May 15, 2008

Name of listed company: ISEKI & CO., LTD Stock Exchange Listing Tokyo, Osaka
Company Code: 6310 (URL http://www.iseki.co.jp)
Representative: Title President Name Seiichiro Gamo
Enquiries: Title General Manager of Finance Name Hiroshi Yunoki
Telephone: +81 3 5604 7671
Date of the Regular Meeting of Shareholders: June 26, 2008
Date of Submission of the Securities Report: June 27, 2008

Summary Announcement of Consolidated Financial Results for the Fiscal Year Ended March 31, 2008

I. Financial Results for the Fiscal Year Ended March 31, 2008 (April 1, 2007－March 31, 2008)

A. Results of operations

(Rounded down to millions of yen, % indicates changes from the previous period)

	Year Ended March 31, 2008	%	Year Ended March 31, 2007	%
Net Sales	144,714	(5.9)	153,728	(5.0)
Operating Income	735	(67.2)	2,243	(64.5)
Ordinary Income	34	(97.3)	1,276	(77.7)
Net Income	(1,466)	-	18	(99.3)
Net Income per Share (yen)				
Basic	(6.49)		0.08	
Diluted	―		0.07	
Return on Equity (%)	(2,8)		0.0	
Return on Total Assets (%)	0.0		0.7	
Ordinary Income to Net Sales (%)	0.5		1.5	

Notes: Investment gain (loss) by equity method:

Year ended March 31, 2008 ― Year ended March 31, 2007 ―

B. Financial Position

(Rounded down to millions of yen)

	March 31, 2008	March 31, 2007
Total Assets	173,198	181,362
Net Assets	52,556	55,724
Shareholders' Equity to Total Assets Ratio (%)	29.4	29.8
Net Assets per Share (yen)	225.76	239.71

Notes:

Shareholders' equity:

Year ended March 31, 2008 ¥50,981 mil. Year ended March 31, 2007 ¥54,138 mil.

C. Cash Flows

(Rounded down to millions of yen)

	Year Ended March 31, 2008	Year Ended March 31, 2007
Cash Flows from Operating Activities	3,861	902
Cash Flows from Investing Activities	(2,904)	(4,718)
Cash Flows from Financing Activities	(412)	2,207
Cash and Cash Equivalents at End of Period	5,687	4,985

II. Dividends

	Year Ended March 31, 2008	Year Ended March 31, 2007	Year ending March 31, 2009 Forecast
Dividend per share （yen） End of fiscal year Annual	— 0.00	— 0.00	— 0.00
Annual cash dividend per share	—	—	
Payout ratio (%, consolidated)	—	—	—
Ratio of dividend to net assets (%, consolidated)	—	—	

III. Forecast for the Fiscal Year Ending March 31, 2009 (April 1, 2008－March 31, 2009)

(Rounded down to millions of yen, % indicates changes from the previous period)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share (yen)
Interim	74,500 4.6	0 —	(600) —	(1,400) —	(6.20)
Annual	154,500 6.8	3,300 348.6	1,900 —	600 —	2.66

IV. Others

A Change in important subsidiaries during the period (change in specified subsidiaries which accompanies a change in the range of consolidation): None.

B Change in principle, procedure and method of statement of accounting procedures in preparation of consolidated financial statements (as stated in "Changes in essential matters which provide a basis for preparation of Consolidated Financial Statements")

1) Change which accompanies revision of accounting standards: Yes

2) Change other than No.1. No

(Note) For details, please refer to (Change in accounting principle) in the "Changes in essential matters which provide a basis for preparation of Consolidated Financial Statements", P18.

C Outstanding shares (Common shares)

1) Outstanding shares (Including treasury shares)	As of March 31, 2008	226,536,329 shares
	As of March 31, 2007	226,536,329 shares
2) Outstanding treasury shares	As of March 31, 2008	711,509 shares
	As of March 31, 2007	690,113 shares

(Note) Please refer to P26 "Per share information" as to the number of shares which provides a base for calculating net income per share (consolidated).

(Reference) Non-consolidated Financial Results

I. Financial Results for the Fiscal Year Ended March 31, 2008 (April 1, 2007－March 31, 2008)

A. Results of operations

(Rounded down to millions of yen, % indicates changes from previous period)

	Year Ended March 31, 2008	%	Year Ended March 31, 2007	%
Net Sales	84,965	(6.4)	90,784	(3.2)
Operating Income	(455)	―	744	(76.2)
Ordinary Income	(193)	―	841	(78.0)
Net Income	(1,430)	―	(4,818)	―
Net Income per Share (yen) Non-diluted Fully Diluted	 (6.33) ―		 (21.34) ―	

B. Financial Position

(Rounded down to millions of yen)

	March 31, 2008	March 31, 2007
Total Assets	123,716	130,054
Shareholders' Equity	46,961	50,075
Shareholders' Equity to Total Assets Ratio (%)	38.0	38.5
Shareholders' Equity per Share (yen)	207.96	221.72

Notes: Shareholders' Equity

Year ended March 31, 2008 ¥46,961 mil. Year ended March 31, 2007 ¥50,075 mil.

II. Forecast for the Fiscal Year Ending March 31, 2009 (April 1, 2008－March 31, 2009)

(Rounded down to millions of yen, % indicates changes from the previous period)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per share (yen)
Interim	43,000	(4.1)	(700)	―	(400)	―	(500)	―	(2.21)
Annual	91,000	(7.1)	700	―	700	―	600	―	2.66

Cautionary statement: The forecast for operating results has been produced based on information presently available. It is possible that in the future actual results may differ from the anticipated figures for a variety of reasons. Please refer to page5of attached material for the matter concerning the above-mentioned expectation.

1. Management Performance

(1) Analysis of Management Performance

1) The Fiscal Period in Review

During the fiscal year under review, the Japanese economy as a whole continued its gradual recovery pattern. While the economy maintained its solid recovery trend in the first half of the year, as it entered the second half, there were downturn of the US economy and change in the financial and capital market in the back of the sub prime housing loan problem, hike in the oil price, restrained improvement in the corporate earnings, almost leveled off consumer spending and gradual increase, in capital investment.

Domestic demand for agricultural machinery continued very inactive by structural problems such as aging and dwindling farmers coupled with restrained purchase and wait-and-see attitude as a result of dropped rice price and agriculture policy reform, there is also a sign of bottoming out by a move to review the agriculture policy as well as broke of dropped rice price. On the other hand, the export continued to shift favorably from the previous fiscal year.

Under the circumstances, the ISEKI Group has made efforts to broaden its line of new products to meet the diverse needs of customers, and has also aggressively promoted sales activities trying to increase both domestic sales and exports.

(Consolidated business performance of the fiscal year)

In the fiscal year, sales declined ¥9.014 billion from the previous period to ¥144.714 billion (down 5.9%). Domestic sales declined ¥12.202 billion to ¥122.673 billion (down 9.0%) centering on agricultural machinery due to an inactive trend in the agricultural machinery market. Overseas sales increased ¥3.187 billion from the previous period to ¥22.041 billion (up 16.9%) contributed by solid sales in the European and Asian markets. Operating income declined ¥1.508 billion to ¥0.735 billion (down 67.2%) due to decreased gross profit which reflected reduced sales as well as lowered gross margin.

Ordinary income decreased ¥1.241 billion from the previous period to ¥34 million (down 97.3%). Net income decreased to ¥1.485 billion to a net loss of ¥1.466 billion due to reversal of deferred tax assets etc.

(Non-consolidated business performance of the fiscal year)

In the current fiscal year, sales were ¥84.965 billion (down 6.4% from the previous period), operating income was a loss of ¥455 million and ordinary income was a loss of ¥193 million. Net income resulted in a loss of ¥1.43 billion due to reversal of deferred tax assets etc.

2) Sales by Product

(Domestic)

Sales of machinery for soil preparation (tractors, tillers, etc) dropped to ¥26.937 billion (down 8.3% from the previous period). While sales of tillers and high clearance multi purpose vehicles increased, sales of tractors which are our main products declined. Sales of cultivating machinery (rice transplanters and vegetable transplanters) increased to ¥11.475 billion (up 8.3% from the previous period) helped by strong sales of PZ series rice transplanters, which were put on the market from the previous fiscal year. Sales of harvesting and processing machines were at ¥24.232 billion (down 15.5%) due to decreased sales of main force combine harvesters and drying machines. Sales of farming implements and spare parts were ¥27.862 billion (down 6.5%). Sales of other agricultural related items stood at ¥21.532 billion (down 13.4%). Sales of agricultural facilities stood at ¥4.051 billion (down 36.1%). Other sales were ¥10.632 billion (down 8.0%).

(Overseas)

Sales of machinery for soil preparation increased to ¥16.933 billion (up 11.0% from the previous period) mainly contributed by active sales in Europe more than offsetting reduced tractor sales in North America. Sales of cultivating machinery rose to ¥2.366 billion (up 104.7%), harvesting and processing machinery rose to ¥1.096 billion (up 9.6%), and farming implements and spare parts increased to ¥1.102 billion (up 9.2%).

3) Forecast for the next consolidated fiscal year

With respect to the current business climate, there is a concern for a turndown of the Japanese economy in view of the standstill of the recovery momentum of the economy in the midst of rising material price caused by hiked oil and iron ore price. On the other hand, we anticipate that tough situation will persist in the environment surrounding agriculture leading to more intense competition in the market, in spite of some sign of improvement.

Under such circumstances, we will try to secure sales by aggressive introduction of new products. Domestically, we expect demand for agricultural machinery to remain at approximately the same level in light of the agriculture policy review and brake of dropped rice price. We expect expanded domestic sales by the synergetic effect of continuous introduction of new products, further enrichment of our service as well as reinforced sales power. In overseas, we expect further sales expansion in already active Asian market and a recovery of orders received in the North American market by termination of the inventory adjustment by an OEM partner. In furtherance, we expect improved gross margin by the effect of the cost structure reform implemented during the fiscal year ended March 31, 2008.

