

**Summary of Financial Results for the First Quarter of Fiscal Year Ending March 31, 2011 (FY2010)
(Three Months Ended June 30, 2010)**

[Japanese GAAP]

Company name: Sanrio Company, Ltd. Listed Stock Exchange: TSE 1st Section
 Stock code: 8136 URL: <http://www.sanrio.co.jp/english/corporate/ir/index.html>
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 Scheduled date of filing of Quarterly Report: August 13, 2010
 Starting date of dividend payment: -
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: None

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

1. Consolidated Financial Results for the First Quarter of FY2010 (April 1, 2010 – June 30, 2010)

(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, 2010	17,668	11.0	3,443	219.4	2,701	214.2	1,248	82.2
Three months ended Jun. 30, 2009	15,913	(5.2)	1,078	(38.9)	859	(49.4)	685	(12.4)

	Net Profit per Share	Fully-Diluted Net Profit per Share
	Yen	Yen
Three months ended Jun. 30, 2010	13.00	12.17
Three months ended Jun. 30, 2009	6.51	-

(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, 2010	84,854	30,820	36.3	236.80
As of Mar. 31, 2010	85,765	31,594	36.8	241.62

(Reference) Shareholders' equity (millions of yen) Jun. 30, 2010: 30,786 Mar. 31, 2010: 31,563

2. Dividends

	Dividend per Share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2009	-	0.00	-	10.00	10.00
FY2010	-	-	-	-	-
FY2010 (forecast)	-	5.00	-	10.00	15.00

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

Note: 2. The dividend figures above show dividends for common stock. Please refer to "Dividends of classified stock" (after-mentioned) for information on dividends for shares whose rights are different from those of the Company's common stock.

Note: 3. The dividend figures for 2Q-end FY2010 (forecast) and Total (forecast) include a 5.00 yen commemorative dividend for the 50th founding anniversary.

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2011 (April 1, 2010 – March 31, 2011)

(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	37,000	11.2	6,000	114.3	5,000	130.0	2,800	365.7	30.51
Full year	74,200	0.4	11,500	23.8	10,100	22.4	6,200	41.8	67.89

Note: Revision of consolidated forecast during the period: None

4. Others (Please refer to “Other Information” on page 5 of the attached documents for further information)

(1) Changes in consolidated subsidiaries during the period: None

Newly added: - Excluded: -

Note: Changes in designated subsidiaries affecting the scope of consolidation during the period

(2) Application of simplified accounting methods and special accounting methods: None

Note: Application of simplified accounting methods and special accounting methods for presenting quarterly consolidated financial statements

(3) Changes in accounting principles, procedures and presentation methods, etc.

1) Changes caused by revision of accounting standards: Yes

2) Other changes: None

Note: Changes of accounting principles, procedures and presentation methods, etc. for presenting quarterly consolidated financial statements described in “Changes in the Significant Accounting Policies for the Preparation of Quarterly Consolidated Financial Statements.”

(4) Number of outstanding shares (common stock)

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

Jun. 30, 2010: 88,148,431 shares Mar. 31, 2010: 88,148,431 shares

2) Number of treasury stock at the end of period

Jun. 30, 2010: 847,579 shares Mar. 31, 2010: 847,515 shares

3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2010: 87,300,875 shares Three months ended Jun. 30, 2009: 87,301,181 shares

* Information regarding the implementation of quarterly review procedures

The current quarterly financial statements are exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, we have not completed the review process for these consolidated statements.

* 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 regarding forecasts for consolidated business results” on page 4 for forecast assumptions and notes of caution for usage.

Dividends of classified stock

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	Total
	Yen	Yen	Yen	Yen	Yen
Class B preferred stock					
FY2009	-	0.00	-	469.00	469.00
FY2010	-				
FY2010 (forecast)		227.45	-	227.45	454.90

Attachments

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative information regarding consolidated business results

In the first quarter of the fiscal year under review, signs of an economic slowdown began to appear in Japan and elsewhere. Factors behind this downturn include sluggish capital investment in Europe and the U.S. stemming from credit insecurity in Europe continuing from the previous fiscal year, and a movement toward financial restraint due to concerns that China, the engine of growth, might overheat. These issues have led to progressively greater uncertainty in the Japanese economy and slowed the advance of the corporate sector, which is the source of export growth. The possibility that household budgets might be affected has led to fears of a decline in consumption.

