

Financial Results for the Third Quarter Fiscal Year Ending March, 2008 Investor Relations Presentation

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1 . Fiscal Year Ending March 2008 Outline of Financial Results for the Third Quarter

Outline of Quarterly Financial Results

(JPY bn,%)

Item	06/Apr.- Dec. Actual		07Apr.- Dec. Actual		Change	07/Apr.- Dec. Plan	Change
	Amount	%	Amount	%			
Net Sales	113.4	100.0	106.1	100.0	(7.3)	108.0	(1.9)
(Domestic)	101.0	89.0	91.9	86.6	(9.1)	94.0	(2.1)
(Overseas)	12.4	11.0	14.2	13.4	1.8	14.0	0.2
Operating Income	3.9	3.4	0.1	0.1	(3.8)	0.5	(0.4)
Ordinary Income	3.8	3.4	(0.1)	(0.1)	(3.9)	0.1	(0.2)
Interim Net Income	2.3	2.0	(1.4)	(1.3)	(3.7)	(1.9)	0.5

(06/Apr. - Dec. Actual are after revisions)

Breakdown of Domestic Sales

(JPY bn)

	06/ Apr.-Dec. Actual	07/ Apr.-Dec. Actual	Change		07/ Apr.-Dec. Plan	Change	
				Notes			Notes
Cultivating & Mowing Machinery	23.4	20.9	(2.5)	Tractors : (2.6) Tillers:+0.1	21.0	(0.1)	
Planting Machinery	8.5	9.0	0.5	Rice Transplanters : + 0.5	9.0	-	
Harvesting & Processing Machinery	20.3	16.8	(3.5)	Combine Harvesters : (2.8)	17.2	(0.4)	
Agricultural Machinery Total	52.2	46.7	(5.5)		47.2	(0.5)	
Parts & Farming Implements	23.2	21.4	(1.8)	Farming implements:(1.5)	22.3	(0.9)	Farming implements:(0.6)
Construction of Facilities	3.2	2.8	(0.4)		2.8	-	
Agricultural Machinery Related Business (*1)	13.9	13.4	(0.5)		13.6	(0.2)	
Others (*2)	8.5	7.6	(0.9)		8.1	(0.5)	
Total	101.0	91.9	(9.1)		94.0	(2.1)	

*1 Repair fee, agricultural materials, etc. *2 Revenue from coin-operated rice polishing machines, etc.

▪ Domestic sales consolidate Jan.-Sep. of sales companies and Apr.-Dec. of other March settlement companies

Breakdown of Overseas Sales

(JPY bn)

Item	06/ Apr.- Dec. Actual	07/ Apr.- Dec. Actual	Change	Notes	07/ Apr.- Dec. Plan	Change
North America	4.0	3.3	(0.7)	Inventory adjustment of OEM partner	4.1	(0.8)
Europe	5.6	7.0	1.4	Continued brisk sales	6.4	0.6
Asia	1.5	2.5	1.0	Increased sales to Korea	2.1	0.4
(China)*	0.6	1.1	0.5	Greater demand for rice transplanters in China	0.8	0.3
Oceania	0.3	0.3	-		0.3	-
Products Total	11.4	13.1	1.7		12.9	0.2
Parts & Others	1.0	1.1	0.1		1.1	-
Total	12.4	14.2	1.8		14.0	0.2

*Sales for China are actual results (Jan.-Sep.)

Operating Income

(JPY bn, %)

Item	06/Apr. - Dec. Actual		07/Apr. - Dec. Actual		Change	07/ Apr.- Dec. Plan	Change
	Amount	%	Amount	%			
Net Sales	113.4	100.0	106.1	100.0	(7.3)	108.0	(1.9)
Cost of G. S.	75.6	66.7	73.5	69.2	(2.1)	74.9	(1.4)
Gross Profit	37.8	33.3	32.6	30.8	(5.2)	33.1	(0.5)
S. G. & A. Expenses	33.9	29.9	32.5	30.7	(1.4)	32.6	(0.1)
Operating Income	3.9	3.4	0.1	0.1	(3.8)	0.5	(0.4)

(06/Apr. - Dec. Actual are after revision)

※Compared with the same period of previous year [Factors to increase or decrease profit]

- Gross profit decreased due to decreased revenue : (2.5) ▪ Reduced gross margin by production adjustment: (2.9)
- Change in depreciation method: (0.3) ▪ Forex effect:+0.4 ▪ Salary and bonus curt effect of voluntary retirement:+1.5

※Compared with the Plan [Factors to increase or decrease profit]

- Gross profit decreased due to unattained sales target : (0.6) ▪ Reduced of S.G.&A. expenses cut: +0.1
- Others : +0.1

Ordinary Income and Net Income

(JPY bn)

	06/Apr.-Dec. Actual	07/Apr.-Dec. Actual	Change	07/Apr.- Dec. Plan	Change
Operating Income	3.9	0.1	(3.8)	0.5	(0.4)
Net Financial Income	(0.9)	(0.9)	-	(0.9)	-
Other Non-operating Income	0.8	0.7	(0.1)	0.5	0.2
Ordinary Income	3.8	(0.1)	(3.9)	0.1	(0.2)
Extraordinary Gains	-	1.4	1.4	1.5	(0.1)
Extraordinary Losses	(0.3)	(1.6)	(1.3)	(1.7)	0.1
Income before Income Taxes	3.5	(0.3)	(3.8)	0.1	(0.2)
Taxes, Deferred Taxes	(1.2)	(1.1)	(0.1)	(1.8)	0.7
Net Income	2.3	(1.4)	(3.7)	(1.9)	0.5

(06/Sep. Actual are after revision)

※ Compared with the same period of previous year [Factors to increase or decrease profit]

