

**Summary of Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2010 (FY2009)  
(Three Months Ended June 30, 2009)**

Company name: Sanrio Company, Ltd. Listed Stock Exchange: TSE 1st Section  
 Stock code: 8136 URL: <http://www.sanrio.co.jp/english/corporate/ir/>  
 Representative: Shintaro Tsuji, President and Chief Executive Officer  
 Inquiries: Susumu Emori, Managing Director TEL: +81-3-3779-8058  
 Scheduled date of filing of Quarterly Report: August 13, 2009  
 Starting date of dividend payment: -

(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the First Quarter of FY2009 (April 1, 2009 – June 30, 2009)**

(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	%
Three months ended Jun. 30, 2009	15,913	(5.2)	1,078	(38.9)	859	(49.4)	685	(12.4)
Three months ended Jun. 30, 2008	16,786	-	1,762	-	1,700	-	782	-

	Net Profit per Share	Fully-Diluted Net Profit per Share
	Yen	Yen
Three months ended Jun. 30, 2009	6.51	-
Three months ended Jun. 30, 2008	7.56	-

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of Jun. 30, 2009	78,853	27,505	34.8	198.86
As of Mar. 31, 2009	79,087	26,844	33.9	187.08

(Reference) Shareholders' equity (millions of yen) Jun. 30, 2009: 27,478 Mar. 31, 2009: 26,821

**2. Dividends**

(Record date)	Dividend per Share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2008	-	0.00	-	10.00	10.00
FY2009	-	-	-	-	-
FY2009 (forecast)	-	0.00	-	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, 2010 (April 1, 2009 – March 31, 2010)**

(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
First half	32,963	(4.4)	2,440	(24.3)	2,024	(34.1)	1,756	49.9	17.40
Full year	69,977	0.3	6,585	0.1	5,783	(2.9)	4,798	-	49.55

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: None

2) Other changes: None

(4) Number of outstanding shares (common stock)

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

Jun. 30, 2009: 88,148,431 shares Mar. 31, 2009: 88,148,431 shares

2) Number of treasury stock at the end of period

Jun. 30, 2009: 847,314 shares Mar. 31, 2009: 847,216 shares

3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2009: 87,301,181 shares Three months ended Jun. 30, 2008: 87,301,296 shares

\* Cautionary statement with respect to forward-looking statements

Forecasts regarding future performance in these materials are based on assumptions judged to be valid and information currently available to the Company. Actual results may differ significantly from these forecasts for a number of factors. Please refer to "Qualitative Information and Financial Position, 3. Qualitative information regarding forecasts for consolidated business results" on page 5 for precondition and assumption as the basis of the above forecasts.

**Dividends of classified stock**

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

(Record date)	Dividend per Share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Class B preferred stock					
FY2008	-	0.00	-	489.90	489.90
FY2009	-	-	-	-	-
FY2009 (forecast)	-	0.00	-	467.30	467.30

## Qualitative Information and Financial Position (Three Months Ended June 30, 2009)

### 1. Qualitative information regarding consolidated business results

In the first quarter of the current fiscal year (April 1, 2009 to June 30, 2009), the worldwide recession stemming from the US financial crisis showed signs of bottoming out as inventory adjustments generally ran its course, primarily at large companies, manufacturing activity gradually turned around, and exports began to recover led by the Asian (especially the Chinese) markets. Employment and consumer environments continued to deteriorate, however, and the stimulus spending by governments around the world was insufficient to create demand. Consumer behavior grew yet more conservative, both inside and outside Japan, creating a harsh consumer environment for the Sanrio Group.

Under such conditions, total sales fell 5.2% year-on-year to 15.9 billion yen. Domestic sales fell 9.3% year-on-year to 11.0 billion yen while overseas sales rose 5.5% to 4.9 billion yen, despite the appreciating yen, due to strong expansion in the European region. The overseas sales ratio was 30.8%. Operating profit fell 38.9% to 1.0 billion yen due to sluggish performances from theme parks and domestic licensing for social communication gifts.

Ordinary profit fell 49.4% to 0.8 billion yen due to such factors as interest payments and withholding tax for overseas royalty income. The year-on-year rise in the exchange rate at the end of the first quarter (June 30, 2009) created a loss on forward exchange contracts, and non-operating profit and loss deteriorated. Net profits before income taxes and other adjustments fell 47.2% year-on-year to 0.8 million yen, while net profit fell 12.4% to 0.6 billion yen due to lower income taxes-deferred following a review of tax plans accompanying a reorganization of the theme park business.

