



**Financial Results for the First Quarter
Fiscal Year Ending March 2012
Investor Relations Presentation Materials**

ISEKI & CO., LTD.

**Susumu Tada, Executive Managing Director
August 19, 2011**



Index

- 1. Outline of Financial Results for the First Quarter Fiscal Year Ending March, 2012**
- 2. Recent Development in Domestic and Overseas Markets**
- 3. Performance Forecast for the Fiscal Year Ending March, 2012**
- 4. Topics**



* Quarterly Financial Results and Seasonal Trends

1. Reporting period of consolidated subsidiaries

	Term end	(1st Quarter)
12 Sales companies, sales related company and Iseki-Changzhou Mfg. Co., Ltd.	December 31	(Jan.-Mar.)
ISEKI & CO., LTD. and 10 other affiliates	March 31	(Apr.-Jun.)

2. Seasonal Trends of sales (FY Ended March 2011)

	(JPY.bn.)				
	1Q	2Q	3Q	4Q	Total
Domestic	29.2	37.1	32.1	30.3	128.7
Overseas	4.0	5.1	4.6	5.4	19.1
Total	33.2	42.2	36.7	35.7	147.8
(%)	(22)	(29)	(25)	(24)	(100)

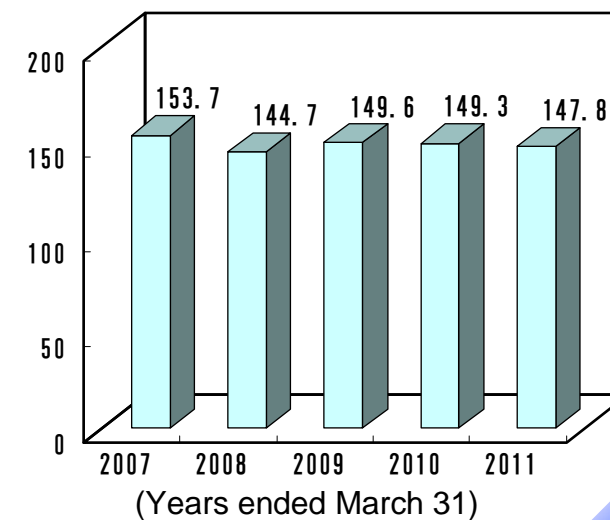
(Note) The sales in first quarter are lower than in other quarters.





1. Outline of Financial Results for the First Quarter Fiscal Year Ending March, 2012

(Billions of yen) Net Sales



Outline of First Quarter Business Performance

(JPY bn, %)

Item	09/ Apr.-Jun.	10/ Apr.-Jun.		11/ Apr.-Jun.		Change	11/ Apr.-Jun. Forecast	Change
			%		%			
Net Sales	29.5	33.2	100.0	32.3	100.0	(0.9)	31.0	1.3
(Domestic)	26.0	29.2	87.8	26.4	81.6	(2.8)	26.6	(0.2)
(Overseas)	3.5	4.0	12.2	5.9	18.4	1.9	4.4	1.5
Gross Profit	10.7	11.8	35.5	11.1	34.4	(0.7)	10.7	0.4
S. G. & A. Expenses	10.3	10.5	31.6	10.3	31.9	(0.2)	10.4	(0.1)
Operating Income	0.4	1.3	3.9	0.8	2.5	(0.5)	0.3	0.5
Ordinary Income	0.4	1.0	3.1	0.9	2.8	(0.1)	0.2	0.7
Net Income	0.4	0.8	2.5	0.9	3.0	0.1	(0.1)	1.0



Breakdown of Domestic Sales

(JPY bn, %)

		09/ Apr.-Jun.	10/ Apr.-Jun.	11/ Apr.-Jun.	Change	Note	11/ Apr.-Jun. Forecast	Change	
Agriculture Related Business	Agricultural Machinery	Cultivating & Mowing Machinery	7.4	7.5	8.1	0.6	Tractors: +0.7 Tillers: (0.1)	8.1	0
		Planting Machinery	3.3	3.3	2.5	(0.8)	Rice transplanters: (0.8)	2.5	0
		Harvesting & Processing Machinery	3.9	4.5	3.5	(1.0)	Combine harvesters: (0.7) Drying machine: (0.3)	3.5	0
		Total	14.6	15.3	14.1	(1.2)		14.1	0
	Parts & Farming Implements	5.5	7.3	6.0	(1.3)	Farming Implements : (1.3)	6.1	(0.1)	
	Construction of Facilities	0.3	0.8	0.7	(0.1)		0.7	0	
	Other Agriculture Related	5.6	5.8	5.6	(0.2)		5.7	(0.1)	
	Total	26.0	29.2	26.4	(2.8)		26.6	(0.2)	
	Other Business Total	0	0	0	0		0	0	
	Total	26.0	29.2	26.4	(2.8)		26.6	(0.2)	



