approved by the Company's board of directors at its board meeting held on 14 September 2018.

14 September 2018

A handwritten signature in black ink, appearing to read 'Susumu Emori', written over a horizontal line.

Susumu Emori

Senior Managing Director

Sanrio Company, Ltd.