



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

ISEKI & CO., LTD.

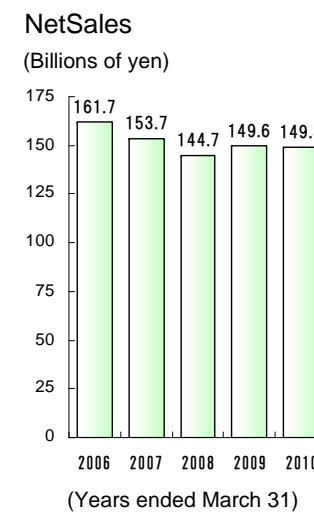
**Seiichiro Gamo, President
November 19, 2010**



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



Outline of Second Quarter Business Performance

(6 months cumulative)

(JPY bn, %)

Item	08/ Apr.-Sep.	09/ Apr.-Sep.		10/ Apr.-Sep.		Change	10/ Apr.-Sep. Plan	Change
			%		%			
Net Sales	77.0	69.7	100.0	75.4	100.0	5.7	75.0	0.4
(Domestic)	64.6	61.8	88.6	66.3	87.9	4.5	66.0	0.3
(Overseas)	12.4	7.9	11.4	9.1	12.1	1.2	9.0	0.1
Gross Profit	23.4	23.5	33.7	23.8	31.5	0.3	24.1	(0.3)
S. G. & A. Expenses	22.2	21.0	30.1	21.5	28.5	0.5	21.9	(0.4)
Operating Income	1.2	2.5	3.6	2.3	3.0	(0.2)	2.2	0.1
Ordinary Income	1.1	2.2	3.2	1.8	2.3	(0.4)	1.8	-
Net Income	0.7	1.6	2.3	0.1	0.1	(1.5)	0.7	(0.6)

* Domestic sales companies, ISEKI-CHANGZHOU MFG. CO., LTD., etc. Cumulative total: Jan. – Jun.

* ISEKI & CO., LTD. (non-consolidated), overseas businesses, plants, etc. Cumulative total: Apr. – Sep.

Breakdown of Domestic Sales (6 months cumulative)

(JPY bn)

		08/ Apr.-Sep.	09/ Apr.-Sep.	10/ Apr.-Sep.	Change	Notes	10/ Apr.-Sep. Plan	Change	
Agriculture Related Business	Agricultural Machinery								
		Cultivating & Mowing Machinery	17.0	16.1	16.0	(0.1)	Tractors: +0.1 Others: (0.2)	15.9	0.1
		Planting Machinery	8.8	8.2	8.4	0.2	Rice transplanters: +0.2	8.5	(0.1)
		Harvesting & Processing Machinery	7.6	7.1	7.7	0.6	Combine Harvesters : +0.7	7.9	(0.2)
		Total	33.4	31.4	32.1	0.7		32.3	(0.2)
		Parts & Farming Implements	15.4	15.4	16.9	1.5	Farming Implements : +1.4	16.8	0.1
		Construction of Facilities	1.7	1.8	3.8	2.0		3.8	-
	Other Agriculture Related	13.5	13.1	13.4	0.3		13.0	0.4	
	Total	64.0	61.7	66.2	4.5		65.9	0.3	
	Other Business Total	0.6	0.1	0.1	-		0.1	-	
	Total	64.6	61.8	66.3	4.5		66.0	0.3	

* 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 (6 months cumulative)

(JPY bn)

	08/ Apr.- Sep.	09/ Apr.- Sep.	10/ Apr.- Sep.	Change	Notes	10/ Apr.- Sep. Plan	Change
North America	4.5	1.6	2.8	1.2	Progress in inventory adjustment of the OEM partner	2.8	-
Europe	4.4	2.4	2.6	0.2		2.6	-
Asia	0.7	0.5	0.3	(0.2)		0.4	(0.1)
China*	1.0	2.3	2.1	(0.2)	Reduced sales of combine harvesters	2.1	-
Oceania	0.6	0.1	0.3	0.2		0.2	0.1
Products Total	11.2	6.9	8.1	1.2		8.1	-
Parts & Others	1.2	1.0	1.0	-		0.9	0.1
Total	12.4	7.9	9.1	1.2		9.0	0.1

