



**Financial Results for the First Quarter
Fiscal Year Ending March 2011
Investor Relations Presentation Materials**

ISEKI & CO., LTD.

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Index

- 1. Outline of Financial Results for the First Quarter
Fiscal Year Ending March, 2011**
- 2. Recent Development in Domestic and Overseas Markets**
 - Regarding business alliance with the Specialized Vehicle Division of Dongfeng Motor group, China.
- 3. Performance Forecast for the Fiscal Year Ending March,
2011**
- 4. Topics**

* Quarterly Financial Results and Seasonal Trends

1. Reporting period of consolidated subsidiaries

| | Term end | (1st Quarter) |
|--|-------------|---------------|
| 12 sales companies, 1 sales related company and Iseki-Changzhou Mfg. Co., Ltd. | December 31 | (Jan.-Mar.) |
| ISEKI & CO.,LTD. and 10 other affiliates | March 31 | (Apr.-Jun.) |

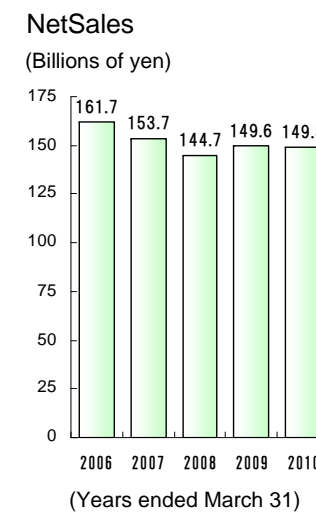
2. Seasonal Trends of sales (FY Ended March 2010 Actual)

(JPY bn)

| | 1st | 2nd | 3rd | 4nd | Total |
|----------|------|------|------|------|-------|
| Domestic | 26.0 | 35.8 | 34.5 | 34.9 | 131.2 |
| Overseas | 3.5 | 4.4 | 3.7 | 6.5 | 18.1 |
| Total | 29.5 | 40.2 | 38.2 | 41.4 | 149.3 |
| (%) | (20) | (27) | (25) | (28) | (100) |

(Note) The sales in first quarter are lower than in other quarters.

1. Outline of Financial Results for the First Quarter Fiscal Year Ending March, 2011



Outline of First Quarter Business Performance

(JPY bn, %)

| Item | 08/Apr.-Jun. | 09/Apr.-Jun. | | 10/Apr.-Jun. | | Change | 10/Apr.-Jun. Plan | Change |
|------------------------|--------------|--------------|-------|--------------|-------|--------|----------------------|--------|
| | Actual | Actual | % | Actual | % | | | |
| Net Sales | 32.3 | 29.5 | 100.0 | 33.2 | 100.0 | 3.7 | 33.0 | 0.2 |
| (Domestic) | 27.0 | 26.0 | 88.1 | 29.2 | 87.8 | 3.2 | 29.0 | 0.2 |
| (Overseas) | 5.3 | 3.5 | 11.9 | 4.0 | 12.2 | 0.5 | 4.0 | - |
| Gross Profit | 10.1 | 10.7 | 36.1 | 11.8 | 35.5 | 1.1 | 11.5 | 0.3 |
| S. G. & A. Expenses | 10.6 | 10.3 | 34.8 | 10.5 | 31.6 | 0.2 | 10.7 | (0.2) |
| Operating Income | (0.5) | 0.4 | 1.3 | 1.3 | 3.9 | 0.9 | 0.8 | 0.5 |
| Ordinary Income | (0.4) | 0.4 | 1.3 | 1.0 | 3.1 | 0.6 | 0.6 | 0.4 |
| Net Income | (0.5) | 0.4 | 1.3 | 0.8 | 2.5 | 0.4 | 0.1 | 0.7 |

Breakdown of Domestic Sales (3 months cumulative)

