



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

ISEKI & CO., LTD.

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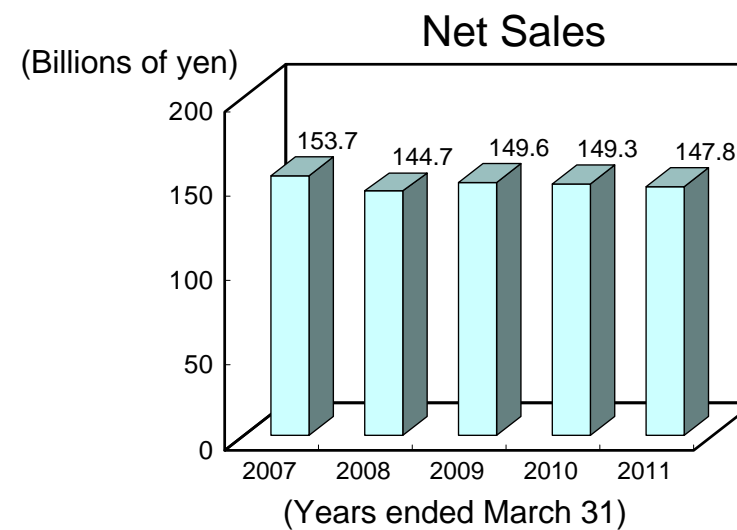
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1. Outline of Financial Results for the Third Quarter Fiscal Year Ending March, 2012



Outline of Third Quarter Business Performance

(9 months cumulative)

(JPY bn, %)

Item	09/ Apr.-Dec.	10/ Apr.-Dec.		11/ Apr.-Dec.		Change	11/ Apr.-Dec. Plan	Change
			%		%			
Net Sales	107.9	112.1	100.0	109.1	100.0	(3.0)	107.6	1.5
(Domestic)	96.3	98.4	87.7	93.8	86.0	(4.6)	92.6	1.2
(Overseas)	11.6	13.7	12.3	15.3	14.0	1.6	15.0	0.3
Gross Profit	35.7	35.0	31.2	34.8	31.9	(0.2)	34.7	0.1
S. G. & A. Expenses	31.3	32.1	28.6	31.0	28.4	(1.1)	31.6	(0.6)
Operating Income	4.4	2.9	2.6	3.8	3.5	0.9	3.1	0.7
Ordinary Income	3.9	2.2	1.9	3.4	3.1	1.2	2.7	0.7
Net Income	2.7	0.6	0.6	2.2	2.0	1.6	1.6	0.6

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

Cumulative total: Jan. – Sep.

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

Cumulative total: Apr. – Dec.



Breakdown of Domestic Sales (9 months cumulative)

(JPY bn, %)

		09/ Apr.-Dec.	10/ Apr.-Dec.	11/ Apr.-Dec.	Change	Note	11/ Apr.-Dec. Plan	Change	
Agriculture Related Business	Agricultural Machinery	Cultivating & Mowing Machinery	21.5	20.8	21.9	1.1	Tractors: +1.2 Tillers: (0.1)	21.9	0
		Planting Machinery	9.4	9.8	8.7	(1.1)	Rice transplanters: (1.2) Transplanters: +0.1	8.7	0
		Harvesting & Processing Machinery	17.2	18.4	17.9	(0.5)	Drying machine : (0.3) Others:(0.2)	17.4	0.5
		Total	48.1	49.0	48.5	(0.5)		48.0	0.5
		Parts & Farming Implements	23.0	24.3	23.4	(0.9)	Farming Implements : (0.8)	22.7	0.7
		Construction of Facilities	6.5	6.2	3.0	(3.2)		3.0	0
		Other Agriculture Related	18.6	18.8	18.8	0		18.8	0
	Total	96.2	98.3	93.7	(4.6)		92.5	1.2	
	Other Business Total	0.1	0.1	0.1	0		0.1	0	
	Total	96.3	98.4	93.8	(4.6)		92.6	1.2	