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

Operating Income (6 months cumulative)

(JPY bn, %)

Item	08/ Apr.-Sep.	09/ Apr.-Sep.		10/ Apr.-Sep.		Change	10/ Apr.-Sep. Plan	Change
			%		%			
Net Sales	77.0	69.7	100.0	75.4	100.0	5.7	75.0	0.4
Cost of G. S.	53.6	46.2	66.3	51.6	68.5	5.4	50.9	0.7
Gross Profit	23.4	23.5	33.7	23.8	31.5	0.3	24.1	(0.3)
S. G. & A. Expenses	22.2	21.0	30.1	21.5	28.5	0.5	21.9	(0.4)
Operating Income	1.2	2.5	3.6	2.3	3.0	(0.2)	2.2	0.1

* Compared with the same period of previous year

- | | | |
|------------------------------|--|---------|
| [Factors to increase profit] | ▪ Increased gross income by increased revenue | : +1.5 |
| [Factors to decrease profit] | ▪ Deteriorated gross margin rate -2.2% | : (1.2) |
| | [Forex gap (0.3), increased fixed costs including personnel expenses (0.3), increased material price, etc. (0.2), deteriorated profitability of sales companies, etc. (0.4)] | |
| | ▪ Increased S.G. & A expenses | : (0.5) |
| | [personnel expenses +0.3, distribution cost +0.2] | |

Ordinary Income and Quarterly Net Income (6 months cumulative)

(JPY bn)

	08/ Apr.-Sep.	09/ Apr.- Sep.	10/ Apr.- Sep.	Change	10/ Apr.- Sep. Plan	Change
Operating Income	1.2	2.5	2.3	(0.2)	2.2	0.1
Net Financial Income	(0.6)	(0.5)	(0.5)	-	(0.6)	0.1
Other Non-operating Income	0.5	0.2	0	(0.2)	0.2	(0.2)
Ordinary Income	1.1	2.2	1.8	(0.4)	1.8	-
Extraordinary Gains	0.2	0	0	-	0	-
Extraordinary Losses	(0.3)	(0.1)	(1.0)	(0.9)	(0.4)	(0.6)
Income before Income Taxes	1.0	2.1	0.8	(1.3)	1.4	(0.6)
Taxes, Deferred Taxes	(0.3)	(0.5)	(0.7)	(0.2)	(0.7)	-
Net Income	0.7	1.6	0.1	(1.5)	0.7	(0.6)

* Factors of YoY change

[Non-operating income]	Foreign exchange evaluation losses:	(0.3)
	Other income:	+0.1
[Extraordinary losses]	Evaluation loss on investment securities:	(0.7)
	Adoption of accounting standard for asset retirement obligations:	(0.2)
[Taxes, deferred taxes]	Taxes, deferred taxes:	(0.2)

