ISEKI

Annual Report 2010

Year ended March 31, 2010

Improving Agricultural Environments around the World

ISEKI & CO., LTD.

Contents

Cautionary Note Regarding Forward-Looking Statements

This annual report contains forward-looking statements in which certain risks and uncertainties are inherent and actual performance may differ materially from the expectations indicated herein. Readers are therefore cautioned not to rely exclusively on these statements, which take into account the best information that is available to management at the time. The Company undertakes no responsibility to disclose revisions to these statements owing to future developments, which may reflect changes in the environment and unexpected climatic events.

The illustrations in this Annual Report

The illustrations in this annual report and on the front cover are of drawings that won prizes in our annual Sanae National Children's Drawing Contest, the theme of which was "Farming Families." Iseki places great importance on family relationships and is committed to encouraging families in the agricultural business.

This annual report is a literal translation into English of a section of the *Yukashoken-Hokokusho* ("Securities Report") for the year ended March 31, 2010.

Ⅰ. Overview of the Company

1. Developments Regarding Major Management Indicators, etc.

Consolidated management indicators, etc.

Ordinary business term	82nd business term	83rd business term	84th business term	85th business term	86th business term
For the year ended	March 2006	March 2007	March 2008	March 2009	March 2010
Net sales (millions of yen)	161,744	153,728	144,714	149,601	149,314
Ordinary income (millions of yen)	5,721	1,276	34	771	3,657
Net income (loss) (millions of yen)	2,661	18	(1,466)	2	2,347
Net assets (millions of yen)	55,092	55,724	52,556	51,694	55,604
Total assets (millions of yen)	180,439	181,362	173,198	171,002	171,044
Net assets per share (yen)	243.91	239.71	225.76	222.44	235.46
Net income (loss) per share (yen)	12.21	0.08	(6.49)	0.01	10.29
Net income per share after adjustment for dilutive securities (yen)	10.82	0.07	-	0.01	10.21
Equity ratio (%)	30.5	29.8	29.4	29.4	31.6
Return on equity (%)	5.1	0.0	-	0.0	4.5
Price earnings ratio (times)	43.33	3,050.00	-	23,800.00	26.92
Net cash provided by (used in) operating activities (millions of yen)	4,016	902	3,861	8,960	7,326
Net cash provided by (used in) investing activities (millions of yen)	(2,285)	(4,718)	(2,904)	(3,507)	(4,320)
Net cash provided by (used in) financing activities (millions of yen)	(3,048)	2,207	(412)	(5,603)	(2,080)
Cash and cash equivalents at end of period (millions of yen)	6,589	4,985	5,687	5,609	6,614
Number of employees (persons)	6,680 [778]	6,765 [720]	6,513 [739]	6,514 [887]	6,435 [928]

Notes:
1. Net sales above do not include consumption tax, etc.
2. Net income per share after adjustment for dilutive securities for the 84th business term was not stated because there was a net loss per share.
3. The return on equity and price earnings ratios for the 84th business term were not stated because a net loss was posted for that term.
4. To calculate net assets, the “Accounting Standard for Statement of Changes in Net Assets on the Balance Sheet” (Accounting Standards Board of Japan [ASBJ] Statement No. 5, December 9, 2005) and the “Implementation Guidance for Accounting Standard for Statement of Changes in Net Assets on the Balance Sheet, etc.” (ASBJ Implementation Guidance No. 8, December 9, 2005) have been applied from the 83rd business term.
5. The number of employees is the number of people gainfully occupied and the figure in brackets represents the average number of temporary employees hired, which is not included in the number of people gainfully occupied.

2. Main Business

The main business of the Iseki Group is the development, manufacture and sale of agricultural machinery for rice and vegetable farming, among other related areas. We also market consumer-oriented products and are engaged in the development of other businesses.

The structure of the Group's business operations is as follows:

Agricultural Machinery Operations

The Company and its associated companies engage in agricultural machinery-related operations encompassing three divisions: Development and Production, Sales and Other businesses.

Development and Production

This division mainly develops and designs agricultural machinery, and eight consolidated subsidiaries manufacture agricultural machinery and related components.

Main associated companies

Iseki-Matsuyama Mfg. Co., Ltd., Iseki-Kumamoto Mfg. Co., Ltd., Iseki-Niigata Mfg. Co., Ltd., Iseki-Hoei Mfg. Co., Ltd. and Iseki-Changzhou Mfg. Co., Ltd (China)

Sales

In Japan, sales are conducted through 13 sales companies nationwide. In overseas markets, sales are conducted through associated companies as well as local distributors, etc.

Main associated companies

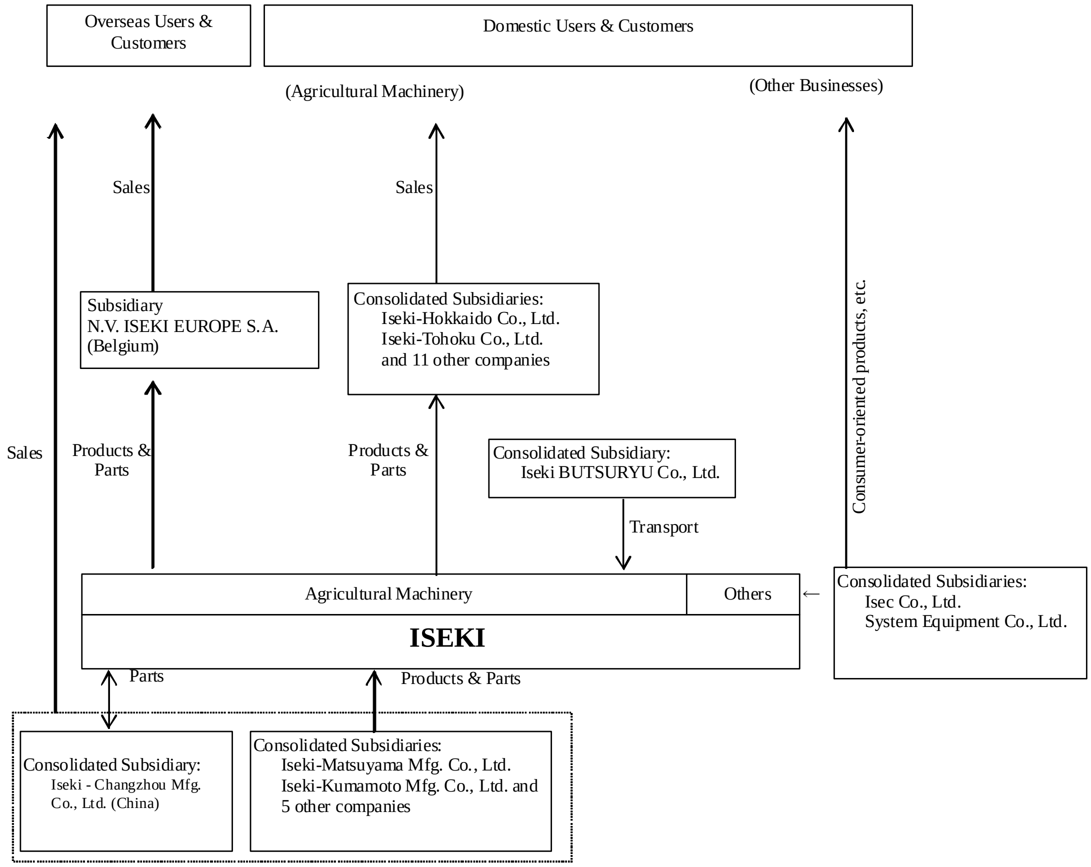
Japan ....Iseki-Hokkaido Co., Ltd., Iseki-Tohoku Co., Ltd., Iseki-Kanto Co., Ltd., Iseki-Shinetsu Co., Ltd., Iseki-Hokuriku Co., Ltd., Iseki-Tokai Co., Ltd., Iseki-Kansai Co., Ltd., Iseki-Chugoku Co., Ltd., Iseki-Shikoku Co., Ltd. and Iseki-Kyushu Co., Ltd.

Overseas ......N.V. ISEKI EUROPE S.A. (Belgium), Iseki-Changzhou Mfg. Co., Ltd. (China)

Other Business Operations

Isec Co., Ltd. markets consumer-oriented products. System Equipment Co., Ltd. provides information processing services.

The following is a schematic diagram of the Iseki Group



Ⅱ. Management Performance

1. Analysis of Management Performance

(1) The Fiscal Period in Review

During the fiscal year under review, the Japanese economy showed some signs of bottoming out. This was because of the economic measures implemented by the government and other factors following the economic recession caused by the worldwide financial turmoil. However, personal consumption remained stagnant, due to the impact that the strong yen had on corporate performance and the sense of uncertainty about the future caused by concerns over employment and other factors. Consequently, the business environment continued to be challenging.

In the domestic agricultural machinery market, despite the effects of the economic recession, energy conservation and low-cost agricultural businesses was prompted by Japan's agricultural policy for raising its food self-sufficiency ratio, and demand was stimulated by the urgent machinery-leasing support program and other factors. As a result, market demand for the most part was comparable to that of the previous year. On the other hand, exports unavoidably fell dramatically, due primarily to the economic stagnancy in North America, Europe and other regions, and the persistently strong yen.

Under these circumstances, the Iseki Group made efforts to broaden its line of new products to meet the needs of energy conservation and low-cost agricultural businesses working in concert with Japan's agricultural policy, and aggressively promoted sales activities.

(Consolidated business performance of the fiscal year under review)

In the fiscal year ended March 2010, net sales decreased ¥287 million from the previous period to ¥149,314 million (down 0.2% year on year). Among total sales, domestic sales of agricultural machinery decreased ¥2,111 million year on year, as a reaction to the rush of demand before the price increases in the previous period. Meanwhile, domestic sales increased by a total of ¥4,708 million from a year earlier to ¥131,253 million (up 3.7% year on year), as orders and completions primarily for large dryer facilities were favorable and brought about an increase in revenue of ¥7,069 million in agricultural facilities. Overseas sales were ¥18,061 million, down ¥4,995 million (down 21.7% year on year) despite the continued strength of the Chinese market, due to the economic stagnancy in other regions, the persistently strong yen and other factors.

Operating income surged ¥2,938 million from a year earlier, to ¥4,515 million (up 186.2% year on year), due to improved profitability, primarily achieved through an increase in retail prices and lower selling, general and administrative expenses and other factors.

Ordinary income increased ¥2,885 million from a year earlier, to ¥3,657 million (up 373.9% year on year). Net income increased ¥2,345 million, to ¥2,347 million.

(Non-consolidated business performance of the fiscal year under review)

In the fiscal year under review, sales amounted to ¥90,871 million (up 0.6% year on year), operating income was ¥1,197 million and ordinary income was ¥1,522 million (down 3.6% year on year). The Company recorded net income of ¥1,607 million (up 44.8% year on year).

Sales by Product

(Domestic)

Sales of machinery for soil preparation (tractors, high-clearance multipurpose vehicles, etc.) increased to ¥27,632 million (up 0.6% year on year), supported by strong sales of high-clearance multipurpose vehicles. Sales of cultivating machinery (rice transplanters and vegetable transplanters) declined to ¥11,442 million (down 14.3% year on year), due to the lower sales of rice transplanters. Sales of harvesting and processing machines (combine harvesters, vegetable harvesting machines and rice hulling machines) fell to ¥24,919 million (down 1.4% year on year). Sales of spare parts and farming implements were ¥30,434 million (up 3.0% year on year). Moreover, sales of other agricultural related items were ¥28,389 million (up 30.8% year on year), while sales of agricultural facilities were up marginally at ¥11,122 million (up 174.4% year on year). Other sales, however, declined to ¥8,434 million (down 8.0% year on year).

(Overseas)

Sales of machinery for soil preparation declined to ¥11,569 million (down 34.5% year on year), due to the impact of economic stagnancy primarily in North America and Europe and the persistently strong yen. Among other product categories, sales of cultivating machinery and harvesting and processing machines continued to grow in the Chinese market, with increases of ¥2,464 million (up 25.1% year on year) and ¥2,200 million (up 65.5% year on year), respectively. Sales of spare parts and farming implements also increased to ¥1,059 million (up 7.4% year on year).

(2) Cash Flows

As a result of the above cash-related activities, the balance of cash and cash equivalents at the end of the fiscal year increased by ¥1,004 million year on year, to ¥6,614 million.

(Net cash provided by (used in) operating activities)

Net cash provided by (used in) operating activities provided a net cash inflow of ¥7,326 million (down ¥1,633 million year on year), comprised principally of income before income taxes of ¥2,747 million and depreciation and amortization of ¥5,140 million.

(Net cash provided by (used in) investment activities)

Net cash provided by (used in) investment activities resulted in a net cash outflow of ¥4,320 million (up ¥812 million year on year), comprised principally of capital investment expenditure of ¥4,691 million.

(Net cash provided by (used in) financing activities)

Net cash provided by (used in) financing activities amounted to a net cash outflow of ¥2,080 million (down ¥3,523 million year on year), due primarily to the repayment of interest-bearing liabilities.

2. Sales Result

(1) Sales Result

Sales result by business segment/products in the fiscal year under review is as follows.

Product-type	FY2010 (April 1, 2009–March 31, 2010)	
	Amount (millions of yen)	Ratio (%)
Machinery for soil preparation	39,201	(13.2)
Cultivating machinery	13,907	(9.2)
Harvesting and processing machinery	27,119	1.9
Parts and farming implements	31,493	3.1
Other agricultural-related business	29,157	28.4
Agricultural machinery-related business total	140,879	0.4
Others	8,434	(9.1)
Total	149,314	(0.2)

3. Issues to Be Addressed

(1) Group Internal Control

Positioning the firm establishment of the Group internal control system as one of the priority issues of management policy, we have determined a fundamental policy for our internal control system, based on which we have established an internal control system and revised it as necessary. We also created a "Management Supervisory Committee" in 2007, with the president as chairperson, the directors as members and all auditors as observers, so that we can follow the discussion of various measures and their level of progress, as well as check the degree of thoroughness of compliance.

From the viewpoint of strengthening the Company's governance framework, on June 24, 2010, the Company added to its group of auditors persons who have not been either executives of the Company or its important business clients, thereby creating a system of five auditors in total.

(2) Important Issues

In the midst of a drastically changing market environment, we will accelerate the reform of our earnings structure, which will enable us to secure stable earnings for the foreseeable future. Along with our efforts to expand sales through enhanced customer satisfaction by providing high-quality products and services that support energy conservation and low-cost agriculture from a customer perspective, we endeavor to establish a low-cost structure and strengthen consolidated financial stability.

(a) Growth in domestic sales and expansion of overseas sales

In the face of intensifying competition in the market, we have positioned "Growth in domestic sales and expansion of overseas sales" as our most important managerial issues, trying to attain comprehensive enhancement of efficiency, quality, price and service by concentrating on the total group potentiality to strengthen our product competitiveness. We will not only carry out fundamental quality improvement in our products, fully recognizing market needs, but also ensure that product planning and introduction to the market are executed in a timely manner. In the domestic market, we aim at achieving sales growth through efficient sales promotion, taking advantage of agile sales companies with extensive territories, as well as through further enhancement of customer satisfaction from strengthened sales and service performance. In our efforts to expand overseas sales, we will endeavor to fortify our sales and service system in the Asian market, which has growth potential, and plan to increase sales and firmly establish ourselves in Asia. In North American and European markets, the currencies of which have depreciated against the yen, we will seek to expand sales through the introduction of new products.

(b) Upgrading quality and cost structure reform

Our first priority lies with products that garner a high reputation among our customers, as we are improving our development process in the pursuit of zero defects. Our development and manufacturing operations are working together to improve the production process and establish a framework that guarantees product quality.

To reform our cost structure, we have established a cost reduction committee and are taking steps to fundamentally improve earnings. Since cost structure reform is the source of greater profits, we will work to reduce procurement costs by combining all of our plants to implement optimum procurement methods. In product development, we will implement fundamental cost reductions starting with the early development phase, striving to decrease the number of parts, reduce weight, and cut the number of parts that must be managed. For our production structure, we have implemented structural reforms, including restructuring, to streamline our organization. Throughout the Group, we will endeavor to secure our profitability by cutting fixed costs and reducing administrative losses and operating expenses.

(c) Creating a "Communicative corporate culture" by nurturing personnel

Through the efforts of the Personnel Revitalization Committee, the Company is trying to improve its line of communication, thereby revitalizing its employees. The Company is considering and implementing various methods, including appropriate job rotations, the exchange of personnel between organizations, and conducting training and education programs.

Moreover, we aim to address a number of environmental issues, which we regard as key managerial issues. We will strengthen our commitment to conserving resources, saving energy, recycling, reducing greenhouse gas emissions and noise pollution, among other efforts.

4. Risks Which Could Affect Our Business

Latent risks and uncertainties which could affect our future financial performance are exemplified as below. Recognizing the possibility of these risks occurring, the Group will make every effort to prevent such occurrence and to ensure an appropriate response should such risks occur. It should be noted that the matters concerning the future stated herein are those that the Company judged to be applicable as of the end of the consolidated fiscal year under review.