Since the settlement month for all overseas consolidated subsidiaries is December, the first quarter under review covers the period January to March 2009.

#### Business Results by Segment

(100 millions of yen)

Three months ended	Sales				Operating profit			
	Jun. 2008	Jun. 2009	Increase/ decrease	Change %	Jun. 2008	Jun. 2009	Increase/ decrease	Change %
Social communication gifts	150	143	(6)	(4.5)%	25	20	(5)	(20.0)%
Theme parks	12	10	(1)	(13.1)%	(2)	(4)	(2)	-
Other business	5	4	(0)	(7.0)%	(0)	(0)	(0)	-
Eliminations and corporate	-	-	-	-	(4)	(4)	0	-
Consolidated	167	159	(8)	(5.2)%	17	10	(6)	(38.9)%

#### i. Social communication gifts:

Sales fell 4.5% year-on-year to 14.3 billion yen, and operating profit fell 20.0% to 2.0 billion yen

The decline in sales is mainly attributable to a fall in deliveries to department and chain stores due to the general recession and a fall in special order goods for convenience stores. For domestic licensing, they are attributable to a slowdown in the sales of toys and souvenir miscellaneous goods. Amid the global recession, domestic same-store sales (based on directly owned stores and directly operated shops within department stores) achieved 99.3% of the previous year's level despite generally sluggish exports, and continued to rise in the thriving European region despite the negative impact of exchange rates. The fall in profits is mainly attributable to the slowdown in domestic licensing business.

On the product and character side, licensing sales grew both domestically and internationally, driven by "Hello Kitty." In Japan, the stable and popular "I Love Hello Kitty" product series and the "Ureshii Market" brand for daily necessities targeting adult women remained popular. Sales from directly operated stores maintained the previous year's level with the addition of commemorative products for the 35th anniversary of "Hello Kitty."

#### ii. Theme parks:

Sales fell 13.1% year-on-year to 1.0 billion yen, and operating loss stood at 0.4 billion yen, a fall of 0.2 billion yen

The fall in sales and profits is mainly attributable to the slowdown at Sanrio Puroland in Tama City, Tokyo. Visitor numbers of 136,000 (down 15,000 year-on-year) underperformed expectations, despite a new musical, "Hello Kitty and the Wizard of Oz," playing from April in collaboration with Takarazuka, and the reimporting of "Black Wonder," a

hands-on attraction from Sanrio Hong Kong involving a role-play experiential game (which had proved a great local success) aimed at countering the consumer depression.

At Harmony Land in Oita Prefecture, visitor numbers reached 75,000 (a year-on-year rise of 6,000) thanks to cheaper expressway tolls, advance ticket discount campaigns at Sanrio stores, and events that extended invitations to professional volleyball team, despite the dramatic fall in group visitors from Taiwan and South Korea due to the impact of the strong yen and swine flu.

iii. Other business:

Sales fell 7.0% year-on-year to 0.4 billion yen, and operating loss stood at 0.09 billion yen, a fall of 0.01 million yen. Business mainly comprises restaurants, real estate leasing, and robot production. The fall in sales and profits was mainly attributable to a first-quarter fall in sales following special orders acquired the previous year from a campaign in the restaurant business.

Results by Geographic Segment

(100 millions of yen)

Three months ended	Sales				Operating profit			
	Jun. 2008	Jun. 2009	Increase/ decrease	Change %	Jun. 2008	Jun. 2009	Increase/ decrease	Change %
Japan	127	113	(13)	(10.7)%	12	4	(7)	(61.3)%
North America	10	11	1	11.6%	1	2	1	95.5%
Europe	21	23	1	6.8%	6	6	(0)	(3.0)%
Other areas	8	10	2	24.2%	1	1	(0)	(39.1)%
Eliminations and corporate	-	-	-	-	(4)	(4)	0	-
Consolidated	167	159	(8)	(5.2)%	17	10	(6)	(38.9)%