(JPY bn)

| | | 08/ Apr.-Jun. Actual | 09/ Apr.-Jun. Actual | 10/ Apr.-Jun. Actual | Change | Notes | 10/ Apr.-Jun. Plan | Change | |
|------------------------------|----------------------------|-----------------------------------|----------------------------|----------------------------|-------------|------------|---------------------------------|-------------|------------|
| | | | | | | | | | |
| Agriculture Related Business | Agricultural Machinery | Cultivating & Mowing Machinery | 7.4 | 7.4 | 7.5 | 0.1 | Tractors: +0.3 Others: (0.2) | 7.5 | - |
| | | Planting Machinery | 3.4 | 3.3 | 3.3 | - | | 3.3 | - |
| | | Harvesting & Processing Machinery | 4.1 | 3.9 | 4.5 | 0.6 | Combine Harvesters : +0.5 | 4.5 | - |
| | Total | | 14.9 | 14.6 | 15.3 | 0.7 | | 15.3 | - |
| | Parts & Farming Implements | | 5.9 | 5.5 | 7.3 | 1.8 | Farming Implements : +1.7 | 7.1 | 0.2 |
| | Construction of Facilities | | 0.2 | 0.3 | 0.8 | 0.5 | | 0.8 | - |
| | Other Agriculture Related | | 6.0 | 5.6 | 5.8 | 0.2 | | 5.8 | - |
| | Total | | 27.0 | 26.0 | 29.2 | 3.2 | | 29.0 | 0.2 |
| Other Business Total | | 0.0 | 0.0 | 0.0 | - | | 0.0 | - | |
| Total | | 27.0 | 26.0 | 29.2 | 3.2 | | 29.0 | 0.2 | |

* The breakdown of sales is given as "Agriculture related business" and "Other business" by the adoption of "Accounting standard for disclosures about segments of an enterprise and related information" and "Guidance on accounting standard for disclosures about segments of an enterprise and related information" from the first quarter accounting period under review.

Breakdown of Overseas Sales (3 months cumulative)

(JPY bn)

| | 08/ Apr.- Jun. Actual | 09/ Apr.- Jun. Actual | 10/ Apr.- Jun. Actual | Change | Notes | 10/ Apr.- Jun. Plan | Change |
|----------------|-----------------------------|-----------------------------|-----------------------------|--------|---|---------------------------|--------|
| North America | 1.8 | 0.8 | 1.4 | 0.6 | Progress in inventory adjustment of the OEM partner | 1.4 | - |
| Europe | 2.2 | 1.1 | 1.2 | 0.1 | | 1.2 | - |
| Asia | 0.3 | 0.3 | 0.2 | (0.1) | | 0.2 | - |
| China* | 0.1 | 0.7 | 0.6 | (0.1) | Reduced sales of combine harvesters | 0.6 | - |
| Oceania | 0.3 | 0.1 | 0.1 | - | | 0.1 | - |
| Products Total | 4.7 | 3.0 | 3.5 | 0.5 | | 3.5 | - |
| Parts & Others | 0.6 | 0.5 | 0.5 | - | | 0.5 | - |
| Total | 5.3 | 3.5 | 4.0 | 0.5 | | 4.0 | - |

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

Operating Income (3 months cumulative)

(JPY bn, %)

| Item | 08/Apr.-Jun. | 09/Apr.-Jun. | | 10/Apr.-Jun. | | Change | 10/Apr.-Jun. | Change |
|---------------------|--------------|--------------|-------|--------------|-------|--------|--------------|--------|
| | Actual | Actual | % | Actual | % | | Plan | |
| Net Sales | 32.3 | 29.5 | 100.0 | 33.2 | 100.0 | 3.7 | 33.0 | 0.2 |
| Cost of G. S. | 22.2 | 18.8 | 63.9 | 21.4 | 64.5 | 2.6 | 21.5 | (0.1) |
| Gross Profit | 10.1 | 10.7 | 36.1 | 11.8 | 35.5 | 1.1 | 11.5 | 0.3 |
| S. G. & A. Expenses | 10.6 | 10.3 | 34.8 | 10.5 | 31.6 | 0.2 | 10.7 | (0.2) |
| Operating Income | (0.5) | 0.4 | 1.3 | 1.3 | 3.9 | 0.9 | 0.8 | 0.5 |