Amid these conditions, total first-quarter sales rose 11.0% year-on-year to 17.6 billion yen. Domestic sales rose 1.9% to 11.2 billion yen while overseas sales rose 31.5% to 6.4 billion yen, buoyed by strong growth in the European region, to create an overseas sales ratio of 36.5% (up 5.7%). Operating profit rose 219.4% to 3.4 billion yen due to the above-mentioned strong performance in Europe combined with a recovery in domestic licensing and theme parks.

Ordinary profit rose 214.2% year-on-year to 2.7 billion yen, affected by interest payments, withholding tax on overseas royalty income, and foreign exchange losses (due to the recent sharp appreciation of the yen) related to the collection of trade accounts receivables from overseas subsidiaries and other items. Net profit before income taxes and other adjustments rose 153.1% year-on-year to 2.1 billion yen. This includes extraordinary losses of 0.6 billion yen such as a valuation loss on investment securities accompanied by falling share prices and asset retirement obligations, mainly for the leasing of Sanrio stores and theme park (Harmony Land), in accordance with the application of Accounting Standards for Asset Retirement Obligations. Accordingly, net profit rose 82.2% year-on-year to 1.2 billion yen.

Since the fiscal year-end for all overseas consolidated subsidiaries is December, the first quarter under review covers the period from January to March 2010.

Reportable Segment

(100 millions of yen)

		Sales				Segment profits (operating profit)			
		First quarter of FY2009	First quarter of FY2010	Increase/decrease	Change %	First quarter of FY2009	First quarter of FY2010	Increase/decrease	Change %
Japan	Product sales/others	97	99	2	2.1	4	21	17	346.2
	Royalties	16	17	1	6.9				
	Total	113	116	3	2.8				
Europe	Product sales/others	10	10	(0)	(3.5)	6	12	5	80.8
	Royalties	12	23	11	97.9				
	Total	23	34	11	49.7				
North America	Product sales/others	3	3	(0)	(2.2)	2	2	0	15.7
	Royalties	8	7	(0)	(4.1)				
	Total	11	11	(0)	(3.6)				
Latin America (Brazil)	Product sales/others	0	0	0	43.0	0	0	0	23.0
	Royalties	1	2	0	59.8				
	Total	1	2	0	57.8				
Asia	Product sales/others	6	8	1	21.1	0	1	0	118.0
	Royalties	2	3	1	40.2				
	Total	9	11	2	26.8				
Adjustment		-	-	-	-	(4)	(4)	(0)	-
Consolidated	Product sales/others	118	121	3	2.6	10	34	23	219.4
	Royalties	40	55	14	35.8				
	Total	159	176	17	11.0				

i. Japan: Sales rose 2.8% year-on-year to 11.6 billion yen, and operating profit rose 346.2% to 2.1 billion yen

The increase in sales and profits are mainly attributable to a rise in royalties from subsidiaries due to a great expansion in licensing, mainly in the European region. Within Japan, licensing sales turned upward, contributing to the higher profits. These upturns are due to the completion of inventory adjustments in the household goods industry, the success of collaborative strategies focused on apparel goods, and both sales and profits outperforming the previous year's figures. In the domestic product sales business, a rise in the number of foreign tourists visiting Japan boosted customer numbers, helping directly owned stores to perform at around the previous year's level despite the slowdown in the department and chain store industries, while profits rose due to a reduction in expenses and other factors. Domestic same-store-sales (based on directly owned stores and directly operated shops within department stores) performed at 98.6% of the previous year's level.

On the product and character side, overseas licensing continued to grow strongly, centered on Hello Kitty. For domestic licensing and product sales, rising sales from "Baby Milo" (created from the popular apparel brand "A Bathing Ape") supplemented those from "Hello Kitty," "Jewelpet," and "Little Twin Stars."

