



November 26, 2003

Consolidated Results of Operations

(for the first half of Fiscal Year 2003)



Cord: 8136

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

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--Contents--

- (Page3) Consolidated Financial Highlights (change from the first half of FY2002)
- (Page4) Consolidated Industry Segments
- (Page5) Consolidated Subsidiaries (the first half of FY2003)
- (Page6) Consolidated Financial Highlights (change from previous forecast)
- (Page7) Consolidated Balance sheets
- (Page8) Consolidated Statements of Cash Flows
- (Page9) Unconsolidated Licensing Business
- (Page10) Store Network in Japan
- (Page11) Overseas Sales Network of Sanrio Group
- (Page12) Consolidated Financial Hights (the latter half of FY2003)
- (Page13) Consolidated Subsidiaries (the latter half of FY2003)
- (Page14) Consolidated Financial Hightlights (the full-year of FY2003)
- (Page15) Consolidated Subsidiaries (the full-year of FY2003)
- (Page16) Restructuring Plans of Heavily Indebted Subsidiaries
- (Page17) Business of Subsidiaries under Restructuring
- (Page18) Medium-term Management Plan "Project 2005"



Consolidated Financial Highlights (change from the first half of FY2002)

(In 100million yen)

	First half of FY 2003 (Results)	First half of FY 2002 (Results)	Rate of change	change
Net sales	481	523	-8.0%	-42
Gross profit	192	194	-1.1%	-2
Selling, general and administrative expenses	177	187	-5.3%	-10
Operating profit	15	7	+115.7%	8
Net of non-operating income (expenses)	(9)	(22)	-	14
Ordinary profit (loss)	6	(16)	-	22
Special gains (losses)	3	(86)	-	88
Income (loss) before income taxes	9	(101)	-	110
Income taxes - current	4	5	-	-1
- (deferred)	(24)	27	-	-51
Net income taxes	(20)	31	-	-52
Net income (loss)	29	(133)	-	161
Gross profit margin	39.9%	37.1%	+2.8%	
Selling, general and administrative expenses / Net sales	36.9%	35.8%	+1.1%	
Operating margin	3.0%	1.3%	+1.7%	
Ordinary profit margin	1.2%	-3.0%	+4.2%	
Net profit margin	6.0%	-25.3%	+31.3%	

Industry Segments

	First half (Results)	YoY	Latter half (Plan)	YoY	Full-year (Plan)	YoY
Sales	481	92%	566	99%	1,047	96%
Social Communication Gift Segment	428	92%	521	99%	949	96%
{ Domestic retail and wholesale	210	89%	253	99%	462	94%
{ Domestic Licensing	130	91%	176	95%	306	93%
{ Overseas Sales	89	103%	92	108%	181	105%
Theme Parks Segment	40	84%	32	100%	72	90%
Other Segment	22	101%	23	110%	45	105%
Corporate expenses and eliminations	(9)	-	(10)	-	(19)	-

(In 100million yen)

	First half (Results)	YoY	Latter half (Plan)	YoY	Full-year (Plan)	YoY
Operating Profit (Loss)	15	216%	25	178%	40	190%
Social Communication Gift Segment	26	135%	38	119%	64	125%
Theme Parks Segment	(9)	down	(12)	up	(21)	up
Other Segment	0	up	2	up	2	up
Corporate expenses and eliminations	(3)	-	(3)	-	(6)	-
Operating Profit (Loss) before depreciation (EBITDA)	31	129%	41	131%	72	130%
Social Communication Gift Segment	31	123%	43	113%	74	117%
Theme Parks Segment	1	down	(2)	up	(1)	up
Other Segment	1	up	3	up	4	up
Corporate expenses and eliminations	(2)	-	(3)	-	(5)	-