Since the settlement period for the consolidated subsidiaries in America (including Brazil), Taiwan, and Hong Kong was changed from March to December in the previous fiscal year, the year-on-year comparative figures for regions including North America, Brazil, Taiwan, and Hong Kong compare the April to June 2008 period with the January to March 2009 period, while figures for Europe and other regions compare January to March 2008 with January to March 2009.

i. Japan: Sales fell 10.7% year-on-year to 11.3 billion yen, and operating profit fell 61.3% to 0.4 billion yen

The fall in sales is mainly attributable to the slowdown in the domestic consumer environment, which affected special orders for convenience stores and licensed products (mentioned above). The fall in profit is mainly attributable to a downturn in the domestic licensing and theme park businesses.

ii. North America: Sales rose 11.6% year-on-year to 1.1 billion yen, and operating profit rose 95.5% to 0.2 billion yen

The consumer environment in the North American economies slumped in the previous first quarter due to soaring gasoline prices. It remained harsh in the period under review due to a steep rise in unemployment, accompanied by a contraction of manufacturing activity centered on the automobile industry, exacerbated by a subsequent further fall in house prices. Profitability is currently rising, however, due to factors such as investment in licensing personnel.

iii. Europe: Sales rose 6.8% year-on-year to 2.3 billion yen, and operating profit fell 3.0% to 0.6 billion yen

Product and licensing sales generally performed well despite the economic slowdown in Europe, and sales rose in the face of the yen's appreciation against the euro. While profits rose sharply as calculated on a local currency basis, profits dipped due to higher personnel expenses to strengthen the workforce and the impact of the strong yen. Product orders rose, especially in Italy and Spain, and sales rose due to an increase in client numbers in France, Germany, and Belgium. Similarly, in the licensing business "Hello Kitty" license sales continued to grow, focused on apparel, especially at the major North European apparel company "H&M" and in France, Spain, the UK, and Italy.

iv. Other areas (mainly Brazil and Asia):

Sales rose 24.2% year-on-year to 1.0 billion yen, and operating profit fell 39.1% to 0.1 billion yen

In Brazil, exchange rate trends (the strong yen) had a major impact. In the Asian region, Taiwan saw a fall in special orders for convenience stores combined with the general consumer slump, while in Hong Kong, Europe-bound exports rose. In South Korea sales rose 2.0% year-on-year on a local currency basis, but sales and profits fell due to the strong appreciation of the yen and corresponding depreciation of the won. In China, licensee inventory investment fell until January 2009 due to the economic turmoil starting the previous year, and has yet to return to previous levels despite the start of a recovery trend.

## 2. Qualitative information regarding consolidated financial position

At the end of the first quarter, total assets stood at 78.8 billion yen, a fall of 0.2 billion yen from the end of the previous fiscal year. In the assets section, major positive factors include a 0.8 billion yen rise in investment securities due to a recovery in share prices and another 0.8 billion yen rise in long-term loans. Negative factors include a 1.6 billion yen fall in cash and deposits from the repayment of loans payable and a 1.1 billion yen fall in trade notes and accounts receivable. Liabilities stood at 51.3 billion yen, down 0.8 billion yen, due to such factors as a repayment of interest-bearing debt. Net assets rose 0.6 billion yen to 27.5 billion yen due to such factors as net profit of 0.6 billion yen, a net unrealized gain (loss) on other securities of 0.7 billion yen, a rise of 0.5 billion yen from foreign currency translation adjustment, and a 1.3 billion yen fall due to dividends paid. The equity ratio was 34.8%, up 0.9 percentage points from the end of the previous fiscal year.

Cash flows from operating activities amounted to an inflow of 0.9 billion yen (a year-on-year fall of 2.3 billion yen). This is mainly attributable to inflows comprising 1.0 billion yen of operating profit (down 0.6 billion yen year-on-year) and depreciation and provisions of 0.6 billion yen (down slightly year-on-year) set against outflows comprising a 0.3 billion yen increase in working capital (down 2.1 billion yen year-on-year) due to factors such as fluctuations in accounts receivable, accounts payable, and inventories and 0.6 billion yen (down slightly year-on-year) for interest, income tax, and other payments.

Cash flows from investing activities resulted in an outflow of 0.5 billion yen (year-on-year decrease in outlays of 0.5 billion yen). This was mainly attributable to payments of 0.5 billion yen for the purchase of tangible fixed assets and intangible fixed assets. Moreover, the fall in payments for purchase of investment securities and loans receivable resulted in a 0.4 billion yen year-on-year outflow.