In the theme park business, sales rose 0.1 billion yen, or 14.3% year-on-year, to 1.1 billion yen with an operating loss of 0.1 billion yen (a year-on-year improvement of 0.2 billion yen). This was mainly attributable to a high number of visitors at Sanrio Puroland in Tama City, Tokyo. The dynamic appeal to groups of overseas visitors, sales of our annual passport, and special benefit plans for shareholders contributed especially to the rise in the number of visitors and higher sales, while major reductions in the cost of putting on show events aided profits. Harmony Land in Oita Prefecture also secured around the same number of visitors as it did a year previously, despite inclement holiday weather stretching into the second half of the first quarter. Visitor numbers rose 21,000 year-on-year to reach 157,000 at Sanrio Puroland, and fell 2,000 to 72,000 at Harmony Land.

The restaurant and robot production businesses also secured a rise in sales, reducing the deficit balance.

ii. Europe: Sales rose 49.7% year-on-year to 3.4 billion yen, and operating profit rose 80.8% to 1.2 billion yen

In Europe, the licensing business category grew from apparel to toys, stationery, and other products despite the harsh consumption environment within the context of a high unemployment rate. The dynamic development of the licensee business, which has increased dramatically from the previous period, has also greatly boosted sales and profits. The product sales business remained at about the same level as the previous year's due to the switch to licensing transactions based on the policy of a strategic shift in favor of licensing.

iii. North America: Sales fell 3.6 % year-on-year to 1.1 billion yen, and operating profit rose 15.7% to 0.2 billion yen

While the shift from product sales to licensing transactions has led to a fall in sales, the increase in licensing to major distributors has led to a sharp growth in licensing connected to such fashion areas as cosmetics and apparel as well as a major expansion in child-related areas, such as toys and leisure play equipment. A key factor is that the phase of conversion to licensees comprising global-growth companies advanced up to now has ended, and this effect has come to be reflected in the figures. Accordingly, we have succeeded in appealing to distributors.

iv. Latin America (mainly Brazil)

Sales rose 57.8% year-on-year to 0.2 billion yen, and operating profit rose 23.0% to 0.05 billion yen

Brazil performed strongly, with sales rising 26.9% on a local currency basis. The Brazilian Real has also appreciated year-on-year, sharply boosting sales and profits when converted to yen.

v. Asia: Sales rose 26.8% year-on-year to 1.1 billion yen, and operating profit rose 118.0% to 0.1 billion yen

In Taiwan, licensing for mobile phones and public lotteries contributed to the rise in sales and profits. In Hong Kong, sales and profits increased due to a rise in product exports to Europe and the United States, in addition to a generally strong performance from licensing. In South Korea, licensing sales performed well due to joint ventures, but product sales struggled and ballooning costs connected with Hello Kitty Town projects reduced profits. In China, sales and profits rose, mainly due to sandal licensing.

(2) Qualitative information regarding consolidated financial position

At the end of first quarter, total assets stood at 84.8 billion yen, a fall of 0.9 billion yen from the end of the previous fiscal year. The major positive factor included 1.0 billion yen in cash and deposits. The major negative factors included 1.1 billion yen in trade notes and accounts receivable, 0.2 billion yen in buildings and structures, 0.2 billion yen in guarantees, and 0.4 billion yen in deferred tax assets. Liabilities fell 0.1 billion yen to 54.0 billion yen. The major positive factors included 1.3 billion yen in long-term borrowings, 0.2 billion yen in asset retirement obligations, and 0.2 billion yen in allowance for bonuses. The major factors included 1.6 billion yen in trade notes and accounts payable, and 0.2 billion yen in accrued income taxes. Net assets fell 0.7 billion yen to 30.8 billion yen due to such factors as a rise of 1.2 billion yen from net profit, dividends paid of 1.3 billion yen and 0.5 billion yen decrease in net unrealized gain on other securities. The equity ratio was 36.3%, fell 0.5 percentage points from the end of the previous fiscal year.

Cash flows from operating activities amounted to an inflow of 2.4 billion yen (a year-on-year increase in income of 1.5 billion yen). This was mainly attributable to operating profit of 3.4 billion yen (a rise of 2.3 billion yen) and depreciation and provisions of 0.5 billion yen (a fall in income of 0.1 billion yen) set against outflows of 0.5 billion yen (a rise in outlays of 0.2 billion yen) for working capital including accounts receivable, inventories, and accounts payable, and 0.6 billion (a rise in outlays of 0.1 billion yen) for income taxes paid.

