

**Financial Results for the
Fiscal Year Ended March 2010
Investor Relations Presentation Materials**

ISEKI & CO., LTD.

Seiichiro Gamo, President

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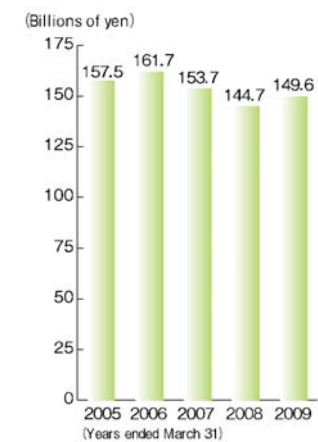
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1. Outline of Financial Results

Fiscal Year Ended March, 2010

Net Sales



Outline of Financial Results

(JPY bn, %)

Item	08/Mar. Actual		09/Mar. Actual		10/Mar. Actual		Change	10/Mar. Forecast	Change
	Value	%	Value	%	Value	%			
Net Sales	144.7	100.0	149.6	100.0	149.3	100.0	(0.3)	148.0	1.3
(Domestic)	122.7	84.8	126.5	84.6	131.2	87.9	4.7	130.0	1.2
(Overseas)	22.0	15.2	23.1	15.4	18.1	12.1	(5.0)	18.0	0.1
Gross Profit	45.1	31.2	45.9	30.7	47.4	31.7	1.5	46.5	0.9
S. G. & A. Expenses	44.4	30.7	44.3	29.6	42.9	28.7	(1.4)	43.2	(0.3)
Operating Income	0.7	0.5	1.6	1.1	4.5	3.0	2.9	3.3	1.2
Ordinary Income	0	0.0	0.8	0.5	3.6	2.4	2.8	2.1	1.5
Net Income	(1.5)	(1.0)	0.0	0.0	2.3	1.6	2.3	1.1	1.2

- Actual average forex rate for FY10/Mar.: \$1=¥93; 1 Euro=¥129

Breakdown of Domestic Sales

(JPY bn)

	08/Mar. Actual	09/Mar. Actual	10/Mar. Actual	Change	Note	10/Mar. Forecast	Change	Note
Cultivating & Mowing Machinery	26.9	27.5	27.7	0.2	High-clearance Multipurpose Vehicle:- +0.3	27.7	-	
Planting Machinery	11.5	13.3	11.4	(1.9)	Rice Transplanters:(1.9)	11.1	0.3	Rice Transplanters: + 0.3
Harvesting & Processing Machinery	24.2	25.3	24.9	(0.4)	Vegetable Harvesters : (0.2)	24.6	0.3	Combine Harvesters: +0.3
Agricultural Machinery Total	62.6	66.1	64.0	(2.1)		63.4	0.6	
Parts & Farming Implements	27.9	29.5	30.4	0.9	Parts: +0.6	30.4	-	
Construction of Facilities	4.0	4.0	11.1	7.1		10.5	0.6	
Agricultural Machinery Related Business ^{(*)1}	17.6	17.7	17.3	(0.4)		17.1	0.2	
Others ^{(*)2}	10.6	9.2	8.4	(0.8)	SAM ELECTRONICS:(0.5)	8.6	(0.2)	
Total	122.7	126.5	131.2	4.7		130.0	1.2	

*1 Repair fee, agricultural materials, etc.

*2 Revenue from coin-operated rice polishing machines, and other items.

Breakdown of Overseas Sales

(JPY bn)

	08/Mar. Actual	09/Mar. Actual	10/Mar. Actual	Change	Note	10/Mar. Forecast	Change
North America	5.4	6.5	4.0	(2.5)	Influence of recession, strong yen	4.0	-
Europe	10.6	9.4	6.5	(2.9)	Influence of recession, strong yen	6.3	0.2
China ^(*1)	1.3	1.9	3.5	1.6	Market expansion supported by agricultural policy	3.4	0.1
Asia ^(*2)	2.6	2.3	1.8	(0.5)	Influence of weak won	2.0	(0.2)
Oceania	0.5	0.9	0.4	(0.5)		0.4	-
Products Total	20.4	21.0	16.2	(4.8)		16.1	0.1
Parts & Others	1.6	2.1	1.9	(0.2)		1.9	-
Total	22.0	23.1	18.1	(5.0)		18.0	0.1

(*1) Sales for China are actual results (Jan. - Dec.)