Cash flows from financing activities resulted in an outflow of 2.2 billion yen (year-on-year increase in outlays of 0.1 billion yen). This was mainly attributable to the repayment of loans payable and corporate bonds of 0.8 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 first quarter decreased 1.6 billion yen from the end of the previous fiscal year to 11.9 billion yen.

## 3. Qualitative information regarding forecasts for consolidated business results

In the Japanese economy and elsewhere, economic anxiety has lessened, inventory adjustment progressed due to manufacturing adjustments, and manufacturing activity entered a recovery trend. The employment environment continues to deteriorate, however, and the poor consumer environment is predicted to continue.

Under these conditions, the social communication gifts business is anticipated to continue expanding overseas, led by the European region. Domestic product and licensing sales are expected to enter a recovery trend from the second half of the fiscal year due to products and campaigns celebrating the 35th anniversary of “Hello Kitty.”

The Sanrio Group aims to reduce operating losses in the theme park business through the impact of TV commercials advertising new musicals, events, and other attractions for the summer high season while endeavoring to cut costs still further. We anticipate that the harsh conditions will continue, however.

As a result of the above, we are making no changes to performance projections released on May 14, 2009 with regard to consolidated first-half and full-year forecasts.

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

Three months ended		Sales to customers					Operating profit				
		Jun. 2007	Jun. 2008	Change (%)	Jun. 2009	Change (%)	Jun. 2007	Jun. 2008	Change (%)	Jun. 2009	Change (%)
North America	U.S.A.	1,336	1,046	(21.7)	1,167	11.6	193	104	(45.8)	204	95.5
Latin America	Brazil	212	153	(27.7)	148	(3.3)	89	32	(63.4)	41	27.3
Asia	Hong Kong	807	416	(48.3)	709	70.1	95	100	4.9	79	(20.9)
	Taiwan	234	157	(32.6)	142	(10.0)	37	11	(70.2)	(15)	-
	Korea	112	58	(47.7)	29	(50.0)	25	27	5.7	5	(77.9)
	China	72	92	26.8	63	(31.4)	19	19	(0.7)	4	(78.6)
Asia subtotal		1,226	725	(40.8)	944	30.1	178	158	(11.4)	74	(52.9)
Europe	Europe	1,122	2,157	92.2	2,304	6.8	342	694	102.6	673	(3.0)
Total		3,897	4,083	4.8	4,564	11.8	805	990	23.1	995	0.5

**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

Not applicable.

2) Other changes

Not applicable.

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

(Millions of yen)

	First quarter of FY2009 (As of Jun. 30, 2009)	FY2008 Summary (As of Mar. 31, 2009)
<b>Assets</b>		
Current assets		
Cash and deposit	12,259	13,891
Trade notes and accounts receivable	8,315	9,431
Merchandise and finished goods	4,924	4,703
Work in process	205	73
Raw materials and supplies	300	240
Other	2,934	2,714
Allowance for doubtful accounts	(83)	(71)
Total current assets	28,857	30,983
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	7,520	7,372
Land	11,375	11,290
Other, net	1,382	1,401
Total tangible fixed assets	20,279	20,063
Intangible fixed assets	572	448
Investments and other assets		
Deferred tax assets	8,610	8,694
Other	21,376	19,726
Allowance for doubtful accounts	(895)	(881)
Total investments and other assets	29,092	27,539
Total fixed assets	49,943	48,052
Deferred assets	53	51
Total assets	78,853	79,087
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	5,817	6,453
Short-term borrowings	17,315	17,947
Accrued income taxes	545	677
Allowance for bonuses	659	370
Reserve for adjustment of returned goods	92	105
Other	5,942	5,411
Total current liabilities	30,372	30,964
Long-term liabilities		
Corporate bonds	5,697	5,607
Long-term borrowings	6,744	7,127
Reserve for retirement benefits for employees	6,910	6,884
Reserve for retirement benefits for directors	403	457
Other	1,220	1,201
Total long-term liabilities	20,976	21,278
Total liabilities	51,348	52,243

(Millions of yen)

