

Arisawa Manufacturing Co. , Ltd.

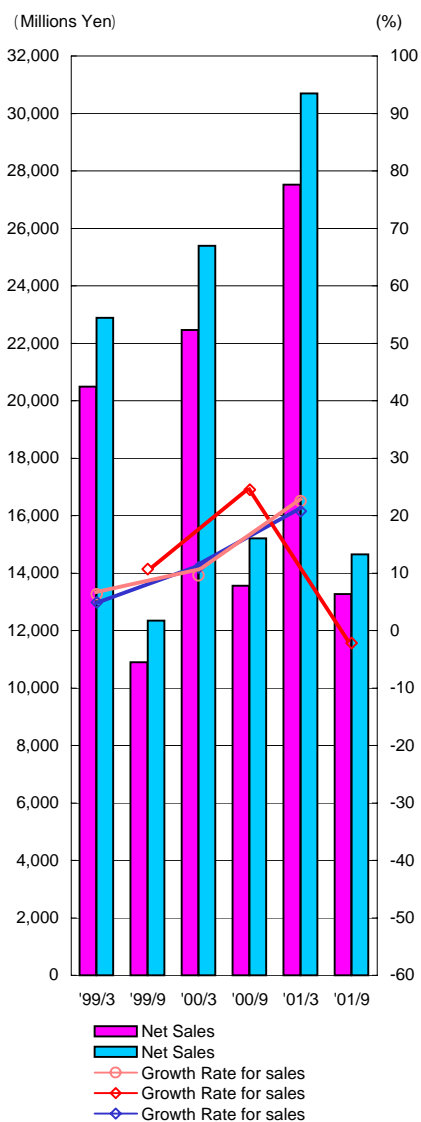
2001.9 Interim Report

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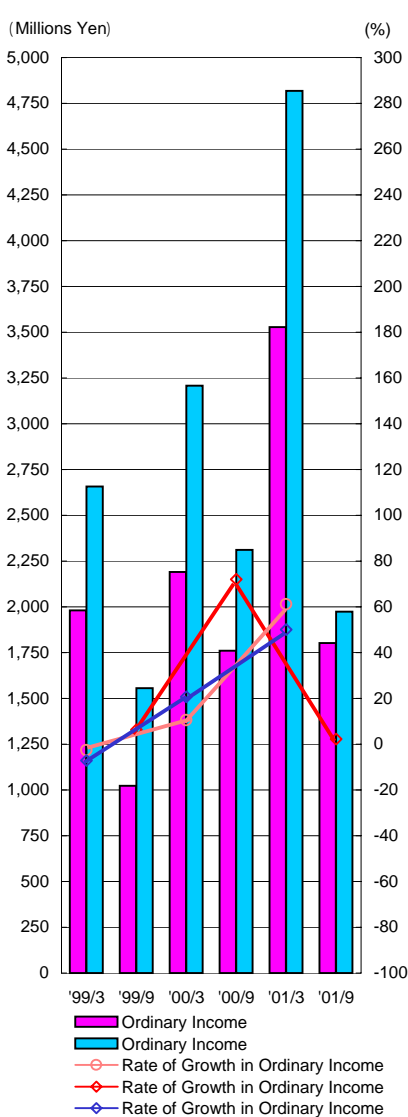
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Operating Results