Cash flows from investing activities resulted in an outflow of 2.1 billion yen (a year-on-year increase in outlays of 1.6 billion yen). This was mainly attributable to payments of 1.3 billion yen for time deposits with maturities over 3 months (a rise of 1.3 billion yen), 0.7 billion yen for purchase of investment securities (a rise of 0.7 billion yen), and 0.2 billion yen for the purchase of tangible fixed assets (a fall in outlays of 0.2 billion yen).

Cash flows from financing activities resulted in an outflow of 0.3 billion yen (a year-on-year decrease in outlays of 1.9 billion yen). This was mainly attributable to 2.2 billion yen in long-term borrowings, decreases in long-term and short-term borrowings, redemption of corporate bonds of 1.1 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 0.3 billion yen from the end of the previous fiscal year to 17.7 billion yen.

(3) Qualitative information regarding forecasts for consolidated business results

Concerning first half and full-year forecasts, we are making no changes to the performance projections released on July 23, 2010.

(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. 2008	Jun. 2009	Change %	Jun. 2010	Change %	Jun. 2008	Jun. 2009	Change %	Jun. 2010	Change %
North America	U.S.A.	1,046	1,167	11.6	1,125	(3.6)	104	204	95.5	237	15.7
Latin America	Brazil	153	148	(3.3)	234	57.8	32	41	27.3	51	23.0
Asia	Hong Kong	416	709	70.1	915	29.1	100	79	(20.9)	127	60.6
	Taiwan	157	142	(10.0)	170	20.1	11	(15)	-	8	-
	Korea	58	29	(50.0)	29	(0.9)	27	5	(77.9)	4	(26.9)
	China	92	63	(31.4)	81	28.7	19	4	(78.6)	22	437.1
Asia subtotal		725	944	30.1	1,197	26.8	158	74	(52.9)	162	118.0
Europe	Europe	2,157	2,304	6.8	3,450	49.7	694	673	(3.0)	1,217	80.8
Total		4,083	4,564	11.8	6,007	31.6	990	995	0.5	1,669	67.7

2. Other Information

(1) Overview of changes in consolidated subsidiaries

Not applicable.

(2) Overview of application of simplified accounting methods and special accounting methods

Not applicable.

(3) Overview of changes in accounting principles, procedures, presentation methods, etc.

Beginning with the first quarter of the current fiscal year, “Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan (ASBJ) Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008) have been applied.

As a result, operating profit and ordinary profit have both decreased by 5 million yen while net profit before income taxes and other adjustments has decreased by 432 million yen. Application of these standards increased the account balance of asset retirement obligations by 257 million yen.

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

(Millions of yen)

	First quarter of FY2010 (As of Jun. 30, 2010)	FY2009 Summary (As of Mar. 31, 2010)
Assets		
Current assets		
Cash and deposit	19,647	18,562
Trade notes and accounts receivable	9,861	11,019
Merchandise and finished goods	4,253	4,453
Work in process	80	46
Raw materials and supplies	291	229
Other	4,547	4,530
Allowance for doubtful accounts	(105)	(130)
Total current assets	38,576	38,710
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	7,570	7,770
Land	11,309	11,307
Other, net	1,253	1,275
Total tangible fixed assets	20,133	20,353
Intangible fixed assets		
	456	493
Investments and other assets		
Deferred tax assets	6,520	6,646
Other	20,191	20,691
Allowance for doubtful accounts	(1,092)	(1,204)
Total investments and other assets	25,618	26,133
Total fixed assets	46,208	46,980
Deferred assets	68	74
Total assets	84,854	85,765
Liabilities		
Current liabilities		
Trade notes and accounts payable	6,098	7,732
Short-term borrowings	16,099	15,954
Accrued income taxes	926	1,136
Allowance for bonuses	655	365
Reserve for adjustment of returned goods	85	118
Other	7,013	6,919
Total current liabilities	30,878	32,226
Long-term liabilities		
Corporate bonds	5,815	6,225
Long-term borrowings	8,492	7,153
Reserve for retirement benefits for employees	6,945	6,963
Reserve for retirement benefits for directors	415	411
Asset retirement obligations	258	-
Other	1,227	1,191
Total long-term liabilities	23,155	21,945
Total liabilities	54,033	54,171

