




**Summary Announcement of Consolidated Financial Results
for the six months ended September 30, 2005**

November 17, 2005

Name of listed company: Iseki & Co., Ltd.  Stock Exchange Listings: Tokyo, Osaka
 Company Code: 6310 (URL <http://www.iseki.co.jp>) Head Office: Tokyo
 Representative: Title President Name Hiroyuki Nakano
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Date of meeting of Board of Directors to approve financial results: November 17, 2005
 Adoption of U.S. GAAP: None

1. Consolidated Financial Results for the six months ended September 30, 2005 (April 1, 2005 - September 30, 2005)

(1) Consolidated results of operations (Rounded down to millions of yen)

	Net Sales		Operating Income		Ordinary Income	
	millions of yen	%	millions of yen	%	millions of yen	%
September 30, 2005	79,213	3.4	3,383	19.2	3,305	27.5
September 30, 2004	76,578	2.9	2,838	11.0	2,592	34.4
March 31, 2005	157,462		6,516		5,286	

	Net Income		Net Income per share		Fully diluted net income per share	
	millions of yen	%	yen		yen	
September 30, 2005	1,641	18.0	7.58		6.67	
September 30, 2004	2,001	24.9	9.16		-	
March 31, 2005	2,965		13.61		12.74	

Notes: Investment Gain (loss) by equity method: Six months ended September 30, 2005: - million yen
 Six months ended September 30, 2004: - million yen
 Year ended March 31, 2005: - million yen

Average number of shares outstanding (consolidated): Six months ended September 30, 2005: 216,433,707 shares
 Six months ended September 30, 2004: 218,578,559 shares
 Year ended March 31, 2005: 217,965,619 shares

Changes in accounting policies: Yes

Changes (%) in net sales, operating income, ordinary income and net income for the period represent the increase or decrease relative to the same period of the previous year.

(2) Consolidated Financial Position

	Total Assets	Total Shareholders' Equity	Shareholders' Equity to Total Assets Ratio	Shareholders' Equity per Share
	millions of yen	millions of yen	%	yen
September 30, 2005	192,144	53,132	27.7	245.52
September 30, 2004	190,599	50,695	26.6	231.91
March 31, 2005	184,477	51,726	28.0	238.88

Note: Number of shares outstanding (consolidated) on: September 30, 2005: 216,406,650 shares
 September 30, 2004: 218,593,641 shares
 March 31, 2005: 216,541,301 shares

(3) Consolidated Cash Flow

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash and cash equivalents at end of Period
	millions of yen	millions of yen	millions of yen	millions of yen
September 30, 2005	5,523	859	5,748	7,296
September 30, 2004	5,332	10,474	5,659	10,515
March 31, 2005	6,350	8,758	18,390	7,803

(4) Note concerning the scope of consolidation and application of the equity method

Number of consolidated subsidiaries: 35

Number of non-consolidated subsidiaries accounted for by the equity method: -

Number of affiliates companies accounted for by the equity method: -

(5) Changes in scope of consolidation and application of the equity method

Number of consolidated subsidiaries added: -, exclusion: 1

Number of companies commenced using equity method added: -, exclusion: -

2. Forecast for the Fiscal Year Ending March 31, 2006 Operating Results (April 1, 2005 - March 31, 2006)

	Net Sales	Operating Income	Ordinary Income	Net Income
	millions of yen	millions of yen	millions of yen	millions of yen
Annual	163,000	8,500	7,500	4,000

For reference: The estimated net income per share for the year is ¥18.48.

Cautionary Statement: The above forecasts were based on information that was available as of the day of this announcement and on assumptions made as of the same day regarding a number of uncertainties that could affect future financial performance. Actual results could differ considerably depending on a variety of factors hereafter.

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.