(2) Financial position

Total assets at the end of the fiscal year decreased ¥ 8.2 billion to ¥173.2 billion. In total assets, current assets decreased ¥ 5.7 billion from the previous fiscal year. Main components were decreased notes receivables and accounts receivables of ¥ 3.1 billion due to reduced sales and decreased inventory of ¥ 2.9 billion. Fixed assets decreased ¥ 2.5 billion. Investments and other assets decreased ¥2.0 billion centering on investment securities. Total liabilities decreased ¥ 5.0 billion as a result of reduced accounts payable and allowance for retirement benefits. Net assets decreased by ¥ 3.2 billion from the previous fiscal year to ¥ 52.6 billion. Equity ratio was 29.4%.

(Cash flows from operating activities)

Cash flow from operating activities resulted in a net revenue ¥ 3.9 billion (net revenue increased ¥ 3.0 billion from the same period last year) due to before tax net loss of ¥0.5 billion, a decrease in inventory assets of ¥2.9 billion and a decrease in accounts receivable of ¥ 3.1 billion etc.

(Cash flows from investment activities)

Cash flow from investment activities resulted in net expenditure of ¥ 2.9 billion (a decrease of ¥1.8 billion from the same period last year), mainly due to capital investment expenditure of ¥5.2 billion, revenue from a sale of investment securities of ¥2.6 billion and an expense for purchase of investment securities of ¥1.6 billion.

(Cash flows from financial activities)

Cash flow from financial activities resulted in a net expenditure of ¥0.4 billion (an increase of ¥2.6 billion from the same period last year), due to increased long-term borrowings and repayment of debts.

The trend of cash flow indicators is as follows.

Indicator	Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2007	Mar. 31, 2008
Equity ratio (%)	27.1	30.5	29.8	29.4
Market-based equity ratio (%)	39.2	66.2	30.4	21.1
Cash flow/Interest bearing liabilities Ratio (times)	9.7	13.8	64.6	15.0
Interest coverage ratio (times)	4.8	4.0	0.9	3.3

・Equity ratio: Shareholders' equity / Total assets
・Market-based equity ratio: Total market price of shares / Total assets
・Cash flow/Interest bearing liabilities ratio: Interest-bearing liabilities / Operating cash flow
・Interest coverage ratio: Cash flows from operating activities / Interest payments

Notes: 1. All figures have been calculated using consolidated-based financial figures.
2. The total market price of shares is the product of the per-share closing price at the end of the period and the total number of shares outstanding (less treasury stocks) at the end of the period.
3. The Operating cash flow uses the cash flows from operating activities as per the Consolidated Statement of Cash Flows. Interest-bearing liabilities use all the borrowings and debt as recorded in the Consolidated Balance Sheets. The Interest payments use the interest paid as recorded in the Consolidated Statement of Cash Flows.

(3) Basic Policy on Profit Distribution and Dividends for Fiscal Year 2007 and 2008

We recognize that the method for determining dividends to be paid to shareholders is one of the most important policies to be made. Our basic policy is to keep steady and improved dividend distribution, taking into consideration, not just consolidated financial results, but our Group's financial position and future business movements.

With respect to dividends for the fiscal year ending March 31, 2009, we apologize to the shareholders but we would like to pass on the end of year dividend in light of the sharply deteriorated business performance of the current fiscal year.

With respect to dividends for the fiscal year ending March 31, 2008, we will also be obliged to pass on the dividend payment. We are determined to take the necessary steps in order to reinforce a basis of earnings so that we will be able to secure profit stability, aiming at the earliest possible resumption of dividend.

(4) Risks Which Could Affect Our Business

Latent risks and uncertainties which could affect our future financial performance are exemplified as below:

1) Economic Conditions and Changes in the Environment of Agriculture

Sluggishness of domestic and/or overseas economic conditions and any change in the agriculture policy may negatively affect our financial performance through reduced demand for agricultural machinery.

2) Exchange Rate Fluctuation

There is a possibility that fluctuation of foreign exchange may negatively affect our financial performance.

3) Hike in Interest Rates

There is a possibility that a hike in interest rate may harm our financial performance.

4) Stock Market Fluctuation

As we hold securities, downward of the stock price may cause a loss.

5) Competition with Other Companies

We are involved in fierce competition with other companies in the market, and unless overall product competitiveness, including relevant services should be maintained, there is the possibility of a decline in our performance.

6) Risks Derived from International Business

Unexpected changes in tax and legal systems or political unrest of any particular country may cause harm to our financial performance.

7) Dependency on Specific Customers or Suppliers

Any change of business policy, business depression and failure of our specific customers or suppliers may harm our financial performance.

8) Serious Defects in Products and Services

The occurrence of serious defects in our products or services may negatively affect our financial performance.

9) Government Regulation on Environmental Issues, etc. and Occurrence of Related Difficulties.

Substantial costs may be incurred related to our products or business activities due to necessitated responses to public regulation of environmental issues etc, corrective measures undertaken upon the occurrence of troubles, law suites and other situations which could lead to a deterioration of our financial performance.

10) Risk of Natural Disasters and Accidents

Earthquakes, typhoons or unexpected accidents may occur, which may do harm to our financial performance.

11) Risk of legal violation

In offering products and service of ISEKI Group, we are subject to provisions of laws such the truth-in-advertising laws and the JIS law, etc. In purchasing raw materials, the Anti Trust Law as well as the subcontract law requires fair and transparent dealings. Also application of environmental laws requires compliance oriented management, and we are determined to dedicate ourselves in a body to accomplish complete legal compliance, by preparing internal control system. In spite of such efforts, if any of our directors and/or employees should conduct themselves in any way violating laws and regulations, there is a possibility that the business activities of our group will be restrained causing increased costs or decreased revenues, leading to deteriorated performance.

2. The Iseki Group

The main business of the Iseki Group is the development, manufacture and sale of agricultural machinery for rice and vegetable farming. We also market consumer-oriented products, manufacture testing equipment, and are currently developing our sales and service as well as other business activities.

Below is a diagrammatic representation of the Iseki Group.

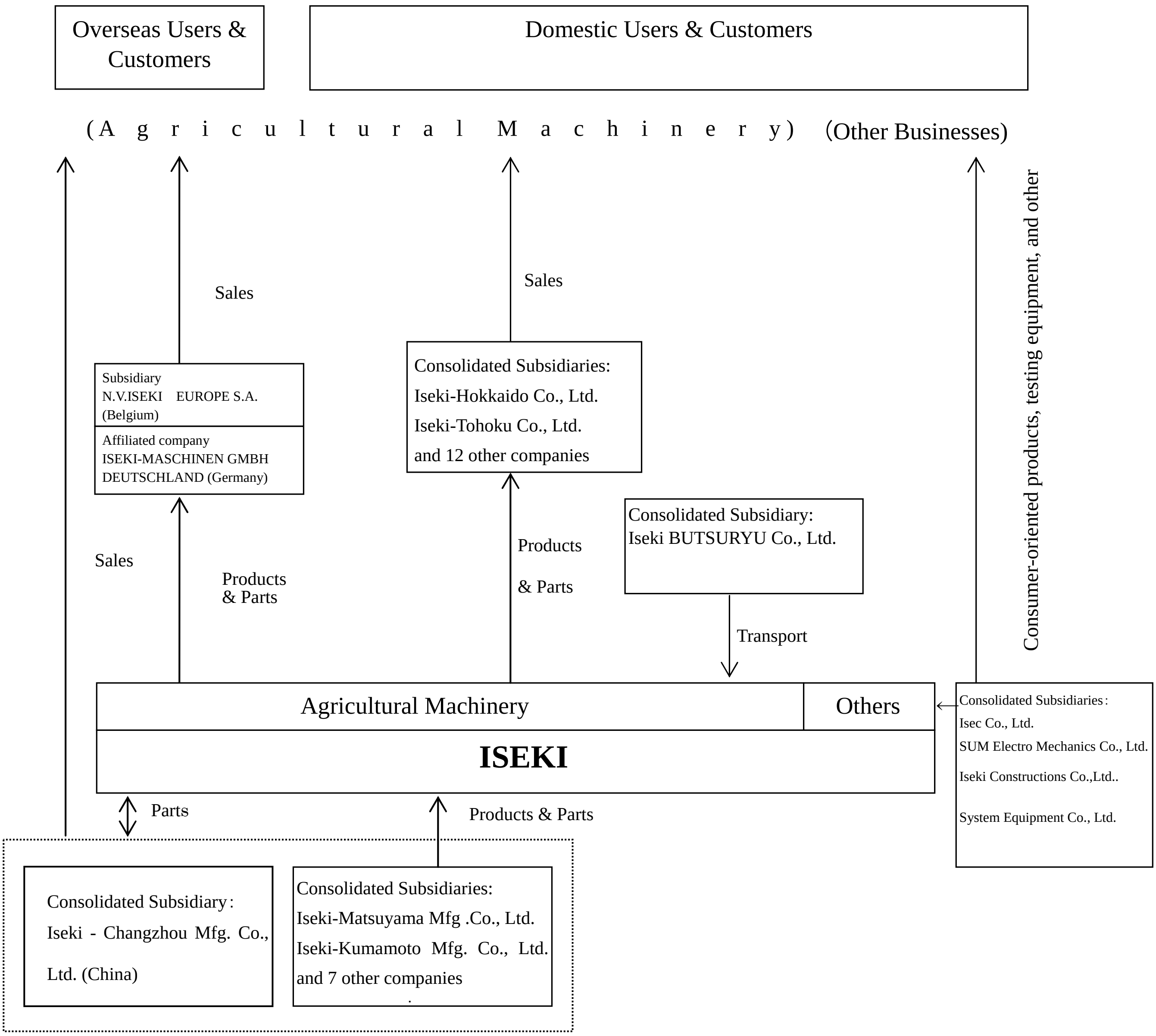
(Agricultural Machinery)

The development and design of agricultural machinery is primarily handled by the parent company. Ten companies, including Iseki-Matsuyama Mfg. Co., Ltd. and Iseki-Kumamoto Mfg. Co., Ltd., handle our agricultural machinery manufacturing and component processing activities, and 14 domestic sales companies market and sell the machinery across the country. Overseas marketing operations are handled by local distributors and affiliates as well as a wholly owned subsidiary in China, Iseki - Changzhou Mfg. Co., Ltd.