(1) Economic Conditions and Changes in the Environment of Agriculture
Sluggishness of domestic and/or overseas economic conditions and any change in the agriculture policy may negatively affect our financial performance through reduced demand for agricultural machinery.

(2) Exchange Rate Fluctuation
There is a possibility that fluctuation of foreign exchange may negatively affect our financial performance.

(3) Hike in Interest Rates
There is a possibility that a hike in interest rates may harm our financial performance.

(4) Stock Market Fluctuation
As we hold securities, stock price declines may cause a loss.

(5) Competition with Other Companies
We are involved in fierce competition with other companies in the market, and unless overall product competitiveness, including relevant services, is maintained, there is the possibility of a decline in our performance.

(6) Risks Derived from International Business
Unexpected changes in tax and legal systems or political unrest of any particular country may cause harm to our financial performance.

(7) Dependency on Specific Customers or Suppliers
Any change of business policy, business depression and failure of our specific customers or suppliers may harm our financial performance.

(8) Serious Defects in Products and Services
The occurrence of serious defects in our products or services may negatively affect our financial performance.

(9) Government Regulation on Environmental Issues, etc., and Occurrence of Related Difficulties
Substantial costs may be incurred related to our products or business activities due to necessitated responses to public regulation of environmental issues, etc., corrective measures undertaken upon the occurrence of troubles, lawsuits and other situations which could lead to a deterioration of our financial performance.

(10) Risk of Natural Disasters and Accidents
Earthquakes, typhoons or unexpected accidents may occur, which may do harm to our financial performance.

(11) Risk of Legal Violation
In offering products and services of the Iseki Group, we are subject to provisions of laws such as truth-in-advertising laws, the JIS law, etc. In purchasing raw materials, the Antitrust Law as well as the Subcontract Law requires fair and transparent dealings. Also, application of environmental laws requires compliance-oriented management, and we are determined to dedicate ourselves to accomplish complete legal compliance, by preparing an internal control system. In spite of such efforts, if any of our directors and/or employees should conduct themselves in any way that violates laws and regulations, there is a possibility that the business activities of our group will be restrained, causing increased costs or decreased revenues, leading to deteriorated performance.

(12) Debt

We have concluded syndicate loan or commitment line contracts with financial institutions. Should any of the financial conditions of these contracts be triggered, we could face obligations to pay back some or all of these loans, which could negatively affect the financial position of the Company.

5. Research and Development Activities

Based on the corporate philosophy of providing "products appreciated by customers," the Group has continued its research and development activities under the maxim of offering attractively priced and timely products that provide customer satisfaction. To meet customer needs, the Group has made efforts not only to reduce costs from an early stage of development, based on thorough research, but also to work aggressively to achieve energy savings and low-cost agriculture, while considering environmental conservation.

In domestic agriculture, the Group focuses on rice cultivation machinery, which is its core product, as well as the mechanization of farming and new fields of vegetable farming, where there is strong demand for labor savings. On the other hand, with regard to exports, the Group has aggressively developed products for new markets, such as new products for gardening in North America and Europe, and has introduced combine harvesters and rice transplanters to the rapidly growing Chinese market. In addition, the Group is proceeding with joint research on new technologies and new fields through tie-ups with universities and research institutions.

Research and development expenses of the entire Group in the fiscal year under review totaled ¥4,025 million, and major new products resulting from research are as follows:

Tractors

- For the domestic market, we added the 43-horsepower class to the lineup of the ATK series, which offers enhanced equipment and functions at a price reflecting market conditions. For overseas markets, we updated the design of the "TM" series, our highly evaluated compact tractors in Europe, to achieve enhanced operability and comfort with reduced vibration and noise.

Combine Harvesters

- To celebrate the 85th anniversary of the Company, we added a commemorative model to the highly efficient "Japan" HJ series of multiple-reaping row combine harvesters, which are used regularly by professional farmers and are our flagship machines. To improve the efficiency of large rice farms, which are increasing in scale, we developed the HJ6120 series of six-reaping row combine harvesters, which achieve the industry's fastest operating speed of 2.0 m/s, and are equipped with a 120 horsepower common rail diesel engine, which delivers the highest output power in the industry. We also developed the HJ7120 series of seven-reaping row combine harvesters, which boast the highest efficiency in the industry of 5.6 min/10a (H model).

  *The industry's fastest, most efficient machine with the highest output power as of October 2009 (auto-threshing type combine harvester).

- For individual farmers, we developed the HVF series (two-reaping row and three-reaping row), which further enhances the operability of equipment from the operator's seat. Improved usability and the new "i-T.A.C.H."* steering, which enables smooth turning, are supported by high-efficiency equipment, ranging from reapers to threshers/winnowers.

  * "i-T.A.C.H." — "ISEKI Transmission Active Control Handling System"

Rice Transplanters

- Following increasing demand for rice transplanters that can plant eight or more rows in response to the government's policy for promoting large-scale rice farming and to the future expansion of potential markets, coupled with recent trends toward consignment/outsourcing in agriculture, we developed the PZ100 10-planting row rice transplanter with standard equipment for large farms and professional farmers, which can plant 37 bundles of seedlings per 3.3 square meters for sparse cultivation. Task accuracy and equipment efficiency are improved by the "Sanae Super Z Turn," with which vertical motions of planting components can be controlled simply by turning the steering wheel; by the "Sanae Z Shift," which controls speed and engine rotation with a simple lever operation; and by the "Sanae Z Rotor," which does not require level land when planting.

- Owing to demands for low-cost agricultural production, and to respond to diversified working conditions nationwide, we also developed a gasoline-powered type for planting six and eight rows, the multipurpose rice transplanter “PZV” series, which offers low costs and energy savings. The “PZV” is based on the “PZ” series, which has an excellent reputation for operability, as a matrix, equipped with a “direct seeding portion unit,” which allows spacing of seeds sown and offers a selection of drills according to the cultivation system, a “sowing portion unit,” which can handle 37 bundles of seedlings per 3.3 square meters for sparse cultivation, a “rice field weeding unit,” which reduces the use of herbicides, and a “rice field grooving tool unit,” which makes water management easier.

Other Products

- With attention being drawn to food safety and food education in recent years, there is an increasing tendency for customers to express an interest in home vegetable patches and gardening, not only among baby boomers but also young people, the middle-aged, and seniors, as well as both men and women. Therefore, the Company has developed the KDC20 battery-operated electric mini-tiller, which is characterized by “C” (clean work), “S” (silent operation), and “S” (simple operation), and can be used easily, even by operators with no experience. It is both operator- and environment-friendly.
- As farmers who mainly grow vegetables have been affected recently by sharp rises in oil prices, there is demand for products that can respond to the increased costs of fertilizers and agricultural chemicals, and that are eco-friendly, contributing to reducing the quantities of agricultural chemicals used. As a result, we worked together with the National Agriculture and Food Research Organization to develop an in-ridge application machine called “Eco Unemaze-kun,” which reduces the use of fertilizer by 30% or more and agricultural chemicals by 60% or more, regardless of crops grown and the yield. Further, during the fiscal year under review, we added new two-ridge and flat-ridge type machines that can simultaneously apply fertilizer and agricultural chemicals in a strip-cropping fashion, while agitating only the parts needed to take root when creating ridges for home grown vegetables such as cabbage and Chinese cabbage.

Since fiscal 2004, we have disclosed the conceptual approach and activities of the Group’s research and development and its use of intellectual property in the “Intellectual Property Report.” According to Japan Patent Office Annual Report 2009, we had the highest patent approval rate in all industries (for the fifth consecutive year), and also ranked No. 1 in the number of published patents in the “other specialty machinery sector.”

As a result of changes made to the classification of industry sectors in this annual report, the “agriculture and fishery sector” is now grouped in “other specialty machinery sector.” We were ranked No. 1 for seven consecutive years, from 2000 through 2006 in the “agriculture and fishery sector” before the changes in classification were made.

6. Analysis of Financial Position, Management Performance and Cash Flows

The forecasts herein are those of the Company as of the end of the consolidated fiscal year under review.

(1) Significant Accounting Policies and Forecasts

The Company's consolidated financial statements are prepared on the basis of generally accepted accounting principles in Japan. When preparing these consolidated financial statements, the Company continued to make forecasts and judgments based on significant accounting policies about the valuation of assets and liabilities and recognition of revenues and expenses. Actual results may differ from forecasts due to forecast-specific uncertainty. In particular, the Company recognizes that allowance for doubtful accounts, provision for retirement benefits, income taxes, etc., could have a material impact on forecasts and judgments used when preparing its consolidated financial statements.

(2) Analysis of Management Performance of the Consolidated Fiscal Year under Review

1) Financial results

The breakdown of domestic and overseas sales of goods for net sales of ¥149,314 million is as shown in the summary of performance, etc. The main factors underlying the increase of ¥2,938 million of operating income are as follows:

(i) Increase of gross profit due to improved gross profit margins ¥1,524 million

(ii) Improvements, etc., due to reduced selling, general and administrative expenses ¥1,413 million

Main factors underlying the increase of ordinary income of ¥2,885 million are as follows:

(i) Increase of operating income ¥2,938 million

(ii) Decrease of gain on sales of scrap, etc. (¥52 million)

Main factors underlying the increase of net income of ¥2,345 million are as follows:

(i) Increase of ordinary income ¥2,885 million

(ii) Decrease of gain on sales of subsidiaries' stocks (¥351 million)

(iii) Increase of impairment loss (¥406 million)

(iv) Income taxes—deferred ¥251 million

(v) Decrease of gain on sales of investment securities and booking of environmental expenses, etc. (¥34 million)

2) Financial position

Total assets at the end of the fiscal year increased ¥42 million year on year, to ¥171,044 million. Looking at the breakdown, current assets increased ¥149 million year on year. Noncurrent assets decreased ¥107 million from a year earlier. Total liabilities decreased ¥3,868 million year on year, primarily due to declines in short-term loans payable. Net assets increased ¥3,910 million year on year to ¥55,604 million, owing primarily to the increase in net income. The equity ratio was 31.6%.

3) Analysis of cash flows

An analysis of cash flows is shown on page 5.

Ⅲ. Equipment and Facilities

1. Summary of Capital Investments, etc.

The Group (the Company and its consolidated subsidiaries) has made investments mainly for the purpose of strengthening its production/development capabilities and enhancing its production facilities to improve quality and business service networks. The total amount invested during the consolidated fiscal year under review was ¥5,490 million (the figure is based on property, plant and equipment data, and the amount excludes consumption tax, etc.). Major investments are as follows:

(Development and production divisions of agricultural machineries)

The Group made capital investments of ¥2,978 million, including those by its consolidated subsidiaries (Iseki-Matsuyama Mfg. Co., Ltd., Iseki-Kumamoto Mfg. Co., Ltd. and six others), in new product development and production start-up facilities, for the renewal of production facilities, in facilities for rationalization and saving labor, and in facilities for saving resources and energy.

Meanwhile, the Company posted a loss on sales and retirement of ¥60 million with regard to the ongoing renewal of production facilities and obsolete production facilities.

(Sales division of agricultural machineries)

The Group made total capital investments of ¥2,170 million, including investments by the Company, in addition to those made mainly by sales companies (Iseki-Hokkaido Co., Ltd. and 12 others), for establishing and renovating sales offices, in service maintenance factories and in product warehouses, as well as for the acquisition of sales promotion machinery related to the release of new products.

The Group posted a loss on sales and retirement of ¥83 million with regard to the ongoing renewal of facilities and the renovation of sales offices and service maintenance factories.

Ⅳ. Corporate Information

1. Status of Shares, etc.

(1) Total Number of Shares, etc.

(i) Total number of shares

Class of shares	Total number of authorized shares
Common shares	696,037,000
Total	696,037,000

(ii) Outstanding shares

Class of shares	Number of shares outstanding as of the fiscal year-end (March 31, 2010) (shares)	Number of shares outstanding as of the date of submission (June 25, 2010) (shares)	Name of listed financial instruments exchange or registered admitted Financial Instruments Firms Association	Content
Common shares	229,849,936	229,849,936	Tokyo Stock Exchange (First Section) Osaka Securities Exchange (First Section)	The number of share trading unit is 1,000 shares.
Total	229,849,936	229,849,936	-	-

(2) Status of Subscription Rights to Shares, etc.

There were no applicable items.

(3) Exercise Status of Moving Strike Bonds with Subscription Rights to Shares, etc.

As this column is derived from the securities report in relation to the fiscal year starting on or after February 1, 2010, there were no applicable items.

(4) Details of Rights Plan

There were no applicable items.

(5) Changes in Total Number of Shares Outstanding, Capital Stock, etc.

Fiscal year	Increase (decrease) of total number of shares outstanding (shares)	Balance of total number of shares outstanding (shares)	Increase (decrease) in capital stock (millions of yen)	Balance of capital stock (millions of yen)	Increase (decrease) in legal capital surplus (millions of yen)	Balance of legal capital surplus (millions of yen)
April 1, 2005–March 31, 2006 (Note)	1,482,241	226,536,329	250	22,784	250	10,994
April 1, 2009–March 31, 2010 (Note)	3,313,607	229,849,936	559	23,344	559	11,554

Note: The increases are caused by exercising subscription rights to shares in convertible bond-type bonds with subscription rights to shares.

(6) Shareholding Status by Shareholder

As of March 31, 2010

Category	Status of shares (The share trading unit is 1,000 shares.)								Status of shares below stock trading unit (shares)
	Central and local governments	Financial institutions	Financial instrument business operators	Other legal entities	Foreign corporations, etc.		Individuals and other	Total	
					Other than individual	Individuals			
Number of shareholders	0	53	92	377	97	12	25,266	25,897	-
Number of shares held (unit of shares)	0	80,582	8,729	36,728	9,246	53	93,745	229,083	766,936
Shareholding ratio (%)	0.0	35.2	3.8	16.0	4.1	0.0	40.9	100.0	-

Notes: 1. 45,223 treasury shares are included in "Individuals and other" (45 units) and in "Status of shares below stock trading unit" (223 shares). The actual number of treasury shares held as of the fiscal year-end was 44,223 shares.

2. In "other legal entities," 25 units in the name of the Japan Securities Depository Center, Inc. (JASDEC) were included.

(7) Status of Major Shareholders

As of March 31, 2010

Name or corporate name	Address	Number of shares held (thousands of shares)	Shareholding ratio to total number of shares outstanding (%)
Mizuho Corporate Bank, Ltd.	1-3-3, Marunouchi, Chiyoda-ku, Tokyo	10,708	4.65
Japan Trustee Services Bank, Ltd. (re-entrusted by Chuo Mitsui Asset Trust and Banking Company, Limited, Trust Account of CMTB Equity Investments Co., Ltd.)	1-8-11, Harumi, Chuo-ku, Tokyo	10,600	4.61
The Norinchukin Bank	1-13-2 Yurakucho, Chiyoda-ku, Tokyo	8,687	3.77
Nippon Life Insurance Company	1-6-6, Marunouchi, Chiyoda-ku, Tokyo	7,171	3.12
The Iyo Bank, Ltd.	1, Minami-horibata-cho, Matsuyama, Ehime	5,800	2.52
Iseki kabushiki hoyukai (Company's Stockholding Co-op.)	5-3-14, Nishi-nippori, Arakawa-ku, Tokyo	5,527	2.40
Sompo Japan Insurance Inc.	1-26-1, Nishi-shinjuku, Shinjuku-ku, Tokyo	5,431	2.36
Mitsui Sumitomo Insurance Co., Ltd.	2-27-2, Shinkawa, Chuo-ku, Tokyo	4,858	2.11
Kyoei Fire & Marine Insurance Co., Ltd.	1-18-6, Shinbashi, Minato-ku, Tokyo	3,527	1.53
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11, Harumi, Chuo-ku, Tokyo	3,040	1.32
Total	-	65,350	28.43

Notes: 1. Of the above, the number of shares in relation to fiduciary business is as follows:

Japan Trustee Services Bank, Ltd.
(re-entrusted by Chuo Mitsui Asset Trust and Banking Company, Limited, Trust account of CMTB Equity Investments Co., Ltd.) 10,600 thousand shares

Japan Trustee Services Bank, Ltd. (Trust account) 3,040 thousand shares

2. As for 10,600 thousand shares held by Japan Trustee Services Bank, Ltd. (re-entrusted by Chuo Mitsui Asset Trust and Banking Company, Limited., Trust account of CMTB Equity Investments Co., Ltd.), our company's shares held by Chuo Mitsui Trust and Banking Company, Limited were made investment in-kind to its wholly owned subsidiary, CMTB Equity Investments Co., Ltd., and were entrusted to Chuo Mitsui Asset Trust and Banking Company, Limited, which in turn re-entrusted them to Japan Trustee Services Bank, Ltd. The right to exercise voting rights is reserved by CMTB Equity Investments Co., Ltd.
3. Based on the report on large shareholdings (change report) submitted by Mizuho Corporate Bank on May 22, 2009, we received a report to the effect that the said Bank jointly held the following shares as of May 15, 2009. However, we were not in a position to confirm the actual number of shares held by them as of the year-end of the fiscal year under review; therefore, we did not take it into consideration in the "Status of major shareholders." The details of the said report on large shareholdings (change report) are as follows:

Name or corporate name	Address	Number of shares held (thousands of shares)	Shareholding ratio to total number of shares outstanding (%)
Mizuho Corporate Bank, Ltd.	1-3-3, Marunouchi, Chiyoda-ku, Tokyo	10,708	4.73
Mizuho Securities Co., Ltd.	1-5-1, Otemachi, Chiyoda-ku, Tokyo	379	0.17
Mizuho Trust & Banking Co., Ltd.	1-2-1, Yaesu, Chuo-ku, Tokyo	2,532	1.12

4. Based on the report on large shareholdings (change report) submitted by Chuo Mitsui Trust Holdings, Inc. on July 14, 2009, we received a report to the effect that the said company jointly held the following shares as of July 8, 2009. However, we were not in a position to confirm the actual number of shares held by them as of the year-end of the fiscal year under review; therefore, we did not take it into consideration in the "Status of major shareholders" above. The details of the said report on large shareholdings (change report) are as follows:

Name or corporate name	Address	Number of shares held (thousands of shares)	Shareholding ratio to total number of shares outstanding (%)
Chuo Mitsui Asset Trust and Banking Company, Limited.	3-23-1, Shiba, Minato-ku, Tokyo	3,797	1.68
Chuo Mitsui Asset Management Co., Ltd.	3-23-1, Shiba, Minato-ku, Tokyo	315	0.14
CMTB Equity Investments Co., Ltd.	3-33-1, Shiba, Minato-ku, Tokyo	10,600	4.68

2. Dividend Policy

We recognize that the method for determining dividends to be paid to shareholders is one of the most important policies to be made. Our basic policy is to keep steady and improved dividend distribution, taking into consideration, not just consolidated financial results, but our Group's financial position and future business movements. We have made it a basic policy to pay end-of-year dividends once a year. The decision-making body on dividends is the general meeting of shareholders. With respect to dividends for the fiscal year ended March 31, 2010, we have decided not to pay year-end dividends in light of the Company's performance.

