

**SANRIO COMPANY, LTD. AND CONSOLIDATED SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF INCOME**

**FOR THE SIX MONTHS ENDED SEPTEMBER 30**

( In Millions of yen , rounded down )

	<u>2001/9/30</u>	<u>2000/9/30</u>	<u>2001/3/31</u>
Net sales	¥57,513	¥60,383	¥136,867
Cost of sales	<u>34,800</u>	<u>36,231</u>	<u>84,741</u>
Gross profit	22,713	24,152	52,126
Selling, general and administrative expenses	<u>20,185</u>	<u>19,950</u>	<u>41,031</u>
Operating profit	<u>2,528</u>	<u>4,201</u>	<u>11,095</u>
Non-operating income:			
Interest and dividend income	88	704	838
Gain on sale of marketable securities	-	1,184	-
Gain from reversal of devaluation of marketable securities	-	-	-
Foreign exchange gain, net	-	88	688
Other	<u>209</u>	<u>207</u>	<u>365</u>
Total non-operating income	<u>297</u>	<u>2,185</u>	<u>1,891</u>
Non-operating expenses:			
Interest expense	879	980	1,971
Net loss on trading of securities and related derivatives	10,272	-	13,199
Foreign exchange loss, net	90	-	-
Other	<u>99</u>	<u>202</u>	<u>240</u>
Total non-operating expenses	<u>11,341</u>	<u>1,182</u>	<u>15,410</u>
Ordinary profit (loss)	<b>(8,515)</b>	5,204	<b>(2,424)</b>
Special gains:			
Gain on sale of investment securities	-	24	43
Other	<u>3</u>	<u>-</u>	<u>-</u>
Total special gains	<u>3</u>	<u>24</u>	<u>43</u>
Special losses:			
Loss on disposal of property and equipment	167	457	875
Loss on sale of investment securities	19	-	1
Loss from devaluation of investment securities	177	-	138
Doubtful accounts expense	477	47	75
Other	<u>14</u>	<u>95</u>	<u>140</u>
Total special losses	<u>856</u>	<u>599</u>	<u>1,229</u>
Income (loss) before income taxes	<b>(9,367)</b>	4,629	<b>(3,610)</b>
Income taxes – current	332	251	507
– deferred	<b>(5,907)</b>	1,909	<b>(1,448)</b>
Net income (loss)	<b>(¥3,793)</b>	<b>¥2,468</b>	<b>(¥2,669)</b>

( Yen )

Per share data:	<u>2001/9/30</u>	<u>2000/9/30</u>	<u>2001/3/31</u>
Net income – Basic	<b>(¥48.79)</b>	¥31.46	<b>(¥34.14)</b>
– Diluted	<b>(¥48.79)</b>	¥31.46	<b>(¥34.14)</b>
Cash dividends	<u>¥10.00</u>	<u>¥35.00</u>	<u>¥110.00</u>