Consolidated Subsidiaries

		The first half of FY2003 (Results)			
		Sales	YoY	Operating profit (loss)	YoY
(In 100million yen)					
Social Communication Gifts	Sanrio	386	93%	21	200%
	Sanrio Far East supply of products to sanrio and licensing of o	15	64%	1	72%
	Sanmare sale of apparel and sanrio products	11	76%	0	up
	Sanrio Inc (USA) sale and licensing of sanrio products	59	101%	1	62%
	Sanrio Hong Kong control of local manufacturers and licensing	16	117%	1	85%
	Sanrio Taiwan control of local manufacturers and licensing	4	86%	0	down
	Sanrio KOREA control of local manufacturers and licensing	3	61%	1	74%
	Sanrio Gmbh (Germany) control of local manufacturers and licensing	6	120%	1	74%
	Segment Total	428	92%	26	135%
Theme Parks	Sanrio Puroland theme park	29	86%	2	59%
	Harmony Land theme park	11	82%	1	108%
	Segment Total	40	84%	(9)	down
	Depreciation			10	
Others	Sanway restaurant	12	94%	(0)	up
	Segment Total	22	101%	0	up
Consolidated Total		481	92%	15	216%

Notes) Consolidated total is a figure including corporate expenses and eliminations.

Segment totals are not corresponding to totals of consolidated subsidiaries due to various technical reasons.

Consolidated Financial Hights (change from the previous forecast)

(In 100million yen)

	First half of FY2003 (Results)	Previous forecast announced on May 26, 03	Rate of change	
			Rate of change	change
Net sales	481	489	-1.6%	-8
Gross profit	192	195	-1.6%	-3
Selling, general and administrative expenses	177	178	-0.4%	-1
Operating profit	15	17	-14.4%	-2
Net of non-operating income (expenses)	(9)	(7)	-	-2
Ordinary profit	6	11	-47.2%	-5
Special gains (losses)	3	(1)	-	4
Income before income taxes	9	10	-14.6%	-1
Income taxes - current	4	-	-	-
- (deferred)	(24)	-	-	-
Net income taxes	(20)	4	-	-24
Net income	29	6	+381.0%	23
Gross profit margin	39.9%	39.9%	+0.0%	
Selling, general and administrative expenses / Net sales	36.9%	36.4%	+0.5%	
Operating margin	3.0%	3.5%	-0.5%	
Ordinary profit margin	1.2%	2.2%	-1.0%	
Net profit margin	6.0%	1.2%	+4.8%	

Consolidated Balance Sheets

(In 100million yen)

	Sep,03	Mar,03	change
Current assets	277	323	-45
Cash on hand and in banks	60	94	-34
Notes and accouts receivable, trade	113	133	-19
Inventories	79	65	14
Deferred income taxes	14	10	3
Fixes assets	493	507	-14
Total of Deferred income taxes	125	106	19
Investments and other assets	325	304	21
Investment securities	56	48	8
Deferred income taxes	112	96	16
Securitiy deposits	89	94	-4
Total assets	1,096	1,133	-37

	Sep,03	Mar,03	change
Current liabilities	633	697	-64
Notes and accounts payable, trade	111	129	-18
Short-term borrowings	476	512	-36
Long-term liabilities	276	280	-5
Total of interest bearing debts (**)	675	726	51
Long-term borrowings	167	214	-47
Debt securities	32	-	32
Accrued pension and severance costs	61	56	5
Shareholders' equity	187	156	31
Common stock (*)	183	368	-185
Retained earnings	31	184	215
adjustment and others	27	29	2
Total of liabilities and Shareholders' equity	1,096	1,133	-37

(*) Common stock was reduced by 18.5billion yen in Aug, 03.

(**) Total of Interest bearing debts as of Sep, 03 is 67.5billion yen (change from Mar,03 5.1billion)

Consolidated Statements of Cash Flows

(In 100million yen)

	First half of FY2003	First half of FY2002	change
CF from operating activities (A)	9	20	-11
Income (loss) before income taxes	9	(101)	110
Depreciation	16	17	-1
Inventory	(16)	104	-120
CF from investment activities (B)	14	(23)	37
Time deposits	7	(3)	10
Investment securities	7	(*) (15)	22
Security deposits	5	5	-0
Property and equipment (themeparks & shops)	(6)	(7)	2
Free CF (A) + (B)	23	(4)	26
CF from financing activities	(51)	(0)	-51
Borrowings	(82)	(7)	-76
Debt securities	31	-	31
Payment of dividends	0	(8)	8
Change of cash and cash equivalents	53	86	-33