Balance Sheet

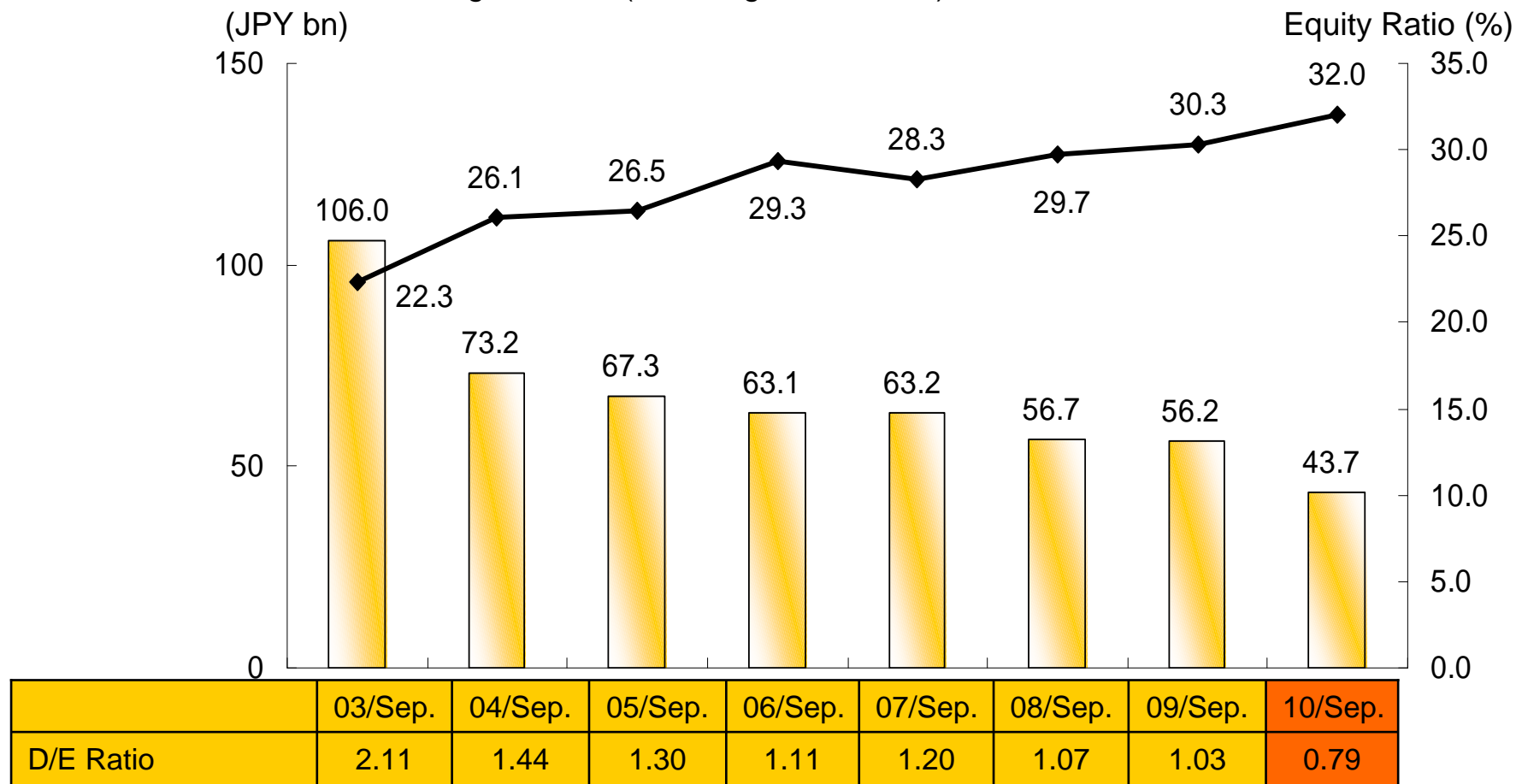
(JPY bn)

Item	08/Sep.	09/Sep.	10/Sep.	Change from 09/Sep.	10/Mar.
Cash/Cash Equivalents	6.8	10.3	6.0	(4.3)	6.7
Accounts Receivables	34.4	29.0	30.3	1.3	29.3
Inventories	38.6	43.3	40.0	(3.3)	41.5
(Product Inventory)	22.8	28.7	25.8	(2.9)	27.5
Other Current Assets	2.6	2.4	2.6	0.2	3.2
Fixed Assets	90.9	90.3	89.5	(0.8)	90.3
Total Assets	173.3	175.3	168.4	(6.9)	171.0
Accounts Payables	41.8	39.8	42.1	2.3	41.8
Debs/Borrowings	56.7	56.2	43.6	(12.6)	46.2
Other Liabilities	21.8	24.6	27.3	2.7	27.4
(Total Liabilities)	120.3	120.6	113.0	(7.6)	115.4
Net Assets	53.0	54.7	55.4	0.7	55.6
(Retained Earnings)	4.8	5.7	6.1	0.4	6.1
Total Liabilities and Shareholders' Equity	173.3	175.3	168.4	(6.9)	171.0

Trend of Interest Bearing Liabilities & Equity Ratio

[Trend of consolidated interest bearing liabilities and equity ratio in 2Q]

Balance of interest bearing liabilities (Including discount bill)