	11/Mar.			12/Mar.			Change		
	1Q	2Q	3Q	1Q	2Q	3Q	1Q	2Q	3Q
Agricultural Machinery	15.3	16.8	16.9	14.1	16.6	17.8	(1.2)	(0.2)	0.9
Parts & Farming Implements	7.3	9.6	7.4	6.0	9.6	7.8	(1.3)	0	0.4



Breakdown of Overseas Sales (9 months cumulative)

(JPY bn, %)

	09/ Apr.-Dec.	10/ Apr.-Dec.	11/ Apr.-Dec.	Change	Note	11/ Apr.-Dec. Plan	Change
North America	2.4	4.2	3.4	(0.8)	Tractors: (0.7) Mowers: (0.1)	3.4	0
Europe	3.8	4.3	4.8	0.5	Tractors: +0.3 Mowers: +0.3 Others: (0.1)	4.8	0
Asia	0.9	0.6	0.2	(0.4)	Tractors: (0.1) Combine harvesters: (0.2) Rice transplanters: (0.1)	0.3	(0.1)
China*	3.0	2.9	5.2	2.3	Rice transplanters: +2.4 Combine harvesters: (0.1)	4.9	0.3
Oceania	0.2	0.3	0.4	0.1	Tractors: +0.1	0.4	0
Products Total	10.3	12.3	14.0	1.7		13.8	0.2
Parts & Others	1.3	1.4	1.3	(0.1)		1.2	0.1
Total	11.6	13.7	15.3	1.6		15.0	0.3

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



Operating Income (9 months cumulative)

(JPY bn, %)

Item	09/ Apr.-Dec.	10/ Apr.-Dec.		11/ Apr.-Dec.		Change	11/ Apr.-Dec. Plan	Change
			%		%			
Net Sales	107.9	112.1	100.0	109.1	100.0	(3.0)	107.6	1.5
Cost of G. S.	72.2	77.1	68.6	74.3	68.1	(2.8)	72.9	1.4
Gross Profit	35.7	35.0	31.2	34.8	31.9	(0.2)	34.7	0.1
S. G. & A. Expenses	31.3	32.1	28.6	31.0	28.4	(1.1)	31.6	(0.6)
Operating Income	4.4	2.9	2.6	3.8	3.5	0.9	3.1	0.7

*Operating income Factors of YoY change

[Gross Profit]	• Decreased gross income by decreased revenue	: (0.7)
	• Forex sales rate gap	: (0.3)
	• Increased raw material price	: (0.2)
	• Reduced fixed cost (personnel expenses (0.5), facility expenses, etc. (0.4))	: +0.9
	• Cost reduction, etc.	: +0.1
	
	Decreased gross profit	: (0.2)
[S.G.& A Expenses]	Decreased S.G. & A Expenses (personnel expenses (0.6), other expenses (0.5))	: +1.1
	Increased operating income	: +0.9 (Figures in () indicate losses)

Ordinary Income and Net Income (9 months cumulative)

(JPY bn, %)

	09/ Apr.-Dec.	10/ Apr.-Dec.	11/ Apr.-Dec.	Change	11/ Apr.-Dec. Plan	Change
Operating Income	4.4	2.9	3.8	0.9	3.1	0.7
Net Financial Income	(0.8)	(0.7)	(0.7)	0	(0.7)	0
Other Non-operating Income	0.3	0	0.3	0.3	0.3	0
Ordinary Income	3.9	2.2	3.4	1.2	2.7	0.7
Extraordinary Gains	0	0	0.1	0.1	0	0.1
Extraordinary Losses	(0.2)	(0.7)	(0.4)	0.3	(0.4)	0
Income before Income Taxes	3.7	1.5	3.1	1.6	2.3	0.8
Taxes, Deferred Taxes	(1.0)	(0.9)	(0.9)	0	(0.7)	(0.2)
Net Income	2.7	0.6	2.2	1.6	1.6	0.6

* Factors of YoY change

[Non-operating income]