Breakdown of Overseas Sales

(JPY bn, %)

	09/ Apr.-Jun.	10/ Apr.-Jun.	11/ Apr.-Jun.	Change	Notes	11/ Apr.-Jun. Forecast	Change
North America	0.8	1.4	1.4	0		0.9	0.5
Europe	1.1	1.2	1.5	0.3	Tractors: +0.2 Mowers: +0.1	1.1	0.4
Asia	0.3	0.2	0	(0.2)	Combine harvesters: (0.2)	0	0
China*	0.7	0.6	2.5	1.9	Rice transplanters: +1.8	1.8	0.7
Oceania	0.1	0.1	0.1	0		0.1	0
Products Total	3.0	3.5	5.5	2.0		3.9	1.6
Parts & Others	0.5	0.5	0.4	(0.1)		0.5	(0.1)
Total	3.5	4.0	5.9	1.9		4.4	1.5

* Sales in China are actual results (Jan. – Mar.)



Operating Income

(JPY bn, %)

Item	09/ Apr.-Jun.	10/ Apr.-Jun.		11/ Apr.-Jun.		Change	11/ Apr.-Jun. Forecast	Change
			%		%			
Net Sales	29.5	33.2	100.0	32.3	100.0	(0.9)	31.0	1.3
Cost of G. S.	18.8	21.4	64.5	21.2	65.6	(0.2)	20.3	0.9
Gross Profit	10.7	11.8	35.5	11.1	34.4	(0.7)	10.7	0.4
S. G. & A. Expenses	10.3	10.5	31.6	10.3	31.9	(0.2)	10.4	(0.1)
Operating Income	0.4	1.3	3.9	0.8	2.5	(0.5)	0.3	0.5

* Factors of YoY change

[Gross Profit]	• Decreased gross income by decreased revenue	: (0.6)
	• Forex sales rate gap	: (0.1)
	• Increased raw material price	: (0.1)
	• Others (decreased manufacturing cost +0.2, others (0.1))	: +0.1
[S. G. & A Expenses]	• Decreased S.G. & A expenses (personnel expenses (0.1), other expenses (0.1))	: (0.2)

Ordinary Income and Net Income

(JPY bn, %)

	09/ Apr.-Jun.	10/ Apr.-Jun.	11/ Apr.-Jun.	Change	11/ Apr.-Jun. Forecast	Change
Operating Income	0.4	1.3	0.8	(0.5)	0.3	0.5
Net Financial Income	(0.3)	(0.3)	(0.2)	0.1	(0.2)	0
Other Non-operating Income	0.3	0	0.3	0.3	0.1	0.2
Ordinary Income	0.4	1.0	0.9	(0.1)	0.2	0.7
Extraordinary Gains	0	0.1	0	(0.1)	0	0
Extraordinary Losses	0	(0.6)	(0.3)	0.3	(0.3)	0
Income before Income Taxes	0.4	0.5	0.6	0.1	(0.1)	0.7
Taxes, Deferred Taxes	0	0.3	0.3	0	0	0.3
Net Income	0.4	0.8	0.9	0.1	(0.1)	1.0

* Factors of YoY change

[Non-operating income]	Favorable turn of Forex valuation losses/gains (Forex evaluation losses of the same period last year (0.2))	: +0.3
	Improved net financial income, others	: +0.1
[Extraordinary losses]	Decreased adoption of accounting standard for asset retirement obligations, etc.	: +0.2



Balance Sheet

(JPY bn)

Item	09/Jun.	10/Jun.	11/Jun.	Change from 10/Jun.	11/Mar.
Cash/Deposits	6.2	8.0	7.5	(0.5)	5.7
Accounts Receivables	30.2	30.2	32.6	2.4	28.7
Inventories	44.2	42.5	42.3	(0.2)	41.0
(Product Inventory)	28.8	28.0	27.6	(0.4)	27.8
Other Current Assets	3.2	3.3	3.2	(0.1)	3.3
Noncurrent Assets	90.8	90.1	91.3	1.2	90.5
Total Assets	174.6	174.1	176.9	2.8	169.2
Accounts Payables	38.8	37.8	38.9	1.1	42.0
Debts/Borrowings	59.9	52.9	54.9	2.0	43.5
Other Liabilities	23.5	27.0	27.5	0.5	29.1
(Total Liabilities)	122.2	117.7	121.3	3.6	114.6
Net Assets	52.4	56.4	55.6	(0.8)	54.6
(Retained Earnings)	4.5	6.9	6.1	(0.8)	5.2
Total Liabilities and Net Assets	174.6	174.1	176.9	2.8	169.2



