

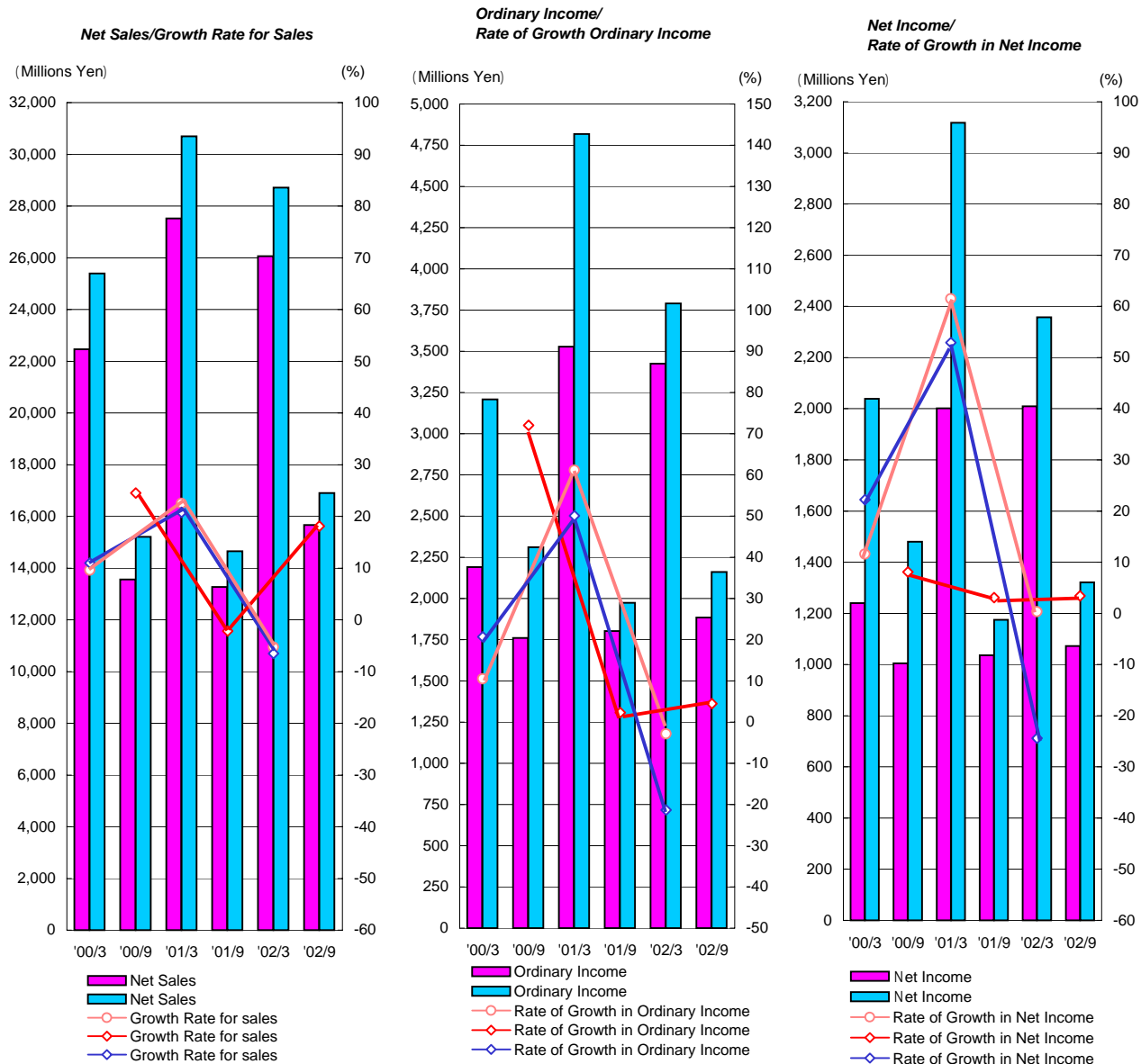
Arisawa Manufacturing Co. , Ltd.