- Reduced Forex losses :+0.2
- Others :+0.1

[Extraordinary gains/losses]

- Reduced valuation losses on investment securities, etc. :+0.4

* Breakdown of extraordinary gains/losses

3Q 11/Mar.		3Q 12/Mar.	
Valuation on investment securities	(0.3)	Change of retirement benefits system	(0.3)
Asset retirement obligations	(0.2)	Other	(0.1)
Others	(0.2)		
Total	(0.7)	Total	(0.4)



Balance Sheet

(JPY bn)

Item	09/Dec.	10/Dec.	11/Dec.	Change	11/Mar.
Cash/Deposits	10.8	13.1	11.2	(1.9)	5.7
Accounts Receivables	35.5	30.2	31.9	1.7	28.7
Inventories	45.1	40.6	39.7	(0.9)	41.0
(Product Inventory)	30.5	27.0	25.7	(1.3)	27.8
Other Current Assets	2.6	3.1	3.1	0	3.3
Noncurrent Assets	90.2	90.1	90.1	0	90.5
Total Assets	184.2	177.1	176.0	(1.1)	169.2
Accounts Payables	44.1	40.0	38.4	(1.6)	42.0
Debts/Borrowings	60.8	54.5	54.1	(0.4)	43.5
Other Liabilities	23.6	26.5	26.1	(0.4)	29.1
(Total Liabilities)	128.5	121.0	118.6	(2.4)	114.6
Net Assets	55.7	56.1	57.4	1.3	54.6
(Retained Earnings)	6.7	6.7	6.7	0	5.2
Total Liabilities and Net Assets	184.2	177.1	176.0	(1.1)	169.2