2. Recent Development in Domestic and Overseas Markets

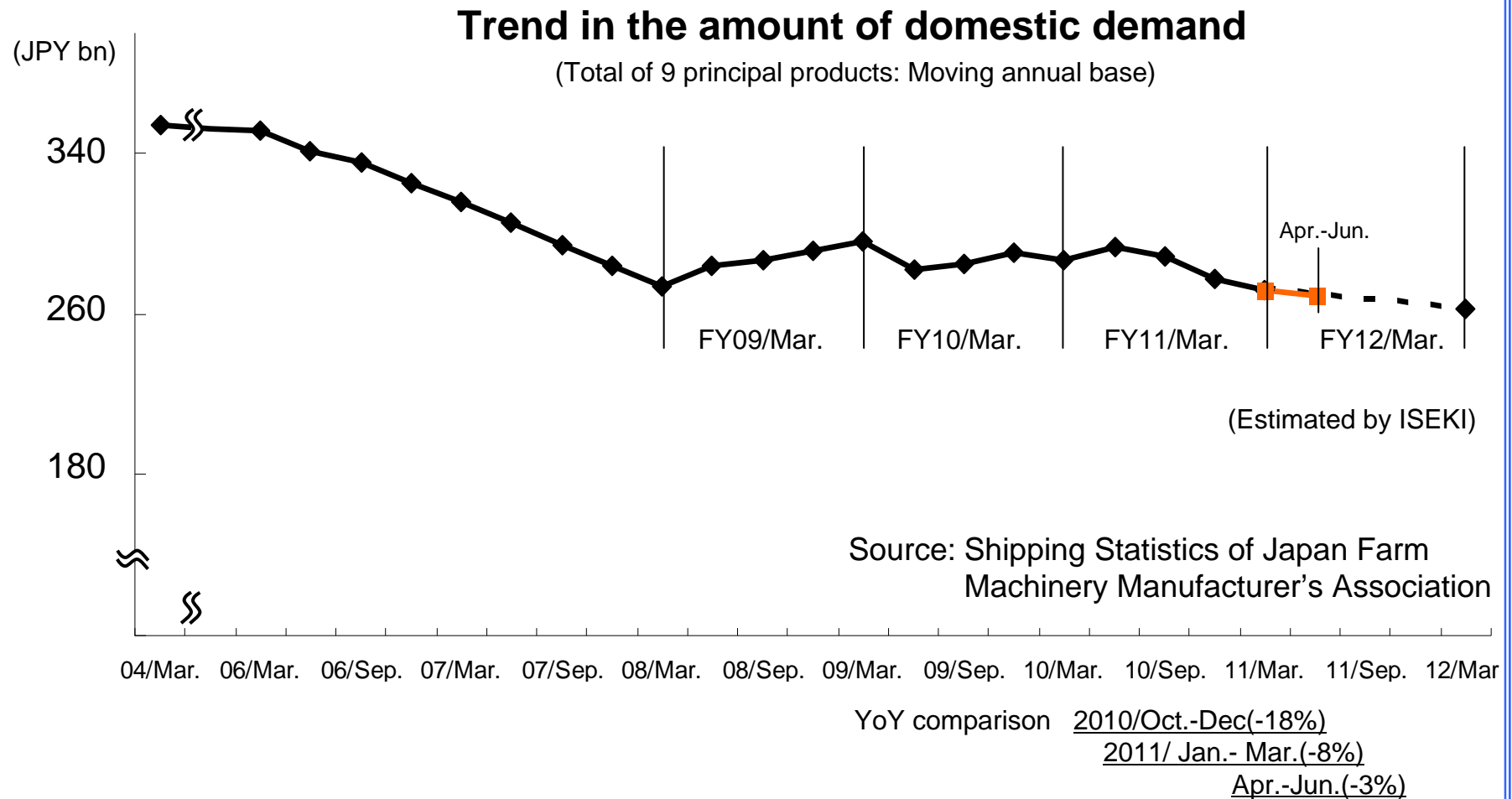


"Sanae" PZ63



Trends of Domestic Demand for Agricultural Machinery

Trend of Demand for Agricultural Machinery (Forecast)



