

Intellectual Property Report 2010



August 2010

ISEKI & CO., LTD.

Contents

Message from the President.....	1
1. Guidelines for Research and Development.....	2
2. Strategic Directions of R&D.....	2
3. Current State of Intellectual Property	4
4. Analysis of Market Superiority of Technology.....	5
5. System for R&D and Intellectual Property	8
6. Acquisition, Management and Secrecy Maintenance.....	9
7. Use of Patent.....	10
8. Policy Regarding the Intellectual Property Portfolio.....	12
9. Information on Legal Actions Related to Intellectual Property	12

Preamble in Publishing Intellectual Property Report 2010

The business foundations of the ISEKI Group are in agriculture and agricultural machinery. We are constantly endeavoring to improve the functions, performance, quality, and cost and service competitiveness of our products through our development, production, and marketing activities. Through these activities, we are working to strengthen our competitiveness in the market by differentiating our products and securing a superior position. We engage in business activities placing emphasis on intellectual property, through creative activities in core technologies of agricultural machinery, agriculture-related products and others, and securing technical rights and the use of the resultant intellectual achievements of such activities, such as inventions and creations, by strategic intellectual property activities, leading to new creation.

This Intellectual Property Report 2010 covers a wide range of related topics, including our initiatives in core technologies and R&D, management of patent assets, activities to identify and secure patents on viable inventions, product design initiatives and trademark, personnel training, maintenance of secrecy, use of intellectual property rights, response to the globalization, awards received for our patents and inventions, and information on risks related to intellectual property.

[Cautionary Statements]

1. This booklet has been prepared to provide information to the public and is not intended to solicit any kind of action.
2. This booklet contains the results of the Company's analyses, including forward-looking statements regarding the outlook for the Company, its plans, policies, prospects, strategies, interpretations of facts, and other information related to the future. All such statements and other information are based on forecasts, assumptions, plans, and other information collected by the Company at the time of preparation of this booklet.
3. In preparing forecasts, with the exception of known facts, the Company makes use of certain assumptions. There are no guarantees that these assumptions are objective and accurate or will prove to be true in the future. These assumptions are dependent on technology and demand trends in Japan and in other countries, economic conditions, competitive conditions, and other factors. If these assumptions change, it is possible that matters and outcomes, other than known facts, stated in this report may differ from the statements in this publication
4. Data on the number of patents made public stated in this publication, the number of patents held, and other data related to intellectual property are those of Iseki Co., Ltd., and do not include data on subsidiaries or affiliates.

Message from the President

Since its foundation in 1926, Iseki has constantly pursued modernization of Japan's agricultural industry as a comprehensive specialized manufacturer of agricultural machinery. During the process, ISEKI has pioneered a great variety of agricultural machinery and brought them to the market ahead of the others..

In view of the global issues of growing population and food supply, as well as contemporary issues of food self-sufficiency and national land preservation, we are aware that the social mission of agricultural machinery manufacturers will become progressively more important. We will continue our activities based on our fundamental philosophy of contributing to agriculture in Japan and around the world through "offering products that will give satisfaction to users".

At present, the principal business of the Iseki Group is "development, manufacturing and sales of agricultural machinery for the cultivation of rice, vegetables and other crops". In other areas of business, we are also engaged in aggressive business activities in the area of software, such as the proposal of effective agricultural technologies for farmers, like sparse planting cultivation. With respect to the fore-mentioned business activities, we are committed to providing active and timely disclosure of corporate information concerning our management strategies, result of activities and other matters with our customers, shareholders, investors, analysts and other stakeholders.

Thus far, we have reported on our research and development (R&D) activities and the achievements in our announcement of financial results and the securities report, and also on the occasions of company presentations and launching events of new products. In this Intellectual Property Report, we intend to report on the Group's basic stance of R&D, its R&D activities, and current state and the use of resultant intellectual properties. We hope this publication will provide you with a good understanding of the commitment of the ISEKI Group, which places much importance on R&D and intellectual property rights.

The "2010 Annual Report on Patent Policy" was announced, in which ISEKI has been ranked first for the 6 years in a row from 2004 in terms of the patent assessment ratio. Also, in terms of public patents by sector, following the first rank for 7 consecutive years during 2000-2006 in the agriculture and fisheries sector, it was ranked first again in 2007 and 2008 in the new sector classification of "other special machinery" that includes the agriculture and fisheries sector.

While we continue to promote technological innovation in order to "provide products which will be appreciated by users", we will engage in development of attractive products by effective utilization of intellectual property.