(Other Businesses)

Isec Co., Ltd. markets consumer-oriented products. SUM Electro Mechanics Co., Ltd. is responsible for the manufacture and sale of testing equipment, and System Equipment Co., Ltd. provides information processing services.

Following is a schematic diagram of the Iseki Group.



3. Iseki’s Management Policies

1. Iseki’s Basic Management Principles

During the 80 years since its establishment, ISEKI has contributed to the modernization of Japan’s agricultural industry as a full-line manufacturer specializing in agricultural machinery. Over this time, we have consistently pursued efficient and laborsaving advances in agriculture, and have served the market by pioneering the development of a quantity great deal of agricultural machinery and facilities.

When we consider the questions of an increasing world population and food supply, and then our own nation’s food self-sufficiency and land preservation, our role to serve the farming sector becomes important and our duty to society as a manufacturer of agricultural machinery becomes even more significant.

ISEKI will continue to operate under a basic business philosophy of “providing products that delight our consumers” so that the company can contribute to agriculture, both in Japan and throughout the world.

To reach this goal, our highest priority objectives are “to promote our brand name products, to improve quality, to accelerate cost-cutting measures and to strengthen our service”. We are aiming for a corporate culture that can maintain a stable operating performance and will continue in our efforts to reform our profit structure.

2. Three-year Plan Management Strategies

Basic management strategies are as follows:

(1) The expansion of overseas sales

(2) To secure 20% share of the domestic agricultural machinery market

(3) To strengthen product competitiveness further

(4) To improve consolidated financial position by strengthening earning power and cash flow

3. Issues to be Addressed

1) Group internal control

A. Compliance oriented management

We have strived to consolidate our internal control system, positioning the firm establishment of the group internal control system as a most important issue of management policy. With respect to the system, to ensure efficient execution of the job of directors, we have not merely prepared various regulations and systems such as job assignment regulation and internal control regulation. Rather, important issues are given multilateral discussion and study at the management meeting. Furthermore, we have a system to properly keep in custody and control any information related to their job execution such as the minutes of the board of directors and to approval documents.

In terms of a compliance system, we created an across the organization “compliance team” under the supervision of the director in charge of compliance as of June 1, 2007. We endeavor to prevent any occurrence of injustice and misconduct by ensuring a full understanding of compliance on the part of all directors and employees by continuously holding compliance seminars with the initiative of the team.

As an organization concerned with internal control, we created a “Management Control Section” under the control of the Head of the Development & Production Division as of June 1, 2007 which assumed the ordinary monitoring function of our manufacturing subsidiaries. Thus, we intend to strengthen the control function of our manufacturing subsidiaries.

For sales and other subsidiaries, we let them handle internal auditing themselves by having an internal auditing function at each company. Furthermore, we created a “Management Control Section” under the Head of the Business Division as of June 1, 2007 which inspects the degree of implementation of internal auditing and gives necessary guidance.

We also created a “Management Supervisory Committee” as of June 1, 2007 which is comprised of the President as chairperson, all directors as members and all auditors as observers, so that we can follow up the progress of measures to prevent a recurrence of misconduct as well as to check the degree of completeness,

We are determined not to have a repeat of the problem of inappropriate accounting practices, and ISEKI and our consolidated subsidiaries will try hard together to regain lost confidence. Our shareholders’ generous understanding and support would be most appreciated.

B. Rejection of antisocial forces

We actively work against any possibility of a relationship with antisocial forces or groups, manifesting the policy in the “ISEKI Group Code of Ethical Behavior”. In order to establish corporate ethics of ISEKI and the group companies, we show action guidelines regarding antisocial forces in the “ISEKI Group Code of Ethical Behavior” and we have prepared a system to reject antisocial forces and relevant activities. The General Affairs Department is in charge of control and correspondence regarding the issue, and depending on the circumstances we act in consultation with the relevant section. We maintain ordinary contacts and association with external organizations such as the police department, anti violation movement promotion centers and lawyers, thus preparing a system to cope with antisocial forces. We also belong to the Metropolitan area violation prevention association to receive regular guidance and sharing of information.

2) Important issues

In the midst of a drastically changing market environment, we will speed up our earning structure reform in order to build corporate fundamentals which will enable us to secure a stable earning for the foreseeable future. Along with our efforts to maintain and expand sales through enhanced customer satisfaction by way of providing high quality products at low prices and offer service from the standpoint of customers, we endeavor to establish low-cost structure and strengthen consolidated financial stability.

A. Recovery of domestic sales and expansion of overseas sales

While competition in the market intensifies, we position “Recovery of domestic sales and expansion of overseas sales” as our most important managerial issue, trying to attain comprehensive enhancement of efficiency, quality, price and service by concentrating on the total group potentiality to strengthen our product competitiveness. We will not only carry out fundamental quality improvement of products, with an accurate comprehension of the market needs, but also make a timely product planning and introduction to the market. In the domestic market, we aim at achieving a recovery of sales by promoting efficient sales promotion, taking advantage of sales companies with wide territories and a functional new organization, as well as by further enhancement of customer satisfaction by strengthened sales and service performance power. Also, in regard to favorably expanding overseas sales, we will try to expand further sales by recovery of the North American market through the introduction of new products and strengthening of our sales and service system in Europe where solid demand continues and in the Asian market which has potential growth.

B. Securing of profitability by cost structure reform

In the midst of a substantial hike in material prices we will make efforts at all company and division levels to secure profitability by trying to reduce costs, through reduction of administration losses and cost reduction.

C. Reform of consciousness to be more “Communicative corporate culture”.

During the fiscal year under review, ISEKI Group has been dedicated to establishing a group control system. We will create a more communicative corporate culture in response to our policy of obligatory internal control reporting systems and changes in the accounting standards to implement a quarterly financial settlement.

Also, we are engaged in response to environmental issues as one of the most important managerial issues. We will strengthen our commitment to resource saving, energy saving, recycling, exhaustion gas and noise, etc.

4. Other important issues of corporate management

Not particularly.

Consolidated Financial Statements

Consolidated Balance Sheets

(millions of yen)

Account	FY2007 (as at Mar. 31, 2007)		FY2008 (as at Mar. 31,2008)		Change from previous period
	Amount	Ratio	Amount	Ratio	Amount
(Assets)		%		%	
I Current Assets	**86,371**	**47.6**	**80,691**	**46.6**	**(5,680)**
Cash and time deposits	5,270		5,817		546
Notes and accounts receivable	31,950		28,840		(3,110)
Marketable securities	23		53		29
Inventories	45,511		42,642		(2,868)
Deferred income taxes	578		313		(265)
Others	3,162		3,117		(45)
Allowance for doubtful accounts	(125)		(93)		32
II Fixsed Assets	**94,990**	**52.4**	**92,506**	**53.4**	**(2,484)**
1. Tangible fixed assets	**80,152**	**44.2**	**79,820**	**46.1**	**(332)**
Buildings and structures	15,608		16,293		684
Machinery,equipment and vehicles	9,725		9,047		(678)
Land	50,562		50,729		167
Construction in progress	1,139		651		(488)
Others	3,116		3,099		(17)
2. Intangible fixed assets	**986**	**0.6**	**835**	**0.5**	**(151)**
3. Investments and other assets	**13,851**	**7.6**	**11,850**	**6.8**	**(2,000)**
Investment securities	8,823		6,324		(2,498)
Long-term loans	204		188		(16)
Deferred income taxes	696		596		(100)
Others	4,817		5,396		578
Allowance for doubtful accounts	(691)		(655)		36
Total Assets	**181,362**	**100**	**173,198**	**100**	**(8,164)**

Consolidated Balance Sheets

(millions of yen)

Account	FY2007 (as at Mar. 31,2007)		FY2008 (as at Mar. 31,2008)		Change from previous period
	Amount	Ratio	Amount	Ratio	Amount
(Liabilities)		%		%	
I Current Liabilities	**83,026**	**45.8**	**83,066**	**48.0**	**40**
Notes and accounts payable, trade	42,352		40,788		(1,564)
Short-term borrowings	24,150		25,092		942
Bonds (due within one year)	140		100		(40)
Long-term debt (due within one year)	7,525		9,469		1,944
Accrued income taxes	612		511		(101)
Others	8,245		7,103		(1,141)
II Long - term Liabilities	**42,612**	**23.5**	**37,575**	**21.7**	**(5,036)**
Bonds	8,045		2,545		(5,500)
Long-term debt	18,455		20,726		2,271
Deferred income taxes	1,226		854		(372)
Deferred tax liability from land revaluation gain	7,595		7,595		—
Accrued retirement benefits for employees	5,185		4,164		(1,021)
Accrued directors' retirement benefits	306		318		12
Others	1,797		1,371		(426)
Total Liabilities	**125,638**	**69.3**	**120,641**	**69.7**	**(4,996)**
(Net Assets)					
I. Shareholders' equity	**40,985**	**22.6**	**39,514**	**22.8**	**(1,470)**
Common stock	22,784	12.6	22,784	13.1	—
Capital surplus	12,815	7.1	12,815	7.4	—
Retained earnings	5,548	3.0	4,081	2.4	(1,466)
Treasury stock	(163)	(0.1)	(167)	(0.1)	(4)
II. Difference of appreciation and	**13,153**	**7.2**	**11,466**	**6.6**	**(1,686)**
Net unrealized holding gain on securities	2,598	1.4	907	0.5	(1,690)
Land revaluation reserve	10,527	5.8	10,527	6.1	—
Foreign currency translation adjustments	28	0.0	31	0.0	3
III. Minority interests in Consolidated Subsidiaries	**1,585**	**0.9**	**1,575**	**0.9**	**(10)**
Total Net Assets	**55,724**	**30.7**	**52,556**	**30.3**	**(3,167)**
Total Liabilities and Net Assets	**181,362**	**100**	**173,198**	**100**	**(8,164)**