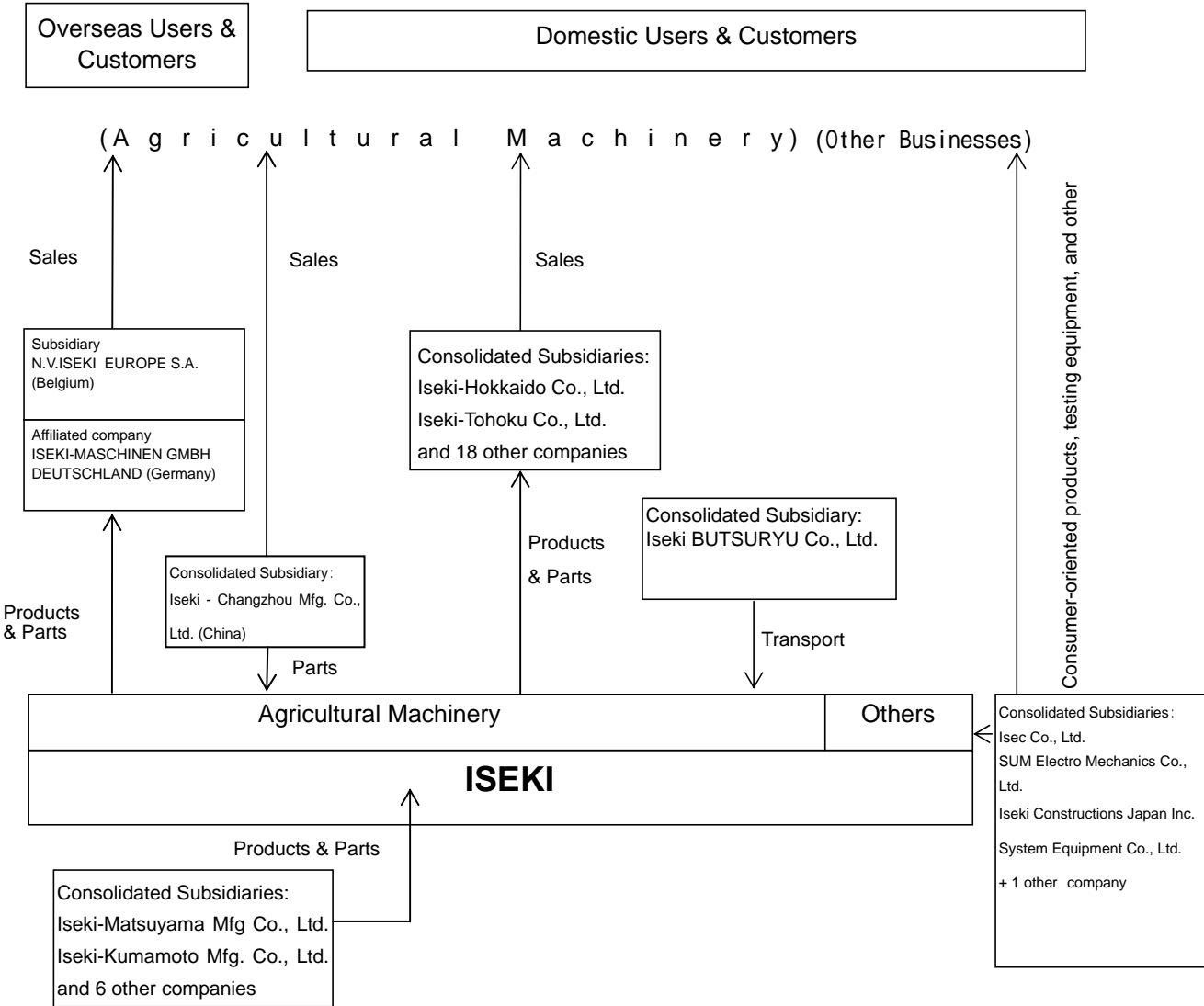
(Agricultural Machinery)

The development and design of agricultural machinery is primarily handled by the parent company. Domestically, nine companies, including Iseki-Matsuyama Mfg. Co., Ltd. and Iseki-Kumamoto Mfg. Co., Ltd., handle our agricultural machinery manufacturing and component processing activities, and 20 domestic sales companies market and sell the machinery across the country. Overseas marketing operations are handled by local marketing agencies and marketing 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.



Iseki's Management Policies

1. Iseki's Basic Management Principles

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

When we consider the problems 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 our basic business philosophy to deliver products that satisfy consumer demand so that we 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 our efforts to reform our profit structure.

2. Our Policy on Profit Distribution

At Iseki, we recognize that the determination of dividends to shareholders is one of the most important policies to be made. Our basic policy is to take into consideration, not just consolidated financial results, but also our Group's financial position and future business movements, before settling on a sustainable and steady dividend distribution.

3. Three - year Plan Management Strategies & Issues to be Addressed

(1) Three-year Plan Management Strategies

Iseki's Three-Year Business Plan, to conclude in FY2005, is as follows, and the Group is working together to implement various measures specified by the plan.

1) Basic Strategy

By focusing on the following four strategies the Group aims to "expand its corporate value".