(*2) Other Asia except China

Operating Income

(JPY bn, %)

Item	08/Mar. Actual		09/Mar. Actual		10/Mar. Actual		Change	10/Mar. Forecast	Change
	Value	%	Value	%	Value	%			
Net Sales	144.7	100.0	149.6	100.0	149.3	100.0	(0.3)	148.0	1.3
Cost of G. S.	99.6	68.8	103.7	69.3	101.9	68.3	(1.8)	101.5	0.4
Gross Profit	45.1	31.2	45.9	30.7	47.4	31.7	1.5	46.5	0.9
S. G. & A. Expenses	44.4	30.7	44.3	29.6	42.9	28.7	(1.4)	43.2	(0.3)
Operating Income	0.7	0.5	1.6	1.1	4.5	3.0	2.9	3.3	1.2

* Compared with the same period of previous year

[Factors to decrease profit]

- Impact of decreased agricultural machinery sales in and outside the country : (2.5)
- Forex loss : (0.5)

[Factors to increase profit]

- Improved profitability by price raise of products : +1.7
- Reduced raw material price and cost down : +1.6
- Change in inventory valuation method : +0.5
- Change in evaluation standard and method of inventory assets : +0.4
- Others : +0.3
- S.G.& A. expenses (distribution cost, etc) : +1.4

Ordinary Income and Net Income

(JPY bn)

	08/Mar. Actual	09/Mar. Actual	10/Mar. Actual	Change	10/Mar. Forecast	Change
Operating Income	0.7	1.6	4.5	2.9	3.3	1.2
Net Financial Income	(1.2)	(1.1)	(1.0)	0.1	(1.2)	0.2
Other Non-operating Income	0.5	0.3	0.1	(0.2)	-	0.1
Ordinary Income	0	0.8	3.6	2.8	2.1	1.5
Extraordinary Gains	1.5	0.6	0.1	(0.5)	0.1	-
Extraordinary Losses	(2.0)	(0.9)	(1.0)	(0.1)	(0.2)	(0.8)
Income before Income Taxes	(0.5)	0.5	2.7	2.2	2.0	0.7
Taxes, Deferred Taxes	(1.0)	(0.5)	(0.4)	0.1	(0.9)	0.5
Net Income	(1.5)	0	2.3	2.3	1.1	1.2

*Major items of extraordinary gains and losses in FY10/Mar.