* Compared with the same period of previous year

| | | |
|------------------------------|--|---------|
| [Factors to increase profit] | •Increased gross income by increased revenue | : +1.3 |
| [Factors to decrease profit] | •Deteriorated gross margin rate (0.6%) [Forex gap (0.1) others (0.1)] | : (0.2) |
| | •Increased S.G. & A. expenses (personnel expenses +0.1, distribution cost +0.1) | : (0.2) |

Ordinary Income and Net Income (3 months cumulative)

(JPY bn)

| Item | 08/Apr.-Jun. | 09/Apr.- Jun. | 10/Apr.- Jun. | Change | 10/Apr.- Jun. | Change |
|----------------------------|--------------|---------------|---------------|--------|---------------|--------|
| | Actual | Actual | Actual | | Plan | |
| Operating Income | (0.5) | 0.4 | 1.3 | 0.9 | 0.8 | 0.5 |
| Net Financial Income | (0.3) | (0.3) | (0.3) | - | (0.3) | - |
| Other Non-operating Income | 0.4 | 0.3 | 0.0 | (0.3) | 0.1 | (0.1) |
| Ordinary Income | (0.4) | 0.4 | 1.0 | 0.6 | 0.6 | 0.4 |
| Extraordinary Gains | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | - |
| Extraordinary Losses | (0.2) | 0.0 | (0.6) | (0.6) | (0.3) | (0.3) |
| Income before Income Taxes | (0.6) | 0.4 | 0.5 | 0.1 | 0.4 | 0.1 |
| Taxes, Deferred Taxes | 0.1 | 0.0 | 0.3 | 0.3 | (0.3) | 0.6 |
| 1Q Net Income | (0.5) | 0.4 | 0.8 | 0.4 | 0.1 | 0.7 |

* Factors of YoY change

| | | |
|-------------------------|---|-------|
| [Non-operating income] | Foreign exchange evaluation losses: | (0.4) |
| | Other income: | +0.1 |
| [Extraordinary losses] | Evaluation loss on investment securities: | (0.3) |
| | Adoption of accounting standard for asset retirement obligations: | (0.2) |
| [Taxes, deferred taxes] | Taxes, deferred taxes(0.2) and posted deferred tax assets +0.5: | +0.3 |

Balance Sheet

(JPY bn)

| Item | 08/Jun. Actual | 09/Jun. Actual | 10/Jun. Actual | Change from 09/Jun. | Change from 10/Mar. |
|---|-------------------|-------------------|-------------------|------------------------|------------------------|
| Cash/Cash Equivalents | 8.2 | 6.2 | 8.0 | 1.8 | 6.7 |
| Accounts Receivables | 35.8 | 30.2 | 30.2 | - | 29.3 |
| Inventories | 42.3 | 44.2 | 42.5 | (1.7) | 41.5 |
| (Product Inventory) | 25.5 | 28.8 | 28.0 | (0.8) | 27.5 |
| Other Current Assets | 2.6 | 3.2 | 3.3 | 0.1 | 3.2 |
| Fixed Assets | 92.5 | 90.8 | 90.1 | (0.7) | 90.3 |
| Total Assets | 181.4 | 174.6 | 174.1 | (0.5) | 171.0 |
| Accounts Payables | 38.8 | 38.8 | 37.8 | (1.0) | 41.8 |
| Debs/Borrowings | 69.0 | 59.9 | 52.9 | (7.0) | 46.2 |
| Other Liabilities | 21.3 | 23.5 | 27.0 | 3.5 | 27.4 |
| (Total Liabilities) | 129.1 | 122.2 | 117.7 | (4.5) | 115.4 |
| Net Assets | 52.3 | 52.4 | 56.4 | 4.0 | 55.6 |
| (Retained Earnings) | 3.6 | 4.5 | 6.9 | 2.4 | 6.1 |
| Total Liabilities and Shareholders' Equity | 181.4 | 174.6 | 174.1 | (0.5) | 171.0 |

