

QUARTERLY REPORT

(Third Quarter of the 61st Term)

From October 1, 2008
to December 31, 2008

ARISAWA MFG. CO., LTD.

E01152

TABLE OF CONTENTS

Page Number

Cover Page

PART I. INFORMATION ABOUT THE BUSINESS	1
1. General Conditions of Business	1
1. Changes in Principal Business Indicators, etc.	1
2. Details of Business	2
3. Status of Affiliated Companies	2
4. Status of Employees	2
2. Status of Business	3
1. Status of Manufacturing, Receipt of Orders and Sales	3
2. Important Agreement for Operation, etc.	3
3. Analysis of Financial Conditions and Business Results	3
3. Status of Facilities	6
4. Status of the Submitting Company	7
1. Status of Shares, etc.	7
(1) Total Number of Shares, etc.	7
(2) Status of New Share Subscription Rights, etc.	7
(3) Details of Rights Plan	12
(4) The Change in Total Number of Shares Issued, Capital, etc.	12
(5) Status of Major Shareholders.....	12
(6) Status of Voting Rights.....	13
2. Share Price Movement	13
3. Status of Officers.....	13
5. Status of Accounting	14
1. Quarterly Consolidated Financial Statements	15
(1) Quarterly Consolidated Balance Sheet	15
(2) Quarterly Consolidated Profit and Loss Statement.....	17
(3) Quarterly Consolidated Cash Flow Statement.....	19
2. Other.....	26
PART II. INFORMATION ON GUARANTY COMPANIES OF THE SUBMITTING COMPANY, ETC.	27
[Quarterly Review Report]	

Cover Page

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Quarterly Accounting Period: Third Quarter of the 61st Term (from October 1, 2008 to December 31, 2008)

Name of Company: Kabushiki Kaisha Arisawa Seisakusho

English Translation of Company Name: Arisawa Mfg. Co., Ltd.

Name and Title of Representative: Sanji Arisawa, President and Chief Executive Officer

Location of Principal Office: 5-5, Minami Honcho 1-chome, Joetsu City, Niigata Prefecture

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Places where Copies of Quarterly Report Are Available for Public Inspection: Arisawa Mfg. Co., Ltd., Tokyo Branch Office (12-5, Yanagibashi 2-chome, Taito-ku, Tokyo)
Arisawa Mfg. Co., Ltd., Osaka Branch Office (Konishi Nissei Building 11th Floor, 12-12, Minami Senba 4-chome, Chuo-ku, Osaka)
Tokyo Stock Exchange (2-1, Nihonbashi Kabuto-cho, Chuo-ku, Tokyo)

PART I. INFORMATION ABOUT THE BUSINESS

1. General Conditions of Business

1. Changes in Principal Business Indicators, etc.

Term	61 st Term Third Quarter Consolidated Aggregate Period	61 st Term Consolidated Third Quarter	60 th Term
Accounting Period	From April 1, 2008 to December 31, 2008	From October 1, 2008 to December 31, 2008	From April 1, 2007 to March 31, 2008
Sales (¥ millions)	25,514	6,855	40,697
Ordinary profit or loss (Δ) (¥ millions)	404	Δ202	2,827
Net profit or loss (Δ) (¥ millions)	Δ247	Δ707	1,119
Net assets (¥ millions)	---	42,113	42,847
Total assets (¥ millions)	---	53,415	55,248
Net asset per share (¥)	---	1,199.32	1,221.91
Net profit or loss (Δ) per share (¥)	Δ7.07	Δ20.23	31.98
Fully diluted net profit per share (¥)	---	---	31.95
Net worth ratio (%)	---	78.6	77.4
Cash flows from operating activities (¥ millions)	1,609	---	5,074
Cash flows from investing activities (¥ millions)	Δ5,301	---	Δ3,165
Cash flows from financing activities (¥ millions)	2,119	---	Δ1,009
Cash and cash equivalents at end of period (¥ millions)	---	3,243	4,856
Number of employees	---	1,000	992

- Note: 1. As the Company prepares quarterly consolidated financial statements, the changes in principal business indicators, etc., of the Submitting Company are not described.
2. Consumption tax not included in sales amounts.
3. “Fully diluted quarterly net profit per share” is not recorded as there was a quarterly net loss per share although residual shares existed in the consolidated aggregate period and consolidated fiscal period for the third quarter of the 61st term.

2. Details of Business

There has been no material change in information regarding business lines of our Group (the Company and its affiliated companies) during the current consolidated third quarter. Also, there has been no material change in major affiliated companies.

3. Status of Affiliated Companies

There has been no material change in important affiliated companies during the current consolidated third quarter.

4. Status of Employees

(1) Status of Consolidated Companies

(as of December 31, 2008)

Number of Employees	1,000
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Note: The number of employees indicates full-time employees and does not include part-time and temporary employees.

(2) Status of the Submitting Company

(as of December 31, 2008)

Number of Employees	731
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Note: The number of employees indicates full-time employees and does not include part-time and temporary employees.

2. Status of Business

1. Status of Manufacturing, Receipt of Orders and Sales

Our Group (the Company and its consolidated subsidiaries) has many different categories of products manufactured and sold, in widely differing areas, and even products of the same type are not necessarily the same in their volume, construction, form or other elements. There are also products which are not manufactured on a produce to order basis, and we do not indicate production volume or order volume in monetary amounts or quantities for business segment.

For this reason we have indicated the relationships for performance for each business segment in “3. Analysis of Financial Conditions and Business Results” with respect to the status of manufacturing, receipt of orders and sales.

The following states the amount of sales by major customer and its percentage of total sales during the current consolidated third quarter.

Customer	Current consolidated third quarter (From October 1, 2008 to December 31, 2008)	
	Amount (¥1,000)	Ratio (%)
Sumitomo Shoji Chemicals Co., Ltd	1,902,960	27.7

Note: The amount in the above table does not include consumption tax.

2. Important Agreement for Operation, etc.

In the current consolidated third quarter, no decision on or execution of important agreement for operation, etc., was made.

3. Analysis of Financial Conditions and Business Results

(1) Status of Business Results

For the Japanese economy in the consolidated third quarter, recessionary forces have become more noticeable due to the global financial crisis triggered by the sub-prime loan problem and serious damage to exporting industries due to the stronger yen.

Under such circumstances, the Group (the Company, its consolidated subsidiaries and companies to which the equity method is applied) has concentrated its business resources into the electronic materials field, mainly consisting of flexible printed circuit board materials, and the display materials field, including 3D related materials, and made every effort at cost reductions as well as sales expansion and development of new products. But the Group was significantly affected by a decrease in actual demand due to the slowdown and inventory adjustments.

