




February 10, 2006

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Date of meeting of Board of Directors to approve financial results February 10, 2006

Summary Announcement of Consolidated Financial Results
for the Nine Months Ended December 31, 2005

Consolidated Financial Highlights

I. Results of Operations (April 1st, 2005 – Dec.31, 2005)

(Rounded down to millions of yen, %)

	Nine Months Ended Dec.31, 2005	%	Nine Months Ended Dec.31, 2004	%	Year Ended Mar. 31, 2005
Net Sales	119,464	3.9	114,937	3.7	157,462
Operating Income	5,559	21.4	4,578	28.5	6,516
Ordinary Income	5,289	31.5	4,023	46.2	5,286
Net Income	2,332	(8.6)	2,551	30.8	2,965
Net Income per Share					
Non-diluted	¥10.78		¥11.69		¥13.61
Fully Diluted	¥9.48		¥11.18		¥12.74

Note: (%) in Net Sales, Operating Income, etc, represent the increase or decrease relative to the same period of the previous year.

Notes pertaining to the preparation of the summary report for the quarterly financial results

A. Adoption of Simplified Accounting Practices : Yes

- Namely:
1. A physical inventory check has not occurred; and
 2. We have employed a simplified method as standards for accounting for such items as corporate tax.

B. Change in Accounting Practices from Previous Fiscal Year : Yes

We have adopted “Accounting Standard for Impairment of Fixed Assets”(Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets: August 9, 2002, Accounting Standard Board of Japan) and “the Guidance for the Application of Accounting Standard

for Impairment of Fixed Assets” (October 31, 2003, Accounting Standard Board of Japan, ASB Guidance No.6).

C. Changes in Consolidation Scope : Yes

Number of consolidated subsidiaries was reduced by one.

Financial Results

Net sales for the nine months ended reached ¥119.4 billion, up ¥4.5 billion (3.9%) on the same period last year. Domestic sales remained virtually unchanged from the same period last year with ¥106.0 billion (up 0.1%). Overseas sales rose by ¥4.4 billion (48.4%) to reach ¥13.4 billion, mainly due to brisk sales of tractors and lawn mowers in the European markets.

Operating income reached ¥5.559 billion, up ¥0.98 billion (21.4%) on the same period last year as rising materials procurement prices and overseas distribution costs were more than offset by increased gross profit from increased sales and cost reductions. Ordinary income rose ¥1.265 billion (31.5%) on the same period last year to reach ¥5.289 billion due to decreased in balance of financial income caused by a reduction of interest-bearing liabilities. Net income for the nine months ended declined by ¥0.219 billion (down 8.6%) to ¥2.332 billion compared to the same period last year, pushed by increased extraordinary losses due to impairment loss of fixed assets and liquidation of a subsidiary.

II. Financial Position

(Rounded down to millions of yen)

	Dec.31, 2005	Dec.31, 2004	Mar. 31, 2005
Total Assets	196, 218	200, 445	184, 477
Shareholders' Equity	54, 521	51, 284	51, 726
Shareholders' Equity to Total Assets Ratio	27.8%	25.6%	28.0%
Shareholders' Equity per Share	¥251.95	¥236.24	¥238.88

III. Cash Flows

(Rounded down to millions of yen)

	Nine Months Ended Dec.31, 2005	Nine Months Ended Dec.31, 2004	Year Ended Mar. 31, 2005
Cash Flows from Operating Activities	(8, 600)	(5, 868)	6, 350
Cash Flows from Investing Activities	(1, 578)	8, 954	8, 758
Cash Flows from Financing Activities	10, 686	(785)	(18, 390)
Cash and Cash Equivalents at End of Period	8, 406	13, 372	7, 803

Total assets for the nine months ended had dropped to ¥196.2 billion, down ¥4.2 billion. The main drivers for the decrease were a ¥5.7 billion reduction in cash equivalents. In contrast, investment securities increased ¥1.8 billion by appraisal at market value. Interest-bearing liabilities were reduced by ¥6.2 billion on the same basis last year to ¥72.3 billion.

IV. Performance Forecast

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Annual	163,000	8,500	7,500	4,000

For reference: The estimated net income per share for the year is ¥18.48.

The performance forecast for the fiscal year ending March 31, 2006 remains unchanged from the forecast given on November 17, 2005 when the announcement of the interim fiscal period settlement was made.

