May 31, 2007

Name of listed company:	ISEKI & CO., LTD	Stock Exchange Listing Tokyo, Osaka
Company Code:	6310 (URL http://www.iseki.co.jp)	Head Office: Tokyo
Representative: Title	President	Name Hiroyuki Nakano
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Date of the Regular Meeting of Shareholders:		June 28, 2007
Date of Submission of the Securities Report:		June 29, 2007

Summary Announcement of Consolidated Financial Results for the Fiscal Year Ended March 31, 2007

I. Financial Results for the Fiscal Year Ended March 31, 2007 (April 1, 2006－March 31, 2007)

A. Results of operations

(Rounded down to millions of yen, % indicates changes from the previous period)

	Year Ended March 31, 2007	%	Year Ended March 31, 2006	%
Net Sales	153,728	(5.0)	161,744	2.7
Operating Income	2,243	(64.5)	6,319	24.1
Ordinary Income	1,276	(77.7)	5,721	48.2
Net Income	18	(99.3)	2,661	(93.1)
Net Income per Share (yen) Non-diluted	0.08		12.21	
Fully Diluted	0.07		10.82	
Return on Equity (%)	0.0		5.1	
Return on Total Assets (%)	0.7		3.2	
Ordinary Income to Net Sales (%)	1.5		3.5	

Notes: Investment gain (loss) by equity method:

Year ended March 31, 2007 － Year ended March 31, 2006 －

B. Financial Position

(Rounded down to millions of yen)

	March 31, 2007	March 31, 2006
Total Assets	181,362	180,439
Net Assets	55,724	55,092
Shareholders' Equity to Total Assets Ratio (%)	29.8	30.5
Net Assets per Share (yen)	239.71	243.91

Notes:

Shareholders' equity:

Year ended March 31, 2007 ¥54,138 mil. Year ended March 31, 2006 ¥55,092 mil.

C. Cash Flows

(Rounded down to millions of yen)

	Year Ended March 31, 2007	Year Ended March 31, 2006
Cash Flows from Operating Activities	902	4,016
Cash Flows from Investing Activities	(4,718)	(2,285)
Cash Flows from Financing Activities	2,207	(3,048)
Cash and Cash Equivalents at End of Period	4,985	6,589

II. Dividends

(Rounded down to millions of yen)

	Year Ended March 31, 2007	Year Ended March 31, 2006	Year ending March 31, 2008 Forecast
Dividend per share （yen） End of fiscal year	―	3.00	―
Annual	0.00	3.00	0.0
Annual cash dividend per share	―	677	
Payout ratio (%, consolidated)	―	24.6	―
Ratio of dividend to net assets (%, consolidated)	―	1.3	

III. Forecast for the Fiscal Year Ending March 31, 2008 (April 1, 2007－March 31, 2008)

(Rounded down to millions of yen, % indicates changes from the previous same period)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share (yen)
Interim	74,900 (1.8)	1,000 (58.4)	800 (65.4)	100 (92.1)	0.44
Annual	157,000 2.1	3,000 33.7	2,300 80.2	800 ―	3.54

IV. Others

A Change in important subsidiaries during the period (change in specified subsidiaries which accompanies a change in the range of consolidation): None.

B Change in principle, procedure and method of statement of accounting procedures in preparation of consolidated financial statements (as stated in “Changes in essential matters which provide a basis for preparation of Consolidated Financial Statements”)

1) Change which accompanies revision of accounting standards: Yes

2) Change other than No.1. No

(Note) For details, please refer to “Changes in essential matters which provide a basis for preparation of Consolidated Financial Statements”, P20.

C Outstanding shares (Common shares)

1) Outstanding shares (Including treasury shares) As of March 31, 2007 226,536,329 shares
As of March 31, 2006 226,536,329 shares

2) Outstanding treasury shares As of March 31, 2007 690,113 shares
As of March 31, 2006 666,946 shares

(Note) Please refer to P25 “Per share information” as to the number of shares which provides a base for calculating net income per share (consolidated).

(Reference) Non-consolidated Financial Results

I. Financial Results for the Fiscal Year Ended March 31, 2007 (April 1, 2006－March 31, 2007)

A. Results of operations

(Rounded down to millions of yen, % indicates changes from previous period)

	Year Ended March 31, 2007	%	Year Ended March 31, 2006	%
Net Sales	90,784	(3.2)	93,759	(1.6)
Operating Income	744	(76.2)	3,131	(4.3)
Ordinary Income	841	(78.0)	3,820	11.8
Net Income	(4,818)	—	2,893	410.7
Net Income per Share (yen) Non-diluted Fully Diluted	 (21.34) —		 13.27 11.76	

B. Financial Position

(Rounded down to millions of yen)

	March 31, 2007	March 31, 2006
Total Assets	130,054	137,632
Shareholders' Equity	50,075	55,875
Shareholders' Equity to Total Assets Ratio (%)	38.5	40.6
Shareholders' Equity per Share (yen)	221.72	247.38

Notes: Shareholders' Equity

Year ended March 31, 2007 ¥50,075 mil. Year ended March 31, 2006 ¥55,875 mil.

II. Forecast for the Fiscal Year Ending March 31, 2008 (April 1, 2007－March 31, 2008)

(Rounded down to millions of yen, % indicates changes from the previous same period)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share (yen)
Interim	43,000 (10.0)	400 (75.3)	500 (75.5)	300 (71.3)	1.3
Annual	89,000 (2.0)	600 (19.5)	800 (4.9)	500 —	2.2

Cautionary statement: The forecast for operating results has been produced based on information presently available. It is possible that in the future actual results may differ from the anticipated figures for a variety of reasons. Please refer to page 5 of attached material for the matter concerning the above-mentioned expectation.

1. Management Performance

(1) Analysis of Management Performance

1) The Fiscal Period in Review

The recovery phase of the Japanese economy continued in the fiscal year just ended. The recovery was helped by an increase in capital investment and a favorable turn of employment situation in the back of improved corporate profits in spite of concerns for impact of high level of oil and raw material prices.

In the environment surrounding agriculture, the "Outline of the Program for Stabilization of Management Income" was adopted in July 2006. Structural changes such as fostering of bearers of agriculture, increasing "certified farmers" and organization of collective farming are taking place. While the domestic market of agricultural machinery during the fiscal period was inactive with a continued trend in refraining from buying, the export of agricultural machinery continued to shift favorably from the previous fiscal year.

Under the circumstances, the ISEKI Group has made efforts to broaden its line of new products to meet the diverse needs of customers, and has also aggressively promoted sales activities trying to increase both domestic sales and exports.

(Amendment of Summary Announcement of Financial Results pertaining to past years)

In March this year, inappropriate accounting practices were discovered at some of our manufacturing subsidiaries, and we made amendments to the settlement of past fiscal years from the fiscal year ended March 31, 2004 to the interim period of the fiscal year ended March 31, 2007. The accumulated amount of impact (consolidated) decreased operating income and ordinary income by ¥3.705 billion and net income by ¥4.270 billion. Limiting the amount of impact to the fiscal year, it was ¥0.576 billion for operating income and ordinary income, and ¥0.71 7billion for net income. Also in non-consolidated accounting, an amendment to the settlement of past fiscal years was made by appropriation of extraordinary losses such as the evaluation loss of investment in affiliated companies which accompanied the amendment to settlement of past fiscal years. The accumulated amount of impact reduced net income by ¥3.632 billion, among which the figure corresponding to fiscal year was ¥0.729 billion.

(Consolidated business performance of fiscal year)

In the fiscal year, sales declined ¥8.0 billion from the same period last year to ¥153.7 billion (down 5.0%). Domestic sales declined ¥6.3 billion to ¥134.9 billion (down 4.5%) centering on agricultural machinery due to an inactive trend in the agricultural machinery market. Overseas sales declined ¥1.7 billion to ¥18.8 billion (down 8.1%) due to an impact in the inventory adjustment by an OEM partner in North America.

Operating income declined ¥4.075billion to ¥2.243 billion (down 64.5%) due to decreased gross profit which reflected reduced sales as well as lowered gross margin.
Ordinary income decreased ¥4.444 billion from the same period last year to ¥1.276 billion (down 77.7%). Net income decreased to ¥2.643 billion to ¥18 million (down 99.3%).

(Non-consolidated business performance of fiscal year)

In the current fiscal year, sales were ¥90.8 billion (down 3.2% from the same period last year), operating income was ¥0.744 billion (down 76.2%) and ordinary income was ¥0.841 billion (down 78.0%), respectively. Net income resulted in a deficit of ¥4.818 billion, due to conservative appropriation of the evaluation loss of stocks of subsidiaries as extraordinary loss for those stocks of consolidated subsidiaries, whose actual value had not fallen more than 50% of the acquisition price、but it was judged that it would take a long time before the price would recover to the acquisition, from the standpoint of financial health. This appropriation of extraordinary loss has no impact on the consolidated business performance.