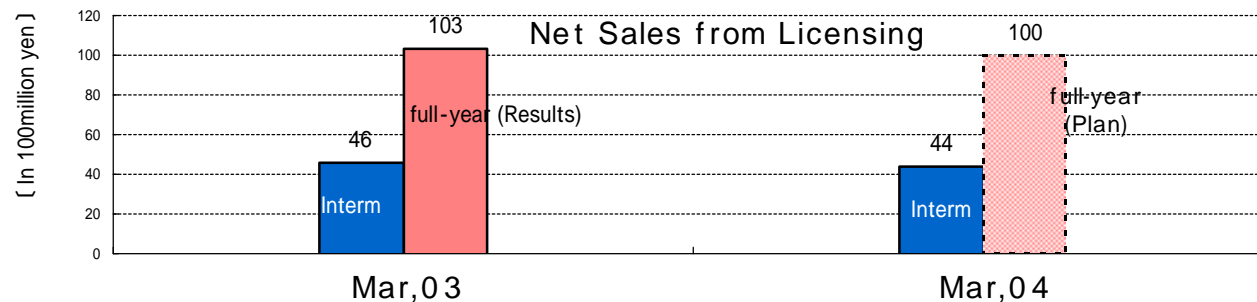
(*) Marketable securities operation is included

Licensing Business (Unconsolidated)

(In 100million yen)

	First half (Results)	YoY	Latter half (Plan)	YoY	Full-year (Plan)	YoY
Net Sales for the company (A)	386	93%	445	96%	831	95%
Net Sales from Licensing (B)	130	91%	176	95%	306	93%
a component ratio (B/A)	34%	98%	40%	98%	37%	98%
Royalty	26	108%	29	104%	55	106%
Buysell *	104	88%	147	92%	251	91%
Net Sales for the company (A)	132	102%	146	101%	278	101%
Net Sales from Licensing (B)	44	96%	56	98%	100	97%
a component ratio (B/A)	33%	93%	38%	98%	36%	96%
Royalty	26	108%	29	104%	55	106%
Buysell *	18	82%	27	93%	45	88%

*Buysell: Buying products from manufactures and selling those to their designated companies.



Store Network in Japan

(As of Sep, 03)	number of stores	change from Mar,03
Gift Gate (company-operated&FC)	154	(10)
Department stores	200	(30)
National chain	965	(71)
Speciality stores	160	(10)
TOTAL	1,479	(121)

Net sales (Gift Gate stores)	
all stores YoY	102%
same-store YoY	*92%

*(In second quarter of Fiscal 2003 : 95%)

New shop

Tokyo-sanrio-ya, LaQua (TOKYO DOM)
1 May, 2003 Newly Opened
Shop space:112m² (TOKYO DOME, Tokyo)



Character operated booth style shop

Atuta Gift Gate
5 Jul, 2003 Newly Opened
Shop space:231m² (Nagoya)



Large-space shop

Kurume Gift Gate
4 Sep, 2003 Newly Opened
Shop space:106m² (Kurume, Fukuoka)

