



**Financial Results for the Second Quarter
Fiscal Year Ending March 2012
Investor Relations Presentation Materials**

ISEKI & CO., LTD.

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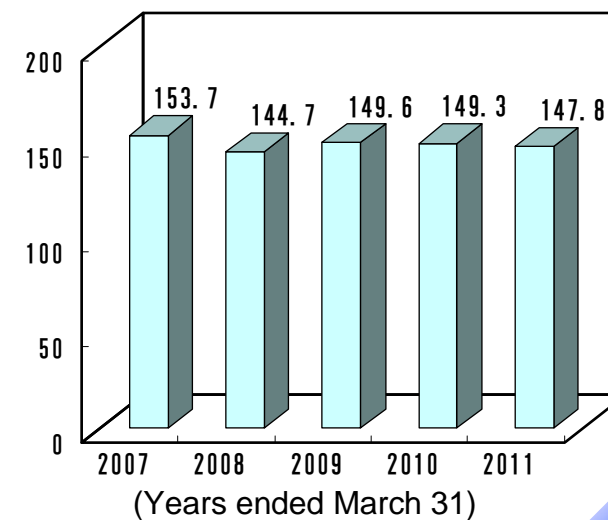




1. Outline of Financial Results for the Second Quarter Fiscal Year Ending March, 2012

(Billions of yen)

Net Sales



Outline of Second Quarter Business Performance

(6 month cumulative)

(JPY bn, %)

Item	09/ Apr.-Sep.	10/ Apr.-Sep.		11/ Apr.-Sep.		Change	11/ Apr.-Sep. Forecast	Change
			%		%			
Net Sales	69.7	75.4	100.0	72.4	100.0	(3.0)	72.5	(0.1)
(Domestic)	61.8	66.3	87.9	61.1	84.4	(5.2)	61.0	0.1
(Overseas)	7.9	9.1	12.1	11.3	15.6	2.2	11.5	(0.2)
Gross Profit	23.5	23.8	31.5	23.4	32.4	(0.4)	23.2	0.2
S. G. & A. Expenses	21.0	21.5	28.5	20.8	28.8	(0.7)	21.3	(0.5)
Operating Income	2.5	2.3	3.0	2.6	3.6	0.3	1.9	0.7
Ordinary Income	2.2	1.8	2.3	2.4	3.4	0.6	1.7	0.7
Net Income	1.6	0.1	0.1	1.8	2.5	1.7	1.0	0.8

* Domestic sales companies/ISEKI-CHANGZHOU MFG. CO., LTD., others

* ISEKI & CO., LTD. (Non-consolidated)/Overseas business/Plants, etc.

Cumulative total: Jan. – Jun.

Cumulative total: Apr. – Sep.



Breakdown of Domestic Sales (6months cumulative)

(JPY bn, %)

		09/ Apr.-Sep.	10/ Apr.-Sep.	11/ Apr.-Sep.	Change	Note	11/ Apr.-Sep. Forecast	Change	
Agriculture Related Business	Agricultural Machinery	Cultivating & Mowing Machinery	16.1	16.0	17.1	1.1	Tractors: +1.3 Tillers: (0.2)	17.2	(0.1)
		Planting Machinery	8.2	8.4	7.2	(1.2)	Rice transplanters: (1.3) Transplanters: +0.1	7.2	0
		Harvesting & Processing Machinery	7.1	7.7	6.4	(1.3)	Combine harvesters: (0.9) Drying machine, etc: (0.4)	6.3	0.1
	Total		31.4	32.1	30.7	(1.4)		30.7	0
	Parts & Farming Implements		15.4	16.9	15.6	(1.3)	Farming Implements : (1.2)	15.4	0.2
	Construction of Facilities		1.8	3.8	1.5	(2.3)		1.6	(0.1)
	Other Agriculture Related		13.1	13.4	13.2	(0.2)		13.2	0
	Total		61.7	66.2	61.0	(5.2)		60.9	0.1
Other Business Total		0.1	0.1	0.1	0		0.1	0	
Total		61.8	66.3	61.1	(5.2)		61.0	0.1	



Breakdown of Overseas Sales (6 months cumulative)

(JPY bn, %)