3. Corporate Governance

(1) Overview of Internal Control System

1) Basic thoughts for internal control system

The main purpose of our management system is to respond quickly and accurately to changes in our business climate and to maintain fair business operations. Achieving stable growth in shareholder value is another top priority of management. To maintain positive relations with our stakeholders, including shareholders, business partners, members of regional communities, and employees, we are endeavoring to expand and improve our corporate governance. We acknowledge the importance of establishing an internal control system that provides stakeholders with important information in a timely manner and of reinforcing corporate governance throughout the Group. Based on that recognition, we plan to establish administrative rules for Group companies and a reporting structure to maintain fair business practices and share information.

Our Basic Internal Control Policies are founded on the Corporation Law of Japan and its enforcement regulations. We use these policies to determine the fundamental system for overseeing proper business execution by the Group.

2) Details of corporate structure and progress with internal control system

1. Compliance-oriented management

We have striven to consolidate our internal control system, revising the system as necessary, positioning the firm establishment of the Group internal control system as one of the priority issues of management policy. Regarding the internal control system, to ensure the efficient execution of directors' duties, we have not merely prepared various regulations and systems such as job assignment and internal control regulations. Rather, important issues are discussed multilaterally and are reviewed at meetings attended by management. Furthermore, we have a system in place that oversees any information related to job execution, such as minutes to Board of Directors' meetings and documents presented before the Board of Directors and management for approval concerning regulations.

In terms of a compliance system, we created a companywide "compliance team" under the supervision of the director in charge of compliance, in 2007. We endeavor to prevent any occurrence of injustice and misconduct by ensuring a full understanding of compliance on the part of all directors and employees by continuously holding compliance seminars under the direction of the compliance team.

As an organization concerned with internal control, we created a "Management Control Section" under the control of the Head of the Development & Production Division, in 2007, which assumed the ordinary monitoring function of our manufacturing subsidiaries. Thus, we intend to strengthen the control function of our manufacturing subsidiaries.

Sales and other subsidiaries handle internal auditing on their own, as each Group company has a separate internal auditing function. Furthermore, we created a "Management Control Section" under the Head of the Business Division, in 2007, which inspects the degree of implementation of internal auditing and gives guidance when necessary.

We also created a "Management Supervisory Committee" in 2007, with the president as chairperson, the directors as members and all auditors as observers, so that we can follow the discussion of various measures and their level of progress, as well as check the degree of thoroughness of compliance.

2. Rejection of antisocial forces

We actively work against any possibility of a relationship with antisocial forces or groups, manifesting the policy in the "ISEKI Group Code of Ethical Behavior." To establish the corporate ethics of Iseki and the Group companies, we show action guidelines regarding antisocial forces in the "Iseki Group Code of Ethical Behavior," and we have prepared the following systems to reject antisocial forces and relevant activities. The General Affairs Department is in charge of antisocial forces measures and, depending on the circumstances, acts in consultation with the relevant departments and sections. We maintain ordinary contacts and association with external organizations, such as the police department, the National Center for the Elimination of Boryokudan, and lawyers, thus preparing a system to cope with antisocial forces. We also belong to the Metropolitan Area Violation Prevention Association to receive regular guidance as well as share information.

3) Relationship of Company and outside corporate auditors

The Company's four outside corporate auditors have no personal, capital, or business ties with the Company or any other conflicts of interest.

4) Independent public auditing

The Company has appointed Ernst & Young ShinNihon LLC as its independent public audit firm. There are no special relationships between the Company and Ernst & Young ShinNihon LLC that would represent a conflict of interest. The Company and Ernst & Young ShinNihon LLC have signed an audit agreement, based on which Ernst & Young ShinNihon LLC receives compensation. The Company's corporate auditors and the audit firm regularly hold liaison meetings, at which they exchange information related to the audit plan, scope, and other relevant matters. Other than their regular liaison meetings, the corporate auditors and Ernst & Young ShinNihon LLC meet as necessary to share information on audit examination items and processes.

Certified Public Accountants Assigned to the Company

Kenji Nishihara (Ernst & Young ShinNihon LLC)
Yoshiaki Ito (Ernst & Young ShinNihon LLC)
Tomohide Otani (Ernst & Young ShinNihon LLC)

Since all of the CPAs have been assigned to the Iseki & Co., Ltd. account for 7 years or less, the number of consecutive years they have been working on the account is not noted here. Ernst & Young Shin Nihon has voluntarily agreed not to assign any of its employees to work on the account for more than a fixed number of years.

Composition of Ernst & Young ShinNihon LLC Auditing Team
8 CPAs
12 junior accountants and trainees

5) Establishing a risk management system

Addressing the overall risk exposure of the Group, the Company has set up risk management standards and rules as well as monitoring and response systems to prevent avoidable risk and to minimize losses.

6) Internal auditing and oversight of auditors

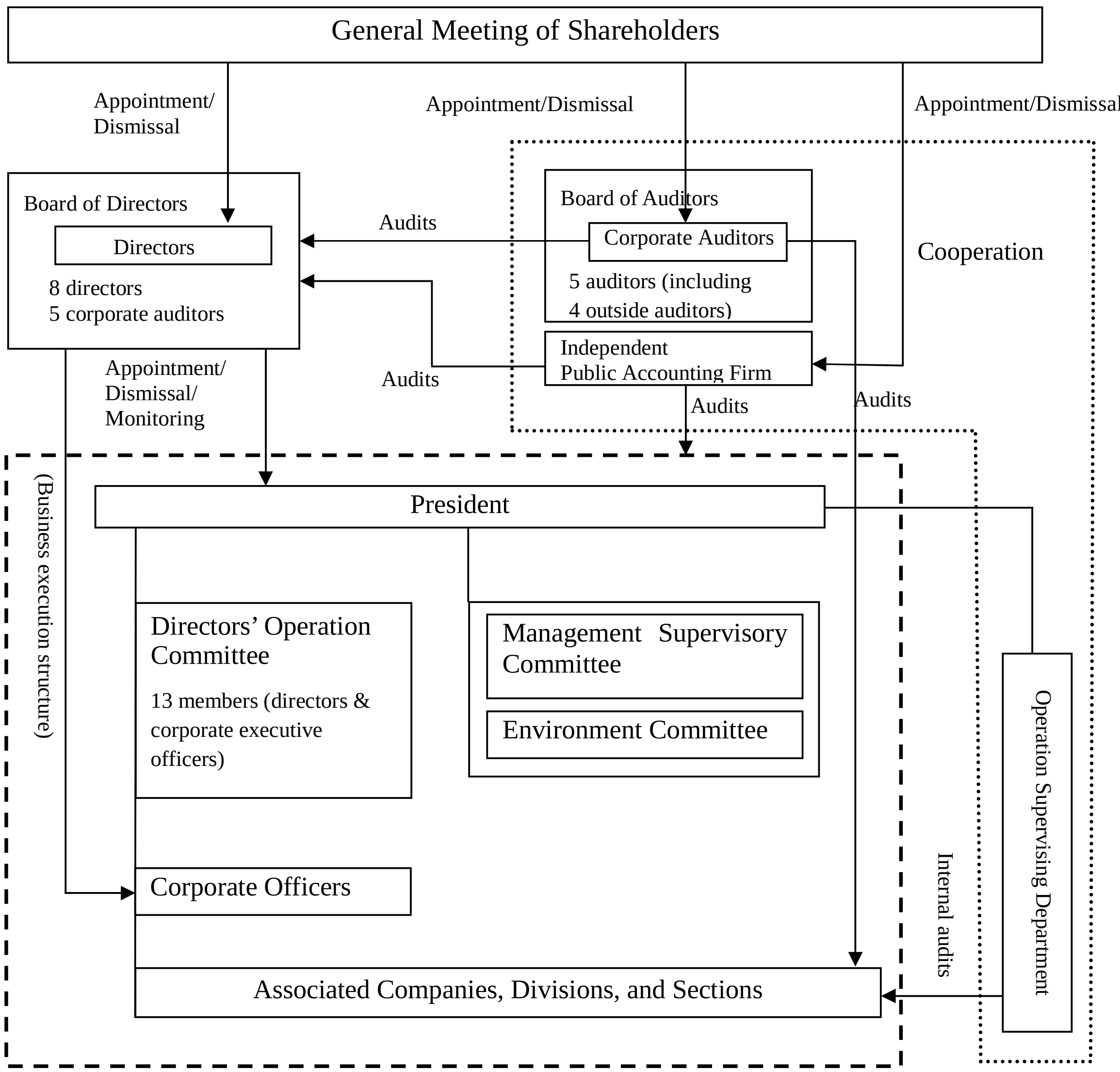
The Board of Corporate Auditors has 5 members, including 4 outside corporate auditors. The corporate auditors conduct audits of associated companies and each business division and section. Through these audits they confirm whether business is being carried out properly in accordance with various laws and ordinances and rules and regulations and provide guidance. The Company also has established an Operation Supervising Department with a staff of 8 to handle internal audit affairs. Based on internal audit rules, the department carries out accounting, business, and compliance audits of associated companies and each business division and section.

7) Actions taken to improve corporate governance during the previous year

We, Iseki, believe that the timely disclosure of information is essential to building a good relationship with stakeholders. To that end, we endeavor to proactively disclose information, actively holding information meetings on quarterly performance.

The Company also addresses environmental issues. It has an Environmental Committee and regularly publishes an environmental report (last published August 2009). The entire Group works together actively on environmental programs and has been assessed by an independent institution as an organization that "is recognized as being particularly advanced in its environmental activities." We also publish an intellectual property report (last published July 2009) disclosing our research and development activities and strategies for strengthening our intellectual assets.

8) Diagram illustrating the Company’s corporate governance structure



9) Stipulated number of members of Board of Directors

The Company's articles of incorporation stipulate that the Board of Directors shall comprise no more than 10 directors.

10) Requirement for election of directors

The articles of incorporation stipulate that directors of the Company shall be elected by a majority of votes by shareholders at the general meeting of shareholders, where the shareholders present represent one-third or more of the total voting rights of shareholders. The articles of incorporation also stipulate that directors may not be elected by cumulative voting.

11) Items that may be decided by the Board of Directors instead of resolution of the general meeting of shareholders, and their purpose

1. Acquisition of treasury stock

As prescribed in the provisions of Article 165, Paragraph 2, of the Corporation Law, the articles of incorporation stipulate that the Company may acquire treasury stock based on a decision by the Board of Directors. This provision allows the systematic pursuit of funding strategies.

2. Absolution of directors from liability

As provided for in Article 426, Paragraph 1, of the Corporation Law, the articles of incorporation stipulate that the Company may absolve directors (including past directors) from liability, as defined in Article 423, Paragraph 1, of the same law under the limit of the law based on a decision by the Board of Directors provided that the directors have acted in good faith and have not been excessively negligent in their duties. This provision enables directors to pursue their duties to the full extent of expectations.

3. Absolution of corporate auditors from liability

As provided for in Article 426, Paragraph 1, of the Corporation Law, the articles of incorporation stipulate that the Company may absolve corporate auditors (including past corporate auditors) from liability, as defined in Article 423, Paragraph 1, of the same law under the limit of the law based on a decision by the Board of Directors, provided that the corporate auditors have acted in good faith and have not been excessively negligent in their duties. This provision enables corporate auditors to pursue their duties to the full extent of expectations.

4. Absolution of independent public audit firm from liability

As provided for in Article 426, Paragraph 1, of the Corporation Law, the articles of incorporation stipulate that the Company may absolve the independent public audit firm (including past independent public audit firms) from liability, as defined in Article 423, Paragraph 1, of the same law under the limit of the law based on a decision by the Board of Directors, provided that the independent public audit firm has acted in good faith and has not been excessively negligent in its duties. This provision enables the independent public audit firm to pursue its duties to the full extent of expectations.

12) Requirements for approving a special resolution of the general meeting of shareholders

The articles of incorporation stipulate that special resolutions as provided for in Article 309, Paragraph 2, of the Corporation Law may be decided by a majority of two-thirds or more of votes by shareholders at the general meeting of shareholders, where the shareholders present represent one-third or more of the total voting rights of shareholders. This provision enables the smooth proceedings of general meetings of shareholders by lowering the quorum requirement.

(2) Remuneration for Independent Public Audit Firm

1) Remuneration for certified public accountants and others of independent public audit firm

(Millions of yen)

	Previous fiscal year		Fiscal year under review	
	Remuneration for audit certification services	Remuneration for non-audit services	Remuneration for audit certification services	Remuneration for non-audit services
Audited companies	88	-	84	1
Consolidated subsidiaries	14	-	8	-
Total	102	-	92	1

2) Other remuneration

Not applicable

3) Details of non-audit services performed by certified public accountants of independent public audit firm for audited companies

In the consolidated fiscal year under review, the company sought consultation regarding the assessment of its IT general control system. Such consultation is work (non-audit services) other than that provided for in Article 2, Paragraph 1, of the Certified Public Accountants Act. There was no matter applicable thereto in the previous consolidated fiscal year.

4) Policy for determining remuneration for public audit firm

Remuneration is determined with the approval of the Board of Auditors by taking the number of auditing days, services performed, and other factors into overall consideration.

V. Accounting Status

1. Method of Preparing Consolidated Financial Statements and Financial Statements

(1) The Company's consolidated financial statements are prepared on the basis of "Regulation for Terminology, Forms and Preparation of Consolidated Financial Statements" (Finance Ministry Order No. 28 of 1976; hereinafter referred to as the "Regulations for Consolidated Financial Statements").

It should be noted that the Company's consolidated financial statements for the previous consolidated fiscal year (from April 1, 2008 through March 31, 2009) were prepared on the basis of the Regulations for Consolidated Financial Statements prior to the revision, while those for the current consolidated fiscal year under review (from April 1, 2009 through March 31, 2010) were prepared on the basis of the Regulations for Consolidated Financial Statements after the revision.

(2) The Company's financial statements are prepared on the basis of the "Regulation for Terminology, Forms and Preparation of Financial Statements, etc." (Finance Ministry Order No. 59 of 1963; hereinafter, the "Regulations for Financial Statements, etc.").

It should be noted that the Company's financial statements for the previous fiscal year (from April 1, 2008 through March 31, 2009) were prepared on the basis of the Regulations for Financial Statements, etc., prior to the revision, while those for the current fiscal year under review (from April 1, 2009 through March 31, 2010) were prepared on the basis of the Regulations for Financial Statements, etc., after the revision.

2. Audit Certification

Based on the provision of Article 193-2, Paragraph 1, of the "Financial Instruments and Exchange Act," the Company received an audit by Ernst & Young ShinNihon LLC of its consolidated financial statements and financial statements for the previous consolidated fiscal year (from April 1, 2008 through March 31, 2009) and previous fiscal year (from April 1, 2008 through March 31, 2009) as well as for the current consolidated fiscal year under review (from April 1, 2009 through March 31, 2010) and the current fiscal year (from April 1, 2009 through March 31, 2010).

3. Special Measures to Ensure the Appropriateness of Consolidated Financial Statements, etc.

To ensure the appropriateness of its consolidated financial statements, the Company joined the Financial Accounting Standards Foundation (FASF) and has taken part in its seminars, etc., with the aim of properly understanding the content of accounting standards and putting in place a system that can respond to changes, etc., in accounting standards, etc., in an appropriate manner.