2. Recent Development in Domestic and Overseas Markets



Drying machine

GML

GSL

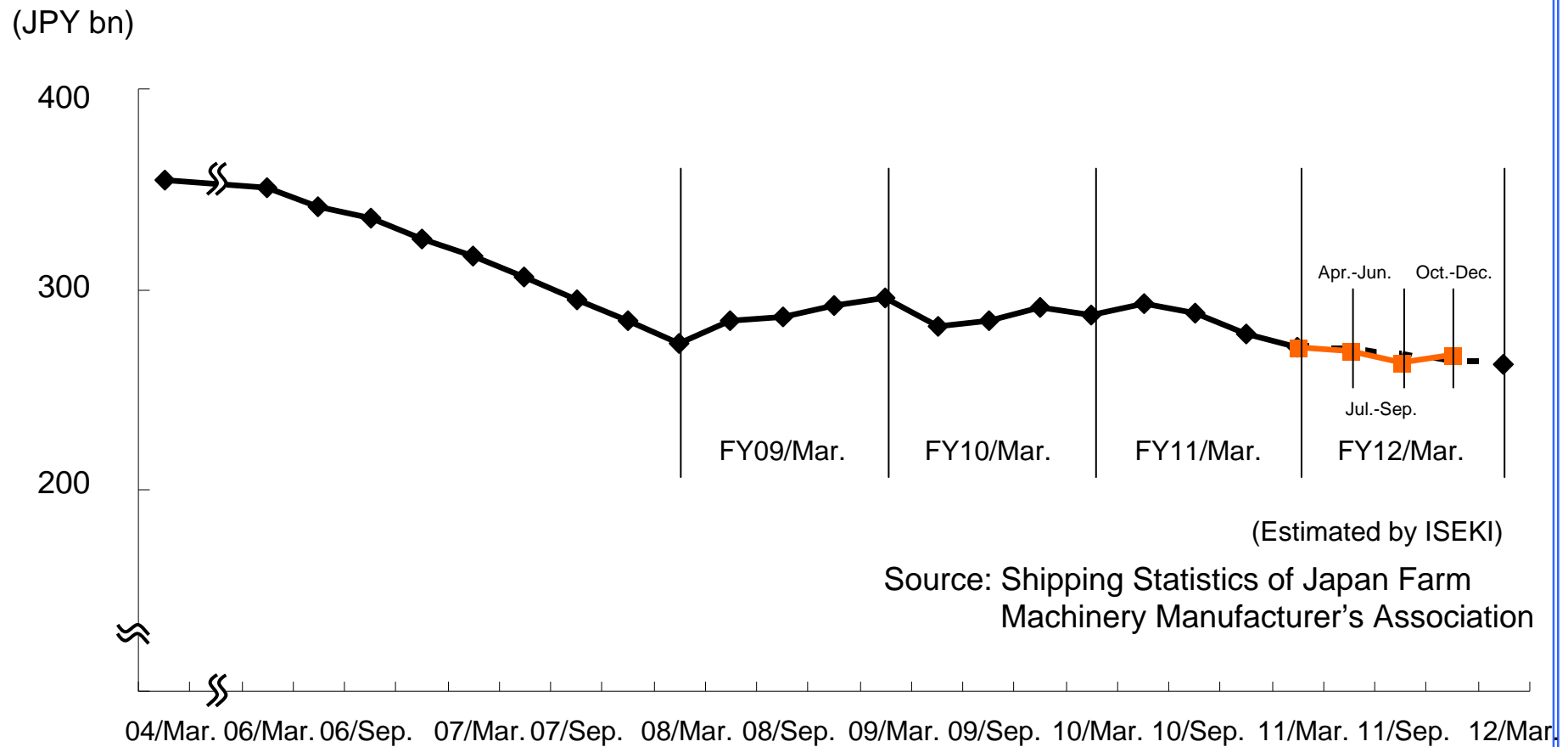


Trends of Domestic Demand for Agricultural Machinery

Trend of Demand for Agricultural Machinery (Forecast)

Trend in the amount of domestic demand

(Total of 9 principal products: Moving annual base)



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

	10/ Jan.-Dec.	11/ Jan.-Sep.	2011 Jan.-Dec. Breakdown			
			Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.
Industry (Shipment)	96	97	92	97	94	108
ISEKI (Effective sales)	100	100	90	99	105	102



Topics of Domestic Agriculture

○ Budget request for agriculture revitalization/strengthening and partial front-loading by the 4th supplemental budget

- Implementation of income compensation for each farming household
Expected to be implemented in the same framework as FY2011 ¥690.1 billion
- Promotion of scale expansion of farm land
Creation of bearers of agriculture. Flat land 20-30 ha ¥ 29.2 billion 4th ¥80.1billion
- Increase of new entry in agriculture
Regular new entry of youth of 20,000 persons/year ¥ 13.6 billion 4th ¥ 2.3 billion
- The sixth/growth industrialization
Expansion of the market size. Creation of funds ¥ 39.5 billion 4th ¥10.8 billion

○ Production volume target of 2012 production rice 7.93 million tons (down 20 thousand tons y-o-y)

- Demand forecast is below 8 million tons.
- Considering bigger production than demand by 40 thousand tons in 2010.

Demand forecast (million tons)	2010/2011	2011/2012	2012/2013
	8.20 (Actual)	8.05	7.97
Production volume target (million tons)	2010 prod	2011 prod	2012 prod
	8.24 (Actual)	7.95/8.13 (Forecast)	7.93

○ Resumption of agriculture operation of the devastated farm land will be 51% until FY2012 in 3 prefectures (excluding evacuation area of the nuclear plant, etc.)

	FY 2011	FY 2012	FY 2013	FY 2014	Total
Space in 3 prefectures (ha)	1,290	6,310	5,480	1,970	15,050
	51%		36%	13%	100%



ISEKI's Engagement Towards Resumption of Agriculture in Devastated Areas

Engagement for radiation-contaminated areas

Technical development for elimination/reduction of radioactive substance
⇒ Joint implementation with research institutes, etc.

- Technology to plow under radioactive substance on the soil surface in the ground, without producing waste soil.
- Technology to prevent scatter of cesium in treatment of weeds.
- Development of a tractor to work in highly contaminated farm land.

