



December 17, 2010

Name of Company: ISEKI & CO., LTD.  
Company representative: President Seiichiro Gamo  
Company Code: 6310  
Listing: TSE 1<sup>st</sup> Section  
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**Notice of establishment of a joint company with DONGFENG INDUSTRIAL CO., LTD. and SHANGHAI JIAHUA INVESTMENT CO., LTD. (Conclusion of agreement)**

We would like to announce the fact that we reached a conclusion of agreement regarding establishment of a joint company in China with DONGFENG INDUSTRIAL CO., LTD., and another company, an affiliate company of Dongfeng, on December 16, 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 anew a joint company with the major automobile manufacturer in China, DONGFENG INDUSTRIAL CO., LTD., and SHANGHAI JIAHUA INVESTMENT CO., LTD. to engage in the manufacture and sales of agricultural machinery, in order to achieve a further response to the continuously expanding Chinese agricultural machinery market.

2. Contents of the basic agreement

1) To establish a joint company in Hubei Province, China.

The corporate name (to be applied) : Dongfeng Iseki Agricultural Machinery (Hubei) Co., Ltd.

2) The main business shall be the manufacture/sales/after service of agricultural machinery.

3) Investors, investment and composition of directors

	Ratio	Investment	Directors
DONGFENG INDUSTRIAL CO., LTD.	25%	10 million yuan	2
SHANGHAI JIAHUA INVESTMENT CO., LTD.	25%	10 million yuan	2
ISEKI & CO., LTD.	50%	20 million yuan	4
Total		40 million yuan	8

3. Schedule

We are preparing for application etc. of establishment of the joint company towards start of the operation in spring 2011.

4. Impact on the future business performance

The impact of the establishment of the joint company on the consolidated business performance in the current fiscal year will be negligible.