2. Recent Development in Domestic and Overseas Markets



Combine harvester “Japan” HJ6120

Trend of Domestic Agricultural Policy

[Trend of Income Compensation System for Each Household]

○ FY2010 Model Countermeasures

Application for participation as of June 30, 2010 (Preliminary) 1,319,277 applications

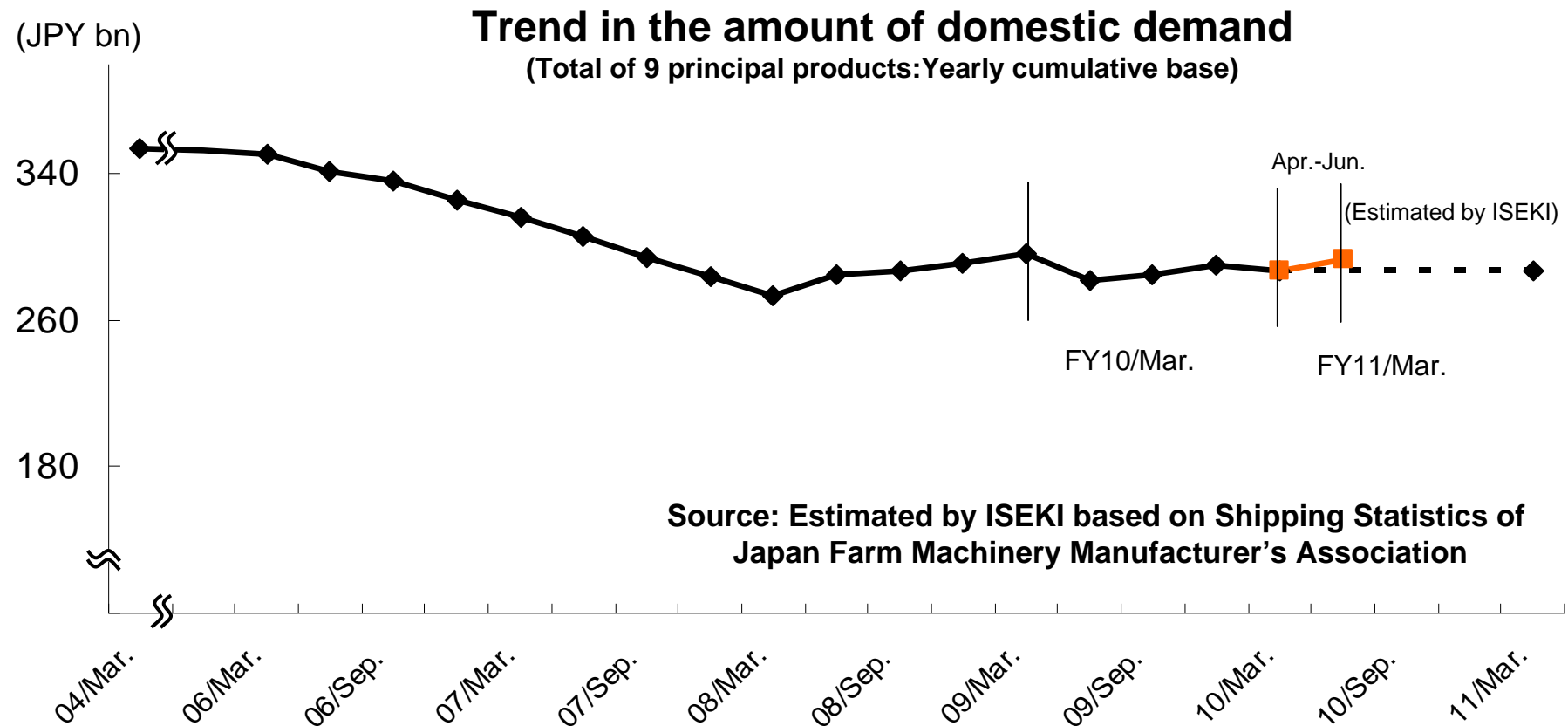
*The application has been extended until the end of September for Miyazaki Pref., and until the end of August for Oita/Kumamoto Pref. Reference)