Engagement for restoration of devastated farm land

A large scale experimental study using advanced technologies for the restoration as food production areas.

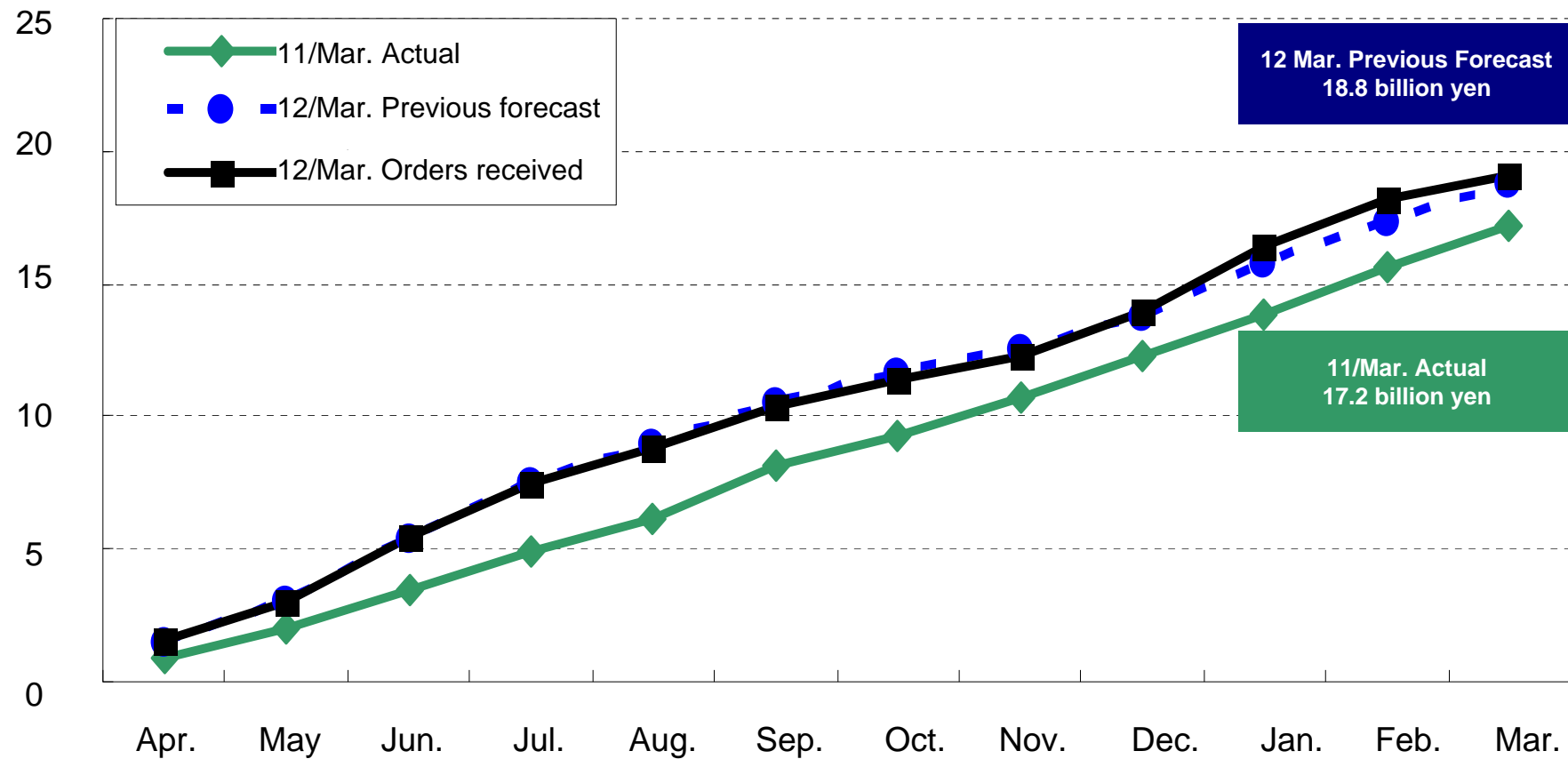
⇒ Proposal to publicly sought subject.