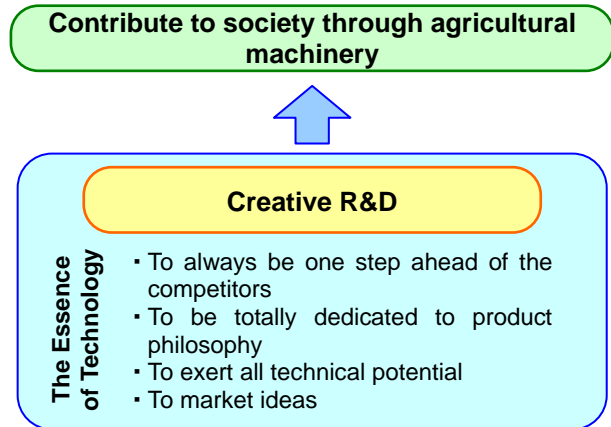
August 2010
President

Seichiro Gamo

1 Guideline for Research and Development

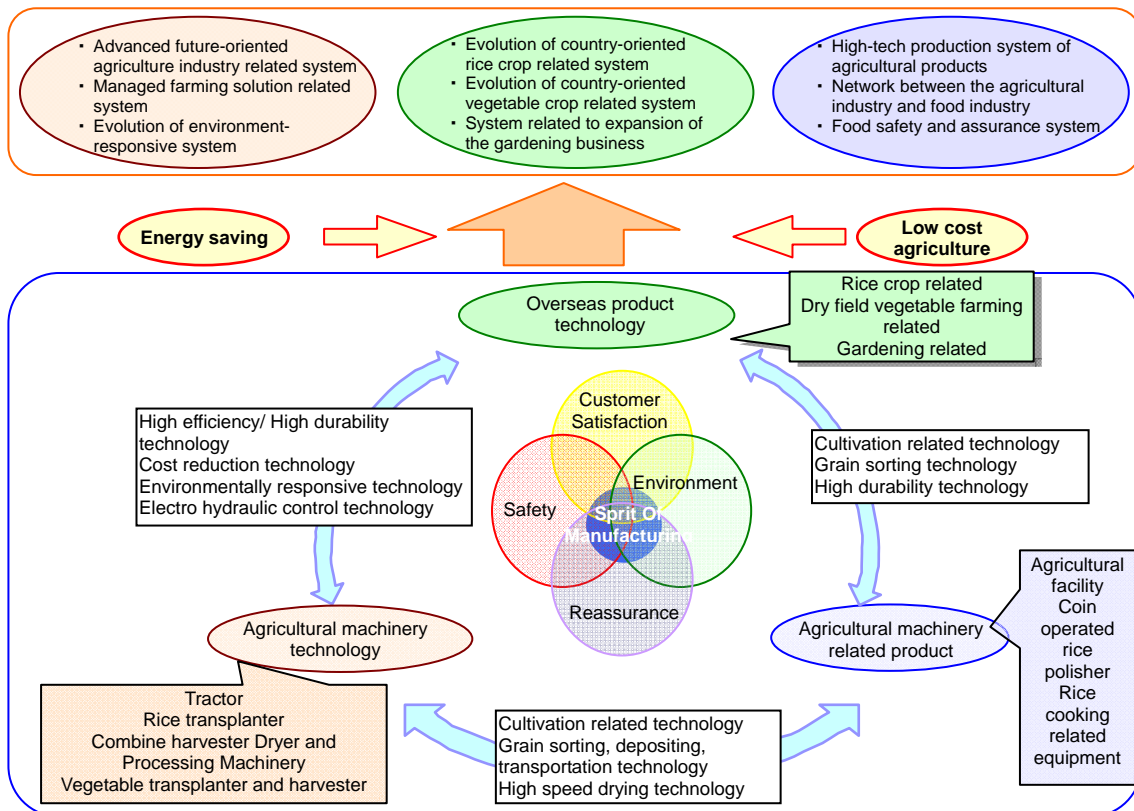
In the midst of the changing environment surrounding the agricultural industry, Iseki Group holds a mission to “contribute to the society through agricultural machinery”; and each one of our technical experts is engaged in creative R&D based on the “technical spirit”. By fully mobilizing our accumulated technologies, we will contribute to agriculture through providing products and service with a high level of satisfaction from the stand point of customers. We will continue to keep abreast of the agriculture industry for years to come.

With regard to the R&D investment, we are making a deliberate investment based on a forecast of the demand and market trend in mid to long term perspectives. R&D expenditure for the consolidated fiscal year 2009 was approx. ¥4.0 billion.



2 Strategic Directions of R&D

In every sector of agricultural machinery technology, agricultural machinery related product technology and overseas product technology, Iseki has adopted 4 key words, “Customer Satisfaction”, “Safety”, “Conformability” and “Environment” as “Spirit of Manufacturing”, and to promote R&D giving direction in each of the three sectors. In particular, we aim for the realization of “a rich society with sustainable development”, by R&D focusing on “low cost agriculture” and “energy saving”.



1. Agricultural machinery technology:

- 1) **Tractor:** We are engaged in R&D of technology to improve working environment by reduced vibration/ noise; environment-responsive technology by enhanced fuel consumption mainly through reduced weight/ mounting of emission gas treatment equipment, etc.; user friendly new shift transmission technology which excels in transmission efficiency and operability; technology to enhance traveling performance and operating accuracy, excellent in maintenance works of rice and dry field; and management support technology of primary farmers.
- 2) **Rice transplanter:** We are engaged in R&D of autonomous straight move control technology; labor saving control technology to reduce work load; high-speed/ high-accuracy planting technology for large scale farmers; energy saving/environmentally-conscious technology, mainly by engine control and use of electric operation; low cost agriculture support technology and labor saving technology of anterior/posterior rice planting work.
- 3) **Combine harvester:** We are engaged in R&D of environment-responsive technology through lightening of machine body/enhanced cooling efficiency/fuel efficiency of engine/ mounting of emission gas treatment equipment, etc.; and low cost agriculture support technology by enhanced grain recovery ratio of threshing devices; and technology to improve operability in the pursuit of universal design.
- 4) **Dryer:** We are engaged in R&D of high-speed drying technology, technology for efficient use of drying energy, and working environment improvement technology pursuing low sound / low vibration, etc.
- 5) **Vegetable transplanter & Harvesters:** Taking advantage of know-how nurtured by wet-rice technology, we are promoting integrated vegetable growing systems for seedling raising, soil preparation, transplanting, cultivation control, harvesting and preparation. We are engaged in R&D of low cost/labor saving technology, environment response, support for local consumption of local products, and new crops.
- 6) **Tiller / Controller:** We engage in R&D of technology which pursue environmental friendliness as well as easy operability, and various attachments suitable for the mode of work.
- 7) **Engine:** We are engaged in engine control technology which brings out optimum working efficiency peculiar to agricultural machinery, as well as mounting of emission gas treatment equipment, and cleaning technology of emission gas.

2. Agricultural machinery related product technology:

We are engaged in R&D of environment-type plant factories that is a high-tech production system for agricultural products aiming at high quality / high yielding; information technology of agricultural facilities; biomass related technology; labor saving technology of seeding/raising seedling facilities; technology to prevent mixture of foreign grains at drying preparation facilities; environment related technology conscious of food safety and assurance; widening technology for the selection range of polishing modes of coin operated rice polishers, and high function type rice washing/ cooking related technology which realizes labor saving/time saving.