The number of households that accepted the paddy rice mutual aid system:(09 Preliminary) 1,755,763 households
Of which, households practicing production adjustment (Estimate): 1,181,800 households

At present, the Ministry of Agriculture, Forestry and Fisheries is studying with the goal to have a full-fledged implementation for FY2011.

Trends of Domestic Demand for Agricultural Machinery

Trend of Demand for Agricultural Machinery (Forecast)



Trends in Domestic Agricultural Machinery Market

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

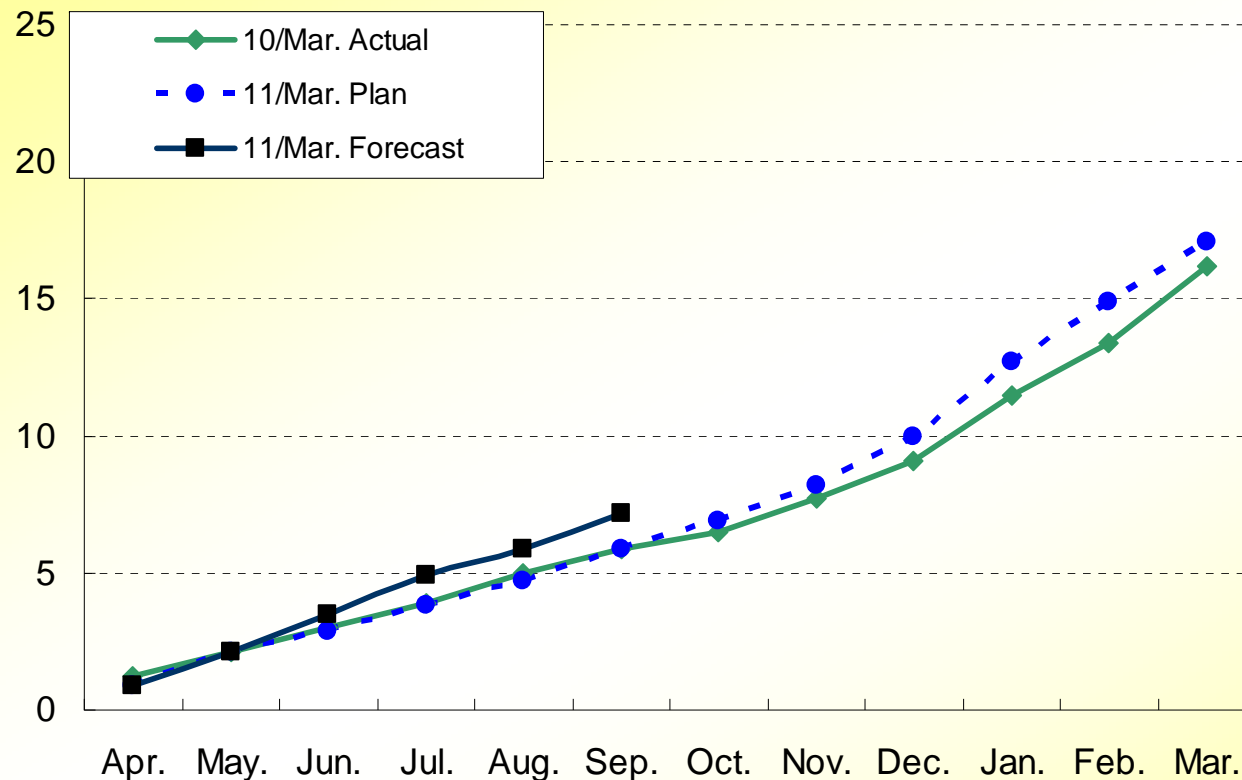
* Total amount of 9 products, Y o Y growth rate (%)