	09/ Apr.-Sep.	10/ Apr.-Sep.	11/ Apr.-Sep.	Change	Note	11/ Apr.-Sep. Forecast	Change
North America	1.6	2.8	2.8	0		2.8	0
Europe	2.4	2.6	3.0	0.4	Tractors: +0.3 Mowers: +0.1	3.0	0
Asia	0.5	0.3	0.1	(0.2)	Combine harvesters: (0.2)	0.1	0
China*	2.3	2.1	4.3	2.2	Rice transplanters: +2.3 Combine harvesters:(0.1)	4.4	(0.1)
Oceania	0.1	0.3	0.3	0		0.3	0
Products Total	6.9	8.1	10.5	2.4		10.6	(0.1)
Parts & Others	1.0	1.0	0.8	(0.2)		0.9	(0.1)
Total	7.9	9.1	11.3	2.2		11.5	(0.2)

* Sales in China are actual results (Jan. – Jun.)



Operating Income (6 months cumulative)

(JPY bn, %)

Item	09/ Apr.-Sep.	10/ Apr.-Sep.		11/ Apr.-Sep.		Change	11/ Apr.-Sep. Forecast	Change
			%		%			
Net Sales	69.7	75.4	100.0	72.4	100.0	(3.0)	72.5	(0.1)
Cost of G. S.	46.2	51.6	68.5	49.0	67.6	(2.6)	49.3	(0.3)
Gross Profit	23.5	23.8	31.5	23.4	32.4	(0.4)	23.2	0.2
S. G. & A. Expenses	21.0	21.5	28.5	20.8	28.8	(0.7)	21.3	(0.5)
Operating Income	2.5	2.3	3.0	2.6	3.6	0.3	1.9	0.7

*Operating income Factors of YoY change

[Gross Profit]

- Decreased gross income by decreased revenue : (0.8)
- Forex sales rate gap : (0.2)
- Increased raw material price : (0.1)
- Reduced fixed cost (personnel expenses (0.3), facility expenses, etc. (0.3)) : +0.6
- Cost reduction, etc. : +0.1

[S.G.& A Expenses]

- Decreased S.G.& A Expenses (personnel expenses (0.1). other expenses (0.3)) : +0.7 (Figures in () indicate losses)

Ordinary Income and Net Income (6 months cumulative)

(JPY bn, %)

	09/ Apr.-Sep.	10/ Apr.-Sep.	11/ Apr.-Sep.	Change	11/ Apr.-Sep. Forecast	Change
Operating Income	2.5	2.3	2.6	0.3	1.9	0.7
Net Financial Income	(0.5)	(0.5)	(0.4)	0.1	(0.5)	0.1
Other Non-operating Income	0.2	0	0.2	0.2	0.3	(0.1)
Ordinary Income	2.2	1.8	2.4	0.6	1.7	0.7
Extraordinary Gains	0	0	0	0	0	0
Extraordinary Losses	(0.1)	(1.0)	(0.3)	0.7	(0.3)	0
Income before Income Taxes	2.1	0.8	2.1	1.3	1.4	0.7
Taxes, Deferred Taxes	(0.5)	(0.7)	(0.3)	0.4	(0.4)	0.1
Net Income	1.6	0.1	1.8	1.7	1.0	0.8

* Factors of YoY change

[Non-operating income]

- Reduced Forex losses : +0.2
- Improved net financial income, others : +0.1

[Extraordinary gains/losses]

- Reduced valuation losses on investment securities, etc. : +0.7

[Taxes, deferred taxes]

- Reduced due to favorable turn of ISEKI's non-consolidated tax effect, etc. : +0.4

	2Q 11/Mar.	2Q 12/Mar.
Valuation on investment securities	(0.7)	Expenses for retirement benefits (0.3)
Asset retirement obligations	(0.2)	
Others	(0.1)	
Total	(1.0)	Total (0.3)

Balance Sheet

(JPY bn)