* D/E Ratio=Interest bearing liabilities (Including discount bill)/Net assets

2. Recent Development in Domestic and Overseas Markets



Japan HJ6120

Trend of Domestic Agricultural Policy

[Trend of Income Compensation System for Each Household]

○ FY2010 Model Countermeasures

1) Application for participation: 1,330 thousand applications (1,180 thousand households
*Estimated practitioners of production adjustment in 2009)

2) Space subject to application: Rice for staple food 1,152 thous. ha (*Equivalent to 1,539 thous. ha in terms of space for targeted production volume of rice for staple food in 2010)

	2010	(2009)	Growth rate	Subsidy per unit
Wheat	255 thous. ha	(256 thous. ha)	100%	¥35,000
Soybean	114 thous. ha	(121 thous. ha)	94%	Same as above
Rice for rice powder	4.9 thous. ha	(2.4 thous. ha)	206%	¥80,000
Feed rice	14.9 thous. ha	(4.1 thous. ha)	361%	Same as above
Rice for processing	38.9 thous. ha	(26.1 thous. ha)	149%	¥20,000

Rice of new demand with high unit price has grown.

○ Budgetary request of ¥795.9 billion for full-fledged implementation in FY2011

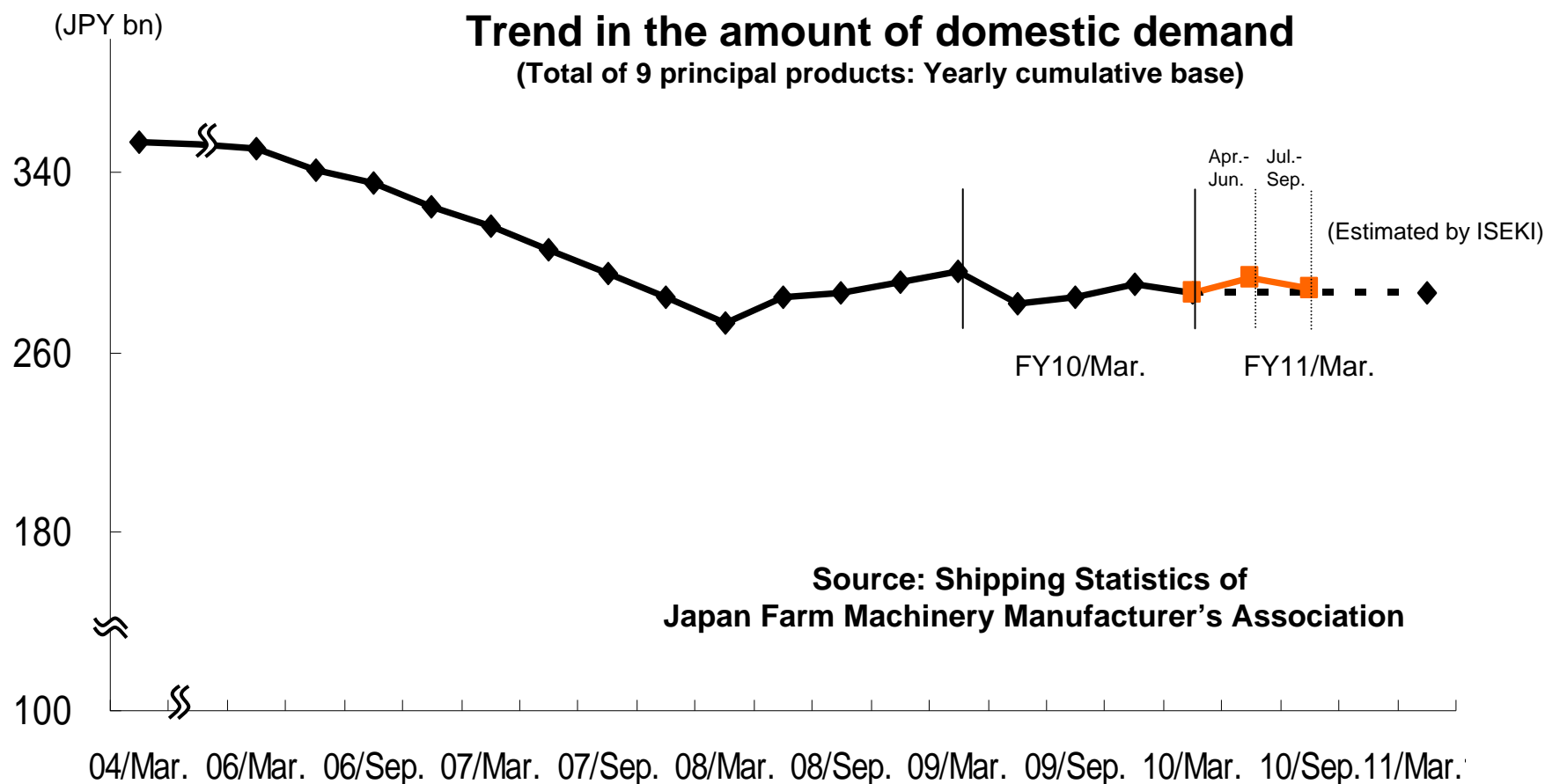
	2011	(2010)
1) Subsidy for rice	¥337.1 billion	(¥337.1 billion)
2) Income compensation subsidy for use of paddy fields	¥223.3 billion	(¥216.7 billion)
Newly added 3) Income compensation subsidy for field products	¥212.9 billion	
4) Additional payment	¥10.0 billion	
Others		