- (i) Enhance and expand sales overseas
- (ii) Secure a 20% share of the domestic market for agricultural equipment by intensifying our commitment to sales and marketing
- (iii) Further bolster our capability to develop new products which capitalize on our strength as a manufacturer specializing in agricultural equipment
- (iv) Build a "low cost structure" by reforming our consolidated revenue structure

2) Strategies and policies for each market

(i) Overseas markets

Against a target of product sales of ¥15.5 billion by FY 2005 in Three-Year interim Business Plan, an increase of 50% as compared to FY2002, we plan to achieve ¥ 16.5 billion for the current fiscal year.

In this interim fiscal period, overseas sales of products increased by ¥ 1.9 billion from the targeted figure to reach ¥ 8.7 billion (up 45.8% from the same period last year). We will continue to introduce new products to North America and Europe, extending markets, and we will also promote aggressively to expand sales of combine harvesters in Chinese markets and tractors in the Southeast Asian markets.

(ii) Domestic market

With a focus on expanding our sales of heavy agricultural machinery and machinery that assists in the cultivation of vegetables, we are aiming to secure a 20% share in the domestic market by stepping up direct sales and bolstering efforts aimed at large-scale farming.

(iii) Increasing product competitiveness

We are aggressive in developing products which are competitive in the marketplace. In order to develop products that accurately meet our clients' needs, we are engaged in development of new technologies and sweeping cost reductions. As a result of such development activities, we were ranked top among all industries in patent right obtainment ratio in the Japan Patent Administration

Annual Report 2005 issued by the Japan Patent Office. In terms of number of patents obtained in the agriculture and fishery category, we have maintained the top rank for four consecutive years. With respect to our cost reduction measures, we are promoting comprehensive efforts in reducing new products' cost at the design stage, improving production methods, expanding overseas procurement and shortening of lead time etc.

(iv) Promotion of consolidated revenue structure reforms

To reform our consolidated revenue structure and bolster the Group's financial position, we are proceeding with such strategies as those aimed at reducing stock inventories, reducing the balance of interest-bearing liabilities, and reducing revenue losses. These strategies are steadily generating positive results.

3) Financial strategies and capital measures

(i) Reduction of interest-bearing liabilities

Through revenue structure reforms, we have progressed toward our objective of reducing interest-bearing liabilities outstanding by the end of FY2005, to a balance in the ¥ 60.0 billion level. We attained the medium term target balance one year ahead of schedule, reaching ¥ 61.2 billion by the end of March 2005.

(ii) Purchase of treasury stock

As part of the 3-year Business Plan, Iseki has implemented an ongoing purchase plan with the aim of buying back a total of 20 million shares for approximately ¥2.5 billion. The number of treasury stock at the end of this interim period was 8.64 million shares.

(2) Issues to be addressed

Both Japanese and foreign economies seem to be on track to a solid recovery, but uncertainty will continue to prevail with persisting risk factors such as rising raw material costs and foreign exchange fluctuations. In our industry, the new "Basic Plan for Food, Agriculture and Rural Areas" was adopted in March 2005, and to follow, the "Program for Stabilization of Management Income" was announced. Structural reform of the agricultural industry is being realized administratively, and it is conceivable that we will see rapid changes in the agricultural machinery markets.

We will cope with this changing environment effectively, and we are committed to improving customer satisfaction, while undertaking an expansion to maintain sales by offering products that are inexpensive and of high quality. We will continue to devote our full efforts to strengthening our business platform in order to secure stable profits.

(i) We are striving to meet our customers' diverse needs. Iseki is aiming to drastically cut costs, strengthen our price competitiveness and increase our market share.

(ii) On the export front, we will continue to launch new products mainly in the North American and European markets in order to bolster our sales platform, and in regions such as China and Southeast Asia, we will work to open up new markets and expand our sales.

(iii) We plan to manage the Group's capital and assets more effectively. We aim to improve earnings by cutting our trading stock further, cutting the balance of our interest-bearing liabilities, and radically cutting our fixed costs.

(iv) Responding to environmental issues is one of the Company's principal management tasks, and it is currently augmenting its efforts with regard to such environmental issues as resource conservation, energy conservation, recycling, exhaust gases, and noise pollution.

4. Our Basic Philosophy on Corporate Governance and Measures Implemented

(1) Basic Corporate Governance Policy

Iseki is responding quickly and accurately to the changes in the business environment. We operate under a management system whose primary purpose is the maintenance of a fair and equitable management. We believe that a critical issue for management is the improvement of a stable shareholder value. To achieve this, we will both build good relationships with our stakeholders, including our shareholders, private customers, trading customers, the local community and our employees; and we will take various measures to enrich our corporate governance.