Item	09/Sep.	10/Sep.	11/Sep.	Change from 10/Sep.	11/Mar.
Cash/Deposits	10.3	6.0	9.3	3.3	5.7
Accounts Receivables	29.0	30.3	31.9	1.6	28.7
Inventories	43.3	40.0	38.8	(1.2)	41.0
(Product Inventory)	28.7	25.8	24.9	(0.9)	27.8
Other Current Assets	2.4	2.6	2.4	(0.2)	3.3
Noncurrent Assets	90.3	89.5	90.9	1.4	90.5
Total Assets	175.3	168.4	173.3	4.9	169.2
Accounts Payables	39.8	42.1	38.6	(3.5)	42.0
Debts/Borrowings	56.2	43.6	50.7	7.1	43.5
Other Liabilities	24.6	27.3	27.7	0.4	29.1
(Total Liabilities)	120.6	113.0	117.0	4.0	114.6
Net Assets	54.7	55.4	56.3	0.9	54.6
(Retained Earnings)	5.7	6.1	7.0	0.9	5.2
Total Liabilities and Net Assets	175.3	168.4	173.3	4.9	169.2



2. Recent Development in Domestic and Overseas Markets

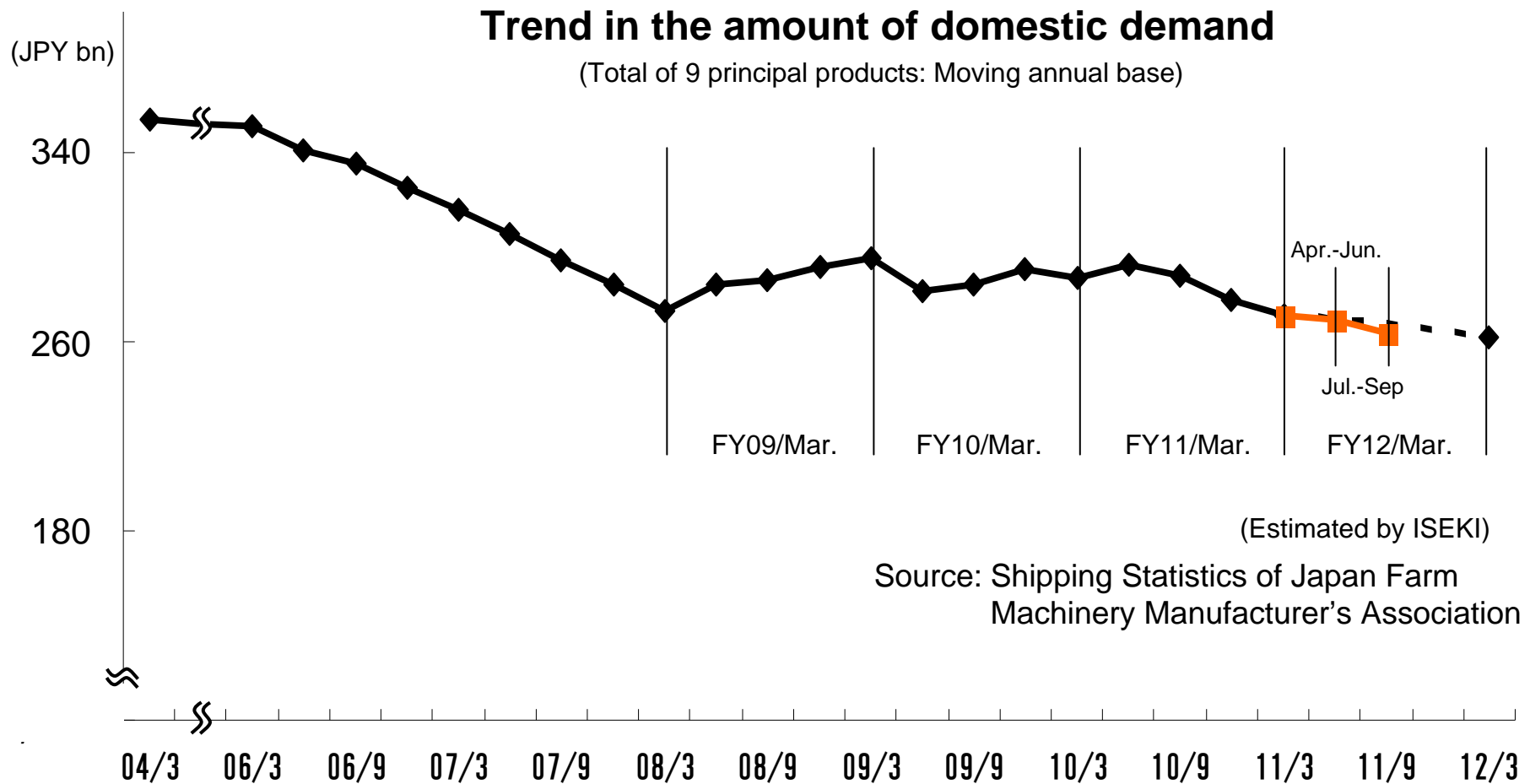


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Trends of Domestic Demand for Agricultural Machinery

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 principal products base,
Y o Y growth rate (%)

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

	Moving Annual Total 10/Oct.-11/Sep.	Cumulative Annual Total 11/Jan.-Sep.	2011 Jan.-Sep.Breakdown		
			Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
Industry (shipment)	92	94	92	97	94
ISEKI (Effective sales)	96	98	90	99	105



Support of Low Cost Agriculture

ATK Series



Being sold with favorable acceptance
30PS Tractor ATK 300

HFC Series



To be announced in December 2011
New type 3 rows reaping combine harvester HFC330

Low price

Low cost

High performance

Topics of Domestic Agriculture

○Rice demand-supply, rice price