[Extraordinary Gains] Gain sale of securities : + 1.3, Others : + 0.1

[Extraordinary Losses] Special benefits for recruitment of voluntary retirees: (0.9), Others: (0.4)

※Tax, tax adjustment (Special factors)

Reversal of non-consolidated deferred tax assets: (1.0)

Reversal of past year income tax, etc of manufacturing subsidiaries: +0.5

Balance Sheet

(JPY bn)

Item	06/Dec. Actual	07/Dec. Actual	Change	(Refernce) 07/Mar. Actual
Cash/Cash Equivalents	6.7	6.9	0.2	5.3
Accounts Receivables	42.8	34.2	(8.6)	32.0
Inventories	46.5	44.8	(1.7)	45.5
Other Current Assets	4.2	3.7	(0.5)	3.6
Fixed Assets	96.0	91.2	(4.8)	95.0
Total Assets	196.2	180.8	(15.4)	181.4
Debs/Borrowings	69.0	66.7	(2.3)	58.3
Other Liabilities	69.1	61.1	(8.0)	67.4
(Total Liabilities)	138.1	127.8	(10.3)	125.7
Net Assets	58.1	53.0	(5.1)	55.7
(Retained Earnings)	7.8	4.2	3.6	5.5
Total Liabilities and Shareholders' Equity	196.2	180.8	(15.4)	181.4

(06/Dec. Actual are after revision.)

2. Performance Forecast for the Fiscal Year Ending March 2008

Revised Performance Forecast for the Fiscal Year Ending March 2008

(JPY bn)

Item	08/Mar.		Change	07/Mar. Actual	Change
	Previous Forecast	Current Forecast			
Net Sales	149.0	145.0	(4.0)	153.7	(8.7)
(Domestic)	128.0	124.0	(4.0)	134.9	(10.9)
(Overseas)	21.0	21.0	-	18.8	2.2
Operating Income	1.1	0.5	(0.6)	2.2	(1.7)
Ordinary Income	0.1	0.0	(0.1)	1.3	(1.3)
Net Income	(2.3)	(1.5)	0.8	0.0	(1.5)

* Company forex rates: \$1 = ¥115; 1 Euro = ¥155

- Domestic sales forecast has been revised to reflect the actual situation in the domestic market
- Overseas sales remain unchanged from previous forecast

Revised Performance Forecast

(Breakdown of Domestic Sales)

(JPY bn)

	08/Mar.		Change	07/Mar. Actual	Change
	Previous Forecast	Current Forecast			
Cultivating & Mowing Machinery *	27.0	26.3	(0.7)	29.3	(3.0)
Planting Machinery *	11.9	11.5	(0.4)	10.6	0.9
Harvesting and Processing *	25.1	23.9	(1.2)	28.7	(4.8)
Agricultural Machinery Total	64.0	61.7	(2.3)	68.6	(6.9)
Parts & Farming Implements	28.5	28.0	(0.5)	29.8	(1.8)
Construction of Facilities	5.3	5.3	-	6.3	(1.0)
Agricultural Machinery Related *	18.5	18.1	(0.4)	18.6	(0.5)
Other *	11.7	10.9	(0.8)	11.6	(0.7)
Total	128.0	124.0	(4.0)	134.9	(10.9)

*Cultivating Machinery : Tractors, tillers

*Planting Machinery : Rice transplanters, vegetable transplanters

*Harvesting & Processing Machinery : Combine harvesters, dryers, rice huller, etc.

*Agricultural Machinery Related : Repair fees, agricultural materials, etc

*Other : Revenue from coin-operated rice polishing machines, and other items.

Performance Forecast (Breakdown of Overseas Sales)

(JPY bn)

	07/Mar. Actual (a)	08/Mar. Current Forecast (b)	Change (b)-(a)
North America	6.5	5.7	(0.8)
Europe	8.3	9.9	1.6
Asia (China)	2.2 0.7	3.6 1.0	1.4 0.3
Australia, etc.	0.4	0.5	0.1
Overseas Products Total	17.4	19.7	2.3
Parts & Others	1.4	1.3	(0.1)
Total	18.8	21.0	2.2

▪ There has been no change since previous forecast.

Performance Forecast (Operating Income)

(JPY bn %)

Item	07/Mar. Actual	08/Mar.	
		Previous Forecast	Current Forecast
Net Sales	153.7	149.0	145.0
Cost of Goods sold	48.4	46.2	45.2
(Gross Profit Margin)	31.5	31.0	31.2
SG&A Expenses	46.2	45.1	44.7
Operating Income	2.2	1.1	0.5

3 . Performance Prospect for the Following Fiscal Years

Consolidated Performance Prospect (3 Years)

Outline of Consolidated Performance Prospect (JPY bn)

Item	08/Mar. Forecast	09/Mar. Prospect	10/Mar. Prospect	11/Mar. Prospect
Net Sales	145.0	152.0	154.0	156.5
(Domestic)	124.0	129.0	129.0	129.0
(Overseas)	21.0	23.0	25.0	27.5
Operating Income	0.5	3.3	4.4	5.4
Ordinary Income	0.0	1.9	3.2	4.2
Net Income	(1.5)	0.6	1.3	2.6

* Company forex rate: \$1 = ¥105; 1 Euro = ¥155

Notes on the Future Forecast

- The objective of this presentation document is to provide information and it is not intended to invite any action.
- The document has been prepared by ISEKI based on currently available information and it involves potential risks and uncertainties. The forecast may not be consistent with actual results depending on fluctuation of the economic situation and market trends.
- In using this information, investors are expected to depend on their own judgment. ISEKI is not liable for any losses incurred by investment decisions made utilizing the business forecast or targets given in this document.