2002.9 Interim Report

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Operating Results



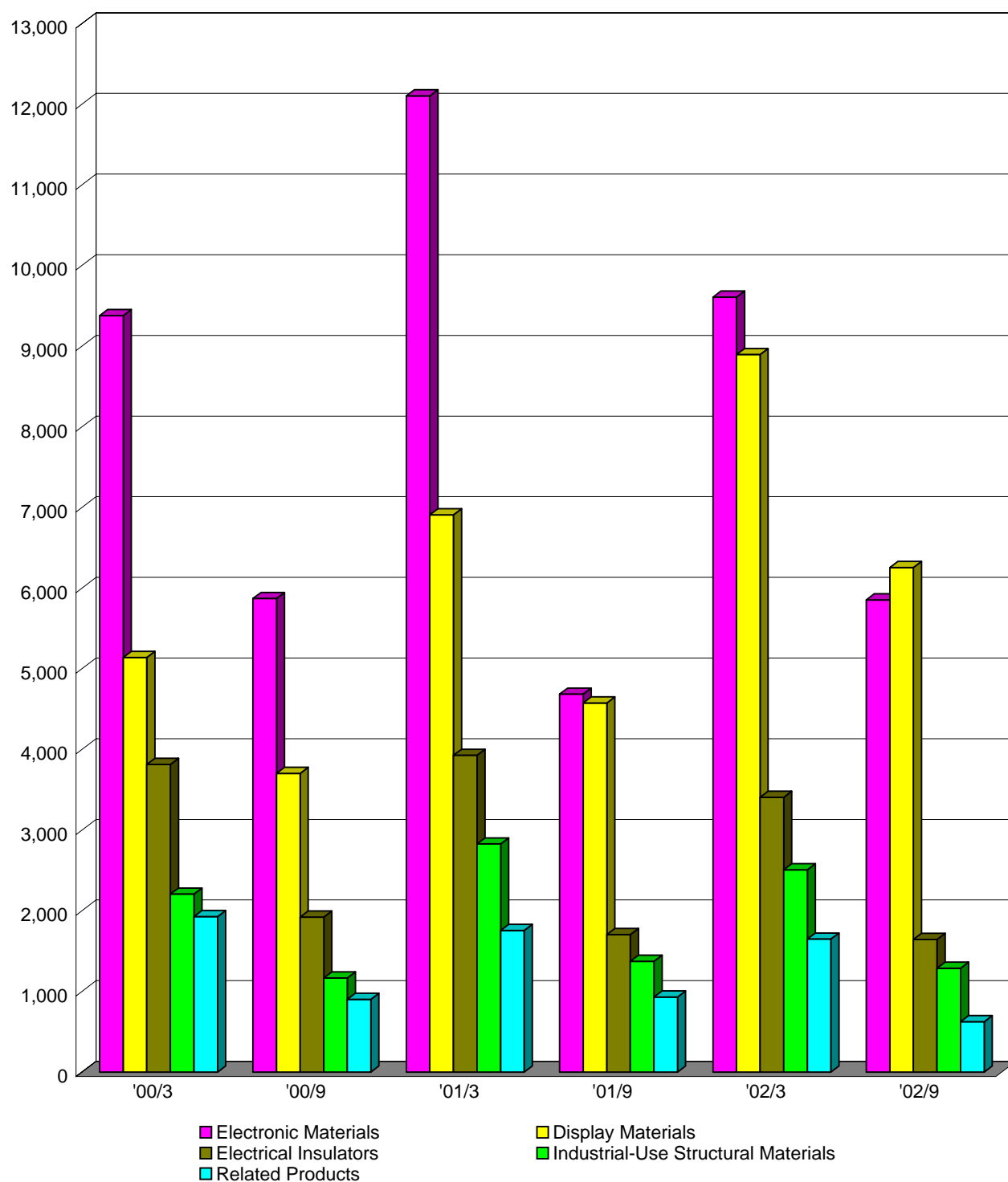
Fiscal Year Ended	'00/3	'00/9	'01/3	'01/9	'02/3	'02/9
Net Sales(Millions Yen)	22,465	13,560	27,518	13,266	26,063	15,661
Growth Rate for sales (%)	9.6		22.5		-5.3	
Growth Rate for sales (%)		24.5		-2.2		18.1
Operating Income(Millions Yen)	1,989	1,636	3,298	1,614	3,093	1,782
Rate of Growth for Operating Profits(%)	6.9		65.8		-6.2	
Rate of Growth for Operating Profits(%)		79.0		-1.3		10.4
Ordinary Income(Millions Yen)	2,190	1,761	3,528	1,802	3,425	1,884
Rate of Growth in Ordinary Income(%)	10.5		61.1		-2.9	
Rate of Growth in Ordinary Income(%)		72.0		2.3		4.5
Net Income(Millions Yen)	1,240	1,005	2,002	1,036	2,009	1,072
Rate of Growth in Net Income(%)	11.6		61.5		0.3	
Rate of Growth in Net Income(%)		8.1		3.1		3.4
Ratio of Gross Profit to Sales(%)	18.3	20.4	20.0	20.3	20.2	24.7
Sales Management Cost Ratio(%)	9.5	8.3	8.1	8.1	8.3	8.4

Consolidated	'00/3	'00/9	'01/3	'01/9	'02/3	'02/9
Net Sales(Millions Yen)	25,398	15,213	30,691	14,657	28,711	16,906
Growth Rate for sales (%)	11.0		20.8		-6.5	
Operating Income(Millions Yen)	2,430	1,835	3,822	1,692	3,170	1,788
Rate of Growth for Operating Profits(%)	8.5		57.3		-17.1	
Ordinary Income(Millions Yen)	3,208	2,312	4,818	1,973	3,791	2,160
Rate of Growth in Ordinary Income(%)	20.7		50.1		-21.3	
Net Income(Millions Yen)	2,039	1,480	3,118	1,175	2,358	1,321
Rate of Growth in Net Income(%)	22.2		52.9		-24.4	
Ratio of Gross Profit to Sales(%)	19.9	21.7	21.9	21.2	20.9	20.3
Sales Management Cost Ratio(%)	10.3	9.8	9.4	9.6	9.8	9.7

Note: Amounts less than one million yen are omitted

Sales as Classified by Items

(Millions Yen)