- The rice-crop index of 2011 production was like ordinary years 101 with expected yields of 8.13 million tons (as of October 15), exceeding production target of 7.93 million tons and demand of 8.05 million tons.
- Ratio of first-class rice of 2011 production was 80.3% (as of September 30), having improved from the 2010 production rice of the same period (64.4%).

Relative trading price (Shippers) (Preliminary) Average price of all brands (yen/raw rice 60kg)

	2008 prod.	2009 prod.	2010 prod.	2011 prod.	Vs 2009 prod.	Vs 2010 prod.
September	15,163	15,169	13,040	15,196	0.2%	16.5%

- Relative price (shipping) of 2011 production rice returned to the same level of 2009 production rice to start, that was 17% higher than the 2010 production rice of the same month mainly due to reduced inventory level caused by the great earthquake and a sense of uncertainty for demand/supply.

○Trend of application for participation to the Income Compensation System for Each Household As of August 31 (Preliminary)

	Number of application	Cases paid in 2010	Growth rate
Total	1,218,237	1,163,090	4.7%
Rice	1,062,786	1,006,192	5.6%
Utilization of paddy fields *	678,468	578,500	17.3%
Dry field crop	99,273	-	-

Planting area (ha)* indicates paddy field utilization

	Planned areas of planting	Paid areas in 2010	Growth rate
Rice	1,151,545	1,127,040	2.2%
* Powder rice	7,301	4,920	48.4%
* Feed rice	33,939	14,773	129.7%
* Rice for WCS	23,123	15,878	45.6%

- Number of application exceeded the previous year mainly due to grant to dry field crop, compensation for declined portion of rice price, and generous grant to new demand rice (above * mark).

Topics of Domestic Agriculture

○FY2012 Agriculture, Forestry, Fisheries Approximate Budget Request (Extract)

(JPY bn)