Cautionary statement: The above forecasts were based on information that was available as of the day of this announcement and on assumptions made as of the same day regarding a number of uncertainties that could affect future financial performance. Actual results could differ considerably depending on a variety of factors hereafter.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen,%)

Account	Third Quarter as at Dec.31, 2005	Previous Third Quarter as at Dec. 31, 2004	Change from Previous Third Quarter		(Reference) Previous Fiscal Year as at Mar.31, 2005
	Amount	Amount	Amount	% Change	Amount
(Assets)					
I. Current Assets	102,185	107,971	(5,786)	(5.4)	91,868
Cash and time deposits	8,702	14,429	(5,726)	(39.7)	8,202
Notes and accounts receivable	44,458	45,851	(1,392)	(3.0)	37,015
Inventories	43,142	42,694	447	1.0	40,851
Others	6,032	5,685	346	6.1	6,469
Allowance for doubtful accounts	(149)	(689)	539	(78.3)	(670)
II. Fixed Assets	94,032	92,473	1,559	1.7	92,608
1. Tangible fixed assets	79,020	79,387	(366)	(0.5)	79,418
Buildings and structures	14,958	15,284	(326)	(2.1)	15,170
Machinery, equipment and vehicles	8,584	8,518	66	0.8	8,783
Land	50,336	50,435	(98)	(0.2)	50,460
Others	5,140	5,148	(7)	(0.2)	5,003
2. Intangible fixed assets	1,007	1,085	(78)	(7.2)	1,102
3. Investment and other assets	14,005	12,000	2,004	16.7	12,087
Investment securities	9,574	7,822	1,752	22.4	8,404
Others	4,977	4,601	376	8.2	4,590
Allowance for doubtful accounts	(547)	(422)	(124)	29.5	(906)
Total Assets	196,218	200,445	(4,226)	(2.1)	184,477

(Millions of yen,%)

Account	Third Quarter as at Dec.31, 2005	Previous Third Quarter as at Dec. 31, 2004	Change from Previous Third Quarter		(Reference) Previous Fiscal Year as at Mar.31,
	Amount	Amount	Amount	% Change	Amount
(Liabilities)					
I. Current Liabilities	103,778	97,227	6,550	6.7	82,602
Notes and accounts payable, trade	43,696	45,982	(2,286)	(5.0)	44,493
Short-term borrowings	32,966	35,078	(2,111)	(6.0)	20,306
Bonds (due within one year)	100	40	60	150.0	40
Long-term debt (due within one year)	19,182	8,197	10,984	134.0	7,350
Others	7,832	7,928	(96)	(1.2)	10,412
II. Long-term Liabilities	36,352	50,425	(14,073)	(27.9)	48,646
Bonds	11,340	10,440	900	8.6	10,440
Long-term debt	8,657	24,574	(15,916)	(64.8)	22,740
Deferred tax liability from land revaluation gain	7,261	7,131	129	1.8	7,131
Accrued retirement benefits for employees	4,706	4,577	129	2.8	4,514
Others	4,386	3,702	684	18.5	3,820
Total Liabilities	140,130	147,653	(7,522)	(5.1)	131,249
(Minority Interests in Consolidated Subsidiaries)					
(Minority Interests in Consolidated Subsidiaries)	1,566	1,507	58	3.9	1,502
(Shareholders' Equity)					
I. Common stock	22,534	22,534	—	—	22,534
II. Capital surplus	11,693	11,650	42	0.4	11,664
III. Retained earnings	8,317	6,416	1,901	29.6	6,829
IV. Land revaluation reserve	10,891	10,696	194	1.8	10,696
V. Net unrealized holding gain on securities	3,060	1,753	1,306	74.5	1,956
VI. Foreign currency translation adjustments	4	0	4	1,613.2	(14)
VII. Treasury stock	(1,980)	(1,767)	(212)	12.0	(1,940)
Total Shareholders' Equity	54,521	51,284	3,237	6.3	51,726
Total Liabilities, Minority Interests and Shareholders' Equity	196,218	200,445	(4,226)	(2.1)	184,477

Consolidated Statements of Income

(Millions of yen,%)

