



February 6, 2009

**Summary of Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2009
(Nine Months Ended December 31, 2008)**

Company name: Sanrio Company, Ltd. Listed Stock Exchange: TSE 1st Section
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(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Nine Months Ended December 31, 2008
(April 1, 2008 – December 31, 2008)**

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Sales		Operating Profit		Ordinary Profit		Net Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Dec. 2008	55,117	-	5,808	-	5,038	-	1,777	-
Nine months ended Dec. 2007	71,606	(4.0)	5,652	(1.9)	4,825	(6.5)	1,256	(48.5)

	Net Profit per Share	Fully-Diluted Net Profit per Share
	Yen	Yen
Nine months ended Dec. 2008	16.13	-
Nine months ended Dec. 2007	10.25	10.24

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of Dec. 31, 2008	86,660	30,946	35.7	235.44
As of Mar. 31, 2008	88,971	32,996	37.1	257.74

(Reference) Shareholders' equity (millions of yen) Dec. 31, 2008: 30,923 Mar. 31, 2008: 32,983

2. Dividends

(Record date)	Dividends per Share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 2008	-	-	-	10.00	10.00
Fiscal year ending Mar. 2009	-	-	-	-	-
Fiscal year ending Mar. 2009 (forecast)	-	-	-	10.00	10.00

Notes: 1. Revision of dividend forecast during the period: None

2. The dividend figures above show dividends for common stock. Please refer to "Dividends of classified stock" on page 2 for information on dividends for shares whose rights are different from those of the Company's common stock.

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2009 (April 1, 2008 – March 31, 2009)

(Percentages represent year-on-year changes)

	Sales		Operating Profit		Ordinary Profit		Net Profit		Net Profit per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	70,476	(25.0)	7,685	16.2	6,918	31.4	3,165	184.1	30.64

Note: Revision of consolidated forecast during the period: None

4. Other

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

(2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting principles, procedures and presentation methods, etc. for preparation of quarterly consolidated financial statements

1) Changes caused by revision of accounting standards: Yes

2) Other changes: Yes

Note: Please refer to “Qualitative Information and Financial Position, 4. Other” on pages 7 and 8 for further information.

(4) Number of outstanding shares (common stock)

1) Number of outstanding shares at the end of period (including treasury stock)

Dec. 31, 2008: 88,148,431 shares Mar. 31, 2008: 88,148,431 shares

2) Number of treasury stock at the end of period

Dec. 31, 2008: 847,122 shares Mar. 31, 2008: 847,135 shares

3) Average number of shares outstanding during the period

Nine months ended Dec. 2008: 87,301,376 shares Nine months ended Dec. 2007: 87,300,394 shares

* Cautionary statement with respect to forward-looking statements

- Effective from the current fiscal year, the Company has adopted “Accounting Standards for Quarterly Financial Statements” (ASBJ Statement No. 12) and “Guidance on Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No. 14). In addition, the quarterly consolidated financial statements are prepared in accordance with “Regulations for Quarterly Consolidated Financial Statements.”
- Forecasts stated above are based on estimates and judgments of the Company’s management made in accordance with information available at the time this report was prepared, and involve numerous uncertain elements that may cause actual results to differ from these forecasts due to changes in business conditions and other factors. Please refer to “Qualitative Information and Financial Position, 3. Qualitative information regarding forecasts for consolidated business results” on page 6 for precondition and assumption as the basis of the above forecasts.

Dividends of classified stock

Total dividends and a breakdown of dividends for classified stock whose rights are different from those of common stock.

(Record date)	Dividends per Share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Class B preferred stocks					
Fiscal year ended Mar. 2008	-	-	-	482.21	482.21
Fiscal year ending Mar. 2009	-	-	-	-	-
Fiscal year ending Mar. 2009 (forecast)	-	-	-	489.90	489.90

Qualitative Information and Financial Position (Nine Months Ended December 31, 2008)**1. Qualitative information regarding consolidated business results**

In the first nine months of the current fiscal year (April 1 to December 31, 2008), the turmoil in the global economy stemming from the prolonged subprime mortgage crisis spread to the finance system. The adverse effects on the real economy were actualized in the second half of the fiscal year, and Japan, the US, and European countries all posted negative growth. China, Russia, and other emerging nations are also showing clear signs of slowdown. These factors have exacerbated the business environment surrounding our group, both in Japan and abroad.

Amid this business environment, the Sanrio Group experienced growth in both product sales and licensing in overseas markets, particularly in Europe, along with growing recognition of our characters throughout the world. Despite Japan's generally sluggish consumer environment, the domestic product sales business performed around the same level as the previous year. (Figures for the same quarter of the previous fiscal year and percentage change are mentioned below for reference purposes).