For business results in the consolidated third quarter, net sales were ¥6,855 million, operating loss was ¥294 million, ordinary loss was ¥202 million and quarterly net loss was ¥707 million.

The results by business segment are as follows.

In the electronic materials field in the business of manufacturing and sales of industrial materials, etc., net sales were ¥4,193 million, mainly from the sales of flexible printed circuit board materials, core products (orders received: ¥4,158 million, production output: ¥2,721 million, non-consolidated basis of the Submitting Company).

In addition, in the display materials field, net sales were ¥186 million, in the electric insulation materials field, net sales were ¥880 million, and in the industrial application structural materials field, net sales were ¥1,006 million and for related products, net sales were ¥574 million.

In other segments, net sales were ¥14 million.

For segment business results by region, statement of segment information by region is not included as sales in Japan account for over 90% of the total sales of all segments.

It should also be noted that the amounts of sales, receipt of orders and the like stated in this section do not include the amount for consumption tax, etc.

(2) Status of Cash Flows

Cash and cash equivalents (hereinafter referred to as the “Funds”) at the end of the current consolidated third quarter were ¥3,243 million.

The following is the status of each cash flow category and their major factors in the current consolidated third quarter.

(Cash Flow from Operating Activities)

For cash flow from operating activities, cash inflow was ¥19 million. This was mainly due to such increasing factors as a decrease in accounts receivable of ¥980 million, depreciation costs of ¥647 million and a decrease in inventories of ¥498 million, etc., and such decreasing factors as a decrease in purchase debt of ¥1,209 million and quarterly net loss before taxes, etc., of ¥683 million, etc.

(Cash Flow From Investing Activities)

For cash flow from investing activities, outflow of Funds was ¥1,257 million. This was mainly due to expenditure of ¥1,158 million for acquisition of tangible fixed assets.

(Cash Flow from Financing Activities)

Cash flow from financing activities recorded an inflow of Funds of ¥1,766 million. This was mainly due to revenue of ¥1,500 million from long-term borrowings.

(3) Business and Financial Tasks to be Tackled

There was no significant change in the tasks to be tackled by our Group in the current consolidated third quarter.

In this regard, the Company provides for the basic policy for how the person controlling financial and business policies should be and the contents (the matters set forth in each item of Article 127 of the Enforcement Rules of the Corporation Law) are as follows.

- 1) Effective use of the contents of the basic policy and the assets of the Company and formulation of appropriate corporate group as well as the efforts for realization of other basic policies.

The Company since its incorporation in 1909, has made efforts at technological innovation and product development while consistently responding to user needs as well as addressing improvements in corporate value by developing unique technologies integrating weaving, coating and molding under an environment of favorable labor relations. The Company's Board of Directors believes that the company is always obligated to continue to develop along its historical path of accumulating technologies as well as understanding such corporate value and fostering improvement of this corporate value over the long run.

Based on the above, our Group aims at enhancing profitability by creating new businesses and markets, prioritizing safety and quality as our objectives under the corporate policies based on the philosophy of “Creation, Innovation and Challenge.”

- 2) Efforts for preventing control by inappropriate persons of decisions on financing and corporate policies of the Company

We have witnessed such takeover methods across stock markets recently, through forceful acquisition of large block share buyouts without sufficient explanation or consultation with shareholders of a targeted company or its top management. Not a few of these buyouts can be regarded as leading to loss of corporate value, forced sale of large block shares or violation of shareholder interests.

We have determined that it is necessary to secure the disclosure of necessary and sufficient information and a period for examination and consideration of a takeover bid by presenting rules and procedures to be complied with by a takeover bidder through Company developed countermeasures for acquisition of large block shares of the Company (hereinafter referred to as the “Rules”), and obtained approval for the Rules at the 59th ordinary general meeting of shareholders held on June 28, 2007.

Under the Rules, in the event that implementation of countermeasures has been approved at the general meeting of shareholders, etc., to confirm the will of shareholders, and that a bidder or proposer who seeks a takeover (hereinafter collectively referred to as a “Takeover Bidder”) does not comply with the Rules or that it is clear a large block acquisition of shares of the Company and similar acts or proposals (hereinafter collectively referred to as a “Takeover”) will destroy corporate value, countermeasures shall be implemented in accordance with the Rules.

(For the details of the Rules, please refer to the website of the Company at <http://www.arisawa.co.jp/>)

- 3) That the said efforts in accordance with the basic policy do not encroach on the corporate value of the Company and the common interest of shareholders and that they do not aim at maintaining the status of officers.

The Board of Directors of the Company believes that while the company's shares have been listed on the stock exchange and investors can freely trade shares of the company, a large block acquisition of shares of the Company against the will of the Board of Directors of the Company or a takeover bid accompanying the transfer of control of the Company should not be denied if such actions contribute

to the interest of all shareholders through an improvement in corporate value, and a final judgment should be made by all shareholders of the Company.

If such Takeover is made, in order for shareholders to make an appropriate judgment, we think it is best to have the Takeover Bidder provide detailed information and disclose sufficient information to shareholders as well as having the Board of Directors of the Company express its opinions which will in turn allow the shareholders to directly express their opinions at the general meeting of shareholders, etc., on which proposal is best suited to securing and improving corporate value and the common interest of the shareholders, and the Rules provide for as follows.

a. Judgment by direct resolution of shareholders

The Rules are to confirm directly the will of shareholders on approval or disapproval of a takeover bid by a Takeover Bidder except for noncompliance of the Rules by the Takeover Bidder, etc. In confirmation of the will of shareholders, it is almost impossible for the Directors to make individual solicitation for the protection of their own interests and there is no room for arbitrary intention of the Directors.

b. Restrictions on implementation of countermeasures by the judgment of the board of directors

It is restricted to the cases where the violation of the Rules or destruction of corporate value and the common interest of shareholders are clear that a countermeasure can be implemented by the Board of Directors of the Company without confirming the will of shareholders, and so-called "Sunset-clause," which limits the term of the Rules to two (2) years, is also attached.

Therefore, the Board of Directors of the Company believes that the "Basic Policy for Control of the Company" is the efforts for securing the corporate value of the Company and the common interest of shareholders and that it shall not impair the common interest of shareholders.

(4) Research and Development Activities

Amount of expenses for research and development activities of the entire Group in the current consolidated third quarter was ¥518 million.

In this regard, there was no significant change in the status of research and development activities of our Group in the current consolidated third quarter.

3. Status of Facilities

(1) Status of Major Facilities

There was no significant change in major facilities during the current consolidated third quarter.

(2) Plan of New Installation and Retirement, etc., of Facilities

In the current consolidated third quarter, based on a review of trends in demand, etc., a material change occurred to the planned construction of important new facilities as of the end of the consolidated second quarter, which is as follows.

