

Financial Results
for the Fiscal Year Ended March, 2008
Investor Relations Presentation Materials

ISEKI & CO.,LTD.

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Index

- 1. Fiscal Year Ended March 2008
Outline of Financial Results**

- 2. Performance Forecast for the Fiscal Year Ending March 2009**

1. Fiscal Year Ended March 2008

Outline of Financial Results

Outline of Financial Results

(JPY bn, %)

Item	07/ Mar. Actual		08/ Mar. Actual		Change	08/ Mar. Forecast	Change
	Value	%	Value	%			
Net Sales	153.7	100.0	144.7	100.0	(9.0)	145.0	(0.3)
(Domestic)	134.9	87.7	122.7	84.8	(12.2)	124.0	(1.3)
(Overseas)	18.8	12.3	22.0	15.2	3.2	21.0	1.0
Operating Income	2.2	1.5	0.7	0.5	(1.5)	0.5	0.2
Ordinary Income	1.3	0.8	0.0	0.0	(1.3)	0.0	-
Net Income	0.0	0.0	(1.5)	(1.0)	(1.5)	(1.5)	-

Breakdown of Domestic Sales

(JPY bn, %)

	07/ Mar. Actual	08/ Mar. Actual	Change		08/ Mar. Plan	Change	
				Notes			Notes
Cultivating & Mowing Machinery	29.3	26.9	(2.4)	Tractors : (2.6)	26.3	0.6	Tractor : +0.4
Planting Machinery	10.6	11.5	0.9	Rice Transplanters : + 0.9	11.5	-	Rice Transplanters : +0.1
Harvesting & Processing Machinery	28.7	24.2	(4.5)	Combine Harvesters : (3.4)	23.9	0.3	Combine Harvesters : +0.1
Agricultural Machinery Total	68.6	62.6	(6.0)		61.7	0.9	
Parts & Farming Implements	29.8	27.9	(1.9)	Farming implements:(1.6)	28.0	(0.1)	
Construction of Facilities	6.3	4.0	(2.3)		5.3	(1.3)	
Agricultural Machinery Related Business (*1)	18.6	17.6	(1.0)		18.1	(0.5)	
Others (*2)	11.6	10.6	(1.0)		10.9	(0.3)	
Total	134.9	122.7	(12.2)		124.0	(1.3)	

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

Breakdown of Overseas Sales

(JPY bn)

Item	07/ Mar. Actual	08/ Mar. Actual	Change	Notes	08/ Mar. Plan	Change
North America	6.5	5.4	(1.1)	Inventory adjustment by OEM partner	5.7	(0.3)
Europe	8.3	10.6	2.3	Continued brisk effective sales of agents	9.9	0.7
Asia (China)*	2.2 0.7	3.9 1.3	1.7 0.6	Increased sales to Korea Greater demand for rice transplanners in China	3.6 1.0	0.3 0.3
Oceania	0.4	0.5	0.1		0.5	-
Products Total	17.4	20.4	3.0		19.7	0.7
Parts & Others	1.4	1.6	0.2		1.3	0.3
Total	18.8	22.0	3.2		21.0	1.0

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

Operating income

(JPY bn, %)

Item	07/ Mar. Actual		08/ Mar. Actual		Change	08/ Mar. Plan	Change
	Value	%	Value	%			
Net Sales	153.7	100.0	144.7	100.0	(9.0)	145.0	(0.3)
Cost of G. S.	105.3	68.5	99.6	68.8	(5.7)	99.8	(0.2)
Gross Profit	48.4	31.5	45.1	31.2	(3.3)	45.2	(0.1)
S. G. & A. Expenses	46.2	30.0	44.4	30.7	(1.8)	44.7	(0.3)
Operating Income	2.2	1.5	0.7	0.5	(1.5)	0.5	0.2

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

- Gross profit decreased due to decreased revenue : (2.8) ▪ Reduced gross margin by reduced output etc.: (0.7)
- Change in depreciation method: (0.4) ▪ Forex effect:+0.3 ▪ Salary and bonus curt effect of voluntary retirement:+2.1

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

- Gross profit decreased due to unattained sales target : (0.1) ▪ Reduced S.G.&A. expenses :+0.3

Ordinary Income and Net Income

(JPY bn)