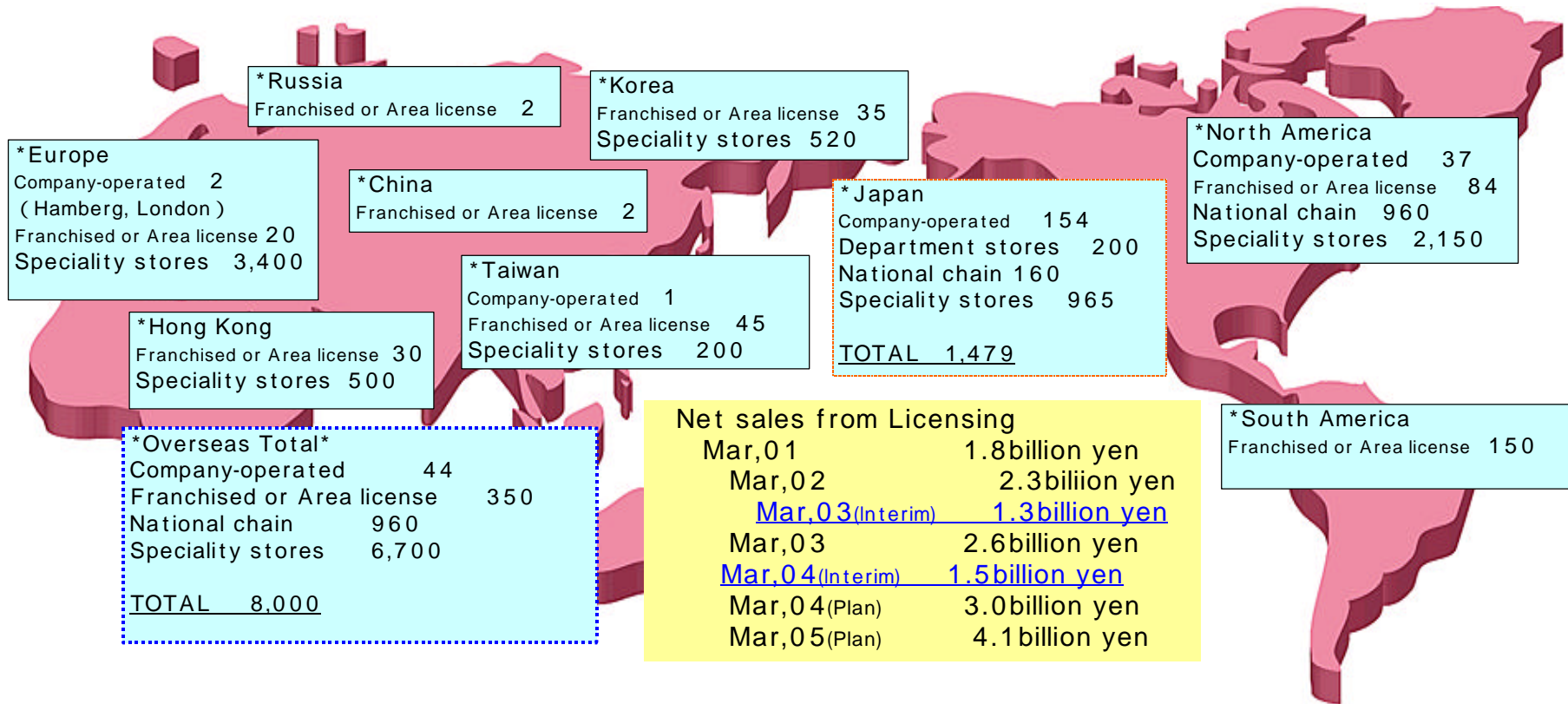
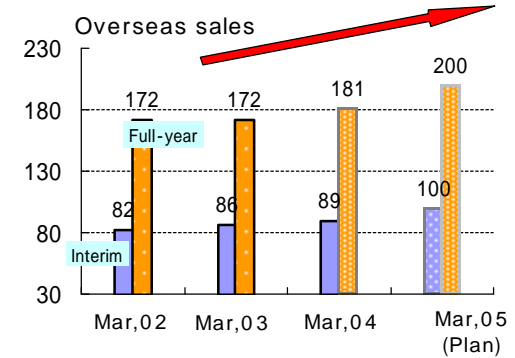


Suburban Gift Gate

Overseas Sales & Stores Network of Sanrio Group

	First Half (Results)	YoY	Latter Half (Plan)	YoY	Full-year (Target)	YoY
Overseas sales	89	103%	92	108%	181	105%
North America	58	101%	59	103%	117	102%
Others	30	107%	34	118%	64	112%

Others: Mainly HongKong ,Taiwan,Thailand,Europe,Brazil (Export sales from the Parent Company chiefly)



Consolidated Financial Highlights (Plan for the latter half of FY2003)

(In 100million yen)

	Latter half of FY2003 (Plan)	Latter half of FY2002 (Results)	YoY (%)	change
Net sales	566	572	1.2%	(7)
Gross profit	212	207	+2.0%	4
Selling, general and administrative expenses	187	194	3.6%	(7)
Operating profit	25	14	+78.2%	11
Net of non-operating income (expenses)	(9)	(8)	-	(1)
Ordinary profit	16	6	+162.8%	10
Special gains (losses)	15	(89)	-	104
Income (loss) before income taxes	31	(83)	-	114
Income taxes - current	1	1	-	(0)
- deferred	5	(23)	-	28
Net income taxes	6	(22)	-	28
Net income (loss)	24	(61)	-	85
Gross profit margin	37.4%	36.2%	+1.1%	
Selling, general and administrative expenses / Net sales	33.0%	33.8%	0.8%	
Operating margin	4.4%	2.4%	+2.0%	
Ordinary profit margin	2.9%	1.1%	+1.8%	
Net profit margin	4.3%	10.7%	+15.0%	