3. Overseas product technologies:

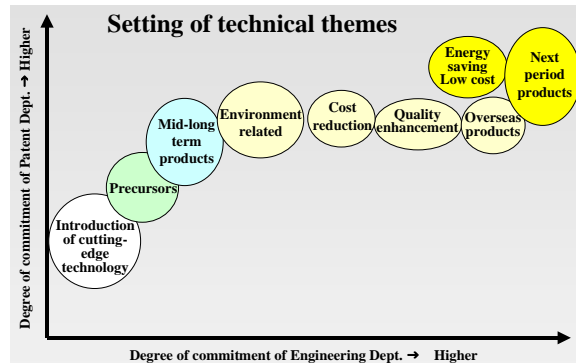
We are engaged in R&D of tractors in pursuit of enhanced operability in fitting heavy implements such as loaders, and tractors in pursuit of low vibration/low noise for Europe and the U.S.; low cost - tractors in pursuit of optimum specification for each country, and gardening machinery with easy removal of collectors; special combine harvesters, rice transplanters and vegetable growing machinery with enhanced adoptability to local crop and field conditions, as well as enhanced work efficiency and labor saving, and in pursuit of low cost mainly by way of achieving higher durability to oil pressure and of working parts, as well as mechanism control technology, for China; tractors, combine harvesters and rice transplanters in pursuit of higher efficiency and functions such as high-speed working technology/high-precision working technology for Korea and Taiwan; and highly durable/low cost type tractor/rice transplanters in pursuit of adaptability to the local conditions, for South East Asia.

3 Current State of Intellectual Property

1. Creation of inventions/Patent application strategy

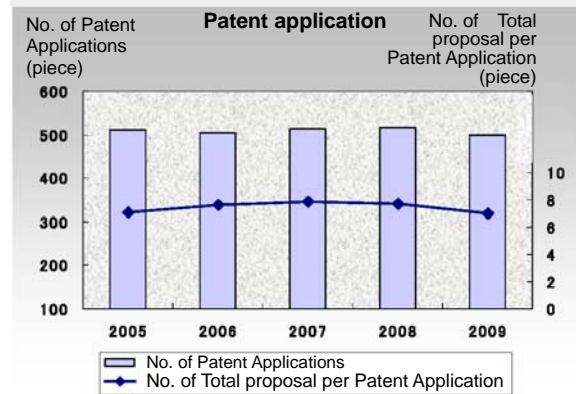
We are striving for “quality” enhancement and “volume” expansion of inventions by promoting unique invention proposal campaigns employing creative methods addressed to each technical theme centering on our core technologies.

Our technical experts have strong adherence and will to invent / create, and as a general trend, proposed inventions regarding technologies which will be put to practical use in the near future are being created actively. Proposed inventions must pass through a vigorous selection process based on our internal regulations and evaluation criteria; furthermore we aggressively apply patents by employing Iseki’s unique measures for efficient patent application, thus creating the construction of a patent network.



2. Design / Trade mark strategy

We promote stronger design protection and enhancement of Iseki’s brand value by product differentiation and discrimination with our competitors through the accumulation of appealing designs as well as affectionate pet names of design rights and trade mark rights respectively.



Iseki’s philosophy for product design

- Basis Policy for design**
 - Attractive product which suits the environment.
 - Product which gives bigger attachment in long use.
- Design procedure**
 - Confirmation of actual sites of usage, voice of the market.
 - Analysis of the design trends and building of concept models.
- Development of design**
 - Progression of Iseki’s individuality (product features, product colors)
 - Creation of fresh appeal with a contemporary feeling.
- Direction of design**
 - Appealing design which derives satisfaction from usage.
 - Design which anticipates the future of agricultural machinery.

Iseki’s stance for trade marks

- Basic understanding of pet names**
 - Agricultural machinery is a helpmate that works together with a farmer.
 - Agricultural machinery which allows for familiarity and affection through daily work from land preparation, transplanting of seedlings, maintenance, harvesting and shipping.
- Representative trademarks of Iseki**
 - “SANAE” which almost became a pronoun for rice transplanter
 - “FRONTIER” which triggered auto threshing combine harvester, unprecedented in the world.
 - “GEAS” represents tractor
 - “ERENA” represents tiller
 - “DRY BOY” for dryer
 - “SUPER MATE” for rice huller
 - “POLIMATE” for rice weighing and grading machine
 - “NAUERU” for vegetable transplanter
- Strategy ahead of its time**
 - Creation of pet names associated with the sales strategy responding to bipolarization of the agricultural structure, and low cost agriculture/energy saving.

3. Iseki’s strategy for intellectual property rights overseas

In overseas markets, Iseki is making steady efforts in securing intellectual property rights such as very strictly selected patents, design rights and trademark rights inventions which is consistent with our business strategy addressed to Asian countries including China, the U.S., and Europe.

4 Analysis of Market Superiority of Technology

1. Agricultural Machinery Technology

Hereunder, we would like to explain features and associated technologies regarding tractors, combine harvesters, rice transplanters, tillers and others that we introduced to the market in FY2009.

- 1) Tractor** We upgraded functions of the TJW series tractors for large scale farmers. We realized an improved operability by installing a clutch button to the sub-shift lever, which engages and disengages the main clutch.

We are able to respond to a variety of needs by realization of a finely-tuned speed control with the upgraded function of the well-reputed “accelerator memory” and “accelerator shift transmission”.

Accelerator memory With the retained memory of the main gear position used to work the previous field, the work may be restarted in the next field without the cumbersome operation of the main speed gear shift, which realizes comfortable and highly efficient work for the operator. Furthermore, with the added function to remember and set the number of shifts of the main speed gear preferred by the operator, a speed gear shift suitable to the work conditions may be determined promptly.