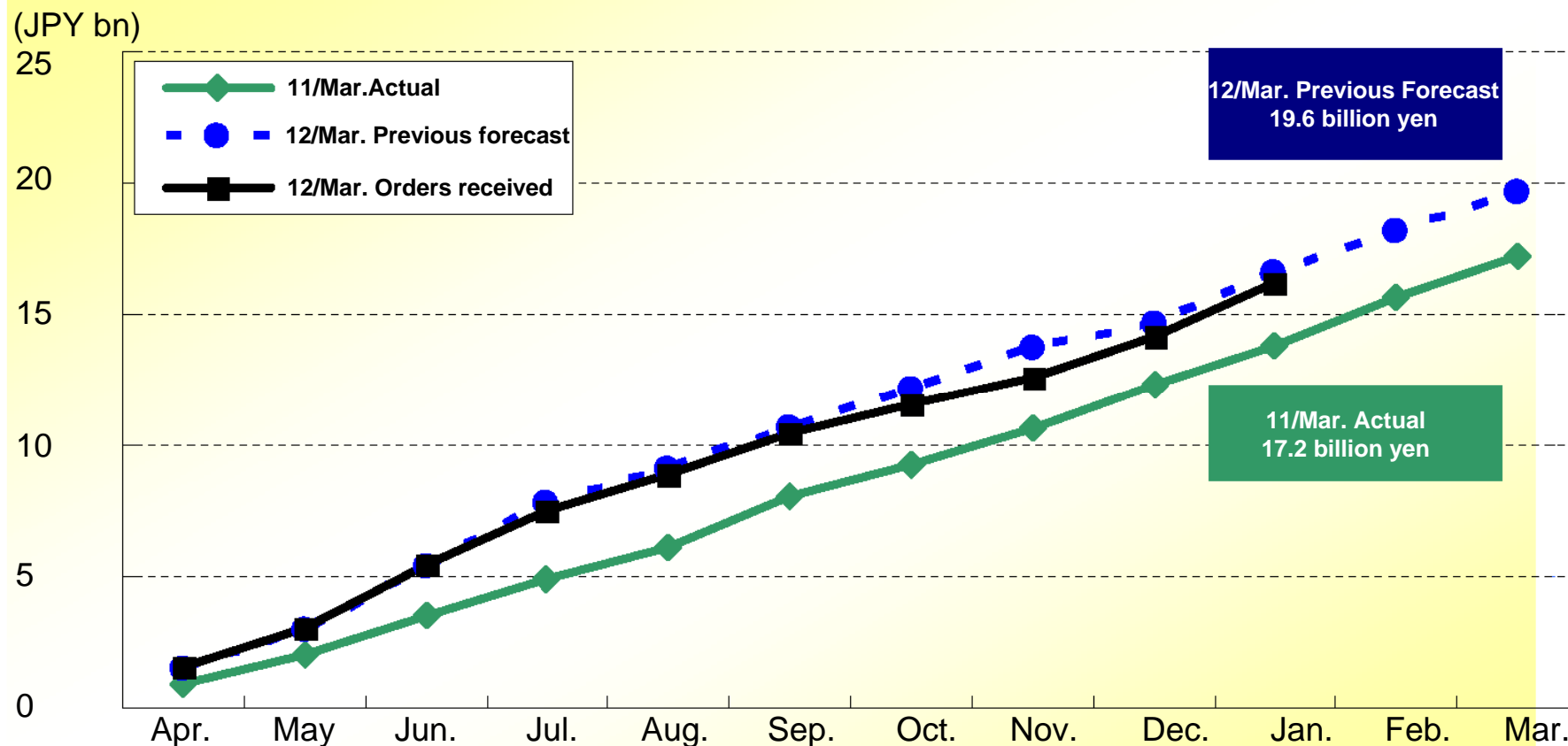
	FY2010	FY2011
Income compensation system for each farming household	800.3	800.3
1. Income compensation subsidy for dry field crop	212.3	212.3
2. Income compensation subsidy for paddy field utilization	228.4	228.4
3. Income compensation subsidy for rice	192.9	192.9
4. Compensation subsidy for rice price fluctuations	139.1	139.1
5. Additional payment	15.0	15.0
6. Promotion business, etc.	11.6	11.6
Management stabilization promotion business for income compensation for each household	8.0	0
Regional agriculture master plan preparation business	1.4	0
Agricultural land accumulation cooperative fund	6.6	0
Comprehensive support program for new engagement in agriculture	15.8	0
Realization of conversion of agriculture, fishery and forestry into growth industries (as sixth industry)	10.8	0
Creation of fund to convert agriculture, fishery and forestry into growth industries	20.0	0

Policy/plan for agriculture revitalization
(Strengthening of competitiveness/constitution)

- Realize aggressive bearers
- Accelerate scale expansion
 - Flat land 20-30 ha
 - Mid mountain land 10-20 ha
- Support of the sixth industrialization

- Income compensation system for each household was the same amount as the previous year, and it was a request that reflected fundamental policy / action plan for agriculture revitalization (concentrated implementation in the next 5 years).