- Establishment of low cost/stable cultivation of high quality rice ⇒ Dense seedling/sparse planting cultivation.
- Intensive paddy field use by double-cropping system of rice and wheat.
- High efficiency/energy saving drying system by far-infrared heat recycling dryer.
- Hybrid heating system using rice husk burning boiler.



Recent Trend of Overseas Product Sales

(JPY bn)



* 12/Mar. Orders received: Apr.-Dec. is based on result of shipping, Jan.-Mar. 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 Oct.-Dec. was 2.8% compared with the previous period (Jul.-Sep.). While the index showed a recovery trend, the pace of recovery is slow from the deep plunge since the shock of Lehman Brothers. In spite of the gradual improvement of the unemployment rate, consumer spending stays at a low growth rate. 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/	11/	YoY	
	Jan.-Dec.	Jan.-Dec.	Change	%
USA	84	85	1	101%
Canada	11	12	1	108%
N. America Total	95	97	2	102%

Source: AEM (Association of Equipment Manufacturers)

AEM estimated growth of demand in 2012 to be +3.2% per year.

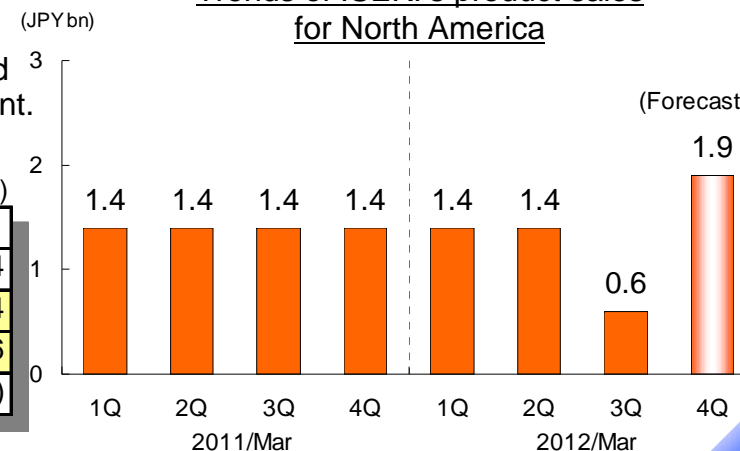
2. Trends in ISEKI's Sales

- Effective sales of the OEM partner AGCO for Jan.-Dec. shifted in a level slightly lower than the previous year.
- It used to be the case that the sales in the third quarter was reduced every year due to purchase policy at the time of AGCO's settlement. However, the sales were leveled-off for FY10/Mar. and FY11/Mar. due to purchase policy throughout the year.

(JPY bn)

	2008 Mar.	2009 Mar.	2010 Mar.	2011 Mar.	2012 Mar.
1Q	0.3	1.8	0.8	1.4	1.4
2Q	2.2	2.7	0.8	1.4	1.4
3Q	0.8	0.4	0.8	1.4	0.6
4Q	2.1	1.6	1.6	1.4	(1.9)

Trends of ISEKI's product sales for North America



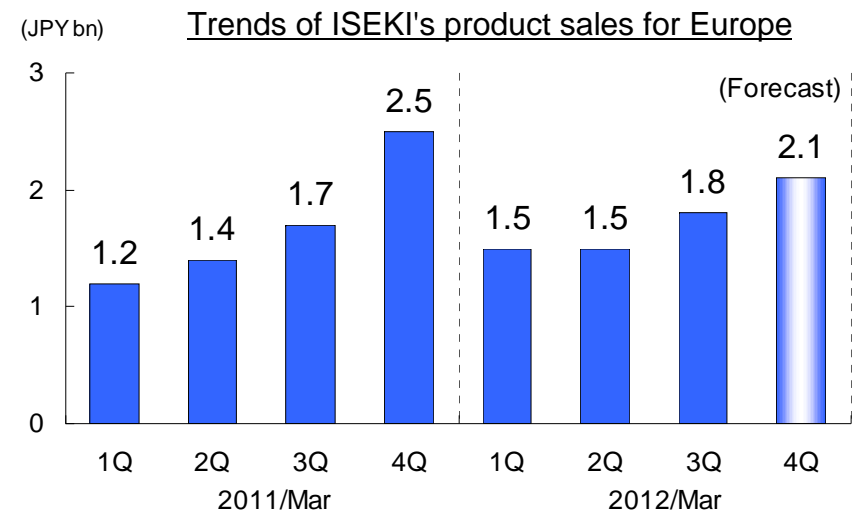
Trends in Overseas Markets (Europe)