Total sales amounted to 55.1 billion yen, down 23.0% year-on-year. Of these, domestic sales amounted to 39.2 billion yen (down 29.5%), reflecting a change in the accounting method for sales (see note below) whereby transactions involving Sanrio character goods designed by other companies are now accounted as royalty income. Overseas sales fell 0.2% year-on-year to 15.8 billion yen due to the impact of the strong yen and a decline in non-European regions, despite dramatic growth in Europe. The overseas sales ratio was 28.8%. Operating profit rose 2.8% to 5.8 billion yen, as the significant growth in sales and profit in thriving Europe, while the domestic product sales remained roughly flat year on year.

Ordinary profit amounted to 5.0 billion yen (up 4.4% year-on-year), reflecting an improvement in non-operating profit. This was due to increased revenue from events in Hong Kong and a fall in interest expense thanks to progress in the repayment of interest-bearing debt and falling interest rates, set against foreign exchange loss generated by the appreciating yen, which caused the yen/dollar settlement rate to rise relative to the transaction rate. Net profit before income taxes and other adjustments amounted to 4.0 billion yen (down 12.4%), due to an impairment loss on investment securities and a valuation loss recorded due to the adoption of the cost accounting method (write-down of book value, reflecting lower profitability) for the valuation of inventories from the current fiscal year. A decline in current and deferred income taxes, however, brought net profits to 1.7 billion yen (up 41.4%).

Note: Please refer to "Announcement Regarding Change in Types of Transaction of Our Character Goods Designed by Other Companies and Its Impact on Revenues" released on April 17, 2008. Moreover, sales through the Buy-Sell transaction format, not the royalty format, for the previous first nine months amounted to 18.9 billion yen, and gross profit to 3.2 billion yen.

Business Results by Segment

(100 millions of yen)

Nine months ended	Sales				Operating profit			
	Dec. 2007	Dec. 2008	Increase/ decrease	Change %	Dec. 2007	Dec. 2008	Increase/ decrease	Change %
Social communication gifts	650	492	(157)	(24.2)%	69	73	3	5.7%
Theme parks	48	39	(8)	(17.2)%	(5)	(8)	(3)	-
Other business	17	18	1	6.6%	(1)	(2)	(1)	-
Corporate and eliminations	-	-	-	-	(6)	(4)	2	-
Consolidated	716	551	(164)	(23.0)%	56	58	1	2.8%

1) Social communication gifts:

Sales fell 24.2% year-on-year to 49.2 billion yen, and operating profit rose 5.7% to 7.3 billion yen

The decline in sales was mainly attributable to the above-mentioned changes to the sales accounting method. Disregarding the effects of these changes would result in a year-on-year fall of just 0.3%, due to the dramatic growth in overseas business.

Overseas, “Hello Kitty” licensing income rose sharply from European companies sustaining a high growth trend. Product sales also rose in the European region, contributing greatly to the rise in overseas profits as in the second quarter, while other regions struggled to grow.

Domestic product sales continued the recovery trend begun in the second half of the previous fiscal year. Bucking the severe consumption environment, same-store sales (based on directly owned stores and directly operated shops within department stores) achieved 100.5% of the previous fiscal year’s level (a 6.4 point acceleration of growth). Sales from the domestic licensing business declined slightly year-on-year due to the fall in apparel- and toy-related orders resulting from the consumption slowdown. This occurred despite growth in collaboration on the high-end “Hello Kitty” fashion brand and licenses for “Sugar Bunnies.” Licenses for “Sesame Street” figures and other characters copyrighted overseas increased steadily, with direct sales through catalogs and TV contributing to the rise in profit.

On the product and character side of the retail and wholesale business, the bold introduction of the “Die-Cut” product series and the “Ureshii Market” brand for daily necessities, which targets adults around 40 years of age through “Hello Kitty,” greatly contributed to sales. Sales of school-entry and excursion-oriented products also soared, while the small decline in the number of overseas tourists had a limited impact.