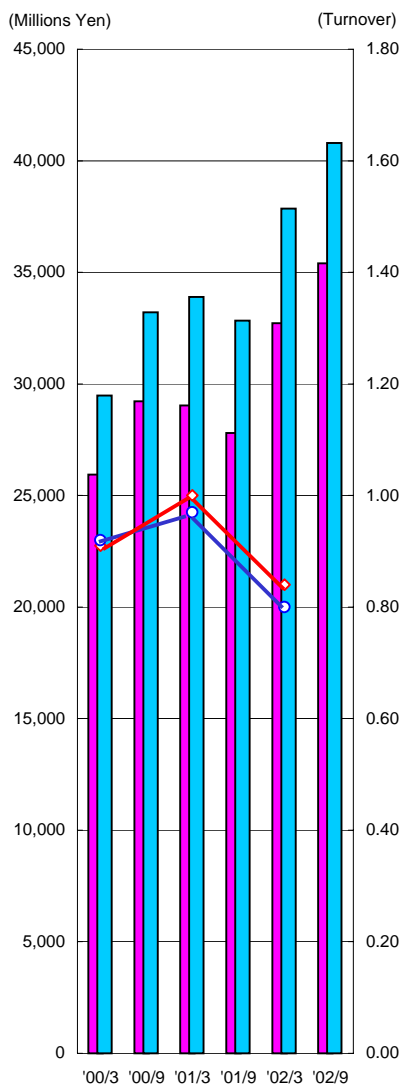


(Millions Yen)

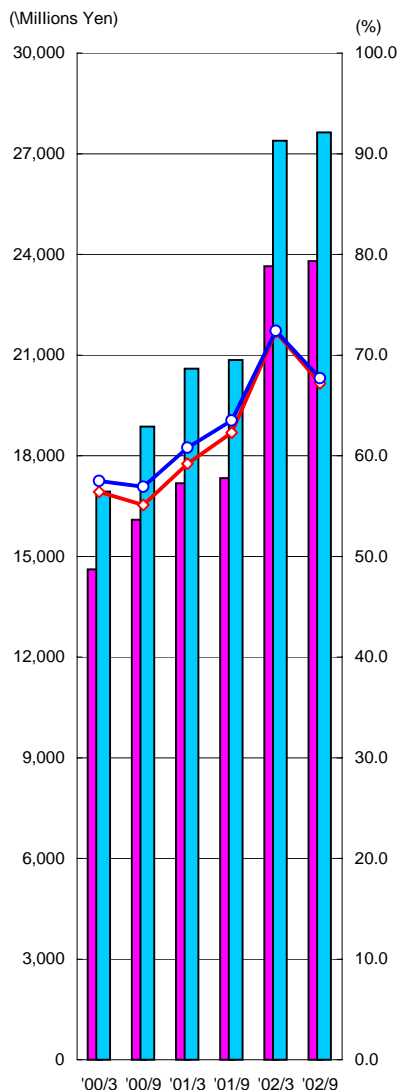
Fiscal Year Ended	'00/3	'00/9	'01/3	'01/9	'02/3	'02/9
Electronic Materials	9,378	5,871	12,101	4,685	9,608	5,853
Display Materials	5,140	3,703	6,907	4,575	8,894	6,254
Electrical Insulators	3,813	1,920	3,927	1,703	3,405	1,643
Industrial-Use Structural Materials	2,206	1,166	2,827	1,372	2,508	1,287
Related Products	1,928	900	1,756	931	1,648	624
Total	22,465	13,560	27,518	13,266	26,063	15,661

Shareholders' Equity/Financial Indicators

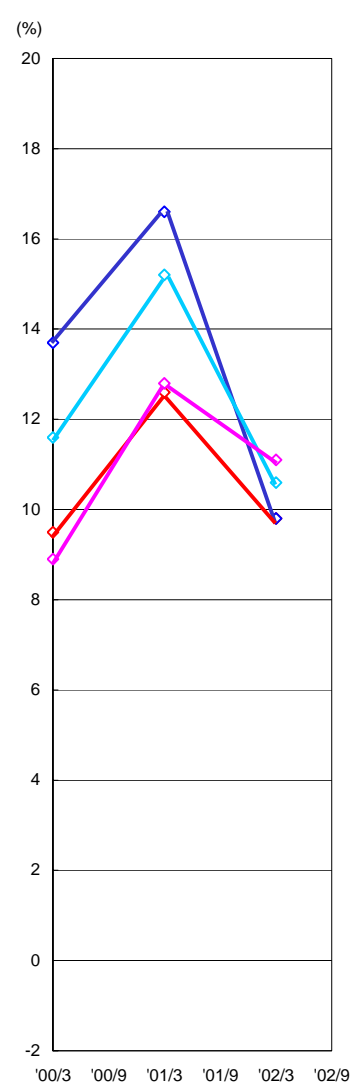
**Total Liabilities and Net Worth/
Turnover Ratio of Total Liabilities and Net Worth**



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



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



■ Total Liabilities and Net Worth
■ Total Liabilities and Net Worth
◆ Turnover Ratio of Total Liabilities and Net Worth
◆ Turnover Ratio of Total Liabilities and Net Worth

■ Shareholders' Equity
■ Shareholders' Equity
◆ Shareholders' Equity to Total Assets
◆ Shareholders' Equity to Total Assets

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

Fiscal Year Ended	'00/3	'00/9	'01/3	'01/9	'02/3	'02/9
Total Liabilities and Net Worth(Millions Yen)	25,930	29,222	29,034	27,806	32,718	35,402
Turnover Ratio of Total Liabilities and Net Worth(Turnover)	0.91		1.00		0.84	
Operating Profit Ratio of Total Liabilities and Net Worth(%)	8.9		12.8		11.1	
Shareholders' Equity(Millions Yen)	14,618	16,096	17,183	17,330	23,645	23,802
Shareholders' Equity to Total Assets(%)	56.4	55.1	59.2	62.3	72.3	67.2
Return on Equity(%)	9.5		12.6		9.8	
Number of Shares Outstanding at Term End(1000)	17,860	19,743	19,792	21,796	24,311	26,753
Consolidated	'00/3	'00/9	'01/3	'01/9	'02/3	'02/9
Total Liabilities and Net Worth(Millions Yen)	29,478	33,208	33,896	32,842	37,851	40,804
Turnover Ratio of Total Liabilities and Net Worth(Turnover)	0.92		0.97		0.80	
Operating Profit Ratio of Total Liabilities and Net Worth(%)	11.6		15.2		10.6	
Shareholders' Equity(Millions Yen)	16,928	18,872	20,599	20,848	27,385	27,634
Shareholders' Equity to Total Assets(%)	57.5	56.9	60.8	63.5	72.4	67.7
Return on Equity(%)	13.7		16.6		9.8	