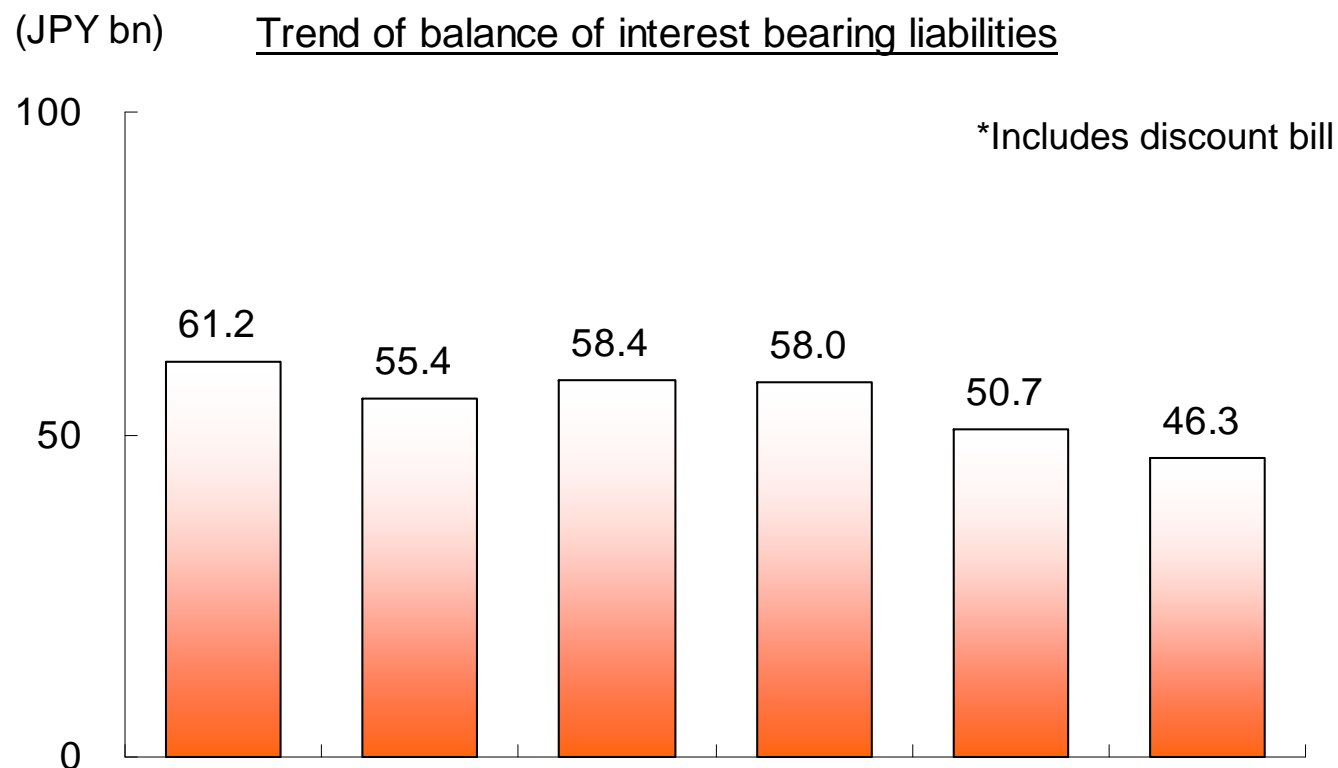
[Extraordinary Losses]	Impairment loss/Environmental expenses	: 0.5
[Taxes, Deferred Taxes]	Posting of deferred tax asset	: 0.7

Balance Sheet

(JPY bn)

Item	08/Mar. Actual	09/Mar. Actual	10/Mar. Actual	From 09/Mar. Change	From 08/Mar. Change
Cash/Cash Equivalents	5.8	5.7	6.7	1.0	0.9
Accounts Receivables	28.9	28.7	29.3	0.6	0.4
Inventories	42.6	42.0	41.5	(0.5)	(1.1)
Other Current Assets	3.4	4.2	3.2	(1.0)	(0.2)
Fixed Assets	92.5	90.4	90.3	(0.1)	(2.2)
Total Assets	173.2	171.0	171.0	-	(2.2)
Accounts Payables	40.8	43.8	41.8	(2.0)	1.0
Debs/Borrowings	57.9	50.7	46.2	(4.5)	(11.7)
Other Liabilities	22.0	24.8	27.4	2.6	5.4
(Total Liabilities)	120.7	119.3	115.4	(3.9)	(5.3)
Net Assets	52.5	51.7	55.6	3.9	3.1
(Retained Earnings)	4.1	4.1	6.1	2.0	2.0
Total Liabilities and Shareholders' Equity	173.2	171.0	171.0	-	(2.2)

Balance of Interest Bearing Liabilities and Financial Indices



	05/Mar.	06/Mar.	07/Mar.	08/Mar.	09/Mar.	10/Mar.	
D/E Ratio	1.2	1.0	1.1	1.1	0.98	0.83	(Time)
Equity Ratio	27.1	30.5	29.8	29.4	29.4	31.6	(%)