	07/Apr.-Mar. Actual	08/Apr.-Mar. Actual	Change	08/Apr.- Mar. Plan	Change
Operating Income	2.2	0.7	(1.5)	0.5	0.2
Net Financial Income	(1.1)	(1.2)	(0.1)	(1.2)	-
Other Non-operating Income	0.2	0.5	0.3	0.7	(0.2)
Ordinary Income	1.3	0.0	(1.3)	0.0	-
Extraordinary Gains	-	1.5	1.5	1.5	-
Extraordinary Losses	(0.5)	(2.0)	(1.5)	(1.9)	(0.1)
Income before Income Taxes	0.8	(0.5)	(1.3)	(0.4)	(0.1)
Taxes, Deferred Taxes	(0.8)	(1.0)	(0.2)	(1.1)	0.1
Net Income	0.0	(1.5)	(1.5)	(1.5)	-

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

[Extraordinary Gains] Gain sale of securities : + 1.4, Others : + 0.1

[Extraordinary Losses] Special benefits for recruitment of voluntary retirees: (0.9), Others: (0.6)

※Tax, tax adjustment (Special factors)

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

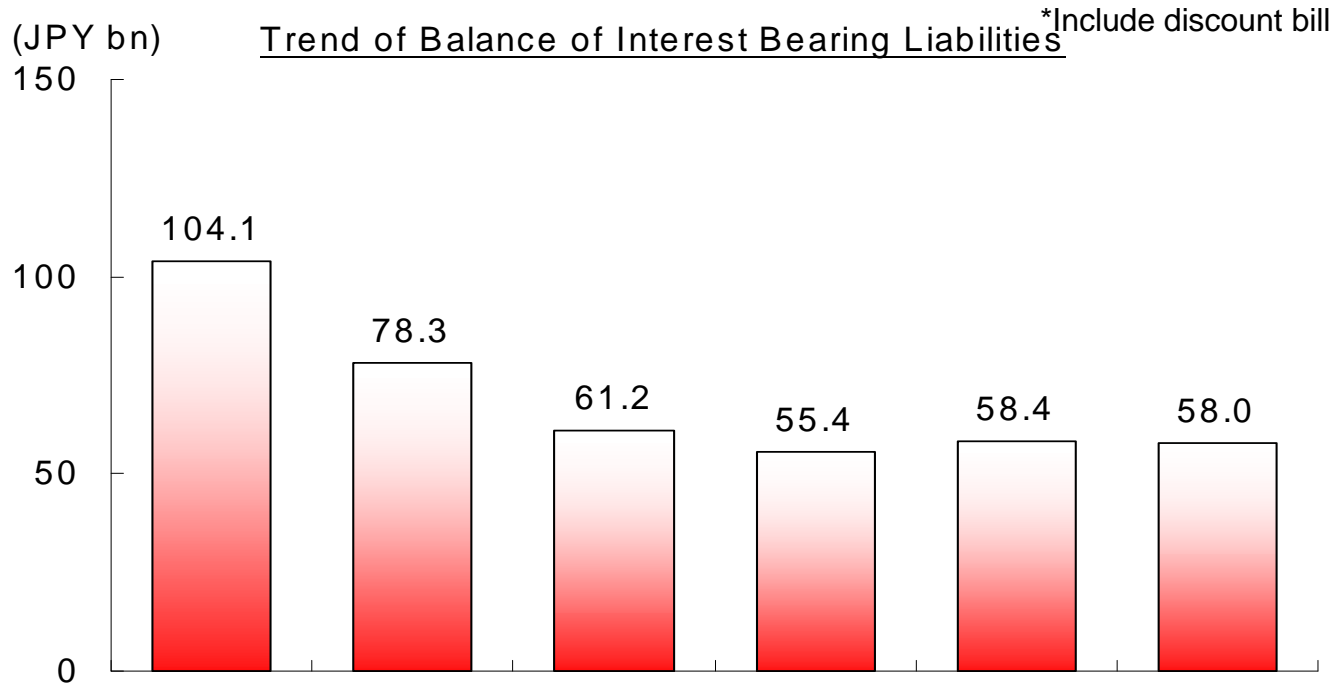
Reversal of past year income tax, etc of manufacturing subsidiaries: +0.9

Balance Sheet

(JPY bn)

Item	07/Mar. Actual	07/Mar. Actual	Change
Cash/Cash Equivalents	5.3	5.8	0.5
Accounts Receivables	32.0	28.9	(3.1)
Inventories	45.5	42.6	(2.9)
(Product Inventory)	28.7	27.1	(1.6)
Other Current Assets	3.6	3.4	(0.2)
Fixed Assets	95.0	92.5	(2.5)
Total Assets	181.4	173.2	(8.2)
Debs/Borrowings	58.3	57.9	(0.4)
Other Liabilities	67.4	62.8	(4.6)
(Total Liabilities)	125.7	120.7	(5.0)
Net Assets	55.7	52.5	(3.2)
(Retained Earnings)	5.5	4.1	(1.4)
Total Liabilities and Shareholders' Equity	181.4	173.2	(8.2)