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

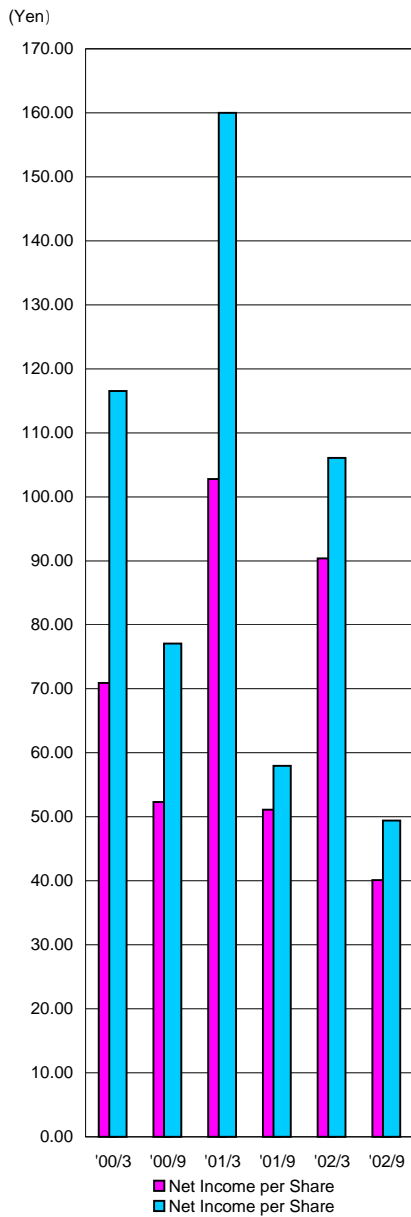
Operating Profit Ratio of Total Liabilities and Net Worth = Ordinary Income/Total Liabilities and Net Worth (Mid-term Average) × 100

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

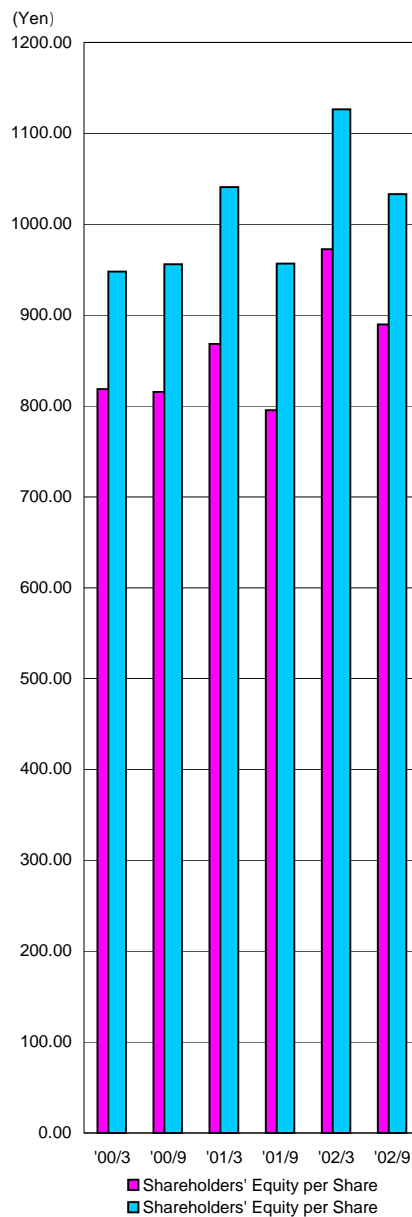
Return on Equity = Net Income/Shareholders' Equity (Mid-term Average) × 100