Consolidated Statement of Income

(millions of yen)

Account	FY2007 (Apr.1,2006 - Mar. 31,2007)		FY2008 (Apr. 1,2007 - Mar. 31,2008)		Change from previous period
	Amount	Ratio	Amount	Ratio	Amount
		%		%	
I Net sales	153,728	100	144,714	100	(9,014)
II Cost of sales	105,309	68.5	99,602	68.8	(5,707)
Gross Profit	**48,419**	**31.5**	**45,112**	**31.2**	**(3,307)**
III Selling, general and administrative expenses	46,175	30.0	44,376	30.7	(1,799)
Operating Income	**2,243**	**1.5**	**735**	**0.5**	**(1,508)**
IV Non-operating Income	1,509	0.9	1,599	1.1	90
Interest and dividend income	358		366		7
Others	1,150		1,232		82
V Non-operating Expenses	2,476	1.6	2,300	1.6	(176)
Interest expenses	1,135		1,312		177
Others	1,341		988		(353)
Ordinary Income	**1,276**	**0.8**	**34**	**0.0**	**(1,241)**
VI Extraordinary Gains	44	0.0	1,447	1.0	1,403
Gain on sale and disposal of property, plant and equipment	44		56		12
Gain on sale of investment securities	—		1,346		1,346
Reversal of allowance for diredors' retirement benefits	—		28		28
Others	—		15		15
VII Extraordinary Losses	513	0.3	2,004	1.4	1,490
Loss on sale and disposal of property, plant and equipment	312		282		(29)
Impairment loss	25		—		(25)
Loss on bad debt	—		385		385
Transfer to allowance for doubtful accounts	119		—		(119)
Special retirement benefits	—		920		920
Cost of measures for product recall	—		180		180
Others	55		235		180
Income before income taxes and minority interests	**807**	**0.5**	**(521)**	**(0.4)**	**(1,329)**
Income taxes	866	0.6	649	0.4	(216)
Reversal of past year corporate and other taxes	—	—	(852)	(0.6)	(852)
Income taxes, deferred	(112)	(0.1)	1,139	0.8	1,252
Minority interests in consolidated subsidiaries	35	0.0	8	0.0	(27)
Net Income	**18**	**0.0**	**(1,466)**	**(1.0)**	**(1,485)**

Consolidated Statement of Changes in Net Assets

FY 2007 (Apr.1, 2006-Mar. 31, 2007) (millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2006	22,784	12,815	6,207	(154)	41,653
Changes of items during the period					
Dividends from surplus	–	–	(677)	–	(677)
Net income	–	–	18	–	18
Purchse of tresury stock	–	–	–	(8)	(8)
Net changes of items other than shareholders'equity	–	–	–	–	–
Total changes of items during the period	–	–	(659)	(8)	(667)
Balance at Mar. 31, 2007	22,784	12,815	5,548	(163)	40,985

	Difference of appreciation and conversion				Minority Interests	Total net assets
	Net unrealized holding gains on securities	Land revaluation reserve	Foreign currency translation adjustments	Total difference of appreciation and conversion		
Balance at March 31, 2006	2,896	10,527	15	13,438	1,558	56,650
Changes of items during the period						
Dividends from surplus	–	–	–	–	–	(677)
Net income	–	–	–	–	–	18
Purchase of treasury stock	–	–	–	–	–	(8)
Net changes of items other than shareholders'equity	(297)	–	12	(285)	27	(258)
Total changes of items during the period	(297)	–	12	(285)	27	(926)
Balance at March 31, 2007	2,598	10,527	28	13,153	1,585	55,724

Consolidated Statement of Changes in Net Assets

FY 2008 (Apr.1, 2007-Mar. 31, 2008)

(millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2007	22,784	12,815	5,548	(163)	40,985
Changes of items during the period					
Net loss	—	—	(1,466)	—	(1,466)
Purchse of tresury stock	—	—	—	(4)	(4)
Net changes of items other than shareholders'equity	—	—	—	—	—
Total changes of items during the period	—	—	(1,466)	(4)	(1,470)
Balance at Mar. 31, 2008	22,784	12,815	4,081	(167)	39,514

	Difference of appreciation and conversion				Minority Interests	Total net assets
	Net unrealized holding gains on securities	Land revaluation reserve	Foreign currency translation adjustments	Total difference of appreciation and conversion		
Balance at March 31, 2007	2,598	10,527	28	13,153	1,585	55,724
Changes of items during the period						
Net loss	—	—	—	—	—	(1,466)
Purchase of treasury stock	—	—	—	—	—	(4)
Net changes of items other than shareholders'equity	(1,690)	—	3	(1,686)	(10)	(1,696)
Total changes of items during the period	(1,690)	—	3	(1,686)	(10)	(3,167)
Balance at March 31, 2008	907	10,527	31	11,466	1,575	52,556

Consolidated Statement of Cash Flows

(millions of yen)

	Account	FY2007 (Apr.1, 2006 - Mar.31, 2007)	FY2008 (Apr.1, 2007 - Mar.31, 2008)	Change from previous period
I	**Cash Flows from Operating Activities**			
	Income before income taxes and minority interests	807	(521)	(1,329)
	Depreciation and amortization	3,708	4,363	654
	Impairment loss	25	—	(25)
	Goodwill Amortization	(118)	(337)	(219)
	Increase in reserve for retirement benefits	376	(1,021)	(1,397)
	Loss (gain) on sales of investment securities	—	(1,346)	(1,346)
	Interest and dividend income	(358)	(366)	(7)
	Interest expenses	1,015	1,163	148
	Effect of exchange rate changes	15	(142)	(157)
	Loss on sales of tangible and intangible fixed assets	268	226	(41)
	Loss on liquidation of a subsidary	—	920	920
	Decrease in notes and accounts receivable	2,896	3,110	213
	Decrease(increase)in inventories	(5,594)	2,868	8,462
	Increase(decrease) in notes and accounts payable	748	(1,564)	(2,312)
	Others	(1,202)	(1,022)	180
	Subtotal	2,587	6,328	3,740
	Interest and dividends received	356	370	13
	Interest paid	(1,025)	(1,162)	(136)
	Special retirement benefits paid	—	(920)	(920)
	Income taxes paid	(1,591)	(813)	778
	Refunded income taxes	575	59	(516)
	Net cash provided by (used in) operating activities	**902**	**3,861**	**2,958**
II	**Cash Flows from Investing Activities**			
	Payments for purchases of marketable securities	(23)	(23)	0
	Proceeds from sale of short-term securities	146	23	(123)
	Payments for purchases of tangible and intangible fixed assets	(5,692)	(5,211)	480
	Proceeds from sale of tangible and intangible fixed assets	990	695	(295)
	Payments for purchase of investment securities	(100)	(1,615)	(1,515)
	Proceeds from sale of investment securities	—	2,597	2,597
	Paymemt for purchase of subsidiary	(276)	—	276
	Net decrease in long-term loans	33	35	2
	Net decrease in time deposits	96	155	58
	Others	106	438	331
	Net cash used in (provided by)investing activities	**(4,718)**	**(2,904)**	**1,813**
III	**Cash Flows from Financing Activities**			
	Net decrease in short-term borrowings	4,255	929	(3,326)
	Proceeds from long-term debt	18,180	12,490	(5,690)
	Repayments of long-term debt	(19,437)	(8,274)	11,163
	Redemption of bonds	(100)	(5,540)	(5,440)
	Payments for purchases of treasury stock	(8)	(4)	4
	Payment of dividends	(677)	—	677
	Others	(3)	(13)	(9)
	Net cash used in financing activities	**2,207**	**(412)**	**(2,620)**
IV	**Effect of Exchange rate Changes on Cash and Cash Equivalents**	**3**	**157**	**154**
V	**Net Decrease in Cash and Cash Equivalents**	**(1,604)**	**702**	**2,306**
VI	**Cash and Cash Equivalents at beginning of year**	**6,589**	**4,985**	**(1,604)**
VII	**Cash and Cash Equivalents at end of year**	**4,985**	**5,687**	**702**

Important Basic Items for Prepare Consolidated Financial Statements

1. Scope of consolidation

Number of consolidated subsidiaries 29 companies

(including Iseki-Matsuyama Mfg. Co., Ltd., Iseki-Kumamoto Mfg. Co., Ltd., Iseki-Hokkaido Co., Ltd. and Iseki-Tohoku Co., Ltd.)

2. Scope of the equity method companies

The equity method is not applied to any of the group companies.

3. Consolidated accounting period

Of the consolidated subsidiaries, 15 companies (including Iseki-Hokkaido Co., Ltd.) use an end-of-period balance sheet date of December 31. Fourteen companies (including Iseki-Matsuyama Mfg. Co., Ltd.) use a balance sheet date of March 31.With regard to the preparation of the consolidated financial statements, the financial statements as of the balance sheet dates of respective companies are used. And necessary adjustments at consolidation are made for any significant transactions that occur between the consolidated balance sheet date and these dates.