Increased production of field products is emphasized.

Source: Ministry of Agriculture, Forestry and Fisheries

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

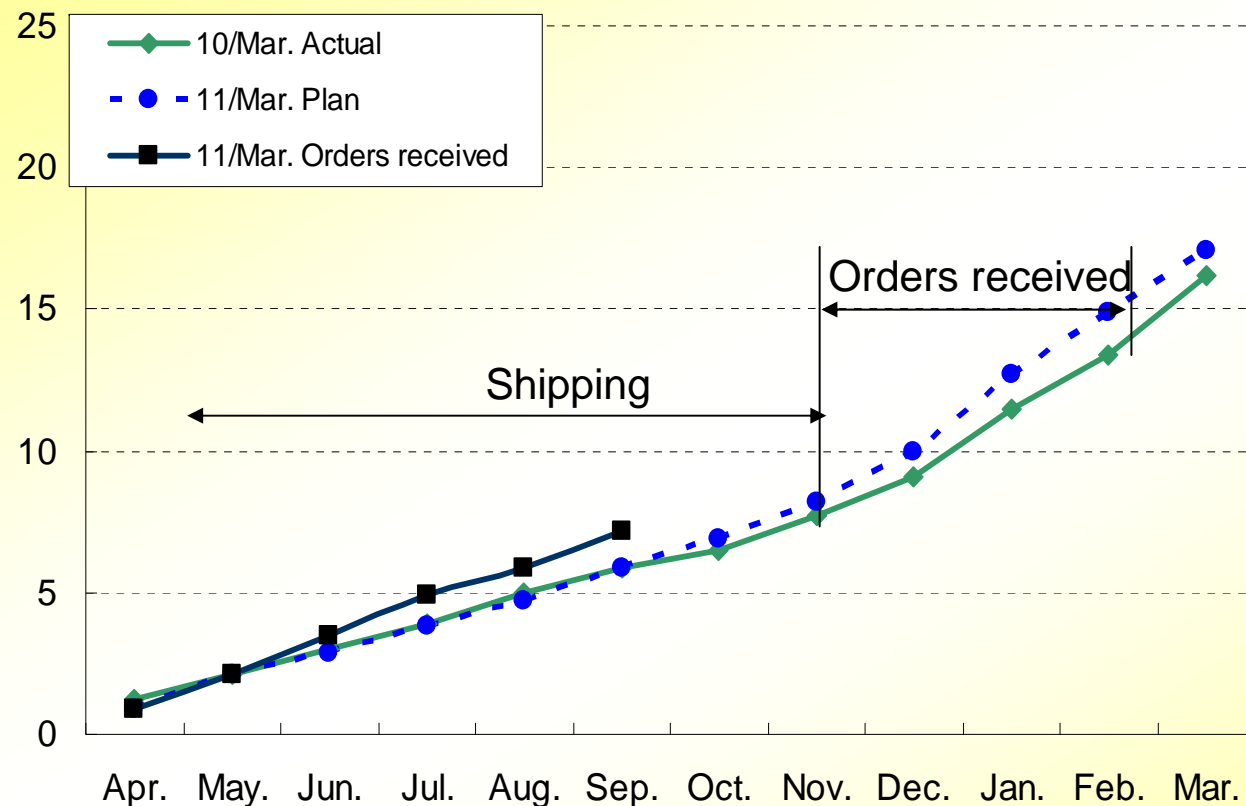
* Total amount of 9 products, Y o Y growth rate (%)