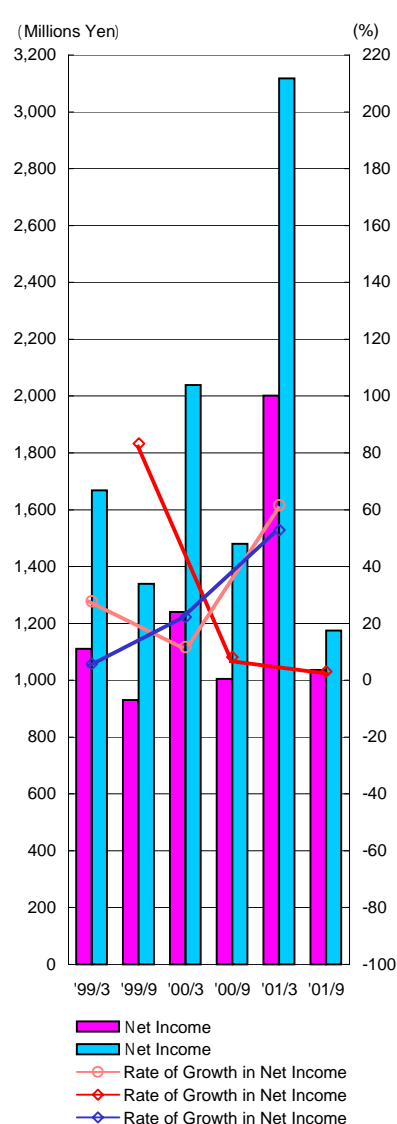
Net Sales/Growth Rate for Sales



Ordinary Income/
Rate of Growth Ordinary Income



Net Income/
Rate of Growth in Net Income

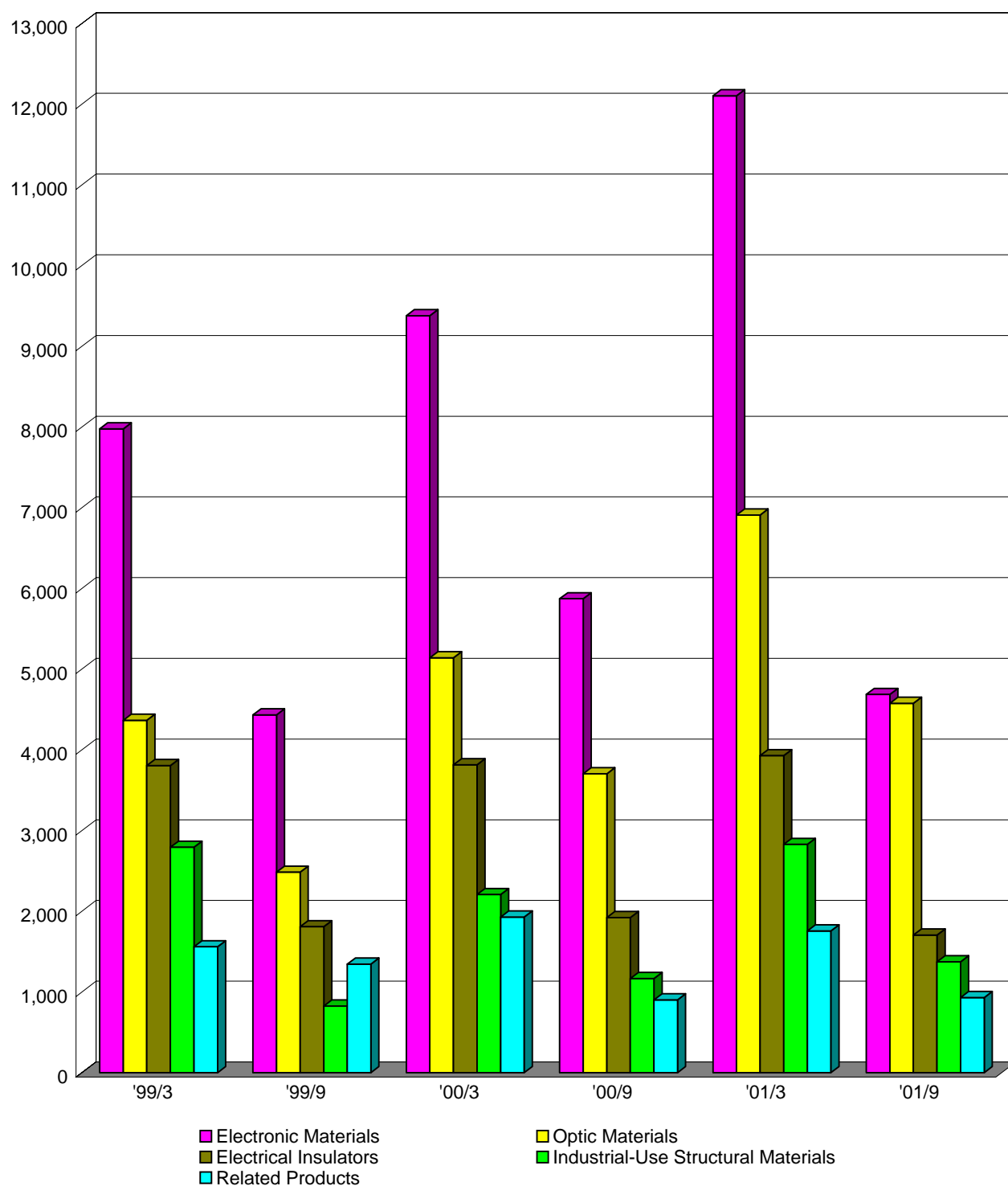


Fiscal Year Ended	'99/3	'99/9	'00/3	'00/9	'01/3	'01/9
Net Sales(Millions Yen)	20,493	10,893	22,465	13,560	27,518	13,266
Growth Rate for sales (%)	6.3		9.6		22.5	
Growth Rate for sales (%)		10.7		24.5		-2.2
Operating Income(Millions Yen)	1,859	914	1,989	1,636	3,298	1,614
Rate of Growth for Operating Profits(%)	-9.3		6.9		65.8	
Rate of Growth for Operating Profits(%)		2.0		79.0		-1.3
Ordinary Income(Millions Yen)	1,981	1,023	2,190	1,761	3,528	1,802
Rate of Growth in Ordinary Income(%)	-2.6		10.5		61.1	
Rate of Growth in Ordinary Income(%)		6.3		72.0		2.3
Net Income(Millions Yen)	1,111	930	1,240	1,005	2,002	1,036
Rate of Growth in Net Income(%)	27.7		11.6		61.5	
Rate of Growth in Net Income(%)		83.3		8.1		3.1
Ratio of Gross Profit to Sales(%)	19.1	17.9	18.3	20.4	20.0	20.3
Sales Management Cost Ratio(%)	10	9.5	9.5	8.3	8.1	8.1
Consolidated						
Net Sales(Millions Yen)	22,887	12,347	25,398	15,213	30,691	14,657
Growth Rate for sales (%)	4.9		11.0		20.8	
Operating Income(Millions Yen)	2,239	1,183	2,430	1,835	3,822	1,692
Rate of Growth for Operating Profits(%)	-3.7		8.5		57.3	
Ordinary Income(Millions Yen)	2,657	1,556	3,208	2,312	4,818	1,973
Rate of Growth in Ordinary Income(%)	-7.1		20.7		50.1	
Net Income(Millions Yen)	1,668	1,339	2,039	1,480	3,118	1,175
Rate of Growth in Net Income(%)	5.8		22.2		52.9	
Ratio of Gross Profit to Sales(%)	20.7		19.9	21.7	21.9	21.2
Sales Management Cost Ratio(%)	10.9		10.3	9.8	9.4	9.6