(2) Implementation of Related Measures

1) Management Control Organization related to Managerial Decision Making, Execution and Supervision, and Other Corporate Governance System

(i) Corporate Units and Roles

The Board of Directors, attended by ten directors and four corporate auditors (including three outside auditors i.e. from outside the Group), considers and makes decisions on important management matters and supervises operational execution. The Management Committee, consisting of the ten directors, makes decisions concerning operational execution and determines various business development policies. Decisions are reported to the Board of Directors. The five executive officers are in charge of operations at their places of business, and administer operations with swift and appropriate decisions

(ii) Internal Control Systems

In March 2005, the Iseki Group established the “Business Oversight Committee to Further Improve Compliance” headed by President as Chairman with a view to further strengthen compliance and maintain rational business transactions and accounting practices by the group. The committee consists of five directors and an external member (CPA), who review and decide matters concerning auditing of operations and compliance.

Furthermore, we carry out compliance-related activities through the “Ethic Committee” consisting of all Directors and Auditors, based on the Ethics Code. These orders are made known to all by the distribution of a booklet entitled “The Iseki Group Code of Conduct”.

(iii) Risk Management

We have established an internal information sharing system and corporate governance system. We will strengthen our system in order to minimize occurrence of risk as well as to deal with risks in appropriate manner whenever they should occur.

(iv) Internal Auditing, Corporate Auditors (Board of Auditors), and External Financial Audit

The Auditors carry out audits on each program and on each business group. Based on the various ordinances, regulations and rules, the Auditors shall confirm that business operations are performing normally, and they shall issue instructions when necessary. An Audit Office has been set up for internal auditing. Based on the “Internal Audit regulations”, the Audit Office will audit the accuracy of daily business operations, and the reasonableness and effectiveness of the management of affiliated companies as well as with the internal business groups.

Our accounting auditing firm is Ernst & Young ShinNihon, and there is no vested interest between Iseki and the accounting firm. Iseki and the corporate auditors entered into an audit contract for audits according to the Commercial Code and the Securities Exchange Law, and compensation is paid to the auditors based on this contract. The corporate auditors and our internal Auditors hold regular meetings and exchange information.

2) Special Personal, Financial and Transactional Relationships Between the Company and External Directors and Outside Corporate Auditors as Well as Other Relationships of Interest

We have three External Auditors who are from financial institutions, our major shareholders. There is no vested interest between Iseki and the auditors, including neither personal, financial nor business transactions.

3) Measures Taken During the Past Year to Strengthen the Company’s Corporate Governance

(i) Business Oversight Committee to Further Improve Compliance

The “Business Oversight Committee to Further Improve Compliance” was established in March 2005, and six meetings (once a month) have been held during this interim fiscal period. The committee review and decide matters concerning the auditing of operations and compliance and issue

instructions for improvements whose contents are reported to the Board of Directors.

(ii) Information Disclosure

To ensure the transparency of management, we have been working for the proactive disclosure of information. As a matter of course, we are striving for the responsible disclosure of corporate information, such as management strategies and business activities, but also the timely disclosure for our shareholders and investors. Also, we regularly issue the “Intellectual Property Report” and have disclosed information on our research and development activities, as well as intellectual property enhancement.

5. Items Related to the Parent Company, Etc.

The Company does not have a parent company, etc.

Management Performance & Financial Position

1. Management Performance

(1) The Interim Fiscal Period in Review

The recovery phase of the Japanese economy continued in this interim fiscal period, fed by an increase in consumer spending and exports, coupled with an increase in capital expenditures on the back of improved corporate profits.

Meanwhile, in regards to the domestic agriculture environment, structural changes are taking place in the midst of continuing difficulties. These include a decreasing number of farm households, an aging of the farming population and an increase in imports of farm products. In response, the “Program for Stabilization of Farm Management and Income”, which gives specific details of the “Basic Plan for Food, Agriculture and Rural Areas”, was announced, and measures aiming at fostering a new farming generation and a market-type agricultural economy will be implemented. It is anticipated that the market changes will be further accelerated through these measures, which include moves to co-op farm management and the enlargement of farming operations.

Domestic shipments of the agricultural machinery industry, during this interim period, remained more or less consistent as compared to the corresponding period of the previous year. On the other hand, exports continued to shift strongly.