	First quarter of FY2009 (As of Jun. 30, 2009)	FY2008 Summary (As of Mar. 31, 2009)
Net assets		
Shareholders' equity		
Capital	14,999	14,999
Capital surplus	8,732	10,095
Retained earnings	9,874	9,189
Treasury stock	(954)	(954)
Total shareholder's equity	32,652	33,330
Valuation and translation adjustment		
Net unrealized gain (loss) on other securities	(1,142)	(1,893)
Deferred hedge gain (loss)	(62)	(51)
Foreign currency translation adjustments	(3,969)	(4,563)
Total valuation and translation adjustment	(5,174)	(6,508)
Minority interests	26	22
Total net assets	27,505	26,844
Total liabilities and net assets	78,853	79,087

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

(Millions of yen)

	First three months of FY2008 (Apr. 1, 2008 – Jun. 30, 2008)	First three months of FY2009 (Apr. 1, 2009 – Jun. 30, 2009)
Sales	16,786	15,913
Cost of sales	7,447	7,190
Gross profit	9,339	8,723
Provision of reserve for adjustment of returned goods	9	-
Reversal from reserve for adjustment of returned goods	-	13
Net gross profit on sales	9,330	8,736
Selling, general and administrative expenses	7,567	7,658
Operating profit	1,762	1,078
Non-operating profit		
Interest income	80	74
Foreign exchange gain	162	-
Other	74	82
Total non-operating profit	316	157
Non-operating expenses		
Interest expense	185	157
Tax and public charges	141	100
Other	53	117
Total non-operating expenses	379	375
Ordinary profit	1,700	859
Extraordinary gains		
Reversal of allowance for doubtful accounts	23	6
Other	0	-
Total extraordinary gains	23	6
Extraordinary losses		
Loss on disposal of fixed assets	-	8
Valuation loss on inventories	79	-
Other	19	0
Total extraordinary losses	99	8
Net profit before income taxes and other adjustments	1,624	857
Income taxes - current	290	357
Income taxes - deferred	547	(187)
Total income taxes	838	169
Minority interests in income of consolidated subsidiaries	4	2
Net profit	782	685

**(3) Consolidated Cash Flow Statements**

(Millions of yen)

	First three months of FY2008 (Apr. 1, 2008 – Jun. 30, 2008)	First three months of FY2009 (Apr. 1, 2009 – Jun. 30, 2009)
Cash flows from operating activities		
Net profit before income taxes and other adjustments	1,624	857
Depreciation	393	341
Amortization of long-term prepaid expenses	24	23
Increase (decrease) in allowance for doubtful accounts	(30)	20
Increase (decrease) in reserve for bonuses	284	289
Interest and dividend income	(114)	(74)
Interest expense	185	157
Decrease (increase) in accounts receivable	3,537	518
Decrease (increase) in inventories	(43)	(386)
Decrease (increase) in other assets	(122)	(82)
Increase (decrease) in accounts payable	(1,670)	(474)
Increase (decrease) in consumption tax payable	122	(80)
Increase (decrease) in other liabilities	(467)	314
Other	(6)	2
Subtotal	3,716	1,425
Interests and dividends received	137	121
Interests paid	(112)	(112)
Income taxes paid	(491)	(499)
Cash flows from operating activities	3,250	934
Cash flows from investing activities		
Payments for time deposits	(31)	(1)
Withdrawal of time deposits	208	30
Payments for purchase of tangible fixed assets	(319)	(431)
Payments for purchase of investment securities	(208)	(11)
Proceeds from sale of investment securities	10	-
Payments for loans receivable	(286)	(15)
Collection of guarantees	182	63
Other	(626)	(162)
Cash flows from investing activities	(1,070)	(527)
Cash flows from financing activities		
Increase in short-term borrowings	612	43
Decrease in short-term borrowings	(368)	(244)
Decrease in long-term borrowings	(598)	(816)
Proceeds from issuance of corporate bonds	-	494
Payment for redemption of corporate bonds	(350)	(350)
Dividends paid	(1,346)	(1,357)
Other	(71)	(54)
Cash flows from financing activities	(2,123)	(2,285)
Effect of exchange rate changes on cash and cash equivalents	121	276
Increase (decrease) in cash and cash equivalents	177	(1,602)
Cash and cash equivalents at beginning of period	12,445	13,599
Cash and cash equivalents at end of period	12,623	11,996

**(4) Going Concern Assumption**

Not applicable.

