




February 12, 2010

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 Date of Submission of Quarterly Report February 12, 2010  
 Scheduled Date to Commence Dividend Payment -

**Summary Announcement of Consolidated Financial Results**  
**for the Nine Months Ended December 31, 2009**

**I. Financial Results for the Nine Months Ended December 31, 2009 (April 1, 2009 – December 31, 2009)**

**A. Results of operations**

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

	Nine Months Ended December 31, 2009	%	Nine Months Ended December 31, 2008	%
Net Sales	107,894	(5.8)	114,581	-
Operating Income	4,400	76.2	2,496	-
Ordinary Income	3,870	107.7	1,863	-
Net Income	2,667	178.7	957	-
Net Income per Share (yen)				
Non-diluted	11.73		4.24	
Fully Diluted	11.61		4.16	

**B. Financial Position**

(Rounded down to millions of yen)

	December 31, 2009	December 31, 2008
Total Assets	184,167	171,002
Net Assets	55,663	51,694
Shareholders' Equity to Total Assets Ratio	29.4%	29.4%
Net Assets per Share	¥235.61	¥222.44

Notes: Shareholders' equity:

Third Quarter of FY Mar. 2010 ¥54,148 mil. Year ended March 31, 2009 ¥50,214mil.

**II. Dividends**

(Recorded date)	Dividend per share (Yen)				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
FY ended March 2009	-	-	-	0.00	0.00
FY ending March 2010	-	-	-		
FY ending March 2010 (forecast)				0.00	0.00

(Note) Revision of dividend forecast during the third quarter of FY ending March 2010: None

### III. Forecast for the Fiscal Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

(% represents comparison with previous year for the full year performance)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Annual	148,000	(1.1)	3,300	109.2	2,100	172.1	1,100	-	4.79

(Note) Revision of performance forecast during the third quarter of FY ending March 2010: Yes

#### 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. Adoption of simplified method in accounting method and unique accounting method for quarterly financial statements: Yes

(Note) For details, please refer to p4 [Qualitative Information. ■ Financial Statements, etc] 4. Others.

- C. Change in principle, procedure and method of statement of accounting procedures in preparation of consolidated quarterly financial statements (as stated in “Changes in essential matters which provide a basis for preparation of “Consolidated Quarterly Financial Statements”)
- 1) Change which accompanies revision of accounting standards: Yes
  - 2) Change other than No.1. : None

(Note) For details, please refer to p4 [Qualitative Information ■ Financial Statements, etc] 4. Others.

#### D. Outstanding shares (Common shares)

- 1) Outstanding shares (Including treasury shares)
 

As of December 31, 2009	229,849,936 shares	As of March 31, 2009	226,536,329 shares
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- 2) Outstanding treasury shares
 

As of December 31, 2009	28,781 shares	As of March 31, 2009	790,839 shares
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- 3) Average number of shares during the period (Quarterly consolidated cumulative period)
 

As of December 31, 2009	227,454,091 shares	As of December 31, 2008	225,793,394 shares
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\* Statement regarding proper use of financial performance forecasts and other notes.

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 4[Qualitative Information Financial Statements, etc], [3. Qualitative information regarding performance forecast].

#### [Qualitative Information ■ Financial Statements, etc]

##### 1. Qualitative information concerning the status of consolidated financial results

During the third quarter consolidated cumulative period under review, there were signs of a bottoming out of the Japanese economic recession caused by worldwide financial turmoil; mainly due to the effects of economic measures taken by the government. However, a severe situation of the environment surrounding corporations remained due to concerns over the effect of the exchange rate, which hovered with a strong yen, and inactive consumer spending caused by uncertainties for the future, such as employment insecurity.

In the domestic agricultural machinery market, while the implementation of urgent machinery-leasing support program by agricultural policy failed to compensate for sluggish sales in the first half of the year, a decline in shipping remained negligible. In the overseas market, in contrast to the Chinese market which remained solid, a difficult situation for sales expansion continued in North America, Europe and Australia due to the effects of the global recession. Under these circumstances, the ISEKI Group has made efforts to prepare a line-up of new products to meet the diversifying needs of customers, aggressively promoting sales activities.