Trends in Domestic Agricultural Machinery Market

Trends in domestic agricultural machinery industry shipment and effective sales of ISEKI

* Total amount of 9 products base, Y o Y growth rate (%)

Source: Shipping statistics of Japan Farm Machinery Manufacturing Association

	Moving Annual Total			Cumulative Annual Total			2011 Quarterly Breakdown	
	08/Jul. - 09/Jun.	09/Jul. - 10/Jun.	10/Jul. - 11/Jun.	09/Jan.- Jun.	10/Jan.- Jun.	11/Jan.- Jun.	Jan.-Mar.	Apr.-Jun.
Industry (shipment)	99	104	92	93	102	94	92	97
ISEKI(Effective sales)	99	100	96	92	104	95	90	99



Topics of Domestic Agriculture

○ **Trend of application for participation to the Income Compensation System for Each Household (Preliminary)**

- By number of cases excluding 5 prefectures, it exceeded cases paid of last year's model countermeasures by approx. 60,000 cases (6%).

Trend of application for participation to the Income Compensation System for Each Household (Preliminary)

	Number of application	Cases paid in 2010	Growth rate
Total (Excluding 5 prefectures)	1,048,630	986,567	6.3%
(Reference: Total of Japan)	1,166,259	1,163,090	0.3%

*As of June 30. It was extended until end of August for 5 prefectures.

○ **Rice demand- supply, rice price related**

- Private inventory: As of end of June 1.82 million tons, Y o Y – 340 thousand tons (-16%)
- Demand: July 2010 ~ June 2011: 8.187 million tons (Y o Y +46 thousand tons, increase for the first time in 3 years)
- Rice price: Wholesale price is also on a rising trend centering on brand rice of 2010 production.
- Test listing of rice future trading (August)

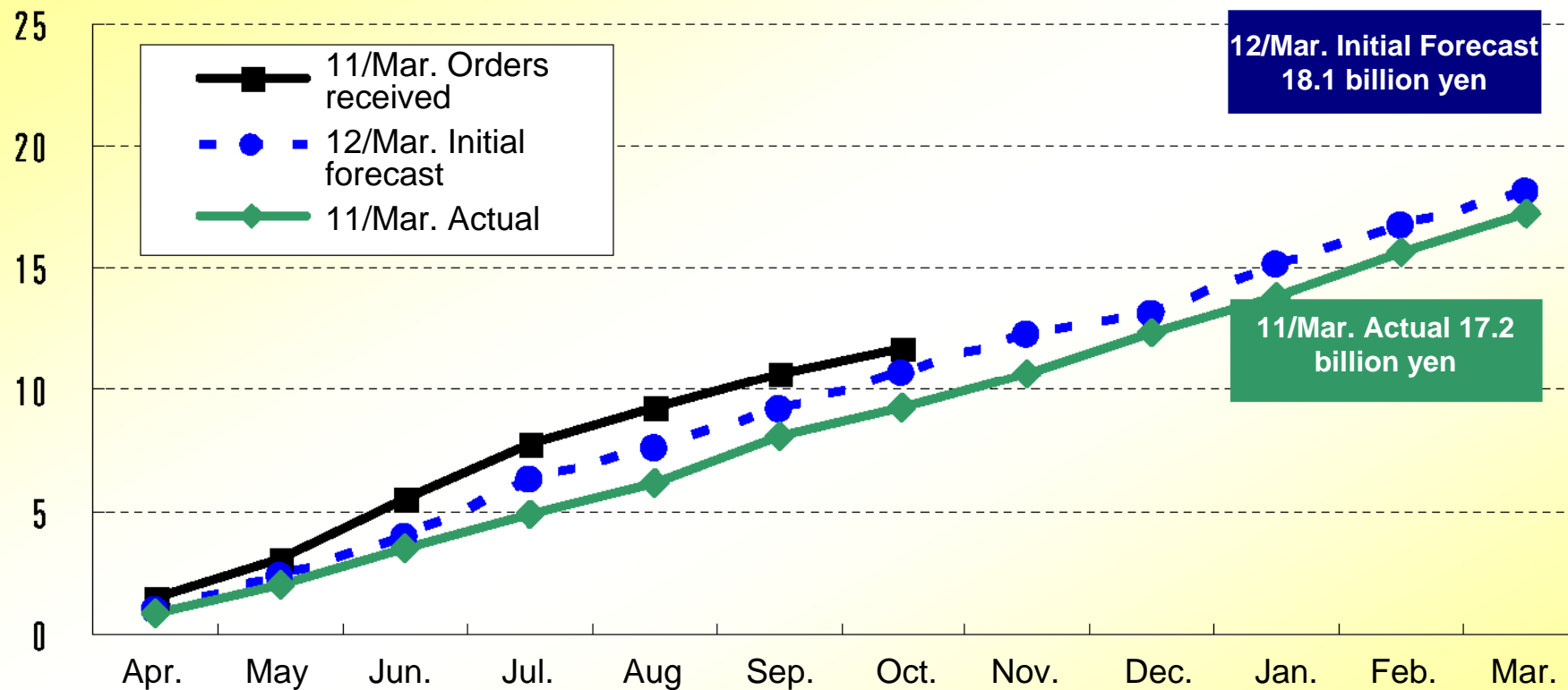
○ **Agriculture revitalization plan (major strategies of interim recommendation for concentrated promotion in the next 5 years)**