2) Sales by Product

(Domestic)

Sales of machinery for soil preparation (tractors, tillers, etc) dropped to ¥29.4 billion (down 6.5% from the same period last year). While sales of tillers and high clearance multi purpose vehicles increased, sales of tractors which are our main products declined. Sales of cultivating machinery (rice transplanters and vegetable transplanters) decreased slightly to ¥10.6 billion (down 1.2%) despite strong sales of PZ rice transplanters, which were put on the market from the current fiscal year. Sales of harvesting and processing machines were at ¥28.6 billion (down 10.1%) due to decreased sales of main force combine harvesters and drying machines. Sales of farming implements and spare parts were ¥29.8 billion (down 2.5%). Sales of other agricultural related items stood at ¥24.9 billion (up 0.4%), and sales of agricultural facilities stood at ¥6.3 billion (up 23.6%). Other sales were ¥11.6 billion (down 2.7%).

(Overseas)

Sales of machinery for soil preparation declined to ¥15.3 billion (down 10.6% from the same period last year) mainly due to reduced sales of tractors to the North American market. Sales of cultivating machinery rose to ¥1.1 billion (up 14.2%), harvesting and processing machinery rose to ¥1.0 billion (up 21.0%), and farming implements and spare parts decreased to ¥1.0 billion (down 6.1%)

3) Forecast for the next consolidated fiscal year

With respect to the current business climate, while there is a concern for the slowdown of the U.S. economy, it is expected that a moderate economic expansion will continue for the Japanese economy. On the other hand, we anticipate that the environment surrounding agriculture will continue to be hard, which will lead to more intense competition in the market.

Due to these circumstances, we will try to secure sales by aggressive introduction of new products.
We expect sales for the next fiscal year to be ¥ 157.0 billion, a ¥3.3 billion increase from the current fiscal year. While we expect domestic sales to be ¥ 136.0 billion, a ¥ 1.1 billion increase from the current fiscal year, we expect overseas sales to be¥ 21.0 billion, a ¥ 2.2 billion increase from the current year. We expect agricultural machinery sales to be in line for the current year due to uncertain future prospects of the domestic agricultural machinery market.

Operating income is expected to increase between ¥ 0.8 billion and ¥3.0 billion due to improved profitability through reduced personnel expenses by recruiting voluntary retirement. We expect ordinary income to be ¥ 2.3 billion, a ¥1.1 billion increase. Net income for the next fiscal year is expected to be ¥ 0.8 billion.

(2) Financial position

As a result of partial amendments to settlement of the past fiscal years, for the consolidated balance sheets of the fiscal year ended March 31, 2006, net assets decreased by ¥ 3.6 billion, total assets by ¥ 3.4 billion and retained earnings by ¥3.6 billion respectively as compared with figures before the amendments.

Total assets at the end of the fiscal year increased ¥ 0.9 billion to ¥181.4 billion. In total assets, current assets decreased ¥ 0.5 billion from the previous fiscal year. Main components were decreased notes receivables and accounts receivables of ¥ 2.8 billion due to reduced sales, increased inventory of ¥ 5.7 billion and decrease in cash and time deposits of ¥ 1.7 billion, and a decrease in other current assets such as deferred tax assets of ¥ 1.5 billion. Fixed assets increased by ¥ 1.4 billion. Tangible fixed assets increased by ¥ 1.5 billion mainly centering on machinery and equipment and transportation equipment. Total liabilities increased by ¥ 1.8 billion. Net assets decreased by ¥ 0.9 billion from the previous fiscal year to ¥ 55.7 billion. Equity ratio was 29.8%.

(Cash flow from operating activities)

Cash flow from operating activities resulted in a net revenue ¥ 0.9 billion (net revenue decreased ¥ 3.1 billion from the same period last year) before net tax income of ¥ 0.8 billion. There was an increase in inventory assets of ¥ 5.6 billion and a decrease in accounts receivable of ¥ 2.9 billion etc.

(Cash flow from investment activities)

Cash flow from investment activities resulted in net expenditure of ¥ 4.7 billion (an increase of ¥2.4 billion from the same period last year), mainly due to capital investment.

(Cash flow from financial activities)

Cash flow from financial activities resulted in a net revenue of ¥2.2 billion (an increase of ¥5.2 billion from the same period last year), due to increased short-term borrowings and repayment of long term debts.

The trend of cash flow indicators is as follows.

Indicator		Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2007
Equity ratio	(%)	24.8	27.1	30.5	29.8
Market-based equity ratio	(%)	34.4	39.2	66.2	30.4
Years until debt redeemed	(years)	6.3	9.7	13.8	64.6
Interest coverage ratio	(times)	7.0	4.8	4.0	0.9

・Equity ratio: Shareholders' equity / Total assets
・Market-based equity ratio: Total market price of shares / Total assets
・Years until debt recovered: Interest-bearing liabilities / Operating cash flow
・Interest coverage ratio: Cash flow from operating activities / Interest payments

Notes: 1. All figures have been calculated using consolidated-based financial figures.
2. The total market price of shares is the product of the per-share closing price at the end of the period and the total number of shares outstanding (less treasury stocks) at the end of the period.
3. The Operating cash flow uses the cash flows from operating activities as per the Consolidated Statement of Cash Flows. Interest-bearing liabilities use all the borrowings and debt as recorded in the Consolidated Balance Sheets. The Interest payments use the interest paid as recorded in the Consolidated Statement of Cash Flows.

(3) Basic Policy on Profit Distribution and Dividends for Fiscal Year 2007 and 2008

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.

With respect to dividends for the fiscal year ending March 31, 2007, we apologize to the shareholders but we would like to pass on the end of year dividend in light of the sharply deteriorated business performance of the current fiscal year.

With respect to dividends for the fiscal year ending March 31, 2008, we will also be obliged to pass on the dividend payment. We are determined to take the necessary steps in order to reinforce a basis of earnings so that we will be able to secure profit stability, aiming at the earliest possible resumption of dividend.

(4) Risks Which Could Affect Our Business

Latent risks and uncertainties which could affect our future financial performance are exemplified as below:

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 rate may harm our financial performance.

4) Stock Market Fluctuation

As we hold securities, downward of the stock price 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 should be 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, law suites 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

As is explained in 3-(3)-1 below, we will make efforts in a body to accomplish complete compliance with all laws and regulations. In spite of such efforts, if any of our directors and/or employees should conduct themselves in any way violating such 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 business performance.

The forecasts for future results and target figures produced by Iseki & Co., Ltd., are based on information available as the day of this announcement, and or assumptions made as of the same day regarding a number of latent risks and uncertainties that could affect future financial performance. Actual results could differ considerably depending on economic conditions, market trends, and future conditions for business operations hereafter.

The Iseki Group

The main business of the Iseki Group is the development, manufacture and sale of agricultural machinery for rice and vegetable farming. We also market consumer-oriented products, manufacture testing equipment, and are currently developing our sales and service as well as other business activities.

Below is a diagrammatic representation of the Iseki Group.

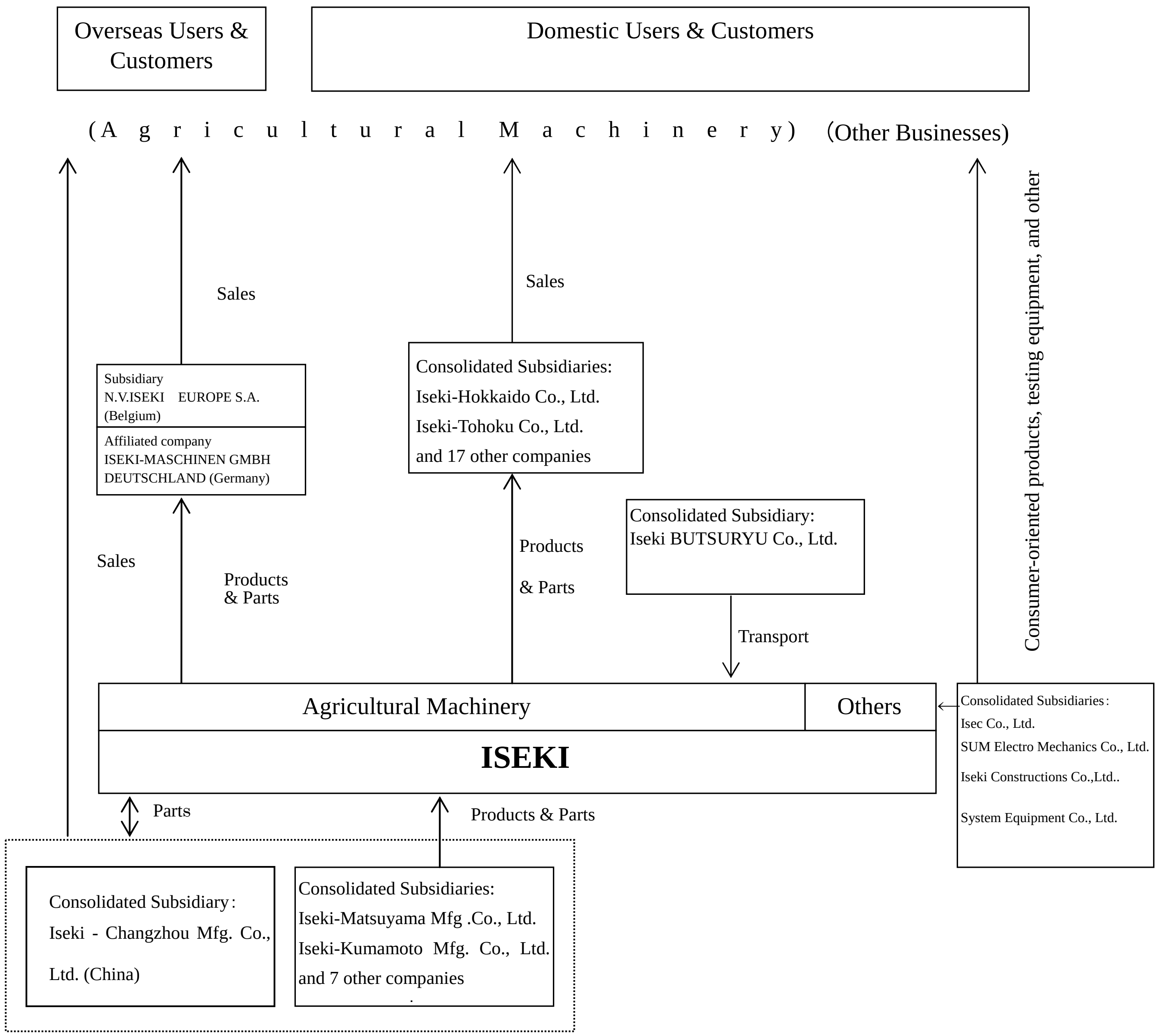
(Agricultural Machinery)