2) Theme parks:

Sales fell 17.2% year-on-year to 3.9 billion yen, and operating loss stood at 0.8 billion yen, a fall of 0.33 billion yen

The fall in sales and profits was mainly attributable to the dramatic decline in visitor numbers to Sanrio Puroland in Tama City, Tokyo, and Harmony Land in Oita Prefecture, Kyushu, in the first half of the fiscal year (which included the “big season” of the summer vacation), as the price of gasoline soared and customers tightened their belts. From November, Sanrio Puroland performed the Christmas version of the main parade and began repeat performances of the “Marchen of the Sea” musical, which had won good reviews in the previous fiscal year. Year-on-year visitor numbers rose during the third quarter, but not enough to cover the fall in the first half of the fiscal year. At Harmony Land, too, consumption behavior grew sharply more conservative compared with the first half of the fiscal year, as major corporations based in Kyushu carried out large-scale personnel restructuring and the impact of the economic recession became real. The number of overseas visitors to Harmony Land also declined.

As a result of these factors, visitor numbers at Sanrio Puroland fell 9.4% year-on-year, with sales falling 14.1%, to produce an operating loss of 0.57 billion yen. Visitors to Harmony Land fell 18.7%, with sales falling 15.9%, to produce an operating loss of 0.19 billion yen.

3) Other business:

Sales rose 6.6% year-on-year to 1.8 billion yen, and operating loss stood at 0.2 billion yen, a fall of 0.12 billion yen

Business mainly comprises restaurants, real estate leasing, and robot and movie production. The rise in sales was chiefly attributable to increased year-on-year sales of the dinosaur robot business from robot producer Kokoro Co., Ltd. Profits declined despite the sharp reduction in Kokoro’s operating loss. The main factors in the profit fall were the increased sales costs of the Kentucky Fried Chicken franchise and the sweet shops undertaken as a new form of business, and a higher operating loss. Income from US real-estate leasing also declined.

Results by Geographic Segment

(100 millions of yen)

Nine months ended	Sales				Operating profit			
	Dec. 2007	Dec. 2008	Increase/ decrease	Change %	Dec. 2007	Dec. 2008	Increase/ decrease	Change %
Japan	578	410	(168)	(29.1)%	33	30	(3)	(10.9)%
North America	44	37	(6)	(14.8)%	6	4	(1)	(32.7)%
Europe	48	71	22	47.2%	14	22	8	58.4%
Other areas	44	31	(13)	(29.5)%	8	5	(3)	(36.8)%
Corporate and eliminations	-	-	-	-	(6)	(4)	2	-
Consolidated	716	551	(164)	(23.0)%	56	58	1	2.8%

1) Japan: Sales fell 29.1% year-on-year to 41.0 billion yen, and operating profit fell 10.9% to 3.0 billion yen

The fall in sales is mainly attributable to the change in sales accounting, without which sales would have fallen 3.9% year-on-year. The fall in profits was attributable to a downturn in the theme parks and flat year-on-year sales from directly owned stores and department stores. Closing low-profit stores while achieving other cost reductions did not cover the decline in profits from the theme park business.

2) North America: Sales fell 14.8 % year-on-year to 3.7 billion yen, and operating profit fell 32.7% to 0.4 billion yen

The falls in sales and profits were mainly attributable to the decline in wholesale and special orders due to the heavy burden of soaring gasoline prices on the consumer, and the lower consumption trend brought on by the fall in house prices, and the sharp fall in the value of the dollar against the yen compared to the same period of the previous fiscal year. Furthermore, a review of the sales systems for North American licensing planned for the beginning of the fiscal year has affected the transition to licensees endowed with a greater global market and product development capability.

3) Europe: Sales rose 47.2% year-on-year to 7.1 billion yen, and operating profit rose 58.4% to 2.2 billion yen

Sanrio performed strongly, as recognition for its characters continued to expand amid the recession in the European countries. Sales of the product sales (wholesale) business increased 23%, with sales increasing sharply mainly in Italy, Spain, France, and Germany. Sales of the licensing business also rose by a huge 81%. The “Hello Kitty” licensing business focused on apparel grew rapidly in France, Spain, the UK, and Italy, especially with regards to the major North European apparel company “H&M.”

Since the accounting period for European subsidiaries ends in December, accounts are consolidated one quarter later with the parent company.

4) Other areas (mainly Brazil and Asia):

Sales fell 29.5% year-on-year to 3.1 billion yen, and operating profit fell 36.8% to 0.5 billion yen

Sales and profits fell in Brazil, Taiwan, Hong Kong, and South Korea and increase in the Chinese mainland. In Brazil, sales fell due to the strong yen, despite strong growth in the market itself. As for the Asian region, sales and profits fell in Taiwan due to the stagnating consumer environment that emerged the previous year. In Hong Kong, as in Japan, the extent of the sales and profit decline was reduced in the first nine months thanks to cost-cutting cooperation and the revenue from corporate promotions amid a change in sales accounting, the aftermath of the Beijing Olympics, and financial uncertainty. In South Korea, the transfer of the parent company’s master license from the subsidiary to a local joint venture at the start of the fiscal year reduced sales and profits at the subsidiary itself, but agency-based over-the-counter sales and joint-venture licensing income were largely unchanged from a year earlier amid severe market conditions. In China, agency-based over-the-counter sales were rather quiet in the aftermath of the Beijing Olympics, but the subsidiary’s licensing business ensured increased sales and generally grew steadily, despite such uncertain factors as desperate competition in the luxury-goods markets.