4. Accounting policies

(1) Valuation basis and methods of important assets

(a) Securities

Held-to-maturity debt securities .... recorded at amortized cost

Other securities

- Securities with fair market value............ recorded at market value, based on the fair market price at the closing date of the consolidated reporting period. (Any estimate variance is credited or debited to Shareholders' Equity)
- Securities without at fair market value.... recorded at cost, based on the moving-average method

(b) Inventories.. mainly recorded at the lower of cost or market value using the gross average method

(c) Derivatives.. recorded using the market value method

(2) Depreciation methods for material depreciable assets

(a) Tangible fixed assets

The straight-line method is used to depreciate tools. For others, the declining-balance method is used. However, for new buildings (not including building fixtures and furnishings) acquired on or after April 1, 1998, the straight-line method is used.

(Change in accounting policy)

In response to the revision of the Corporate Tax Law (Law No.6, March 30, 2007, Law to revise part of, the Income Tax Law) and (Cabinet order No.83, March 30, 2007, Cabinet order to revise part of the enforcement ordinance of the Corporate Tax Law), ISEKI and its domestic consolidated subsidiaries have changed to employ a method based on the revised corporate tax law in regard to tangible fixed assets acquired on and after April 1, 2007. The impact on profit and loss is negligible.

(Additional information)

In response to the revised Corporate Tax Law, and starting from the fiscal year under review, ISEKI and its domestic consolidated subsidiaries are employing a method to depreciate in a straight-line in five years after depreciation had been completed to the depreciable limited amount in regard to tangible fixed assets acquired on or before March 31, 2007.

As a result, compared with the former method, operating income and ordinary income were reduced by ¥427 million. Also, before tax, net loss increased by ¥427 million.

(b) Intangible fixed assets

Straight-line method is used .However, software for internal use is depreciated using the straight-line method over an expected useful life within the company of five years, while software for marketing is depreciated using the straight-line method over an expected marketable period of three years.

(3) Allowances and reserves

(a) Allowance for doubtful accounts

A likely unrecoverable amount is calculated by applying the historical bad debt ratio to common receivables. For specific receivables, such as doubtful debt receivables, allowances are made by individually evaluating the likelihood of them being collected.

(b) Accrued retirement benefits for employees

Accrued retirement benefits for employees is recorded as at the end of the consolidated accounting period, and is principally based on the amounts for the obligation for employees' retirement benefits and pension plan assets. Disparities arising out of changes to accounting standards are expensed pro rata over 15 years. Past service liabilities are amortized using the straight-line method over the average of the estimated remaining years of service. Actuarial differences are amortized using the straight-line method over the average of the estimated remaining years of service, with the first expense being recognized in the following consolidated fiscal period.

(c) Accrued directors' retirement benefits

The company and some of the consolidated subsidiaries record an accrued directors' retirement benefits to provide for directors' retirement benefits in an amount as required by companies' internal regulations.

(4) Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date. Gains or losses resulting from the translation are credited or charged to income. Balance sheet accounts (except for shareholders' equity) and revenue and expense accounts of the overseas subsidiary are translated into yen at the rates of exchange in effect at the balance sheet dates. Differences arising from the translation are presented as "Foreign currency translation adjustments" in shareholders' equity and financial statements.

(5) Leases

Finance leases, other than those leases which transfer the ownership of the assets to the lessee, are accounted for based on the regular treatment of operating leases.

(6) Hedge accounting

(a) Hedge accounting

Recorded in accordance with deferred hedge accounting. Such receivables and payables, which are denominated in foreign currencies and for which forward exchange contracts have been entered, are recorded using the forward exchange rates.

(b) Hedging instruments and hedged items

(i) Hedging instruments

Forward exchange contracts and interest rate swap agreements

(ii) Hedged items

Receivables and payables denominated in foreign currencies and borrowings

(c) Hedging policies

Forward exchange contracts and interest rate swap agreements are entered into in order to hedge the risks associated with fluctuations in foreign currencies exchange rates and interest rates.

(7) Other notes pertaining to the preparation of the Consolidated Financial Statements
Accounting treatment of consumption tax
Consumption tax and local consumption taxes are accounted for using a tax-exclusive method.

5. Evaluation of consolidated subsidiaries' assets and liabilities

The market value method is used to value the consolidated subsidiaries' assets and liabilities.

6. Amortization of goodwill and negative goodwill

The consolidation adjustment account is amortized by the straight line method over a period of no longer than 20 years.

7. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits with banks with draw able on demand, and short-term investments which are readily convertible to cash subject to an insignificant risk of any change in their value and which were purchased with an original maturity of three months or less.

Notes

(Consolidated Balance Sheet Information)

		FY2007	FY2008	Variance
1.	Accumulated depreciation of tangible fixsed assets	87,024 million yen	87,995 million yen	970 million yen
2.	Guaranteed liabilities	9,706 million yen	9,639 million yen	(66 million yen)
3.	Notes receivable less discount	65 million yen	98 million yen	32 million yen)
4.	Endorsed notes receivable	639 million yen	507 million yen	(132 million yen)

5. Matured bill as of the end of consolidated fiscal year
The last day of the current fiscal year fell on a holiday of all financial institutions. The recording is made assuming they were settled on the maturity date. Matured bills as of the end of current consolidated fiscal year are as follows.

Notes receivable	25 million yen
Notes payable	2,274 million yen
Notes payable for equioment	169 million yen

6. Revaluation of land for business use
Iseki has revalued its land for business use pursuant to the law (Law No. 19, announced on March 31, 2001) which revises parts of the law relating to the revaluation of land. The equivalent tax related to the change in the said revaluation has been recorded in the liabilities (fixed liability) as a "Deferred tax liability from land revaluation gain"

- Revaluation method ・・・・・ The revaluation of land has been determined using a reasonable adjustment to the assessed value of the fixed assets as stipulated in Paragraph 3, Article 2 of the enforcement order (Government ordinance number 119, announced on March 31, 1998).
- Revaluation date ・・・・・ March 31, 2001
- Variance between the market value of the revalued land at the end of the period and the revalued book value ・・・・ (9,582 million yen)

(Consolidated Statement of Income Infomation)

	FY2007	FY2008	Variance
1. Research and development expenses	4,498 million yen	3,894 million yen	(603) million yen

2 . Impairment loss

FY 2007 (April 1, 2006-March 31, 2007)

(millions of yen)

Usage	Type	Location	Impairment loss
Idle property	Land	Ebetsu-shi, Hokkaido	17
	Buildings, land	Tsugaru-shi, Aomori Pref.	8
Total			25

(Reason to recognized impairment loss)

We realized impairment loss of the above assets as they are not being used, with no prospect to be used in the future, and besides, market price of the land is declining.

(Measurement of recoverable amount)

Recoverable amount is measured using net selling price. In case of land, the price is determined by applying reasonable adjustments to the assessed value of fixed assets for property tax.

FY 2008 （April 1, 2006-March 31, 2008）

There was no corresponding impairment loss.

(Consolidated Statements of Changes in Net Assets)

FY 2007 （April 1, 2006-March 31, 2007）

1. Matters concerning the classes and number of outstanding stock and classes and number of treasury stock.

	Number of shares (as of Mar. 31, 2006)	Increase in number of shares during period	Decrease in number of shares during period	Number of shares (as of Mar.31, 2007)
(Number of outstanding shares) Common stock	226,536,329	—	—	226,536,329
(Treasury stock) Common stock	666,946	23,167	—	690,113

Increase in the number of shares, 23,167 shares during the period was by purchasing of shares below stock trading unit.

2. Matters concerning dividends

（Resolution）	Class of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Date of record	Effective date
General meeting of shareholders(June 27, 2006)	Common stock	677	3	Mar.31,2006	Jun.27,2006

FY 2008 （April 1, 2006-March 31, 2007）

	Number of shares (as of Mar. 31, 2007)	Increase in number of shares during period	Decrease in number of shares during period	Number of shares (as of Mar.31, 2008)
(Number of outstanding shares) Common stock	226,536,329	—	—	226,536,329
(Treasury stock) Common stock	690,113	21,396	—	711,509

Increase in the number of shares, 21,396 shares during the period was by purchasing of shares below stock trading unit.

(Consolidated Statements of Cash Flows Information)

Reconciliation between the end of period balance of cash and cash equivalents and the amount reported in the Consolidated Balance Sheet.

	FY2007	FY2008	Variance
Cash and time deposits	5,270 million yen	5,817 million yen	546 million yen
Time deposits with terms of 3 months or more	(285)	(130)	155
Cash and cash equivalents	4,985	5,687	702

(Segment Information)

1. Business Segment Information

For this period (April 1, 2007 – March 31, 2008) and the previous period (April 1, 2006 – March 31, 2007), the total sales, operating income, and total assets of the "Agricultural machinery related operations" segment accounted for more than 90% of all segments. Accordingly, the breakdown of segment information by business type is not presented.

2. Geographical Segment Information

For this period (April 1, 2007 – March 31, 2008) and the previous period (April 1, 2006 – March 31, 2007), the total sales and total assets of the "Japan" segment accounted for more than 90% of all segments. Accordingly, the breakdown of segment information by region is not presented.

3. Overseas sales Information

FY 2007 (April 1, 2006 – March 31, 2007)

(millions of yen)

	The United States	Europe	Others	Total
I Overseas sales	6,751	8,936	3,165	18,853
II Consolidated net sales	—	—	—	153,728
III Overseas sales as a percentage of consolidated net sales (%)	4.4	5.8	2.1	12.3

FY 2006 (April 1, 2007 – March 31, 2008)

(millions of yen)

	The United States	Europe	Others	Total
I Overseas sales	5,679	11,220	5,141	22,041
II Consolidated net sales	—	—	—	144,714
III Overseas sales as a percentage of consolidated net sales (%)	3.9	7.8	3.5	15.2

(a) Countries and regions are defined based on geographical proximity.