Company Name	Name of Offices (location)	Name of business segment	Nature of facilities	Projected total investment (¥1,000)	Existing payments (¥1,000)	Method of funding	Projected starting date	Projected completion date	Increased capacity after completion
Submitting company	Nakadahara-Nishi Factory (Joetsu City, Niigata)	Manufacturing and selling industrial materials	Display materials manufacturing facilities	4,096,000	4,004,334	Own funds and borrowing	December, 2007	January, 2009	(Note 2)

- Note:
1. The amounts do not include consumption taxes, etc.
 2. Since our Group has many products that differ in content and form, and since the facilities used for each of these products can be shared, it is very difficult to state the increased capacity of the manufacturing facilities of our Group, after completion and for this reason we have omitted entry of this category.

4. Status of the Submitting Company

1. Status of Shares, etc.

(1) Total Number of Shares, etc.

1) Total number of shares

Class	Authorized number of shares to be issued
Common Stock	130,000,000
Total	130,000,000

2) Shares issued

Class	Number of shares issued and outstanding at the end of the third quarter (as of December 31, 2008)	Number of shares issued and outstanding as of the date submitted (as of February 13, 2009)	Name of financial instruments exchange where listed or the name of registered and authorized financial instruments firms association	Remarks
Common Stock	34,994,424	34,994,424	Tokyo Stock Exchange (First Section Market)	Number of Shares per Trading Unit: 100 shares
Total	34,994,424	34,994,424	---	---

Note: In the column "Number of shares issued and outstanding as of the date submitted," the number of shares issued by the exercise of new share subscription rights during the period from February 1, 2009 through the submitting date of this quarterly report is not included.

(2) Status of New Share Subscription Rights, etc.

New share subscription rights issued under the former Commercial Code were as follows.

1) Resolution at the Ordinary General Meeting of Shareholders as of June 29, 2004

	At the end of the third quarter (as of December 31, 2008)
Number of new share subscription rights	1,279
Number of treasury new share subscription rights out of new share subscription rights (unit)	---
Class of shares to be subject to new share subscription rights	Common Stock Number of Shares per Trading Unit: 100 shares
Number of shares to be subject to new share subscription rights	127,900
Amount to be paid-in upon exercise of the new share subscription rights (yen)	4,393
Exercise period of the new share subscription rights	July 1, 2006 through June 30, 2009
Issue price and paid-in capital amount per share to be issued upon exercise of the new share subscription rights (yen)	Issue Price 4,393 Paid-in Capital Amount 2,197
Terms and conditions to exercise the new share subscription rights	Being an employee of the Company or a director or an employee of the affiliated companies of the Company at the time of exercising the rights.
Provisions concerning the transfer of the new share subscription rights	Transfer of the new share subscription rights must be approved by the Board of Directors.
Matters concerning substitute payment	---
Matters concerning issue of new share subscription rights in connection with reorganization	---

2) Resolution at the Ordinary General Meeting of Shareholders as of June 29, 2005

	At the end of the third quarter (as of December 31, 2008)
Number of new share subscription rights	348
Number of treasury new share subscription rights out of new share subscription rights (unit)	---
Class of shares to be subject to new share subscription rights	Common Stock Number of Shares per Trading Unit: 100 shares
Number of shares to be subject to new share subscription rights	34,800
Amount to be paid-in upon exercise of the new share subscription rights (yen)	1
Exercise period of the new share subscription rights	August 1, 2005 through July 31, 2025
Issue price and paid-in capital amount per share to be issued upon exercise of the new share subscription rights (yen)	Issue Price 1 Paid-in Capital Amount 1
Terms and conditions to exercise the new share subscription rights	(1) Eligible persons may exercise the new share subscription rights only at the time of their retirement from office of directors of the Company; provided, however, that the eligible persons may exercise the new share subscription rights during the period between the following day of the date of retirement (hereinafter referred to as the "Commencement Date of Exercising Right") and the date elapsing ten (10) days from the Commencement Date of Exercising Right. (2) In the event that the eligible person has died, among his/her heirs, only the spouse, children and direct ancestors of the first degree may exercise the new share subscription rights; provided, however, that heirs may exercise the new share subscription rights during the period between following day of the retirement of the eligible person by death and the date elapsing three (3) months from that date.
Provisions concerning the transfer of the new share subscription rights	Transfer of the new share subscription rights must be approved by the Board of Directors.
Matters concerning substitute payment	---
Matters concerning issue of new share subscription rights in connection with reorganization	---

Note: It was granted in lieu of payment of money to the directors of the Company whose termination of the retirement bonuses was approved at the 56th ordinary general meeting of shareholders (June 29, 2004).

3) Resolution at the Ordinary General Meeting of Shareholders as of June 29, 2005

	At the end of the third quarter (as of December 31, 2008)
Number of new share subscription rights	1,400
Number of treasury new share subscription rights out of new share subscription rights (unit)	---
Class of shares to be subject to new share subscription rights	Common Stock Number of Shares per Trading Unit: 100 shares
Number of shares to be subject to new share subscription rights	140,000
Amount to be paid-in upon exercise of the new share subscription rights (yen)	2,637
Exercise period of the new share subscription rights	July 1, 2007 through June 30, 2010
Issue price and paid-in capital amount per share to be issued upon exercise of the new share subscription rights (yen)	Issue Price 2,637 Paid-in Capital Amount 1,319
Terms and conditions to exercise the new share subscription rights	Being an employee of the Company or a director or an employee of the affiliated companies of the Company at the time of exercising the rights.
Provisions concerning the transfer of the new share subscription rights	Transfer of the new share subscription rights must be approved by the Board of Directors.
Matters concerning substitute payment	---
Matters concerning issue of new share subscription rights in connection with reorganization	---

New share subscription rights issued under the Corporation Law were as follows.