Moreover, since the accounting period for our subsidiaries in South Korea and China ends in December, accounts are consolidated one quarter later with the parent company.

2. Qualitative information regarding consolidated financial position

At the end of the third quarter (December 31, 2008), total assets stood at 86.6 billion yen, a fall of 2.3 billion yen from the end of the previous fiscal year. The main fluctuating items on the assets side were increases in inventories, long-term time deposits, and lease assets resulting from the application of accounting standards relating to lease transactions, amounting to a rise of 1.8 billion yen. These were set against a fall of 0.7 billion yen due to the changes in sales accounting affecting trade notes and accounts receivable, a 1.6 billion yen fall in investment securities due to the decline in market values, and a 1.2 billion yen fall in deferred tax assets. Meanwhile liabilities stood at 55.7 billion yen, another fall of 0.2 billion yen. The main fluctuating items were a 2.0 billion yen increase in trade notes and accounts payable, and a 2.2 billion yen fall in long- and short-term borrowings and corporate bonds. Net assets stood at 30.9 billion yen, a fall of 2.0 billion yen, due to a fall resulting from dividend payments and a fall in the foreign currency translation adjustments. The equity ratio was 35.7%, down 1.4 percentage points from the end of the previous fiscal year.

Cash flows from operating activities amounted to an inflow of 6.5 billion yen (year-on-year increase in income of 4.6 billion yen). This was mainly attributable to total inflows of 8.7 billion yen, including operating profit of 5.8 billion yen, depreciation of 1.3 billion yen, and a fall in working capital including accounts receivable, accounts payable, and inventories of 1.6 billion yen, set against an outflow of 1.6 billion yen from interest, income tax, and other payments.

Cash flows from investing activities resulted in an outflow of 1.6 billion yen (year-on-year increase in outlays of 0.7 billion yen). This was mainly attributable to payments of 0.8 billion yen for the purchase of tangible fixed assets, 1.0 billion yen for adding to guarantees and long-term time deposits, and 0.3 billion yen for loans receivable for a total outflow of 2.2 billion yen, set against an inflow of 0.8 billion yen due to the withdrawal of time deposits and collection of guarantees.

Cash flows from financing activities resulted in an outflow of 3.7 billion yen (year-on-year increase in outlays of 0.4 billion yen). This was mainly attributable to repayment of interest-bearing debt and lease debts of 2.4 billion yen and dividends paid of 1.3 billion yen.

As a result of the above, cash and cash equivalents at the end of the third quarter increased 0.4 billion yen from the end of the previous fiscal year to 12.8 billion yen.

3. Qualitative information regarding forecasts for consolidated business results

The Company believes that recession will affect the domestic and international economies amid global financial unease. We also believe that the consumer environment surrounding the company is sure to deteriorate due to such factors as rapidly decelerating corporate profit growth, falling incomes, and rising unemployment.

There are concerns for the social communication gift business from the effects of a recession-led fall in consumption, especially in North America and Europe, and the yen appreciating against other currencies. However, the full-year results for overseas business, which has performed strongly up to the present (especially in Europe), are virtually concluded with the December accounts settlement. For domestic product sales, while our outlook is also cautious due to the slump in corporate profits, we anticipate that dynamic school-entry and other campaigns and the introduction of new high-end products and digital consumer electronics will ensure that sales maintain the previous fiscal year's level. As for domestic licensing, we predict cautious support from licensee companies following the downturn at department stores and volume sellers. We aim to actively collaborate in new areas and anticipate achieving the level of the plan.

In the theme park business, we have revised the full-year outlook at the end of the second quarter on the side of caution, and anticipate progressing at the level of the revised plan.

Regarding other business, we expect to fall somewhat short of our plan as we take a cautious outlook on the order of the robot production business, which will be affected by the worldwide recession.

Given the information above, the contribution of overseas business* driving the strongly performing European region has offset the deteriorating global economic conditions and the impact of exchange rates. Since the opacity of the stock markets makes prediction difficult, the full-year performance prediction remains unchanged from that released on October 30, 2008.

