

SANRIO COMPANY, LTD. AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

AS OF SEPTEMBER 30

ASSETS

(Millions of yen)

	<u>2004/9/30</u>	<u>2003/9/30</u>	<u>2004/3/31</u>
Current assets:			
Cash on hand and in banks	¥7,530	¥5,992	¥8,645
Notes and accounts receivable, trade	11,732	11,347	11,317
Marketable securities	-	-	-
Inventories	6,560	7,891	6,179
Deferred income taxes	592	1,368	953
Other current assets	1,785	1,383	1,823
Allowance for doubtful accounts	(245)	(261)	(246)
Total current assets	<u>27,956</u>	<u>27,720</u>	<u>28,672</u>
Fixed assets:			
Property and equipment, net of accumulated depreciation			
Buildings	11,512	32,482	30,873
Machinery and equipment	1,697	3,299	3,041
Land	11,506	12,610	12,230
Construction in progress	5	54	18
	<u>24,722</u>	<u>48,448</u>	<u>46,164</u>
Intangible fixed assets	<u>454</u>	<u>862</u>	<u>840</u>
Investments and other assets			
Investment securities	6,838	5,624	7,359
Long-term receivables	13,212	13,838	13,195
Deferred income taxes	12,511	11,156	10,210
Other	1,672	2,301	2,059
Allowance for doubtful accounts	(394)	(443)	(391)
	<u>33,841</u>	<u>32,477</u>	<u>32,433</u>
Total fixed assets	<u>59,018</u>	<u>81,788</u>	<u>79,438</u>
Deffered assets			
Bond expenses	<u>46</u>	<u>78</u>	<u>62</u>
Total assets	<u>¥87,021</u>	<u>¥109,587</u>	<u>¥108,173</u>

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AS OF SEPTEMBER 30

LIABILITIES AND SHAREHOLDERS' EQUITY

(Millions of yen)

	<u>2004/9/30</u>	<u>2003/9/30</u>	<u>2004/3/31</u>
Liabilities:			
Current liabilities			
Notes and accounts payable, trade	¥11,345	¥11,105	¥11,581
Short-term borrowings	51,704	47,607	52,705
Accrued taxes on income	280	183	166
Accrued bonuses to employees	343	294	351
Other current liabilities	5,237	4,126	5,371
Total current liabilities	<u>68,910</u>	<u>63,316</u>	<u>70,175</u>
Long-term liabilities			
Bonds	¥3,209	¥3,209	¥3,209
Long-term debts	5,507	16,687	6,149
Accrued pension and severance costs	5,328	6,110	5,048
Other long-term liabilities	1,357	1,558	1,666
Total long-term liabilities	<u>15,404</u>	<u>27,565</u>	<u>16,074</u>
Shareholders' equity:			
Authorized – 159,200,000 shares			
Issued and outstanding – 76,744,296 shares	18,343	18,343	18,343
Additional paid in capital	12,866	12,866	12,866
Retained earnings	(26,629)	(9,809)	(7,338)
Net unrealized loss on securities	1,264	384	1,520
Cumulative translation adjustment	(2,010)	(1,953)	(2,341)
	<u>3,834</u>	<u>19,831</u>	<u>23,050</u>
Common stock in treasury, at cost (1,000,901 shares in 2004, 1,000,626 shares in 2003)	<u>(1,127)</u>	<u>(1,127)</u>	<u>(1,127)</u>
Total shareholders' equity	2,707	18,704	21,923
Contingent liabilities			
Total liabilities and shareholders' equity	<u><u>¥86,397</u></u>	<u><u>¥109,587</u></u>	<u><u>¥108,173</u></u>