Accelerator shift transmission The automatic governor, which provides optimum adjustment of the engine rotation automatically, enables smooth acceleration with the minimum transmission shock, as well as comfortable trailing work, such as plowing and on-road driving.

Since the electronic governor provides optimum adjustment of the engine rotation speed and its control device provides automatic shift transmission and selects the optimum main transmission, it enables smooth acceleration with a minimum transmission shock, allowing comfortable on-road driving. In addition, the selection range of the main transmission may be expanded from 4 speeds to 6 speeds, which allows finely-tuned transmission and comfortable on-road driving.

- 2) Rice transplanter** We developed a new high-performance riding type rice transplanter “PZ 100” for 10-row planting as a new version of the well-reputed “riding rice transplanters PZ series” with advanced Z function. We achieved more than sufficient high precision work to respond to the requirements of professionals with the availability of the “Sanae super Z turn”, “Sanae Z shift” and “Sanae Z rotor”.

Sanae super Z turn We provided a side brake/clutch which enables turning on a point in the field, to the “Sanae Z turn” that is fully-automated from turning to planting merely by steering, enabling efficient work by eliminating cumbersome operation at turning. It also enables the turning to be controlled at will by the operator when turning at the field corners or when entering or leaving the field.

Sanae Z shift By providing three functions to a lever, namely the “hydrostatic transmission (HST)” that enables starting/stopping/fine-tuning of vehicle speed with no forward and backward move of the clutch, we have achieved smooth transmission from stopping to maximum speed: the “auto accelerator” that controls the engine rotation automatically to a rotation speed suitable to the vehicle speed; and “multiple operation” which enables the raising and lowering of the planting portion with a single touch; enabling a superb operability, as well as transmission and the raising/lowering adjustment of the planting portion. This also allows for the safe entry and exit of the field while holding one lever.

Sanae Z rotor Positioning a central land-leveling rotor on the front, a side to side land leveling rotor at the back, and securing enough space at the center float which is the sensor to control raising and lowering of the planting portion, it realizes land leveling of the field while limiting mud pushing/undulating, and neat planting in the field which requires headland treatment with abundant admixtures. Also, by narrowing the function of the side to side width by folding the outer end portion of the side to side land rotor after having folded the planting portion, the machine may be stored compactly when driving on the road, loading on to a truck or storing in a warehouse.

We also developed the shaped-pot rice transplanter “PZP80”, equipped with the advanced Z function with proven popularity among the seated rice transplanters PZ series. It is equipped with the “Sanae miracle Z turn”, a more advanced function of the “Sanae super Z turn”, which achieves greater acceleration and a higher efficiency as a shaped-pot rice transplanter with a vehicle speed of 1.1m/s, mounting a 23 HP diesel engine.

Sanae miracle Z turn Equipped with a drive control system for the inside wheels to provide appropriate rotation speed to the “Sanae Z turn”, it is fully-automatic from turning to planting by simply steering, and also minimizes mud raising at turning so that turning doesn’t disturb the field.

- 3) Combine harvester** We developed a 7 row combine harvester “Japan HJ7120” for the first time in the industry, which boasts an unprecedented working efficiency. Equipped with the most powerful 120 HP remote control type inter-cooler turbo engine among combine harvesters in Japan, it responds to expectations of major farmers with its “electronic controlled HST”, “dust proofing screen” and “feed chain 2 speed transmission”.

Electronic control HST We reduced the operational load by electronically controlling the transmission of the HST with a servo for running with regard to the operation angle of the transmission lever. Also by giving a sub-transmission function to the HST itself, it provides smoother work in sub-transmission operation without stopping the run. Furthermore, by automatically controlling the vehicle speed in response to the work load, the rotation speed of the engine becomes stable, and increases performance.

Dust proof screen Straw debris sucked in by the dust proof net is caught by concentrating it in one place by the slide type removal device, thus enhancing cooling efficiency by preventing clogging of the dust proof net, and so the maximum engine power may be achieved.

Feed chain 2 speed transmission control

The two stage transmission control of the feed chain speed in response to the rotation speed of the reaping portion, not only stabilizes the position of the delivery crawler when working at low speeds, but also gives time for manual reaping work.

We also developed the “Frontier Viva HVF series” which provides equipment and operability identical to a superior class one machine, in a compact body. In addition to ISEKI ‘s unique big tank, remote controlled grass separating crawler and easy shifting, it is equipped with a “recovery chamber for stuck grains”, “twin panels” and “reaping floating”, to enhance working efficiency.

Recovery chamber of stuck grains Since we extended the machine body to the rear to install a recovery chamber for stuck grains, grain loss in which grains are stuck into waste straws and so discarded can be reduced substantially, increasing the grain recovery efficiency.

Twin panels By elaborating the concentrated layout to place the switches related to running to the left and switches related to the work to the right of front of the driving seat respectively, easy and correct operation is realized.

Reaping floating By having the reaping portion contact and follow the irregular soil surface, the reaping height adjustment is no longer needed, enabling the keeping of stubble after reaping low and even.

- 4) Vegetable transplanting and harvesting machinery** With regard to vegetable transplanting machinery, we developed a riding type 2 row semi-automatic vegetable transplanter “PVHR2-140LLG” which is equipped with a non-step inter-row adjustment system; automatic rolling control/up-and-down control to follow the upper ridge surface where planting is done through a press wheel which feeds back in response to inter-row adjustment; and an automatic system to return to horizontal position which keeps the machine body horizontal when the body is lifted at turning. In this way we realized enhanced crop adoptability and enhanced adoptability to working systems.

We also developed a simultaneous damping device for planting, a riding type 2 row semi-automatic vegetable transplanter of green soybean spec. "PVHR2-120EL2G", having realized enhanced survival potential of the seedling as well as enhanced adoptability to the field conditions.