Consolidated Subsidiaries

		The latter half of FY2003 (Plan)			
		Sales	YoY	Operating Profit	YoY
(In 100million yen.)					
Social Communication Gifts	Sanrio	446	96%	29	116%
	Sanrio Far East	22	149%	1	up
	supply of products to sanrio and licensing of overseas characters and properties				
	Sanmare	11	81%	1	up
	sale of apparel and sanrio products				
	Sanrio Inc (USA)	59	103%	3	up
	sale and licensing of sanrio products				
	Sanrio Hong Kong	13	99%	1	109%
	control of local manufacturers and licensing				
	Sanrio Taiwan	4	98%	0	down
control of local manufacturers and licensing					
Sanrio KOREA	2	72%	0	down	
control of local manufacturers and licensing					
Sanrio Gmbh (Germany)	8	122%	0	down	
control of local manufacturers and licensing					
Segment Total	521	99%	38	119%	
Theme Parks	Sanrio Puroland	24	102%	(1)	up
	theme park				
	Harmony Land	7	92%	(0)	up
	theme park				
Segment Total	32	100%	(12)	up	
Depreciation			10		
Others	Sanway	14	104%	1	up
	restaurant				
Segment Total	23	110%	2	up	
Consolidated Total		566	99%	25	178%

Notes) Consolidated total is a figure including corporate expenses and eliminations.

Segment totals are not corresponding to totals of consolidated subsidiaries due to various technical reasons.

Consolidated Financial Highlights (Plan for the full-year of FY2003)

(In 100million yen)

	FY2003 (Plan)	FY2002 (Results)	YoY	change
Net sales	1,047	1,096	-4.4%	-49
Gross profit	403	402	+0.5%	2
Selling, general and administrative expenses	364	381	-4.4%	-17
Operating profit	40	21	+90.4%	19
Net of non-operating income (expenses)	18	30	-	13
Ordinary profit (loss)	22	10	-	32
Special gains (losses)	17	175	-	192
Income (loss) before income taxes	39	184	-	224
Income taxes - current	5	6	-	-1
- deferred	19	4	-	-23
Net income taxes	14	10	-	-24
Net income (loss)	53	194	-	247
Gross profit margin	38.5%	36.6%	+1.9%	
Selling, general and administrative expenses / Net sales	34.7%	34.7%	+0.0%	
Operating margin	3.8%	1.9%	+1.9%	
Ordinary profit margin	2.1%	0.9%	+3.0%	
Net profit margin	5.1%	17.7%	+22.8%	

Consolidated Subsidiaries

		The full-year of FY2003 (Plan)			
(In 100million yen)		Sales	YoY	Operating Profit	YoY
Social Communication Gifts	Sanrio	831	95%	50	141%
	Sanrio Far East	37	98%	2	377%
	supply of products to sanrio and licensing of overseas characters and properties				
	Sanmare	22	79%	1	up
	sale of apparel and sanrio products				
	Sanrio Inc (USA)	119	102%	4	254%
	sale and licensing of sanrio products				
	Sanrio Hong Kong	28	108%	2	94%
	control of local manufacturers and licensing				
	Sanrio Taiwan	8	91%	0	down
control of local manufacturers and licensing					
Sanrio KOREA	5	65%	1	down	
control of local manufacturers and licensing					
Sanrio Gmbh (Germany)	15	121%	1	-	
control of local manufacturers and licensing					
Segment Total		949	96%	64	125%
Theme Parks	Sanrio Puroland	53	93%	1	up
	theme park				
	Harmony Land	18	86%	0	up
theme park					
Segment Total		72	90%	(21)	up
Depreciation				20	
Others	Sanway	26	99%	1	up
	restaurant				
Segment Total		45	105%	2	up
Consolidated Total		1,047	96%	40	190%

Notes) Consolidated total is a figure including corporate expenses and eliminations.