Note: Amounts less than one million yen are omitted

Sales as Classified by Items

(Millions Yen)

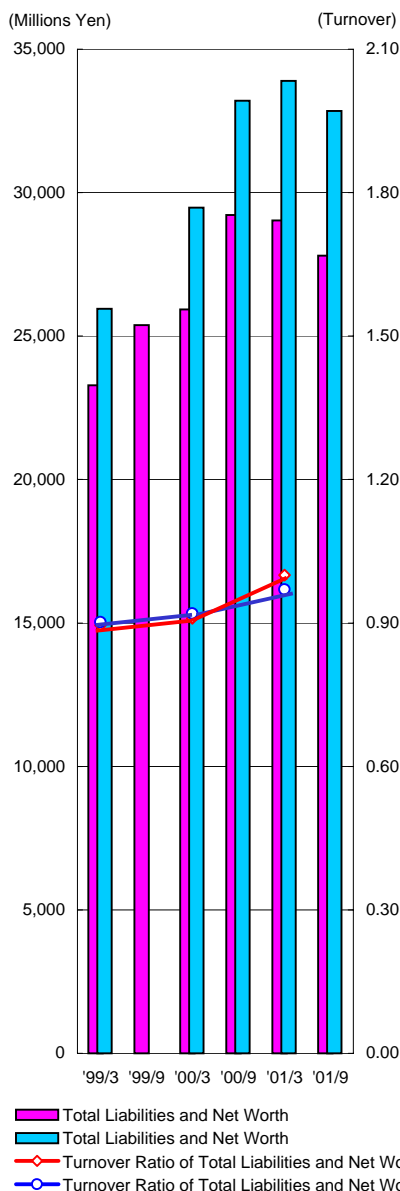


(Millions Yen)

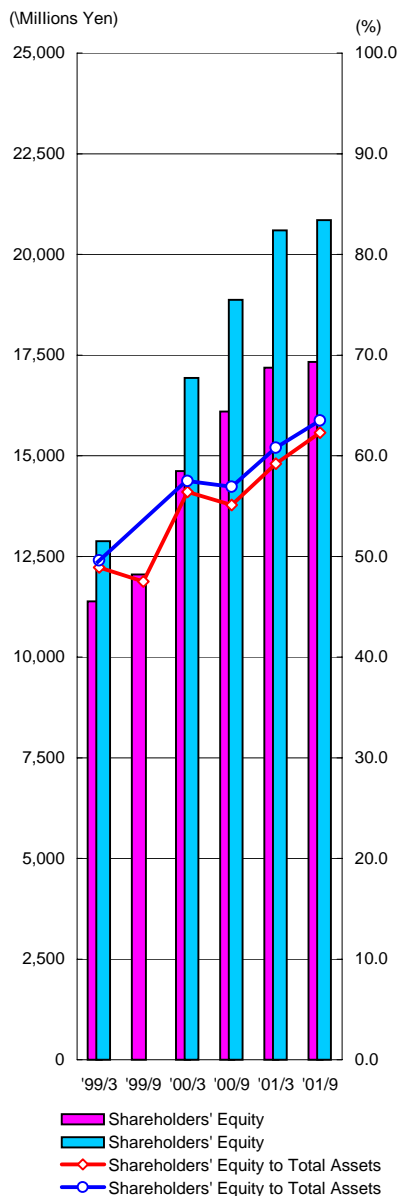
Fiscal Year Ended	'99/3	'99/9	'00/3	'00/9	'01/3	'01/9
Electronic Materials	7,974	4,432	9,378	5,871	12,101	4,685
Optic Materials	4,364	2,483	5,140	3,703	6,907	4,575
Electrical Insulators	3,804	1,808	3,813	1,920	3,927	1,703
Industrial-Use Structural Materials	2,792	825	2,206	1,166	2,827	1,372
Related Products	1,559	1,345	1,928	900	1,756	931
Total	20,493	10,893	22,465	13,560	27,518	13,266

Shareholders' Equity/Financial Indicators

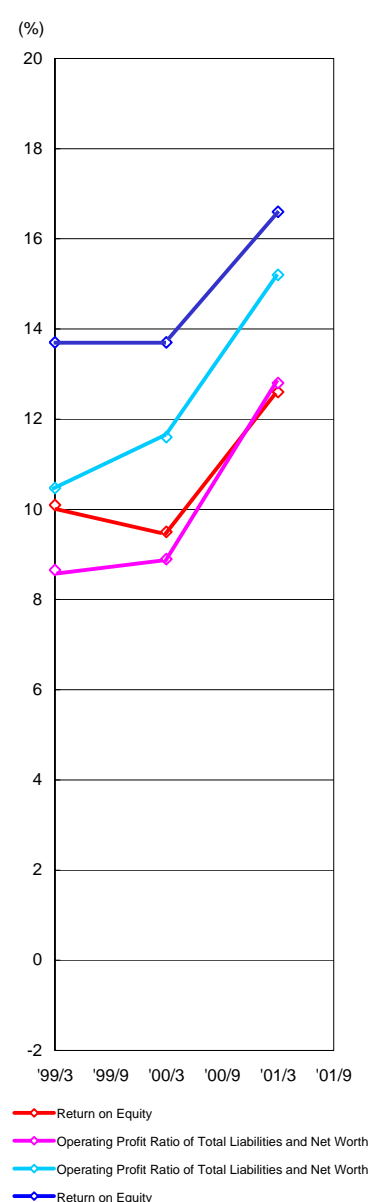
**Total Liabilities and Net Worth/
Turnover Ratio of Total Liabilities and Net Worth**