Per Share Data

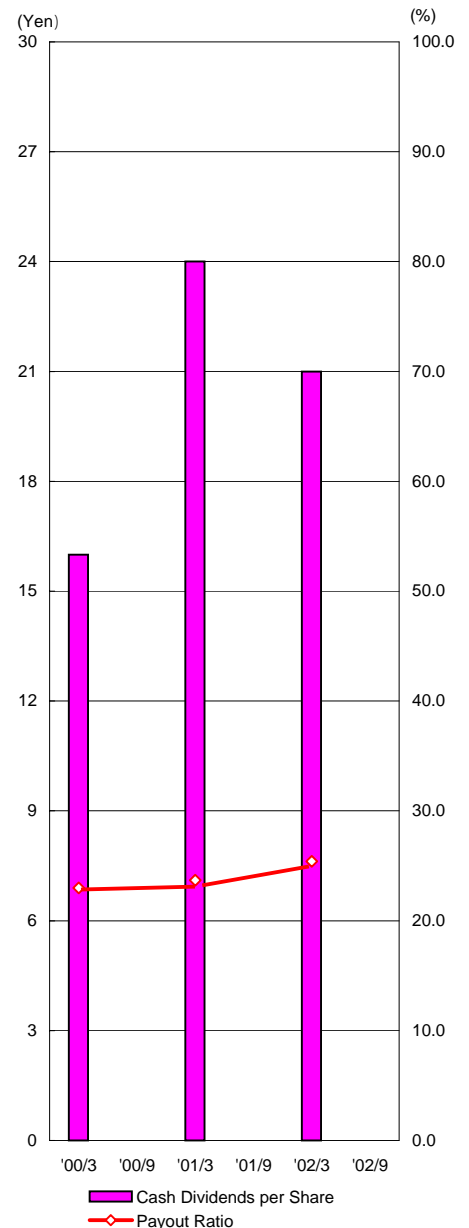
Net Income per Share



Shareholders' Equity per Share



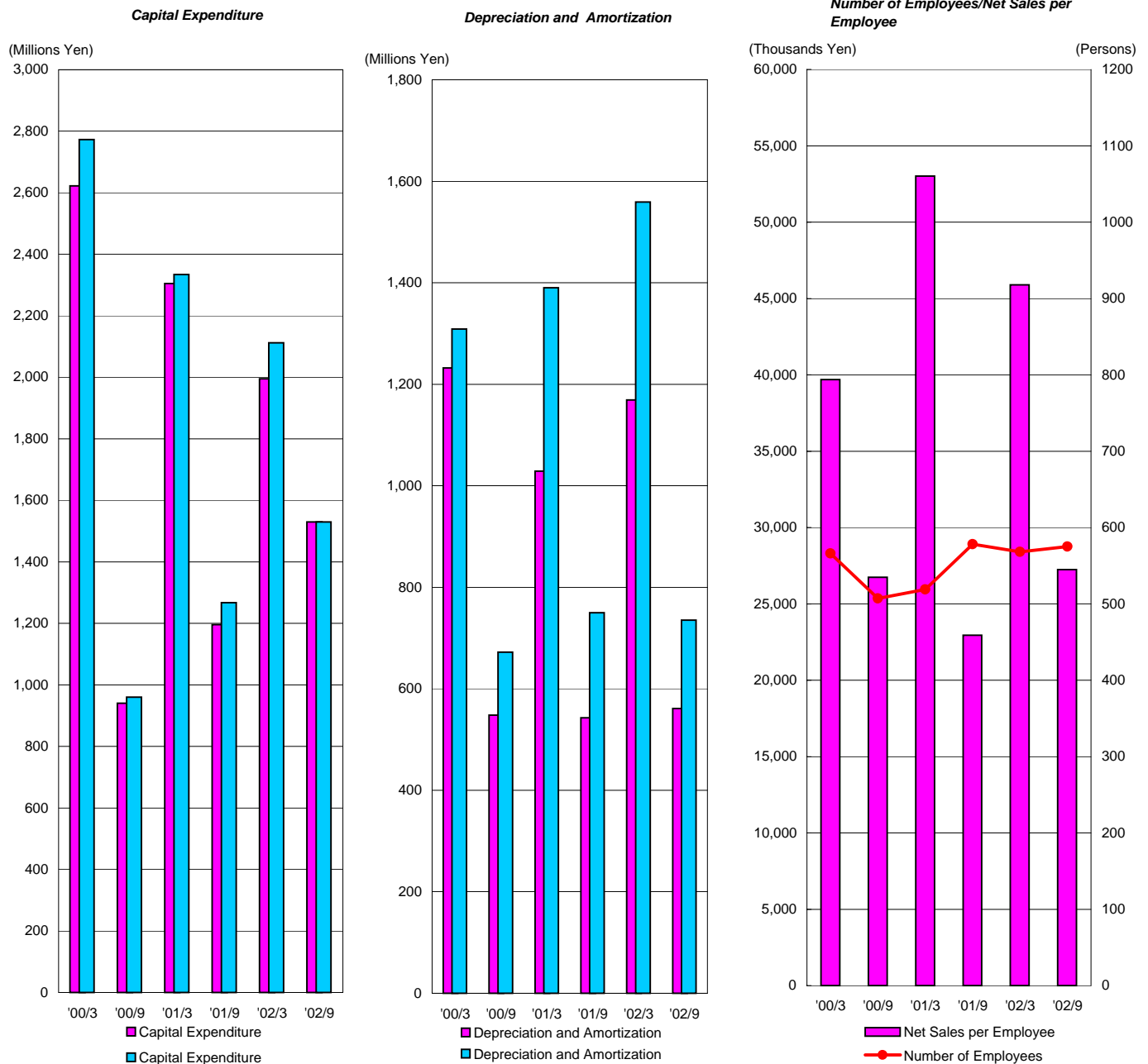
Cash Dividends per Share/Payout Ratio



Fiscal Year Ended	'00/3	'00/9	'01/3	'01/9	'02/3	'02/9
Net Income per Share(Yen)	70.92	52.32	102.76	51.12	90.36	40.09
Shareholders' Equity per Share(Yen)	818.52	815.28	868.19	795.13	972.60	889.70
Cash Dividends per Share(Yen)	16	24	24	21	21	21
Payout Ratio(%)	23.0	23.7	23.7	25.4	25.4	25.4

Consolidated	'00/3	'00/9	'01/3	'01/9	'02/3	'02/9
Net Income per Share(Yen)	116.52	77.08	159.98	57.98	106.08	49.41
Shareholders' Equity per Share(Yen)	947.87	955.9	1040.82	956.51	1126.44	1032.94