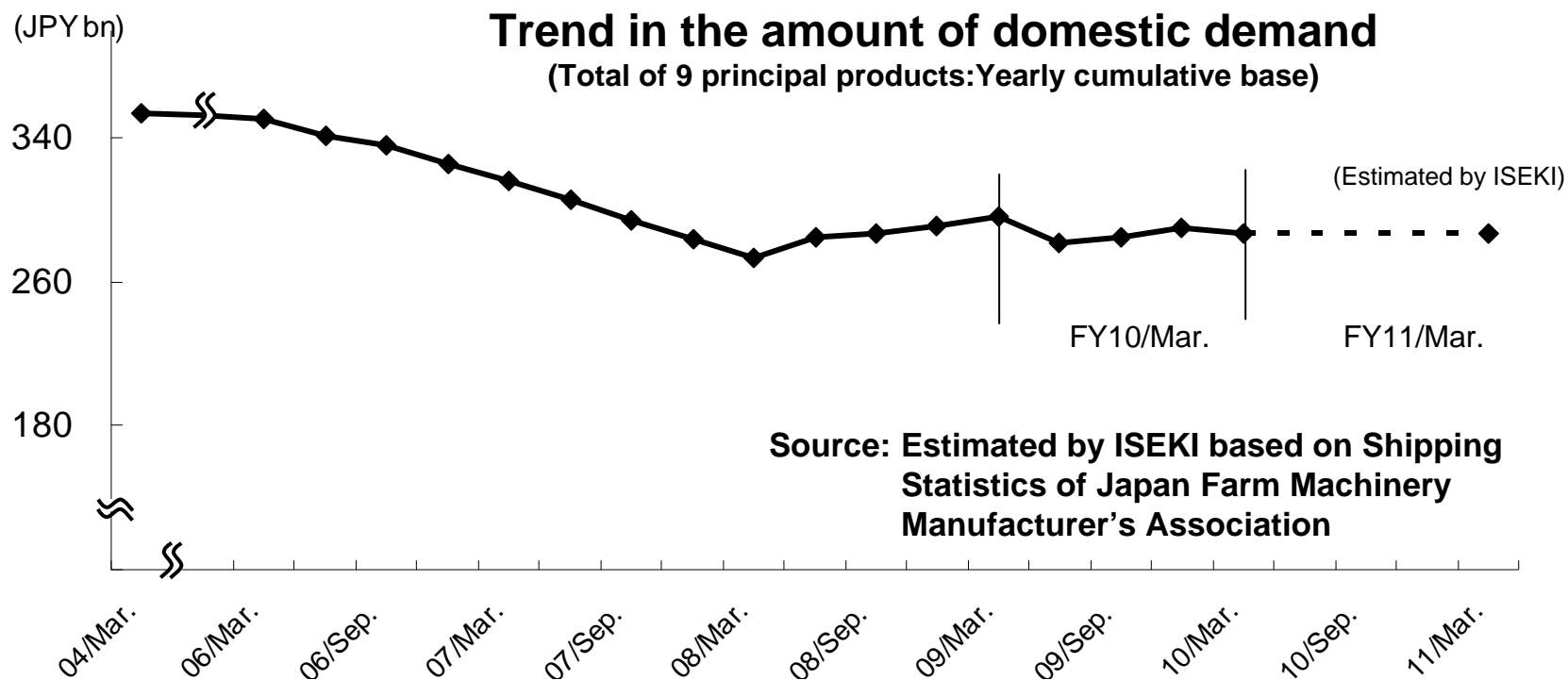
*D/E Ratio = Interest bearing liabilities/Net assets

2. Recent Development in Domestic and Overseas Markets



Trends of Domestic Demand for Agricultural Machinery

Trend of Demand for Agricultural Machinery (Forecast)



- 10/Mar. After having recovered the demand for agricultural machinery, through the implementation of an emergency machinery-leasing support program, from a temporary decline caused by the delayed schedule of its implementation, subsequent demand has shifted into inactivity mainly because of the recession.
- 11/Mar. We expect demand for agricultural machinery to remain flat, as it will still take time before the economy recovers.

Trends in Domestic Agricultural Machinery Market

Trends in domestic agricultural machinery industry shipment and effective sales of ISEKI