**Shareholders' Equity/
Shareholders' Equity to Total**



**Return on Equity/Operating Profit Ratio of
Total Liabilities and Net Worth**



Fiscal Year Ended	'99/3	'99/9	'00/3	'00/9	'01/3	'01/9
Total Liabilities and Net Worth(Millions Yen)	23,286	25,384	25,930	29,222	29,034	27,806
Turnover Ratio of Total Liabilities and Net Worth(Turnover)	0.90		0.91		1.00	
Operating Profit Ratio of Total Liabilities and Net Worth(%)	8.7		8.9		12.8	
Shareholders' Equity(Millions Yen)	11,387	12,047	14,618	16,096	17,183	17,330
Shareholders' Equity to Total Assets(%)	48.9	47.5	56.4	55.1	59.2	62.3
Return on Equity(%)	10.1		9.5		12.6	
Number of Shares Outstanding at Term End(1000)	17,150	17,150	17,860	19,743	19,792	21,796
Consolidated						
Total Liabilities and Net Worth(Millions Yen)	25,950		29,478	33,208	33,896	32,842
Turnover Ratio of Total Liabilities and Net Worth(Turnover)	0.90		0.92		0.97	
Operating Profit Ratio of Total Liabilities and Net Worth(%)	10.5		11.6		15.2	
Shareholders' Equity(Millions Yen)	12,880		16,928	18,872	20,599	20,848
Shareholders' Equity to Total Assets(%)	49.6		57.5	56.9	60.8	63.5
Return on Equity(%)	13.7		13.7		16.6	

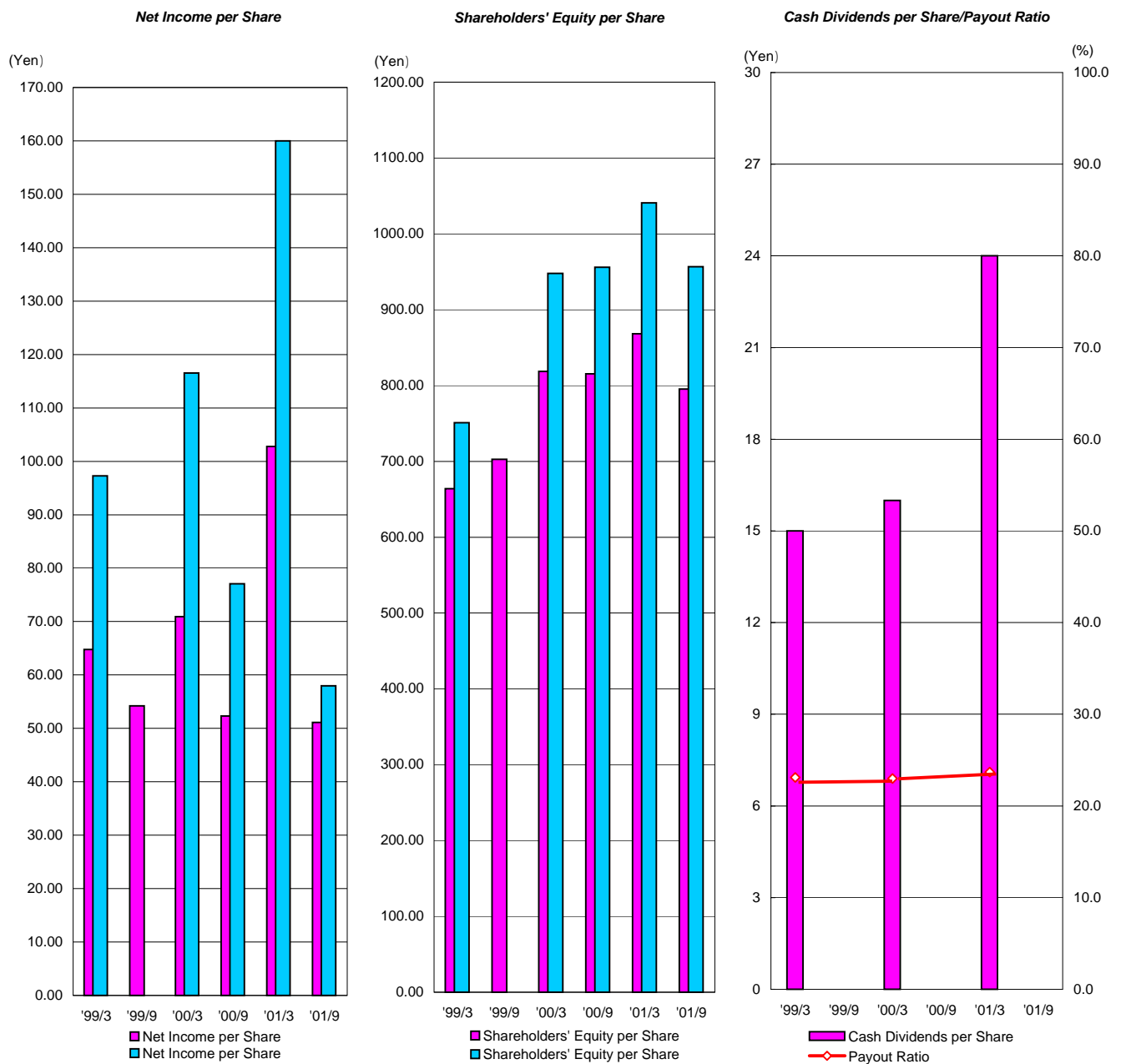
Note: Turnover Ratio of Total Liabilities and Net Worth = Net Sales/Total Liabilities and Net Worth (Mid-term Average)