In the third quarter consolidated cumulative period, sales decreased ¥6.687 billion from the same period of the previous year, to ¥107.894 billion (down 5.8 %). Domestic sales decreased ¥1.175 billion to ¥96.282 billion (down 1.2 %). Among the sales, revenue from the construction of facilities increased ¥3.762 billion to ¥6.468 billion (up 139 %) with orders received/completion centering on large-size drying and fruit-sorting facilities.

Overseas sales decreased ¥5.511 billion to ¥11.611 billion (down 32.2%). Operating income increased ¥1.903 billion from the same period of the previous year, to ¥4.4 billion, compensating for reduced gross income by reduced revenue with a raise in retail prices implemented in August, 2008, improved profitability by stabilized raw material prices, and cost-reduction efforts. Ordinary income increased ¥2.006 billion to ¥3.870 billion. Quarterly net income increased ¥1.710 billion to ¥2.667 billion.

## **2. Qualitative information concerning the shifts in consolidated financial position**

As of the end of the third quarter consolidated cumulative period, total assets increased ¥13.164 billion from the previous fiscal year end to ¥184.167 billion. The main items of assets were a ¥5.086 billion increase in cash and cash equivalents and a ¥6.753 billion increase in notes and accounts receivable.

Total liabilities increased ¥9.195 billion from the previous fiscal year end, mainly due to an increase in interest-bearing liabilities of ¥10.196 billion. Net assets increased ¥3.969 billion from the previous fiscal year end to ¥55.663 billion. As a result, the equity ratio was 29.4 %.

Cash and cash equivalents, ended the third quarter consolidated cumulative period, increased ¥4.855 billion from the end of the previous fiscal year, to ¥10.465 billion.

(Cash flow from operating activities)

Cash flow from operating activities in the third quarter under review resulted in a net expenditure of ¥3.851 billion (net expenditure increased ¥10.165 billion from the same period last year), mainly due to net income before income taxes and minority interest of ¥3.743 billion, and an increase in notes and accounts receivable of ¥6.753 billion.

(Cash flow from investment activities)

Cash flow from investment activities in the third quarter under review resulted in a net expenditure of ¥3.209 billion (net expenditure increased ¥1.581 billion from the same period last year) mainly due to capital investment expenditure of ¥3.245 billion.

(Cash flow from financial activities)

Cash flow from financial activities in the third quarter under review resulted in a net revenue of ¥11.870 billion (increased revenue of ¥12.723 billion from the same period last year), mainly due to increase and decrease of interest-bearing liabilities.

### 3. Qualitative information regarding performance forecast

With respect to the consolidated business performance forecast for the current fiscal year under review, the forecast for the net sales has been revised from ¥150.0 billion to ¥148.0 billion (down 1.1% from the previous period) due to delayed recovery in domestic sales. With respect to the forecast for each income, we have not made revisions to the previous forecast, with operating income of ¥3.3 billion (up 109.2% from the previous period), ordinary income of ¥2.1 billion (up 172.1%) and net income of ¥1.1 billion, continuing our efforts in reducing costs.

Company forex rate for the fourth quarter as premises of the business performance is 1US\$=¥90 and 1Euro=¥130.

Revised forecasts of the consolidated cumulative business performance for the fiscal year ending March 31, 2010  
(April 1, 2009 – March 31, 2010) (Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (yen)
Previous Forecast (A) (Announced on November 12, 2009)	150,000	3,300	2,100	1,100	4.79
Latest Forecast (B)	148,000	3,300	2,100	1,100	4.79
Difference (B-A)	(2,000)	-	-	-	
Rate of Change (%)	(1.3)	-	-	-	
(Reference)Results for FY09/Mar.	149,601	1,577	771	2	0.01

(Reference) Forecasts of the non-consolidated cumulative business performance.

With respect to the forecast of the non-consolidated business performance, there has been no change made to the forecast announced on November 12, 2009.

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (yen)
Annual Forecast	91,000	700	700	600	2.61
(Reference)Results for FY09/Mar.	90,331	(327)	1,579	1,110	4.92

### 4. Others

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

(2) Adoption of simplified method in accounting method and unique accounting method for quarterly financial statements

1) Calculation method of income taxes, deferred tax assets and deferred tax liabilities

Concerning calculation of payable tax of income taxes, we employ a method to limit add-subtract items and tax exemption items to important ones. With respect to evaluation of collectability of deferred tax assets, we rely on a method to use business performance forecast or tax planning used in the previous consolidated fiscal year in case no

significant change is recognized in the managerial environment or situation to generate differences.