The development and design of agricultural machinery is primarily handled by the parent company. Ten companies, including Iseki-Matsuyama Mfg. Co., Ltd. and Iseki-Kumamoto Mfg. Co., Ltd., handle our agricultural machinery manufacturing and component processing activities, and 19 domestic sales companies market and sell the machinery across the country. Overseas marketing operations are handled by local distributors and affiliates as well as a wholly owned subsidiary in China, Iseki - Changzhou Mfg. Co., Ltd.

(Other Businesses)

Isec Co., Ltd. markets consumer-oriented products. SUM Electro Mechanics Co., Ltd. is responsible for the manufacture and sale of testing equipment, and System Equipment Co., Ltd. provides information processing services.

Following is a schematic diagram of the Iseki Group.



Iseki's Management Policies

1. Iseki's Basic Management Principles

During the 80 years since its establishment, ISEKI has contributed to the modernization of Japan's agricultural industry as a full-line manufacturer specializing in agricultural machinery. Over this time, we have consistently pursued efficient and laborsaving advances in agriculture, and have served the market by pioneering the development of a quantity great deal of agricultural machinery and facilities.

When we consider the questions of an increasing world population and food supply, and then our own nation's food self-sufficiency and land preservation, our role to serve the farming sector becomes important and our duty to society as a manufacturer of agricultural machinery becomes even more significant.

ISEKI will continue to operate under a basic business philosophy of "providing products that delight our consumers" so that the company can contribute to agriculture, both in Japan and throughout the world.

To reach this goal, our highest priority objectives are "to promote our brand name products, to improve quality, to accelerate cost-cutting measures and to strengthen our service". We are aiming for a corporate culture that can maintain a stable operating performance and will continue in our efforts to reform our profit structure.

2. Three-year Plan Management Strategies

Basic management strategies are as follows:

(1) The expansion of overseas sales

(2) To secure 20% share of the domestic agricultural machinery market

(3) To strengthen product competitiveness further

(4) To improve consolidated financial position by strengthening earning power and cash flow

3. Issues to be Addressed

(1) Prevent a recurrence of inappropriate accounting practices

We sincerely regret that our consolidated manufacturing subsidiaries caused inappropriate accounting practices and we failed to discover the fact for an extended period of time. We are determined to implement the following measures to prevent recurrence and regain lost confidence.

1. Compliance oriented management

We organized the compliance team under control of the director in charge of compliance as of June 1, 2007 across our organization. This team will take initiatives in giving compliance seminars continuously in order to make all directors and employees compliance conscious.

2. Preparation of an organization system related to internal control and work process
    1) We will reinforce checking the function of manufacturing subsidiaries by creating a "Management Control Section" under control of Head of the Development & Production Division of ISEKI as of June 1, 2007 which assumes ordinary monitoring function.
    2) We will increase the frequency of auditing and enhance its quality by increasing staff of the auditing department.
    3) For sales and other subsidiaries, we will let them handle internal auditing themselves by having an internal auditing function at each company. Furthermore, we will create a "Management Control Section" under Head of the Business Division as of June 1, 2007, which will inspect the degree of implementation of the internal auditing and give necessary guidance.
    4) We will create systems in which internal control will fully function by promoting standardization of work related to financial reporting and extract risk factors through preparation of "job statement" and flow charts

3. Creation of Management Supervisory Committee

We created a "management supervisory committee" as of June 1, 2007which is comprised of the President as chairperson, all directors as members and all auditors as observers, so that we can follow up monthly progress of measures to prevent recurrence of such a problem as well as to check degree of completeness.

We are determined not to repeat such a problem, and ISEKI and our consolidated subsidiaries will try hard together to regain lost confidence. Our shareholders' generous understanding and support would be most appreciated.

2. Important issues

Iseki Group is committed to a speedy reform of its earning structure in order to create corporate strength which will bring stable profits in future even in a drastically changing business environment. While we try to maintain and expand our sales by enhancing customers' satisfaction through the introduction of low priced but with high quality products and services from the view point of customers, we will also promote the creation of a low cost corporate structure and strengthening our consolidated financial structure.

1. Expansion of Sales and Market Share

In the midst of intensifying competition in the market, we place the "expansion of sales and market share" as the most important managerial issue which will be fully committed to by Iseki Group as a whole. In the domestic market, we will organize a system which allows us to have swift and proper response to the drastic changes in the agriculture industry, aiming to satisfy the diverse needs of our customers. In particular, we will strengthen our commitment to the market for principal farmers in order to obtain fresh customers. With respect to overseas markets, we will try to expand our sales centering in European market and strengthen our sales support system in the Asian markets where particularly high growth is expected, and will make efforts to expand overseas sales with a drive to increase sales and consolidate the presence of our products in the market.

2. Strengthening Product Competitiveness

We continue to develop and market products that accurately meet customers' needs. We strive to enhance overall product competitiveness by stepping up efforts to reduce costs and improve the quality of customer service.

3. Improvement of Consolidated Financial Position (Strengthening of Earning Power and Cash Flow)

We endeavor to strengthen earning power and cash flow at every consolidated group company level in order to improve further our consolidated financial position. We continue to aim to reduce the balance of interest-bearing liabilities and to manage the Group's capital and assets more effectively.

With respect to our response to environmental issues, we treat them as one of the most important issues of management. We will strengthen our commitment to environmental issues such as resource saving, energy saving, recycling of resources, exhaust gases and noise pollution.

4. Other important issues of corporate management

Not particularly.

Consolidated Financial Statements

Consolidated Balance Sheets

(millions of yen)

Account	FY2006 (as at Mar. 31, 2007)		FY2005 (as at Mar. 31,2006)		Change from previous period
	Amount	Ratio	Amount	Ratio	Amount
(Assets)		%		%	
I Current Assets	**86,371**	**47.6**	**86,868**	**48.1**	**(497)**
Cash and time deposits	5,270		6,971		(1,700)
Notes and accounts receivable	31,950		34,742		(2,791)
Marketable securities	23		146		(123)
Inventories	45,511		39,798		5,712
Deferred income taxes	578		1,330		(751)
Others	3,162		4,005		(843)
Allowance for doubtful accounts	(125)		(126)		1
II Fixsed Assets	**94,990**	**52.4**	**93,570**	**51.9**	**1,419**
1. Tangible fixed assets	**80,152**	**44.2**	**78,668**	**43.6**	**1,483**
Buildings and structures	15,608		15,044		563
Machinery,equipment and vehicles	9,725		8,503		1,221
Land	50,562		50,173		388
Construction in progress	1,139		1,812		(672)
Others	3,116		3,134		(17)
2. Intangible fixed assets	**986**	**0.6**	**1,036**	**0.6**	**(49)**
3. Investments and other assets	**13,851**	**7.6**	**13,865**	**7.7**	**(14)**
Investment securities	8,823		9,234		(411)
Long-term loans	204		211		(7)
Deferred income taxes	696		649		46
Others	4,817		4,428		389
Allowance for doubtful accounts	(691)		(659)		(32)
Total Assets	**181,362**	**100**	**180,439**	**100**	**922**

Consolidated Balance Sheets

(millions of yen)