1) Resolution at the Ordinary General Meeting of Shareholders as of June 29, 2006

	At the end of the third quarter (as of December 31, 2008)
Number of new share subscription rights	1,794
Number of treasury new share subscription rights out of new share subscription rights (unit)	---
Class of shares to be subject to new share subscription rights	Common Stock Number of Shares per Trading Unit: 100 shares
Number of shares to be subject to new share subscription rights	179,400
Amount to be paid-in upon exercise of the new share subscription rights (yen)	1,810
Exercise period of the new share subscription rights	July 1, 2008 through June 30, 2011
Issue price and paid-in capital amount per share to be issued upon exercise of the new share subscription rights (yen)	Issue Price 2,243 Paid-in Capital Amount 1,122
Terms and conditions to exercise the new share subscription rights	Being an employee of the Company or a director or an employee of a subsidiary of the Company at the time of exercising the rights.
Provisions concerning the transfer of the new share subscription rights	Transfer of the new share subscription rights must be approved by the Board of Directors.
Matters concerning substitute payment	---
Matters concerning issue of new share subscription rights in connection with reorganization	---

2) Resolution at the Ordinary General Meeting of Shareholders as of June 28, 2007

	At the end of the third quarter (as of December 31, 2008)
Number of new share subscription rights	1,999
Number of treasury new share subscription rights out of new share subscription rights (unit)	---
Class of shares to be subject to new share subscription rights	Common Stock Number of Shares per Trading Unit: 100 shares
Number of shares to be subject to new share subscription rights	199,900
Amount to be paid-in upon exercise of the new share subscription rights (yen)	1,187
Exercise period of the new share subscription rights	July 1, 2009 through June 30, 2012
Issue price and paid-in capital amount per share to be issued upon exercise of the new share subscription rights (yen)	Issue Price 1,480 Paid-in Capital Amount 740
Terms and conditions to exercise the new share subscription rights	Being an officer or an employee of the Company or a director or an employee of a subsidiary of the Company at the time of exercising the rights.
Provisions concerning the transfer of the new share subscription rights	Transfer of the new share subscription rights must be approved by the Board of Directors.
Matters concerning substitute payment	---
Matters concerning issue of new share subscription rights in connection with reorganization	In the event that a merger contract in which a Company is a defunct company has been approved, or that a proposal for approval of a stock swap agreement in which the Company becomes a wholly owned subsidiary or a proposal for a transfer of stocks has been approved at a general meeting of shareholders, except as the surviving company or the wholly owning parent approves the obligation to grant new share subscription rights, the Company may acquire the New Share Subscription Rights without consideration.

3) Resolution at the Ordinary General Meeting of Shareholders as of June 27, 2008

	At the end of the third quarter (as of December 31, 2008)
Number of new share subscription rights	430
Number of treasury new share subscription rights out of new share subscription rights (unit)	---
Class of shares to be subject to new share subscription rights	Common Stock Number of Shares per Trading Unit: 100 shares
Number of shares to be subject to new share subscription rights	43,000
Amount to be paid-in upon exercise of the new share subscription rights (yen)	743
Exercise period of the new share subscription rights	July 1, 2010 through June 30, 2013
Issue price and paid-in capital amount per share to be issued upon exercise of the new share subscription rights (yen)	Issue Price 917 Paid-in Capital Amount 459
Terms and conditions to exercise the new share subscription rights	Being an officer of the Company at the time of exercising the rights.
Provisions concerning the transfer of the new share subscription rights	Transfer of the new share subscription rights must be approved by the Board of Directors.
Matters concerning substitute payment	---
Matters concerning issue of new share subscription rights in connection with reorganization	In the event that a merger contract in which a Company is a defunct company has been approved, or that a proposal for approval of a stock swap agreement in which the Company becomes a wholly owned subsidiary or a proposal for a transfer of stocks has been approved at a general meeting of shareholders, except as the surviving company or the wholly owning parent approves the obligation to grant new share subscription rights, the Company may acquire the New Share Subscription Rights without consideration.

4) Resolution at the Ordinary General Meeting of Shareholders as of June 27, 2008

	At the end of the third quarter (as of December 31, 2008)
Number of new share subscription rights	2,267
Number of treasury new share subscription rights out of new share subscription rights (unit)	---
Class of shares to be subject to new share subscription rights	Common Stock Number of Shares per Trading Unit: 100 shares
Number of shares to be subject to new share subscription rights	226,700
Amount to be paid-in upon exercise of the new share subscription rights (yen)	743
Exercise period of the new share subscription rights	July 1, 2010 through June 30, 2013
Issue price and paid-in capital amount per share to be issued upon exercise of the new share subscription rights (yen)	Issue Price 917 Paid-in Capital Amount 459
Terms and conditions to exercise the new share subscription rights	Being an officer or an employee of the Company or a director or an employee of a subsidiary of the Company at the time of exercising the rights.
Provisions concerning the transfer of the new share subscription rights	Transfer of the new share subscription rights must be approved by the Board of Directors.
Matters concerning substitute payment	---
Matters concerning issue of new share subscription rights in connection with reorganization	In the event that a merger contract in which a Company is a defunct company has been approved, or that a proposal for approval of a stock swap agreement in which the Company becomes a wholly owned subsidiary or a proposal for a transfer of stocks has been approved at a general meeting of shareholders, except as the surviving company or the wholly owning parent approves the obligation to grant new share subscription rights, the Company may acquire the New Share Subscription Rights without consideration.

(3) Details of Rights Plan

No applicable matter.

(4) The Change in Total Number of Shares Issued, Capital, etc.

Date	Number of shares issued and outstanding		Capital (in thousands of yen)		Capital reserves (in thousands of yen)	
	Change	Balance	Change	Balance	Change	Balance
October 1, 2008 through December 31, 2008	---	34,994,424	---	7,117,256	---	6,229,282

(5) Status of Major Shareholders

Changes in major shareholders are not recognized in the current third quarter as a copy of the report on large shareholders, etc., has not been sent to the Company.

(6) Status of Voting Rights

For the “Status of Voting Rights” as of the end of the current third quarter, since it is unable to be stated here as the entries in the list of shareholders could not be confirmed, it is stated based on the list of shareholders as of the most recent record date (September 30, 2008).

1) Shares issued and outstanding

As of December 31, 2008

Category	Number of Shares	Number of Rights	Remarks
Shares without voting rights	---	---	---
Shares with restricted voting rights (treasury stock, etc.)	---	---	---
Shares with restricted voting rights (other)	---	---	---
Shares with full voting rights (treasury stock, etc.)	Common Stock 700	---	Number of Shares per Trading Unit: 100 shares
Shares with full voting rights (other)	Common Stock 34,844,200	348,442	Number of Shares per Trading Unit: 100 shares
Odd stocks	Common Stock 149,524	---	---
Total number of shares issued and outstanding	34,994,424	---	---
Total number of voting rights of shareholders	---	348,442	---

Note: 600 shares and 6 rights held in the name of Japan Securities Depository Center, Inc. are included in Number of Shares and Number of Rights of Shares with full voting rights (other), respectively.

2) Treasury Stocks, etc.

As of December 31, 2008

Full name or corporate name, etc., of holder		Number of shares held			Ratio of shares held to total number of shares issued and outstanding (%)
Full name or corporate name	Address	In own name	In other's name	Total	
Arisawa Mfg. Co., Ltd.	5-5 Minami Honcho 1-chome, Joetsu City, Niigata Prefecture	700	---	700	0.00
Total	---	700	---	700	0.00

2. Share Price Movement

The highest/lowest share prices during the current quarter aggregate period:

Month	April 2008	May 2008	June 2008	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008
High (¥)	817	755	758	727	745	683	536	377	368
Low (¥)	730	680	673	653	653	508	301	309	296

Note: Highest and lowest share prices are those on the 1st Section Market of Tokyo Stock Exchange.

