



July 20, 2010

Name of Company: ISEKI & CO., LTD.
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Listing: TSE 1st Section
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Notice of basic agreement on business alliance with Dongfeng Motor group, China

We would like to announce the fact that we reached a basic agreement towards the promotion of a business alliance with Dongfeng Motor group, China, on July 19, 2010.

1. Purpose of the business alliance

To date, we have been engaged in the manufacture and sales of mainly head-feeding combine harvesters and rice transplanters in the Chinese market with ISEKI-CHANGZHOU MFG CO., LTD., which was established in Changzhou, Jiangsu Province in June, 2003, as the major base of operation.

This time, we will establish a joint company with the major automobile manufacturer in China, Dongfeng Motor group, and engage in the manufacture and sales of agricultural machinery, in order to achieve a further response to the Chinese agricultural machinery market, that has been continuously expanding.

2. Contents of the basic agreement

- 1) To prepare for the establishment of a joint company in China (Hubei Province is scheduled).
- 2) The ratio of investment in the joint company shall be 50:50.
- 3) The main business shall be the manufacture/sales/service/import of agricultural machinery.
- 4) The brand name shall be “Dongfeng ISEKI” (tentative name).

3. Schedule

An individual contract regarding the business alliance and others shall be concluded, targeting the end of August, 2010.

4. Impact on the future business performance

While we plan to establish this joint company within the current fiscal year, the actual start of the sales will be in the next fiscal year, and the impact on the consolidated business performance in the current fiscal year will be negligible.