1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY2009 (As of March 31, 2009)	**FY2010** (As of March 31, 2010)
Assets		
Current Assets:		
Cash and deposits	5,708	6,705
Notes and accounts receivable—trade	28,734	29,320
Short-term investment securities	280	19
Merchandise and finished goods	37,944	37,136
Work in process	2,696	3,219
Raw materials and supplies	1,336	1,114
Deferred tax assets	353	963
Others	3,638	2,356
Allowance for doubtful accounts	(79)	(74)
Total Current Assets	80,611	80,761
Noncurrent Assets:		
Property, plant and equipment		
Buildings and structures, net	15,638	14,835
Machinery, equipment and vehicles, net	8,636	7,832
Tools, furniture and fixtures, net	2,822	2,486
Land	[*7] 50,463	[*7] 50,190
Lease assets, net	1,869	3,692
Construction in progress	533	643
Other, net	24	17
Total property, plant and equipment	[*1, *2] 79,988	[*1, *2] 79,697
Intangible assets	842	883
Investments and other assets		
Investment securities	[*3] 4,647	[*3] 5,272
Long-term loans receivable	178	175
Deferred tax assets	751	724
Other	[*3] 4,455	[*3] 3,985
Allowance for doubtful accounts	(473)	(455)
Total investments and other assets	9,559	9,702
Total Noncurrent Assets	90,390	90,283
Total Assets	171,002	171,044

(Millions of yen)

	FY2009 (As of March 31, 2009)	FY2010 (As of March 31, 2010)
Liabilities		
Current Liabilities:		
Notes and accounts payable—trade	43,801	41,773
Short-term loans payable	*1 20,980	*1 15,846
Current portion of bonds	1,485	1,060
Current portion of long-term loans payable	*1 10,395	*1 13,376
Lease obligations	481	1,107
Accrued consumption taxes	313	449
Income taxes payable	715	753
Deferred tax liabilities	—	25
Accrued expenses	3,494	4,237
Provision for bonuses	429	416
Other	*1 3,396	*1 2,724
Total Current Liabilities	85,493	81,770
Noncurrent Liabilities:		
Bonds payable	1,060	—
Long-term loans payable	*1 16,748	*1 15,958
Lease obligations	1,568	2,937
Deferred tax liabilities	337	417
Deferred tax liabilities for land revaluation	*7 7,595	*7 7,595
Provision for retirement benefits	4,829	5,084
Provision for directors' retirement benefits	380	155
Negative goodwill	12	11
Other	*1 1,283	*1 1,509
Total Noncurrent Liabilities	33,814	33,669
Total Liabilities	119,308	115,439
Net Assets		
Shareholders' equity		
Capital stock	22,784	23,344
Capital surplus	12,815	13,454
Retained earnings	4,072	6,076
Treasury stock	(185)	(13)
Total Shareholders' Equity	39,486	42,862
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	212	385
Revaluation reserve for land	*7 10,527	*7 10,869
Foreign currency translation adjustment	(11)	(7)
Total Valuation and Translation Adjustments	10,728	11,247
Minority interests	1,479	1,494
Total Net Assets	51,694	55,604
Total Liabilities and Net Assets	171,002	171,044

(2) Consolidated Statements of Income

(Millions of yen)

	FY2009 (April 1, 2008– March 31, 2009)	**FY2010** (April 1, 2009– March 31, 2010)
Net sales	149,601	149,314
Cost of sales	*1, *2 103,736	*1, *2 101,925
Gross profit	45,865	47,389
Selling, general and administrative expenses		
Advertising expenses	1,135	1,211
Packing and transportation expenses	3,934	3,182
Directors' compensations, salaries and allowances	18,201	18,100
Bonuses	2,462	2,530
Retirement benefit expenses	2,035	1,937
Provision for directors' retirement benefits	87	42
Depreciation	1,272	1,281
Other	15,158	14,587
Total selling, general and administrative expenses	*2 44,287	*2 42,873
Operating income	1,577	4,515
Non-operating income		
Interest income	269	224
Dividends income	175	102
Amortization of negative goodwill	27	0
Subsidies received	140	114
Rent income	138	150
Sales of scrap	203	74
Other	624	376
Total non-operating income	1,579	1,044
Non-operating expenses		
Interest expenses	1,155	1,035
Sales discounts	139	111
Foreign exchange losses	158	82
Loss on abandonment of inventories	579	385
Other	353	286
Total non-operating expenses	2,384	1,902
Ordinary income	771	3,657
Extraordinary income		
Gain on sales of noncurrent assets	*3 61	*3 87
Gain on sale of investment securities	144	2
Gain on sales of subsidiaries' stocks	351	—
Other	39	—
Total extraordinary income	596	89

(Millions of yen)

	FY2009 (April 1, 2008– March 31, 2009)	FY2010 (April 1, 2009– March 31, 2010)
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	*4 257	*4 185
Impairment loss	*5 18	*5 424
Loss on valuation of investment securities	109	18
Loss on valuation of golf club membership	0	1
Directors' retirement benefits	14	4
Provision for directors' retirement benefits for prior periods	*6 144	—
Environmental expenses	—	119
Cost of measures for product recall	278	240
Other	87	6
Total extraordinary losses	911	1,000
Income before income taxes	457	2,747
Income taxes—current	881	1,002
Refund of income taxes for prior periods	(72)	—
Income taxes—deferred	(353)	(604)
Total income taxes	455	397
Minority interests in income (loss)	(0)	2
Net income	2	2,347

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	FY2009 (April 1, 2008– March 31, 2009)	**FY2010** (April 1, 2009– March 31, 2010)
Shareholders' Equity		
Capital Stock		
Balance at the end of previous period	22,784	22,784
Changes of items during the period		
Issuance of new shares—exercise of subscription rights to shares	—	559
Total changes of items during the period	—	559
Balance at the end of period	22,784	23,344
Capital Surplus		
Balance at the end of previous period	12,815	12,815
Changes of items during the period		
Issuance of new shares—exercise of subscription rights to shares	—	559
Disposal of treasury stock	—	78
Total changes of items during the period	—	638
Balance at the end of period	12,815	13,454
Retained Earnings		
Balance at the end of previous period	4,081	4,072
Changes of items during the period		
Net income	2	2,347
Change of scope of consolidation	(11)	—
Reversal of revaluation reserve for land	—	(342)
Total changes of items during the period	(9)	2,004
Balance at the end of period	4,072	6,076
Treasury Stock		
Balance at the end of previous period	(167)	(185)
Changes in items during the period		
Purchase of treasury stock	(18)	(23)
Disposal of treasury stock	—	196
Total changes of items during the period	(18)	172
Balance at the end of period	(185)	(13)
Total Shareholders' Equity		
Balance at the end of previous period	39,514	39,486
Changes of items during the period		
Issuance of new shares—exercise of subscription rights to shares	—	1,119
Net income	2	2,347
Purchase of treasury stock	(18)	(23)
Disposal of treasury stock	—	275
Change of scope of consolidation	(11)	—
Reversal of revaluation reserve for land	—	(342)
Total changes of items during the period	(28)	3,375
Balance at the end of period	39,486	42,862

(Millions of yen)

	FY2009 (April 1, 2008– March 31, 2009)	FY2010 (April 1, 2009– March 31, 2010)
Valuation and Translation Adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	907	212
Changes of items during the period		
Net changes in items other than shareholders' equity	(695)	172
Total changes of items during the period	(695)	172
Balance at the end of period	212	385
Revaluation Reserve for Land		
Balance at the end of previous period	10,527	10,527
Changes of items during the period		
Net changes in items other than shareholders' equity	—	342
Total changes of items during the period	—	342
Balance at the end of period	10,527	10,869
Foreign Currency Translation Adjustment		
Balance at the end of previous period	31	(11)
Changes of items during the period		
Net changes in items other than shareholders' equity	(42)	3
Total changes of items during the period	(42)	3
Balance at the end of period	(11)	(7)
Total Valuation and Translation Adjustments		
Balance at the end of previous period	11,466	10,728
Changes of items during the period		
Net changes in items other than shareholders' equity	(738)	519
Total changes of items during the period	(738)	519
Balance at the end of period	10,728	11,247
Minority Interests		
Balance at the end of previous period	1,575	1,479
Changes of items during the period		
Net changes in items other than shareholders' equity	(95)	15
Total changes of items during the period	(95)	15
Balance at the end of period	1,479	1,494
Total Net Assets		
Balance at the end of previous period	52,556	51,694
Changes in items during the period		
Issuance of new shares—exercise of subscription rights to shares	—	1,119
Net income	2	2,347
Purchase of treasury stock	(18)	(23)
Disposal of treasury stock	—	275
Change of scope of consolidation	(11)	—
Reversal of revaluation reserve for land	—	(342)
Net changes in items other than shareholders' equity	(834)	534
Total changes of items during the period	(862)	3,910
Balance at the end of period	51,694	55,604

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2009 (April 1, 2008– March 31, 2009)	**FY2010** (April 1, 2009– March 31, 2010)
Net Cash Provided by (Used in) Operating Activities:		
Income before income taxes	457	2,747
Depreciation and amortization	4,677	5,140
Impairment loss	18	424
Amortization of negative goodwill	(27)	(0)
Increase (decrease) in provision for retirement benefits	733	255
Loss (gain) on sales of investment securities	(138)	2
Loss (gain) on sales of subsidiaries' stocks	(319)	—
Loss on evaluation of golf club memberships	0	1
Interest and dividend income	(444)	(327)
Interest expenses	1,155	1,035
Foreign exchange losses (gains)	(183)	(72)
Loss (gain) on sales of property, plant and equipment and intangible assets	196	98
Decrease (increase) in notes and accounts receivable—trade	(352)	(586)
Decrease (increase) in inventories	258	506
Increase (decrease) in notes and accounts payable—trade	3,452	(2,028)
Other	1,119	1,517
Subtotal	10,601	8,713
Interest and dividends income received	441	331
Interest expenses paid	(1,171)	(1,031)
Income taxes paid	(1,026)	(1,111)
Income taxes refund	116	424
Net cash provided by (used in) operating activities	8,960	7,326
Net Cash Provided by (Used in) Investment Activities:		
Purchase of short-term investment securities	(122)	(19)
Proceeds from sales of short-term securities	53	240
Purchase of property, plant and equipment and intangible assets	(5,086)	(4,691)
Proceeds from sales of property, plant and equipment and intangible assets	376	298
Purchase of investment securities	(206)	(315)
Proceeds from sales of investment securities	531	30
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	*2 694	*2 —
Decrease (increase) in loans receivable	11	3
Decrease (increase) in time deposits	(3)	7
Other	243	124
Net cash provided by (used in) investment activities	(3,507)	(4,320)
Net Cash Provided by (Used in) Financing Activities:		
Increase (decrease) in short-term loans payable, net	(3,999)	(5,137)
Proceeds from long-term loans payable	8,260	14,610
Repayment of long-term loans payable	(10,899)	(12,418)
Redemption of bonds	(100)	(90)
Proceeds from sell and leaseback transactions	1,259	1,598
Repayments of lease obligations	(93)	(606)
Purchase of treasury stock	(18)	(23)
Other	(11)	(12)
Net cash provided by (used in) financing activities	(5,603)	(2,080)
Effect of Exchange Rate Change on Cash and Cash Equivalents	73	78
Net Increase (Decrease) in Cash and Cash Equivalents	(77)	1,004
Cash and Cash Equivalents at Beginning of Period	5,687	5,609
Cash and Cash Equivalents at End of Period	5,609	6,614

[Notes Regarding the Going Concern Assumption]

FY2009 (April 1, 2008–March 31, 2009)

Not applicable

FY2010 (April 1, 2009–March 31, 2010)

Not applicable

[Important Basic Items for Preparing Consolidated Financial Statements]

Item	FY2009 (April 1, 2008–March 31, 2009)	FY2010 (April 1, 2009–March 31, 2010)
1 Scope of consolidation	(1) Number of consolidated subsidiaries 26 companies (including Iseki-Matsuyama Mfg. Co., Ltd., Iseki-Kumamoto Mfg. Co., Ltd., Iseki-Hokkaido Co., Ltd. and Iseki-Tohoku Co., Ltd.) Based on the sales of investments in subsidiaries, the number of consolidated subsidiaries declined by 2, and based on the mergers, the number declined by 1. (2) Names of major non-consolidated subsidiaries N.V. ISEKI EUROPE S.A. Because the non-consolidated subsidiary is small in scale and none of its total assets, net sales, net income (or loss), or retained earnings (the amount corresponding to the equity interest), etc., has a material impact on the consolidated financial statements, it is removed from the scope of consolidation.	(1) Number of consolidated subsidiaries 24 companies (including Iseki-Matsuyama Mfg. Co., Ltd., Iseki-Kumamoto Mfg. Co., Ltd., Iseki-Hokkaido Co., Ltd. and Iseki-Tohoku Co., Ltd.) Based on the mergers, the number of consolidated subsidiaries declined by 2. (2) Names of major non-consolidated subsidiaries N.V. ISEKI EUROPE S.A. Same as on the left
2 Scope of the equity-method companies	(1) The equity method is not applied to any non-consolidated subsidiaries or affiliates. (2) Names of major non-consolidated subsidiaries and affiliates to which the equity method is not applied. N.V. ISEKI EUROPE S.A. Because the company to which the equity method is not applied has a minor effect on net income (or loss), retained earnings, etc., and is of no importance as a whole, it is removed from the scope of the equity-method companies.	(1) The equity method is not applied to any non-consolidated subsidiaries or affiliates. (2) Names of major non-consolidated subsidiaries and affiliates to which the equity method is not applied. N.V. ISEKI EUROPE S.A. Same as on the left

Item	FY2009 (April 1, 2008–March 31, 2009)	FY2010 (April 1, 2009–March 31, 2010)
3 Consolidated accounting period	Of the consolidated subsidiaries, 14 companies (including Iseki-Hokkaido Co., Ltd.) use an end-of-period balance sheet date of December 31. Twelve companies (including Iseki-Matsuyama Mfg. Co., Ltd.) use a balance sheet date of March 31. With regard to the preparation of the consolidated financial statements, the financial statements as of the balance sheet dates of respective companies are used. And necessary adjustments at consolidation are made for any significant transactions that occurred between the consolidated balance sheet date and these dates.	Of the consolidated subsidiaries, 14 companies (including Iseki-Hokkaido Co., Ltd.) use an end-of-period balance sheet date of December 31. Ten companies (including Iseki-Matsuyama Mfg. Co., Ltd.) use a balance sheet date of March 31. With regard to the preparation of the consolidated financial statements, the financial statements as of the balance sheet dates of respective companies are used. And necessary adjustments at consolidation are made for any significant transactions that occurred between the consolidated balance sheet date and these dates.
4 Accounting policies (1) Valuation basis and methods of important assets		
(i) Inventories	Mainly recorded at cost using the gross average method (Balance sheet amounts for items with reduced profitability have been adjusted downward accordingly) (Changes in accounting policies) Effective as of the fiscal year ended March 31, 2009, the Company has adopted “Accounting Standard for Measurement of Inventories” (Accounting Standards Board of Japan (ASBJ) Statement No. 9, July 5, 2006). The effect of the adoption of this accounting standard was to decrease operating income and ordinary income and income before income taxes by ¥481 million from the corresponding amounts, which would have been recorded under the previous method.	Mainly recorded at cost using the gross average method (Balance sheet amounts for items with reduced profitability have been adjusted downward accordingly)
(ii) Securities	(a) Held-to-maturity debt securities Recorded at amortized cost (Straight-line method) (b) Available-for-sale securities • Securities with fair market value Recorded at market value, based on the fair market price at the closing date of the consolidated reporting period (Any estimate variance is credited or debited to Shareholders’ Equity, and cost of sales is calculated using the moving-average method.) • Securities without fair market value Mainly recorded at cost, based on the moving-average method	(a) Held-to-maturity debt securities Same as on the left (b) Available-for-sale securities • Securities with fair market value Same as on the left • Securities without fair market value Same as on the left
(iii) Derivatives	Recorded using the market value method	Same as on the left

Item	FY2009 (April 1, 2008–March 31, 2009)	FY2010 (April 1, 2009–March 31, 2010)
(2) Depreciation methods for material depreciable assets		
(i) Property, plant and equipment (excluding lease assets)	For the depreciation methods of property, plant and equipment, the straight-line method is used mainly for tools and new buildings (not including buildings and accompanying facilities) acquired on or after April 1, 1998, and the declining-balance method is used for other property, plant and equipment. (Principal useful lives) Buildings and structures 3 through 50 years Machinery, equipment and vehicles 2 through 17 years Tools, furniture and fixtures 2 through 20 years Depreciation of minor tangible fixed assets whose acquisition costs were ¥100 thousand or more, but less than ¥200 thousand, is computed principally by the straight-line method over a period of 3 years. Depreciation for property, plant and equipment acquired on or before March 31, 2007 has been computed based on a salvage value of 5% of acquisition cost. The amount between the salvage value and memorandum value is depreciated from the year following the year in which the book value of the asset reaches 5% of its acquisition cost by the straight-line method over a period of five years.	Same as on the left
(ii) Intangible assets (excluding lease assets)	Straight-line method is applied. However, software for internal use is depreciated using the straight-line method over an expected useful life within the company of five years, while software for marketing is depreciated using the straight-line method over an expected marketable period of three years.	Same as on the left
(iii) Lease assets	Lease assets derived from finance leases other than those leases which transfer the ownership of the assets to the lessee are amortized using straight-line method with no residual value over the lease period, which is deemed the useful life. Among finance leases that do not involve transfer of ownership to lessee, leases that began before April 1, 2008 are accounted for as normal operating leases.	Same as on the left
(3) Allowances and reserves		