3. Status of Officers

There are no changes to Officers from the date of submission of Financial Report for the previous fiscal year through the date of submission of the current Quarterly Report.

5. Status of Accounting

1. Method of Preparation of Quarterly Consolidated Financial Statements

The quarterly consolidated financial statements of the Company are prepared in compliance with the “Regulations Concerning Terms, Forms and Preparation Method of Quarterly Consolidated Financial Statements” (Cabinet Office Ordinance No. 64, 2007; hereinafter referred to as “Regulations for Quarterly Consolidated Financial Statements”).

2. Certification of Auditing

The Company received a quarterly review of quarterly consolidated financial statements for the current consolidated third quarter (from October 1, 2008 to December 31, 2008) and the current third quarter consolidated aggregate period (from April 1, 2008 to December 31, 2008) by Ernst & Young ShinNihon LLC under the provision of Article 193-2, paragraph 1 of the Financial Instruments and Exchange Law.

1. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Unit: thousand yen)

	End of the Current Consolidated Third Quarter (as of December 31, 2008)	Consolidated Condensed Balance Sheet for the End of the Previous Consolidated Fiscal Year (as of March 31, 2008)
Assets		
Current Assets		
Cash and deposits	4,378,822	5,871,007
Trade notes & accounts receivable	*4 8,874,306	10,228,577
Merchandise	127,642	112,068
Finished goods	232,580	222,183
Semi-finished goods	2,865,287	3,022,017
Raw materials	1,706,716	2,085,035
Work-in-progress	1,401,116	1,594,233
Other	1,693,728	1,318,285
Allowance for doubtful accounts	△160,292	△68,900
Total Current Assets	21,119,906	24,384,509
Fixed Assets		
Tangible Fixed Assets		
Buildings & structures (net)	*1 8,490,331	*1 7,537,094
Machinery, equipment and delivery equipment (net)	*1 5,102,130	*1 5,813,344
Other (net)	*1 4,433,571	*1 2,710,876
Total Tangible Fixed Assets	18,026,034	16,061,314
Intangible Fixed Assets		
Goodwill	71,181	87,940
Other	96,757	119,842
Total Intangible Fixed Assets	167,938	207,782
Investments and Other Assets		
Investment securities	13,289,665	13,947,008
Other	1,156,885	910,185
Allowance for doubtful accounts	△344,502	△262,489
Total Investment and Other Assets	14,102,048	14,594,705
Total Fixed Assets	32,296,021	30,863,802
Total Assets	53,415,928	55,248,312

	(Unit: thousand yen)	
	End of the Current Consolidated Third Quarter (as of December 31, 2008)	Consolidated Condensed Balance Sheet for the End of the Previous Consolidated Fiscal Year (as of March 31, 2008)
Liabilities		
Current Liabilities		
Trade notes & accounts payable	*4 6,564,468	8,815,516
Short-term borrowings	*3 1,211,400	*3 390,000
Corporate income tax, etc., payable	63,498	135,216
Reserve for bonuses	229,101	572,749
Reserve for officers' bonuses	4,476	8,549
Other	*4 1,156,128	2,317,687
Total Current Liabilities	9,229,072	12,239,718
Fixed Liabilities		
Long-term borrowings	1,908,140	---
Reserve for retirement allowance	27,992	27,773
Other	137,400	133,795
Total Fixed Liabilities	2,073,532	161,569
Total Liabilities	11,302,605	12,401,288
Net Assets		
Shareholders' Equity		
Capital	7,117,256	7,117,253
Capital surplus	6,229,282	6,229,282
Earned surplus	28,622,963	32,126,042
Treasury stock	Δ596	Δ3,211,749
Total Shareholders' Equity	41,968,905	42,260,829
Valuation and Translation Differences, etc.		
Other revaluation balance of securities	124,036	434,965
Foreign currency translation adjustments	Δ124,715	61,604
Total Valuation and Translation Differences, etc.	Δ678	496,569
New Share Subscription Rights	131,173	89,625
Minority interests	13,921	---
Total Net Assets	42,113,322	42,847,024
Total Liabilities and Net Assets	53,415,928	55,248,312

(2) Quarterly Consolidated Profit and Loss Statement

[Third quarter consolidated aggregate period]

(Unit: thousand yen)

	Current Third Quarter Consolidated Aggregate Period (From April 1, 2008 to December 31, 2008)	
Sales		25,514,757
Cost of Goods Sold		22,354,881
Gross Profit on Sales		3,159,876
Selling, General & Admin. Expenses	*1	2,514,575
Operating Profit		645,300
Non-operating Income		
Interest received		18,421
Dividends received		32,288
Technical support fee		53,100
Rent income		54,466
Other		65,189
Total Non-operating Income		223,465
Non-operating Expenses		
Interest paid		15,857
Investment loss by equity method		46,117
Exchange loss		131,829
Transfer to allowance for doubtful accounts		49,727
Other		221,064
Total Non-operating Expenses		464,597
Ordinary Profit		404,168
Extraordinary Profits		
Profit on prior period adjustment		1,510
Profit on sale of fixed assets		6,012
Profit on sale of investment securities		83,829
Other		8,958
Total Extraordinary Profits		100,311
Extraordinary Losses		
Loss on sale of fixed assets		486
Loss on impairment		2,110
Valuation loss on investment securities		503,520
Other		21,209
Total Extraordinary Losses		527,326
Net loss before taxes, etc. (Δ)		Δ22,846
Corporate income tax, resident tax and business tax payable	*2	176,791
Corporate income tax, etc., for prior periods		47,965
Total Corporate income tax, etc.		224,757
Minority interests in loss (Δ)		Δ156
Net loss (Δ)		Δ247,446

[Consolidated third quarter]

(Unit: thousand yen)

	Current Consolidated Third Quarter (From October 1, 2008 to December 31, 2008)	
Sales		6,855,067
Cost of Goods Sold		6,425,836
Gross Profit on Sales		429,231
Selling, General & Admin. Expenses	*1	723,352
Operating Loss (Δ)		Δ294,120
Non-operating Income		
Interest received		2,687
Dividends received		13,569
Investment profit by equity method		267,908
Other		60,051
Total Non-operating Income		344,217
Non-operating Expenses		
Interest paid		10,203
Exchange loss		134,437
Other		107,498
Total Non-operating Expenses		252,139
Ordinary Loss (Δ)		Δ202,042
Extraordinary Profits		
Profit on prior period adjustment		1,510
Profit on sale of fixed assets		5,156
Reversal of allowance for doubtful accounts		2,426
Other		264
Total Extraordinary Profits		9,358
Extraordinary Losses		
Valuation loss on investment securities		488,362
Other		2,619
Total Extraordinary Losses		490,981
Net loss before taxes, etc. (Δ)		Δ683,666
Corporate income tax, resident tax and business tax payable	*2	Δ23,379
Corporate income tax, etc., for prior periods		47,965
Total Corporate income tax, etc.		24,585
Minority interests in loss (Δ)		Δ354
Net loss (Δ)		Δ707,897