* From the current fiscal year, the settlement month for overseas consolidated subsidiaries has been changed to December. Because of this, the subsidiaries (in the US, Brazil, Hong Kong, and Taiwan) whose settlement of accounts fell in March (April-March) will have a nine-month settlement of accounts this December, and the full-year outlook will be adjusted accordingly. December remains the settlement month for the subsidiaries in European region, South Korea, and China.

(Reference) Overseas Sales and Profit for the Past Nine-month Periods by Area (Millions of yen)

Nine months ended		Sales to customers					Operating profit				
		Dec. 2006	Dec. 2007	Change (%)	Dec. 2008	Change (%)	Dec. 2006	Dec. 2007	Change (%)	Dec. 2008	Change (%)
North America	U.S.A.	5,338	4,433	(17.0)	3,775	(14.8)	665	604	(9.3)	406	(32.7)
Latin America	Brazil	595	751	26.2	672	(10.5)	279	293	4.8	233	(20.2)
Asia	Hong Kong	1,673	2,135	27.6	1,360	(36.3)	202	297	47.1	192	(35.2)
	Taiwan	767	891	16.2	594	(33.3)	224	138	(38.3)	(38)	-
	Korea	316	436	37.6	177	(59.3)	58	96	65.6	74	(23.4)
	China	118	232	95.9	329	42.0	9	49	394.5	91	85.7
Asia subtotal		2,876	3,694	28.5	2,462	(33.3)	495	582	17.5	319	(45.1)
Europe	Europe	1,773	4,856	173.8	7,147	47.2	338	1,431	323.5	2,268	58.4
Total		10,583	13,735	29.8	14,057	2.3	1,779	2,911	63.6	3,229	10.9

4. Other

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation)

Not applicable.

(2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements

1) Simplified accounting methods

Not applicable.

2) Special accounting methods in the preparation of quarterly consolidated financial statements

Not applicable.

(3) Changes in accounting principles, procedures and presentation methods, etc. for preparation of quarterly consolidated financial statements

1) Changes caused by revision of accounting standards

i. Application of “Accounting Standards for Quarterly Financial Statements” and other pronouncements

Effective from the current fiscal year, the Company has adopted “Accounting Standards for Quarterly Financial Statements” (ASBJ Statement No. 12: Accounting Standards Board of Japan, March 14, 2007) and “Guidance on Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No. 14: Accounting Standards Board of Japan, March 14, 2007). In addition, the quarterly consolidated financial statements are prepared in accordance with “Regulations for Quarterly Consolidated Financial Statements.”

ii. Application of “Accounting Standards for Measurement of Inventories”

In prior years, inventory was computed primarily by the moving-average cost method. With the adoption of “Accounting Standards for Measurement of Inventories” (ASBJ Statement No. 9: Accounting Standards Board of Japan, July 5, 2006) from the first quarter of the current fiscal year, inventory is valued primarily by the moving-average cost method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

As a result, operating profit and ordinary profit have both decreased by 23 million yen while net profit before income taxes and other adjustments has decreased by 103 million yen in the first nine months of the current fiscal year. The impact of the change on segment information is described in the corresponding section.

iii. Application of “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”

Effective from the first quarter of the current fiscal year, the Company has adopted “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (PITF No. 18: Accounting Standards Board of Japan, May 17, 2006) and has made the necessary adjustments to the consolidated financial statements.

This change has no significant effect on operating profit, ordinary profit and net profit before income taxes and other adjustments for the first nine months of the current fiscal year.

2) Other changes

i. Application of “Accounting Standards for Lease Transactions” and other pronouncements

In prior years, the Company accounted for finance leases where there is no transfer of ownership primarily as ordinary lease transactions for accounting purposes. However, the Company is able to use the following accounting standards beginning with quarterly consolidated financial statements for fiscal years starting on or after April 1, 2008: “Accounting Standards for Lease Transactions” (ASBJ Statement No. 13: originally issued on June 17, 1993, and revised on March 30, 2007 by Accounting Standards Board of Japan); and “Guidance on Accounting Standards for Lease Transactions” (ASBJ Guidance No. 16: originally issued on January 18, 1994, and revised on March 30, 2007 by Accounting Standards Board of Japan). The Company has adopted these standards and guidance beginning with the first quarter of the current fiscal year, using an accounting method for leases that is based on the method used for ordinary purchases and sales. Furthermore, for the depreciation of lease assets associated with finance leases where there is no transfer of ownership, the straight-line method with no residual value is applied with the lease period used as the useful life of the asset.