Account	FY2007 (as at Mar. 31,2007) Amount	FY2007 Ratio	FY2006 (as at Mar. 31,2006) Amount	FY2006 Ratio	Change from previous period Amount
(Liabilities)		%		%	
I Current Liabilities	**83,026**	**45.8**	**89,943**	**49.8**	**(6,917)**
Notes and accounts payable, trade	42,352		41,621		730
Short-term borrowings	24,150		19,885		4,264
Bonds (due within one year)	140		100		40
Long-term debt (due within one year)	7,525		18,290		(10,764)
Accrued income taxes	612		1,249		(636)
Others	8,245		8,795		(550)
II Long - term Liabilities	**42,612**	**23.5**	**33,846**	**18.8**	**8,766**
Bonds	8,045		8,135		(90)
Long-term debt	18,455		8,905		9,550
Deferred income taxes	1,226		2,265		(1,038)
Deferred tax liability from land revaluation gain	7,595		7,595		―
Accrued retirement benefits for employees	5,185		4,809		376
Accrued directors' retirement benefits	306		258		47
Others	1,797		1,877		(79)
Total Liabilities	**125,638**	**69.3**	**123,789**	**68.6**	**1,848**
(Minority Interests in Consolidated Subsidiaries)					
Minority interests in consolidated subsidiaries	―	―	**1,558**	**0.9**	―
(Shareholders' Equity)					
I Common stock	―	―	22,784	12.6	―
II Capital surplus	―	―	12,815	7.1	―
III Retained earnings	―	―	6,207	3.5	―
IV Land revaluation reserve	―	―	10,527	5.8	―
V Net unrealized holding gain on securities	―	―	2,896	1.6	―
VI Foreign currency translation adjustments	―	―	15	0.0	―
VII Treasury stock	―	―	(154)	(0.1)	―
Total Shareholders' Equity	―	―	**55,092**	**30.5**	―
Total liabilities,Minority interests and Shareholders' Equity	―	―	**180,439**	**100**	―

(millions of yen)

Account	FY 2007 (as at Mar. 31, 2007)		FY 2006 (as at Mar. 31, 2006)		Change from Previous Period
	Amount	Ratio	Amount	Ratio	Amount
(Net Assets)		%		%	
I. Shareholders' equity	**40,985**	**22.6**	—	—	—
Common stock	22,784	12.6	—	—	—
Capital surplus	12,815	7.1	—	—	—
Retained earnings	5,548	3.0	—	—	—
Treasury stock	(163.0)	(0.1)	—	—	—
II. Difference of appreciation and conversion	**13,153**	**7.2**	—	—	—
Net unrealized holding gain on securities	2,598	1.4	—	—	—
Land revaluation reserve	10,527	5.8	—	—	—
Foreign currency translation adjustments	28	0.0	—	—	—
III. Minority interests in Consolidated Subsidiaries	**1,585**	**0.9**	—	—	—
Total Net Assets	**55,724**	**30.7**	—	—	—
Total Liabilities and Net Assets	**181,362**	**100**	—	—	—

Consolidated Statement of Income

(millions of yen)

Account	FY2007 (Apr.1,2006 - Mar. 31,2007)		FY2006 (Apr. 1,2005 - Mar. 31,2006)		Change from previous period
	Amount	Ratio	Amount	Ratio	Amount
		%		%	
I Net sales	153,728	100	161,744	100	(8,015)
II Cost of sales	105,309	68.5	109,088	67.4	(3,778)
Gross Profit	**48,419**	**31.5**	**52,656**	**32.6**	**(4,236)**
III Selling, general and administrative expenses	46,175	30.0	46,337	28.7	(161)
Operating Income	**2,243**	**1.5**	**6,319**	**3.9**	**(4,075)**
IV Non-operating Income	1,509	0.9	1,763	1.1	(254)
Interest and dividend income	358		403		(44)
Others	1,150		1,360		(209)
V Non-operating Expenses	2,476	1.6	2,361	1.5	114
Interest expenses	1,135		1,121		13
Others	1,341		1,240		101
Ordinary Income	**1,276**	**0.8**	**5,721**	**3.5**	**(4,444)**
VI Extraordinary Gains	44	0.0	907	0.6	(862)
Gain on sale and disposal of property, plant and equipment	44		186		(142)
Gain on sale of investment securities	—		720		(720)
VII Extraordinary Losses	513	0.3	1,940	1.2	(1,427)
Loss on sale and disposal of property, plant and equipment	312		412		(99)
Impairment loss	25		505		(480)
Transfer to allowance for doubtful accounts	119		195		(75)
Loss on Liquidation of a subsidiary	—		522		(522)
Loss from prior period adjustment	—		177		(177)
Loss on bad debt	—		73		(73)
Others	55		53		1
Income before income taxes and minority interests	**807**	**0.5**	**4,688**	**2.9**	**(3,880)**
Income taxes	866	0.6	1,655	1.0	(789)
Income taxes, deferred	(112)	(0.1)	320	0.2	(433)
Minority interests in consolidated subsidiaries	35	0.0	50	0.1	(14)
Net Income	**18**	**0.0**	**2,661**	**1.6**	**(2,643)**

Consolidated Statement of Changes in Net Assets

FY 2007 (Apr.1, 2006-Mar. 31, 2007) (millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2006	22,784	12,815	6,207	(154)	41,653
Changes of items during the period					
Dividends from surplus	―	―	(677)	―	(677)
Net income	―	―	18	―	18
Purchse of tresury stock	―	―	―	(8)	(8)
Net changes of items other than shareholders'equity	―	―	―	―	―
Total changes of items during the period	―	―	(659)	(8)	(667)
Balance at Mar. 31, 2007	22,784	12,815	5,548	(163)	40,985

	Difference of appreciation and conversion				Minority Interests	Total net assets
	Net unrealized holding gains on securities	Land revaluation reserve	Foreign currency translation adjustments	Total difference of appreciation and conversion		
Balance at March 31, 2006	2,896	10,527	15	13,438	1,558	56,650
Changes of items during the period						
Dividends from surplus	―	―	―	―	―	(677)
Net income	―	―	―	―	―	18
Purchase of treasury stock	―	―	―	―	―	(8)
Net changes of items other than shareholders'equity	(297)	―	12	(285)	27	(258)
Total changes of items during the period	(297)	―	12	(285)	27	(926)
Balance at Sep. 30, 2007	2,598	10,527	28	13,153	1,585	55,724

Consolidated Statement of Surplus

(millions of yen)

Account	FY 2007 (Apr.1, 2006 - Mar. 31, 2007)
(Capital Surplus)	
I Balance of capital surplus at beginning of the year	11,664
II Increase in capital surplus	1,151
Issuance of common stock	250
Gain on disposal of treasury stock	900
III Balance of capital surplus at end of the year	12,815
(Retained Earnings)	
I Balance of retained earnings at beginning of the year	4,372
II Increase in retained earnings	2,661
Net income	2,661
III Decrease in retained earnings	826
Cash dividends	649
Transfer from land revaluation reserve	176
IV Balance of retained earnings at end of the year	6,207

Consolidated Statement of Cash Flows (millions of yen)

	Account	FY2007 (Apr.1, 2006 - Mar.31, 2007)	FY2006 (Apr.1, 2005 - Mar.31, 2006)	Change from previous period
I	**Cash Flows from Operating Activities**			
	Income before income taxes and minority interests	807	4,688	(3,880)
	Depreciation and amortization	3,708	3,892	(183)
	Impairment loss	25	505	(480)
	Amortization of consolidated adjustment account	—	(215)	215
	Goodeill Amortization	(118)	—	(118)
	Increase in reserve for retirement benefits	376	295	80
	Loss (gain) on sales of investment securities	—	(720)	720
	Interest and dividend income	(358)	(403)	44
	Interest expenses	1,007	1,000	7
	Effect of exchange rate changes	15	74	(58)
	Loss on sales of tangible and intangible fixed assets	268	225	42
	Loss on liquidation of a subsidary	—	522	(522)
	Decrease in notes and accounts receivable	2,896	862	2,034
	Decrease(increase)in inventories	(5,594)	(790)	(4,803)
	Increase(decrease) in notes and accounts payable	748	(2,981)	3,730
	Others	(1,202)	730	(1,933)
	Subtotal	2,580	7,683	(5,103)
	Interest and dividends received	356	404	(47)
	Interest paid	(1,018)	(1,000)	(18)
	Income taxes paid	(1,591)	(3,071)	1,479
	Refunded income taxes	575	—	575
	Net cash provided by (used in) operating activities	**902**	**4,016**	**(3,114)**
II	**Cash Flows from Investing Activities**			
	Payments for purchases of marketable securities	(23)	(4)	(18)
	Proceeds from sale of short-term securities	146	282	(136)
	Payments for purchases of tangible and intangible fixed assets	(5,692)	(5,330)	(362)
	Proceeds from sale of tangible and intangible fixed assets	990	1,646	(655)
	Payments for purchase of investment securities	(100)	(0)	(99)
	Proceeds from sale of investment securities	—	943	(943)
	Paymemt for purchase of subsidiary	(276)	—	(276)
	Net decrease in long-term loans	33	8	24
	Net decrease in time deposits	96	16	79
	Others	106	151	(44)
	Net cash used in (provided by)investing activities	**(4,718)**	**(2,285)**	**(2,432)**
III	**Cash Flows from Financing Activities**			
	Net decrease in short-term borrowings	4,255	(470)	4,726
	Proceeds from long-term debt	18,180	4,966	13,214
	Repayments of long-term debt	(19,437)	(7,861)	(11,576)
	Proceeds from bonds issued	—	1,000	(1,000)
	Redemption of bonds	(100)	(40)	(60)
	Proceeds from sale of treasury stock	—	56	(56)
	Payments for purchases of treasury stock	(8)	(46)	37
	Payment of dividends	(677)	(649)	(27)
	Others	(3)	(3)	(0)
	Net cash used in financing activities	**2,207**	**(3,048)**	**5,256**
IV	**Effect of Exchange rate Changes on Cash and Cash Equivalents**	**3**	**(44)**	**47**
V	**Net Decrease in Cash and Cash Equivalents**	**(1,604)**	**(1,361)**	**(242)**
VI	**Cash and Cash Equivalents at beginning of year**	**6,589**	**7,803**	**(1,213)**
VII	**Increase in cash and cash equivalents by merger**	—	**147**	**(147)**
VIII	**Cash and Cash Equivalents at end of year**	**4,985**	**6,589**	**(1,604)**