(b) Classification by Area

Europe: France, Germany, the United Kingdom, Belgium, Switzerland, the Netherlands, etc.

Other geographical areas: South Korea, Taiwan, China, Thailand, Australia, New Zealand, etc.

(Tax Effect Accounting)

1. Itemized basis of deferred tax assets and deferred tax liabilities

	FY2007	FY2008
(Deferred tax assets)		
Accrued retirement benefits for employees	1,473 million yen	662 million yen
Accrued bonuses	325	140
Unrealized gains on sales of inventories	55	50
Tax loss carry forwards	501	103
Others	426	191
Offset to deferred tax liabilities	(1,507)	(239)
Net deferred tax assets	1,275	909

	FY2007	FY2008
(Deferred tax liabilities)		
Deferred gain on sale of properties	175 million yen	113 million yen
Prepaid pension cost	541	106
Net unrealized holding gain on securities	1,735	648
Others	315	274
Offset to deferred tax assets	(1,507)	(239)
Net deferred tax liabilities	1,260	902

Securities

1. Held-to-maturity debt securities with fair market value

(millions of yen)

Category	FY2007 (year ended March 31, 2007)			FY2008 (year ended March 31, 2008)		
	as recorded on Consolidated Balance Sheet	Fair Market Value	Variance	as recorded on Consolidated Balance Sheet	Fair Market Value	Variance
Securities whose market value dose not exceed the value recorded in the Consolidated Balance Sheet	250	248	(1)	250	249	0
Total	250	248	(1)	250	249	0

2. Other securities with fair market value

(millions of yen)

Category		FY2007 (year ended March 31, 2007)			FY2008 (year ended March 31, 2008)		
		Purchase cost	as recorded on Consolidated Balance Sheet	Variance	Purchase cost	as recorded on Consolidated Balance Sheet	Variance
Securities whose market value exceeds the value recorded in the Consolidated Balance Sheet	Shares	2,718	7,064	4,346	2,994	4,617	1,623
					2	2	0
(Subtotal)		2,718	7,064	4,346	2,996	4,620	1,623
Securities whose market value dose not exceed the value recorded in the Consolidated Balance Sheet	Shares	16	10	(5)	598	501	(96)
	Others	100	92	(7)	97	77	(19)
(Subtotal)		16	103	(12)	696	579	(116)
Total		2,834	7,168	4,333	3,692	5,199	1,506

3. Major securities not valued at fair market value

(millions of yen)

Category	FY2007 (year ended March 31, 2007) in the Consolidated Balance Sheet	FY2008 (year ended March 31, 2008) in the Consolidated Balance Sheet
(1) Held-to-maturity securities		
Discounted bank debenture	23	23
(2) Other securities		
Non-listed shares (excluding over-the-counter shares)	1,326	826

(Employees' Retirement Benefits)

1. Overview of Employees' Retirement Benefit Plans

Iseki and its consolidated subsidiaries maintain both an approved pension plan and a lump-sum benefit retirement plan as defined benefit plans. Also, premium severance benefits are paid when certain employees retire.

2. Employees' retirement benefits obligations information

		FY2007	FY2008
1	Retirement benefit obligation	(30,208)	(25,410)
2	Pension plan assets	14,560	11,196
3	Unfunded retirement benefit obligation	(15,647)	(14,213)
4	Unrecognized net transition obligation	11,683	10,223
5	Unrecognized actuarial differences	1,021	1,902
6	Unrecognized past service liabilities	(857)	(723)
7	Net amount recorded on Consolidated	(3,800)	(2,811)
8	Prepaid pension cost	1,385	1,352
9	Accrued retirement benefits for employees	(5,185)	(4,164)

Notes: Some consolidated subsidiaries employ by simplified methods to estimate the benefits obligation.

3. Employees' retirement benefits expenses information

		FY2007 (millions of yen)	FY2008 (millions of yen)
1	Service costs	1,408	1,514
2	Interest costs	501	495
3	Expected return on pension plan assets	(195)	(241)
4	Amortized net transition obligations	1,460	1,460
5	Amortized actuarial differences	232	215
6	Amortized past service liabilities	(98)	(134)
7	Other expenses	51	64
8	Retirement benefits expenses (1+2+3+4+5+6+7)	3,360	3,374
9	Special retirement benefits paid	—	920
	Total (8+9)	3,360	4,295

Notes: The value of allocations to defined contribution pension plan is included within the "Other expenses" item.

4. The assumptions in calculating the retirement benefit obligation information

		FY2007	FY2008
1	Method used to apportion the expected retirement benefit	Straight-line over the period	Straight-line over the period
2	Discount rate	2.0%	2.0%
3	Expected rate of return on pension	2.0%	2.0%
4	Amortization period of past service	10-13 years	10-13 years
		(to be amortized using the straight-line method over the average of the estimated remaining years of service.)	
5	Amortization period of actuarial differences	10-13 years	10-13 years
		(to be amortized using the straight-line method over the average of the estimated remaining years of service.)	
6	Amortization period of differences due to accounting standard change	15 years	15 years

(Per share information)

(yen)

	FY 2007	FY 2008
Net assets per share	239.71	225.76
Net income per share	0.08	(6.49)
Net income per share after adjustment for dilutive securities	0.07	—

(Note) Basis of calculation of net income per share and net income per share after adjustment for dilutive securities are as follows.

	FY 2007	FY 2008
Net income per share Net income per share on consolidated profit and loss statement (millions of yen)	18	(1,466)
Net income attributed to common shares (millions of yen)	18	(1,466)
Net income not attributable to common shares (millions of yen)	—	—
During period average number of common shares (shares)	225,856,320	225,836,333
Net income per share after adjustment for dilutive securities Adjustment of net income (millions of yen)	—	—
Increased number of common shares (shares) (equity warrants, shares)	20,103,550 (20,103,550)	12,729,858 (12,729,858)
Outline of deferred equity which was not included in the calculation of net income per share after adjustment for dilutive securities as it does not have dilutive effect.	—	—

(Omission from disclosure)

The following items of note were omitted from disclosure as the necessity of disclosure in summary announcement of financial results is not considered big.

- lease commitments
- transactions with parties concerned
- Corporate union etc.

Also, the following items are omitted from disclosure as they have no corresponding fact.

- derivative transactions
- stock options.
- important issues which occurred later

Production, Orders & Sales

1. Production results per product –type

(millions of yen)

Product-type	FY2007 (Apr 1, 2006 - Mar 31, 2007)	FY2008 (Apr 1, 2007 - Mar 31, 2008)	Change from previous period
Machinery for soil preparation	45,843	43,514	(2,329)
Cultivating machinery	15,187	16,293	1106
Harvesting and processing machinery	30,246	25,499	(4,747)
Parts and farming implements	2,576	2,295	(281)
Agricultural machinery related	8,055	5,765	(2,290)
Others	2,263	1,845	(418)
Total	104,173	95,213	(8,959)

2. Orders

We operate a system whereby production is based mostly on projected demand. We hardly ever produce on

3. Sales results per product-type

(millions of yen)

Product-type	FY2007 (Apr 1, 2006 -Mar 31, 2007)		FY2008 (Apr 1, 2007 - Mar 31, 2008)		Change from previous period	
	amount	ratio	amount	ratio	amount	ratio
		%		%		%
Machinery for soil preparation	44,641	29.0	43,871	30.3	769	(1.7)
Cultivating machinery	11,755	7.7	13,841	9.6	2,085	17.7
Harvesting and processing machinery	29,671	19.3	25,329	17.5	4,342	(14.6)
Parts and farming implements	30,798	20.0	28,965	20.0	1,833	(6.0)
Agricultural machinery related	25,130	16.4	21,928	15.2	3,201	(12.7)
Others	11,732	7.6	10,778	7.4	953	(8.1)
Total	153,728	100	144,714	100	9,014	(5.9)

(2) Domestic (millions of yen)

Product-type	FY2007 (Apr 1, 2006 - Mar 31, 2007)		FY2008 (Apr 1, 2007 - Mar 31, 2008)		Change from previous period	
	amount	ratio	amount	ratio	amount	ratio
		%		%		%
Machinery for soil preparation	29,389	21.8	26,937	22.0	(2,451)	(8.3)
Cultivating machinery	10,599	7.8	11,475	9.4	875	8.3
Harvesting and processing machinery	28,670	21.3	24,232	19.7	(4,437)	(15.5)
Parts and farming implements	29,788	22.1	27,862	22.7	(1,926)	(6.5)
Agricultural machinery related	24,864	18.4	21,532	17.5	(3,332)	(13.4)
Others	11,562	8.6	10,632	8.7	(929)	(8.0)
Total	134,875	100	122,673	100	(12,202)	(9.0)

(3) Overseas (millions of yen)

Product-type	FY2007 (Apr 1, 2006 -Mar 31, 2007)		FY2008 (Apr 1, 2007 - Mar 31, 2008)		Change from previous period	
	amount	ratio	amount	ratio	amount	ratio
		%		%		%
Machinery for soil preparation	15,251	80.9	16,933	76.8	1,681	11.0
Cultivating machinery	1,155	6.1	2,366	10.7	1,210	104.7
Harvesting and processing machinery	1,000	5.3	1,096	5.0	95	9.6
Parts and farming implements	1,009	5.4	1,102	5.0	93	9.2
Agricultural machinery related	265	1.4	396	1.8	130	49.1
Others	169	0.9	145	0.7	(23)	(14.2)
Total	18,853	100	22,041	100	3,187	16.9

Non-consolidated Balance Sheets

(millions of yen)