The effect of this change was to increase other tangible fixed assets and intangible fixed assets by 420 million yen, and 84 million yen respectively, at the end of the third quarter of the current fiscal year. In addition, this change has no significant effect on operating profit, ordinary profit and net profit before income taxes and other adjustments for the first nine months of the current fiscal year.

Additional information

Effective from the first quarter of the current fiscal year, the useful lives of “machinery and equipment” at the Company and its domestic consolidated subsidiaries have been reviewed, given the amendment of the Corporation Tax Law of Japan.

This change has no significant effect on operating profit, ordinary profit and net profit before income taxes and other adjustments for the first nine months of the current fiscal year.

5. Quarterly Consolidated Financial Statements**(1) Consolidated Balance Sheets**

(Millions of yen)

	As of Dec. 31, 2008	As of Mar. 31, 2008
Assets		
Current assets		
Cash and deposit	13,190	12,968
Trade notes and accounts receivable	12,342	13,121
Merchandise and finished goods	5,866	4,913
Work in process	133	142
Raw materials and supplies	262	246
Other	3,808	4,214
Allowance for doubtful accounts	(74)	(268)
Total current assets	35,528	35,338
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	9,268	9,559
Land	11,397	11,397
Other, net	1,819	1,761
Total tangible fixed assets	22,485	22,718
Intangible fixed assets	545	456
Investments and other assets		
Deferred tax assets	8,882	9,707
Other	20,017	21,631
Allowance for doubtful accounts	(854)	(919)
Total investments and other assets	28,045	30,419
Total fixed assets	51,076	53,593
Deferred assets	55	39
Total assets	86,660	88,971
Liabilities		
Current liabilities		
Trade notes and accounts payable	10,540	8,478
Short-term borrowings	18,169	21,383
Accrued income taxes	656	805
Allowance for bonuses	99	422
Reserve for adjustment of returned goods	117	80
Other	6,216	7,079
Total current liabilities	35,799	38,250
Long-term liabilities		
Corporate bonds	5,838	5,560
Long-term borrowings	5,426	3,556
Reserve for retirement benefits for employees	6,866	6,816
Reserve for retirement benefits for directors	464	451
Other	1,319	1,339
Total long-term liabilities	19,915	17,724
Total liabilities	55,714	55,974

	(Millions of yen)	
	As of Dec. 31, 2008	As of Mar. 31, 2008
Net assets		
Shareholders' equity		
Capital	14,999	14,999
Capital surplus	10,095	10,095
Retained earnings	12,477	12,034
Treasury stock	(954)	(954)
Total shareholder's equity	36,618	36,175
Valuation and translation adjustment		
Net unrealized gain (loss) on other securities	(1,696)	(839)
Deferred hedge gain (loss)	(82)	(92)
Foreign currency translation adjustments	(3,917)	(2,260)
Total valuation and translation adjustment	(5,695)	(3,192)
Minority interests	22	13
Total net assets	30,946	32,996
Total liabilities and net assets	86,660	88,971

(2) Consolidated Income Statement**(For the Nine-month Period)**

	(Millions of yen)
	Nine months ended Dec. 31, 2008
Sales	55,117
Cost of sales	25,547
Gross profit	29,569
Provision of reserve for adjustment of returned goods	37
Net gross profit on sales	29,532
Selling, general and administrative expenses	23,724
Operating profit	5,808
Non-operating profit	
Interest income	299
Other	273
Total non-operating profit	572
Non-operating expenses	
Interest expense	537
Foreign exchange loss	287
Tax and public charges	325
Other	192
Total non-operating expenses	1,343
Ordinary profit	5,038
Extraordinary gains	
Gain on sale of investment securities	14
Reversal of allowance for doubtful accounts	24
Other	0
Total extraordinary gains	39
Extraordinary losses	
Valuation loss on investment securities	669
Valuation loss on inventories	79
Other	248
Total extraordinary losses	997
Net profit before income taxes and other adjustments	4,080
Income taxes - current	1,056
Income taxes - deferred	1,235
Total income taxes	2,291
Minority interests in income of consolidated subsidiaries	11
Net profit	1,777