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

| | 08/Jan.-Jun. | 09/Jan.-Jun. | 10/Jan.-Jun. | 09/Jul.-10/Jun. |
|-------------------------|--------------|--------------|--------------|-----------------|
| Industry (Shipment) | 100 | 93 | 102 | 104 |
| ISEKI (Effective sales) | 111 | 92 | 104 | 100 |

Recent Trend of Overseas Product Sales

(JPY bn)



**11/Mar. Plan
17.1 billion yen**

10/Mar. Actual
16.2 billion yen

* Immediate orders received are shifting in excess of the plan.

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.- Jul. | 10/ Jan.- Jul. | Y o Y change | |
|------------------|-------------------|-------------------|--------------|------|
| | | | Change | (%) |
| USA | 52 | 55 | 3 | 104% |
| Canada | 6 | 6 | 0 | 101% |
| N. America Total | 58 | 61 | 3 | 104% |

(Unit:1,000)

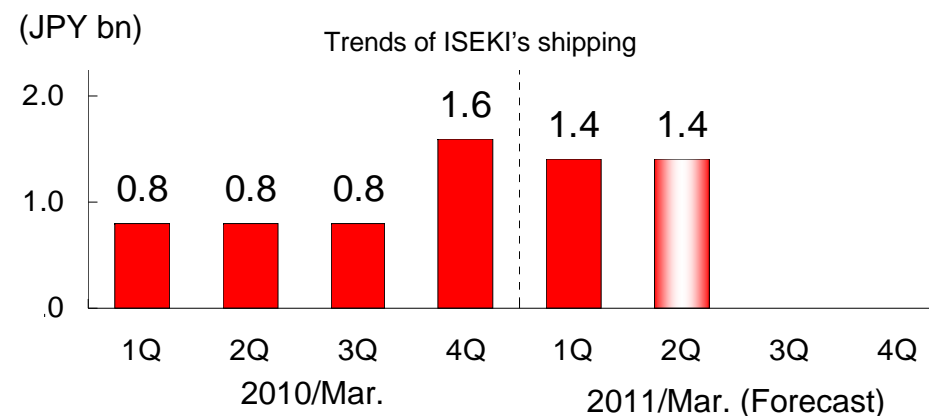
* Figures have been rounded and non-adjusted.

• The market turned positive during the March to May period, compared to the previous year.

Source: AEM statistics (Association of Equipment Manufacturers)

2. Trend in ISEKI's Sales (North America)

- Effective sales of the OEM partner is on a track to recovery due to promotional measures.
- ISEKI's shipping shifted, outperforming the previous year due to progress in inventory adjustment of our OEM partner.



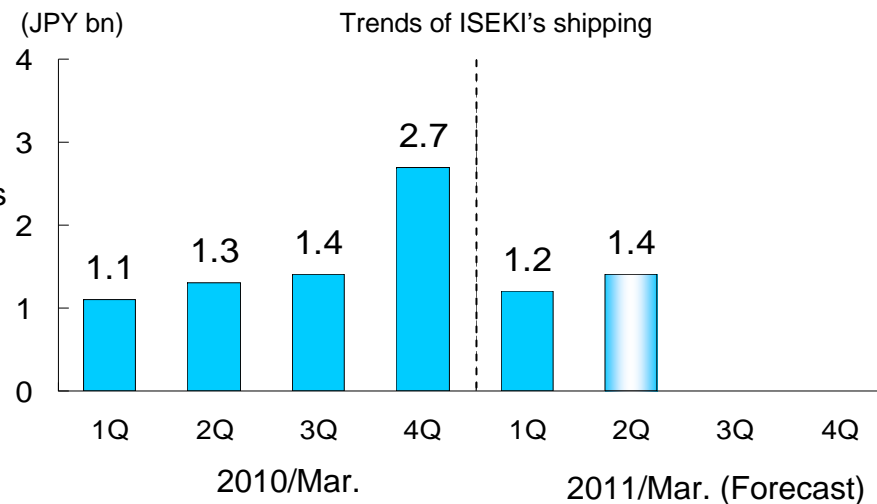
Trends in Overseas Markets (Europe)

1. Trends in European Market

- Prolonged recession affected the entire market.