Recent Trend of Overseas Product Sales



* 12/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. Trend of North American Market

- Annual growth rate of the US economy for Jul.-Sep. was 2.5% compared with the previous period (Apr. - Jun.). While the index showed a recovery trend, consumer spending is slow, unemployment rate stays high (Sep.: 9.1%), and it will take time before the housing market starts to recover as a leading indicator. Consumer mind is still depressed.

- Compact Tractor Market in North America** * Tractors with 50PS engines (PTO40PS) or less, and lawn mowers are not included

* Figures have been rounded and non-adjusted (Unit:1000)

	10/ Jan.-Oct.	11/ Jan.-Oct.	YoY	
			Change	%
USA	74	74	0	100%
Canada	9	10	1	111%
N. America Total	83	84	1	101%

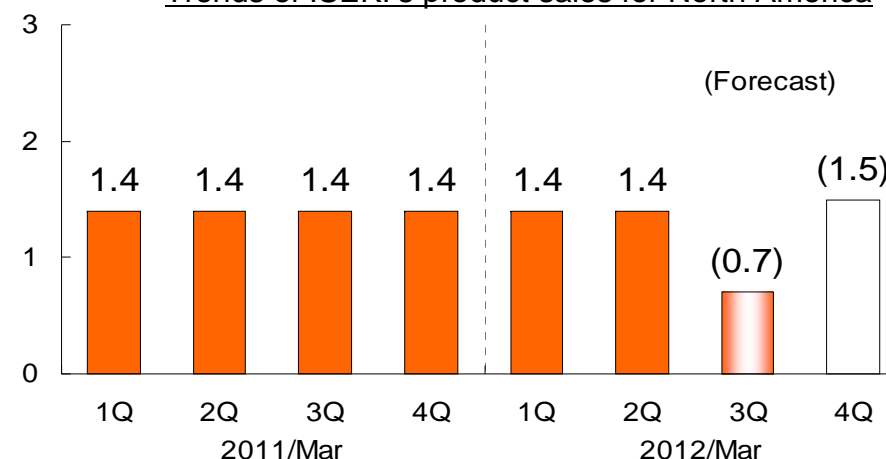
Source: AEM (Association of Equipment Manufacturers)

AEM estimated growth of demand in 2011 to be +2.7% per year.

2. Trends in ISEKI's Sales

- Effective sales of the OEM partner AGCO for Jan. – Oct. shifted in a level lower than the previous year.
- While ISEKI's orders received until Jan. 2012 exceeded the plan, it is rather weak. We revised the previous forecast downward reflecting revision of the forex rate.

(JPY bn) Trends of ISEKI's product sales for North America



Trends in Overseas Markets (Europe)

1. Trends in European Market

- Sense of economic slowdown still remains with the financial crisis in Greek, high unemployment rate and others, and public spending budget was cut by tight fiscal policy of each nation leading to depressed consumer spending. Strong sense of uncertainties for future persists.
- Delayed economic recovery and forex environment since spring last year (strong yen) affect the market.

2. Trends in ISEKI's Sales

- ISEKI's main products are prone to be affected by general economy and financial situation of the local governments since they are for professionals in the landscape market.
- Effective sales by European agents for Jan. – Sep. have declined slightly, while they exceeded the previous year in Germany.
- ISEKI's orders received until Jan. 2012 shifts in line with level of the previous forecast, but they are relatively weak. We made downward revision of the previous forecast reflecting modified forex rate.



Trends in Overseas Markets (Asia, China)

1. Trends in Asian Market

Korea : The situation is severe by weak won and come back efforts of Korean makers.
 Southeast Asia : While crop price that stays high is a favorable factor, but flood damage in Thailand is also concerned.

Trends in ISEKI's Sales

- Sales will underperform the previous year due to reduced sales of combine harvesters in Korea and worsened foreign exchange, etc.

2. Trends in Chinese Market

- Expansion of agricultural machinery market continues.

Trends in ISEKI's Sales

- Due to substantial increase of sales of rice transplanters, we expect the sales to exceed the previous year substantially.