Account	FY2007 (as at Mar. 31, 2007)		FY2008 (as at Mar. 31,2008)		Change from previous period
	Amount	Ratio	Amount	Ratio	Amount
(Assets)		%		%	
I Current Assets	**67,863**	**52.2**	**61,299**	**49.5**	**(6,563)**
Cash and time deposits	1,988		1,957		(30)
Notes receivable	6,129		7,077		948
Accounts receivable	24,364		21,123		(3,240)
Marketable securities	—		30		30
Finished goods & parts for sales	15,596		14,464		(1,131)
Work in process	17		6		(11)
Raw materials & supplies	316		301		(14)
Advance payments	668		684		16
Prepaid expenses	212		240		27
Short-term loans receivable	16,974		13,944		(3,029)
Deferred income taxes	289		—		(289)
Others	1,346		1,494		148
Allowance for doubtful accounts	(39)		(25)		14
II Fixsed Assets	**62,190**	**47.8**	**62,416**	**50.5**	**225**
1. Tangible fixed assets	**34,449**	**26.5**	**34,787**	**28.1**	**338**
Buildings	3,330		4,244		913
Structures	275		265		(10)
Machinery & equipment	3,653		3,090		(562)
Auto and trucks	6		7		1
Tools, furniture and fixtures	1,598		1,571		(27)
Land	25,455		25,515		59
Construction in progress	129		93		(35)
2. Intangible fixed assets	**576**	**0.4**	**459**	**0.4**	**(116)**
Leasehold rights	85		85		—
Software	422		270		(151)
Others	68		103		34
3. Investments and other assets	**27,165**	**20.9**	**27,169**	**22.0**	**3**
Investment securities	8,607		6,072		(2,535)
Investments in affiliated companies	17,660		18,502		842
Long-term loans	1,912		1,910		(1)
Long-term prepaid expenses	364		299		(64)
Others	2,168		1,907		(260)
Allowance for doubtful accounts	(2,592)		(260)		2,332
Allowance for loss in investments	(954)		(1,263)		(309)
Total Assets	**130,054**	**100**	**123,716**	**100**	**(6,337)**

Non-consolidated Balance Sheets

(millions of yen)

Account	FY2007 (as at Mar. 31,2007)		FY2008 (as at Mar. 31,2008)		Change from previous period
	Amount	Ratio	Amount	Ratio	Amount
(Liabilities)		%		%	
I Current Liabilities	**47,568**	**36.6**	**48,294**	**39.0**	**725**
Notes payable, trade	16,189		14,886		(1,303)
Accounts payable, trade	12,540		13,714		1,174
Short-term borrowings	10,200		10,100		(100)
Long-term debt(due within one year)	4,341		6,170		1,828
Account payble, other	516		589		72
Accrued expenses	2,621		2,199		(421)
Appropriation of tax	154		140		(13)
Advances received	264		181		(82)
Deposits received	96		79		(16)
Others	644		231		(412)
II Long - term Liabilities	**32,411**	**24.9**	**28,461**	**23.0**	**(3,949)**
Bonds	7,795		2,395		(5,400)
Long-term debt	13,031		16,130		3,098
Deferred tax liability	1,061		702		(359)
Deferred tax liability from land revaluation gain	7,595		7,595		―
Accrued retirement benefits for employees	1,594		504		(1,090)
Accrued directors' retirement benefits	228		246		17
Allowance for debr guarantee	40		―		(40)
Long-term deposits received	1,063		887		(176)
Total Liabilities	**79,979**	**61.5**	**76,755**	**62.0**	**(3,224)**
(Net Assets)		%		%	
I. Shareholders' equity	**36,959**	**28.4**	**35,525**	**28.7**	**(1,434)**
1.Common stock	22,784	17.5	22,784	18.4	―
1.Capital surplus	13,366	10.3	13,366	10.8	―
3.Retained earnings	971	0.7	(458)	(0.4)	(1,430)
(1) Other retained earnings	971		(458)		(1,430)
Retained earnings carried forward	971		(458)		(1,430)
4.Treasury stock	(163)	(0.1)	(167)	(0.1)	(4)
II. Difference of appreciation and conversion	**13,115**	**10.1**	**11,436**	**9.3**	**(1,678)**
1.Net unrealized holding gain on securities	2,588	2.0	909	0.8	(1,678)
2.Net unrealized holding gain on land	10,527	8.1	10,527	8.5	―
Total Net Assets	**50,075**	**38.5**	**46,961**	**38.0**	**(3,113)**
Total Liabilities and Net Assets	**130,054**	**100**	**123,716**	**100**	**(6,337)**

Non-consolidated Statement of Income

(millions of yen)

Account	FY2007 (Apr.1,2006 - Mar. 31,2007)		FY2008 (Apr. 1,2007 - Mar. 31,2008)		Change from previous period
	Amount	Ratio	Amount	Ratio	Amount
		%		%	
I Net sales	90,784	100	84,965	100	(5,819)
II Cost of sales	76,834	84.6	73,067	86.0	(3,767)
Gross Profit	**13,950**	**15.4**	**11,897**	**14.0**	**(2,052)**
III Selling, general and administrative expenses	13,205	14.6	12,353	14.5	(851)
Operating Income	**744**	**0.8**	**(455)**	**(0.5)**	**(1,200)**
IV Non-operating Income	2,575	2.8	2,580	3.0	4
Interest and dividend income	808		764		(43)
Rents	1,221		1,429		208
Others	546		386		(160)
V Non-operating Expenses	2,479	2.7	2,318	2.7	(160)
Interest expenses	486		597		110
Rental assets expense	807		1,154		347
Others	1,185		567		(618)
Ordinary Income	**841**	**0.9**	**(193)**	**(0.2)**	**(1,035)**
VI Extraordinary Gains	495	0.5	1,738	2.0	1,242
Gain on sale and disposal of property, plant and equipment	29		37		8
Gain on sale of investment securities	—		1,346		1,346
Gain on allowance for doubtful accounts	461		284		(177)
Reversal of allowance for directors' retirement benefits	—		28		28
Others	4		40		36
VII Extraordinary Losses	6,296	6.9	1,905	2.2	(4,391)
Loss on sale and disposal of property, plant and equipment	102		166		64
Evaluation loss on investment securities	—		74		74
Evaluation loss on stock of subsidiaries	3,853		—		(3,853)
Evaluation loss on loans	244		179		(64)
Transfer to allowance for doubtful accounts	1,142		92		(1,050)
Provisions for allowance for loss on investment	954		309		(645)
Evaluation loss on investments and loans to affiliates	—		900		900
Provision for allowance for loss on guarantees	—		180		180
Others	—		3		3
Income before income taxes	**(4,959)**	**(5.5)**	**(360)**	**(0.4)**	**4,598**
Income taxes	24	0.0	23	0.0	(1)
Income taxes, deferred	(165)	(0.2)	1,046	1.3	1,211
Net Income	(4,818)	(5.3)	(1,430)	(1.7)	3,388

Non-consolidated Statement of Changes in Net Assets

FY 2007 (Apr.1, 2006-Mar. 31, 2007) (millions of yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
	Common stock	Capital reserve	Capital surplus	Total capital surplus	Other retained earnings: Retained earnings carry foward	Total retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2006	22,784	10,994	2,371	13,366	6,468	6,468	(154)	42,465
Change of items during the period					(677)	(677)	—	(677)
Dividends from surplus	—	—	—	—	(4,818)	(4,818)	—	(4,818)
Net loss	—	—	—	—	—	—	(8)	(8)
Purchase of treaury stock	—	—	—	—	—	—	—	—
Net change of items other than shareholders' quity	—	—	—	—	—	—	—	—
Total changes of items during the period	—	—	—	—	(5,496)	(5,496)	(8)	(5,505)
Balance at March 31, 2007	22,784	10,994	2,371	13,366	971	971	(163)	36,959

	Difference of appreciation and conversion			Total net assets
	Net unrealized holding gains on securities	Land revaluation reserve	Total difference of appreciation and coversion	
Balance at March 31, 2006	2,883	10,527	13,410	55,875
Change of items during the period				
Dividends from surplus	—	—	—	(677)
Net loss	—	—	—	(4,818)
Purchase of treaury stock	—	—	—	(8)
Net change of items other than shareholders' quity	(295)	—	(295)	(295)
Total changes of items during the period	(295)	—	(295)	(5,800)
Balance at March 31, 2007	2,588	10,527	13,115	50,075

FY 2008 (Apr.1, 2007-Mar. 31, 2008)

Non-consolidated Statement of changes in Net Assets

FY2008(Apr. 1, 2007-Mar. 31, 2008)

(millions of yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
					Other retained earnings			
	Common stock	Capital reserve	Capital surplus	Total capital surplus	Retained earnings carry foward	Total retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2007	22,784	10,994	2,371	13,366	971	971	(163)	36,959
Change of items during the period								
Net loss	—	—	—	—	(1,430)	(1,430)	—	(1,430)
Purchase of treaury stock	—	—	—	—	—	—	(4)	(4)
Net change of items other than shareholders' quity	—	—	—	—	—	—	—	—
Total changes of items during the period	—	—	—	—	(1,430)	(1,430)	(4)	(1,434)
Balance at March 31, 2008	22,784	10,994	2,371	13,366	(458)	(458)	(167)	35,525

	Difference of appreciation and conversion			
	Net unrealized holding gains on securities	Land revaluation reserve	Total difference of appreciation and coversion	Total net assets
Balance at March 31, 2007	2,588	10,527	13,115	50,075
Change of items during the period				
Net loss	—	—	—	(1,430)
Purchase of treaury stock	—	—	—	(4)
Net change of items other than shareholders' quity	(1,678)	—	(1,678)	(1,678)
Total changes of items during the period	(1,678)	—	(1,678)	(3,113)
Balance at March 31, 2008	2,588	10,527	11,436	46,961