In terms of vegetable processing machinery, we developed a high speed carrot sorting machine "VSC-107,212" equipped with an arraying device to supply and deliver carrots to the sorting device with positioning and interval suitable to the carrot sorting, a scale type sensor which is capable of setting detected weight easily, and an arranged belt conveyer method for the arraying device and the sorting device, thus realizing low noise/highly efficient/high precision carrot sorting.

We also engaged in R&D of an integrated vegetable growing system from transplanting to processing by conducting research and development of vegetable growing machinery suitable to local products in each area.

5) Tiller We developed an electric mini tiller "Erena" and "Asuna" for the home garden, which is easy to use by beginners of agriculture. Since an electric motor is used, it does not produce emission gas, nor is gasoline supply or oil exchange required, avoiding oil stains, which makes the tiller easy on users and the environment. Also, with the negligible machine noise, tiller work may be done without any concern in residential garden areas. In addition, it features an "easy chargeable battery", "easy removable compact body", "easy ignition", and "safety device".

Easy chargeable battery The battery can be fitted and detached from the tiller by one touch to be charged by an electricity source in the home.

Easy removable compact body It can be stored in the rear of a car by folding the operation handle, and it is easy to remove and convenient to carry. Also, it is equipped with a clean tray covering the tiller clicks, which enables their removal without dropping clods.

Easy ignition Tiller work can be started by turning the key, gripping the lever holding together the operation handle, and when the hand releases the operation handle, it stops. Its simple operation ensures safe tilling work.

Safety device The breaker works when some foreign substance is caught by the click ax, for instance, causing an excess load, and it stops automatically in order to assure safety and protect the machine.

2. Product technology related to agricultural machinery

Hereunder, we introduce features of our products related to agricultural facilities developed in FY2009 and our future commitment.

1) Agricultural facility We developed a semi-automatic grafting robot "GR803-U" equipped with a system to fix seedlings firmly, cutting them correctly, and putting them together at the joint surface. In addition, we developed a fully automatic grafting robot "GRF800-U" which arrays the direction of the seed leaves of seedlings and height of seedlings, and conducts unmanned operation from cutting of seedlings to grafting, realizing three times as high working efficiency (labor saving) compared with conventional methods through the full automation.

Furthermore, we conducted a joint study with Ehime University on an "agricultural product high-tech production system". We established anew "the design engineering course of plant factory" (sponsored course), promoting the establishment of cultivation technology of high-sugar content tomatoes, and a study on an "intelligent plant factory system, including self-running plant nourishing analysis equipment that gathers the different types of data".

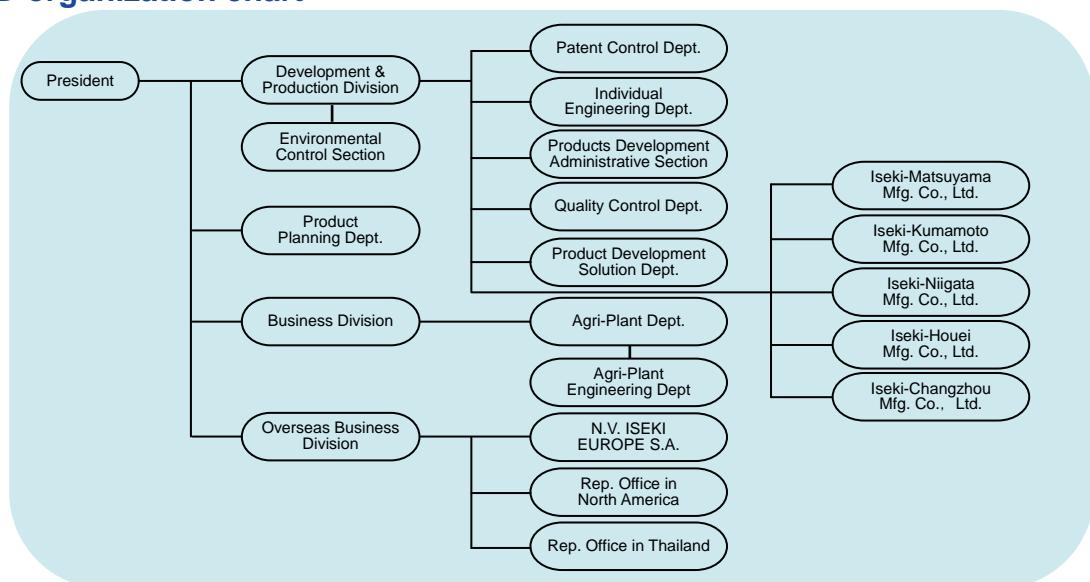
3. Overseas product technology

Hereunder, we would like to introduce features of our products introduced in overseas markets in FY2009 and the current situation of development, according to each country.

- 1) **Europe/USA/Australia** For Europe/Australia, we developed a tractor TM with enhanced transmission operability of HST. We improved discharging efficiency of reaped grass from the collector attached to mower called SXG which was targeted at Europe. We are developing for North America, tractors with non step transmission which incorporate new functions.
- 2) **China** We introduced the walking rice transplanter PC6 mounting a 6HP engine, which realized both increase in power and low pricing, in the market. We are also developing rice transplanters suitable to the agricultural conditions in China. Furthermore, we are developing technology for threshing/sorting capacity to increase the grain recovery ratio of the high-horsepower/highly efficient/highly durable combine harvesters, HF608 and 558.
- 3) **Taiwan** We are developing tractors which mount low fuel consumption engines. We are also developing highly efficient and durable heavy rice transplanters/ combine harvesters.
- 4) **Korea** We are developing a tractor, mounting a low fuel consumption type engine. We also developed a highly durable and efficient rice transplanter PZ60, mounting a 20HP engine to aim at increasing vehicle speed. We are also developing a large-scale combine harvester with high efficiency/high durability/high functionality.
- 5) **South East Asia** We developed the AT5520, 5470, tractors which incorporate a special mission aimed at increased durability for Thailand/Malaysia. Also, we developed a highly durable and low priced rice transplanter PZ60 which suits the working /field conditions peculiar to Malaysia.