Balance of Interest Bearing Liabilities and Financial Indices



	03/Mar.	04/Mar.	05/Mar.	06/Mar.	07/Mar.	08/Mar.	
D/E Ratio	2.2	1.6	1.2	1.0	1.1	1.1	(Times)
Equity Ratio	21.6	24.8	27.1	30.5	29.8	29.4	(%)

2. Performance Forecast for the Fiscal Year Ending March 2009



Trend of Domestic Agricultural Policy

**Towards securing a stable supply power of foods in Japan
 ~21st Century New Agricultural Policy 2008 (Extract) ~**

Product: Active use of domestic agricultural products

- ① Pursuit of new possibilities for rice usage
- ② Improvement of feedstuff self-sufficiency ratio
- ③ Recovery of domestic agricultural product share for processing/ business use
- ④ Export promotion of agricultural and fishery products / foods

Human: Fostering of bearers of farm management

- ① Steady promotion of stabilization measures of paddy and upland farming
(Old name: Across the items measures for stabilization of management)
- ② Promotion of entry of youngsters into farming from inside and outside of the industry

Land: Securing agricultural land as a base for food production

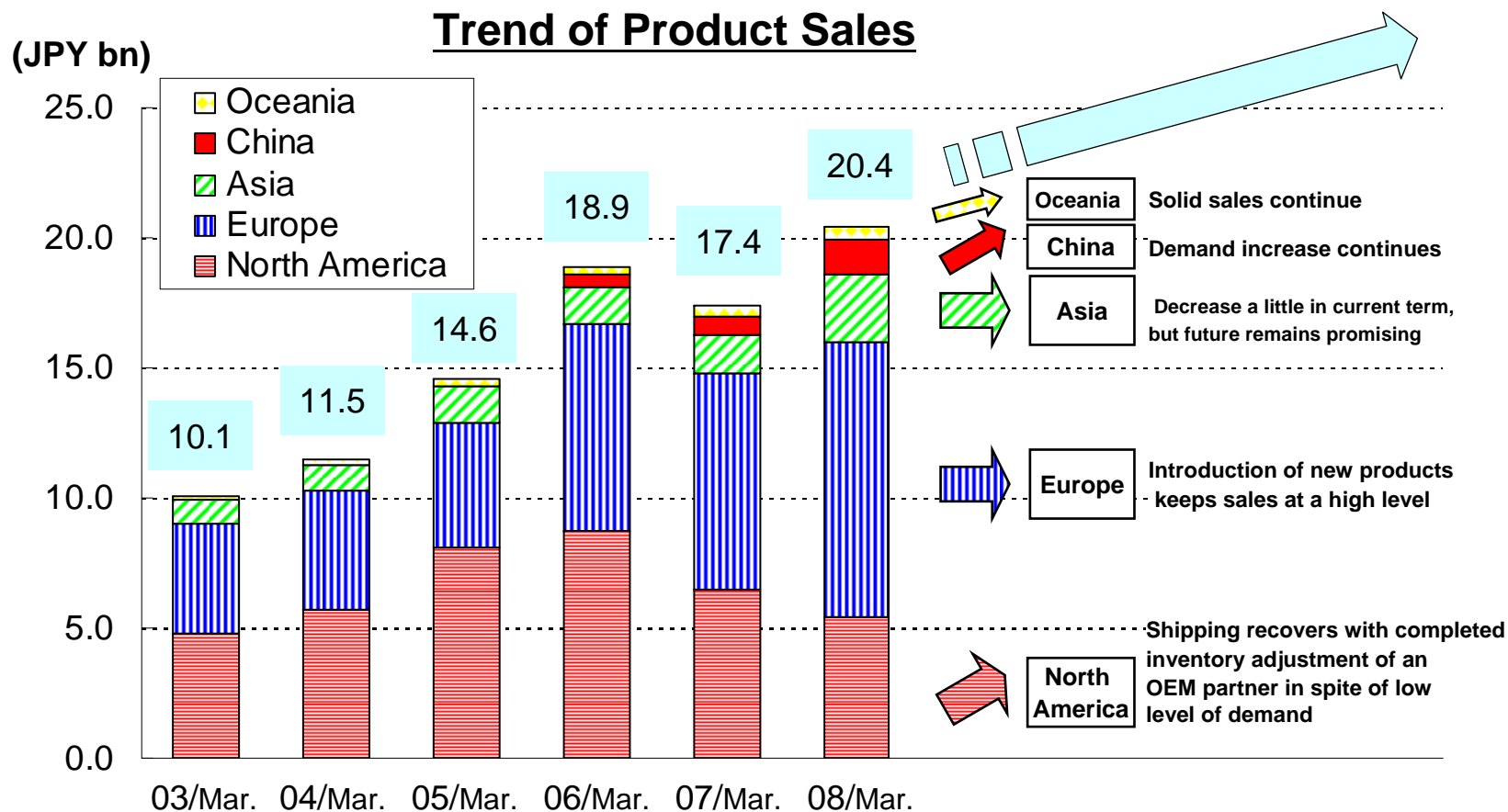
- ① Review of restriction on borrowing and lending of agricultural land and accumulation of land
- ② Participation of corporation by leasing method

