December 20, 2017

Company name: Sanrio Company, Ltd.
President and Chief Executive Officer: Shintaro Tsuji
Code: 8136, First Section of Tokyo Stock Exchange
Inquiries: Susumu Emori, Senior Managing Director
Tel: *81-3-3779-8058

Notice Regarding Sale of Fixed Asset by Sanrio's Consolidated Subsidiary (Determined)

With regard to the "Notice Regarding Sale of Fixed Asset by Sanrio's Consolidated Subsidiary" disclosed on November 9, 2017, the transaction was conducted on December 19 local time as follows:

1. Outline of the consolidated subsidiary

(1) Corporate name	Sanrio, Inc.
(2) Location	South San Francisco, California, United States
(3) Capital	US$34,412 thousand
(4) Representative	Katsumi Murakami, CEO
(5) Shareholder (equity stake)	Sanrio Company, Ltd. (100%)

2. Reason for sale

In view of the property market and the business environment, Sanrio, Inc. has reviewed its asset portfolio for better use of its management resources and enhancement of its financial conditions, and sold the fixed asset, while retaining their use through a sale and leaseback transaction.

3. Estimated book value and determined sales value of the asset sold

Name and location of the asset	Facilities	Book value
Head office building 570 Eccles Avenue, South San Francisco, CA 94080	Head office building, storage, and facility for rent	US$16.20 million (approximate amount) (app. ¥1,830 million)
Sales value	US$64.63 million (app. ¥7,263 million)	

Note: The yen values mentioned above are approximate amounts, based on the recent exchange rate.

4. Outline of the buyer

Corporate name and location	Prologis USLV LLC, located in San Francisco, CA, USA
Business activities	Logistics Real Estate Business
Relationship with the Sanrio Group	No capital, personal, and trading relationship

5. Outline of the leaseback transaction

Leaseback land area	App. 9,500 square meters (currently in use)
Leaseback period	7 years (with an option of an extended period of 5 years)
Special provision on the leaseback period	Tenancy can be terminated with a 6-month notice, after 3 years from the start of lease.

6. Impact on earnings outlook

After determining the impact of the U.S. accounting standard (sales and lease back, etc.) and the U.S. tax system reform is determined on the consolidated subsidiary's income, and comprehensively reviewing and determining the overall impact, with due consideration on recent earnings trend of other areas, revised earnings forecasts will be promptly disclosed.

(Sanrio Company's current fiscal year is from April 1, 2017 to March 31, 2018, whereas its overseas subsidiaries' fiscal year is from January 1, 2017 to December 31, 2017. As a result, the impact of this transaction on consolidated earnings will be reflected in Sanrio Company's fourth quarter, or January-March quarter.)

End