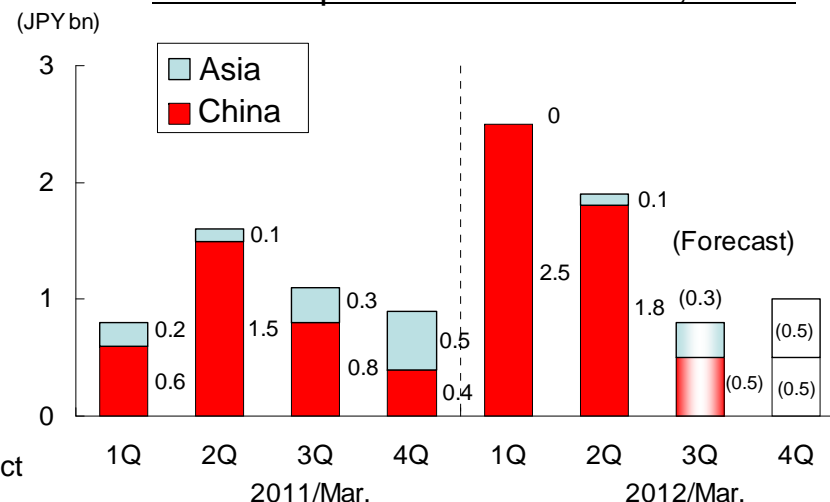
◇ ISEKI-CHANGZHOU MFG. CO., LTD. Trend of Effective Sold Units

	2005	2006	2007	2008	2009	2010	2011. Jan.-Oct.	2011 Initial Plan
Combine harvesters	150	220	300	470	840	624	504	430
Rice transplanters	0	120	1,110	1,620	3,250	4,841	7,837	7,000
Walking-type	-	50	790	1,100	2,450	3,661	4,638	4,000
Riding-type	-	70	320	520	800	1,180	3,199	3,000

◇ Chinese Market Trend of Sales

	2005	2006	2007	2008	2009	2010	2011 Forecast
China	0.5	0.7	1.3	1.9	3.5	3.3	5.3
Total overseas sales	20.5	18.8	22.0	23.1	18.1	19.1	20.5

Trends of product sales for Asia, China



Business Development in China

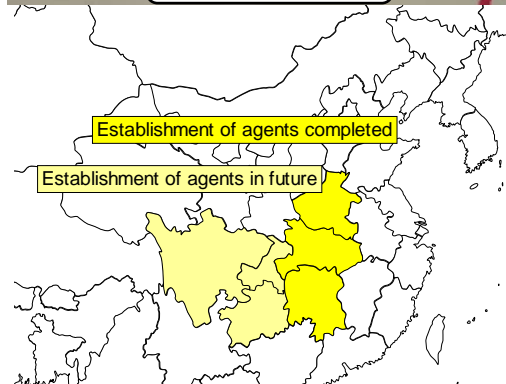
(Dongfeng Iseki Agricultural Machinery (Hubei) Co., Ltd.)