Under the circumstances, the Iseki Group has broadened its line of new products which meet the diverse needs of our customers, and we have striven to expand sales both domestically and overseas. As a result, overall sales rose ¥2.6 billion from the same period last year to ¥79.2 billion (up 3.4%). While domestic sales of agricultural machinery increased slightly from the same period last year, they decreased by ¥0.2 billion this year to ¥69.8 billion (down 0.2%) due mainly to declining sales of agricultural facilities. Overseas sales expanded sharply, especially in the European and North American markets, increasing by ¥2.8 billion from the same period last year to ¥9.4 billion (up 42.3%). Operating income reached ¥3.4 billion, an increase of ¥0.6 billion (up 19.2%) from the same period last year, as the rising price of raw materials and increasing transportation costs have been absorbed by increased gross profits and cost reductions. Ordinary income shot to ¥3.3 billion, up ¥0.7 billion (up 27.5%) from the same period last year, driven by improved financial profit due to a decrease in interest-bearing liabilities. Net income decreased to ¥1.6 billion, down ¥0.4 billion (down 18.0%), due to an increased extraordinary loss by impairment of fixed assets and increased corporate tax.

(2) Sales by Product

1) Domestic

Sales of machinery for soil preparation (tractors, tillers, etc) rose by ¥0.5 billion (up 2.4%) from the same period last year to ¥18.9 billion reflecting favorable sales of tractors, the company’s primary product. Sales of cultivating machinery (rice transplanters and vegetable transplanters) declined by ¥0.5 billion (down 6.7%) to ¥7.3 billion. Sales of machinery for harvesting and processing machinery (combine harvesters, dryers, etc) rose ¥0.2 billion from the same period last year to ¥10.3 billion (up 2.5%). Sales of spare parts and farming implements were at ¥15.9 billion (up 0.1% from the same period last year), and sales of agricultural facilities and other agriculture-related items was ¥11.6 billion

(down 5.8% from the same period last year). Other sales reached ¥5.8 billion (up 6.8% from the same period last year).

2) Overseas

Sales of machinery for soil preparation rose ¥2.6 billion, from the same period last year, to ¥8.1 billion (up 47.3%). Favorable sales figures for new model tractors and lawn mowers in European markets and new model GEAS-AT tractors in the North American markets contributed to the strong sales. Sales of harvesting and processing machinery increased ¥0.1 billion from the same period last year to ¥0.6 billion (up 19.4%) due to the start of full-scale sales efforts of combine harvesters in China.

2. Financial Position

(1) Financial Position

Total assets as of the end of the interim fiscal period increased ¥1.5 billion from the same period last year to ¥192.1 billion. The breakdown of assets is as follows: a reduction of cash and time deposit(¥3.9 billion), an increase in inventory mainly due to increased work in process caused by increased production and anticipated procurement of parts (¥3.8 billion) and an increase in the investment securities' by market value (¥1.3 billion). In terms of liabilities, interest bearing liabilities were reduced ¥5.8 billion.

Compared to the end of the previous fiscal period (end of March, 2005), total assets increased ¥7.7 billion. Notes and accounts receivable increased ¥7.5 billion and inventories increased ¥1.2 billion due to seasonal factors of the agriculture business. Shareholders' equity increased ¥1.4 billion from the same period last year, to ¥53.1 billion.

(2) Cash Flow

Cash flow from operating activities for the interim fiscal period has resulted in net expenditures every year due to the seasonality of Iseki's business. The results for the current interim fiscal period were expenditures of ¥5.5 billion (an increase in expenditures of ¥0.2 billion compared to the same period last year). Cash flow from investment activities resulted in net expenditures of ¥0.9 billion (an increase in expenditures of ¥11.3 billion compared to the same period last year). Cash flow from financing activities resulted in revenue of ¥5.7 billion (an increase in revenue of ¥11.4 billion compared to the same period last year) through the financing of operating funds, etc., during the interim fiscal period (increase of short-term borrowings).

The trend of cash flow indicators is as follows.

Indicator	Mar 31, 2003	Mar 31, 2004	Sep 30, 2004	Mar 31, 2005	Sep 30, 2005
Equity ratio (%)	21.6	25.1	26.6	28.0	27.7
Market-based equity ratio (%)	9.5	34.3	29.2	38.7	38.9
Years until debt redeemed (years)	8.3	6.3	—	9.6	—
Interest coverage ratio	5.5	7.0	—	4.9	—

- Equity ratio: Shareholders' equity / Total assets
- Market-based equity ratio: Total market price of shares / Total assets
- Years until debt recovered: Interest-bearing liabilities / Operating cash flow
- Interest coverage ratio: Cash flow 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 closing share price at the end of the interim fiscal (full fiscal) period and the total number of shares outstanding (less treasury stocks) at the end of the interim fiscal (full fiscal) 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.