Important Accounting Policies

1. Valuation basis and methods of important assets

(1) Held-to-maturity debt securities……………………recorded at amortized cost

(2) Securities of subsidiaries and affiliates……..recorded at cost, based on the moving-average method

(3) Other securities

Securities with fair market value………………… recorded at market value, based on the fair market price at the closing date of the consolidated reporting period. (Any estimate variance is credited or debited to Shareholders' Equity)

Securities without at fair market value…………recorded at cost, based on the moving-average method

2.Valuation basis and methods of Derivatives

Derivatives……………………………………recorded using the market value method

3. Depreciation methods for inventories

(1) Finished goods and parts for sales…………………..recorded at lower of cost or market method, based on periodic average method

(2) Raw materials and supplies………………………...recorded at lower of cost or market method, based on periodic average method

4. Depreciation methods for material depreciable assets

(1) Tangible fixed assets

a. Buildings………………………………………….. declining balance method (a straight-line method is used for new buildings (not including building fixtures and furnishings) acquired on or after April 1, 1998.)

b. Tools…………………………………………….straight-line method

c. Others……………………………………………declining balance method

(Change in accounting policy)

In response to the revision of the Corporate Tax Law (Law No.6, March 30, 2007, Law to revise part of, the Income Tax Law) and (Cabinet order No.83, March 30, 2007, Cabinet order to revise part of the enforcement ordinance of the Corporate Tax Law), ISEKI and its domestic consolidated subsidiaries have changed to employ a method based on the revised corporate tax law in regard to tangible fixed assets acquired on and after April 1, 2007. The impact on profit and loss is negligible.

(Additional information)

In response to the revised Corporate Tax Law, and starting from the fiscal year under review, ISEKI and its domestic consolidated subsidiaries are employing a method to depreciate in a straight-line in five years after depreciation had been completed to the depreciable limited amount in regard to tangible fixed assets acquired on or before March 31, 2007.

As a result, compared with the former method, operating loss increased by ¥52 million and ordinary loss and before tax, net loss increased by ¥358 million

(2) Intangible fixed assets

Straight-line method is used .However, software for internal use is depreciated using the straight-line method over an expected useful life within the company of five years, while software for marketing is depreciated using the straight-line method over an expected marketable period of three years.

5. Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date. Gains or losses resulting from the translation are credited or charged to income.

6. Allowances and reserves

(1) Allowance for doubtful accounts

A likely unrecoverable amount is calculated by applying the historical bad debt ratio to common receivables. For specific receivables, such as doubtful debt receivables, allowances are made by individually evaluating the likelihood of them being collected.

(2) Allowance for loss on investments

In order to be prepared for loss on investments in affiliates, an estimated amount of loss is appropriated in consideration of the financial situation etc. of the insured.

(3) Accrued retirement benefits for employees

Accrued retirement benefits for employees is recorded as at the end of the consolidated accounting period, and is principally based on the amounts for the obligation for employees' retirement benefits and pension plan assets. Disparities arising out of changes to accounting standards are expensed pro rata over 15 years. Past service liabilities are amortized using the straight-line method over the average of the estimated remaining years of service. Actuarial differences are amortized using the straight-line method over the average of the estimated remaining years of service, with the first expense being recognized in the following consolidated fiscal period.

(4) Accrued directors' retirement benefits

The company and some of the consolidated subsidiaries record an accrued directors' retirement benefits to provide for directors' retirement benefits in an amount as required by companies' internal regulations.

(5) Allowance for loss on guarantees

In order to be prepared for loan guarantee loss, an estimated amount of loan loss is appropriated in consideration of the financial situation etc. of the insured.

7. Leases

Finance leases, other than those leases which transfer the ownership of the assets to the lessee, are accounted for based on the regular treatment of operating leases.

8. Hedge accounting

(1) Hedge accounting

Recorded in accordance with deferred hedge accounting. Such receivables and payables, which are denominated in foreign currencies and for which forward exchange contracts have been entered, are recorded using the forward exchange rates.

(2) Hedging instruments and hedged items

a. Hedging instruments

Forward exchange contracts and interest rate swap agreements

b. Hedged items

Receivables and payables denominated in foreign currencies and borrowings

(3) Hedging policies

Forward exchange contracts and interest rate swap agreements are entered into in order to hedge the risks associated with fluctuations in foreign currencies exchange rates and interest rates.

9. Other important matters which provide basis for preparing financial statements

(1) Accounting practice of consumption tax etc.

Accounting practice of consumption tax and local consumption tax is net of tax method.

Notes

(Consolidated Balance Sheet infomation)

		FY2007	FY2008	Variance
1.	Accumulated depreciation of tangible fixsed assets	53,317 million yen	52,880 million yen	(436 million yen)
2.	Assets to affiliated companies			
	Notes receivable	1,175 million yen	1,387 million yen	212 million yen
	Accounts receivable	19,875 million yen	18,975 million yen	(900 million yen)
	Short-term loans	16,938 million yen	13,920 million yen	(3,018 million yen)
	Long-term loans	1,774 million yen	1,799 million yen	(25 million yen)
3.	Liabilities to affiliated companies			
	Notes payable	10,466 million yen	9,482 million yen	(983 million yen)
	Accounts payable	10,175 million yen	11,516 million yen	1,341 million yen
4.	Liabilities for guarantee	22,737 million yen	21,703 million yen	(1,034 million yen)
	(Including loan garantees)	270 million yen	239 million yen	(31 million yen)

5. Matured bill as of the end of fiscal year

The last day of the current fiscal year fell on a holiday of all financial institutions. The recording is made assuming they were settled on the maturity date. Matured bills as of the end of current consolidated fiscal year are as follows.

Notes payable	1,711 million yen
Facility bills payable	162 million yen

6. Revaluation of land for business use

Iseki has revalued its land for business use pursuant to the law (Law No. 19, announced on March 31, 2001) which revises parts of the law relating to the revaluation of land. The equivalent tax related to the change in the said revaluation has been recorded in the liabilities (fixed liability) as a "Deferred tax liability from land revaluation gain" and the deducted amount has been recorded in the assets as a "Land

・ Revaluation method ・・・・・ The revaluation of land has been determined using a reasonable adjustment to the assessed value of the fixed assets as stipulated in Paragraph 3, Article 2 of the enforcement order (Government ordinance number 119, announced on March 31, 1998).

・ Revaluation date ・・・・・ March 31, 2001

・ Variance between the market value of the revalued land at the end of the period and the revalued book value ・・・・ (9,582million yen)

(Consolidated Statement of Income Infomation)

	FY2007	FY2008	Variance
1. Sales to affiliated companies	64,651 million yen	60,335 million yen	(4,316 million yen)

(Statement of Changes in Net Assets)

FY2007 （Apr. 1, 2006-March 31, 2007）

1. Matters concerning the classes and number of treasury stock.

	Number of shares (as of Mar. 31, 2006)	Increase in number of shares during period	Decrease in number of shares during period	Number of shares (as of Mar.31, 2007)
(Treasury stock)				
Common stock	666,946	23,167	—	690,113

Increase in the number of shares, 23,167 shares during the period was by purchasing of shares below stock trading unit.

(Tax Effect Accounting) Itemized basis of deferred tax assets and deferred tax liabilities

FY2008 （Apr. 1, 2007-March 31, 2008）

Matters concerning the classes and number of treasury stock.

	Number of shares (as of Mar. 31, 2007)	Increase in number of shares during period	Decrease in number of shares during period	Number of shares (as of Mar.31, 2008)
(Treasury stock)				
Common stock	690,113	21,396	—	711,509

Increase in the number of shares, 21,396 shares during the period was by purchasing of shares below stock trading unit.

	FY2007	FY2008
(Deferred tax assets)		
Accrued bonuses	146 million yen	— million yen
Accrued retirement benefits for employees	637	—
Tax loss carry forwards	470	—
Others	226	—
Offset to deferred tax liabilities	(1,191)	—
Net deferred tax assets	289	—

	FY2007	FY2008
(Deferred tax liabilities)		
Net gain from appreciation of other securities	1,720 million yen	604 million yen
Prepaid pension expenses	434	—
Others	98	98
Offset to deferred tax assets	(1,191)	—
Net deferred tax liabilities	1,061	702

(Change of Directors) (As of June 26, 2008)

1. Candidates for appointment as directors

(New position)	(Name)	(Current position)
Managing Director Head of Business Division Deputy Head of Product Planning Department Senior general Manager of Business Division	Yasuo Seike	Senior Corporate Officer Deputy Head of Product Planning Department Senior general Manager of Business Division
Director Head of Financial Department	Yasunori Maki	Corporate Officer Deputy Head of Financial Department
Director Deputy Head of Business Division	Kazutaka Yamaji	Corporate Officer Deputy Head of Business Division

2. Candidates for appointment as corporate auditors

(New position)	(Name)	(Current position)
Corporate Auditor	Katsuhisa Ishida	Chou Mitsui Business Co., Ltd. Director & General Manager of Shiba Division
Corporate Auditor	Toshifumi Tsukitani	The Norinchukinn Trust & Banking Co., Ltd. Managing Director

3. Retiring directors

(Current position)	(Name)	(After retirement)
Representative Director & Executive Managing Director Head of Business Division Chairman of Iseki Kanto Co., Ltd. Chairman of Iseki Kansai Co., Ltd.	Hideki Arikawa	Senior Corporate Executive Officer Chairman of Iseki Kanto Co., Ltd. Chairman of Iseki Kansai Co., Ltd.
Director & Advisor	Hiroyuki Nakano	—

4. **Retiring auditors**

(Current position)	(Name)	(After retirement)
Corporate Auditor	Hiroshi Ueno	—
Corporate Auditor	Hiroyoshi Enokida	—