* Source: Shipping statistics of Japan Farm Machinery Manufacturer's Association

	08/Jan.-Sep.	09/Jan.-Sep.	10/Jan.-Sep.	09/Oct.- 10/-Sep.
Industry (Shipment)	101	97	99	101
ISEKI (Effective sales)	115	90	104	106

Recent Trend of Overseas Product Sales

(JPY bn)



11/Mar. Plan
17.1 billion yen

10/Mar. Actual
16.2 billion yen

* 11/Mar. Plan : Based on the May 14 announcement.

* 11/Mar. Orders received : Apr. - Oct. is based on result of shipping, Nov.- Jan. is based on orders received

Trend in Overseas Markets (North America)

1. Compact Tractor Market in North America

- Initial forecast for Jan. - Dec.2010 (AEM) was 91% yoy.
- Actual result (Jan. - Oct.)

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

	09/ Jan.- Oct.	10/ Jan.- Oct.	Y o Y change	
			Change	(%)
USA	71	74	3	104%
Canada	9	9	0	100%
N. America Total	80	83	3	104%

(Unit: 1,000)

* Figures have been rounded and non-adjusted.

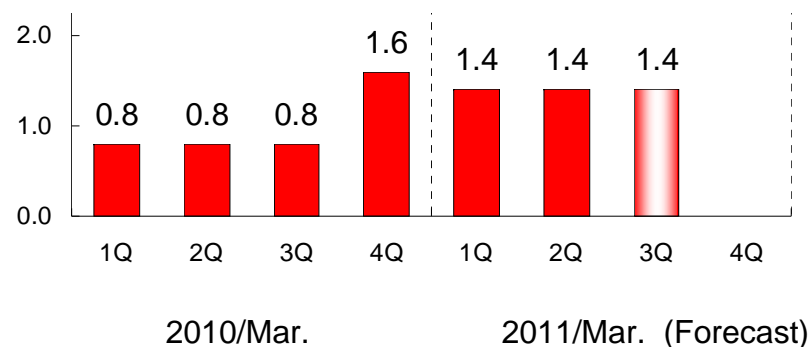
Source: AEM statistics (Association of Equipment Manufacturers)

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

- Effective sales of the OEM partner shifted below the market growth.
- ISEKI's shipping managed to remain solid, with a prospect to outperform the previous year until December.

(JPY bn)

Trends of ISEKI's shipping



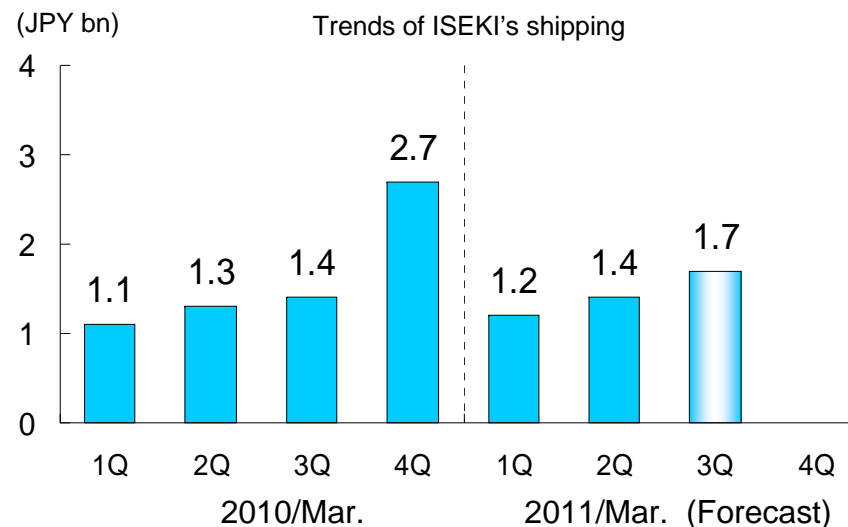
Trends in Overseas Markets (Europe)