- Realization of aggressive bearers: Reinforcement of new engagement in agriculture, education suitable for the management size
- Acceleration of scale expansion: Concentration of farmland (flatland 20-30ha, mountainous land 10-20ha)
- Creation of capital reinforcement fund for agricultural companies, etc. to support the 6th industrialization



Recent Trend of Overseas Product Sales

(JPY bn)



* 12/Mar. Orders received: Apr.-Jul. is based on result of shipping, Aug.- Oct. is based on orders received.



Trend in Overseas Markets (North America)

1. Compact Tractor Market in North America

* Tractors with 50PS engines (PTO40PS) or less, and lawn mowers are not included
 (Unit:1000) * Figures have been rounded and non-adjusted

	10/ Jan.-Jul.	11/ Jan.-Jul.	YoY	
			Change	%
USA	55	54	(1)	99%
Canada	7	7	0	106%
N. America Total	61	61	0	100%

AEM estimated growth of demand in 2011 to be +2.7% per year.

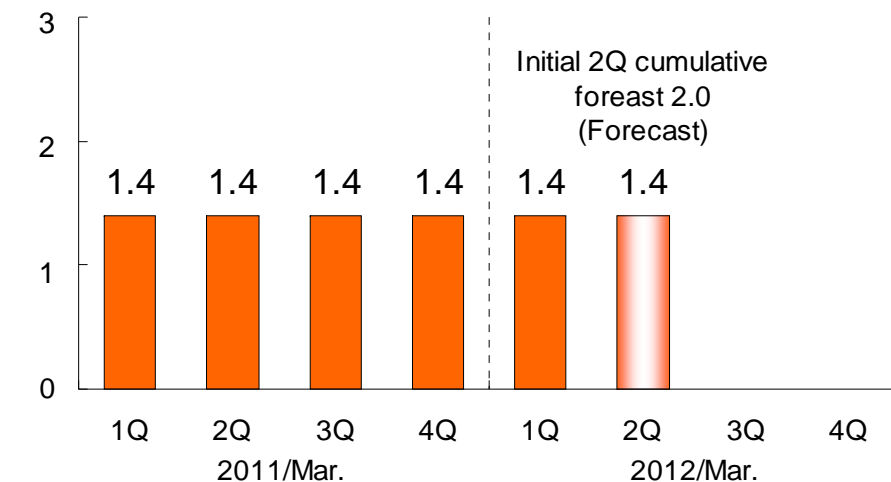
Source: AEM (Association of Equipment Manufacturers)

- There is an increasing concern for slowdown of the unstable US economy with its inactive consumer spending and new housing start.

2. Trends in ISEKI's Sales

- Effective sales of the OEM partner for Jan. - Jul. shifted in a level lower than the previous year.
- ISEKI's shipping in the first half remained in the same level as the previous year that will exceed the initial forecast (¥2 billion).