Operating Profit Ratio of Total Liabilities and Net Worth = Ordinary Income/Total Liabilities and Net Worth (Mid-term Average) × 100

Shareholders' Equity to Total Assets = Shareholders' Equity (Term End) / Total Liabilities and Net Worth (Term End) × 100

Return on Equity = Net Income / Shareholders' Equity (Mid-term Average) × 100

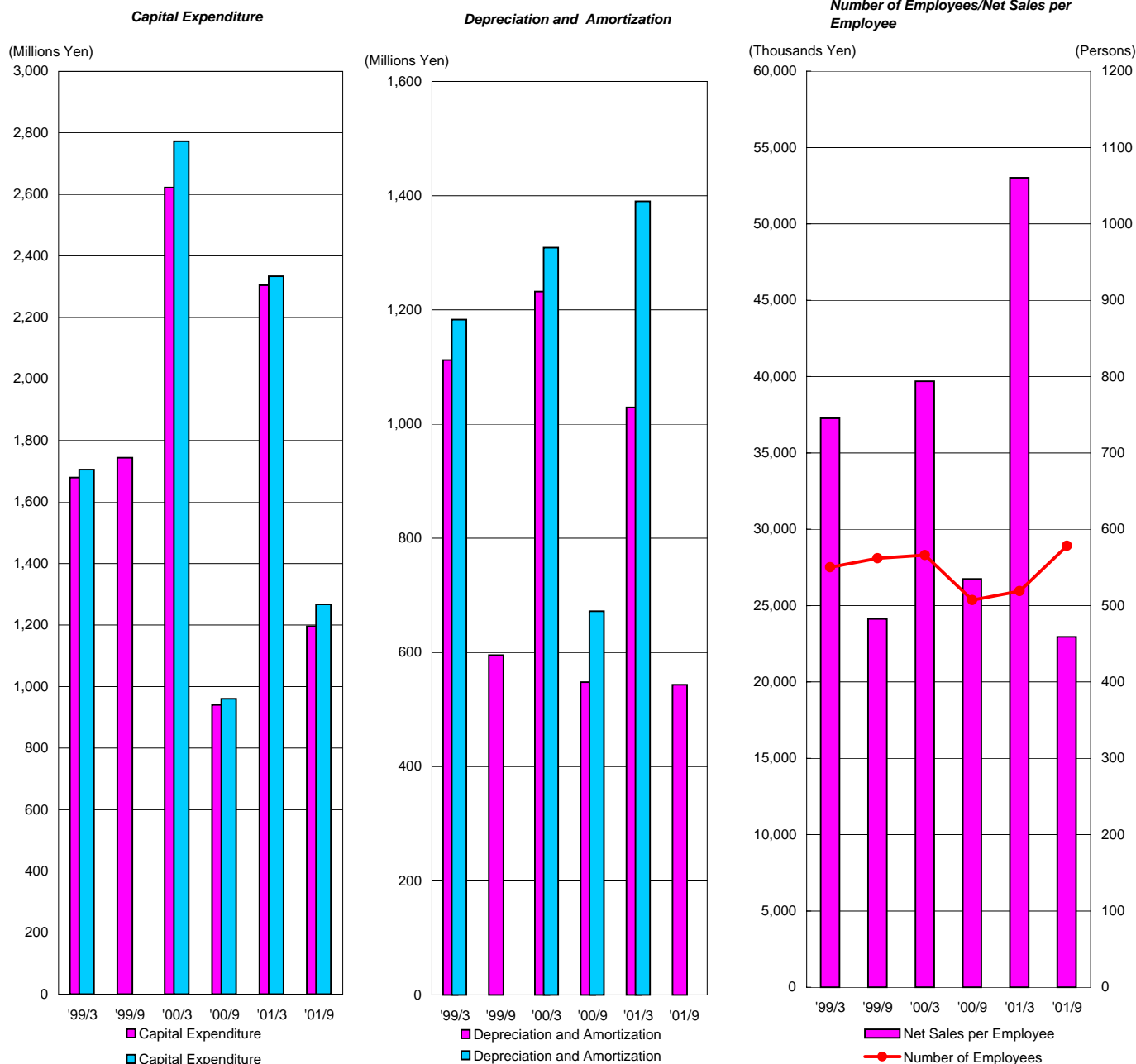
Per Share Data



Fiscal Year Ended	'99/3	'99/9	'00/3	'00/9	'01/3	'01/9
Net Income per Share(Yen)	64.79	54.24	70.92	52.32	102.76	51.12
Shareholders' Equity per Share(Yen)	664.01	702.50	818.52	815.28	868.19	795.13
Cash Dividends per Share(Yen)	15	16	16	16	24	24
Payout Ratio(%)	23.1		23.0		23.7	