Item		FY2009 (April 1, 2008–March 31, 2009)	FY2010 (April 1, 2009–March 31, 2010)
(i)	Allowance for doubtful accounts	A likely unrecoverable amount is calculated by applying the historical bad debt ratio to common receivables. For specific receivables, such as doubtful debt receivables, allowances are made by individually evaluating the likelihood of them being collected.	Same as on the left
(ii)	Provision for bonuses	To provide for future bonus payments to employees, a provision for bonuses is booked based on estimated future payments.	Same as on the left
(iii)	Provision for retirement benefits	Provision for retirement benefits is recorded as at the end of the consolidated accounting period, and is principally based on the amounts for the obligation for employees' retirement benefits and pension plan assets. Disparities arising out of changes to accounting standards are expensed pro rata over 15 years. Past service liabilities are amortized using the straight-line method over the average of the estimated remaining years of service. Actuarial differences are amortized using the straight-line method over the average of the estimated remaining years of service calculated in the respective consolidated fiscal periods when the differences are arisen, with the first expense being recognized in the following consolidated fiscal period.	Provision for retirement benefits is recorded as at the end of the consolidated accounting period, and is principally based on the amounts for the obligation for employees' retirement benefits and pension plan assets. Disparities arising out of changes to accounting standards are expensed pro rata over 15 years. Past service liabilities are amortized using the straight-line method over the average of the estimated remaining years of service. Actuarial differences are amortized using the straight-line method over the average of the estimated remaining years of service calculated in the respective consolidated fiscal periods when the differences are arisen, with the first expense being recognized in the following consolidated fiscal period. (Changes in accounting policies) Effective as of the fiscal year ended March 31, 2010, the Company adopted the partial revision (No. 3) to the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 19, July 31, 2008). This change had no impact of profit or loss.
(iv)	Provision for directors’ retirement benefits	The Company, which submitted its consolidated financial statements, and some of its consolidated subsidiaries record the directors’ retirement benefits to provide for directors' retirement benefits in an amount as required by companies’ internal regulations.	Some of the Company’s consolidated subsidiaries record the directors’ retirement benefits to provide for directors’ retirement benefits in an amount as required by companies’ internal regulations. (Supplementary information) The Company had recorded the directors’ retirement benefits to provide for directors’ retirement benefits in an amount as required by companies’ internal regulations. However, the Board of Directors, at its meeting held on May 14, 2009, approved the resolution to abolish the directors’ retirement benefits plan effective on July 1, 2009. In connection therewith, the 85th general meeting of shareholders, held on June 26, 2009, approved the resolution that the directors’ retirement benefits are to be paid only for the portion of their terms of office until the abolishment date of the plan. Therefore, provision for directors’ retirement benefits was released and recorded as noncurrent liabilities “Other” (long-term accounts payable) until the time of payment.

Item	FY2009 (April 1, 2008–March 31, 2009)	FY2010 (April 1, 2009–March 31, 2010)
(4) Accounting standards for revenues and expenses		
(i) Accounting standards for the value and cost of completed construction contracts	――――――	The percentage-of-completion method is applied for construction in progress up to the end of the consolidated accounting period, for which the outcome can be estimated reliably (the proportional cost method is applied for estimating the percentage of progress of the construction). The completed-contract method is applied for other constructions. (Changes in accounting policies) Effective as of the fiscal year ended March 31, 2010, the Company adopted the "Accounting Standard for Construction Contacts" ("ASBJ Statement No. 15, December 27, 2007) and the "Implementation Guidance on Accounting Standard for Construction Contracts" (ASBJ Implementation Guidance No. 18, December 27, 2007). This change had no impact of profit or loss.
(5) Foreign currency translation	Monetary assets and liabilities in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date. Gains or losses resulting from the translation are credited or charged to income. Balance sheet accounts (except for shareholders' equity) and revenue and expense accounts of the overseas subsidiary are translated into yen at the rates of exchange in effect at the balance sheet dates. Differences arising from the translation are presented as "Foreign currency translation adjustment" in shareholders' equity and financial statements.	Same as on the left
(6) Hedge accounting	(a) Hedge accounting Recorded in accordance with deferred hedge accounting. Such receivables and payables, which are denominated in foreign currencies and for which forward exchange contracts have been entered, are recorded using the forward exchange rates. (b) Hedging instruments and hedged items • Hedging instruments Forward exchange contracts Interest rate swap agreements • Hedged items Receivables and payables denominated in foreign currencies Borrowings	(a) Hedge accounting Same as on the left (b) Hedging instruments and hedged items Same as on the left

Item	FY2009 (April 1, 2008–March 31, 2009)	FY2010 (April 1, 2009–March 31, 2010)
	(c) Hedging policy The Company hedges the risks associated with fluctuations in foreign currencies exchange rates and interest rates. As for the risks associated with fluctuations in foreign currencies exchange rates in transactions in foreign currencies that occur when carrying out export and import businesses, the Company makes it its policy to balance export exchange with import exchange, and for interest-rate fluctuation risk on borrowings, the Company makes it its policy to hedge against variable interest rate borrowings with the aim mainly of spreading interest payments. (d) Method of assessing effectiveness of hedging The Company assesses the effectiveness of hedging by comparing the respective changes in total amount of cash flows regarding hedging instruments and hedged items. (e) Other risk management method regarding hedge accounting Transactions are conducted under the internal policies which include procedures and authorization processes. To assess the effectiveness of risk hedging, etc., the Company makes it a rule that it should be verified by the finance divisions on a regular basis.	(c) Hedging policy Same as on the left (d) Method of assessing effectiveness of hedging Same as on the left (e) Other risk management method regarding hedge accounting Same as on the left
(7) Other notes pertaining to the preparation of the Consolidated Financial Statements (i) Accounting treatment of consumption tax	Consumption tax and local consumption taxes are accounted for using a tax-exclusive method.	Same as on the left
5 Evaluation of consolidated subsidiaries' assets and liabilities	The market value method is used to value the consolidated subsidiaries' assets and liabilities.	Same as on the left
6 Amortization of goodwill and negative goodwill	The consolidation adjustment account is amortized by the straight-line method over a period of no longer than 20 years.	Same as on the left
7 Cash and cash equivalents	Cash and cash equivalents consist of cash on hand, deposits with banks with drawable on demand, and short-term investments which are readily convertible to cash subject to an insignificant risk of any change in their value and which were purchased with an original maturity of three months or less.	Same as on the left

[Changes in Important Basic Items for Preparing Consolidated Financial Statements]

<table>
<tr><th>FY2009
(April 1, 2008–March 31, 2009)</th><th>FY2010
(April 1, 2009–March 31, 2010)</th></tr>
<tr><td>1. Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements
Commencing with the fiscal year under review, the Company has adopted “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No. 18, May 17, 2006).
The impact of these accounting changes on profits and losses for the consolidated fiscal year under review was minimal.
2. Accounting standards for lease transactions
Previously, the Company accounted for finance leases that do not involve transfer of ownership to lessee as operating leases. However, beginning with the fiscal year under review, the Company has adopted “Accounting Standards for Lease Transactions” (1st Committee of Business Accounting Council, June 17, 1993 revised by the Accounting Standards Board of Japan (ASBJ) Statement No. 13, March 30, 2007) and “Guidance on Accounting Standards for Lease Transactions” (Auditing Committee of the Japanese Institute of Certified Public Accountants, January 18, 1994 revised by ASBJ Guidance No. 16, March 30, 2007). Based on adopting these standards, the Company will now account for finance leases that do not involve transfer of ownership to lessee as ordinary lease transactions.
Among finance leases that do not involve transfer of ownership to lessee, leases that began before April 1, 2008 are accounted for as normal operating leases.
The impact of these accounting changes on profits and losses for the consolidated fiscal year under review was minimal.</td><td>―――――――</td></tr>
</table>

[Changes in Presentation of Financial Statements]

FY2009 (April 1, 2008–March 31, 2009)	FY2010 (April 1, 2009–March 31, 2010)
(Consolidated balance sheets) Along with the adoption of the “Cabinet Office Ordinance Concerning the Partial Revision of Rules, etc., for Financial Statement Terminology and Methods of Presentation and Preparation” (Cabinet Office Ordinance No. 50, August 7, 2008), starting with the consolidated fiscal year under review the items listed as “Inventories” in the previous consolidated fiscal year have been separated into “Merchandise and finished goods”, “Work in process”, and “Raw materials and supplies.” Of the amount classified as inventories in the previous consolidated fiscal year, merchandise and finished goods, work in process, and raw materials and supplies accounted for ¥38,363 million, ¥3,011 million, and ¥1,267 million, respectively. (Consolidated statements of income) 1. Since “Sales of scrap” included in “Other” in non-operating income in the previous consolidated fiscal year exceeded 10/100ths of the total non-operating income in the consolidated fiscal year under review, it has been presented separately, starting with the consolidated fiscal year under review. “Sales of scrap” in the previous fiscal year accounted for ¥55 million. 2. Since “Loss on valuation of investment securities” and “Provision for directors' retirement benefits for prior periods,” which were included in “Other” in extraordinary loss in the previous consolidated fiscal year exceeded 10/100ths of the total extraordinary loss in the consolidated fiscal year under review, it has been presented separately, starting with the consolidated fiscal year under review. “Loss on valuation of investment securities” and “Provision for directors’ retirement benefits for prior periods” in the previous consolidated fiscal year accounted for ¥6 million and ¥5 million, respectively.	―――――――

[Notes]

(Consolidated Balance Sheets Information)

	FY2009 (April 1, 2008–March 31, 2009)				FY2010 (April 1, 2009–March 31, 2010)		
*1	Assets of which are provided as collateral	Amount (Millions of yen)		*1	Assets of which are provided as collateral	Amount (Millions of yen)	
I	Property, plant and equipment			I	Property, plant and equipment		
	Buildings and structures	2,488			Buildings and structures	2,308	
	Land	7,826	10,314		Land	7,668	9,977
II	Liabilities to the above items			II	Liabilities to the above items		
	Short-term loans payable	5,795			Short-term loans payable	5,420	
	Current portion of long-term loans payable	1,183			Current portion of long-term loans payable	1,456	
	Other (accounts payable)	9			Other (accounts payable)	9	
	Long-term loans payable	1,910			Long-term loans payable	1,970	
	Other (long-term accounts payable)	69	8,967		Other (long-term accounts payable)	59	8,915
*2	Accumulated depreciation of property, plant and equipment	88,762 million yen		*2	Accumulated depreciation of property, plant and equipment	91,216 million yen	
*3	Investment and other assets invested in non-consolidated subsidiaries and affiliates			*3	Investment and other assets invested in non-consolidated subsidiaries and affiliates		
	Investment securities (shares)	76 million yen			Investment securities (shares)	75 million yen	
	Other (investments in capital)	13 million yen			Other (investments in capital)	13 million yen	
4	Guaranteed liabilities			4	Guaranteed liabilities		
	Higashi Nihon Agricultural Equipment Cooperative Union	4,139 million yen			Higashi Nihon Agricultural Equipment Cooperative Union	3,725 million yen	
	Nishi Nihon Agricultural Equipment Cooperative Union	2,430 million yen			Nishi Nihon Agricultural Equipment Cooperative Union	2,187 million yen	
	Kinki Agricultural Equipment Cooperative Union	1,512 million yen			Kinki Agricultural Equipment Cooperative Union	1,361 million yen	
	Tokai Agricultural Equipment Cooperative Union	1,030 million yen			Tokai Agricultural Equipment Cooperative Union	927 million yen	
	Other	420 million yen			Other	326 million yen	
	Total	9,531 million yen			Total	8,526 million yen	
5	———————			5	Notes receivable less discount—trade	46 million yen	
6	Endorsed notes receivable—trade	431 million yen		6	Endorsed notes receivable—trade	386 million yen	

FY2009 (April 1, 2008–March 31, 2009)	FY2010 (April 1, 2009–March 31, 2010)
*7 Revaluation of land for business use The Company, which submitted its consolidated financial statements, has revalued its land for business use pursuant to the law (Law No. 19, announced on March 31, 2001), which revises parts of the law relating to the revaluation of land. The equivalent tax related to the change in the said revaluation has been recorded in the liabilities as a "Deferred tax liabilities for land revaluation" and the deducted amount has been recorded in the assets as a "Revaluation reserve for land". • Revaluation method The revaluation of land has been determined using a reasonable adjustment to the assessed value of the noncurrent assets as stipulated in Paragraph 3, Article 2, of the enforcement order (Government ordinance number 119, announced on March 31, 1998). • Revaluation date March 31, 2001 • Variance between the market value of the revalued land at the end of the period and the revalued book value (¥10,123 million)	*7 Revaluation of land for business use The Company, which submitted its consolidated financial statements, has revalued its land for business use pursuant to the law (Law No. 19, announced on March 31, 2001), which revises parts of the law relating to the revaluation of land. The equivalent tax related to the change in the said revaluation has been recorded in the liabilities as a "Deferred tax liabilities for land revaluation" and the deducted amount has been recorded in the assets as a "Revaluation reserve for land". • Revaluation method The revaluation of land has been determined using a reasonable adjustment to the assessed value of the noncurrent assets as stipulated in Paragraph 3, Article 2, of the enforcement order (Government ordinance number 119, announced on March 31, 1998). • Revaluation date March 31, 2001 • Variance between the market value of the revalued land at the end of the period and the revalued book value (¥10,256 million)
8 Commitment line contract The Company has concluded a commitment line contract with certain banks to reduce its interest-bearing liabilities and improve efficient financing and financial account balance. Unused portion of commitments on the lending commitment as of the year-end of the consolidated fiscal year under review is as follows: Aggregate amount of lending commitment: 19,730 million yen Used portion of commitments: 3,700 million yen Balance unused: 16,030 million yen	8 Commitment line contract The Company has concluded a commitment line contract with certain banks to reduce its interest-bearing liabilities and improve efficient financing and financial account balance. Unused portion of commitments on the lending commitment as of the year-end of the consolidated fiscal year under review is as follows: Aggregate amount of lending commitment: 20,030 million yen Used portion of commitments: 500 million yen Balance unused: 19,530 million yen

(Consolidated Statements of Income Information)

FY2009 (April 1, 2008–March 31, 2009)			FY2010 (April 1, 2009–March 31, 2010)		
*1	Inventory at the end of the fiscal year represents the amount adjusted downward for items with reduced profitability and loss on valuation of inventories included in cost of sales accounted for ¥481 million.		*1	Inventory at the end of the fiscal year represents the amount adjusted downward for items with reduced profitability and loss on valuation of inventories included in cost of sales accounted for ¥13 million.	
*2	Research and development expenses included in selling, general and administrative expenses and current manufacturing expenses	4,106 million yen	*2	Research and development expenses included in selling, general and administrative expenses and current manufacturing expenses	4,025 million yen
*3	Gain on sales of noncurrent assets		*3	Gain on sales of noncurrent assets	
	Buildings and structures	1 million yen		Buildings and structures	1 million yen
	Machinery, equipment and vehicles	48 million yen		Machinery, equipment and vehicles	45 million yen
	Tools, furniture and fixtures	0 million yen		Land	4 million yen
	Land	11 million yen		Intangible assets	36 million yen
	Other	0 million yen		Total	87 million yen
	Total	61 million yen			
*4	Loss on sales and retirement of noncurrent assets		*4	Loss on sales and retirement of noncurrent assets	
	Buildings and structures	61 million yen		Buildings and structures	47 million yen
	Machinery, equipment and vehicles	127 million yen		Machinery, equipment and vehicles	92 million yen
	Tools, furniture and fixtures	67 million yen		Tools, furniture and fixtures	39 million yen
	Land	0 million yen		Land	4 million yen
	Total	257 million yen		Other	1 million yen
				Total	185 million yen

<table>
<tr><th>FY2009
(April 1, 2008–March 31, 2009)</th><th>FY2010
(April 1, 2009–March 31, 2010)</th></tr>
<tr><td>

*5 Impairment loss

The Company recorded impairment loss of ¥18 million (¥3 million for buildings and ¥14 million for land) on the following assets.

<table>
<tr><th>Usage</th><th>Type</th><th>Location</th><th>Amount (Millions of yen)</th></tr>
<tr><td rowspan="4">Idle property</td><td>Buildings, land</td><td>Gamo, Shiga Pref.</td><td>4</td></tr>
<tr><td>Land</td><td>Yonago, Tottori Pref.</td><td>3</td></tr>
<tr><td>Land</td><td>Mitoyo, Kagawa Pref.</td><td>6</td></tr>
<tr><td>Land</td><td>Kirishima, Kagoshima Pref.</td><td>3</td></tr>
<tr><td colspan="3">Total</td><td>18</td></tr>
</table>

(Background)

We realized impairment loss of the above assets as they are not being used, with no prospect to be used in the future, and besides, market price of the land is declining.