1. Trends in European Market

- Obvious impact of a prolonged recession.
- Impact of weak Euro (strong yen) is also concerned.
- Landscaping market: Demand remains sluggish mainly due to a reduced public budget.

2. Trends in ISEKI's Sales (Europe)

- Effective sales by European agents remained underperforming from the previous year.
- ISEKI's shipping will shift to outperforming the previous year until Apr. –Dec.



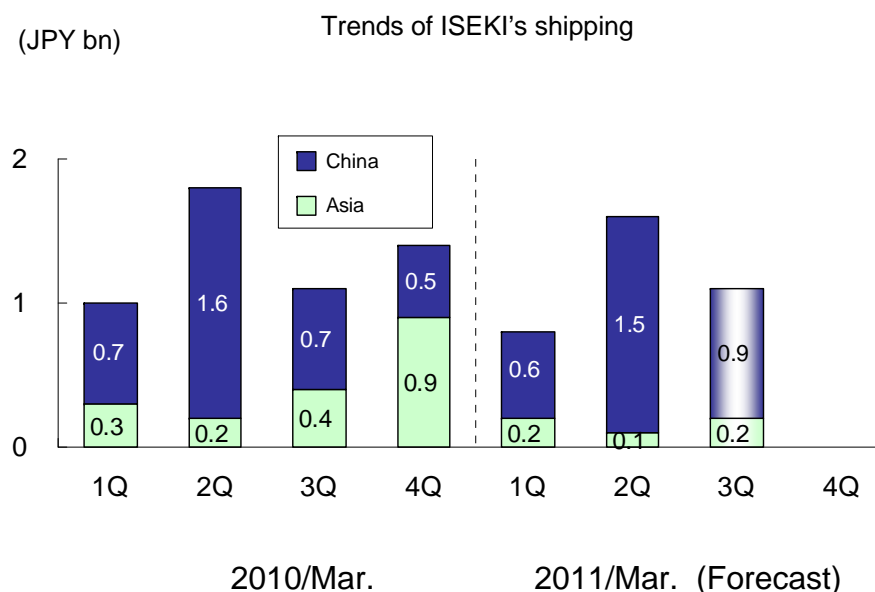
Trends in Overseas Markets (Asia)

1. Trends in Asian Market

- China: Penetration of farming mechanization to inland China has been promoted.
- Korea: Imported products struggled due to weak won and stepped up sales by local manufacturers.
- South East Asia: Market expansion is expected due to measures to increase paddy-rice production and promotion of mechanization.

2. Trend of ISEKI's product sales (Asia)

- China: Both riding and walking type rice transplanters shifted solid, exceeding the previous year. Combine harvesters underperformed compared to the previous year.
- Korea: Sales declined substantially year-on-year. Attitude of pullbacks emerged.
- South East Asia: We continue to try to expand sales by closer exchange of information with local agents, and through technical guidance, etc.



Trend in Chinese Market

- [Farming Mechanization Promotion Law] was enforced in November, 2004

[Situation of subsidy for agricultural machinery]

(100 millions of yuan)

2007	2008	2009	2010	
20	40	130	155	[Billion yen] (201.5)
* Converted at 1 yuan=¥13				

- Basic trend of expansion of the agriculture market continues due to increased subsidy every year.

[Target of Mechanization]

	2010	2015	2020
Mechanization ratio of rice transplanting	20%	45%	60%
Mechanization ratio of harvesting	55%	80%	85%

Paddy rice: Promotion of farming mechanization in the middle and lower basin of Yangtze.