Consolidated	'99/3	'99/9	'00/3	'00/9	'01/3	'01/9
Net Income per Share(Yen)	97.30		116.52	77.08	159.98	57.98
Shareholders' Equity per Share(Yen)	751.07		947.87	955.9	1040.82	956.51

Capital Expenditure/Per Employee Data



Fiscal Year Ended	'99/3	'99/9	'00/3	'00/9	'01/3	'01/9
Capital Expenditure(Millions Yen)	1,679	1,744	2,622	940	2,305	1,196
Depreciation and Amortization(Millions Yen)	1,112	595	1,232	548	1,029	543
Inventory Turnover Period(Days)	57.2		54.1		36.7	
Interest Coverage(Times)	29.4	50.0	53.9	149.5	123.0	269.2
Number of Employees(including part time employees)(Persons)	550	562	566	507	519	578
Net Sales per Employee(including part time employees)(Thousands Yen)	37,260	24,128	39,691	26,746	53,021	22,952
Labor Productivity(Tousands Yen)	13,138		12,766		17,533	
Labor's Relative Share(%)	52.4	50.1	52.4	46.5	45.8	46.0
Consolidated						
Capital Expenditure(Millions Yen)	1,705		2,773	960	2,334	1,267
Depreciation and Amortization(Millions Yen)	1,183		1,309	672	1,390	750
Inventory Turnover Period(Days)	57.0		53.1		44.9	
Interest Coverage(Times)	28.2		50.9	116.9	112.0	144.7

Note: Inventory Turnover Period(Days)=(Average Inventory/Net Sales)X365
 Labor Productivity=Value Added/Number of Employees

Financial Statement

Balance Sheet

(Millions Yen)

Fiscal Year Ended		'99/3	'99/9	'00/3	'00/9	'01/3	'01/9
Assets	Current Assets	13,207	14,245	13,167	14,972	12,984	11,849
	Cash and deposits	1,215	2,457	1,080	795	850	886
	Notes receivable	1,605	1,493	1,756	1,927	2,077	1,864
	Accounts receivable	7,053	6,879	6,879	8,420	7,306	6,586
	Inventories	3,352	3,376	3,308	2,010	2,220	1,921
	Deferred taxable assets	-	-	116	116	275	275
	Others	28	74	63	1,712	262	326
	Allowance for doubtful accounts	-46	-34	-35	-8	-6	-9
	Fixed Assets	10,079	11,139	12,763	14,250	16,050	15,957
	(Tangible fixed assets)	8,041	9,176	9,277	9,549	10,229	10,664
	Buildings	3,134	3,400	3,802	3,799	3,792	4,336
	Machinery and Equipment	2,808	3,003	3,213	3,205	2,989	3,816
	Land	1,153	1,717	1,582	1,582	1,584	1,584
	Construction in progress	580	644	220	517	1,412	437
	Others	366	412	460	446	452	491
	(Intangible Fixed Assets)	14	14	14	13	13	13
	(Investments and other assets)	2,024	1,949	3,472	4,688	5,808	5,280
	Investment Securities	1,536	1,475	2,805	4,052	4,063	3,686
	Stocks of subsidiaries	80	79	170	273	274	273
	Contributions	2	2	2	2	2	2
	Contributions of subsidiaries	36	36	36	36	36	36
	Long-term loans	184	172	156	137	1,227	1,130
	Long-term prepaid expenses	10	7	4	19	18	16
	Deferred taxable assets	-	-	126	-	-	0
	Others	221	222	217	230	258	212
	Allowance for doubtful debts	-45	-44	-44	-61	-70	-75
	Total Assets	23,286	25,384	25,930	29,222	29,034	27,806
Liabilities	Current Liabilities	11,565	13,046	11,005	12,558	11,263	10,221
	Notes and accounts payable	3,274	3,415	3,286	3,815	3,743	3,218
	Accounts payable	1,574	1,492	1,705	2,611	2,570	2,330
	Accrued income tax and others	4,790	5,548	3,554	3,027	892	1,622
	Deferred taxable liabilities	348	663	540	686	1,059	712
	Equipment notes payable	267	765	686	752	1,298	959
	Others	1,312	1,163	1,234	1,667	1,701	1,380
	Fixed Liabilities	334	291	307	568	588	254
	Long-term borrowings	27	-	29	21	12	4
	Deferred taxable liabilities	-	-	-	323	342	52
	Reserve for severance payment	98	88	64	-	-	52
	Reserve for bonuses to retiring officers	204	198	209	218	229	136
	Others	5	5	5	6	5	10
	Total Liabilities	11,899	13,337	11,312	13,126	11,851	10,475
	Stockholders' Equity	Capital	2,633	2,633	3,673	3,839	3,876
Capital reserve		1,925	1,925	2,965	2,951	2,989	3,006
Revenue Reserve		658	658	658	693	693	748
Other Surplus		6,171	6,831	7,322	7,986	8,983	9,445
Voluntary reserve		4,849	5,630	5,628	6,665	6,665	7,917
Unappropriated retained earnings at the end of interim period (current)		1,322	1,201	1,694	1,321	2,319	1,529
(Less current retained earnings)		(1,111)	(930)	(1,240)	(1,005)	(2,002)	(1,036)
Other securities appreciation differences		-	-	-	627	641	237
Total Stockholder's Equity		11,387	12,047	14,618	16,096	17,183	17,331
Total Liabilities, Minority Interest and Stockholder's Equity		23,286	25,384	25,930	29,222	29,034	27,806