(Grouping method)

We group our fixed assets at each unit, which manages receipts and payments independently. We also group idle properties and properties loaned out individually.

(Measurement of recoverable amount)

Recoverable amount is measured using net selling price. In case of land, the price is determined by applying reasonable adjustments to the assessed value of noncurrent assets for property tax.

</td><td>

*5 Impairment loss

The Company recorded impairment loss of ¥424 million on the following assets.

<table>
<tr><th>Usage</th><th>Type</th><th>Location</th><th>Amount (Millions of yen)</th></tr>
<tr><td rowspan="6">Idle property</td><td rowspan="6">Land</td><td>Yokkaichi, Mie Pref.</td><td>15</td></tr>
<tr><td>Yonago, Tottori Pref.</td><td>1</td></tr>
<tr><td>Mitoyo, Kagawa Pref.</td><td>16</td></tr>
<tr><td>Kuma, Kumamoto Pref.</td><td>11</td></tr>
<tr><td>Kitamorokata, Miyazaki Pref.</td><td>1</td></tr>
<tr><td>Kirishima, Kagoshima Pref.</td><td>2</td></tr>
<tr><td rowspan="2">Property loaned out</td><td rowspan="2">Land</td><td>Kunisaki, Oita Pref.</td><td>12</td></tr>
<tr><td>Kumamoto, Kumamoto Pref.</td><td>361</td></tr>
<tr><td colspan="3">Total</td><td>424</td></tr>
</table>

(Background)

The Company recorded an impairment loss on the above assets. This is because idle properties are not being used and have no prospect for use in the future. In addition, the market price of land is declining for idle properties and properties loaned out.

(Grouping method)

We group our assets at each unit, which manages receipts and payments independently. We also group idle properties and properties loaned out individually.

(Measurement of recoverable amount)

Recoverable amount is measured using net selling price. In case of land, the price is determined by applying reasonable adjustments to the assessed value of noncurrent assets for property tax.

</td></tr>
<tr><td>

*6 Provision for directors' retirement benefits for prior periods

Because the Company put in place rules for directors' retirement benefits, we recorded the provision for such benefits for prior periods.

</td><td>

6 ―――――――

</td></tr>
</table>

(Consolidated Statements of Changes in Net Assets Information)

FY2009 (April 1, 2008–March 31, 2009)

1. Matters concerning outstanding stocks

Class of shares	Number of shares (as of March 31, 2008)	Increase in number of shares	Decrease in number of shares	Number of shares (as of March 31, 2009)
Common stock	226,536,329	-	-	226,536,329
Total	226,536,329	-	-	226,536,329

2. Matters concerning treasury stocks

Class of shares	Number of shares (as of March 31, 2008)	Increase in number of shares	Decrease in number of shares	Number of shares (as of March 31, 2009)
Common stock	711,509	79,330	-	790,839
Total	711,509	79,330	-	790,839

(Note) The increase in number of shares (79,330 shares) during the period was due to the purchasing of shares below the stock trading unit.

3. Matters concerning subscription rights to shares, etc.
Not applicable

4. Matters concerning dividends
Not applicable

FY2010 (April 1, 2009–March 31, 2010)

1. Matters concerning outstanding stocks

Class of shares	Number of shares (as of March 31, 2009)	Increase in number of shares	Decrease in number of shares	Number of shares (as of March 31, 2010)
Common stock	226,536,329	3,313,607	-	229,849,936
Total	226,536,329	3,313,607	-	229,849,936

(Note) The increase in number of shares (3,313,607 shares) during the period was due to the exercise of subscription rights for convertible bond-type bonds with subscription rights to shares.

2. Matters concerning treasury stocks

Class of shares	Number of shares (as of March 31, 2009)	Increase in number of shares	Decrease in number of shares	Number of shares (as of March 31, 2010)
Common stock	790,839	66,993	813,609	44,223
Total	790,839	66,993	813,609	44,223

(Note) The increase in number of shares (66,993 shares) during the period was due to the purchasing of shares below the stock trading unit, while the decrease in number of shares (813,609 shares) was due to the exercise of subscription rights for convertible bond-type bonds with subscription rights to shares.

3. Matters concerning subscription rights to shares, etc.
Not applicable

4. Matters concerning dividends
Not applicable

(Consolidated Statements of Cash Flows Information)

<table>
<tr><th>FY2009
(April 1, 2008–March 31, 2009)</th><th>FY2010
(April 1, 2009–March 31, 2010)</th></tr>
<tr><td>1 Reconciliation between the end of period balance of cash and cash equivalents and the amount reported in the Consolidated Balance Sheet
(March 31, 2009)
Cash and deposits 5,708 million yen
Time deposits with terms of 3 months or more (98 million yen)
Total cash and cash equivalents 5,609 million yen</td><td>1 Reconciliation between the end of period balance of cash and cash equivalents and the amount reported in the Consolidated Balance Sheet
(March 31, 2010)
Cash and deposits 6,705 million yen
Time deposits with terms of 3 months or more (90 million yen)
Total cash and cash equivalents 6,614 million yen</td></tr>
<tr><td>*2 Breakdown of major assets and liabilities of companies that were excluded from consolidated subsidiaries due to the sale of their shares
Current assets 1,223 million yen
Noncurrent assets 706 million yen
Current liabilities (760 million yen)
Noncurrent liabilities (363 million yen)
Valuation difference on available-for-sale securities (1 million yen)
Minority interests (92 million yen)
Equity after sales of subsidiaries' stocks (14 million yen)
Gain on sales of subsidiaries' stocks 319 million yen
Sales amount of subsidiaries' stocks 1,016 million yen
Cash and cash equivalents at subsidiaries (321 million yen)
Net: Proceeds from sales of stocks of subsidiaries 694 million yen</td><td>*2 ―――――</td></tr>
<tr><td>3 Major noncash transactions
Assets and liabilities derived from finance leases newly accounted for in the fiscal year ended March 31, 2009
2,143 million yen</td><td>3 Major noncash transactions
(1) Exercise of subscription rights for convertible bond-type bonds with subscription rights to shares
Increase of capital by exercise of subscription rights to shares 559 million yen
Increase of legal capital surplus by exercise of subscription rights to shares 559 million yen
Net gain on the disposal of treasury stocks by exercise of subscription rights to shares 78 million yen
Decrease of treasury stocks by exercise of subscription rights to shares 196 million yen
Decrease of bonds by exercise of subscription rights to shares 1,395 million yen
(2) Assets and liabilities derived from finance leases newly accounted for in the fiscal year ended March 31, 2010
2,601 million yen</td></tr>
</table>

(Lease Transaction Information)

FY2009 (April 1, 2008–March 31, 2009)

1 Finance lease transactions

Finance leases other than those leases which transfer ownership of assets to the lessee

(1) Details of lease assets

(i) Property, plant and equipment
These represent mainly machinery, equipment, and transport equipment (machinery, equipment and vehicles), as well as tools and business equipment such as personal computers (tools, furniture, and fixtures).

(ii) Intangible assets
These are software.

(2) Depreciation methods of lease assets
These are as stated in "4. Accounting policies (2) Depreciation methods for material depreciable assets (iii) Lease assets" of Important Basic Items for Preparing Consolidated Financial Statements.

Among finance leases that do not involve transfer of ownership to lessee, leases that began before April 1, 2008 are accounted for as normal operating leases.

(1) Finance lease transactions other than those leases that are deemed to transfer ownership of leased assets to the lessee

(i) Acquisition costs, accumulated depreciation and net book value of leased properties as of the fiscal year-end

	Acquisition costs (millions of yen)	Accumulated depreciation (millions of yen)	Net book value as of the fiscal year-end (millions of yen)
Buildings and structures	16	14	2
Machinery, equipment and vehicles	4,030	1,899	2,131
Tools, furniture and fixtures	3,995	2,664	1,331
Total	8,043	4,578	3,464

FY2010 (April 1, 2009–March 31, 2010)

1 Finance lease transactions

Finance leases other than those leases that transfer ownership of assets to the lessee

(1) Details of lease assets

(i) Property, plant and equipment
Same as on the left

(ii) Intangible assets
Same as on the left

(2) Depreciation methods of lease assets
These are as stated in "4. Accounting policies (2) Depreciation methods for material depreciable assets (iii) Lease assets" of Important Basic Items for Preparing Consolidated Financial Statements.

Among finance leases that do not involve transfer of ownership to lessee, leases that began before April 1, 2008 are accounted for as normal operating leases.

(1) Finance lease transactions other than those leases that are deemed to transfer ownership of leased assets to the lessee

(i) Acquisition costs, accumulated depreciation and net book value of leased properties as of the fiscal year-end

	Acquisition costs (millions of yen)	Accumulated depreciation (millions of yen)	Net book value as of the fiscal year-end (millions of yen)
Buildings and structures	10	9	0
Machinery, equipment and vehicles	3,536	1,978	1,557
Tools, furniture and fixtures	2,110	1,596	513
Total	5,656	3,584	2,072

FY2009 (April 1, 2008–March 31, 2009)	FY2010 (April 1, 2009–March 31, 2010)
(ii) Future minimum lease payments as of the fiscal year-end	(ii) Future minimum lease payments as of the fiscal year-end
Within one year 1,414 million yen	Within one year 924 million yen
More than one year 2,167 million yen	More than one year 1,241 million yen
Total 3,581 million yen	Total 2,166 million yen
(iii) Lease payment, depreciation and interest expense	(iii) Lease payment, depreciation and interest expense
Lease payment 1,868 million yen	Lease payment 1,503 million yen
Depreciation 1,719 million yen	Depreciation 1,389 million yen
Interest expense 145 million yen	Interest expense 88 million yen
(iv) Calculation methods of depreciation and interest	(iv) Calculation methods of depreciation and interest
• Calculation method of depreciation Lease assets are amortized using straight-line method with no residual value over the lease period, which is deemed the useful life.	• Calculation method of depreciation Same as on the left
• Calculation method of interest Interest equivalents are calculated by deeming the amount after deducting acquisition cost of the leased property from the total amount of lease payment as interest, and amortizing it over the lease period based on the interest method.	• Calculation method of interest Same as on the left
2 Operating leases transaction Future minimum lease payments for non-cancelable operating leases	2 Operating leases transaction Future minimum lease payments for non-cancelable operating leases
Within one year 210 million yen	Within one year 167 million yen
More than one year 573 million yen	More than one year 499 million yen
Total 784 million yen	Total 666 million yen

(Financial Instrument Information)

FY2010 (April 1, 2009–March 31, 2010)

(Supplementary information)

Effective as of the fiscal year ended March 31, 2010, the Company has adopted the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, March 10, 2008) and the "Implementation Guidance for Disclosure of Fair Values, etc. of Financial Instruments" (ASBJ Implementation Guidance No. 19, March 10, 2008).

1. Matters concerning the status of financial instruments

(1) Policies for financial instruments

The Group has funds mainly through bank loans and issuance of bonds based on its financing plans. Temporary surplus funds have been invested in safe and secure financial assets. Derivatives have been used to avoid risks mentioned later, but the Company makes it its policy not to engage in speculative transactions.

(2) Content of financial instruments, risks associated therewith, and risk management system

Notes and accounts receivable, which are trade receivables, are exposed to the credit risk of customers. The said risk is managed in accordance with the Group's rules. In addition, trade receivables in foreign currencies arising from business operations in overseas markets are exposed to risk of foreign currency exchange rate fluctuations; therefore, the Company has hedged foreign exchange risk using forward exchange contracts to the extent that occurrence can be anticipated with certainty. Securities and investment securities are chiefly held-to-maturity debt securities and shares of companies with which the Company has a business relationship. While these are exposed to risks of market price fluctuations, market prices obtained on a regular basis have been reported to the Board of Directors.

Notes and accounts payable, which are operating liabilities, have a date of payment of within one year. Of these, some are in foreign currencies in connection with imports of raw materials and are exposed to risk of foreign exchange rate fluctuations, but they are within the scope of the balance of trade receivables in the same currency.

Loans are fund procurements mainly related to operating transactions and lease obligations for finance leases are fund procurements mainly related to holding noncurrent assets. While variable interest rate loans are exposed to risk of interest rate fluctuations, for some long-term loans, derivative transactions (interest rate swap agreements) have been used as hedging instruments for individual loans to avoid risk of fluctuating interest rates payable and stabilize interest expenses. Regarding the method of evaluating the effectiveness of hedging, because the requirements for exceptional accounting have been met, evaluation of effectiveness has been omitted.

Implementation and management of derivative transactions have been done in accordance with internal policies that provide for authorizing transactions, and the Company has engaged in transactions with financial institutions having high ratings to reduce credit risk.

(3) Supplementary explanation of matters concerning market values, etc., of financial instruments

Market values of financial instruments include values based on market prices, as well as values reasonably calculated if there are no market prices.

For transaction amounts, etc., concerning derivative transactions in the notes of "Derivative Transaction Information," the amounts per se do not represent market risk associated with derivative transactions.

2. Matters concerning market values, etc., of financial instruments

Carrying value as of March 31, 2010, market value and unrealized gain (loss) are as follows. Items for which market values are deemed to be extremely difficult to grasp are not included in the following table (Please refer to (Note 2)):

	Carrying value (millions of yen)	Market value (millions of yen)	Unrealized gain (millions of yen)
(1) Cash and deposits	6,705	6,705	-
(2) Notes and accounts receivable—trade	29,320	29,320	-
(3) Securities and investment securities			
(i) Held-to-maturity debt securities	19	19	0
(ii) Available-for-sales securities	4,187	4,187	-
(4) Notes and accounts payable—trade	41,773	41,773	-
(5) Short-term loans payable	15,846	15,846	-
(6) Bonds payable	1,060	1,060	-
(7) Long-term loans payable	29,335	29,448	112
(8) Derivative transactions	-	-	-

(Note 1) Matters concerning calculation method of market values of financial instruments as well as securities and derivative transactions

(1) Cash and deposits and (2) Notes and accounts receivable

Because these are settled in the short term and market values are almost the same as book values, amounts are based on book values.

(3) Securities and investment securities

Market values of shares were based on the prices traded on stock exchanges while market values of bonds were based on the prices traded on stock exchanges or those presented by correspondent financial institutions.

(4) Note and accounts payable, (5) Short-term loans payable and (6) Bonds payable

Because these are settled in the short term and market values are almost the same as book values, amounts are based on book values.

(7) Long-term loans payable

These were calculated based on the present value discounted by the interest rate assumed in case the combined amount of principal and interest is newly borrowed. Long-term loans payable with variable interest rates subject to exceptional accounting of interest rate swaps were based on the method calculated, by discounting the combined amount of principal and interest processed integrally with the said interest rate swap at a reasonably estimated interest rate applied in case a similar loan is made.

(8) Derivative transactions

Because those accounted for based on *furiate-shori* (accounting method by which the current and forward rate difference is allocated by period length for calculation in the accounting period) for forward exchange contracts and those subject to exceptional accounting for interest rate swaps were processed integrally with notes and accounts receivable or long-term loans payable, their market values are included in the market values of the said notes and accounts receivable or long-term loans payable.

(Note 2) Financial instruments for which market values are deemed to be extremely difficult to grasp
Because unlisted equity securities (carrying value is ¥1,085 million) neither have market prices nor future cash flows estimated, and it is deemed that their market values are extremely difficult to grasp, they are not included in "(3) Securities and investment securities (ii) Available-for-sale securities."

(Note 3) Projected future redemption of monetary claims and securities with maturity dates after the consolidated closing date

	Within one year (millions of yen)	More than 1 year and 5 years or less (millions of yen)	More than 5 years and 10 years or less (millions of yen)	More than 10 years (millions of yen)
Cash and deposits	6,639	—	—	—
Notes and accounts receivable—trade	29,251	65	3	—
Securities and investment securities				
Held-to-maturity debt securities (Discounted financial bonds)	19	-	-	-
Available-for-sale securities with maturity dates	-	-	-	-
Long-term loans receivable	32	83	37	33
Total	35,943	148	41	33

(Note 4) Projected future repayments of bonds, long-term loans payable, lease obligations, and other interest-bearing liabilities after the consolidated closing date

	Within one year (millions of yen)	More than 1 year and 2 years or less (millions of yen)	More than 2 years and 3 years or less (millions of yen)	More than 3 years and 4 years or less (millions of yen)	More than 4 years and 5 years or less (millions of yen)	More than 5 years (millions of yen)
Bonds payable	1,060	-	-	-	-	-
Long-term loans payable	13,376	10,343	4,647	638	319	10
Lease obligations	1,107	1,012	753	460	333	376
Other interest-bearing debt	9	9	9	9	9	19
Total	15,553	11,366	5,411	1,108	662	406

(Securities Information)

FY2009

Securities

1. Held-to-maturity debt securities with market value (as of March 31, 2009)

Category	Carrying value (millions of yen)	Market value (millions of yen)	Unrealized loss (millions of yen)
Bonds whose market values do not exceed their carrying value	220	219	(0)
Total	220	219	(0)

2. Available-for-sale securities with market value (as of March 31, 2009)

Category		Acquisition costs (millions of yen)	Carrying value (millions of yen)	Unrealized gain (loss) (millions of yen)
Securities whose carrying values exceed their acquisition costs	Shares	1,988	2,670	681
	Bonds			
	Others	1	1	0
	Subtotal	1,990	2,671	681
Securities whose carrying values do not exceed their acquisition costs	Shares	1,330	1,021	(308)
	Bonds			
	Others	112	94	(17)
	Subtotal	1,442	1,116	(326)
Total		3,432	3,788	355

3. Held-to-maturity debt securities sold during the fiscal year ended March 31, 2009

There are no applicable matters to be reported.