4. Years until debt redeemed and Interest coverage ratio for this interim fiscal period have not been recorded as the cash flow from operating activities is negative.

3. Forecast for the Fiscal Year Ending March 31, 2006

As to the forecast for the remainder of current fiscal year, rising raw material prices will be a factor in squeezing profits, and we will try to absorb this through the promotion of further cost reductions and efficiency.

Results for the fiscal year ending March 31, 2006 will be unchanged from the announced forecast of May 20, 2005 with net sales of 163 billion, operating income of ¥8.5 billion, ordinary income of ¥7.5 billion, and net income of ¥4.0 billion.

Notice on Forecast:

The forecasts for future results and target figures were produced by Iseki & Co., Ltd., based on available information as of the day of this announcement. However, a number of latent risks and uncertainties could affect future financial performance. As a consequence, actual results could differ considerably. Risks which could affect the performance are exemplified as follows:

- Economic conditions and changes in the environment of agriculture
- Exchange rate fluctuation
- Government regulations on environmental issues etc
- Competition with other companies
- Dependency on specific customers
- Risks derived from international business
- Serious defects in products and services
- Risk of natural disasters and accidents

Consolidated Interim Financial Statements

Consolidated Interim Balance Sheets

(millions of yen)

Account	Interim Period as at Sep 30, 2005		Previous Period as at Sep 30, 2004		Change from previous period Amount	Previous Period as at Mar 31, 2005	
	Amount	Ratio	Amount	Ratio		Amount	Ratio
(Assets)		%		%			%
I Current Assets	99,522	51.8	99,006	51.9	515	91,868	49.8
Cash and time deposits	7,715		11,601		3,886	8,202	
Notes and accounts receivable	44,499		45,122		623	37,015	
Inventories	42,014		38,174		3,840	40,851	
Others	5,961		4,800		1,160	6,469	
Allowance for doubtful accounts	669		694		24	670	
II Fixed Assets	92,622	48.2	91,593	48.1	1,029	92,608	50.2
1. Tangible fixed assets	79,208	41.2	79,185	41.6	23	79,418	43.0
Buildings and structures	15,028		15,222		194	15,170	
Machinery, equipment and vehicles	8,766		8,529		236	8,783	
Land	50,287		50,390		102	50,460	
Others	5,127		5,042		84	5,003	
2. Intangible fixed assets	1,026	0.5	1,119	0.6	93	1,102	0.6
3. Investment and other assets	12,387	6.5	11,287	5.9	1,099	12,087	6.6
Investment securities	8,417		7,077		1,340	8,404	
Others	4,816		4,633		183	4,590	
Allowance for doubtful accounts	847		422		425	906	
Total Assets	192,144	100	190,599	100	1,545	184,477	100

Consolidated Interim Balance Sheets

(millions of yen)

Account	Interim Period as at Sep 30, 2005		Previous Period as at Sep 30, 2004		Change from previous period	Previous Period as at Mar 31, 2005	
	Amount	Ratio	Amount	Ratio	Amount	Amount	Ratio
(Liabilities)		%		%			%
I Current liabilities	92,095	47.9	97,361	51.1	5,265	82,602	44.8
Notes and accounts payable, trade	44,839		38,463		6,376	44,493	
Short-term borrowings	28,086		38,813		10,727	20,306	
Bonds (due within one year)	100		40		60	40	
Long-term debt (due within one year)	9,599		8,376		1,222	7,350	
Accrued income taxes	1,518		1,138		379	1,861	
Others	7,952		10,528		2,576	8,550	
II Long - term liabilities	45,388	23.6	41,069	21.5	4,318	48,646	26.4
Bonds	11,360		460		10,900	10,440	
Long-term debt	18,159		25,391		7,232	22,740	
Deferred tax liability from land revaluation gain	7,261		7,131		129	7,131	
Accrued retirement benefits for employees	4,655		4,631		23	4,514	
Accrued directors' retirement benefits	212		211		1	226	
Others	3,740		3,243		496	3,594	
Total Liabilities	137,484	71.5	138,430	72.6	946	131,249	71.2
(Minority interests in consolidated subsidiaries)							
Minority interests in consolidated subsidiaries	1,527	0.8	1,473	0.8	54	1,502	0.8
(Shareholders' Equity)							
I Common stock	22,534	11.7	22,534	11.8	—	22,534	12.2
II Capital surplus	11,693	6.1	11,650	6.1	42	11,664	6.3
III Retained earnings	7,627	4.0	5,865	3.1	1,761	6,829	3.7
IV Land revaluation reserve	10,891	5.7	10,696	5.6	194	10,696	5.8
V Net unrealized holding gain on securities	2,369	1.2	1,345	0.7	1,023	1,956	1.1
VI Foreign currency translation adjustments	5	Δ 0.0	5	Δ 0.0	0	14	Δ 0.0
VII Treasury stock	1,978	Δ 1.0	1,392	Δ 0.7	585	1,940	Δ 1.1
Total Shareholders' Equity	53,132	27.7	50,695	26.6	2,437	51,726	28.0
Total liabilities, minority interests and shareholders' equity	192,144	100	190,599	100	1,545	184,477	100