2. Trends in ISEKI's Sales (Europe)

- Effective sales ratio by European distributors shifted underperforming the previous year.
- ISEKI's shipping shifted exceeding the previous year.
- We promoted maintenance/expansion of our market share in the matured West European market, and sales expansion in East Europe and others.



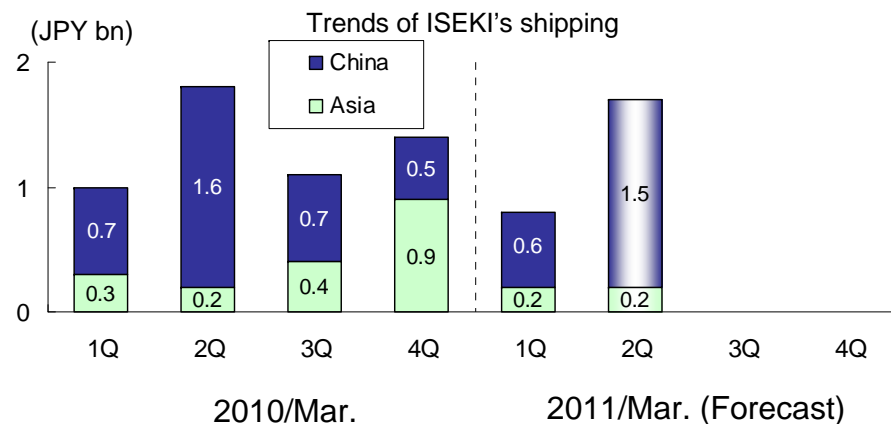
Trends in Overseas Markets (Asia)

1. Trends in Asian Market

- China: Market expansion continued due to the subsidy policy (This year, 15.5 billion yuan)
- Korea: Imported products sagged due to deteriorated forex environment.
- South East Asia: Market expansion is expected due to measures to increase paddy-rice production and promotion of mechanization.

2. Trend in ISEKI's sales (Asia)

- China: Both riding and walking type rice transplanters shifted solid.
- Korea: Reluctance in buying emerged discouraged by relatively high prices due to weaker won.
- South East Asia: We continued to try to expand sales by closer exchange of information with local agents, and through technical guidance, etc.



Business Alliance with the Specialized Vehicle Division of Dongfeng Motor group, China

Regarding basic agreement on business alliance

Purpose of the business alliance

In order to achieve a further response to the Chinese agricultural machinery market, that has been continuously expanding, we will establish a joint company with the Specialized Vehicle Division of the major automobile manufacturer in China, “Dongfeng Motor group”, China to engage in the manufacture and sales of agricultural machinery.

Contents of the basic agreement

- 1) To prepare for the establishment of a joint company in China (Hubei Province is scheduled)
- 2) The ratio of investment in the joint company shall be 50:50.
- 3) The main business shall be the manufacture/sales/service/import of agricultural machinery.
- 4) The brand name shall be “Dongfeng ISEKI” (tentative name).

Schedule

An individual contract regarding the business alliance and others shall be concluded, targeting early September, 2010.