4. Available-for-sale securities sold during the fiscal year ended March 31, 2009

Proceeds from sales (millions of yen)	Total of gain on sales (millions of yen)	Total of loss on sales (millions of yen)
532	144	5

5. Major securities that are not marked-to-market (as of March 31, 2009)

Category	Carrying value (millions of yen)
(1) Held-to-maturity debt securities	
Discounted financial bonds	20
(2) Available-for-sale securities	
Unlisted equity securities	822

6. Projected future redemption of available-for-sale securities with maturity dates and held-to-maturity debt securities after the consolidated closing date

(April 1, 2008–March 31, 2009)

Category	Within one year (millions of yen)	More than 1 year and 5 years or less (millions of yen)	More than 5 years and 10 years or less (millions of yen)
Bonds			
Other	280	-	-
Total	280	-	-

FY2010

Securities

1. Held-to-maturity debt securities (as of March 31, 2010)

Category	Carrying value (millions of yen)	Market value (millions of yen)	Unrealized gain (millions of yen)
Bonds whose market values exceed their carrying value	19	19	0
Total	19	19	0

2. Available-for-sale securities (as of March 31, 2010)

Category		Carrying value (millions of yen)	Acquisition costs (millions of yen)	Unrealized gain (loss) (millions of yen)
Securities whose carrying values exceed their acquisition costs	Shares	3,086	2,149	936
	Bonds			
	Others	57	50	7
	Subtotal	3,144	2,200	944
Securities whose carrying values do not exceed their acquisition costs	Shares	1,025	1,294	(269)
	Bonds			
	Others	18	20	(2)
	Subtotal	1,043	1,314	(271)
Total		4,187	3,515	672

3. Held-to-maturity debt securities sold during the fiscal year ended March 31, 2010

   There are no applicable matters to be reported.

4. Available-for-sale securities sold during the fiscal year ended March 31, 2010

Category	Proceeds from sales (millions of yen)	Total of gain on sales (millions of yen)	Total of loss on sales (millions of yen)
Shares	0	0	-
Bonds			
Others	30	2	5

5. Securities written down (April 1, 2009–March 31, 2010)

   For shares in available-for-sale securities, ¥18 million was written down under impairment accounting.

(Derivative Transaction Information)

FY2009 (April 1, 2008–March 31, 2009)

1. Matters concerning the status of transactions

(1) Content of transactions and purpose, etc.

The Company and some of its consolidated subsidiaries utilize derivative transactions to reduce foreign exchange rate and interest-rate risk, and manage them efficiently. The Company and some of its consolidated subsidiaries utilize forward foreign exchange contracts to hedge the risk of fluctuation in value of assets and liabilities denominated in foreign currencies in the course of their import and export operations. In addition, the Company and some of its consolidated subsidiaries utilize interest rate swap agreements to hedge the risk of fluctuation in interest rates on their borrowings. Furthermore, the Company and some of its consolidated subsidiaries utilize compound financial instruments, which include exchangeable bonds with an option to exchange the bonds for the stock of companies other than the issuer, for the purpose of efficient management of fund surplus.

(2) Policies for derivative transactions

The Company and some of its consolidated subsidiaries do not enter into derivative transactions for speculative or short-term trading purposes.

(3) Content of risks associated with transactions

Transactions which the Company and some of its consolidated subsidiaries utilize, including forward foreign exchange contracts, interest rate swap agreements, and exchangeable bonds with an option to exchange the bonds for the stock of companies other than the issuer, involve certain risks associated with fluctuations in foreign currencies exchange rates, market interest rates and price in stock markets.

The Company and these consolidated subsidiaries do not anticipate nonperformance by any of the counterparties, all of which are financial institutions with high credit ratings.

(4) Risk management system for transactions

Investment management has been carried out based on internal policies that include procedures and authorization processes governing derivative transactions.

2. Matters concerning market values, etc., of transactions

Notional amounts, etc., market values and unrealized gain (loss) from valuation of derivative transactions

(1) Currencies

Statement omitted here because hedge accounting is applied.

(2) Interest rates

Statement omitted here because hedge accounting is applied.

(3) Compound financial instruments

Category	Type of transaction	Notional amount, etc. (millions of yen)	Portion due after one year included herein (millions of yen)	Market value (millions of yen)	Unrealized gain or loss (millions of yen)
Non-market transactions	Exchangeable bonds and other	100	-	39	(60)
Total		100	-	39	(60)

(Notes) 1. Market values were calculated on the basis of prices, etc., presented by correspondent financial institutions.

2. As it is not possible to reasonably categorize and gauge embedded derivatives, the said

financial instruments in their entirety are estimated at market and valuation differences are booked as unrealized gain (loss).

3. In notional amount, etc., the face values of the said compound financial instruments are stated.

FY2010 (April 1, 2009–March 31, 2010)

1. Derivative transactions to which hedge accounting is not applied

Not applicable

2. Derivative transactions to which hedge accounting is applied

(1) Currencies

Method of hedge accounting	Type of transaction	Main hedged items	Notional amount, etc. (millions of yen)	Portion due after one year included herein (millions of yen)	Market value (millions of yen)
Furiate-shori in forward exchange contracts, etc.	Forward exchange contracts Short position	Notes receivable			
	U.S. Dollar		185	-	(Note)
	Euro		186	-	
Total			372	-	-

(Note) As derivative transactions through *furiate-shori* in forward exchange contracts were processed integrally with notes receivables subject to hedging, their market values were included among those of the said notes receivables.

(2) Interest rates

Method of hedge accounting	Type of transaction	Main hedged items	Notional amount, etc. (millions of yen)	Portion due after one year included herein (millions of yen)	Market value (millions of yen)
Exceptional accounting of interest rate swap agreements	Interest rate swap agreements Pay-fixed, receive-variable	Long-term loans payable	1,311	752	(Note)

(Note) Market values are calculated on the basis of prices, etc., presented by correspondent financial institutions, and the said market values are included among those of the relevant long-term loans payable.

(Retirement Benefit Information)

FY2009 (April 1, 2008–March 31, 2009)	FY2010 (April 1, 2009–March 31, 2010)
1 Outline of pension plans adopted The Company and its consolidated subsidiaries have contract-type defined benefit corporate pension plans, tax-qualified pension plans and lump-sum payment plans. In addition, the Company and its consolidated subsidiaries pay additional retirement benefits under certain conditions.	1 Outline of pension plans adopted Same as on the left
2 Matters concerning retirement benefit obligations (as of March 31, 2009)	2 Matters concerning retirement benefit obligations (as of March 31, 2010)
Retirement benefit obligation (25,156 million yen)	Retirement benefit obligation (24,453 million yen)
Pension assets at fair value 9,903 million yen	Pension assets 11,112 million yen
Unfunded retirement benefit obligation (15,252 million yen)	Unfunded retirement benefit obligation (13,340 million yen)
Unrecognized benefit obligation at transition 8,741 million yen	Unrecognized benefit obligation at transition 7,284 million yen
Unrecognized actuarial differences 3,340 million yen	Unrecognized actuarial differences 2,151 million yen
Unrealized past service liabilities (589 million yen)	Unrealized past service liabilities (455 million yen)
Carrying value, net (3,759 million yen)	Carrying value, net (4,359 million yen)
Prepaid pension cost 1,069 million yen	Prepaid pension cost 725 million yen
Provision for retirement benefits (4,829 million yen)	Provision for retirement benefits (5,084 million yen)
(Notes) 1. In the Company and some of its consolidated subsidiaries, past service liabilities (reduction in obligations) occurred due to a change in the lump-sum payment plan (lowering of payment level). 2. Some of the consolidated subsidiaries have adopted a simplified method for calculating retirement benefit obligations.	(Notes) 1. In the Company and some of its consolidated subsidiaries, past service liabilities (reduction in obligations) occurred due to a change in the lump-sum payment plan (lowering of payment level). 2. Some of the consolidated subsidiaries have adopted a simplified method for calculating retirement benefit obligations.
3 Matters concerning retirement benefit expenses	3 Matters concerning retirement benefit expenses
Service cost 1,550 million yen	Service cost 1,193 million yen
Interest cost 401 million yen	Interest cost 399 million yen
Expected return on plan assets (175 million yen)	Expected return on plan assets (156 million yen)
Amortization of net retirement benefit obligation at transition 1,461 million yen	Amortization of net retirement benefit obligation at transition 1,456 million yen
Amortization of actuarial differences 300 million yen	Amortization of actuarial differences 469 million yen
Amortization of past service liabilities (134 million yen)	Amortization of past service liabilities as expenses (134 million yen)
Other retirement benefit expenses 50 million yen	Other retirement benefit expenses 49 million yen
Retirement benefit expenses 3,455 million yen	Retirement benefit expenses 3,278 million yen

FY2009 (April 1, 2008–March 31, 2009)	FY2010 (April 1, 2009–March 31, 2010)
(Notes) 1. "Amortization of past service liabilities" is the amount of expenses appropriated in the fiscal year ended March 31, 2009 in relation to past service liabilities stated in (Note) 1 of "2. Matters concerning Retirement benefit obligations." 2. "Other retirement benefit expenses" are premium contributions to the defined contribution pension plan and additional retirement benefits, etc. 3. Retirement benefit expenses of consolidated subsidiaries that adopt the simplified method were booked in "Service cost."	(Notes) 1. "Amortization of past service liabilities" is the amount of expenses appropriated in the fiscal year ended March 31, 2010 in relation to past service liabilities stated in (Note) 1 of "2. Matters concerning Retirement benefit obligations." 2. "Other retirement benefit expenses" are premium contributions to the defined contribution pension plan and additional retirement benefits, etc. 3. Retirement benefit expenses of consolidated subsidiaries that adopt the simplified method were booked in "Service cost."
4 Matters concerning the basis for calculating retirement benefit obligations, etc.	4 Matters concerning the basis for calculating retirement benefit obligations, etc.
(i) Periodic allocation method for expected retirement benefits Standards for periodic fixed amount benefit	(i) Periodic allocation method for expected retirement benefits Standards for periodic fixed amount benefit
(ii) Discount rate 2.0%	(ii) Discount rate 2.0%
(iii) Expected rate of return on plan assets 2.0%	(iii) Expected rate of return on plan assets 2.0%
(iv) Years of amortization of past service liabilities 10 to 13 years Past service liabilities are amortized using the straight-line method over the average of the estimated remaining years of service.	(iv) Years of amortization of past service liabilities 10 to 13 years Same as on the left
(v) Years of amortizing actuarial differences 10 to 13 years Actuarial differences are amortized using the straight-line method over the average of the estimated remaining years of service, with the first expense being recognized in the following consolidated fiscal period.	(v) Years of amortizing actuarial differences 8 to 14 years Same as on the left
(vi) Years of amortizing net retirement benefit obligation at transition 15 years	(vi) Years of amortizing net retirement benefit obligation at transition 15 years

(Tax Effect Accounting Information)

FY2009 (April 1, 2008–March 31, 2009)		FY2010 (April 1, 2009–March 31, 2010)	
1 Breakdown by main cause of occurrence of deferred tax assets and liabilities		1 Breakdown by main cause of occurrence of deferred tax assets and liabilities	
(Deferred tax assets)		(Deferred tax assets)	
Provision for retirement benefits	753 million yen	Provision for retirement benefits	844 million yen
Provision for bonuses	146 million yen	Provision for bonuses	294 million yen
Unrealized income	33 million yen	Unrealized income	5 million yen
Net operating loss carryforwards	132 million yen	Net operating loss carryforwards	323 million yen
Other	412 million yen	Other	614 million yen
Offset against deferred tax liabilities	(373 million yen)	Offset against deferred tax liabilities	(394 million yen)
Net deferred tax assets	1,104 million yen	Net deferred tax assets	1,687 million yen
(Deferred tax liabilities)		(Deferred tax liabilities)	
Reserve for deferred taxation on compensation for expropriation or exchange of property	59 million yen	Reserve for deferred taxation on compensation for expropriation or exchange of property	78 million yen
Prepaid pension cost	101 million yen	Prepaid pension cost	110 million yen
Valuation difference on available-for-sale securities	272 million yen	Valuation difference on available-for-sale securities	377 million yen
Other	277 million yen	Other	270 million yen
Offset against deferred tax assets	(373 million yen)	Offset against deferred tax assets	(394 million yen)
Net deferred tax liabilities	337 million yen	Net deferred tax liabilities	442 million yen
2 Difference between statutory tax rate and burden rate of income taxes, etc., after application of tax effect accounting		2 Difference between statutory tax rate and burden rate of income taxes, etc., after application of tax effect accounting	
Statutory tax rate	40.0%	Statutory tax rate	40.0%
(Reconciliation items)		(Reconciliation items)	
Permanently non-deductible expenses such as entertainment expenses	17.1%	Permanently non-deductible expenses such as entertainment expenses	2.9%
Per capita portion of inhabitants' taxes	31.7%	Per capita portion of inhabitants' taxes	5.2%
Change in valuation allowance for deferred tax assets	79.3%	Change in valuation allowance for deferred tax assets	(29.1%)
Refund of income taxes for prior periods	(15.7%)	Other	(4.5%)
Consolidation adjustments of gain (or loss) on sales of subsidiaries' stocks	(48.0%)	Burden rate of income taxes, etc., after application of tax effect accounting	14.5%
Other	(4.8%)		
Burden rate of income taxes, etc., after application of tax effect accounting	99.6%		

(Business Combination and Other Information)

FY2009 (April 1, 2008–March 31, 2009)

There are no applicable matters to be reported.

FY2010 (April 1, 2009–March 31, 2010)

There are no applicable matters to be reported.

(Real Estate for Rent Information)

FY2010 (April 1, 2009–March 31, 2010)

(Supplementary information)

Effective as of the fiscal year ended March 31, 2010, the Company has adopted the "Accounting Standard for Disclosures about the Fair Value of Investment and Rental Property" (ASBJ Statement No. 20, November 28, 2008) and the "Implementation Guidance on Accounting Standard for Disclosures about the Fair Value of Investment and Rental Property" (ASBJ Implementation Guidance No. 23, November 28, 2008).

1. Matters concerning the status of real estate for rent
   The Company and some of its subsidiaries have offices and land, etc., for rent in Ehime, Kumamoto, and other prefectures. Gain or loss on rent regarding the said real estate for rent for the year ended March 31, 2010 was ¥70 million (income from rent was booked as net sales or non-operating income, and main rental expenses were booked as operating expenses or non-operating expenses), gain on sales of noncurrent assets was ¥4 million, and impairment loss was ¥424 million.

2. Matters concerning market values of real estate for rent

Carrying value			Market value as of March 31, 2010 (millions of yen)
Balance as of March 31, 2009 (millions of yen)	Increase (or decrease) during the fiscal year ended March 31, 2010 (millions of yen)	Balance as of March 31, 2010 (millions of yen)	
2,880	(361)	2,519	2,404

(Notes) 1. The carrying value is the amount after deducting accumulated depreciation and accumulated impairment loss from acquisition costs.

2. Of the increase (or decrease) during the fiscal year ended March 31, 2010, the main components are real property acquisition (increase of ¥99 million) and impairment loss (decrease of ¥424 million).

3. The market value as of March 31, 2010 comprised amounts (including amounts adjusted using indicators, etc.) calculated by the Company, mainly based on the "Valuation standard for appraisal of real estate."

(Segment Information)

[Business Segment Information]

FY2009 (April 1, 2008–March 31, 2009) and FY2010 (April 1, 2009–March 31, 2010)

The total sales, operating income, and total assets of the "Agricultural machinery-related operations" segment accounted for more than 90% of all segments. Accordingly, the breakdown of segment information by business type is not presented.

[Geographical Segment Information]

FY2009 (April 1, 2008–March 31, 2009) and FY2010 (April 1, 2009–March 31, 2010)

The total sales and total assets of the "Japan" segment accounted for more than 90% of all segments. Accordingly, the breakdown of segment information by region is not presented.

[Overseas Sales Information]

FY2009 (April 1, 2008–March 31, 2009)

	The United States	Europe	Others	Total
I. Overseas net sales (millions of yen)	6,698	10,012	6,345	23,056
II. Consolidated net sales (millions of yen)	-	-	-	149,601
III. Overseas sales as a percentage of consolidated net sales (%)	4.5	6.7	4.2	15.4

(Notes) 1. Countries and regions are defined based on geographical proximity.

2. Classification by area
Europe: France, Germany, the United Kingdom, Belgium, Switzerland, the Netherlands, etc.
Other geographical areas: South Korea, Taiwan, China, Thailand, Australia, New Zealand, etc.