Financial Statement

Statement of Income

(Millions Yen)

Fiscal Year Ended	'99/3	'99/9	'00/3	'00/9	'01/3	'01/9
Sales	20,493	10,893	22,465	13,560	27,518	13,266
Sales cost	16,587	8,941	18,344	10,798	21,991	10,574
Gross profit on sales	3,906	1,952	4,122	2,762	5,527	2,693
Selling and general administration expenses	2,047	1,038	2,133	1,126	2,229	1,079
Operating Profit	1,859	914	1,989	1,636	3,298	1,614
Non-operating revenue	233	155	317	310	681	429
Non-operating expenses	111	46	116	185	451	241
Ordinary Profit	1,981	1,023	2,190	1,761	3,528	1,802
Extraordinary profit	15	778	827	10	7	-
Extraordinary Losses	14	207	863	66	116	41
Pretax interim (current) net profit	1,982	1,594	2,154	1,705	3,419	1,761
Corporate income tax, local residence tax, and enterprise tax	871	664	976	700	1,566	725
Adjustment of corporate income tax, etc.	-	-	-62	-	-149	-
Interim (current) net profit	1,111	930	1,240	1,005	2,002	1,036
Profit brought forward from the previous term	211	271	271	315	316	492
Unappropriated retained earnings for interim period (current)	1,322	1,201	1,694	1,320	2,318	1,528

Consolidated Financial Statement

Consolidated Balance Sheet

(Millions Yen)

Fiscal Year Ended		'99/3	'99/9	'00/3	'00/9	'01/3	'01/9	
Assets	Current Assets	14,956		15,067	17,036	16,537	15,258	
	Cash and deposits	1,854		1,648	1,415	1,640	1,401	
	Notes and accounts receivable	9,333		9,515	11,310	10,190	9,176	
	Securities	-		-	163	160	160	
	Inventories	3,716		3,672	3,765	3,881	3,809	
	Deferred taxable assets	-		129	133	359	360	
	Others	106		147	268	312	370	
	Allowance for doubtful accounts	-53		-44	-18	-5	-18	
	Fixed Assets	10,994		14,412	16,172	17,359	17,584	
	(Tangible fixed assets)	8,686		9,927	10,182	10,833	11,365	
	Buildings and structures	3,761		4,481	4,439	4,400	4,921	
	Machinery, equipment and delivery equipment	2,904		3,312	3,306	3,090	3,995	
	Land	1,313		1,742	1,742	1,744	1,744	
	Others	708		392	695	1,599	705	
	(Intangible Fixed Assents)	18		17	17	17	16	
	(Investments and other assets)	2,290		4,468	5,973	6,509	6,203	
	Investment Securities	2,008		4,064	5,679	6,166	5,868	
	Deferred taxable assets	-		150	0	21	21	
	Others	390		361	418	403	396	
	Allowance for doubtful debts	-108		-107	-124	-81	-82	
	Total Assets	25,950		29,479	33,208	33,896	32,842	
Liabilities	Current Liabilities	12,601		12,186	13,727	12,605	11,627	
	Notes and accounts payable	5,356		5,633	6,837	6,877	6,100	
	Short-term borrowings	5,199		3,932	3,498	1,308	2,186	
	Accrued income tax and others	405		641	754	1,212	765	
	Deferred taxable liabilities	-		-	-	3	1	
	Others	1,641		1,980	2,638	3,205	2,575	
	Fixed Liabilities	462		355	596	680	355	
	Long-term borrowings	125		37	21	40	29	
	Deferred taxable liabilities	-		-	299	342	52	
	Reserve for severance payment	112		75	-	-	83	
	Reserve for bonuses to retiring officers	204		212	221	231	139	
	Consolidated reconciliation account	3		2	1	-	-	
	Others	18		29	54	67	52	
	Total Liabilities	13,063		12,541	14,323	13,285	11,982	
	Minority interest	7		10	12	12	12	
	Stockholders' Equity	Capital	2,633		3,673	3,839	3,876	3,894
		Capital reserve	1,925		2,965	2,951	2,989	3,007
Consolidated surplus		8,323		10,292	11,464	13,101	13,705	
Other differences from appreciation of securities		-		-	627	640	236	
Cumulative conversion adjustment		-		-	-8	-7	6	
Total		12,881		16,930	18,873	20,599	20,848	
Treasury Stock		-1		-2	0	0	0	
Total Stockholder's Equity		12,880		16,928	18,873	20,599	20,848	
Total Liabilities, Minority Interest and Stockholder's Equity	25,950		29,479	33,208	33,896	32,842		