Consolidated Interim Statements of Income

(millions of yen)

Account	Interim Period		Previous Period		Change from previous period	Previous Period	
	Apr 1, 2005 - Sep 30, 2005		Apr 1, 2004 - Sep 30, 2004			Apr 1, 2004 - Mar 31, 2005	
	Amount	Ratio	Amount	Ratio	Amount	Amount	Ratio
I Net sales	79,213	100	76,578	100	2,635	157,462	100
II Cost of sales	52,912	66.8	51,429	67.2	1,483	105,128	66.8
Gross Profit	26,300	33.2	25,148	32.8	1,151	52,334	33.2
III Selling, general and administrative expenses	22,917	28.9	22,310	29.1	606	45,817	29.1
Operating Income	3,383	4.3	2,838	3.7	544	6,516	4.1
IV Non-operating income	797	1.0	673	0.9	124	1,556	1.0
Interest and dividend income	157		145		12	331	
Others	640		528		111	1,225	
V Non-operating expenses	875	1.1	919	1.2	43	2,787	1.7
Interest expenses	570		744		173	1,406	
Others	304		174		129	1,381	
Ordinary Income	3,305	4.2	2,592	3.4	713	5,286	3.4
VI Extraordinary gains	787	1.0	856	1.1	68	841	0.5
Gain on sale disposal of property, plant and equipment	109		32		77	69	
Gain on sale of investment securities	677		211		466	310	
Gain on sale of credit business	—		612		612	461	
VII Extraordinary losses	864	1.1	249	0.3	615	1,069	0.7
Loss on sale or disposal of property, plant and equipment	189		117		71	347	
Impairment loss	382		—		382	—	
Transfer to allowance for doubtful accounts	41		—		41	475	
loss from prior period adjustment	177		—		177	—	
Others	73		131		57	245	
Income before income taxes and minority interests	3,229	4.1	3,199	4.2	29	5,058	3.2
Income taxes	1,476	1.9	1,020	1.4	456	2,516	1.6
Income taxes, deferred	86	0.1	166	0.2	79	452	0.3
Minority interests in consolidated subsidiaries	24	0.0	12	0.0	12	28	0.0
Net Income	1,641	2.1	2,001	2.6	359	2,965	1.9

Consolidated interim Statement of Surplus

(millions of yen)

Account	Interim Period Apr 1, 2005 - Sep 30, 2005	Previous Period Apr 1, 2004 - Sep 30, 2004	Change from previous period	Previous Period Apr 1, 2004 - Mar 31, 2005
(Capital Surplus)				
I Balance of capital surplus at beginning of the period	11,664	11,645	19	11,645
II Increase in capital surplus	29	5	23	19
Gain on disposition of treasury stock	29	5	23	19
III Balance of capital surplus at the end of the period	11,693	11,650	42	11,664
(Retained Earnings)				
I Balance of retained earnings at beginning of the period	6,829	4,519	2,310	4,519
II Increase in retained earnings	1,641	2,001	359	2,965
Net income	1,641	2,001	359	2,965
III Decrease in retained earnings	844	655	189	655
Cash Dividends	649	655	5	655
Transfer from land revaluation reserve	194	-	194	-
IV Balance of retained earnings at the end of the period	7,627	5,865	1,761	6,829

Consolidated Interim Statements of Cash Flows

(millions of yen)