5 System for R&D and Intellectual Property

1. R&D organization chart



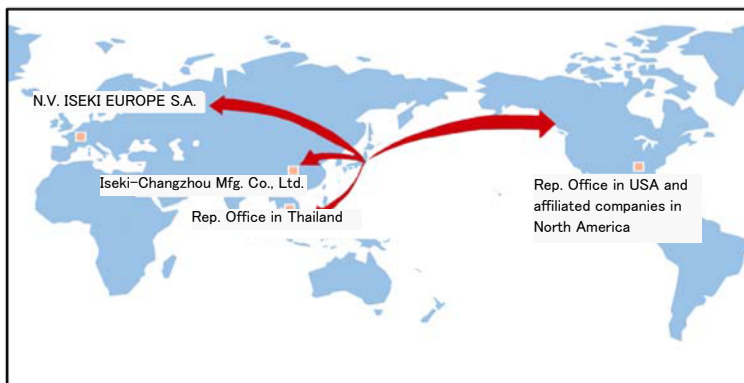
2. R&D System

1) ISEKI conducts development and technical development

The principal business of the Iseki Group is development, manufacturing and sales of agricultural machinery for the cultivation of rice, vegetables and other crops, and R&D concerning business engaged by the group are primarily conducted by ISEKI.

2) Network for Development of Products Sold Overseas

The Company has established a global promotion system of technical development by way of development network between the Company and Europe, USA, China and South East Asian region in order to accelerate collection of relevant technical information and R&D speed regarding overseas products.



3. System for Intellectual Property

1) Management Systems We have an integrated administration system to conduct administration / guidance / education of intellectual property of the Iseki Group as a whole by our Patent Control Department which belongs to the Development & Production Division.

2) Personnel Training We post the “exhibition of the overall potential of Iseki Group” as a policy of the Group, placing emphasis on training of personnel which is the nucleus of the policy. We endeavor to achieve creativeness and enhancement of the overall technical potential for the Iseki Group as a whole through intellectual property/creativity education addressed to patent department staff, technical experts, newly-recruited employees, manufacturing companies and sales subsidiaries.

4. Industry-academia-government Alliance

As a principle, Iseki uniquely develops its core technologies. However, we promote joint research and development with universities, testing and research institutions and the like in regard to areas related to part of the core technologies or peripheral technology in order to accomplish speedily as well as efficient R&D.



Joint study with testing & research institutions and universities

6 Acquisition, Management and Secrecy Maintenance

With respect to inventions and ideas, acquisition and management of rights, corporate confidential information, etc, we stipulated their handling in our working regulations, regulations for the handling of inventions created by job assignment, regulations for treatment of trade marks, code of conduct of the Iseki Group, patent business manual, etc. We conduct a thorough compliance and any disregard for the regulations whether intentionally or by sheer accident, the person involved is subject to penalties.

We provide incentives for inventions and creation to the inventors with compensation for transfer of inventions, compensation for implementation, awards and prizes in and outside the company through deliberate interpretation and use of working regulations, regulations for the handling of inventions created by job assignment, evaluation criteria for payment of compensation, etc.

We also manage intellectual property in the strictest of manners by numerous regulations and standards from the time of creation of the invention until its renouncement. For instance, in evaluating the value of patents, we created our “Criteria for Evaluation of Patent Rights” in April 1995, which sets forth methods for calculating the price of patent rights. We conduct periodical review of these criteria to ensure that they are in accord with common understanding and practices in the society, taking advantage of it in our patent assets management, patent rights negotiations and so forth.

7 Use of Patents

With respect to patent rights related to core technology or area, we place emphasis on success of our business operation either by securing superiority of our company products or by a smooth product development through cross-licensing. Any right outside the above area, we will seek for an optimum method for us such as licensing and evaluating future potential to be commercialized.

1. Patents Held

1) In Japan

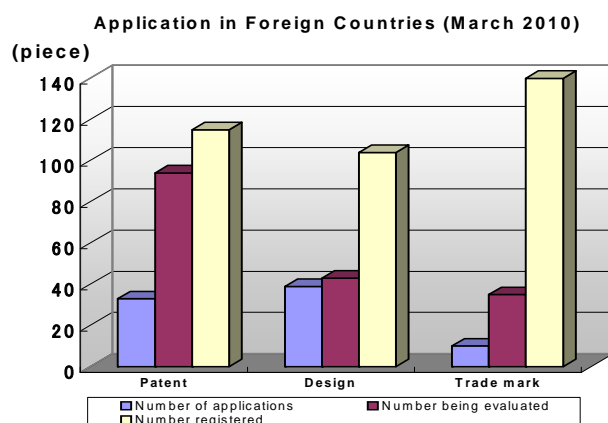
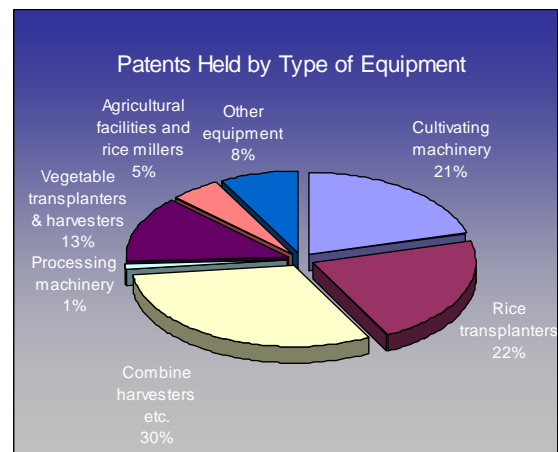
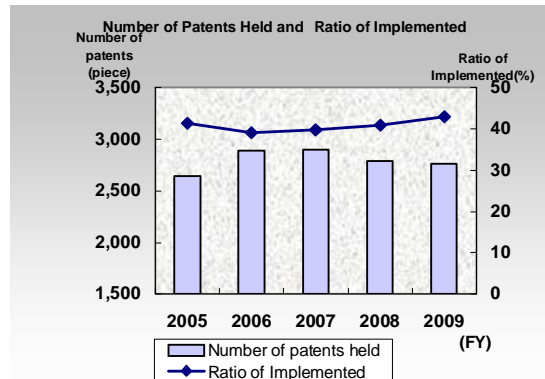
We make application of inventions that are strictly screened by our internal regulations and the evaluation criteria in a proactive manner, trying to acquire and build up effective patent rights, which reached approx. 2,760 patents in the fiscal year 2009.