(JPY bn) Trends of ISEKI's product sales for North America



Trends in Overseas Markets (Europe)

1. Trends in European Market

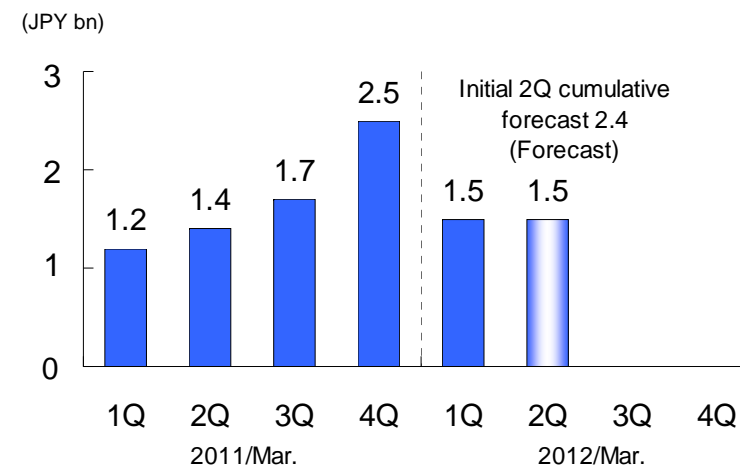
Albeit differences within the region, the economy has recovered gradually since second half of 2010.
 ⇒ Reflected in the market trend.

- Germany maintained its solid trend, and France has been on a trend for recovery.
- Economic recovery has continued to delay in Southern Europe and it remains unstable.

2. Trends in ISEKI's Sales

- Sales of ISEKI's main products remained inactive last year since they are for professionals in the landscape market that is subject to the general economy and financial situation of the local governments.
- Effective sales by European agents have recovered solidly to the same level as the previous year for Jan.-May.
- ISEKI's shipping has shifted solidly due to recovery of effective sales, and we expect the sales in the first half to exceed both the previous year and the initial forecast (¥2.4 billion).

Trends of ISEKI's product sales for Europe



Trends in Overseas Markets (Asia, China)

1. Trends in Asian Market

Korea : The situation is severe for Japanese makers by weak won and come back efforts of Korean makers
 Southeast Asia : The move of rice cultivation machinery is inactive

Trends in ISEKI's Sales

- Sales in the first half will be reduced compared with the previous year due to worsened foreign exchange and growth of competitive makers, etc., and it is expected to be almost in line with the initial forecast (¥0.1 billion).

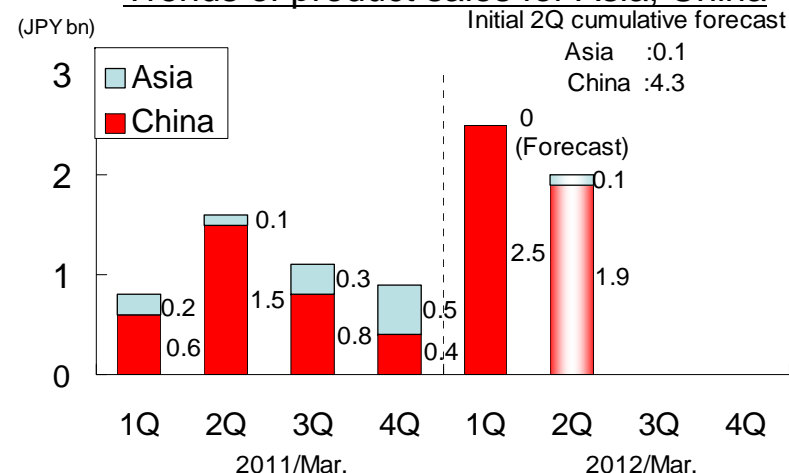
2. Trends in Chinese Market

- Expansion of agricultural machinery market continues

Trends in ISEKI's Sales

- Due to substantial increase of sales of rice transplanters, we expect the sales in the first half to exceed the initial forecast (¥4.3 billion)

Trends of product sales for Asia, China



◇ISEKI-CHANGZHOU MFG. CO., LTD. Trend of Effective Sold Units

	2005	2006	2007	2008	2009	2010	2011 Initial Plan
Combine harvesters	150	220	300	470	840	624	430
Rice transplanters	0	120	1,110	1,620	3,250	4,841	7,000
Walking-type	-	50	790	1,100	2,450	3,661	4,000
Riding-type	-	70	320	520	800	1,180	3,000

◇Chinese Market Trend of Sales

	2005	2006	2007	2008	2009	2010	2011 Initial Plan
China	5	7	13	19	35	33	53
Total overseas sales	205	188	220	231	181	191	200



Trends in Overseas Markets (China)

1. Targeted agriculture mechanization rate in China

	2010		2015	2020
Harvesters	20%	➔	45%	60%
Transplanters	55%		80%	85%

2. Trend of subsidy for agricultural promotion

(100 millions of yuan)

	2007	2008	2009	2010	2011
Central government subsidy	20	40	130	155	175
(100million yen, yuan/13 yen)	260	520	1,690	2,015	2,275

3. Policy announced by State Council (2011, Subsidy)

- Emphasized products (rapeseed, cotton, corn, sugar cane, etc.)
- Political distribution and injection of funds for districts of retarded paddy seedling, transplanting technology and mechanization, and model districts for integrated system of rice crop mechanization, etc. in order to enhance agricultural productivity and expand production.