(3) Quarterly Consolidated Cash Flow Statement

(Unit: thousand yen)

	Current Third Quarter Consolidated Aggregate Period (From April 1, 2008 to December 31, 2008)
Cash flow from operating activities	
Net loss before taxes, etc. (Δ)	Δ22,846
Depreciation costs	1,828,108
Loss on impairment	2,110
Amortization of goodwill	14,376
Stock compensation expenses	43,507
Profit on reversal of new share subscription rights	Δ1,958
Increase/decrease in allowance for doubtful accounts (Δ: decrease)	173,405
Increase/decrease in reserve for bonuses (Δ: decrease)	Δ343,648
Increase/decrease in reserve for officers' bonuses (Δ: decrease)	Δ4,072
Interest received and dividends received	Δ50,709
Interest paid	15,857
Exchange profit/loss (Δ: profit)	98,357
Investment profit/loss by equity method (Δ: profit)	46,117
Profit/loss on changes in equity (Δ: profit)	Δ4,567
Profit/loss on sale of securities and investment securities (Δ: profit)	Δ83,829
Valuation profit/loss on investment securities (Δ: profit)	542,813
Profit/loss on sale of fixed assets (Δ: profit)	Δ5,526
Loss on retirement of fixed assets	2,108
Profit/loss on prior period adjustment (Δ: profit)	Δ1,510
Increase/decrease in accounts receivable (Δ: increase)	1,214,036
Increase/decrease in inventories (Δ: increase)	611,267
Increase/decrease in trades payable (Δ: decrease)	Δ2,251,047
Increase/decrease in consumption tax, etc., payable (Δ: decrease)	Δ23,071
Increase/decrease in other assets (Δ: increase)	39,442
Increase/decrease in other liabilities (Δ: decrease)	Δ72,787
Other	235
Subtotal	1,766,165
Interest and dividends received	319,552
Interest paid	Δ19,183
Corporate income tax, etc., paid	Δ394,750
Corporate income tax, etc., for prior periods paid	Δ62,623
Cash flow from operating activities	1,609,160

(Unit: thousand yen)

	Current Third Quarter Consolidated Aggregate Period (From April 1, 2008 to December 31, 2008)
Cash flow from investing activities	
Expenditure for placement in term deposits	Δ140,000
Revenue from refund of term deposits	20,000
Expenditure for acquisition of tangible fixed assets	Δ4,872,664
Revenue from sale of tangible fixed assets	36,958
Expenditure for acquisition of intangible fixed assets	Δ3,810
Expenditure for acquisition of investment securities	Δ356,250
Revenue from sale of investment securities	128,142
Expenditure for lending	Δ114,892
Revenue from collection of loans	524
Cash flow from investing activities	Δ5,301,994
Cash flow from financing activities	
Net increase/decrease in short-term borrowings (Δ: decrease)	320,000
Revenue from long-term borrowings	2,500,000
Expenditure for repayment of long-term borrowings	Δ90,460
Expenditure for repayment of lease liabilities	Δ1,004
Expenditure for acquisition of treasury stock	Δ596
Dividends paid	Δ628,961
Proceeds from payments by minority shareholders	21,028
Other	Δ13
Cash flow from financing activities	2,119,992
Translation differences in cash and cash equivalents	Δ39,344
Increase/decrease in cash and cash equivalents (Δ: decrease)	Δ1,612,185
Cash and cash equivalents at beginning of year	4,856,007
Cash and cash equivalents at end of quarter	* 3,243,822

[Changes in Substantial Underlying Matters for Preparation of Quarterly Consolidated Financial Statements]

	Current Third Quarter Consolidated Aggregate Period (From April 1, 2008 to December 31, 2008)
1. Changes in application of equity method	<p>Affiliated company to which the equity method is applied</p> <p>From the current consolidated third quarter, since, for Polatechno Co, Ltd., an affiliated company to which the equity method is applied, the importance of overseas subsidiaries of the said company increased, investment profit/loss by equity method was calculated by including, in the profit and loss of the said company, profit and loss recognized by applying the equity method to investments in the overseas subsidiaries, etc., of the said company.</p>
2. Changes in accounting standards	<p>Application of Accounting Standard for Lease Transactions</p> <p>Finance lease transactions in which ownership is not transferred have been accounted in a similar method as lease transactions. In connection with the application of the following accounting standards to the quarterly consolidated financial statements for the consolidated fiscal year commencing after April 1, 2008, such accounting standards have been applied from the consolidated first quarter and finance lease transactions are accounted as ordinary purchase and sale transactions: “Accounting Standard for Lease Transactions” (Accounting Standards Board of Japan (ASBJ) Statement No. 13 (June 17, 1993 (Business Accounting Council, First Section), amended as of March 30, 2007)) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16 (January 18, 1994 (Japan Institute of Certified Public Accountants, Accounting System Committee), amended as of March 30, 2007)). For the depreciation method of lease assets in finance lease transactions in which ownership is not transferred, straight line method is adopted, where the period of a lease is set as the useful life and the salvage value is set at zero.</p> <p>For finance lease transactions in which ownership is not transferred, as for transactions commenced before April 1, 2008, an accounting method similar to that applied to ordinary lease transactions has been applied.</p> <p>As a result, there is no impact on operating profit, ordinary profit and quarterly net profit before taxes, etc., as compared to the previous method.</p>

[Particular accounting applied to preparation of quarterly consolidated financial statements]

	Current Third Quarter Consolidated Aggregate Period (From April 1, 2008 to December 31, 2008)
Calculation of tax expenses	<p>For tax expenses, the effective tax rate is reasonably estimated after application of tax effect accounting for net profit before taxes in the consolidated fiscal year, including the current consolidated third quarter and these are calculated by multiplying the quarterly net profit before taxes by the estimated effective tax rate.</p> <p>In this regard, adjustment of corporate income tax, etc., is included in "corporate income tax, resident tax and business tax payable."</p>

[Notes]

(Notes to Related Quarterly Consolidated Balance Sheet)