As of March 31, 2010, the number of patents held for our three major product categories (cultivating machinery, rice transplanters and combine harvesters) as well as vegetable transplanters & harvesters accounted for 86% of the total patents held.

We will implement an intellectual property strategy aiming at the establishment of a "powerful and excellent" patent network focused on our business strategy.

2) Overseas

We are making applications for carefully selected intellectual property to Europe, USA and Asian nations including China. The number of intellectual property rights held is on the rise every year. In particular, we make aggressive applications of our design and trade marks in the Asian region in order to eliminate imitation and mockery.



2. Patents Evaluation Ratio and Applied For

In terms of the patent evaluation ratio, Iseki has been ranked top in all industries for 6 consecutive years.

Year	2004	2005	2006	2007	2008	2009
ISEKI & CO., LTD.	84.6 %	83.7 %	90.4 %	89.3%	85.8%	88.5%
Rank in all industries	First	First	First	First	First	First

Patent evaluation ratio= Number of patents evaluated / (Number of evaluated patents + Number of rejected evaluation + Number of withdrawals or abandonment)

* Number of withdrawals or abandonment = The number of applications withdrawn or abandoned after notice on the reason of rejection.

In the agriculture and fishery sector among the sectional list of public patents in Japan, Iseki has been ranked top for 7 consecutive years from 2000 to 2006, followed by the top rank in the “other special machinery sector” in 2007 and 2008 when the sector was reclassified.

Year	Agriculture and fisheries							*The other special machinery	
Sector	2000	2001	2002	2003	2004	2005	2006	2007	2008
Rank	First	First	First	First	First	First	First	First	First

* Since the 2009 edition, the sector classification has been changed, and agriculture and fisheries were included in [the other special machinery sector].

(Patent Administration Annual Report 2002 edition – 2010 edition)

3. Awards and Recognitions

Iseki has produced a long list of prize-winning technical experts who have received national decorations, national medals of honor, citations as contributor to scientific technology, citations for inventions, official commendations by the Minister of Education, Culture, Sports, Science and Technology, official commendations by the Agricultural Machinery Academy for their contribution to the development, improvement and commercialization of agricultural machinery technology.

In 1952, Kunisaburo Iseki, founder of Iseki received a national prize for invention from the Japan Institute of Invention and Innovation. In 1993, Iseki was awarded the Chairman's Prize to Commemorate a Century of Agricultural Experimentation and Research (jointly sponsored by the Ministry of Agriculture, Forestry and Fishery and the Association to Commemorate a Century of Agricultural Experimentation and Research) in recognition of our development and diffusion of head-feeding combine harvesters equipped with automatic threshers of which commercialization was achieved by Iseki for the first time in Japan.

In 2008, Iseki received the “Meritorious Award for Intellectual Property” (Award for Excellent Enterprises Active in the Industrial Property Rights System, Commissioner of the Japan Patent Office Award) in recognition of our traditional management of placing importance on intellectual property rights.

In total Iseki has received 186 awards from the Japan Institute of Invention and Innovation, including 18 national awards. The frontier spirit of the founder towards research and development has been succeeded consistently, which created tradition within the Company to create new technology with practical value through intellectual and creative activities.

Number of Award-winning Inventions 186 (As of March 31, 2010)

Contents of Awards

○ National Awards for Invention		18
Special Awards	President's Award of the Japan Institute of Invention and Innovation	1
	The Asahi Shimbun Award	1
Special Awards		2
Invention Awards		14
○ Regional Awards for Invention		168
Special Awards	Encouragement Award of the Minister of Education, Culture, Sports, Science and Technology (Former Encouragement Award of the Director-General of the Science and Technology Agency)	9
	Encouragement Award of the Commissioner of the Japan Patent Office	5
	ward of the Director-General of the Regional Bureau of International Trade and Industry (Award of the Director-General of the Shikoku Regional Bureau of International Trade and Industry)	7
	Encouragement Award of the President of the Japan Institute of Invention and Innovation	7
	Encouragement Award of the President of the Japan Patent Attorneys Association	4
	Total	32
District Head Awards		10
Outstanding Invention Awards etc.		37
Invention Encouragement Awards		88
Investment Encouragement and Merit Award		1

4. Main Awards

- Japan Institute of Invention and Innovation Fiscal Year 2009 Shikoku Region Invention Award
Japan Institute of Invention and Innovation Ehime Pref. Chapter Head Award (1 award)
Patent No. 3146924 Threshing device of combine harvester
- Invention Encouragement Prize (3 awards)
Patent No. 3821068 Safety control device of far-infrared radiation grain dryer
Patent No. 3460399 Intermittent planting device of seedling planters
Patent No. 3424340 Fertilizer clogging sensor of fertilizing device