1. Trends in European Market

- The Euro economy has been decelerated due to its debt problem that failed to find effective countermeasures.
- Financial crisis in Europe including Greece has spread to surrounding nations, and the sense of economic slowdown has not been dispelled.
- Mind of capital investment/general household spending was diminished due to reduced public spending budget by tight fiscal policy of each nation. Strong sense of uncertainties for future persists.

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 2011 have declined slightly as the entire Europe with reduced sales in the major countries, France and the UK, while they exceeded the previous year in Germany.

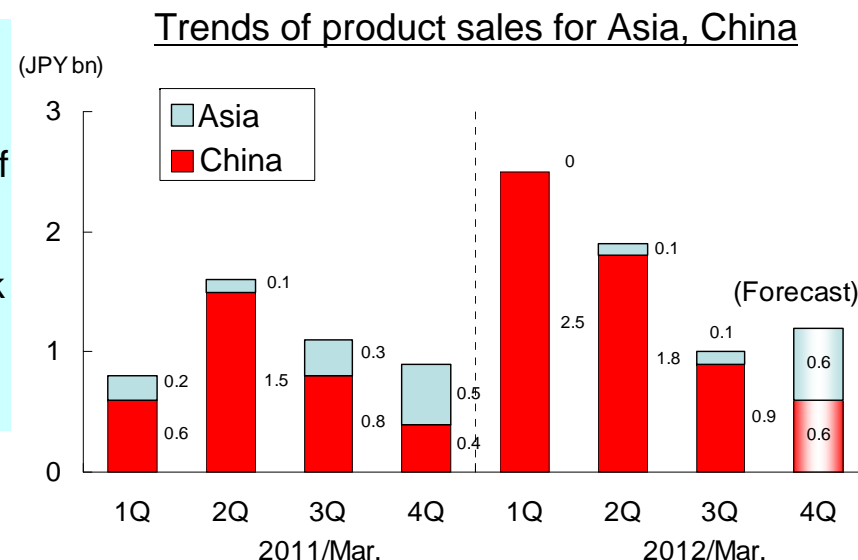


Trends in Overseas Markets (Asia, China)

1.1 Trends in Asian Market

Korea: The growth rate of GDP in 2011 slowed down substantially from 2010. Expansion of external demand in the back of weak won shrank as a result of downturn/slowdown of the U.S. and European markets.

Southeast Asia: While the productive activities fell back substantially in Thai market by flood damage, it is on a track to recovery entering dry season.



1.2 Trends in ISEKI's Sales

- Sales will underperform due to worsened foreign exchange environment and floods in Thailand, etc.

2.1 Trends in Chinese Market

- Trend of subsidy for promotion of agriculture

(100 millions of yuan)

	2007	2008	2009	2010	2011	2012	
Central government subsidy	20	40	130	155	175	The 1st period	130
(billion yen, Yuan/13 yen)	26.0	52.0	169.0	201.5	227.5	The 1st period	169.0

- Basic trend of expansion of the agriculture market continues due to increased subsidy every year. (Reference) 1st period of FY2011; 110 million yuan (143 billion yen)



Trends in Overseas Markets (Asia, China)

2.2 Trends in ISEKI'S Sales

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

(Units)