ISEKI'S Commitments to China

Trend of ISEKI's Sales in Chinese Market

•Sales

(JPY bn)

| | FY06 | FY07 | FY08 | FY09 | FY10 | FY11 Plan |
|-------|------|------|------|------|------|-----------|
| Asia | 1.4 | 1.5 | 2.6 | 2.3 | 1.8 | 2.0 |
| China | 0.5 | 0.7 | 1.3 | 1.9 | 3.5 | 3.4 |
| Total | 1.9 | 2.2 | 3.9 | 4.2 | 5.3 | 5.4 |

We aim at sales of ¥6.0 billion in China

•ISEKI's effective Sales

(Unit)

| | FY06 | FY07 | FY08 | FY09 | FY10 | FY11 Plan |
|--------------------|------|------|-------|-------|-------|-----------|
| Combine Harvesters | 150 | 220 | 300 | 470 | 840 | 690 |
| Rice Transplanters | 0 | 120 | 1,110 | 1,620 | 3,250 | 4,500 |
| Walking type | — | 50 | 790 | 1,100 | 2,450 | 3,400 |
| Riding type | — | 70 | 320 | 520 | 800 | 1,100 |

We aim at effective sales of 10,000 Units Rice transplanters.

Changzhou factory is reaching its limit of production capacity.

Merits in establishing a joint company with specialized vehicle division of Dongfeng Motor group.

- Expansion of production capacity
- Increase the local supply rate → Cost reduction
- Brand power of Dongfeng → Exploitation of new sales channels

3. Performance Forecast for the Fiscal Year Ending March 2011



Performance Forecast for the Fiscal Year Ending March 2011

(JPY bn)

| Item | 09/Mar. | | 10/Mar. | | 11/Mar. | | Change | | 11/Mar. Initial Forecast | | Change | |
|------------------|-----------------------|--------|-----------------------|--------|-----------------------|--------|-----------------------|--------|--------------------------|--------|-----------------------|--------|
| | Apr. -Sep. cumulative | Annual | Apr. -Sep. cumulative | Annual | Apr. -Sep. cumulative | Annual | Apr. -Sep. cumulative | Annual | Apr. -Sep. cumulative | Annual | Apr. -Sep. cumulative | Annual |
| Net Sales | 77.0 | 149.6 | 69.7 | 149.3 | 75.0 | 151.0 | 5.3 | 1.7 | 75.0 | 151.0 | - | - |
| (Domestic) | 64.6 | 126.5 | 61.8 | 131.2 | 66.0 | 132.0 | 4.2 | 0.8 | 66.5 | 132.0 | (0.5) | - |
| (Overseas) | 12.4 | 23.1 | 7.9 | 18.1 | 9.0 | 19.0 | 1.1 | 0.9 | 8.5 | 19.0 | 0.5 | - |
| Operating Income | 1.2 | 1.6 | 2.5 | 4.5 | 2.2 | 3.5 | (0.3) | (1.0) | 2.2 | 3.5 | - | - |
| Ordinary Income | 1.1 | 0.8 | 2.2 | 3.6 | 1.8 | 2.6 | (0.4) | (1.0) | 1.8 | 2.6 | - | - |
| Net Income | 0.7 | 0.0 | 1.6 | 2.3 | 0.7 | 1.1 | (0.9) | (1.2) | 0.7 | 1.1 | - | - |

*Company forex rate from the 2nd half: 1US\$=¥90, 1 Euro=¥110

4. Topics



- Intellectual Property Rights



Inside ridge partial fertilizing machine
(trapezoidal spec.)

Intellectual Property Right

1. Patent assessment ratio and rank in all industries

* Ranked 1st for 6 years running

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-------------------------|-------|-------|-------|-------|-------|-------|
| Patent assessment ratio | 84.6% | 83.7% | 90.4% | 89.3% | 85.8% | 88.5% |
| Rank in all industries | First | First | First | First | First | First |

* Patent assessment ratio= Number of decision to patent grant / (Number of decision to patent grant+ Number of decision of refusal+ Number of withdrawal/ Abandonment)

2. Number of public patents by sector and rank

| | 2000-2006 | 2007 | 2008 |
|--------|---------------------------|------------------------------|-------|
| Sector | Agriculture and fishery | *The other special machinery | |
| Rank | First for 7 years running | First | First |

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

Source: "2010 Annual Report on Patent Policy" announced by the Japan Patent Office on July 15, 2010

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

ISEKI group is partner of FOOD ACTION NIPPON.