Important Basic Items for Prepare Consolidated Financial Statements

1. Scope of consolidation

Number of consolidated subsidiaries 34 companies

(including Iseki-Matsuyama Mfg. Co., Ltd., Iseki-Kumamoto Mfg. Co., Ltd., Iseki-Hokkaido Co., Ltd. and Iseki-Tohoku Co., Ltd.)

2. Scope of the equity method companies

The equity method is not applied to any of the group companies.

3. Consolidated accounting period

Of the consolidated subsidiaries, 20 companies (including Iseki-Hokkaido Co., Ltd. and Iseki-Changzhou Mfg. Co., Ltd.) use an end-of-period balance sheet date of December 31. Fourteen 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 occur between the consolidated balance sheet date and these dates.

4. Accounting policies

(1) Valuation basis and methods of important assets

(a) Securities

Held-to-maturity debt securities .... recorded at amortized cost

Other 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)
- Securities without at fair market value.... recorded at cost, based on the moving-average method

(b) Inventories... mainly recorded at the lower of cost or market value using the gross average method

(c) Derivatives... recorded using the market value method

(2) Depreciation methods for material depreciable assets

(a) Tangible fixed assets

The straight-line method is used to depreciate tools. For others, the declining-balance method is used. However, for new buildings (not including building fixtures and furnishings) acquired on or after April 1, 1998, the straight-line method is used.

(b) Intangible fixed assets

Straight-line method is used .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.

(3) Allowances and reserves

(a) 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.

(b) Accrued retirement benefits for employees

Accrued retirement benefits for employees 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, with the first expense being recognized in the following consolidated fiscal period.

(c) Accrued directors' retirement benefits

The company and some of the consolidated subsidiaries record an accrued directors' retirement benefits to provide for directors' retirement benefits in an amount as required by companies' internal regulations.

(4) 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 adjustments" in shareholders' equity and financial statements.

(5) Leases

Finance leases, other than those leases which transfer the ownership of the assets to the lessee, are accounted for based on the regular treatment of operating leases.

(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

(i) Hedging instruments

Forward exchange contracts and interest rate swap agreements

(ii) Hedged items

Receivables and payables denominated in foreign currencies and borrowings

(c) Hedging policies

Forward exchange contracts and interest rate swap agreements are entered into in order to hedge the risks associated with fluctuations in foreign currencies exchange rates and interest rates.

(7) Other notes pertaining to the preparation of the Consolidated Financial Statements

Accounting treatment of consumption tax

Consumption tax and local consumption taxes are accounted for using a tax-exclusive method.

5. Evaluation of consolidated subsidiaries' assets and liabilities

The market value method is used to value the consolidated subsidiaries' assets and liabilities.

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.

7. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits with banks with draw able 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.

(Change in essential matters which provide a basis for preparation of Consolidated Financial Statements)

From this interim fiscal period just ended, we have adopted "Accounting Standard for Recording Shareholders' Equity of Balance Sheet", (Corporate Accounting Standard No. 5, December 9, 2005) and "The guideline for the Application of Accounting Standards for Shareholders' Equity of Balance Sheet" (Guideline for Application of Corporate Accounting No. 8, December 9, 2005). Corresponding amount to the former Shareholder's Equity is ¥54,138 million.

As a consequence of a revision of regulations for interim period consolidated financial statements, shareholders' equity in the interim consolidated balance sheet for the interim consolidated fiscal period has been prepared in accordance with the revised regulations for the interim consolidated financial statements.

<u>Notes</u>

(Consolidated Balance Sheet infomation)

		FY2007	FY2006	Variance
1.	Accumulated depreciation of tangible fixsed assets	87,024 million yen	85,944 million yen	1,080 million yen
2.	Guaranteed liabilities	9,706 million yen	9,929 million yen	(223 million yen)
3.	Notes receivable less discount	65 million yen	94 million yen	(28 million yen)
4.	Endorsed notes receivable	639 million yen	642 million yen	(3 million yen)

5. Matured bill as of the end of consolidated fiscal year

The last day of the current fiscal year fell on a holiday of all financial institutions. The recording is made assuming they were settled on the maturity date. Matured bills as of the end of current consolidated fiscal year are as follows.

Notes receivable	25 million yen
Notes payable	2,274 million yen
Notes payable for equioment	169 million yen

6. Revaluation of land for business use

Iseki 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 (fixed liability) as a "Deferred tax liability from land revaluation gain"

- Revaluation method ・・・・・ The revaluation of land has been determined using a reasonable adjustment to the assessed value of the fixed 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 ・・・・ (9,025 million yen)

(Consolidated Statement of Income Infomation)

	FY2007	FY2006	Variance
1. Research and development expenses	4,498 million yen	4,209 million yen	288 million yen

2．Impairment loss

FY 2007 (April 1, 2006-March 31, 2007)

In this consolidated fiscal period, impairment loss has been realized recognized following assets.

(millions of yen)

Usage	Type	Location	Impairment loss
Idle property	Land	Ebetsu-shi, Hokkaido	17
	Buildings, land	Tsugaru-shi, Aomori Pref.	8
Total			25

FY 2006(April 1, 2005-March 31, 2006)

Impairment loss was realized following assets. (millions of yen)

Usage	Type	Location	Impairment loss
Idle property	Land	Inashiki-gun, Ibaraki Pref.	221
	Land	Kirishima-shi, Kagoshima Pref.	78
	Buildings, land	Kuma-gun, Kumamoto Pref.	56
	Land	Sasayama-shi, Hyogo Pref.	38
	Buildings	Matsuyama-shi, Ehime Pref.	33
	Land	Kasumigaura-shi, Ibaraki Pref.	22
	Structures, land	Kamiminochi-gun, Nagano Pref.	18
	Buildings, structures,	Sapporo-shi, Hokkaido	36
Total			505

(Reason to recognized impairment loss)

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.

(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 fixed assets for property tax.

(Consolidated Statements of Changes in Net Assets)

FY 2007 （Apr. 1, 2006-March 31, 2007）

1. Matters concerning the classes and number of outstanding stock and classes and number of treasury stock.

	Number of shares (as of Mar. 31, 2006)	Increase in number of shares during period	Decrease in number of shares during period	Number of shares (as of Mar.31, 2007)
(Number of outstanding shares)				
Common stock	226,536,329	—	—	226,536,329
(Treasury stock)				
Common stock	666,946	23,167	—	690,113

Increase in the number of shares, 23,167 shares during the period was by purchasing of shares below stock trading unit.

2. Matters concerning dividends

（Resolution）	Class of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Date of record	Effective date
General meeting of shareholders(June 27, 2006)	Common stock	677	3	Mar.31,2006	Jun.27,2006

(Consolidated Statements of Cash Flows Information)

Reconciliation between the end of period balance of cash and cash equivalents and the amount reported in the Consolidated Balance Sheet.

	FY2007	FY2006	Variance
Cash and time deposits	5,270 million yen	6,971 million yen	(1,700) million yen
Time deposits with terms of 3 months or more	(285)	(382)	96
Cash and cash equivalents	4,985	6,589	(1,604)

(Segment Information)

1. Business Segment Information

For this period (April 1, 2006 – March 31, 2007) and the previous period (April 1, 2005 – March 31, 2006), 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.

2. Geographical Segment Information

For this period (April 1, 2006 – March 31, 2007) and the previous period (April 1, 2005 – March 31, 2006), 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.

3. Overseas sales Information

FY 2007 (April 1, 2006 – March 31, 2007)

(millions of yen)

	The United States	Europe	Others	Total
I Overseas sales	6,751	8,936	3,165	18,853
II Consolidated net sales	—	—	—	153,728
III Overseas sales as a percentage of consolidated net sales (%)	4.4	5.8	2.1	12.3

FY 2006 (April 1, 2005 – March 31, 2006)

(millions of yen)

	The United States	Europe	Others	Total
I Overseas sales	9,071	8,674	2,766	20,512
II Consolidated net sales	—	—	—	161,744
III Overseas sales as a percentage of consolidated net sales (%)	5.6	5.4	1.7	12.7

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

(b) 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.