	(Millions of yen)	
	First quarter of FY2010 (As of Jun. 30, 2010)	FY2009 Summary (As of Mar. 31, 2010)
Net assets		
Shareholders' equity		
Capital	14,999	14,999
Capital surplus	8,732	8,732
Retained earnings	13,384	13,478
Treasury stock	(954)	(954)
Total shareholder's equity	36,162	36,255
Valuation and translation adjustments		
Net unrealized gain (loss) on other securities	(1,070)	(563)
Deferred hedge gain (loss)	(20)	(45)
Foreign currency translation adjustments	(4,285)	(4,083)
Total valuation and translation adjustments	(5,375)	(4,692)
Minority interests	34	30
Total net assets	30,820	31,594
Total liabilities and net assets	84,854	85,765

(2) Consolidated Income Statements
(For the Three-month Period)

(Millions of yen)

	First three months of FY2009 (Apr. 1, 2009 – Jun. 30, 2009)	First three months of FY2010 (Apr. 1, 2010 – Jun. 30, 2010)
Sales	15,913	17,668
Cost of sales	7,190	6,935
Gross profit	8,723	10,733
Reversal from reserve for adjustment of returned goods	13	33
Net gross profit on sales	8,736	10,766
Selling, general and administrative expenses	7,658	7,322
Operating profit	1,078	3,443
Non-operating profit		
Interest income	74	71
Other	82	49
Total non-operating profit	157	120
Non-operating expenses		
Interest expense	157	147
Tax and public charges	100	139
Foreign exchange loss	-	448
Other	117	126
Total non-operating expenses	375	862
Ordinary profit	859	2,701
Extraordinary gains		
Reversal of allowance for doubtful accounts	6	117
Other	-	0
Total extraordinary gains	6	117
Extraordinary losses		
Loss on disposal of fixed assets	8	-
Valuation loss on investment securities	-	159
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	426
Other	0	62
Total extraordinary losses	8	648
Net profit before income taxes and other adjustments	857	2,170
Income taxes - current	357	526
Income taxes - deferred	(187)	391
Total income taxes	169	918
Income before minority interests	-	1,251
Minority interests in income of consolidated subsidiaries	2	3
Net profit	685	1,248

(3) Consolidated Cash Flow Statements

(Millions of yen)

	First three months of FY2009 (Apr. 1, 2009 – Jun. 30, 2009)	First three months of FY2010 (Apr. 1, 2010 – Jun. 30, 2010)
Cash flows from operating activities		
Net profit before income taxes and other adjustments	857	2,170
Depreciation	341	331
Amortization of long-term prepaid expenses	23	18
Increase (decrease) in allowance for doubtful accounts	20	(122)
Increase (decrease) in reserve for bonuses	289	290
Interest and dividend income	(74)	(73)
Interest expense	157	147
Decrease (increase) in accounts receivable	518	1,055
Decrease (increase) in inventories	(386)	83
Decrease (increase) in other assets	(82)	(174)
Increase (decrease) in accounts payable	(474)	(1,697)
Increase (decrease) in consumption tax payable	(80)	(87)
Increase (decrease) in other liabilities	314	484
Other	2	721
Subtotal	1,425	3,148
Interests and dividends received	121	111
Interests paid	(112)	(144)
Income taxes paid	(499)	(663)
Cash flows from operating activities	934	2,451
Cash flows from investing activities		
Payments for time deposits	(1)	(1,370)
Withdrawal of time deposits	30	39
Payments for purchase of tangible fixed assets	(431)	(205)
Payments for purchase of investment securities	(11)	(758)
Collection of loans receivable	(15)	(3)
Collection of guarantees	63	52
Other, net	(162)	85
Cash flows from investing activities	(527)	(2,160)
Cash flows from financing activities		
Increase in short-term borrowings	43	-
Decrease in short-term borrowings	(244)	(127)
Increase in long-term borrowings	-	2,200
Decrease in long-term borrowings	(816)	(588)
Proceeds from issuance of corporate bonds	494	-
Payment for redemption of corporate bonds	(350)	(410)
Dividends paid	(1,357)	(1,335)
Other, net	(54)	(62)
Cash flows from financing activities	(2,285)	(323)
Effect of exchange rate changes on cash and cash equivalents	276	(272)
Increase (decrease) in cash and cash equivalents	(1,602)	(305)
Cash and cash equivalents at beginning of period	13,599	18,073
Cash and cash equivalents at end of period	11,996	17,768

(4) Going Concern Assumption

Not applicable.