(3) Changes in principle, procedure and method of statement of accounting procedures in preparation of consolidated quarterly financial statements.

1) Adoption of Accounting Standard for Construction Contracts

Starting from the current consolidated quarterly accounting period, we have applied the “Accounting Standard for Construction Contracts” (ASBJ Statement No.15, issued on December 27, 2007) and “Implementation Guidance of Accounting Standard for Construction Contracts”(ASBJ Implementation Guidance of Corporate Accounting Standards No.18, issued on December 27, 2007).

There is no impact of the application on the profit and loss.

## 5. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets (millions of yen)

	FY2010 (as at Dec. 31, 2009)	FY2009 (as at Mar. 31, 2009)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and time deposits	10,794	5,708
Notes and accounts receivable	35,487	28,734
Marketable securities	21	280
Merchandise and products	39,927	37,944
Work in progress	3,800	2,696
Raw materials and stocks	1,415	1,336
Others	2,676	3,991
Allowance for doubtful accounts	(114)	(79)
<b>Total current assets</b>	<b>94,009</b>	<b>80,611</b>
<b>Fixed Assets</b>		
Tangible fixed assets		
Buildings and structures(net)	15,009	15,638
Land	50,476	50,463
Others(net)	14,556	13,887
Total tangible fixed assets	80,042	79,988
Intangible fixed assets	856	842
Investments and other assets		
Investment securities	4,723	4,647
Others	5,022	5,385
Allowance for doubtful accounts	(487)	(473)
Total investment and other assets	9,259	9,559
<b>Total fixed assets</b>	<b>90,157</b>	<b>90,390</b>
<b>Total Assets</b>	<b>184,167</b>	<b>171,002</b>

(millions of yen)

	FY2010 (as at Dec.31, 2009)	FY2009 (as at Mar. 31, 2009)
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Notes and accounts payable	44,067	43,801
Short-term borrowings	28,221	20,980
Bonds(due within one year)	1,090	1,485
Long-term debt(due within one year)	13,499	10,395
Accrued income taxes	619	715
Allowance for bonus	975	429
Others	5,266	7,685
<b>Total current liabilities</b>	<b>93,738</b>	<b>85,493</b>
<b>Long - term Liabilities</b>		
Bonds	20	1,060
Long-term debt	18,034	16,748
Deferred tax liability from land revaluation gain	7,595	7,595
Accrued retirement benefits for employees	4,957	4,829
Accrued directors' retirement benefits	149	380
Others	4,007	3,201
<b>Total long-term liabilities</b>	<b>34,764</b>	<b>33,814</b>
<b>Total liabilities</b>	<b>128,503</b>	<b>119,308</b>
<b>Net Assets</b>		
Shareholders' equity		
Common stock	23,344	22,784
Capital surplus	13,454	12,815
Retained earnings	6,739	4,072
Treasury stock	(8)	(185)
<b>Total shareholders' equity</b>	<b>43,530</b>	<b>39,486</b>
Difference of appreciation and conversion		
Net unrealized holding gain on securities	104	212
Land revaluation reserve	10,527	10,527
Foreign currency translation adjustments	(13)	(11)
<b>Total difference of appreciation and conversion</b>	<b>10,618</b>	<b>10,728</b>
Minority interests in Consolidated Subsidiaries	1,514	1,479
<b>Total Net Assets</b>	<b>55,663</b>	<b>51,694</b>
<b>Total Liabilities and Net Assets</b>	<b>184,167</b>	<b>171,002</b>

(2) Consolidated Quarterly Statements of Income  
(Third Quarter Consolidated Cumulative Period)

(millions of yen)