(3) Consolidated Cash Flow Statement

	(Millions of yen)
	Nine months ended Dec. 31, 2008
Cash flows from operating activities	
Net profit before income taxes and other adjustments	4,080
Depreciation	1,247
Amortization of long-term prepaid expenses	75
Increase (decrease) in allowance for doubtful accounts	(231)
Increase (decrease) in reserve for bonuses	(321)
Interest and dividend income	(363)
Interest expense	537
Decrease (increase) in accounts receivable	259
Decrease (increase) in inventories	(1,022)
Decrease (increase) in other assets	(17)
Increase (decrease) in accounts payable	2,419
Increase (decrease) in consumption tax payable	106
Increase (decrease) in other liabilities	(67)
Other	1,096
Subtotal	7,796
Interests and dividends received	395
Interests paid	(480)
Income taxes paid	(1,124)
Cash flows from operating activities	6,587
Cash flows from investing activities	
Payments for time deposits	(318)
Withdrawal of time deposits	420
Payments for purchase of tangible fixed assets	(891)
Payments for purchase of investment securities	(352)
Proceeds from sale of investment securities	201
Payments for loans receivable	(319)
Collection of guarantees	396
Other	(784)
Cash flows from investing activities	(1,647)
Cash flows from financing activities	
Increase in short-term borrowings	1,025
Decrease in short-term borrowings	(1,195)
Increase in long-term borrowings	4,020
Decrease in long-term borrowings	(5,184)
Proceeds from issuance of corporate bonds	1,185
Payment for redemption of corporate bonds	(2,093)
Dividends paid	(1,349)
Other	(200)
Cash flows from financing activities	(3,792)
Effect of exchange rate changes on cash and cash equivalents	(738)
Increase (decrease) in cash and cash equivalents	409
Cash and cash equivalents at beginning of period	12,445
Cash and cash equivalents at end of period	12,855

Effective from the current fiscal year, the Company has adopted “Accounting Standards for Quarterly Financial Statements” (ASBJ Statement No. 12: Accounting Standards Board of Japan, March 14, 2007) and “Guidance on Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No. 14: Accounting Standards Board of Japan, March 14, 2007). In addition, the quarterly consolidated financial statements are prepared in accordance with “Regulations for Quarterly Consolidated Financial Statements.”

(4) Going Concern Assumption

Not applicable.

(5) Segment Information

Business segment information

Nine months ended Dec. 31, 2008

(Millions of yen)

	Social communication gifts	Theme parks	Other	Total	Corporate and eliminations	Consolidated
Sales						
(1) Customers	49,282	3,983	1,850	55,117	-	55,117
(2) Inter-segment	532	961	93	1,587	(1,587)	-
Total	49,815	4,945	1,944	56,704	(1,587)	55,117
Operating profit (loss)	7,380	(888)	(269)	6,222	(414)	5,808

Notes: 1. Business classification is based on categories adopted for purpose of internal management.

2. Main businesses belonging to each category

Segment	Sub-segment	Major businesses
Social communication gifts	Social communication gift products	Stationeries, kitchen and tableware, bathroom goods, interior decorative goods, sundries, portable goods, apparel goods
	Greeting cards	Birthday cards, Christmas cards
	Publications	Gift books, poetries, general publication, magazines
	Movies, videos	Video software sales
	Copyright management	Management of licenses
Theme parks	Theme park services	Attraction facility operation, goods sales, restaurants
	Tie-up commissions	Commissions from collaborating companies
	Dramas	Planning and play of musicals and others
Other	Restaurants	Restaurants, Kentucky Fried Chicken
	Real estate leasing	Real estate rent leasing
	Production and rental of robots	Production and rental of robots
	Film production and distribution	Production associations

3. As described in 4. (3) 1) ii of “Qualitative Information and Financial Position,” inventory was computed primarily by the moving-average cost method in prior years, but effective from the current fiscal year inventory is valued primarily by the moving-average cost method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins). Given this change, operating profit of the social communication gifts business for the first nine months of the current fiscal year has decreased by 23 million yen.

Geographical segment information

Nine months ended Dec. 31, 2008

(Millions of yen)

	Japan	Europe	Other areas	Total	Corporate and eliminations	Consolidated
Sales						
(1) Customers	41,059	7,147	6,910	55,117	-	55,117
(2) Inter-segment	3,523	27	1,462	5,014	(5,014)	-
Total	44,583	7,175	8,373	60,131	(5,014)	55,117
Operating profit	3,017	2,268	960	6,246	(438)	5,808

Notes: 1. Countries and/or regions are classified by geographical proximity.

2. Major areas included in each segment except for Japan are as follows:

(1) Europe: Italy, France, Spain, Germany, etc.