(Tax Effect Accounting)

1. Itemized basis of deferred tax assets and deferred tax liabilities

	FY2007		FY2006	
(Deferred tax assets)				
Accrued retirement benefits for employees	1,473	million yen	933	million yen
Accrued bonuses	325		305	
Unrealized gains on sales of inventories	55		274	
Tax loss carry forwards	501		672	
Others	426		216	
Offset to deferred tax liabilities	(1,507)		(422)	
Net deferred tax assets	1,275		1,980	

	FY2007		FY2006	
(Deferred tax liabilities)				
Deferred gain on sale of properties	175	million yen	187	million yen
Prepaid pension cost	541		270	
Net unrealized holding gain on securities	1,735		1,939	
Others	315		310	
Offset to deferred tax assets	(1,507)		(422)	
Net deferred tax liabilities	1,260		2,286	

Securities

1. Held-to-maturity debt securities with fair market value

(millions of yen)

Category	FY2007 (year ended March 31, 2007)			FY2006 (year ended March 31, 2006)		
	as recorded on Consolidated Balance Sheet	Fair Market Value	Variance	as recorded on Consolidated Balance Sheet	Fair Market Value	Variance
Securities whose market value dose not exceed the value recorded in the Consolidated Balance Sheet	250	248	(1)	390	385	(4)
Total	250	248	(1)	390	385	(4)

2. Other securities with fair market value

(millions of yen)

Category		FY2007 (year ended March 31, 2007)			FY2006 (year ended March 31, 2005)		
		Purchase cost	as recorded on Consolidated Balance Sheet	Variance	Purchase cost	as recorded on Consolidated Balance Sheet	Variance
Securities whose market value exceeds the value recorded in the Consolidated Balance Sheet	Shares	2,718	7,064	4,346	2,716	7,569	4,852
(Subtotal)		2,718	7,064	4,346	2,716	7,569	4,852
Securities whose market value dose not exceed the value recorded in the Consolidated Balance Sheet	Shares	16	10	(5)	16	13	(2)
	Others	100	92	(7)	—	—	—
(Subtotal)		16	103	(12)	16	12	(2)
Total		2,834	7,168	4,333	2,732	7,582	4,849

3. Major securities not valued at fair market value

(millions of yen)

Category	FY2007 (year ended March 31, 2007)	FY2006 (year ended March 31, 2006)
	in the Consolidated Balance Sheet	in the Consolidated Balance Sheet
(1) Held-to-maturity securities Discounted bank debenture	23	6
(2) Other securities Non-listed shares (excluding over-the-counter shares)	1,332	1,332

(Employees' Retirement Benefits)

1. Overview of Employees' Retirement Benefit Plans

Iseki and its consolidated subsidiaries maintain both an approved pension plan and a lump-sum benefit retirement plan as defined benefit plans. Also, premium severance benefits are paid when certain employees retire.

2. Employees' retirement benefits obligations information

		FY2007	FY2006
1	Retirement benefit obligation	(30,208)	(30,317)
2	Pension plan assets	14,560	12,108
3	Unfunded retirement benefit obligation	(15,647)	(18,208)
4	Unrecognized net transition obligation	11,683	13,143
5	Unrecognized actuarial differences	1,021	1,462
6	Unrecognized past service liabilities	(857)	(528)
7	Net amount recorded on Consolidated	(3,80	(4,130)
8	Prepaid pension cost	1,385	679
9	Accrued retirement benefits for employees	(5,185)	(4,809)

Notes: Some consolidated subsidiaries employ by simplified methods to estimate the benefits obligation.

3. Employees' retirement benefits expenses information

		FY2007 (millions of yen)	FY2006 (millions of yen)
1	Service costs	1,408	1,295
2	Interest costs	501	498
3	Expected return on pension plan assets	(195)	(132)
4	Amortized net transition obligations	1,460	1,460
5	Amortized actuarial differences	232	326
6	Amortized past service liabilities	(98)	(98)
7	Other expenses	51	51
8	Retirement benefits expenses	3,360	3,401

Notes: The value of allocations to defined contribution pension plan is included within the "Other expenses" item.

4. The assumptions in calculating the retirement benefit obligation information

		FY2007	FY2006
1	Method used to apportion the expected	Straight-line over the	Straight-line over the
2	Discount rate	2.0%	2.0%
3	Expected rate of return on pension	2.0%	2.0%
4	Amortization period of past service	10-13 years	10-13 years
		(to be amortized using the straight-line method over the average of the estimated remaining years of service.)	
5	Amortization period of actuarial differences	10-13 years	10-13 years
		(to be amortized using the straight-line method over the	
		15 years	15 years

(Per share information)

(yen)

	FY 2007	FY 2006
Net assets per share	239.71	243.91
Net income per share	0.08	12.21
Net income per share after adjustment for dilutive securities	0.07	10.82

(Note) Basis of calculation of net income per share and net income per share after adjustment for dilutive securities are as follows.

	FY 2007	FY 2006
Net income per share Net income per share on consolidated profit and loss statement (millions of yen)	18	2,661
Net income attributed to common shares (millions of yen)	18	2,661
Net income not attributable to common shares (millions of yen)	—	—
During period average number of common shares (shares)	225,856,320	217,996,080
Net income per share after adjustment for dilutive securities Adjustment of net income (millions of yen)	—	—
Increased number of common shares (shares) (equity warrants, shares)	20,103,550 (20,103,550)	28,005,423 (28,005,423)
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 dilutive effect.	—	—

(Omission from disclosure)

The following items of note were omitted from disclosure as the necessity of disclosure in summary announcement of financial results is not considered big.

- lease commitments
- transactions with parties concerned

Also, the following items are omitted from disclosure as they have no corresponding fact.

- derivative transactions
- stock options
- corporate union etc.
- important issues which occurred later

Production, Orders & Sales

Production, Orders & Sales

1. Production results per product-type

(millions of yen)

Product-type	FY2007 (Apr 1, 2006 - Mar 31, 2007)	FY2006 (Apr 1, 2005 - Mar 31, 2006)	Change from previous period
Machinery for soil preparation	45,843	49,391	(3,548)
Cultivating machinery	15,187	13,528	1,659
Harvesting and processing machinery	30,246	33,197	(2,951)
Parts and farming implements	2,576	2,582	(6)
Agricultural machinery related	8,055	7,231	824
Others	2,263	3,097	(833)
Total	104,173	109,029	(4,855)

Note: Figures are shown in terms of sales values.

2. Orders

We operate a system whereby production is based mostly on projected demand. We hardly ever produce on order.

3. Sales results per product-type

(1) Total (millions of yen)

Product-type	FY2007 (Apr 1, 2006 - Mar 31, 2007)		FY2006 (Apr 1, 2005 - Mar 31, 2006)		Change from previous period	
	amount	ratio	amount	ratio	amount	ratio
		%		%		%
Machinery for soil preparation	44,641	29.0	48,478	30.0	(3,837)	(7.9)
Cultivating machinery	11,755	7.7	11,742	7.3	13	0.1
Harvesting and processing machinery	29,671	19.3	32,704	20.2	(3,033)	(9.3)
Parts and farming implements	30,798	20.0	31,614	19.5	(815)	(2.6)
Agricultural machinery related	25,130	16.4	25,165	15.6	(35)	0.1
Others	11,732	7.6	12,037	7.4	(305)	(2.5)
Total	153,728	100	161,744	100	(8,015)	(5.0)

(2) Domestic (millions of yen)

Product-type	FY2007 (Apr 1, 2006 - Mar 31, 2007) amount	ratio	FY2006 (Apr 1, 2005 - Mar 31, 2006) amount	ratio	Change from previous period amount	ratio
		%		%		%
Machinery for soil preparation	29,389	21.8	31,425	22.3	(2,036)	(6.5)
Cultivating machinery	10,599	7.8	10,730	7.6	(130)	(1.2)
Harvesting and processing machinery	28,670	21.3	31,876	22.6	(3,206)	(10.1)
Parts and farming implements	29,788	22.1	30,539	21.6	(750)	(2.5)
Agricultural machinery related	24,864	18.4	24,774	17.5	89	0.4
Others	11,562	8.6	11,884	8.4	(321)	(2.7)
Total	134,875	100	141,231	100	(6,356)	(4.5)

(3) Overseas (millions of yen)

Product-type	FY2007 (Apr 1, 2006 -Mar 31, 2007) amount	ratio	FY2006 (Apr 1, 2005 - Mar 31, 2006) amount	ratio	Change from previous period amount	ratio
		%		%		%
Machinery for soil preparation	15,251	80.9	17,053	83.1	(1,801)	(10.6)
Cultivating machinery	1,155	6.1	1,012	4.9	143	14.2
Harvesting and processing machinery	1,000	5.3	827	4.0	173	21.0
Parts and farming implements	1,009	5.4	1,075	5.3	(65)	(6.1)
Agricultural machinery related	265	1.4	391	1.9	(125)	(32.1)
Others	169	0.9	153	0.8	16	10.5
Total	18,853	100	20,512	100	(1,659)	(8.1)