	FY2009 (Apr.1,2008-Dec.31, 2008)	FY2010 (Apr.1,2009-Dec.31, 2009)
Net sales	114,581	107,894
Cost of sales	79,238	72,163
Gross Profit	35,342	35,730
Selling, general and administrative expenses	32,845	31,330
Operating Income	2,496	4,400
Non-operating Income		
Interest received	167	133
Dividend received	109	94
Others	766	502
Total non-operating income	1,042	729
Non-operating Expenses		
Interest expenses	903	790
Others	771	469
Total non-operating expenses	1,675	1,259
Ordinary Income	1,863	3,870
Extraordinary Gains		
Gain on sale and disposal of property, plant and equipment	55	43
Gain on sale of investment securities	144	2
Gain on sale of stocks of subsidiaries	351	-
Others	39	-
Total Extraordinary Gains	590	45
Extraordinary Losses		
Loss on sale and disposal of property, plant and equipment	149	96
Reversal of past year allowance for directors' retirement benefit	144	-
Cost of measures for product recall	225	46
Others	128	29
Total Extraordinary Losses	648	173
Income before income taxes and minority interests	1,806	3,743
Income taxes	990	882
Reversal of past year corporate and other taxes	(155)	(170)
Total Income taxes, deferred tax	835	1,053
Minority interests in consolidated subsidiaries	13	22
<b>Net Gain or Loss</b>	<b>957</b>	<b>2,667</b>

## (3) Consolidated Quarterly Statements of Cash Flows

	FY2009 (Apr.1,2008-Dec.31, 2008)	FY2010 (Apr.1,2009-Dec.31, 2009)
<b>Cash Flows from Operating Activities</b>		
Income before income taxes and minority interests	1,806	3,743
Depreciation and amortization	3,310	3,744
Increase (decrease) in reserve for retirement benefits	441	128
Loss (gain) on sales of investment securities	(138)	3
Loss (gain) on sales of stocks of subsidiaries	(319)	-
Interest and dividend income	(276)	(227)
Interest expenses	903	790
Effect of foreign exchange rate changes	(119)	(48)
Loss (gain) on sales of tangible and intangible fixed assets	94	53
Decrease(increase) in notes and accounts receivable	(597)	(6,753)
Decrease(increase) in inventories	902	(3,167)
Increase(decrease) in notes and accounts payable	2,022	265
Others	(549)	(1,317)
Sub total	<u>7,479</u>	<u>(2,785)</u>
Interest and dividends received	260	232
Interest paid	(932)	(759)
Income taxes paid	(609)	(962)
Refunded income taxes	116	424
Net cash provided by (used in) operating activities	<u>6,314</u>	<u>(3,851)</u>
<b>Cash Flows from Investing Activities</b>		
Payment for purchase of investment securities	(122)	(19)
Proceeds from sale of investment securities	51	239
Payments for purchase of tangible and intangible fixed assets	(3,075)	(3,245)
Proceeds from sale of tangible and intangible fixed assets	331	266
Payments for purchase of investment securities	(27)	(238)
Proceeds from sale of investment securities	530	30
Proceeds from sales of stocks of subsidiaries which a company change in range of consolidation	694	-
Net decrease (increase) in time deposits	(235)	(230)
Others	224	(10)
Net cash used in (provided by) investing activities	<u>(1,627)</u>	<u>(3,209)</u>
<b>Cash Flows from Financing Activities</b>		
Net increase (decrease) in short-term borrowings	890	7,243
Proceeds from long-term debt	7,130	12,940
Repayments of long-term debt	(8,747)	(8,549)
Redemption of bonds	(100)	(40)
Proceeds from sale and lease back	-	727
Repayments of lease obligations	-	(422)
Payments for purchases of treasury stock	(16)	(19)
Others	(9)	(9)
Net cash used in financing activities	<u>(853)</u>	<u>11,870</u>
<b>Effect of Exchange rate Changes on Cash and Cash Equivalents</b>	<u>97</u>	<u>45</u>
<b>Net Increase (decrease) in Cash and Cash Equivalents</b>	<u>3,931</u>	<u>4,855</u>
<b>Cash and Cash Equivalents at beginning of fiscal year</b>	<u>5,687</u>	<u>5,609</u>
<b>Cash and Cash Equivalents at end of quarter</b>	<u>9,619</u>	<u>10,465</u>



(4) Note on going concern premises

There is no corresponding item.

(5) Note in case there is a substantial change in the amount of shareholders' equity

Third quarter consolidated cumulative period under review (April 1, 2009 – December 31, 2009)

(million of yen)

	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous fiscal year	22,784	12,815	4,072	(185)	39,486
Changes in items during the period					
New share issuance	559	559			1,119
Quarterly net income			2,667		2,667
Purchase of treasury stock				(19)	(19)
Sale of treasury stock		78		196	275
Total changes in items during the period	559	638	2,667	177	4,043
Balance at the end of the period	23,344	13,454	6,739	(8)	43,530

The changes are due to exercise of stock acquisition rights for convertible bonds.