4. Move to create model farms for rice crop integrated system by managed farming unions and ISEKI's response

- ISEKI participated in establishment of the model farming union of Jintan, Jiangsu Province "Jintan ISEKI Great Nature Managed Farming Union".
- ISEKI gives the loan of tractors, rice transplanters, combine harvesters, rice hullers, rice polishers, vegetable transplanters, etc. to farms.

Along with the agricultural policy of China, ISEKI promotes commercialization of high performing, high efficient rice transplanters, and products with high local adaptability and others.



Outline of Dongfeng Iseki Agricultural Machinery (Hubei) Co., Ltd.

July 29, 2011 Investment in “Dongfeng Iseki Agricultural Machinery (Hubei) Co., Ltd.” was paid.

- ◆ **Location** Xiang Yang City, Hubei Province
- ◆ **Capital stock** 40 million yuan
- ◆ **Investment ratio** ISEKI & CO., LTD. 50% DONGFENG INDUSTRIAL CO., LTD. 25%
SHANGHAI JIAHUA INVESTMENT CO., LTD. 25%

Aug.~ Sep. 2011 Preparation of mass production at the new plant in Xiang Yang City, Hubei Province Development Area

Oct. 2011 ~ Start of production of walking type rice transplanters for the next season. Planning to produce approx. 7,000 units.



- After 2012**
- Full-fledged sales of walking type rice transplanters
 - Assembly/sales of riding type rice transplanters, combine harvesters
 - As the base for procurement of low priced products (cost down), parts, etc. and an important base of production, promote business together with Iseki-Changzhou Mfg. Co., Ltd.

3. Performance Forecast for the Fiscal Year Ending March, 2012



“Tra Q” TQ17



Performance Forecast for the Fiscal Year Ending March 2012

(JPY bn)

Item	10/Mar.		11/Mar.		12/Mar.		Change		12/Mar. Initial Forecast		Change	
	2Q cumulative	Annual	2Q cumulative	Annual	2Q cumulative	Annual	2Q cumulative	Annual	2Q cumulative	Annual	2Q cumulative	Annual
Net Sales	69.7	149.3	75.4	147.8	72.5	147.0	(2.9)	(0.8)	72.5	147.0	0.0	0.0
(Domestic)	61.8	131.2	66.3	128.7	61.0	125.5	(5.3)	(3.2)	62.5	127.0	(1.5)	(1.5)
(Overseas)	7.9	18.1	9.1	19.1	11.5	21.5	2.4	2.4	10.0	20.0	1.5	1.5
Operating Income	2.5	4.5	2.3	2.8	1.9	2.9	(0.4)	0.1	1.9	2.9	0.0	0.0
Ordinary Income	2.2	3.6	1.8	2.0	1.7	2.2	(0.1)	0.2	1.7	2.2	0.0	0.0
Net Income	1.6	2.3	0.1	(0.9)	1.0	0.9	0.9	1.8	1.0	0.9	0.0	0.0

*Company forex rate:1 US\$=¥80 (Continued), 1 Euro=¥120→ ¥110(From the 2nd Quarter)



Performance Forecast (Breakdown of Domestic Sales)

(JPY bn)

	12/Mar.				Change		11/Mar.		Change	
	Initial Forecast		Latest Forecast		2Q cumulative	Annual	2Q cumulative	Annual	2Q cumulative	Annual
	2Q cumulative	Annual	2Q cumulative	Annual						
Cultivating & Mowing Machinery	15.4	26.5	17.2	28.5	1.8	2.0	16.0	26.7	1.2	1.8
Planting Machinery	7.9	11.4	7.2	10.5	(0.7)	(0.9)	8.4	11.6	(1.2)	(1.1)
Harvesting & Processing Machinery	7.2	25.3	6.3	24.2	(0.9)	(1.1)	7.7	25.5	(1.4)	(1.3)
Agricultural Machinery	30.5	63.2	30.7	63.2	0.2	0	32.1	63.8	(1.4)	(0.6)
Parts & Farming Implements	16.4	30.3	15.4	29.4	(1.0)	(0.9)	16.9	31.0	(1.5)	(1.6)
Construction of Facilities	1.5	6.7	1.6	6.8	0.1	0.1	3.8	8.7	(2.2)	(1.9)
Other Agriculture Related	14.0	26.7	13.2	26.0	(0.8)	(0.7)	13.4	25.1	(0.2)	0.9
Agriculture Related Business	62.4	126.9	60.9	125.4	(1.5)	(1.5)	66.2	128.6	(5.3)	(3.2)
Other Business Total	0.1	0.1	0.1	0.1	0	0	0.1	0.1	0	0
Total	62.5	127.0	61.0	125.5	(1.5)	(1.5)	66.3	128.7	(5.3)	(3.2)