Account	Nine Months	Previous Period	Change from Previous Period		(Reference) Previous Fiscal Year
	Apr.1, 2005 - Dec.31, 2005	Apr.1, 2004 - Dec.31, 2004	Amount	% Change	Apr.1, 2004 - Mar.31, 2005
	Amount	Amount	Amount	% Change	Amount
I. Net Sales	119,464	114,937	4,526	3.9	157,462
II. Cost of Sales	80,086	77,345	2,741	3.5	105,128
Gross Profit	39,377	37,592	1,785	4.7	52,334
III. Selling, General and Administrative Expenses	33,818	33,013	804	2.4	45,817
Operating Income	5,559	4,578	980	21.4	6,516
IV. Non-operating Income	1,215	916	299	32.7	1,556
Interest and dividend income	236	202	33	16.7	331
Others	979	713	265	37.2	1,225
V. Non-operating Expenses	1,486	1,472	13	0.9	2,787
Interest expenses	868	1,115	(247)	(22.2)	1,406
Others	617	356	261	73.4	1,381
Ordinary Income	5,289	4,023	1,265	31.5	5,286
VI. Extraordinary Gains	824	863	(38)	(4.5)	841
Gain on sale or disposal of property, plant and equipment	143	39	103	263.3	69
Gain on sale of investment securities	681	211	469	221.8	310
Gain on sale of credit business	—	612	(612)	—	461
VII Extraordinary Losses	1,502	317	1,185	373.5	1,069
Loss on sale or disposal of property, plant and equipment	235	171	63	37.2	347
Impairment loss	382	—	382	—	—
Transfer to allowance for doubtful accounts	130	—	130	—	475
Loss on liquidation of a subsidiary	508	—	508	—	—
Loss from prior period adjustment	177	—	177	—	—
Others	68	145	(76)	(52.7)	245
Income before income taxes and minority interests	4,610	4,569	41	0.9	5,058
Income taxes	2,223	1,972	250	12.7	2,064
Minority interests in consolidated subsidiaries	55	44	10	24.4	28
Net Income	2,332	2,551	(219)	(8.6)	2,965

Note: "Income taxes" includes current and deferred taxes.

Consolidated Statements of Cash Flows

(Millions of yen)

Account	Nine Months Apr.1, 2005 - Dec. 31, 2005	Previous Period Apr.1, 2004 - Dec. 31, 2004	(Reference) Previous Fiscal Year Apr.1, 2004 - Mar.31, 2005
Description	Amount	Amount	Amount
I. Cash Flows from Operating Activities			
Income before income taxes and minority interests	4,610	4,569	5,058
Depreciation and amortization	2,918	2,998	4,167
Impairment loss	382	—	—
Interest and dividend income	(236)	(202)	(331)
Interest expenses	779	1,021	1,276
Loss on liquidation of subsidiary	508	—	—
Gain on sale of credit business	—	(612)	(461)
Increase in notes and accounts receivable	(8,686)	(9,762)	(926)
Increase in inventories	(2,192)	(3,002)	(1,930)
Increase (decrease) in notes and accounts payable	(906)	6,045	4,555
Others	(2,356)	(3,737)	(1,510)
Sub-total	(5,179)	(2,683)	9,898
Interest and dividends received	239	205	332
Interest paid	(806)	(1,067)	(1,299)
Income taxes paid	(2,853)	(2,323)	(2,581)
Net cash provided by (used in) operating activities	(8,600)	(5,868)	6,350
II. Cash Flows from Investing Activities			
Sales(purchases) of securities	1,084	391	212
Sales(purchases) of property, plant and equipment	(2,859)	(3,520)	(4,119)
Proceeds from sale of credit business	—	10,560	10,409
Net decrease in time deposits	103	1,379	2,037
Others	93	143	218
Net cash provided by (used in) investing activities	(1,578)	8,954	8,758
III. Cash Flows from Financing Activities			
Net increase(decreases) in borrowings	10,362	(9,724)	(27,178)
Net proceeds from issuance and redemption of bonds	960	9,960	9,960
Payments for acquisition/sale of treasury stock	16	(362)	(513)
Payment dividends	(649)	(655)	(655)
Others	(3)	(3)	(3)
Net cash used in (provided by) financing activities	10,686	(785)	(18,390)
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	(51)	43	55
V. Net Increase (Decrease) in Cash and Cash Equivalents	455	2,343	(3,226)
VI. Cash and Cash Equivalents at Beginning of the Period	7,803	11,029	11,029
VII. Increase in Cash and Cash Equivalents by Merger	147	—	—
VIII. Cash and Cash Equivalents at the End of the Period	8,406	13,372	7,803

Basis of Quarterly Consolidated Financial Statements

1. Scope of consolidation

Number of consolidated subsidiaries 35 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. Accounting periods of consolidated subsidiaries

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 September 30, 15 companies (including Iseki-Matsuyama Mfg. Co.,Ltd.) use an end-of-period- balance sheet date of December 31. With regard to the preparation of the nine months consolidated financial statements, the same current date is employed in the nine months financial statements, and necessary adjustments at consolidation are made for any significant transactions that occur between the end-of-period-of balance sheet date and this date.

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 3rd quarter consolidated reporting period
(Any estimate variance is credited or debited to Shareholders' Equity)
- Securities without fair market value----- Recorded at cost, based on the moving-average method

b. Inventories----- Principally gross average method

c. Derivatives----- Fair value method

2. Depreciation methods of material depreciable assets

a. Tangible fixed assets

In general, the straight-line method is used to depreciate tools. In other cases, 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. Treatment of principal deferred assets

Total amount of cost of issuing bonds was appropriated as expense at the time of disbursement.