8

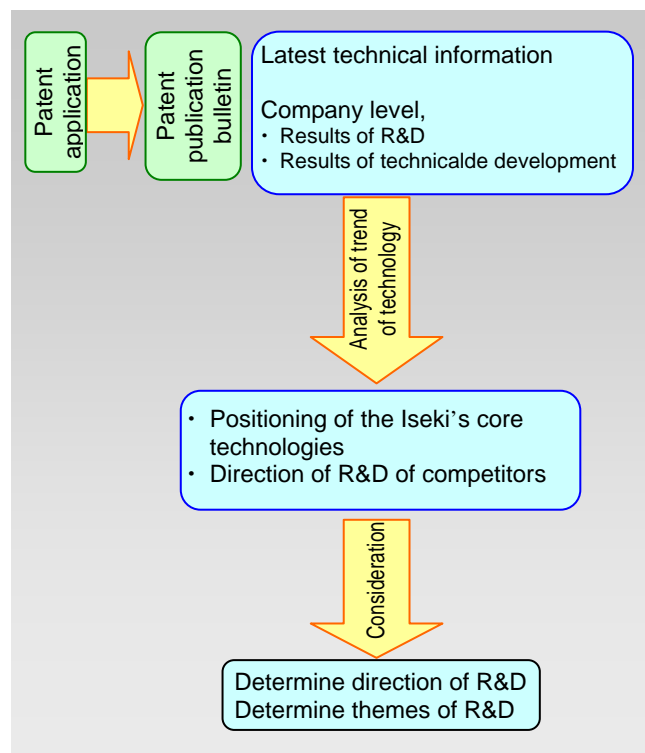
Policy Regarding the Intellectual Property Portfolio

1. Trend in Technology

We conduct analysis of trend of technology of our competitors, clearly define positioning of Iseki's core technologies, identifying the direction of the R&D of our competitors, setting the direction of our R&D themes and R&D, making the results common information to share by the entire company including technical and planning sections in order to exploit such information as a resource to build business strategies and R&D strategies.

2. Selection of R&D Themes

Iseki sets technical themes based on consensus of the entire company including development and sales sections out of core technology and promising technology and the market trend related to core technology, establish a network of patents with a clear objective, and secure priority of product development. In furtherance, Iseki analyzes and evaluates the strength of its core technologies accumulated inside the company based on the patent portfolio IPPM in order to contribute to its R&D strategy.



3. Establishment of Overseas Intellectual Property

We analyze market trends and the situation of intellectual property in each country to decide intellectual property strategy in line with expansion of Iseki's global business activities in joint efforts with divisions in charge of development and international operations. Furthermore, we utilize our unique overseas patent information searching system in order to evaluate the effectiveness of our company's technologies in light of the situation of intellectual property and technical trends in each country.

Thus, we apply highly effective technologies in each country, trying to secure effective rights and accumulate such rights in such country.

9

Information on Legal Actions Related to Intellectual Property

There is no suit at issue related to intellectual property rights which could affect our management in or outside the country. In promoting our business and R&D, we will implement intellectual property strategies steadily with the greatest of care.

Corporate Data

Company Name	ISEKI & CO., LTD.
Head Office	700 Umaki-cho, Matsuyama, Ehime , Japan
Tokyo Headquarters	3-14, Nishi-Nippori 5-chome, Arakawa-ku, Tokyo, Japan
Foundation	August 1926
Paid-in Capital	23,344 million yen (as of March 31,2010)
Employees	Consolidated: 6,435 (as of March 31, 2010)
Principal Business	ISEKI'S principal business is the manufacture and sale of following products Cultivation machinery..... Tractors, Tillers, Cultivators, Mowers Planting machinery..... Rice transplanters, Vegetable transplanters Harvesting machinery..... Combine harvesters, Binders, Harvesters, Vegetable harvesters Processing machinery..... Rice hullers, Dryers, Rice polishers, Rice Graders, Vegetable Harvesting and Processing Machinery Others Farming implements, Repair parts, Agricultural facilities

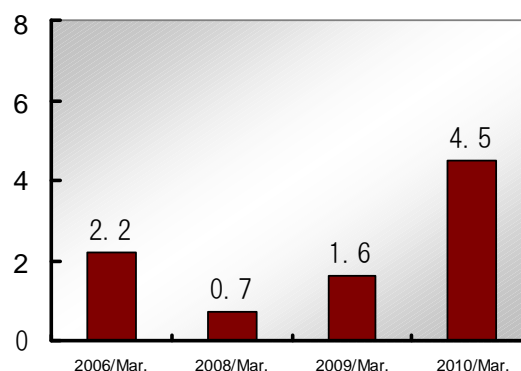
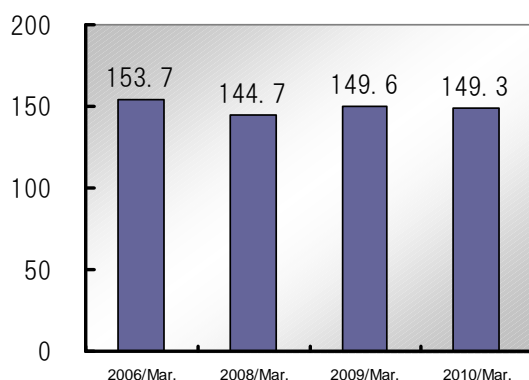
Affiliated companies involved in development & manufacturing

Iseki-Matsuyama Mfg. Co., Ltd.	Iseki-Changzou Mfg. Co., Ltd.
Iseki-Kumamoto Mfg. Co., Ltd.	Matsuyama Factory Service Co., Ltd.
Iseki-Niigata Mfg. Co., Ltd.	Iseki-Ueki Seisakusho Co., Ltd.
Iseki-Houei Mfg. Co., Ltd.	

Trend of Business Performance

■ Net Sales (billion yen)

■ Operating Income (billion yen)



For further information, please use the following contact points.

Patent Control Department Development & Production Division ISEKI & CO., LTD.
1 Yakura, Tobe-cho, Iyo-gun, Ehime, Japan 791-2193

Telephone:
(In Japan). (089)956-9810
(From outside Japan) +81-89-956-9810

Facsimile:
(In Japan) (089)956-9818
(From outside Japan) +81-89-956-9818

URL: <http://www.iseki.co.jp/>
E-mail: pat-matsuyama@iseki.co.jp

