



November 9, 2012

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Notice on occurrence of variance between forecasts of business performance for the second quarter cumulative period of the fiscal year ending March 31, 2013 and actual results, and revision of forecasts of business performance and revision of the dividend forecast for the fiscal year ending March 31, 2013.

We would like to promulgate the fact that variance has occurred between forecasts of our business performance for the second quarter cumulative period of the fiscal year ending March 31, 2013 that was announced on August 8, 2012 and actual results announced today, on the basis of recent trends in business performance. We would also like to announce that we have revised the business performance forecasts and the dividend forecasts for the fiscal year ending March 31, 2013 that was announced on May 11, 2012.

1. Variance between forecasts of consolidated business performance for the second quarter cumulative period of the fiscal year ending March 31, 2013 and actual results (April 1, 2012 ~ September 30, 2012)

(Millions of Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (yen)
Previous Forecast (A)	78,500	2,800	2,600	1,800	7.83
Actual Results (B)	80,435	4,101	3,823	3,034	13.21
Difference (B-A)	1,935	1,301	1,223	1,234	
Rate of Change (%)	2.5	46.5	47.0	68.6	
(Reference)Results for FY12/Mar.	72,368	2,636	2,436	1,809	7.87

2. Revision of forecasts of consolidated business performance for the fiscal year ending March 31, 2013 (April 1, 2012~March 31, 2013)

(Millions of Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (yen)
Previous Forecast (A) announcement (A)	153,000	4,600	3,900	2,700	11.75
Latest Forecast (B)	153,000	5,500	4,800	3,200	13.93
Difference (B-A)	-	900	900	500	
Rate of Change (%)	-	19.6	23.1	18.5	
(Reference)Results for FY12/Mar.	145,252	4,231	3,898	2,727	11.87

[Reasons for difference and revision]

With respect to variance between forecasts of consolidated business performance for the second quarter cumulative period, net sales increased ¥1.7 billion compared to the forecast due to increased sales of construction of facilities, etc. Overseas sales increased ¥0.2 billion. Thus, net sales increased ¥1.9 billion. In terms of profit, it exceeded the forecasted value due to improved gross margin and progressed reduction in sales and general administrative expenses.

With respect to revision of consolidated annual business performance, we have revised operating income, ordinary income, net income and net income per share from the previous forecast of business performance (May 11, 2012) based on actual consolidated business performance of the second quarter cumulative period, while having maintained net sales unchanged as reduced overseas sales was compensated by increased domestic sales, and in terms of profit, with a prospect of improved profit by cost reduction such as selling, general and administrative expenses.

With respect to company forex rate in the second half of the fiscal year, we have assumed ¥78 against the US dollar (unchanged) and ¥100 against the Euro (changed from ¥96).

3. Revision of year-end dividend forecast

(Record Date)	Dividend per Share				
	End of 1 st Quarter	End 2 nd Quarter	End of 3 rd Quarter	End of Period	Annual
Previous Forecast (Announced on May 11, 2012)	yen -	yen -	yen -	yen 2.00 ~3.00	yen 2.00 ~3.00
Latest Forecast	-	-	-	3.00	3.00
FY ending March 2013	-	-	-		
(Reference) FY ended March 2012	-	-	-	1.50	1.50

[Reason for revision of dividend forecast]

We recognize that the method for determining dividends to be paid to shareholders is one of the most important policies to be made. Our basic policy is to keep steady and improved dividend distribution, taking into consideration, not only consolidated financial results, but our Group's financial position and future business developments as well as changes in our managerial environment.

With respect to the forecast of the year-end dividends which was 2.00~3.00 yen in the forecast announced on May 11, 2012, we have decided to make payment of 3.00 yen per share in due consideration of the business trends of ISEKI Group.

(Note) The above business performance forecast 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.