	2005	2006	2007	2008	2009	2010	2011	2011 Initial Plan
Rice transplanters	0	120	1,110	1,620	3,250	4,841	8,102	7,000
Walking-type	—	50	790	1,100	2,450	3,661	4,877	4,000
Riding-type	—	70	320	520	800	1,180	3,225	3,000
Combine harvesters	150	220	300	470	840	624	557	430

- Chinese Market Trend of Sales

(JPY bn)

	06/Mar.	07/Mar.	08/Mar.	09/Mar.	10/Mar.	11/Mar.	12/Mar. Forecast
China	0.5	0.7	1.3	1.9	3.5	3.3	5.8
Total overseas sales	20.5	18.8	22.0	23.1	18.1	19.1	21.0

By shift of the subsidy from combine harvesters to rice transplanters, effective sales of rice transplanters were strong with 8,102 units versus planned 7,000 units. Meanwhile, sales of combine harvesters tended to decline.

- Towards 2012

We aim at bigger sales of rice transplanters in this season than 2011 by Dongfeng Iseki's compensation of production of ISEKI-CHANGZHOU.





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



New category combine harvester HFC330



Performance Forecast for the Fiscal Year Ending March 2012

(JPY bn)

Item	12/ Mar.		Change	11/Mar.	Change
	Previous forecast	Latest forecast			
Net Sales	144.5	145.0	0.5	147.8	(2.8)
(Domestic)	124.0	124.0	0.0	128.7	(4.7)
(Overseas)	20.5	21.0	0.5	19.1	1.9
Operating Income	2.9	3.5	0.6	2.8	0.7
Ordinary Income	2.2	2.9	0.7	2.0	0.9
Net Income	0.9	1.4	0.5	(0.9)	2.3

*Company forex rate: 1 US\$ = ¥75 → ¥77, 1 Euro = ¥105 → ¥100 (From the 4th 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	28.4	27.6	(0.8)	26.7	0.9
		Planting Machinery	10.3	10.3	0	11.6	(1.3)
		Harvesting & Processing Machinery	24.6	25.9	1.3	25.5	0.4
		Total	63.3	63.8	0.5	63.8	0
	Parts & Farming Implements	29.6	30.2	0.6	31.0	(0.8)	
	Construction of Facilities	5.5	5.0	(0.5)	8.7	(3.7)	
	Other Agriculture Related	25.5	24.8	(0.7)	25.1	(0.3)	
	Total	123.9	123.8	(0.1)	128.6	(4.8)	
	Other Business Total	0.1	0.2	0.1	0.1	0.1	
	Total	124.0	124.0	0	128.7	(4.7)	



Performance Forecast (Breakdown of Overseas Sales)

(JPY bn)

	12/Mar.		Change	11/Mar.	Change
	Previous Forecast	Latest Forecast			
North America	5.0	5.3	0.3	5.6	(0.3)
Europe	7.0	6.9	(0.1)	6.8	0.1
Asia	0.9	0.8	(0.1)	1.1	(0.3)
China	5.3	5.8	0.5	3.3	2.5
Oceania	0.6	0.4	(0.2)	0.4	0
Products Total	18.8	19.2	0.4	17.2	2.0
Parts & Others	1.7	1.8	0.1	1.9	(0.1)
Total	20.5	21.0	0.5	19.1	1.9

* Company forex rate: 1 US\$= ¥75→¥77, 1 Euro=¥105 → ¥100 (From the 4th Quarter)





4. Topics



High-clearance Multipurpose Vehicle
Aisaika (JKB23)



Topics

Following the previous “Sparse Rice Transplanter”,
 “Development of the industry’s first 7-row type combine
 harvester HJ7120” has received an award for excellence in
 the R&D/New Technology Division of FOOD ACTION
NIPPON AWARD 2011 (Dec. 14, 2011)



- Reduced number of turning
- Better working efficiency than 6-row type even reducing the operating speed by 15%
- Shortened operating time
 - Reduced production cost
 - Reduced load to operator

**Contribution for improving food self
 sufficiency ratio**



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.