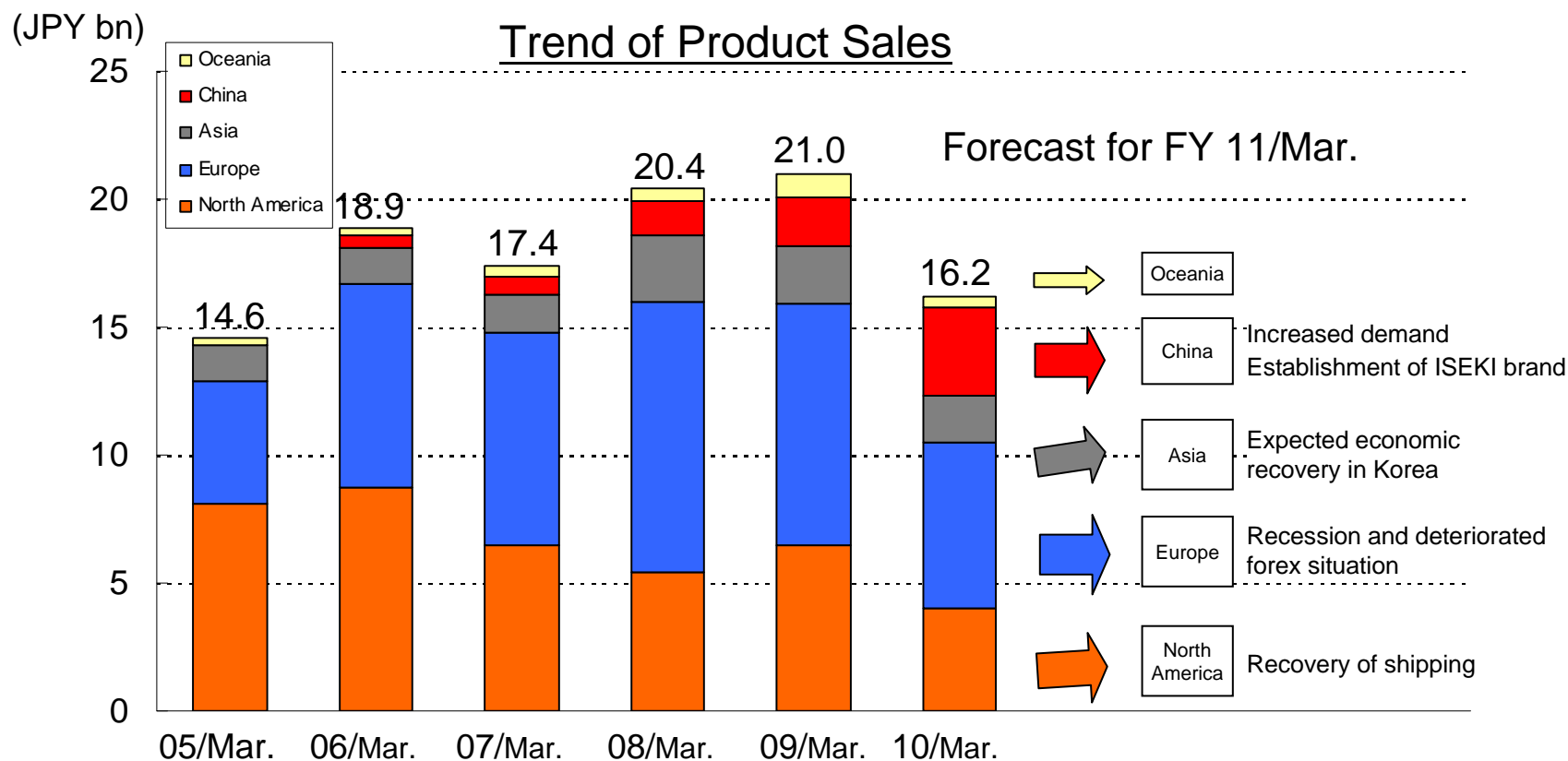
* Total amount of 9 products, Y o Y growth rate (%)

* Source: Estimated by ISEKI based on shipping statistics of Japan Farm Machinery Manufacturer's Association

	06/Apr.-07/Mar. Actual	07/Apr.-08/Mar. Actual	08/Apr.-09/Mar. Actual	09/Apr.-10/Mar. Actual
Industry (Shipment)	90.1	86.4	108.3	96.9
ISEKI (Effective sales)	90.7	94.1	106.5	96.9

- Shipping in the industry slightly declined from the previous year.
- ISEKI'S effective sales followed in line with the industry trend.