(5) Segment Information, etc.

Business segment information

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
	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 and distribution	Production associations

Geographical segment information

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 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. Regions are classified by geographical proximity.

2. Major areas included in each segment 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 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).

Segment information

(Additional information)

Beginning with the first quarter of the current fiscal year, the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009) and “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008) have been applied.

1. Overview of reportable segment

Segments used for financial reporting are the Sanrio Group’s constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Group is engaged primarily in the social communication gifts business, which involves the planning and sale of social communication gift products and character merchandise licensing operations, and the theme parks business. The Company and its domestic consolidated subsidiaries conduct business operations in Japan and there overseas consolidated subsidiaries in each region conduct business operations in Europe (mainly Italy, France, Spain and Germany), North America (mainly the United States), Latin America (mainly Brazil) and Asia (mainly Hong Kong, Taiwan, South Korea and China). The Company and each consolidated subsidiary are independent operating units that establish comprehensive strategies concerning their products and other aspects of operations and conduct business operations based on those strategies.

As a result, there are five reportable segments based on the structure of sales activities by geographical segments: Japan, Europe, North America, Latin America and Asia.

2. Information related to sales and profit for each reportable segment

First three months of FY2010 (Apr. 1, 2010 – Jun. 30, 2010)

(Millions of yen)

	Reportable segment						Adjustment *1	Amounts shown on quarterly consolidated income statements *2
	Japan	Europe	North America	Latin America	Asia	Total		
Sales								
(1) Customers	11,661	3,450	1,125	234	1,197	17,668	-	17,668
(Royalty income)	1,716	2,393	796	208	396	5,511	-	5,511
(2) Inter-segment	2,151	12	124	-	348	2,636	(2,636)	-
(Royalty income)	2,088	12	13	-	37	2,152	(2,152)	-
Total	13,813	3,463	1,249	234	1,545	20,305	(2,636)	17,668
Segment profit	2,192	1,217	237	51	162	3,861	(418)	3,443

Notes: 1. The 418 million yen adjustment to segment profit is the sum of inter-segment transactions and corporate expenses that are mostly administrative expenses that cannot be assigned to any particular segment.

2. Segment profit is adjusted to be consistent with operating profit shown on the quarterly consolidated income statements.

(Reference information)

Business segment sales and operating profit (loss)

First three months of FY2010 (Apr. 1, 2010 – Jun. 30, 2010)

(Millions of yen)

	Social communication gifts	Theme parks	Other	Total	Eliminations and corporate	Consolidated
Sales						
(1) Customers	15,961	1,181	525	17,668	-	17,668
(Royalty income)	5,431	78	1	5,511	-	5,511
(2) Inter-segment	147	216	30	393	(393)	-
(Royalty income)	1	-	-	1	(1)	-
Total	16,108	1,397	556	18,062	(393)	17,668
Operating profit (loss)	4,040	(128)	(62)	3,849	(405)	3,443

Note: The social communication gifts segment includes the planning and sale of social communication gift products, character merchandise licensing and other activities. The theme parks segment includes theme park services, tie-up commissions and other activities. The others segment includes restaurant operations, the production and rental of robots, and other activities.

(6) Significant Changes in Shareholders' Equity

There was no significant change in shareholders' equity compared to the end of the previous fiscal year.

As was announced in the press release "Announcement regarding the purchase of treasury stock (class B preferred stock)" dated July 14, 2010, the Company purchased 400,000 stocks of the total number of outstanding class B preferred stocks of 1,000,000 stocks on July 30, 2010. The Company plans to retire all of class B preferred stocks purchased this time around October 4, 2010.

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.