Consolidated Financial Statement

Consolidated Statement of Income

Fiscal Year Ended	(Millions Yen)					
	'99/3	'99/9	'00/3	'00/9	'01/3	'01/9
Sales	22,887		25,398	15,213	30,691	14,657
Sales cost	18,159		20,356	11,916	23,980	11,551
Gross profit on sales	4,728		5,042	3,297	6,711	3,106
Selling and general administration expenses	2,489		2,612	1,462	2,889	1,414
Transportation and packaging	314		362	232	410	234
Allowance for salaries	659		656	337	662	340
Bonuses	220		215	243	411	-
Transferred amount to reserve for bonuses to retiring officers	26		23	10	20	11
Others	1,270		1,356	640	1,386	829
Operating Profit	2,239		2,430	1,835	3,822	1,692
Non-operating revenue	596		979	625	1,230	368
Interest received	6		5	7	18	6
Dividends received	16		15	19	26	33
Depreciation of consolidated reconciliation account	1		1	1	2	-
Investment profit on equity method	412		725	461	931	205
Others	161		233	137	253	124
Non-operating expenses	178		201	148	234	87
Interest paid	80		48	16	34	12
Others	98		153	132	200	75
Ordinary Profit	2,657		3,208	2,312	4,818	1,973
Extraordinary profit	4		773	9	14	-
Profit on sale of investment securities	-		753	-	2	-
Profit on reimbursement of reserve for doubtful debts	4		10	9	12	-
Others	-		10	-	-	-
Extraordinary Losses	14		863	74	129	48
Loss on retirement of fixed assets	14		21	34	51	9
Depreciation differences arising from changes in accounting standards for severance payment	-		-	39	77	39
Others	-		842	1	1	-
Pretax interim (current) net profit	2,647		3,118	2,247	4,703	1,926
Corporate income tax, local residence tax, and enterprise tax	978		1,155	765	1,798	774
Adjustment of corporate income tax, etc.	-		-79	-	-215	-
Profit attributable to minority interest (deduction)	1		3	2	2	-23
Interim (current) net profit	1,668		2,039	1,480	3,118	1,175

Statement of Consolidated Surplus

Fiscal Year Ended	(Millions Yen)					
	'99/3	'99/9	'00/3	'00/9	'01/3	'01/9
Consolidated surplus at the beginning of year	6,891		8,323	10,291	10,291	13,101
Balance of increase in other retained earnings	0		200	-	-	-
Decrease in consolidated surplus	236		272	308	308	572
Decrease in surplus due to increase of consolidated subsidiaries	-		-	-	-	49
Dividends	206		257	286	286	475
Bonuses for directors	30		15	22	22	48
Interim (current) net profit	1,668		2,039	1,480	3,118	1,176
Consolidated surplus at the end of interim year (year)	8,323		20,290	11,463	13,101	13,705

Consolidated Financial Statement

Statement of Consolidated Cash Flow

Fiscal Year Ended	(Millions Yen)		
	'00/9	'01/3	'01/9
Cash flow from operation activities	1,574	4,822	1,268
Pretax interim (current) net profit	2,248	4,704	1,926
Depreciation	672	1,390	750
Depreciation of consolidated reconciliation account	-1	-2	-
Investment profit on equity method	-461	-931	-205
Profit on sale of investment securities	-	-3	-
Expenses on shares issued	0	1	0
Loss on retirement of tangible fixed assets	34	50	9
Loss on appreciation of investment securities	12	10	-
(Profit) or loss on conversion	1	-6	0
(Increase) or decrease in reserve for bonuses to retiring officers	9	19	-92
Decrease in reserve for severance payment	-75	-75	-
Increase in reserve for retirement benefits	18	25	59
Increase in reserve for bonuses	-	-	649
(Increase) or decrease in provisions for doubtful accounts	-9	-65	14
Interest and dividends received	-26	-44	-39
Interest paid	16	34	12
(Increase) or decrease in sales receivables	-1,830	-684	1,060
(Increase) or decrease in inventories	-93	-208	84
(Increase) or decrease in purchase liabilities	1,205	1,244	-839
(Increase) or decrease in accrued consumption tax, etc.	51	98	-104
(Increase) or decrease in other assets	-49	2	8
(Increase) or decrease in other liabilities	462	448	-837
Bonuses for officers paid	-22	-22	-47
Interest and dividends received	65	80	95
Interest paid	-17	-37	-11
Corporate income tax, etc. paid	-636	-1206	-1224
Cash flow from investment activities	-919	-1,841	-1,813
Revenue from refund of time deposits	138	153	122
Expenditure on acquisition of tangible fixed assets	-810	-1,652	-1,640
Revenue from sale of tangible fixed assets	-	-	0
Expenditure on acquisition of investment securities	-173	-343	-317
Revenue from sale of investment securities	-	179	-
Expenditure on lending	-80	-197	-30
Revenue from collection of loans	6	19	52
Cash flow from financing activities	-585	-2,682	376
Net increase (decrease) in short-term borrowings	-393	-2,566	832
Revenue from long-term borrowings	-	30	-
Expenditure on repayment of long-term borrowings	-57	-84	-17
Proceeds from stocks issued	151	225	35
Net expenditure on acquisition and proceeds from sale of treasury stock	-1	-1	0
Dividends paid	-285	-286	-474
Conversion difference of cash and cash equivalents	-1	7	0
Increase (decrease) in cash and cash equivalents	69	305	-169
Cash and cash equivalents at the beginning of year	1,289	1,289	1,594
Cash and cash equivalents at the beginning of year of newly consolidated subsidiaries	-	-	51
Cash and cash equivalents at the end of interim period(year)	1,358	1,594	1,476