Capital Expenditure/Per Employee Data



Fiscal Year Ended	'00/3	'00/9	'01/3	'01/9	'02/3	'02/9
Capital Expenditure(Millions Yen)	2,622	940	2,305	1,196	1,995	1,530
Depreciation and Amortization(Millions Yen)	1,232	548	1,029	543	1,169	561
Inventory Turnover Period(Days)	54.1		36.7		29.9	
Interest Coverage(Times)	53.9	149.5	123.0	269.2	322.5	1003.7
Number of Employees(including part time employees)(Persons)	566	507	519	578	568	575
Net Sales per Employee(including part time employees)(Thousands Yen)	39,691	26,746	53,021	22,952	45,886	27,237
Labor Productivity(Tousands Yen)	12,766		17,533		15,950	
Labor's Relative Share(%)	52.4	46.5	45.8	46.0	45.2	49.1
Consolidated	'00/3	'00/9	'01/3	'01/9	'02/3	'02/9
Capital Expenditure(Millions Yen)	2,773	960	2,334	1,267	2,112	1,530
Depreciation and Amortization(Millions Yen)	1,309	672	1,390	750	1,559	735
Inventory Turnover Period(Days)	53.1		44.9		47.3	
Interest Coverage(Times)	50.9	116.9	112.0	144.7	184.2	238.6

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		'00/3	'00/9	'01/3	'01/9	'02/3	'02/9	
Assets	Current Assets	13,167	14,972	12,984	11,849	16,057	18,589	
	Cash and deposits	1,080	795	850	886	5,976	7,014	
	Notes receivable	1,756	1,927	2,077	1,864	1,621	1,642	
	Accounts receivable	6,879	8,420	7,306	6,586	5,724	6,390	
	Inventories	3,308	2,010	2,220	1,921	2,044	2,734	
	Deferred taxable assets	116	116	275	275	168	168	
	Others	63	1,712	262	326	531	649	
	Allowance for doubtful accounts	-35	-8	-6	-9	-7	-8	
	Fixed Assets	12,763	14,250	16,050	15,957	16,661	16,813	
	(Tangible fixed assets)	9,277	9,549	10,229	10,664	10,689	11,512	
	Buildings	3,802	3,799	3,792	4,336	4,403	4,456	
	Machinery and Equipment	3,213	3,205	2,989	3,816	3,435	3,883	
	Land	1,582	1,582	1,584	1,584	1,581	1,581	
	Construction in progress	220	517	1,412	437	815	1,155	
	Others	460	446	452	491	455	437	
	(Intangible Fixed Assets)	14	13	13	13	14	39	
	(Investments and other assets)	3,472	4,688	5,808	5,280	5,958	5,262	
	Investment Securities	2,805	4,052	4,063	3,686	3,930	3,921	
	Stocks of subsidiaries	170	273	274	273	831	273	
	Contributions	2	2	2	2	1	2	
	Contributions of subsidiaries	36	36	36	36	37	36	
	Long-term loans	156	137	1,227	1,130	1,033	905	
	Long-term prepaid expenses	4	19	18	16	25	23	
	Deferred taxable assets	126	-	-	0	-	-	
	Others	217	230	258	212	134	132	
	Allowance for doubtful debts	-44	-61	-70	-75	-33	-30	
		Total Assets	25,930	29,222	29,034	27,806	32,718	35,402
Liabilities	Current Liabilities	11,005	12,558	11,263	10,222	8,422	11,153	
	Notes and accounts payable	3,286	3,815	3,743	3,218	3,020	4,182	
	Accounts payable	1,705	2,611	2,570	2,330	2,462	2,874	
	Accrued income tax and others	3,554	3,027	892	1,622	372	264	
	Deferred taxable liabilities	540	686	1,059	712	520	742	
	Equipment notes payable	686	752	1,298	959	568	1,228	
	Others	1,234	1,667	1,701	1,381	1,480	1,863	
	Fixed Liabilities	307	568	588	254	651	447	
	Long-term borrowings	29	21	12	4	-	-	
	Deferred taxable liabilities	-	323	342	52	397	116	
	Reserve for severance payment	64	-	-	52	98	156	
	Reserve for bonuses to retiring officers	209	218	229	136	147	163	
	Others	5	6	5	10	9	12	
		Total Liabilities	11,312	13,126	11,851	10,476	9,073	11,600
	Stockholders' Equity	Capital	3,673	3,839	3,876	3,894	6,320	6,337
		Capital reserve	2,965	2,951	2,989	3,006	5,433	5,450
Revenue Reserve		658	693	693	748	748	748	
Other Surplus		7,322	7,986	8,983	10,192	10,418	11,697	
Voluntary reserve		5,628	6,665	6,665	7,917	7,916	9,314	
Unappropriated retained earnings at the end of interim period (current)		1,694	1,321	2,319	1,528	2,501	1,635	
(Less current retained earnings)		(1,240)	(1,005)	(2,002)	(1,036)	(2,009)	(1,072)	
Other securities appreciation differences		-	627	641	237	727	335	
Treasury stock		-	-	-	-	-	-17	
		Total Stockholder's Equity	14,618	16,096	17,183	17,330	23,645	23,802
		Total Liabilities, Minority Interest and Stockholder's Equity	25,930	29,222	29,034	27,806	32,718	35,402

Financial Statement

Statement of Income

(Millions Yen)

