



May 12, 2011

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Notice on the variance between forecasts and actual results of the business performance, and appropriation of extraordinary loss

We would like to promulgate the fact that a variance has occurred between forecasts of our business performance for the fiscal year ended March 31, 2011 (April 1, 2010 – March 31, 2011) announced on February 10, 2011 and actual results announced today. We would also like to announce that we have appropriated an extraordinary loss both in the consolidated and non-consolidated business performance.

1. Variance between forecasts of the business performance and actual results

Variance between forecasts of the consolidated business performance of the fiscal year ended March 31, 2011 and actual results (April 1, 2010 – March 31, 2011)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (yen)
Previous Forecast (A)	147,500	2,700	1,700	200	0.87
Actual Results (B)	147,826	2,803	2,006	(918)	(4.00)
Difference (B-A)	326	103	306	(1,118)	-
Rate of Change (%)	0.2	3.8	18.0	-	-
(Reference)Results for FY10/Mar.	149,314	4,515	3,657	2,347	10.29

Variance between forecasts of the non-consolidated business performance of the fiscal year ended March 31, 2011 and actual results (April 1, 2010 – March 31, 2011)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (yen)
Previous Forecast (A)	90,700	(100)	700	300	1.31
Actual Results (B)	90,560	161	1,161	(430)	(1.88)
Difference (B-A)	(139)	261	461	(730)	-
Rate of Change (%)	(0.2)	-	65.9	-	-
(Reference)Results for FY10/Mar.	90,871	1,197	1,522	1,607	7.05

2. Reason of variance

With respect to the business performance for the fiscal year ended March 31, 2011, while operating income and ordinary income exceeded the forecasted figure in the previous announcement, both on consolidated and non-consolidated basis, net income for the year was lower than forecasted figure. This is mainly because of occurrence of loss on valuation of investment securities (approx. 600 million yen) and the impact of the Great East Japan Earthquake.

Further, we have appropriated the amount of damage from the earthquake (consolidated 760

million yen, non-consolidated 470 million yen) as extraordinary loss.

3. Breakdown of damage by the Great East Japan Earthquake (Consolidated)

The main areas hit by damage from the earthquake were our Tohoku Parts Center warehouse and one of our consolidated subsidiaries, Iseki-Tohoku Co., Ltd. in Iwanuma City, Miyagi Prefecture. The breakdown appropriated as extraordinary loss is as follows.

(Million of yen)

Content	Amount
Loss on valuation of inventories	418
Loss on retirement of noncurrent assets	104
Repair expenses, etc. (provision of allowance for disaster loss)	174
Notes and accounts receivable-trade (provision of allowance for doubtful accounts)	58
Others	3
Total disaster loss	760