FY2010 (April 1, 2009–March 31, 2010)

	The United States	Europe	Others	Total
I. Overseas net sales (millions of yen)	4,201	7,294	6,566	18,061
II. Consolidated net sales (millions of yen)	-	-	-	149,314
III. Overseas sales as a percentage of consolidated net sales (%)	2.8	4.9	4.4	12.1

(Notes) 1. Countries and regions are defined based on geographical proximity.

2. Classification by area
Europe: France, Germany, the United Kingdom, Belgium, Switzerland, the Netherlands, etc.
Other geographical areas: South Korea, Taiwan, China, Thailand, Australia, New Zealand, etc.

[Related Party Information]

FY2009 (April 1, 2008–March 31, 2009)

(Supplementary information)

Effective as of the fiscal year ended March 31, 2009, the Company has adopted "Accounting Standard for Related Party Disclosures" (ASBJ Statement No. 11, October 17, 2006) and "Implementation Guidance on Accounting Standard for Related Party Disclosures" (ASBJ Guidance No. 13, October 17, 2006). As a result of the adoption of this accounting standard, transactions between the Company and officers, major individual shareholders, and others were newly disclosed.

1. Related party transactions

(1) Subsidiaries and affiliates of the Company that submitted the consolidated financial statements

Type	Name of affiliate	Location	Capital stock or investments in capital (millions of yen)	Business content or occupation	Ownership (owned) of voting rights, etc. (%)	Relation to the related party	Type of transaction	Transaction amount (millions of yen)	Account name	Balance as of the fiscal year-end (millions of yen)
Affiliate	Higashi Nihon Agricultural Equipment Cooperative Union	Arakawa-ku, Tokyo	6	Joint purchase and sales of agricultural machineries	(Ownership) Indirect 25.0	Sales of the Company's products Interlocking directorships	Debt guarantee	4,139	Notes and accounts payable	4,082
Affiliate	Nishi Nihon Agricultural Equipment Cooperative Union	Iyo, Ehime	2	Joint purchase and sales of agricultural machineries	(Ownership) Indirect 12.0	Sales of the Company's products Interlocking directorships	Debt guarantee	2,430	Notes and accounts payable	2,390

(Notes) 1. Transaction amount does not include consumption tax, etc., and the balance as of the fiscal year-end includes consumption tax, etc.

2. These are cooperative unions established for purpose of joint purchases to the Company's products, and trade conditions are decided by presenting the Company's asking prices in consideration of market prices and total costs and through price negotiations. The Company has provided guarantees against loans for purchasing products.

(2) Directors and major shareholders (who are limited to individuals) of the Company that submitted the consolidated financial statements, etc.

Type	Name of director/company	Location	Capital stock or investments in capital (millions of yen)	Business content or occupation	Ownership (owned) of voting rights, etc. (%)	Relation to the related party	Type of transaction	Transaction amount (millions of yen)	Account name	Balance as of the fiscal year-end (millions of yen)
Director	Hiroyuki Nakano	-	-	Former representative director of the Company	(Owned) Direct 0.1	Housing improvement work	Housing improvement work (Note 5)	20	-	-
Director of a subsidiary	Hideo Kimura	-	-	Representative director of Gunma Iseki Sales Co, Ltd.	Nil	Debt guarantee	Debt guarantee (Note 2)	265	-	-
Director of a subsidiary	Joji Kurihara	-	-	Representative director of Iseki-Ueki MFG Co. Ltd.	Nil	Debt guarantee and collateral offer	Debt guarantee and collateral offer (Note 3)	106	-	-
Company in which directors and their close relative(s) have a majority of voting rights (including subsidiaries of the said company)	Meiwa Industry Co., Ltd. (Note 4)	Matsuyama, Ehime	3	Steel business Pallet Manufacturing	Nil	Nil	Purchase of raw materials and supplies (Note 5)	153	Notes and accounts payable	62
							Purchase of tools, furniture and fixtures (Note 5)	49	Other current liabilities	17

(Notes)

1. Transaction amount does not include consumption tax, etc., and the balance as of the fiscal year-end includes consumption tax, etc.
2. The Company provided a guarantee against bank borrowings by Gunma Iseki Sales Co., Ltd.
3. The Company provided collateral and a guarantee for bank borrowings by Iseki-Ueki MFG Co., Ltd.
4. This is a company, whose majority shareholder is a close relative of Kiyokazu Sakamoto, a representative director of Iseki-Shinetsu Co., Ltd., which is the Company’s consolidated subsidiary.
5. Conditions including prices are negotiated in a similar way as other general transactions.

FY2010 (April 1, 2009–March 31, 2010)

1. Related party transactions

(1) Subsidiaries and affiliates of the Company that submitted consolidated financial statements

Type	Name of affiliate	Location	Capital stock or investments in capital (millions of yen)	Business content or occupation	Ownership (owned) of voting rights, etc. (%)	Relation to the related party	Type of transaction	Transaction amount (millions of yen)	Account name	Balance as of the fiscal year-end (millions of yen)
Affiliate	Higashi Nihon Agricul-tural Equipment Coopera-tive Union	Arakawa-ku, Tokyo	6	Joint purchase and sales of agricultural machineries	(Owner-ship) Indirect 25.0	Sales of the Company's products Interlocking directorships	Debt guarantee	3,725	Notes and accounts payable	3,761
Affiliate	Nishi Nihon Agricul-tural Equipment Coopera-tive Union	Iyo, Ehime	2	Joint purchase and sales of agricultural machineries	(Owner-ship) Indirect 12.0	Sales of the Company's products Interlocking directorships	Debt guarantee	2,187	Notes and accounts payable	2,165

(Notes) 1. Transaction amount does not include consumption tax, etc., and the balance as of the fiscal year-end includes consumption tax, etc.

2. These are cooperative unions established for purpose of joint purchases to the Company's products, and trade conditions are decided by presenting the Company's asking prices in consideration of market prices and total costs and through price negotiations. The Company has provided guarantees against loans for purchasing products.

(2) Directors and major shareholders (who are limited to individuals) of the Company that submitted the consolidated financial statements, etc.

Type	Name of director/company	Location	Capital stock or investments in capital (millions of yen)	Business content or occupation	Ownership (owned) of voting rights, etc. (%)	Relation to the related party	Type of transaction	Transaction amount (millions of yen)	Account name	Balance as of the fiscal year-end (millions of yen)
Director of a subsidiary	Hideo Kimura	-	-	Representative Director of Gunma Iseki Sales Co, Ltd.	Nil	Debt guarantee	Debt guarantee (Note 2)	190	-	-
Director of a subsidiary	Joji Kurihara	-	-	Representative Director of Iseki-Ueki MFG Co. Ltd.	Nil	Debt guarantee and collateral offer	Debt guarantee and collateral offer (Note 3)	102	-	-
Company in which directors and their close relative(s) have a majority of voting rights (including subsidiaries of the said company)	Meiwa Industry Co., Ltd. (Note 4)	Matsuyama, Ehime	3	Steel business Pallet Manufacturing	Nil	Nil	Purchase of raw materials and supplies (Note 5)	109	Notes payable and accounts payable	51
							Purchase of tools, furniture and fixtures (Note 5)	60	Other current liabilities	15

(Notes) 1. Transaction amount does not include consumption tax, etc., and the balance as of the fiscal year-end includes consumption tax, etc.

2. The Company provided a guarantee against bank borrowings by Gunma Iseki Sales Co., Ltd.
3. The Company provided collateral and a guarantee for bank borrowings by Iseki-Ueki MFG Co., Ltd.
4. This is a company, whose majority shareholder is a close relative of Kiyokazu Sakamoto, a representative director of Iseki-Shinetsu Co., Ltd., which is the Company's consolidated subsidiary.
5. Conditions including prices are negotiated in a similar way as other general transactions.

(Per Share Information)

(Yen)

FY2009 (April 1, 2008–March 31, 2009)		FY2010 (April 1, 2009–March 31, 2010)	
Net asset per share	222.44	Net asset per share	235.46
Net income per share	0.01	Net income per share	10.29
Net income per share after adjustment for dilutive securities	0.01	Net income per share after adjustment for dilutive securities	10.21

(Notes) 1. Basis of calculation of net income per share and net income per share after adjustment for dilutive securities

Item	FY2009 (April 1, 2008–March 31, 2009)	FY2010 (April 1, 2009–March 31, 2010)
Net income per share		
Net income per share on consolidated statements of income (millions of yen)	2	2,347
Net income attributed to common shares (millions of yen)	2	2,347
Net income not attributable to common shares (millions of yen)	-	-
During period average number of common shares (shares)	225,783,398	227,997,350
Net income per share after adjustment for dilutive securities		
Adjustment of net income (millions of yen)	-	-
Increased number of common shares (shares)	4,127,218	1,842,285
[Subscription rights (shares)]	[4,127,218]	[1,842,285]
Outline of deferred equity which was not included in the calculation of net income per share after adjustment for dilutive securities as it does not have a dilutive effect	-	-

(Notes) 2. Basis of calculation of net asset per share

Item	FY2009 (April 1, 2008–March 31, 2009)	FY2010 (April 1, 2009–March 31, 2010)
Total net assets (millions of yen)	51,694	55,604
Amount to be deducted from total net assets (millions of yen)	1,479	1,494
[Minority interests included (millions of yen)]	[1,479]	[1,494]
Net assets as of the fiscal year-end on common shares (millions of yen)	50,214	54,109
Number of common shares as of the fiscal year-end used for calculating net asset per share (shares)	225,745,490	229,805,713

(Important Issues which Occurred Later)

Not applicable

(5) [Consolidated Supplementary Schedules]

[Schedule of Bonds Payable]

Name of company	Issues	Issue date	Balance as of the previous fiscal year-end (millions of yen)	Balance as of the current fiscal year-end (millions of yen)	Interest rate (%)	Security	Maturity
Iseki & Co., Ltd.	Zero coupon yen-denominated convertible bond-type bonds with subscription rights to shares due October 5, 2009	October 5, 2004	1,395	-	0.00	Unsecured	October 5, 2009
	Unsecured bond No. 3 [guaranteed by Chuo Mitsui Trust and Banking Co., Ltd. and limitedly offered to qualified institutional investors]	April 28, 2005	1,000	1,000 [1,000]	(Note) 2	Unsecured	April 28, 2010
Iseki Tokai Co., Ltd.	Unsecured bond No. 4 (Guaranteed by UFJ Bank and limitedly offered to qualified institutional investors)	September 10, 2003	100	60 [60]	0.67	Unsecured	September 10, 2010
Kitanihon Shodo Co., Ltd.	Unsecured bond No. 1 [Guaranteed by Hokkaido Bank, Ltd. and limitedly offered to qualified institutional investors]	November 30, 2005	50	-	1.00	Unsecured	November 30, 2009
Total	-	-	2,545	1,060 [1,060]	-	-	-

(Notes) 1. The figure in brackets in the column for the balance as of the current fiscal year-end represents the amount of the current portion of bonds.

2. An interest rate that adds 0.2% to 6-month Japanese yen TIBOR rate 2 days (bank holidays are not included in these days) before the interest payment date (the first interest payment date falls on the issue date) immediately before the commencement of the interest computation period.

3. Amounts of projected redemption per year within 5 years after the consolidated closing date are as follows:

Within one year (millions of yen)	More than 1 year and 2 years or less (millions of yen)	More than 2 years and 3 years or less (millions of yen)	More than 3 years and 4 years or less (millions of yen)	More than 4 years and 5 years or less (millions of yen)
1,060	-	-	-	-

[Details of Borrowings, etc.]

Category	Balance as of the previous fiscal year-end (millions of yen)	Balance as of the current fiscal year-end (millions of yen)	Average interest rate (%)	Repayment due
Short-term loans	20,980	15,846	1.22	-
Current portion of long-term loans	10,395	13,376	1.66	-
Current portion of lease obligations	481	1,107	-	-
Long-term loans (excluding current portion of long-term loans)	16,748	15,958	1.73	2011 - 2014
Lease obligations (excluding current portion of lease obligations)	1,568	2,937	-	2011 - 2018
Other interest-bearing liabilities				
Other (Accounts payable)	9	9	1.79	-
Other (Long-term accounts payable)	69	59	1.79	2011 - 2016
Total	50,252	49,295	-	-

(Notes) 1. "Average interest rate" represents weighted-average interest rates for the balance as of the fiscal year-end of borrowings, etc.

2. For the average interest rate in the column for lease obligations, because lease obligations were posted on the consolidated balance sheets using the amount before deducting interest equivalents included in the total amount of lease payment, no statement is made.

3. The amounts of projected repayments per year within 5 years after the consolidated closing date with regard to long-term loans, lease obligations, and other interest-bearing liabilities are as follows:

	More than 1 year and 2 years or less (millions of yen)	More than 2 years and 3 years or less (millions of yen)	More than 3 years and 4 years or less (millions of yen)	More than 4 years and 5 years or less (millions of yen)
Long-term loans payable	10,343	4,647	638	319
Lease obligations	1,012	753	460	333
Other interest-bearing liabilities	9	9	9	9

2. Other

Quarterly operating results in FY2010

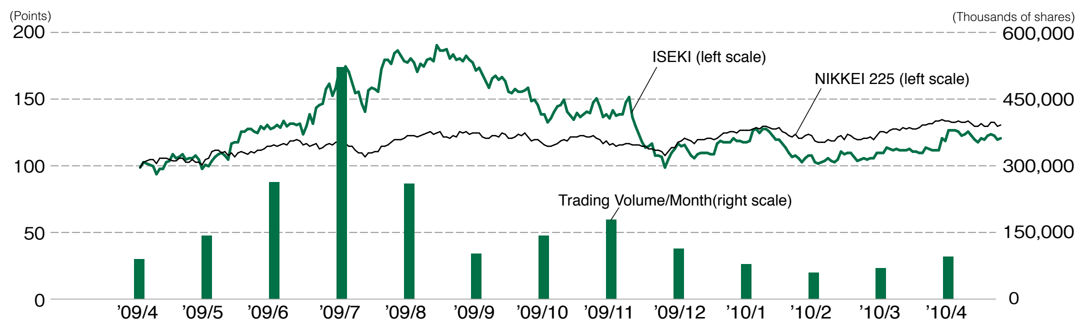
	The first quarter (April 1–June 30, 2009)	The second quarter (July 1–September 30, 2009)	The third quarter (October 1–December 31, 2009)	The fourth quarter (January 1–March 31, 2010)
Net sales (millions of yen)	29,461	40,265	38,167	41,420
Quarterly net income (or loss) before income taxes (millions of yen)	376	1,718	1,648	(996)
Quarterly net income (or loss) (millions of yen)	397	1,200	1,069	(320)
Quarterly net income (or loss) per share (yen)	1.76	5.29	4.66	(1.40)

Corporate Data

As of March 31, 2010

Head Office	700 Umaki-cho, Matsuyama, Ehime 799-2692, Japan
	Tel: 81-89-979-6111
	Fax: 81-89-978-6440
Tokyo Headquarters	3-14, Nishi-Nippori 5-chome, Arakawa-ku, Tokyo 116-8541, Japan
	Tel: 81-3-5604-7602
	Fax: 81-3-5604-7701
Web Site	http://www.iseki.co.jp/
Founded	August 1926
Paid-in Capital	¥23,344 million
Number of Employees (Consolidated)	6,435
Stock Listings	Tokyo Stock Exchange (1st Section)
	Osaka Securities Exchange (1st Section)
Transfer Agent and Registrar	The Chuo Mitsui Trust and Banking Company, Limited
	33-1, Shiba 3-chome, Minato-ku, Tokyo 105-8574, Japan
Shares Issued and Outstanding	229,849,936
Number of Shareholders	33,101
Independent Auditor	Ernst & Young ShinNihon LLC

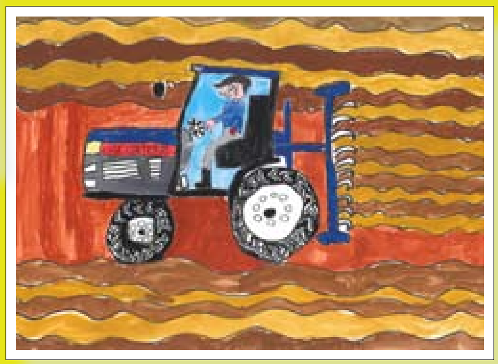
Stock Performance and Trading Volume per Month



	'09/4	'09/5	'09/6	'09/7	'09/8	'09/9	'09/10	'09/11	'09/12	'10/1	'10/2	'10/3	'10/4
Opening Price	243	248	320	403	434	421	354	333	255	292	262	258	278
High	277	322	407	464	477	432	379	378	302	322	278	286	319
Low	233	243	301	344	420	360	325	245	254	261	245	256	276
Closing Price	250	317	392	438	424	361	344	260	294	262	259	277	299
Trading Volume/Month (Unit: thousands)	89,279	142,262	263,863	522,383	260,405	102,617	142,572	178,401	113,320	78,935	58,675	68,832	94,813

Share Price on April 1, 2009: ¥245 =100

ISEKI
ISEKI & CO., LTD.
3-14, Nishi-Nippori 5-chome, Arakawa-ku,
Tokyo 116-8541, Japan
URL: http://www.iseki.co.jp/



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