**(5) Segment Information**

Business segment information

First three months of FY2008 (Apr. 1, 2008 – Jun. 30, 2008)

(Millions of yen)

	Social communication gifts	Theme parks	Other	Total	Eliminations and corporate	Consolidated
Sales						
(1) Customers	15,043	1,212	530	16,786	-	16,786
(2) Inter-segment	166	287	28	482	( 482)	-
Total	15,209	1,500	559	17,269	( 482)	16,786
Operating profit (loss)	2,522	(211)	(71)	2,239	( 476)	1,762

Notes: 1. Method of business classification

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 Chickens
	Real estate leasing	Real estate rent leasing
	Production and rental of robots	Production and rental of robots
	Film production	Production associations

3. Inventory was computed primarily by the moving-average cost method in prior years, but effective from the period under review 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 period under review has increased by 12 million yen.

First three months of FY2009 (Apr. 1, 2009 – Jun. 30, 2009)

(Millions of yen)

	Social communication gifts	Theme parks	Other	Total	Eliminations and corporate	Consolidated
Sales						
(1) Customers	14,365	1,054	493	15,913	-	15,913
(2) Inter-segment	141	317	32	490	( 490)	-
Total	14,507	1,371	525	16,404	( 490)	15,913
Operating profit (loss)	2,018	(429)	(91)	1,498	( 420)	1,078

Notes: 1. Method of business classification

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
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	Movies, videos	Video software sales
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	Tie-up commissions	Commissions from collaborating companies
	Dramas	Planning and play of musicals and others
Other	Restaurants	Restaurants, Kentucky Fried Chickens
	Real estate leasing	Real estate rent leasing
	Production and rental of robots	Production and rental of robots
	Film production and distribution	Production associations

Geographical segment information

First three months of FY2008 (Apr. 1, 2008 – Jun. 30, 2008)

(Millions of yen)

	Japan	Europe	Other areas	Total	Eliminations and corporate	Consolidated
Sales						
(1) Customers	12,702	2,157	1,925	16,786	-	16,786
(2) Inter-segment	1,062	0	373	1,436	( 1,436)	-
Total	13,765	2,157	2,299	18,222	( 1,436)	16,786
Operating profit	1,269	694	296	2,260	( 497)	1,762

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

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

Europe: Italy, France, Spain, Germany, etc.

Other areas: U.S.A., Hong Kong, Taiwan, South Korea, Brazil, China

3. Inventory was computed primarily by the moving-average cost method in prior years, but effective from the period under review 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 period under review has increased by 12 million yen.

First three months of FY2009 (Apr. 1, 2009 – Jun. 30, 2009)

(Millions of yen)

	Japan	Europe	Other areas	Total	Eliminations and corporate	Consolidated
Sales						
(1) Customers	11,349	2,304	2,260	15,913	-	15,913
(2) Inter-segment	1,210	11	454	1,675	( 1,675)	-
Total	12,559	2,315	2,714	17,589	( 1,675)	15,913
Operating profit	491	673	321	1,486	( 408)	1,078

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

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

Europe: Italy, France, Spain, Germany, etc.

Other areas: U.S.A., Hong Kong, Taiwan, South Korea, Brazil, China

## Overseas sales

First three months of FY2008 (Apr. 1, 2008 – Jun. 30, 2008)

(Millions of yen)

	Europe	Other areas	Total
I Overseas sales	2,170	2,474	4,645
II Consolidated sales	-	-	16,786
III Percentage of overseas sales over consolidated sales (%)	12.9	14.7	27.7

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

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

Europe: Italy, France, Spain, Germany, etc.

Other areas: U.S.A., Hong Kong, Taiwan, South Korea, Thailand, Brazil, China

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

First three months of FY2009 (Apr. 1, 2009 – Jun. 30, 2009)

(Millions of yen)

	Europe	Other areas	Total
I Overseas sales	2,308	2,594	4,902
II Consolidated sales	-	-	15,913
III Percentage of overseas sales over consolidated sales (%)	14.5	16.3	30.8

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

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

Europe: Italy, France, Spain, Germany, etc.

Other areas: U.S.A., Hong Kong, Taiwan, South Korea, Thailand, Brazil, China

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

**(6) Significant Changes in Shareholders' Equity**

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.*