[Source] Agricultural Mechanization Department, Ministry of Agriculture: [National Paddy Rice Production Mechanization Promotion Plan]

State Council: [Opinion regarding promotion of farming mechanization and favorable and prompt development of agricultural machinery industry]

3. Performance Forecast for the Fiscal Year Ending March 2011



Revised Performance Forecast for the Fiscal Year Ending March 2011

(JPY bn)

Item	11/Mar.		Change	10/Mar. Annual	Change
	Previous Forecast Announced on May 14	Latest Forecast			
Net Sales	151.0	151.0	-	149.3	1.7
(Domestic)	132.0	131.0	(1.0)	131.2	(0.2)
(Overseas)	19.0	20.0	1.0	18.1	1.9
Operating Income	3.5	3.5	-	4.5	(1.0)
Ordinary Income	2.6	2.3	(0.3)	3.6	(1.3)
Net Income	1.1	0.1	(1.0)	2.3	(2.2)

[Forex rate]

	US dollar	Euro
Initial assumption (annual)	¥90	¥120
Revision in August 2 nd Q ~	¥90	¥110
Latest assumption 3 rd Q~	¥80	¥110

Revised Performance Forecast (Breakdown of Domestic Sales)

(JPY bn)

		11/3 Mar.		Change	10/3 Mar.	Change	
		Previous Forecast Announced on May 14	Latest Forecast		Actual Result		
Agriculture Related Business	Agricultural Machinery	Cultivating & Mowing Machinery	27.5	27.5	-	27.7	(0.2)
		Planting Machinery	12.0	12.0	-	11.4	0.6
		Harvesting & Processing Machinery	26.9	26.9	-	25.7	1.2
		Total	66.4	66.4	-	64.8	1.6
	Parts & Farming Implements	30.9	31.2	0.3	30.4	0.8	
	Construction of Facilities	9.0	8.0	(1.0)	11.1	(3.1)	
	Other Agriculture Related	25.5	25.2	(0.3)	24.7	0.5	
	Total	131.8	130.8	(1.0)	131.0	(0.2)	
	Other Business Total	0.2	0.2	-	0.2	-	
	Total	132.0	131.0	(1.0)	131.2	(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.

Revised Performance Forecast (Breakdown of Overseas Sales)

(JPY bn)

	11/3 Mar.		Change	10/3 Mar. Actual Result	Change
	Previous Forecast <small>Announced on May 14</small>	Latest Forecast			
North America	4.8	5.9	1.1	4.0	1.9
Europe	6.5	6.9	0.4	6.5	0.4
Asia	2.0	1.4	(0.6)	1.8	(0.4)
China	3.4	3.5	0.1	3.5	-
Oceania	0.4	0.4	-	0.4	-
Products Total	17.1	18.1	1.0	16.2	1.9
Parts & Others	1.9	1.9	-	1.9	-
Total	19.0	20.0	1.0	18.1	1.9

* Company forex rate from the 2nd half: IUS\$= ¥ 80, | Euro= ¥ 110

4. Development of New Business Categories



Inside ridge processing machine 24
(trapezoidal spec.)

Development of New Business Categories - More familiarity with coin rice polishers-

“We respond to people’s special fondness of [health orientation] and [daintiness].”

To enjoy rice delectably

Wash rice frequently



Compact-type Coin Rice Washer

[To be released on December 21, 2010] CPM3

~ISEKI's five persistence's~

Persistence 1

Coping with “partial polished rice” to “rinse-free rice”!

Persistence 2

Always clean!

Persistence 3

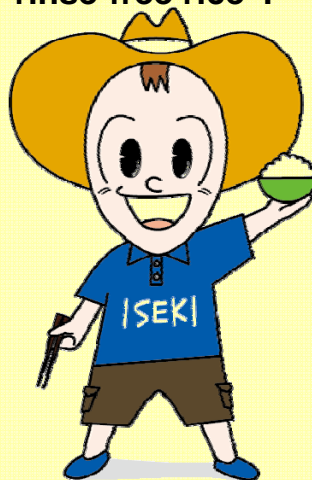
Safe and easy handling!

Persistence 4

Space saving & low noise!

Persistence 5

Always enjoy the taste of freshly washed rice!



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.