Trend of Overseas Sales and Prospect



Total Overseas Sales	15.9	20.5	18.8	22.0	23.1	18.1	(JPY bn)
Ratio of Overseas Sales	10.1	12.7	12.3	15.2	15.4	12.1	(%)

➔ 20% or more

Trend in Overseas Markets (North America)

1. Compact Tractor Market in North America

* Tractors with 50PS engines (PTO40PS) or less, and lawn mowers are not included

	09/ Jan.-Apr.	10/ Jan.-Apr.	Y o Y change	
			Change	%
USA	23	26	3	111%
Canada	3	2	(1)	78%
N. America Total	26	28	2	108%

(Unit:1,000)

* Figures are rounded to the nearest digit and non-adjusted

• According to demand forecast for 2010 by AEM, it will decline Y o Y.

Source: AEM statistics (Association of Equipment Manufacturers)

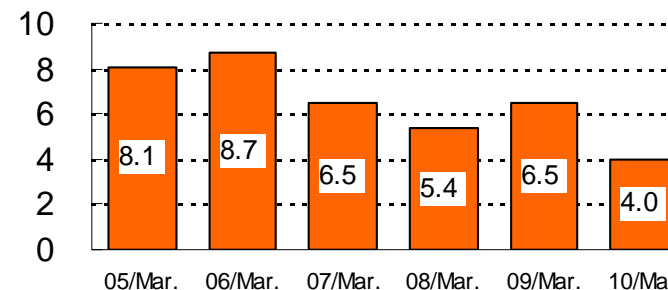
2. Trend in ISEKI's Sales and Strategy

- Effective sales by our OEM partner were lower than the previous year, and they plan to step up their sales promotion.
- Since our OEM partner narrowed down purchases from ISEKI in the previous year, the inventory level remains in the projected level.
- Our immediate orders-received hover, actively.



Focusing on the local trend of effective sales, ISEKI will try to enhance our product competitiveness and sales recovery

(JPY bn) Trend of Product Sales for North America



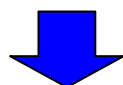
Trends in Overseas Markets (Europe)

1. Trends in European Market

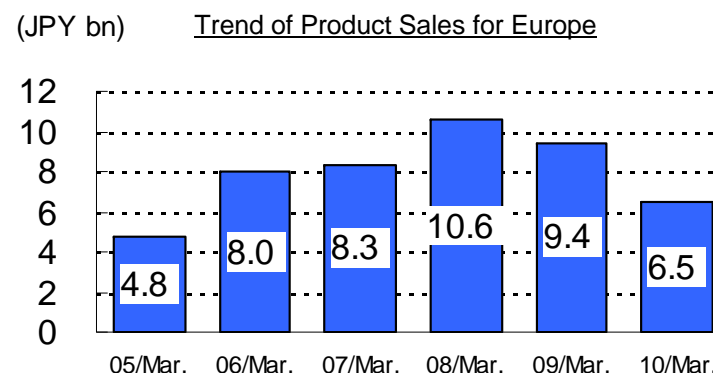
- Both markets for consumers and professionals have been affected by the obvious impact of the recession.
- There have not been any visible signs of economic and market recovery, implying the possibility of a continued shrinking of the market.

2. Trends in ISEKI's Sales and Strategy

- Effective sales of our European agents trended lower than the previous year.
- The inventory level of each agent stays at an appropriate level, due to cautious purchasing in the previous year.
- ISEKI' immediate orders-received have exceeded those of the previous year, but there remain some uncertainties in the market environment.



We will aim to maintain and expand sales, by increased sales of new products and steady sales in new markets.



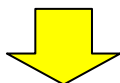
Trends in Overseas Markets (Asia)

1. Trends in Asian Market

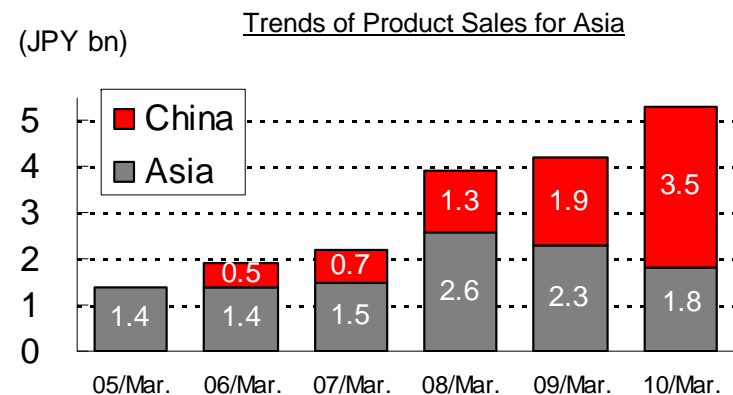
- China: The agricultural machinery market has maintained active trends due to increased government subsidy.
- Korea: In view of the expected economic growth, we expect a recovery of sales.