End of the Current Consolidated Third Quarter (as of December 31, 2008)	End of the Previous Consolidated Fiscal Year (as of March 31, 2008)																		
<p>*1 Accumulated depreciation of tangible fixed assets is ¥27,516,391 thousand.</p> <p>2 Liabilities on guarantee</p> <p>(1) Liabilities on guarantee for deposit money deposited in connection with transfer of business</p> <p style="padding-left: 40px;">SURFCO HAWAII, INC. ¥15,930,000</p> <p>(2) ---</p> <p>*3 The Submitting Company has executed an overdraft agreement with five correspondent banks for the purpose of efficient procurement of operating capital. The following are unused lines of credit based on these agreements as of the end of the current consolidated third quarter:</p> <p style="text-align: right;">(in thousands of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Total amount of current account overdrafts</td> <td style="text-align: right;">5,450,000</td> </tr> <tr> <td><u>Draw-downs</u></td> <td style="text-align: right;"><u>490,000</u></td> </tr> <tr> <td>Net</td> <td style="text-align: right;">4,960,000</td> </tr> </table> <p>*4 Notes to mature at the end of current consolidated quarter</p> <p>For accounting treatment of notes to mature at the end of the current consolidated quarter, settlement as of the clearance date of the notes. As the end of the current consolidated quarter falls on a bank holiday, the notes to mature at the end of the next consolidated quarter are included in the balance at the end of current consolidated quarter.</p> <p style="text-align: right;">(in thousands of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Trade notes & accounts receivable</td> <td style="text-align: right;">170,255</td> </tr> <tr> <td>Trade notes & accounts payable</td> <td style="text-align: right;">286,604</td> </tr> <tr> <td>Other (Equipment notes payable)</td> <td style="text-align: right;">194,365</td> </tr> </table>	Total amount of current account overdrafts	5,450,000	<u>Draw-downs</u>	<u>490,000</u>	Net	4,960,000	Trade notes & accounts receivable	170,255	Trade notes & accounts payable	286,604	Other (Equipment notes payable)	194,365	<p>*1 Accumulated depreciation of tangible fixed assets is ¥25,833,533 thousand.</p> <p>2 Liabilities on guarantee</p> <p>(1) Liabilities on guarantee for deposit money deposited in connection with transfer of business</p> <p style="padding-left: 40px;">SURFCO HAWAII, INC. ¥17,533,000</p> <p>(2) Liabilities on guarantee for purchase debt of a company other than the consolidated subsidiaries from the clients</p> <p style="padding-left: 40px;">ARISAWA MANUFACTURING (DALIAN) CO., LTD. ¥31,581,000</p> <p>*3 The Submitting Company has executed an overdraft agreement with five correspondent banks for the purpose of efficient procurement of operating capital. The following are unused lines of credit based on these agreements as of the end of the current consolidated fiscal year:</p> <p style="text-align: right;">(in thousands of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Total amount of current account overdrafts</td> <td style="text-align: right;">5,450,000</td> </tr> <tr> <td><u>Draw-downs</u></td> <td style="text-align: right;"><u>190,000</u></td> </tr> <tr> <td>Net</td> <td style="text-align: right;">5,260,000</td> </tr> </table> <p>*4 ---</p>	Total amount of current account overdrafts	5,450,000	<u>Draw-downs</u>	<u>190,000</u>	Net	5,260,000
Total amount of current account overdrafts	5,450,000																		
<u>Draw-downs</u>	<u>490,000</u>																		
Net	4,960,000																		
Trade notes & accounts receivable	170,255																		
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Total amount of current account overdrafts	5,450,000																		
<u>Draw-downs</u>	<u>190,000</u>																		
Net	5,260,000																		

(Notes to Related Quarterly Consolidated Profit and Loss Statement)

Current Third Quarter Consolidated Aggregate Period (From April 1, 2008 to December 31, 2008)	
*1 Major items and amount of selling, general and administration expenses are as follows.	
	(in thousands of yen)
Salaries, allowances and bonuses	628,011
Transfer to reserve for bonuses	46,102
Transfer to reserve for officers' bonuses	4,476
Transfer to reserve for retirement allowance	21,795
Transfer to allowance for doubtful accounts	129,180
*2 For tax expenses in the current third quarter consolidated aggregate period, adjustment of corporate income tax, etc., is included in "corporate income tax, resident tax and business tax payable" as the accounting particular to preparation of quarterly consolidated financial statements is applied.	

Current Consolidated Third Quarter (From October 1, 2008 to December 31, 2008)	
*1 Major items and amount of selling, general and administration expenses are as follows.	
	(in thousands of yen)
Salaries, allowances and bonuses	153,105
Transfer to reserve for bonuses	46,102
Transfer to reserve for officers' bonuses	1,540
Transfer to reserve for retirement allowance	6,520
Transfer to allowance for doubtful accounts	6,082
*2 For tax expenses in the current consolidated third quarter, adjustment of corporate income tax, etc., is included in "corporate income tax, resident tax and business tax payable" as the accounting particular to preparation of quarterly consolidated financial statements is applied.	

(Notes to Related Quarterly Consolidated Cash Flow Statement)

Current Third Quarter Consolidated Aggregate Period (From April 1, 2008 to December 31, 2008)	
* Relationship between the final figures of cash and cash equivalents at end of quarter and the amounts of items shown on the quarterly consolidated balance sheets.	
	(as of December 31, 2008)
	(in thousands of yen)
Cash and deposits	4,378,822
Fixed term deposits for a term longer than three months	Δ1,135,000
Cash and cash equivalents	<u>3,243,822</u>

(Notes to Related Shareholders' Equity, etc.)

End of the Current Consolidated Third Quarter (as of December 31, 2008) and the Current Third Quarter Consolidated Aggregate Period (from April 1, 2008 to December 31, 2008)

1. Types and Total Number of Outstanding Shares

Common stock 34,994,424 shares

Note: Number of outstanding shares decreased 1,557,505 shares due to the retirement of treasury stocks as of June 27, 2008 and the treasury stocks decreased ¥3,211,749 thousand by the resolution of the Board of Directors' meeting held on May 23, 2008.

2. Types and Number of Shares of Treasury Stock

Common stock 935 shares

3. Matters concerning New Share Subscription Rights, etc.

New share subscription rights as stock option

Balance of new share subscription rights at the end of the consolidated third quarter:

Parent ¥131,173 thousand

4. Matters concerning Dividends

Dividend Amount

(Resolution)	Type of stock	Total amount of dividends (thousand yen)	Dividend per share (yen)	Record date	Effective date	Underlying assets of dividends
Ordinary general meeting of shareholders held on June 27, 2008	Common stock	629,858	18.00	March 31, 2008	June 30, 2008	Earned surplus

(Segment Information)

[Segment Information by Business Category]

Current Consolidated Third Quarter (From October 1, 2008 to December 31, 2008) and Current Third Quarter Consolidated Aggregate Period (From April 1, 2008 to December 31, 2008)

As either of sales and operating profit of manufacture and sales business of industrial materials, etc., accounts for over 90% of the total sales and total operating profit of all segments, respectively, statement of segment information by business category is not included.