Segment totals are not corresponding to totals of consolidated subsidiaries due to various technical rea

Restructuring Plan of Heavily Indebted Subsidiaries

(In 100million yen)

1) Elimination of negative net worth (By Mar,05)

	As of Mar, 01	Apr,01-Mar,03 Improvement	FY2003		FY2004 (Plan)
			First half (Improvement)	Latter half (Plan)	
Sanrio Puroland	106	63	12	18	13
Harmony Land	137	108	1	14	14
Sanway	31	21	(0)	5	5
Total	275	192	13	37	32
Progress		70%	75%	88%	100%

Note)

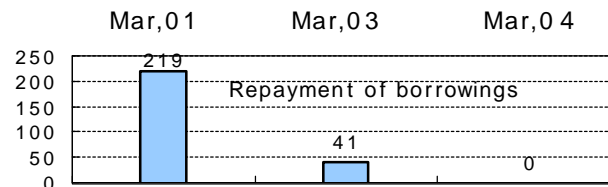
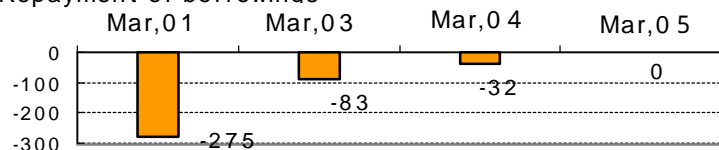
First half Puroland increase of capital 1.0billion yen
 Latter half (Plan) Puroland increase of capital 2.0billion yen
 Harmony Land increase of capital 1.5billion yen
 Sanway increase of capital 0.4billion yen

2) Repayment of borrowings (By Mar,04)

	As of Mar, 01	Apr,01-Mar,03 Repayment	FY2003	
			First half (Improvement)	Latter half (Plan)
Sanrio Puroland	27	22	3	2
Harmony Land	157	135	1	21
Sanway	35	21	6	8
Total	219	178	10	31
Progress		81%	86%	100%

Repayment is to be completed during this term.

Repayment of borrowings



Business of Subsidiaries under Restructuring

(In 100million yen)

	First half		Latter half		Full-year	
Sanrio Puroland	(Results)	YoY	(Plan)	YoY	(Plan)	YoY
Net sales	29	86%	24	102%	53	93%
Operating profit (losses)	2	59%	(1)	UP	1	UP
Depreciation	1	-	1	-	1	-
Number of paying visitors (in ten thousand)	47	90%	37	100%	84	94%

Key Measures in the latter half

- Events for boys and men is under preparing planning (for Spring, 2004)
- Sanrio family musical 「Sweet Memory shop」 is performed (Starting in Jan,04)

	First half		Latter half		Full-year	
Harmony Land	(Results)	YoY	(Plan)	YoY	(Plan)	YoY
Net sales	11	82%	7	92%	18	86%
Operating profit (losses)	1	108%	(0)	UP	0	UP
Depreciation	0	-	0	-	0	-
Number of paying visitors (in ten thousand)	22	85%	13	96%	35	89%

Key Measures in the latter half

- Shows and attractions to be renewed
- A outdoor theater to be roofed in (by Feb,04)

	First half		Latter half		Full-year	
Sanway	(Results)	YoY	(Plan)	YoY	(Plan)	YoY
Net sales	12	94%	14	104%	26	99%
Operating profit (losses)	(0)	UP	1	UP	1	UP

Key Measures in the latter half

- Unprofitable restaurants to be scrapped

Medium-term Management Plan "Project 2005"

3-year new management plan to overcome hard business conditions.
started in Apr, 2003 to achieve targets by Fiscal 2005.

Main targets (Consolidated)	Key Measures
Operating profit 8,7billion yen	<ul style="list-style-type: none"> ·To expand overseas business ·To focus on licensing business
Return on equity (ROE) 10%	<ul style="list-style-type: none"> ·To put more effort on advertising ·To shed unprofitable businesses
Return on assets (ROA) 6%	<ul style="list-style-type: none"> ·To reduce expenses ·To cut cost of goods
Interest bearing debt 62,5billion yen	<ul style="list-style-type: none"> ·To add entertainer-capacity to sanrio characters ·To review character portfolio ·To pull up age group of target customers ·To collaborate with other companies

(In 100million of yen)

	FY2003		FY2004 (Plan)	FY2005 (Plan)	(Target)
	Announced on May,03	Revised Plan			
Net sales	1,062	1,047	1,100	1,164	-
Operating profit	40	40	58	87	87
Ordinary profit	28	22	48	78	-
Net income	25	53	28	43	-
Earnings per share (yen)	32.2	69.1	36.8	56.2	-
ROE (%)	14.7%	29.1%	15.0%	20.3%	10.0%
ROA (%)	3.5%	3.6%	5.2%	7.9%	6.0%
Interest bearing debt	684	649	654	625	625

As of Sep, 03 : 675