Accomplishment of 45% self-sufficiency ratio of foods and establishment of a stable supply system for unforeseeable contingency

Technology: Realization of potential capacity of agriculture

- ① Acceleration of technological development
 Promotion of new technology such as new labor saving cultivation

Trend of Overseas Sales and Prospect



Total Overseas Sales	12.2	13.3	15.9	20.5	18.8	22.0	(JPY bn)
Ratio of Overseas Sales	7.8	8.7	10.1	12.7	12.3	15.2	(%)

20% or more

Performance Forecast for the Fiscal Year Ending March 2009

(JPY bn, %)

Item	08/Mar. Actual		09/Mar. Forecast		Change
	Value	%	Value	%	
Net Sales	144.7	100.0	154.5	100.0	9.8
(Domestic)	122.7	84.8	130.5	84.5	7.8
(Overseas)	22.0	15.2	24.0	15.5	2.0
Operating Income	0.7	0.5	3.3	2.1	2.6
Ordinary Income	0.0	0.0	1.9	1.2	1.9
Net Income	(1.5)	(1.0)	0.6	0.4	2.1

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

Performance Forecast (Breakdown of Domestic Sales)

(JPY bn)

	08/ Mar. Actual	09/ Mar. Forecast	Change	Notes
Cultivating & Mowing Machinery	26.9	28.0	1.1	Tractors : +0.7 Tillers : +0.3
Planting Machinery	11.5	12.3	0.8	Rice Transplanters : + 0.8
Harvesting & Processing Machinery	24.2	25.7	1.5	Combine Harvesters : +1.2
Agricultural Machinery Total	62.6	66.0	3.4	
Parts & Farming Implements	27.9	29.5	1.6	
Construction of Facilities	4.0	5.8	1.8	
Agricultural Machinery Related Business (*1)	17.6	18.2	0.6	
Others (*2)	10.6	11.0	0.4	
Total	122.7	130.5	7.8	

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

Performance Forecast (Breakdown of Overseas Sales)

(JPY bn)

Item	08/ Mar. Actual	09/ Mar. Forecast	Change	Notes
North America	5.4	6.5	1.1	Completed inventory adjustment of OEM partner
Europe	10.6	10.8	0.2	
Asia (China)	3.9 (1.3)	4.0 (1.8)	0.1 (0.5)	Increased demand through bigger subsidy
Australia, others	0.5	0.7	0.2	
Overseas Products Total	20.4	22.0	1.6	
Parts & Others	1.6	2.0	0.4	
Total	22.0	24.0	2.0	

Performance Forecast (Operating income)

(JPY bn, %)

Item	08/ Mar. Actual		09/ Mar. Forecast		Change
	Value	%	Value	%	
Net Sales	144.7	100.0	154.5	100.0	9.8
Cost of G. S.	99.6	68.8	105.8	68.5	6.2
Gross Profit	45.1	31.2	48.7	31.5	3.6
S. G. & A. Expenses	44.4	30.7	45.4	29.4	1.0
Operating Income	0.7	0.5	3.3	2.1	2.6

Performance Forecast (Ordinary Income, Net Income)

(JPY bn)

Item	08/Mar. Actual	09/Mar. Forecast	Change
Operating Income	0.7	3.3	2.6
Net Financial Income	(1.2)	(1.3)	(0.1)
Other Non-operating Income	1.4	0.7	(0.7)
Other Non-operating Expenses	(0.9)	(0.8)	0.1
Ordinary Income	0.0	1.9	1.9
Extraordinary Gains	1.5	0.1	(1.4)
Extraordinary Losses	(2.0)	(0.6)	1.4
Taxes, Deferred Taxes	(1.0)	(0.8)	0.2
Net Income	(1.5)	0.6	2.1

Topics

ISEKI was commended 2008 Intellectual Property Merit Award by Japan Patent Office



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.
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