2. Trend of ISEKI's Sales and Strategy

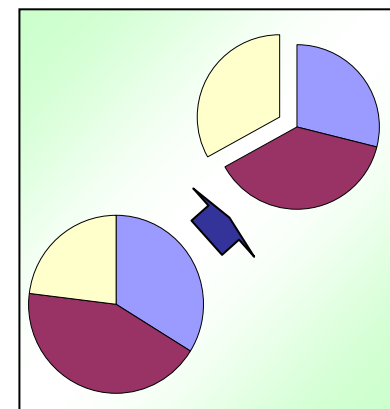
- China: While sales of rice transplanters are expected to increase, sales of combine harvesters remain flat.
- Korea: Expectations are for sales recovery, due to economic recovery.
- South East Asia: Promotion of mechanization will be sustained. ISEKI accelerates the enhancement of sales capacity and product competitiveness.



- ISEKI aims to reinforce our production, sales, and service system in China.
- We aim to enhance our sales system and product competitiveness in South East Asia.



3. Performance Forecast for the Fiscal Year Ending March 2011



Points of Business Performance Forecast

- (1) Domestic sales
 - Flat agricultural machinery demand in the current fiscal year.
 - Reduced facility construction
 - Introduction of commemorative products for the 85th Anniversary of Inauguration

- (2) Overseas sales
 - Europe Flat sales due to uncertainty of prospect of the economy
 - North America Increased sales due to recovered purchase by OEM partner
 - China Increased sales of rice transplanters, and temporary flattening of sales of combine harvesters.

- (3) Earnings
 - Impact of elevated raw material price
 - Impact of foreign exchange rate
 - Increased SG&A expenses

Performance Forecast for the Fiscal Year Ending March 2011

(JPY bn, %)

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	Value	%	Value	%	Value	%	
Net Sales	149.6	100.0	149.3	100.0	151.0	100.0	1.7
(Domestic)	126.5	84.6	131.2	87.9	132.0	87.4	0.8
(Overseas)	23.1	15.4	18.1	12.1	19.0	12.6	0.9
Operating Income	1.6	1.1	4.5	3.0	3.5	2.3	(1.0)
Ordinary Income	0.8	0.5	3.6	2.4	2.6	1.7	(1.0)
Net Income	0	0.0	2.3	1.6	1.1	0.7	(1.2)

- Company forex rate: \$10= ¥90; 1 Euro=¥120

4. Topics

- Trend of Domestic Agricultural Policy



Electric mini tillers
“Elena” and “Asuna”

Trend of Domestic Agricultural Policy

1) March 30, 2010 Cabinet Decision

New food, agriculture, and farming community fundamental plan

The plan aims at the creation of society which support agriculture and the farming community as Japanese public as a whole.