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(millions of yen)

Account	FY2007 (as at Mar. 31, 2007)		FY2006 (as at Mar. 31,2006)		Change from previous period
	Amount	Ratio	Amount	Ratio	Amount
(Assets)		%		%	
I Current Assets	**67,863**	**52.2**	**70,379**	**51.1**	**(2,515)**
Cash and time deposits	1,988		2,481		(493)
Notes receivable	6,129		7,358		(1,229)
Accounts receivable	24,364		24,889		(524)
Marketable securities	—		120		(120)
Finished goods & parts for sales	15,596		14,551		1,045
Work in process	17		19		(2)
Raw materials & supplies	316		318		(2)
Advance payments	668		801		(133)
Prepaid expenses	212		215		(3)
Short-term loans receivable	16,974		17,051		(77)
Deferred income taxes	289		915		(625)
Others	1,346		1,695		(348)
Allowance for doubtful accounts	(39)		(40)		0
II Fixsed Assets	**62,190**	**47.8**	**67,252**	**48.9**	**(5,061)**
1. Tangible fixed assets	**34,449**	**26.5**	**33,649**	**24.5**	**799**
Buildings	3,330		3,199		130
Structures	275		288		(13)
Machinery & equipment	3,653		3,203		449
Auto and trucks	6		7		(0)
Tools, furniture and fixtures	1,598		1,597		1
Land	25,455		25,334		121
Construction in progress	129		18		111
2. Intangible fixed assets	**576**	**0.4**	**591**	**0.4**	**(15)**
Leasehold rights	85		85		—
Software	422		443		(20)
Others	68		62		5
3. Investments and other assets	**27,165**	**20.9**	**33,011**	**24.0**	**(5,845)**
Investment securities	8,607		9,104		(497)
Investments in affiliated companies	17,660		21,512		(3,852)
Long-term loans	1,912		2,324		(412)
Long-term prepaid expenses	364		403		(39)
Others	2,168		1,576		591
Allowance for doubtful accounts	(2,592)		(1,911)		(681)
Allowance for loss in investments	(954)		—		(954)
Total Assets	**130,054**	**100**	**137,632**	**100**	**(7,577)**

Non-consolidated Balance Sheets

(millions of yen)

Account	FY2007 (as at Mar. 31,2007)		FY2006 (as at Mar. 31,2006)		Change from previous period
	Amount	Ratio	Amount	Ratio	Amount
(Liabilities)		%		%	
I Current Liabilities	**47,568**	**36.6**	**57,745**	**42.0**	**(10,177)**
Notes payable, trade	16,189		18,086		(1,896)
Accounts payable, trade	12,540		12,946		(405)
Short-term borrowings	10,200		6,060		4,140
Long-term debt(due within one year)	4,341		15,350		(11,008)
Account payble, other	516		632		(116)
Accrued expenses	2,621		2,575		45
Appropriation of tax	154		74		79
Advances received	264		288		(23)
Deposits received	96		1,550		(1,453)
Others	644		181		463
II Long - term Liabilities	**32,411**	**24.9**	**24,010**	**17.4**	**8,400**
Bonds	7,795		7,795		―
Long-term debt	13,031		3,828		9,203
Deferred tax liability	1,061		2,054		(993)
Deferred tax liability from land revaluation gain	7,595		7,595		―
Accrued retirement benefits for employees	1,594		1,416		178
Accrued directors' retirement benefits	228		192		35
Allowance for debr guarantee	40		45		(4)
Long-term deposits received	1,063		1,082		(19)
Total Liabilities	**79,979**	**61.5**	**81,756**	**59.4**	**(1,776)**
(Shareholders' Equity)					
I Common stock	―	―	22,784	16.6	―
II Capital surplus	―	―	13,366	6.3	―
Capital reserve	―		10,994		―
Other capital surplus	―		2,371		―
III Retained earnings	―	―	6,468	4.7	―
Unappropriated profit for the period			6,468		―
IV Net unrealized revaluation gain on land	―	―	10,527	7.6	―
V Net unrealized holding gain on securities	―	―	2,883	2.1	―
VI Treasury stock	―	―	(154)	(0.1)	―
Total Shareholders' Equity	―	―	**55,875**	**40.6**	―
Total liabilities,Minority interests and Shareholders' Equity	―	―	**137,632**	**100**	―

Non-consolidated Balance Sheets

(millions of yen)

Account	FY 2007 (as at Mar. 31, 2007)		FY 2006 (as at Mar. 31, 2006)		Change from Previous Period
	Amount	Ratio	Amount	Ratio	Amount
(Net Assets)		%		%	
I. Shareholders' equity	**36,959**	**28.4**	—	—	—
1.Common stock	22,784	17.5	—	—	—
1.Capital surplus	13,366	10.3	—	—	—
3.Retained earnings	971	0.7	—	—	—
(1) Other retained earnings	971				
Retained earnings carried forward	971				
4.Treasury stock	(163)	(0.1)	—	—	—
II. Difference of appreciation and conversion	**13,115**	**10.1**	—	—	—
1.Net unrealized holding gain on securities	2,588	2.0	—	—	—
2.Net unrealized holding gain on land	10,527	8.1	—	—	—
Total Net Assets	**50,075**	**38.5**	—	—	—
Total Liabilities and Net Assets	**130,054**	**100**	—	—	—

Non-consolidated Statement of Income

(millions of yen)

Account	FY2007 (Apr.1,2006 - Mar. 31,2007)		FY2006 (Apr. 1,2005 - Mar. 31,2006)		Change from previous period
	Amount	Ratio	Amount	Ratio	Amount
		%		%	
I Net sales	90,784	100	93,759	100	(2,975)
II Cost of sales	76,834	84.6	76,611	81.7	222
Gross Profit	**13,950**	**15.4**	**17,148**	**18.3**	**(3,197)**
III Selling, general and administrative expenses	13,205	14.6	14,016	15.0	(810)
Operating Income	**744**	**0.8**	**3,131**	**3.3**	**(2,386)**
IV Non-operating Income	2,575	2.8	2,901	3.1	(326)
Interest and dividend income	808		1,147		(339)
Rents	1,221		1,268		(47)
Others	546		485		60
V Non-operating Expenses	2,479	2.7	2,213	2.3	266
Interest expenses	486		510		(23)
Rental assets expense	807		948		(141)
Others	1,185		754		431
Ordinary Income	**841**	**0.9**	**3,820**	**4.1**	**(2,979)**
VI Extraordinary Gains	495	0.5	731	0.7	(235)
Gain on sale and disposal of property, plant and equipment	29		51		(21)
Gain on allowance for doubtful accounts	461		—		461
Gain on sale of investment securities	—		677		(677)
Others	4		2		2
VII Extraordinary Losses	6,296	6.9	1,900	2.0	4,395
Loss on sale and disposal of property, plant and equipment	102		156		(53)
Impairment loss	—		280		(280)
Loss on Liquidation of a subsidiary	—		431		(431)
Evaluation loss on stock of subsidiaries	3,853		—		3,853
Evaluation loss on loans	244		—		244
Transfer to allowance for doubtful accounts	1,142		—		1,142
Provisions for allowance for loss on investment	954		—		954
Evaluation loss on investments and loans to affiliates	—		960		(960)
Provision for allowance for loss on guarantees	—		47		(47)
Others	—		25		(25)
Income before income taxes	**(4,959)**	**(5.5)**	**2,650**	**2.8**	**(7,610)**
Income taxes	24	0.0	24	0.0	(0)
Income taxes, deferred	(165)	(0.2)	(266)	(0.3)	101
Net Income	(4,818)	(5.3)	2,893	3.1	(7,711)
Retained earnings brought forward from the previous period	—		3,751		—
Write-off of net land revaluation	—		(176)		—
Unappropriated retained earnings for the period	—		**6,468**		—

Non-consolidated Statement of Changes in Net Assets

FY 2007 (Apr.1, 2006-Mar. 31, 2007)

Non-consolidated Statement of changes in Net Assets
FY2007(Apr. 1, 2006-Mar. 31, 2007)

	Shareholders' equity							
		Capital surplus			Retained earnings			
					Other retained earnings			
	Common stock	Capital reserve	Capital surplus	Total capital surplus	Retained earnings carry foward	Total retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2006	22,784	10,994	2,371	13,366	6,468	6,468	(154)	42,465
Change of items during the period					(677)	(677)	—	(677)
Dividends from surplus	—	—	—	—	(4,818)	(4,818)	—	(4,818)
Net loss	—	—	—	—	—	—	(8)	(8)
Purchase of treaury stock	—	—	—	—	—	—	—	—
Net change of items other than shareholders' quity	—	—	—	—	—	—	—	—
Total changes of items during the period	—	—	—	—	(5,496)	(5,496)	(8)	(5,505)
Balance at March 31, 2007	22,784	10,994	2,371	13,366	971	971	(163)	36,959