Production line of walking rice transplanters



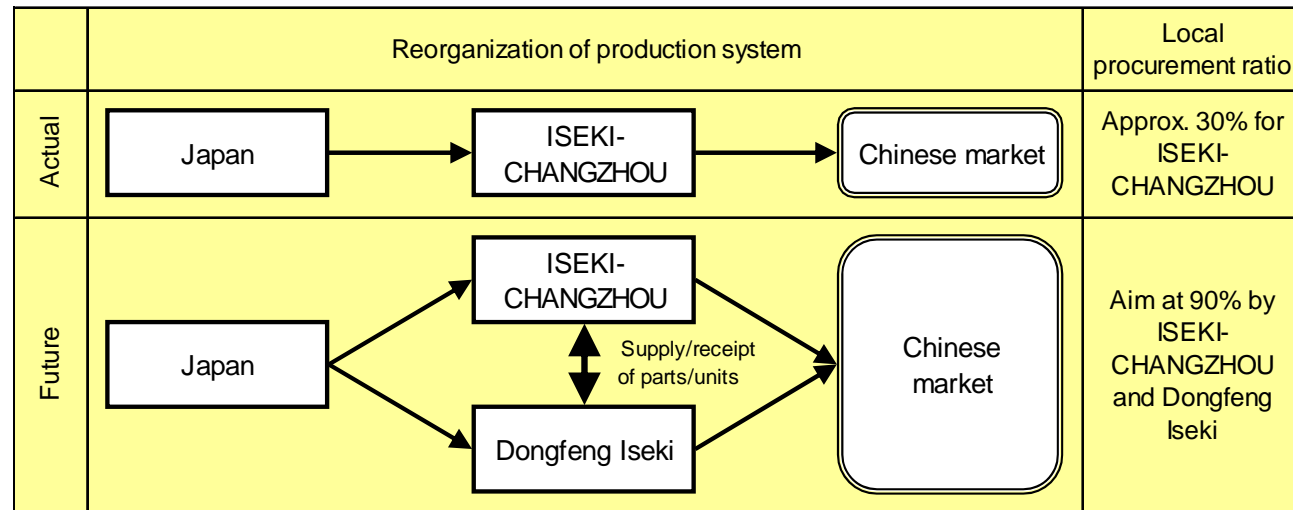
Pilot machine



Establishment of agents completed

Establishment of agents in future

- Reorganization of the production system
 - Sharing of production function of ISEKI-CHANGZHOU and Dongfeng Iseki.
- Step up of local procurement
 - Raise local procurement ratio in China from approx. 30 % to 90 %.



- Sales system and sales planning of Dongfeng Iseki.
 - Established 10 agents in 3 provinces, Hubei, Hunan and Henan.
 - Gradual expansion to mid stream – up stream basin of Yangtze.

	2012	2013	2014
Walking rice transplanter	2,000	7,000	10,000

3. Performance Forecast for the Fiscal Year Ending March, 2012



“Tra Q” TQ17



Performance Forecast for the Fiscal Year Ending March 2012

(JPY bn)

Item	12/ Mar.		Change	11/Mar. Annual	Change
	Previous forecast	Latest forecast			
Net Sales	147.0	144.5	(2.5)	147.8	(3.3)
(Domestic)	125.5	124.0	(1.5)	128.7	(4.7)
(Overseas)	21.5	20.5	(1.0)	19.1	1.4
Operating Income	2.9	2.9	0	2.8	0.1
Ordinary Income	2.2	2.2	0	2.0	0.2
Net Income	0.9	0.9	0	(0.9)	1.8

*Company forex rate: 1 US\$ = ¥80 → ¥75, 1 Euro = ¥110 → ¥105 (From the 3rd Quarter)



Performance Forecast (Breakdown of Domestic Sales)

(JPY bn)

		12/Mar.		Change	11/Mar.	Change	
		Previous Forecast	Latest Forecast				
Agriculture Related Business	Agricultural Machinery	Cultivating & Mowing Machinery	28.5	28.4	(0.1)	26.7	1.7
		Planting Machinery	10.5	10.3	(0.2)	11.6	(1.3)
		Harvesting & Processing Machinery	24.2	24.6	0.4	25.5	(0.9)
		Total	63.2	63.3	0.1	63.8	(0.5)
	Parts & Farming Implements	29.4	29.6	0.2	31.0	(1.4)	
	Construction of Facilities	6.8	5.5	(1.3)	8.7	(3.2)	
	Other Agriculture Related	26.0	25.5	(0.5)	25.1	0.4	
	Total	125.4	123.9	(1.5)	128.6	(4.7)	
Other Business Total		0.1	0.1	0	0.1	0	
Total		125.5	124.0	(1.5)	128.7	(4.7)	



Performance Forecast (Breakdown of Overseas Sales)

(JPY bn)

	12/Mar.		Change	11/Mar.	Change
	Previous Forecast	Latest Forecast			
North America	5.2	5.0	(0.2)	5.6	(0.6)
Europe	7.4	7.0	(0.4)	6.8	0.2
Asia	1.1	0.9	(0.2)	1.1	(0.2)
China	5.4	5.3	(0.1)	3.3	2.0
Oceania	0.5	0.6	0.1	0.4	0.2
Products Total	19.6	18.8	(0.8)	17.2	1.6
Parts & Others	1.9	1.7	(0.2)	1.9	(0.2)
Total	21.5	20.5	(1.0)	19.1	1.4

* Company forex rate: 1 US\$= ¥80→¥75, 1 Euro=¥110 → ¥105 (From the 3rd Quarter)



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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