Target: Food self-sufficiency ratio of 50% in 2020

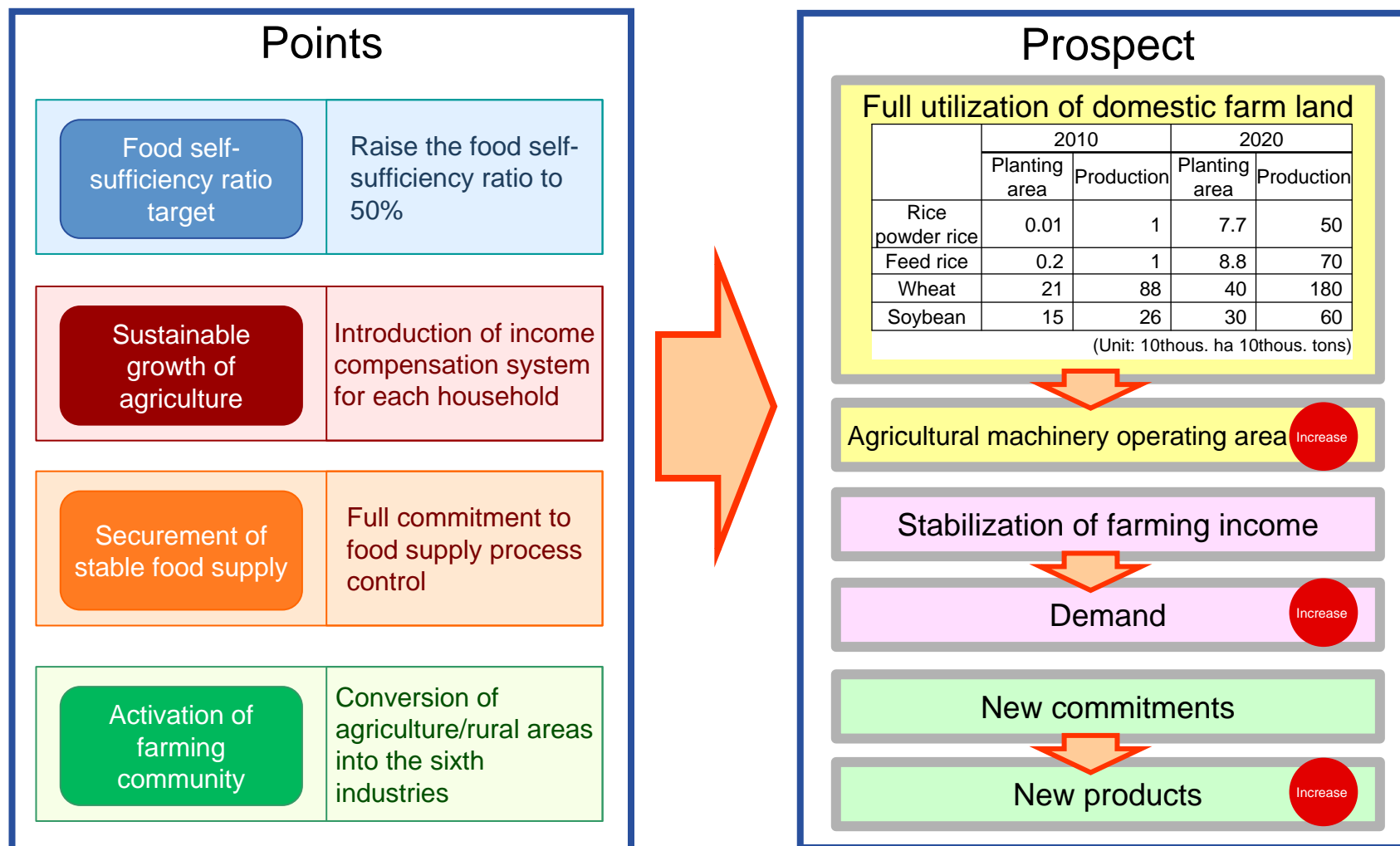
Food, agriculture, farming community fundamental plan (Hereafter, “Fundamental plan”) refers to;

- The Plan which decided policy of the government to engage regarding food, agriculture and farming community in mid-long term perspectives (10 years) (to be reviewed every 5 years)
- The plan will be the column of future agricultural policy, and measures (projects) regarding agriculture will be formulated based on this plan.

Source: Ministry of Agriculture, Forestry and Fisheries

Trend of Domestic Agricultural Policy

2) Points of the fundamental plan and future prospects



Notes on the Future Forecast

- The objective of this presentation document is to provide information, and it is not intended to invite any action.
- The document has been prepared by ISEKI based on currently available information and it involves potential risks and uncertainties. The forecast may not be consistent with actual results depending on fluctuation of the economic situation and market trends.
- In using this information, investors are expected to depend on their own judgment. ISEKI is not liable for any losses incurred by investment decision made utilizing the business forecast or targets given in this document.



Increase food self sufficiency ratio 1% campaign which leads to relief in the future

FOOD ACTION NIPPON

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