Fiscal Year Ended	'00/3	'00/9	'01/3	'01/9	'02/3	'02/9
Sales	22,465	13,560	27,518	13,266	26,063	15,661
Sales cost	18,344	10,798	21,991	10,574	20,805	12,562
Gross profit on sales	4,122	2,762	5,527	2,693	5,258	3,099
Selling and general administration expenses	2,133	1,126	2,229	1,079	2,165	1,317
Operating Profit	1,989	1,636	3,298	1,614	3,093	1,782
Non-operating revenue	317	310	681	429	833	417
Non-operating expenses	116	185	451	241	501	315
Ordinary Profit	2,190	1,761	3,528	1,802	3,425	1,884
Extraordinary profit	827	10	7	-	122	1
Extraordinary Losses	863	66	116	41	130	53
Pretax interim (current) net profit	2,154	1,705	3,419	1,761	3,417	1,833
Corporate income tax, local residence tax, and enterprise tax	976	700	1,566	725	1,308	761
Adjustment of corporate income tax, etc.	-62	-	-149	-	100	-
Interim (current) net profit	1,240	1,005	2,002	1,036	2,009	1,072
Profit brought forward from the previous term	271	315	316	492	492	562
Unappropriated retained earnings for interim period (current)	1,694	1,320	2,318	1,528	2,501	1,634

Consolidated Financial Statement

Consolidated Balance Sheet

(Millions Yen)

Fiscal Year Ended		'00/3	'00/9	'01/3	'01/9	'02/3	'02/9	
Assets	Current Assets	15,067	17,036	16,537	15,258	19,094	21,390	
	Cash and deposits	1,648	1,415	1,640	1,401	6,731	7,867	
	Notes and accounts receivable	9,515	11,310	10,190	9,176	7,989	8,730	
	Securities	-	163	160	160	160	160	
	Inventories	3,672	3,765	3,881	3,809	3,564	4,132	
	Deferred taxable assets	129	133	359	360	228	278	
	Others	146	268	312	370	433	239	
	Allowance for doubtful accounts	-44	-18	-5	-18	-11	-16	
	Fixed Assets	14,412	16,172	17,359	17,584	18,757	19,414	
	(Tangible fixed assets)	9,927	10,182	10,833	11,365	11,360	12,184	
	Buildings and structures	4,481	4,439	4,400	4,921	4,955	4,989	
	Machinery, equipment and delivery equipment	3,312	3,306	3,090	3,995	3,623	4,077	
	Land	1,742	1,742	1,744	1,744	1,741	1,741	
	Others	392	695	1,599	705	1,041	1,377	
	(Intangible Fixed Assets)	17	17	17	16	18	67	
	(Investments and other assets)	4,468	5,973	6,509	6,203	7,379	7,163	
	Investment Securities	4,064	5,679	6,166	5,868	6,975	6,741	
	Deferred taxable assets	150	0	21	21	124	123	
	Others	361	418	403	396	318	342	
	Allowance for doubtful debts	-107	-124	-81	-82	-38	-43	
	Total Assets	29,478	33,208	33,896	32,842	37,851	40,804	
Liabilities	Current Liabilities	12,186	13,727	12,605	11,627	9,696	12,611	
	Notes and accounts payable	5,633	6,837	6,877	6,100	5,869	7,413	
	Short-term borrowings	3,932	3,498	1,308	2,186	967	1,030	
	Accrued income tax and others	641	754	1,212	765	563	804	
	Deferred taxable liabilities	-	-	3	1	1	1	
	Reserve for Bonuses	-	-	-	-	646	961	
	Others	1,980	2,638	3,205	2,575	1,650	2,402	
	Fixed Liabilities	354	597	680	355	760	549	
	Long-term borrowings	37	21	40	29	22	43	
	Deferred taxable liabilities	-	299	342	52	397	116	
	Reserve for severance payment	75	-	-	83	137	215	
	Reserve for bonuses to retiring officers	212	221	231	139	150	159	
	Consolidated reconciliation account	2	1	-	-	-	-	
	Others	28	55	67	52	54	16	
	Total Liabilities	12,540	14,324	13,285	11,982	10,456	13,160	
	Minority interest	10	12	12	12	10	10	
	Stockholders' Equity	Capital	3,673	3,839	3,876	3,894	6,320	6,337
		Capital reserve	2,965	2,951	2,989	3,007	5,432	5,449
		Consolidated surplus	10,292	11,464	13,101	13,705	14,888	15,528
		Other differences from appreciation of securities	-	626	640	236	727	334
		Cumulative conversion adjustment	-	-8	-7	6	17	3
Total		16,930	18,872	20,599	20,848	27,384	27,651	
Treasury Stock		-2	0	0	0	1	-17	
Total Stockholder's Equity	16,928	18,872	20,599	20,848	27,385	27,634		
Total Liabilities, Minority Interest and Stockholder's Equity	29,478	33,208	33,896	32,842	37,851	40,804		