4. Allowances and reserves

a. Allowance for doubtful accounts

A likely unrecoverable amount is calculated by applying the bad debts ratio to common receivables, and to specific receivables, such as doubtful debt receivables, 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 fiscal year consolidated accounting period, and is principally based on the amounts for the obligation for employees' retirement benefits and pension plan assets projected to the end of the current consolidated fiscal period. 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 gains and losses 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.

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

- Hedging instruments

Forward exchange contracts and interest rate swap agreements

- 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 currency exchange rates and interest rates

7. Accounting treatment of consumption tax

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

February 10, 2006

Supplementary Information to the Nine Months of Financial Results

(April 1st, 2005—Dec.31, 2005)

I . Nine Months Business Results

(Billions of yen, %)

	1 st Quarter- 3 rd Quarter Last Fiscal Year	1 st Quarter- 3 rd Quarter This Fiscal Year	Variance	
			Amount	%
Net Sales	114.9	119.4	4.5	3.9
Operating Income	4.6	5.6	1.0	21.4
Balance of Financial Income	(1.2)	(0.9)	0.3	—
Other Non-operating Income	0.6	0.6	0	—
Ordinary Income	4.0	5.3	1.3	31.5
Extraordinary Gains / Losses	0.5	(0.7)	(1.2)	—
Income Before Income Taxes and Minority Interests	4.5	4.6	0.1	0.9
Net Income	2.5	2.3	(0.2)	(8.6)

A.Net sales reached ¥119.4 billion, up ¥4.5 billion (up 3.9%) on the same period last year.

1. Domestic sales remained virtually unchanged from the same period last year.
2. Overseas sales rose by ¥4.4 billion mainly due to brisk sales of tractors and lawn mowers in the European markets.

(Billions of yen, %)

	1 st Quarter- 3 rd Quarter Last Fiscal Year	1 st Quarter- 3 rd Quarter This Fiscal Year	Variance	
			Amount	%
Agricultural Machinery	80.0	80.2	0.2	0.3
Constructions of Facilities	3.6	3.1	(0.5)	(13.8)
Others	22.3	22.7	0.4	1.8
Domestic Subtotal	105.9	106.0	0.1	0.1
Exported Products	8.1	12.2	4.1	51.1
Parts and Others	0.9	1.2	0.3	25.7
Overseas Subtotal	9.0	13.4	4.4	48.4
Net Sales	114.9	119.4	4.5	3.9

Overseas Sales by Region

	1 st Quarter- 3 rd Quarter Last Fiscal Year	1 st Quarter- 3 rd Quarter This Fiscal Year	(Billions of yen, %)	
			Variance	
			Amount	%
North America	4.2	4.8	0.6	13.9
Europe	3.0	6.0	3.0	94.5
Asia	0.7	1.1	0.4	72.3
Australia	0.2	0.3	0.1	58.7
Total Product Sales	8.1	12.2	4.1	51.1
Parts and Others	0.9	1.2	0.3	25.7
Total	9.0	13.4	4.4	48.4

- B. Operating income reached ¥5.6 billion, up ¥1.0 billion (up 21.4%) on the same period last year as rising materials procurement prices and overseas distribution costs were more than offset by increased gross profit from increased sales and cost reductions.
- C. Ordinary income rose ¥1.3 billion (up 31.5%) on the same basis last year to ¥ 5.3 billion due to a decrease in the balance of financial income brought by a reduction of interest-bearing liabilities.
- D. Net income decreased to ¥2.3 billion, down ¥0.2 billion (down 8.6%) from the same period last year, due to an increase of extraordinary losses due to impairment loss of fixed assets and liquidation of a subsidiary in addition to increased corporate tax. These losses have been reflected on the performance forecast for the current fiscal year.

II. Performance Forecast

The performance forecast for the current fiscal year remains unchanged from the forecast given on November 17,2005 when the announcement of the interim fiscal period settlement was made.

(Consolidated)

	1 st Quarter- 3 rd Quarter Last Fiscal Year	1 st Quarter- 3 rd Quarter This Fiscal Year	(Billions of yen, %)	
			Variance	
			Amount	%
Net Sales	157.4	163.0	5.6	3.6
Operating Income	6.5	8.5	2.0	30.8
Ordinary Income	5.3	7.5	2.2	41.5
Net Income	3.0	4.0	1.0	33.3

(Non-Consolidated)

	1 st Quarter- 3 rd Quarter Last Fiscal Year	1 st Quarter- 3 rd Quarter This Fiscal Year	(Billions of yen, %)	
			Variance	
			Amount	%
Net Sales	95.3	95.0	(0.3)	(0.3)
Operating Income	3.3	3.8	0.5	15.2
Ordinary Income	3.4	4.3	0.9	26.5
Net Income	2.1	4.0	1.9	90.5