(2) Other areas: U.S., Hong Kong, Taiwan, South Korea, Brazil, China

3. As described in 4. (3) 1) ii of "Qualitative Information and Financial Position," inventory was computed primarily by the moving-average cost method in prior years, but effective from the current fiscal year inventory is valued primarily by the moving-average cost method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins). Given this change, operating profit of "Japan" for the first nine months of the current fiscal year has decreased by 23 million yen.

Overseas sales

Nine months ended Dec. 31, 2008

(Millions of yen)

	Europe	Other areas	Total
I Overseas sales	7,262	8,607	15,869
II Consolidated sales	-	-	55,117
III Percentage of overseas sales over consolidated sales (%)	13.2	15.6	28.8

Notes: 1. Countries and/or regions are classified by geographical proximity.

2. Major areas included in each segment except for Japan are as follows:

(1) Europe: Italy, France, Spain, Germany, etc.

(2) Other areas: U.S., Hong Kong, Taiwan, South Korea, Thailand, Brazil, China

3. Overseas sales is a sum of exports of the Company and domestic consolidated subsidiaries and sales of consolidated subsidiaries based in the U.S., Hong Kong, Taiwan, South Korea, Germany, Brazil and China (excluding internal transactions).

(6) Significant Changes in Shareholders' Equity

Nine months ended Dec. 31, 2008

Not applicable.

* 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.

Appendix**(Summary) Consolidated Income Statement for the Previous Period**

(Millions of yen)

Account	Nine months ended Dec. 31, 2007
	Amount
I Sales	71,606
II Cost of sales	41,669
Gross profit	29,937
Provision of reserve for adjustment of returned goods	47
Net gross profit on sales	29,984
III Selling, general and administrative expenses	24,332
Operating profit	5,652
IV Non-operating profit	542
1. Interest income	334
2. Dividend income	74
3. Other	133
V Non-operating expenses	1,369
1. Interest expense	586
2. Other	782
Ordinary profit	4,825
VI Extraordinary gains	430
VII Extraordinary losses	598
Net profit before income taxes and other adjustments	4,656
Income taxes - current	736
Income taxes - deferred	2,669
Minority interests in loss of consolidated subsidiaries	(6)
Net profit	1,256

(Summary) Consolidated Cash Flow Statement for the Previous Period

(Millions of yen)

	Nine months ended Dec. 31, 2007
	Amount
I Cash flows from operating activities	
1. Net profit before income taxes and other adjustments	4,656
2. Depreciation	1,128
3. Amortization of long-term prepaid expenses	72
4. Increase in allowance for doubtful accounts	221
5. Decrease in reserve for bonuses	(258)
6. Increase in reserve for retirement benefits for employees	211
7. Decrease in reserve for adjustment of returned goods	(47)
8. Increase in reserve for retirement benefits for directors	445
9. Interest and dividend income	(408)
10. Interest expense	586
11. Loss on disposal of fixed assets	63
12. Impairment loss	24
13. Gain on sale of investment securities	(413)
14. Valuation loss on investment securities	8
15. Increase in accounts receivable	(3,506)
16. Increase in inventories	(1,063)
17. Increase in other assets	(165)
18. Increase in accounts payable	395
19. Decrease in consumption tax payable	(74)
20. Increase in other liabilities	743
21. Other	9
Subtotal	2,629
22. Interests and dividends received	411
23. Interests paid	(511)
24. Income taxes paid	(633)
Cash flows from operating activities	1,896
II Cash flows from investing activities	
1. Payments for time deposits	(524)
2. Withdrawal of time deposits	1,280
3. Payments for purchase of tangible fixed assets	(1,381)
4. Payments for purchase of investment securities	(3,158)
5. Proceeds from sale of investment securities	3,041
6. Payments for loans receivable	(174)
7. Collection of loans receivable	107
8. Payments for other investing activities	(1,414)
9. Proceeds from other investing activities	1,369
Cash flows from investing activities	(854)
III Cash flows from financing activities	
1. Increase in short-term borrowings	351
2. Decrease in short-term borrowings	(933)
3. Increase in long-term borrowings	1,800
4. Decrease in long-term borrowings	(2,317)
5. Proceeds from issuance of corporate bonds	977
6. Payment for redemption of corporate bonds	(1,884)
7. Payment for purchase of treasury stock	(0)
8. Proceeds from sale of treasury stock	6
9. Dividends paid	(1,306)
Cash flows from financing activities	(3,305)
IV Effect of exchange rate changes on cash and cash equivalents	(110)
V Decrease in cash and cash equivalents	(2,374)
VI Cash and cash equivalents at beginning of period	15,534
VII Increase in cash and cash equivalents from new consolidation	34
VIII Cash and cash equivalents at end of period	13,194