Consolidated Financial Statement

Consolidated Statement of Income

Fiscal Year Ended	(Millions Yen)					
	'00/3	'00/9	'01/3	'01/9	'02/3	'02/9
Sales	25,398	15,213	30,691	14,657	28,711	16,906
Sales cost	20,356	11,916	23,980	11,551	22,718	13,481
Gross profit on sales	5,042	3,297	6,711	3,106	5,993	3,425
Selling and general administration expenses	2,612	1,462	2,889	1,414	2,823	1,637
Transportation and packaging	362	232	410	234	488	410
Allowance for salaries	656	337	662	340	650	324
Bonuses	215	243	411	-	134	195
Transferred amount to reserve for bonuses to retiring officers	23	10	20	11	22	10
Others	1,356	640	1,386	829	1,529	698
Operating Profit	2,430	1,835	3,822	1,692	3,170	1,788
Non-operating revenue	979	625	1,230	368	848	569
Interest received	5	7	18	6	7	17
Dividends received	15	19	26	33	36	37
Depreciation of consolidated reconciliation account	1	1	2	-	-	-
Investment profit on equity method	725	461	931	205	499	414
Others	233	137	253	124	306	101
Non-operating expenses	201	148	234	87	227	197
Interest paid	48	16	34	12	16	8
Others	153	132	200	75	211	189
Ordinary Profit	3,208	2,312	4,818	1,973	3,791	2,160
Extraordinary profit	773	9	14	-	122	-
Profit on sale of investment securities	753	-	2	-	84	-
Profit on reimbursement of reserve for doubtful debts	10	9	12	-	-	-
Others	10	-	-	-	38	-
Extraordinary Losses	863	74	129	48	142	66
Loss on retirement of fixed assets	21	34	51	9	47	21
Depreciation differences arising from changes in accounting standards for severance payment	-	39	77	39	77	-
Others	842	1	1	-	18	45
Pretax interim (current) net profit	3,118	2,247	4,703	1,926	3,771	2,094
Corporate income tax, local residence tax, and enterprise tax	1,155	765	1,798	774	1,418	774
Adjustment of corporate income tax, etc.	-79	-	-215	-	19	-
Profit attributable to minority interest (deduction)	3	2	2	-23	-24	-1
Interim (current) net profit	2,039	1,480	3,118	1,175	2,358	1,321

Statement of Consolidated Surplus

Fiscal Year Ended	(Millions Yen)					
	'00/3	'00/9	'01/3	'01/9	'02/3	'02/9
Consolidated surplus at the beginning of year	8,323	10,291	10,291	13,101	13,101	14,888
Balance of increase in other retained earnings	200	-	-	-	-	-
Decrease in consolidated surplus	272	308	308	572	572	683
Decrease in surplus due to increase of consolidated subsidiaries	-	-	-	49	-	139
Dividends	257	286	286	475	475	510
Bonuses for directors	15	22	22	48	48	33
Interim (current) net profit	2,039	1,480	3,118	1,176	2,359	1,322
Consolidated surplus at the end of interim year (year)	20,290	11,463	13,101	13,705	14,888	15,527

Consolidated Financial Statement

Statement of Consolidated Cash Flow

Fiscal Year Ended	(Millions Yen)		
	'01/9	'02/3	'02/9
Cash flow from operation activities	1,268	4,031	2,843
Pretax interim (current) net profit	1,926	3,771	2,094
Depreciation	750	1,559	735
Depreciation of consolidated reconciliation account	-	-	-
Investment profit on equity method	-205	-499	-414
Profit on sale of investment securities	-	-84	-
Expenses on shares issued	0	51	1
Loss on retirement of tangible fixed assets	9	47	21
Loss on appreciation of investment securities	-	14	-
(Profit) or loss on conversion	0	-5	126
(Increase) or decrease in reserve for bonuses to retiring officers	-92	-81	9
Decrease in reserve for severance payment	-	-	-
Increase in reserve for retirement benefits	59	112	68
Increase in reserve for bonuses	649	646	312
(Increase) or decrease in provisions for doubtful accounts	14	-37	10
Interest and dividends received	-39	-44	-54
Interest paid	12	17	7
(Increase) or decrease in sales receivables	1,060	2,294	-731
(Increase) or decrease in inventories	84	328	-533
(Increase) or decrease in purchase liabilities	-839	-1,071	1,543
(Increase) or decrease in accrued consumption tax, etc.	-104	-123	59
(Increase) or decrease in other assets	8	27	12
(Increase) or decrease in other liabilities	-837	-796	30
Bonuses for officers paid	-47	-48	-33
Interest and dividends received	95	100	107
Interest paid	-11	-18	-7
Corporate income tax, etc. paid	-1,224	-2129	-519
Cash flow from investment activities	-1,813	-4,381	440
Payments for Received Time Deposits	-	-1,556	-
Revenue from refund of time deposits	122	122	1,556
Expenditure on acquisition of tangible fixed assets	-1,640	-2,771	-943
Revenue from sale of tangible fixed assets	0	46	-
Expenditure on acquisition of investment securities	-317	-397	-108
Revenue from sale of investment securities	-	192	-
Expenditure on lending	-30	-70	-47
Revenue from collection of loans	52	55	8
Other	-	-2	-26
Cash flow from financing activities	376	3,951	-479
Net increase (decrease) in short-term borrowings	832	-382	33
Revenue from long-term borrowings	-	-	-
Expenditure on repayment of long-term borrowings	-17	-27	-20
Proceeds from stocks issued	35	4,836	32
Net expenditure on acquisition and proceeds from sale of treasury stock	0	-1	-15
Dividends paid	-474	-475	-509
Conversion difference of cash and cash equivalents	0	5	-126
Increase (decrease) in cash and cash equivalents	-169	3,605	2,680
Cash and cash equivalents at the beginning of year	1,594	1,594	5,251
Cash and cash equivalents at the beginning of year of newly consolidated subsidiaries	51	52	11
Cash and cash equivalents at the end of interim period(year)	1,476	5,251	7,942