[Segment Information by Region]

Current Consolidated Third Quarter (From October 1, 2008 to December 31, 2008) and Current Third Quarter Consolidated Aggregate Period (From April 1, 2008 to December 31, 2008)

As sales in Japan account for over 90% of the total sales of all segments, statement of segment information by region is not included.

[Overseas Sales]

Current Consolidated Third Quarter (From October 1, 2008 to December 31, 2008)

	Asia	North America	Other Region	Total
I Overseas sales (in thousands of yen)	2,057,756	29,917	6,618	2,094,293
II Consolidated sales (in thousands of yen)				6,855,067
III Ratio of overseas sales in the consolidated sales (%)	30.0	0.5	0.1	30.6

Current Third Quarter Consolidated Aggregate Period (From April 1, 2008 to December 31, 2008)

	Asia	North America	Other Region	Total
I Overseas sales (in thousands of yen)	8,597,467	89,225	43,489	8,730,182
II Consolidated sales (in thousands of yen)				25,514,757
III Ratio of overseas sales in the consolidated sales (%)	33.7	0.3	0.2	34.2

- Note: 1. The regions are segmented by proximity.
 2. The respective regions are composed of the following countries.
 Asia: Korea, China, Taiwan and Malaysia, etc.
 North America: USA and Canada
 3. Overseas sales are the sales (including indirect exports) by the Company and consolidated subsidiaries of countries or areas other than Japan.

(Notes to Related Securities)

End of the Current Consolidated Third Quarter (as of December 31, 2008)

Securities with market value in other securities are growing increasingly important in operation of business of the corporate group and significant changes occurred as compared to the end of the previous consolidated fiscal year.

(in thousands of yen)

	Acquisition Cost	Value shown on Quarterly Consolidated Balance Sheet	Balance
(1) Equity Shares	644,589	1,039,765	395,175
(2) Bonds			
Government bonds, local government bonds, etc.	---	---	---
Corporate bonds	---	---	---
Other	---	---	---
(3) Other	238,256	191,947	△46,308
Total	882,846	1,231,713	348,866

(Notes to Related Stock Option, etc.)

Current Consolidated Third Quarter (From October 1, 2008 to December 31, 2008)

Amount of Expenses appropriated and Item in the Current Consolidated Third Quarter concerning Stock Option

Stock compensation expenses in cost of goods sold, selling, general and administration expenses

¥13,753,000

(Per Share Information)

1. Net asset per share

End of the Current Consolidated Third Quarter (as of December 31, 2008)	End of the Previous Consolidated Fiscal Year (as of March 31, 2008)
Net asset per share ¥1,199.32	Net asset per share ¥1,221.91

2. Net loss per share, etc.

Current Third Quarter Consolidated Aggregate Period (From April 1, 2008 to December 31, 2008)	Current Consolidated Third Quarter (From October 1, 2008 to December 31, 2008)
Net loss per share ¥7.07	Net loss per share ¥20.23
“Fully diluted net profit per share” is not recorded as there was a net loss per share although residual shares existed.	“Fully diluted net profit per share” is not recorded as there was a net loss per share although residual shares existed.

Note: Net loss per share is calculated on the basis of the following:

	Current Third Quarter Consolidated Aggregate Period (From April 1, 2008 to December 31, 2008)	Current Consolidated Third Quarter (From October 1, 2008 to December 31, 2008)
Net loss (in thousands of yen)	247,446	707,897
Amounts that are not attributable to common stock holders (in thousands of yen)	---	---
Net loss for common stocks (in thousands of yen)	247,446	707,897
Average number of shares during the period	34,993,129	34,993,566
The outline of potential shares which were not included in the calculation of the amount of fully-diluted net profit per share due to the absence of dilutive effects and significantly changed from the end of the previous consolidated fiscal year.	---	---

(Important events after closing the accounts)

No applicable matters.

2. Other

No applicable matters.

PART II. INFORMATION ON GUARANTY COMPANIES OF THE SUBMITTING COMPANY, ETC.

No applicable matters.

Quarterly Review Report of Independent Auditor

February 12, 2009

To: Board of Directors
Arisawa Mfg. Co., Ltd.

Ernst & Young ShinNihon LLC

Shinji Tanabe [Seal]
Designated Limited Partner and Managing Partner,
Certified Public Accountant

Naoki Nomoto [Seal]
Designated Limited Partner and Managing Partner,
Certified Public Accountant

This Audit Corporation conducted, under the provision of Article 193-2, paragraph 1 of the Financial Instruments and Exchange Law, a quarterly review of the quarterly consolidated financial statements of Arisawa Mfg. Co., Ltd. listed in "Status of Accounting" for the consolidated third quarter (From October 1, 2008 to December 31, 2008) and the third quarter consolidated aggregate period (from April 1, 2008 to December 31, 2008) of the consolidated fiscal year from April 1, 2008 to March 31, 2009, consisting of a quarterly consolidated balance sheet, quarterly consolidated profit and loss statement and quarterly consolidated cash flow statement. Management holds responsibility for preparation of these quarterly consolidated financial statements and the responsibility of this Audit Corporation is to express our conclusions on these quarterly consolidated financial statements from an independent position.

This Audit Corporation conducted the quarterly review in accordance with the standards for quarterly review generally accepted in Japan. The quarterly review was mainly conducted by asking questions to the management and the persons responsible for the matters concerning finance and accounting, analytical procedures and other quarterly review procedures, which was conducted in accordance with procedures limited in comparison to the procedures for audit of annual financial statements, which is conducted in accordance with the audit standards generally accepted in Japan.

In the quarterly review conducted by this Audit Corporation, no matters were discovered in every material respect, which led us to believe that the above quarterly consolidated financial statements did not properly represent the financial conditions of Arisawa Mfg. Co., Ltd. and its consolidated subsidiaries as of December 31, 2008, business results for the consolidated third quarter and the third quarter consolidated aggregate period, and status of cash flow in the third quarter consolidated aggregate period ended as of the same day, in accordance with the standards for preparing quarterly consolidated financial statements generally accepted in Japan.

There exists no special interest between the Company and this Audit Corporation or the Managing Partners to be stated under the provisions of the Certified Public Accountant Law.

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- Note: 1. All matters in the above are copied electronically from the matters stated in the original quarterly review report. The original quarterly review report is kept separately by the Company (submitting company of the quarterly report).
2. XBRL data is not included in the scope of quarterly consolidated financial statements.