	Difference of appreciation and conversion			
	Net unrealized holding gains on securities	Land revaluation reserve	Total difference of appreciation and coversion	Total net assets
Balance at March 31, 2006	2,883	10,527	13,410	55,875
Change of items during the period				
Dividends from surplus	—	—	—	(677)
Net loss	—	—	—	(4,818)
Purchase of treaury stock	—	—	—	(8)
Net change of items other than shareholders' quity	(295)	—	(295)	(295)
Total changes of items during the period	(295)	—	(295)	(5,800)
Balance at March 31, 2007	2,588	10,527	13,115	50,075

Earned Surplus Statement

(Millions of yen)

Account	Previous period (FY2006)
I. Unappropriated retained earnings for the period	6,468
II. Appropriated retained earnings	677
Dividend	(3 yen per share) 677
III Surplus carried forward	5,790

Important Accounting Policies

1. Valuation basis and methods of important assets

(1) Held-to-maturity debt securities………………………..recorded at amortized cost

(2) Securities of subsidiaries and affiliates…………recorded at cost, based on the moving-average method

(3) Other 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)

Securities without at fair market value…………recorded at cost, based on the moving-average method

2.Valuation basis and methods of Derivatives

Derivatives…………………………………………………recorded using the market value method

3. Depreciation methods for inventories

(1) Finished goods and parts for sales……………………recorded at lower of cost or market method, based on periodic average method

(2) Raw materials and supplies………………………….recorded at lower of cost or market method, based on periodic average method

4. Depreciation methods for material depreciable assets

(1) Tangible fixed assets

a. Buildings……………………………………………….declining balance method (a straight-line method is used for new buildings (not including building fixtures and furnishings) acquired on or after April 1, 1998.)

b. Tools…………………………………………………..straight-line method

c. Others………………………………………………….declining balance method

(2) Intangible fixed assets

Straight-line method is used .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.

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.

6. Allowances and reserves

(1) 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.

(2) Allowance for loss on investments

In order to be prepared for loss on investments in affiliates, an estimated amount of loss is appropriated in consideration of the financial situation etc. of the insured.

(3) Accrued retirement benefits for employees

Accrued retirement benefits for employees 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, with the first expense being recognized in the following consolidated fiscal period.

(4) Accrued directors' retirement benefits

The company and some of the consolidated subsidiaries record an accrued directors' retirement benefits to provide
for directors' retirement benefits in an amount as required by companies' internal regulations.

(5) Allowance for loss on guarantees

In order to be prepared for loan guarantee loss, an estimated amount of loan loss is appropriated in consideration of the financial situation etc. of the insured.

7. Leases

Finance leases, other than those leases which transfer the ownership of the assets to the lessee, are accounted for based on the regular treatment of operating leases.

8. Hedge accounting

(1) 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.

(2) Hedging instruments and hedged items

a. Hedging instruments

Forward exchange contracts and interest rate swap agreements

b. Hedged items

Receivables and payables denominated in foreign currencies and borrowings

(3) Hedging policies

Forward exchange contracts and interest rate swap agreements are entered into in order to hedge the risks associated with fluctuations in foreign currencies exchange rates and interest rates.

Change of Important Accounting Policies

（Allowance for loss on investments）

Starting from the current fiscal year, allowance for investment loss has been newly appropriated in order to be prepared for investment loss to affiliated companies. For those stocks of the affiliated companies whose actual value had not fallen more than 50% of the acquisition price but it was judged that it would take long time until the price would recover to the acquisition price, reserve for evaluation loss of stocks of affiliated company was appropriated. In accordance with the change, appropriated net loss before tax was larger than by former method with ¥ 954 million.

The reason why this change of accounting policy was made at the end of the fiscal year was because of inappropriate accounting practices discovered at our manufacturing subsidiaries. We reexamined the feasibility of future profit and loss of each group company to base the appropriation on a more certain possibility of recovery.

(Accounting principle regarding statement of net assets in the balance sheet)

Starting from the current fiscal year, we adopted an “Accounting standard regarding statement of section of net assets in the balance sheet”(No.5, Corporate Accounting Standard, December 9, 2005) and a “Guideline for application of accounting principles etc. regarding statement of section of net assets in the balance sheet” (No.8,Guideline for Application of Corporate Accounting Standard, December 7, 2005)

The amount which corresponds to the former section of stockholders’ equity was ¥ 50,075 million.

The section of net assets in the balance sheet as of the end of current fiscal period was prepared in accordance with revised regulations of financial statements following revision of the regulations o financial statements.

Notes

(Consolidated Balance Sheet infomation)

		FY2007	FY2006	Variance
1.	Accumulated depreciation of tangible fixsed assets	53,317 million yen	53,433 million yen	(115 million yen)
2.	Assets to affiliated companies			
	Notes receivable	1,175 million yen	831 million yen	344 million yen
	Accounts receivable	19,875 million yen	20,020 million yen	(145 million yen)
	Short-term loans	16,938 million yen	17,011 million yen	(73 million yen)
	Long-term loans	1,774 million yen	2,164 million yen	(390 million yen)
3.	Liabilities to affiliated companies			
	Notes payable	10,466 million yen	11,901 million yen	(1,434 million yen)
	Accounts payable	10,175 million yen	10,538 million yen	(362 million yen)
	Deposits received	1 million yen	1,454 million yen	(1,452 million yen)
4.	Liabilities for guarantee	22,737 million yen	24,742 million yen	(2,004 million yen)
	(Including loan garantees)	270 million yen	334 million yen	(64 million yen)

5. Matured bill as of the end of fiscal year

The last day of the current fiscal year fell on a holiday of all financial institutions. The recording is made assuming they were settled or maturity date. Matured bills as of the end of current consolidated fiscal year are as follows.

Notes payable	1,711 million yen
Facility bills payable	162 million yen

6. Revaluation of land for business use
Iseki has revalued its land for business use pursuant to the law (Law No. 19, announced on March 31, 2001) which revises parts of law relating to the revaluation of land. The equivalent tax related to the change in the said revaluation has been recorded in the liabiliti (fixed liability) as a "Deferred tax liability from land revaluation gain" and the deducted amount has been recorded in the assets as a "l

- Revaluation method ・・・・・ The revaluation of land has been determined using a reasonable adjustment to the assessed valu the fixed 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 ・・・・ (9,025million yen)

(Consolidated Statement of Income Infomation)

	FY2007	FY2006	Variance
1. Sales to affiliated companies	64,651 million yen	64,114 million yen	537 million yen

2. Impairment loss

FY 2007 (April 1, 2006-March 31, 2007)

Nothing.

FY 2006(April 1, 2005-March 31, 2006)

Impairment loss was realized following assets. (millions of yen)

Usage	Type	Location	Impairment loss
Idle property	Building, land	Sapporo-shi, Hokkaido	3
	Land	Kasumigaura-shi, Ibaraki Pref.	221
	Structures, land	Kamiminochi-gun, Nagano Pref.	18
	Buildings	Matsuyama-shi, Ehime Pref.	37
Total			280

(Reason to recognized impairment loss)

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.

(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 fixed assets for property tax.

(Statement of Changes in Net Assets)

FY 2007 （Apr. 1, 2006-March 31, 2007）

1. Matters concerning the classes and number of treasury stock.

	Number of shares (as of Mar. 31, 2006)	Increase in number of shares during period	Decrease in number of shares during period	Number of shares (as of Mar.31, 2007)
(Treasury stock)				
Common stock	666,946	23,167	－	690,113

Increase in the number of shares, 23,167 shares during the period was by purchasing of shares below stock trading unit.

(Change of Directors) (As of June 28, 2007)

(Tax Effect Accounting)

1. Itemized basis of deferred tax assets and deferred tax liabilities

	FY2007		FY2006	
(Deferred tax assets)				
Accrued bonuses	146	million yen	173	million yen
Accrued retirement benefits for employees	637		141	
Tax loss carry forwards	470		671	
Others	226		100	
Offset to deferred tax liabilities	(1,191)		(170)	
Net deferred tax assets	289		915	

	FY2007		FY2006	
(Deferred tax liabilities)				
Net gain from appreciation of other securities	1,720	million yen	1,922	million yen
Prepaid pension expenses	434		175	
Others	98		127	
Offset to deferred tax assets	(1,191)		(170)	
Net deferred tax liabilities	1,061		2,054	

1. Candidates for appointment as directors

(New position)	Name	(New position)
Managing director Head of Development & Production Division in charge of Development & Production Division	Motonobu Kikuchi	Senior corporate executive officer Head of Development & Production Division in charge of Development & Production Division
Director Deputy head of Development & Production Division	Nobuo Fujita	Deputy head of Development & Production Division

2. Retiring director

(Current position)	Name	(Position after retirement)
Director	Katsumi Imanishi	Advisor
Director	Ryoichi Murakami	Advisor