Performance Forecast (Breakdown of Overseas Sales)

(JPY bn)

	12/Mar.				Change		11/Mar.		Change	
	Initial Forecast		Latest Forecast		2Q cumulative	Annual	2Q cumulative	Annual	2Q cumulative	Annual
	2Q cumulative	Annual	2Q cumulative	Annual						
North America	2.0	4.4	2.8	5.2	0.8	0.8	2.8	5.6	0.0	(0.4)
Europe	2.4	6.8	3.0	7.4	0.6	0.6	2.6	6.8	0.4	0.6
Asia	0.1	1.1	0.1	1.1	0.0	0.0	0.3	1.1	(0.2)	0.0
China	4.3	5.3	4.4	5.4	0.1	0.1	2.1	3.3	2.3	2.1
Oceania	0.3	0.5	0.3	0.5	0.0	0.0	0.3	0.4	0.0	0.1
Products Total	9.1	18.1	10.6	19.6	1.5	1.5	8.1	17.2	2.5	2.4
Parts & Others	0.9	1.9	0.9	1.9	0.0	0.0	1.0	1.9	(0.1)	0.0
Total	10.0	20.0	11.5	21.5	1.5	1.5	9.1	19.1	2.4	2.4



4. Topics



“My Pet” KCR600



State of Restoration from the Great Earthquake

○ Restoration of the damaged bases of the Group

- By restoration of Tohoku Parts Center, parts supply to Tohoku Districts was resumed to normal system (August~).
- Withdrawal work from 3 sales offices in the evacuation area of nuclear plant was completed (July).

○ State of production

- Delayed parts delivery partially affected shipping of tillers
 ⇒ Normalized completely by restoration of the supplier supply system (End of July).

○ Response to restriction of electricity supply

- Iseki Niigata Mfg. Co., Ltd. (restricted use): Reduced peak electricity use by 15% or more by changing work shift, etc. (actual result in July).
- Tokyo Office (nonbinding target): More than 15% reduction of the peak electricity is in sight by introduction of summer time system, increased no extra work days, etc.

○ Engagement in back-up support of agricultural restoration of devastated areas

- Participation in development of soil decontamination technology of farm land (June~).
- Decision to use “rice produced in Fukushima” in canteen of major offices and employee dormitories (rice of 2011 production).
- Sales mediation of special product of Fukushima “peach” to group employees (August).



Intellectual Property Right

1. Patent assessment ratio and rank in all industries

Ranked 1st for 7 years running

	2004	2005	2006	2007	2008	2009	2010
Patent assessment ratio	84.6%	83.7%	90.4%	89.3%	85.8%	88.5%	91.8%
Rank in all industries	First	First	First	First	First	First	First

* Patent assessment ratio= Number of decision to patent grant / (Number of decision to patent grant+ Number of decision of refusal+ Number of withdrawal/ Abandonment)

2. Number of public patents by sector and rank


Ranked 1st for 10 years running

	2000-2006	2007	2008	2009
Sector	Agriculture and fishery	*The other special machinery		
Rank	First for 7 years running	First	First	First

* Since the 2009 edition, the sector classification has been changed, and agriculture and fisheries were included in [the other special machinery sector]

Source: "2011 Annual Report on Patent Policy" announced by the Japan Patent Office on June 30, 2011

3. = ISEKI of Technology

- Weincorgorafe patented technology into products, and display  to unique in the second half using new products as the weapon. functions of ISEKI that are not provided by other companies. We intend to expand sales
 - Tractors: ATK Series, TQ Series Combine harvesters: HFC433 & 330
 - Tractors: ATK Series, TQ Series Combine harvesters: HFC433 & 330

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 decision made utilizing the business forecast or targets given in this document.



Increase food self sufficiency ratio 1% campaign which leads to relief in the future

FOOD ACTION NIPPON

ISEKI group is partner of FOOD ACTION NIPPON.