Account	Interim Period	Previous Period	Change from previous period	Previous Period
	Apr 1, 2005 - Sep 30, 2005	Apr 1, 2004 - Sep 30, 2004		Apr 1, 2004 - Mar 31, 2005
I Cash flows from operating activities				
Income before income taxes and minority interests	3,229	3,199	29	5,058
Depreciation and amortization	1,949	1,974	24	4,167
Impairment loss	382	-	382	—
Amortization of consolidated adjustment account	107	112	4	224
Increase (decrease) for retirement benefits	141	189	331	307
Loss (gain) on sales of investment securities	677	211	466	310
Interest and dividend income	157	145	12	331
Interest expenses	510	680	170	1,276
Effect of exchange rate changes	28	2	30	61
Loss on sales of tangible and intangible fixed assets	79	85	6	277
Gain on sale of credit business	-	612	612	461
Decrease (increase) in notes and accounts receivable	7,772	9,034	1,262	926
Decrease in inventories	965	1,362	2,328	1,930
Increase (decrease) in notes and accounts payable	236	1,474	1,710	4,555
Others	101	1,403	1,505	884
Sub-total	3,224	3,074	150	9,898
Interest and dividends received	157	145	12	332
Interest paid	506	690	183	1,299
Income taxes paid	1,950	1,713	236	2,581
Net cash provided by (used in) operating activities	5,523	5,332	191	6,350
II Cash flows from investing activities				
Payments for purchases of marketable securities	3	7	4	11
Proceeds from sale of short-term securities	188	149	38	258
Payments for purchases of tangible and intangible fixed assets	2,685	2,546	138	5,411
Proceeds from sale of tangible and intangible fixed assets	688	594	93	1,291
Proceeds from sale of credit business	-	10,560	10,560	10,409
Payments for purchase of investment securities	0	130	130	588
Proceeds from sale of investment securities	858	379	478	554
Net decrease in long-term loans	22	7	14	51
Net decrease in time deposits	19	1,350	1,369	2,037
Others	91	116	24	166
Net cash provided by (used in) investing activities	859	10,474	11,333	8,758
III Cash flows from financing activities				
Decrease(increases) in short-term borrowings	7,734	523	8,258	18,970
Proceeds from long-term debt	1,887	2,686	799	4,036
Repayments of long-term debt	4,219	7,156	2,937	12,244
Proceeds from bonds issued	1,000	-	1,000	10,000
Redemption of bonds	20	20	-	40
Payments for purchases of treasury stock	37	3	33	562
Proceeds from sale of treasury stock	56	15	40	49
Payment of dividends	649	655	5	655
Others	3	3	-	3
Net cash provided by (used in) financing activities	5,748	5,659	11,408	18,390
IV Effect of exchange rate changes on cash and cash equivalents	19	4	24	55
V Net decrease in cash and cash equivalents	654	513	140	3,226
VI Cash and cash equivalents at beginning of the period	7,803	11,029	3,226	11,029
VII Increase in cash and cash equivalents by merger	147	-	147	-
Cash and cash equivalents at the end of the period	7,296	10,515	3,219	7,803

Basis of Consolidated Interim Financial Statements

1. Scope of consolidation

Number of consolidated subsidiaries 35 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. Interim consolidated accounting period

Of the consolidated subsidiaries, 20 companies (including Iseki-Hokkaido Co., Ltd. and Iseki-Changzhou Mfg. Co., Ltd.) use an end-of-period balance sheet date of June 30. Fifteen companies (including Iseki-Matsuyama Mfg. Co., Ltd.) use a balance sheet date of September 30.

With regard to the preparation of the half year consolidated financial statements, the same current date is employed in the half year financial statements, and necessary adjustments at consolidation are made for any significant transactions that occur between the balance date and this date.

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

Securities not 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 of material depreciable assets

(i) 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.

(ii) 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) Treatment of principal deferred assets

(a) Allowance for doubtful accounts

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

(b) Accrued retirement benefits for employee

Accrued retirement benefits for employee is recorded as at the end of the interim year consolidated accounting period, and is principally based on the amounts for the obligation for employees'

retirement benefits and pension plan assets projected to the end of the current consolidated fiscal period. 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 gains and losses 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 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 interim balance sheet date. Gains or losses resulting from the translation are credited or charged to income.

Balance sheet accounts (except for shareholder's equity) and revenue and expense accounts of the overseas subsidiary are translated into yen at the rates of exchange in effect at the interim balance sheet date. Differences arising from the translation are presented as "Foreign currency translation adjustments" in shareholder's equity and minority interests in consolidated subsidiaries.

(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 Interim Financial Statements

Accounting treatment of consumption tax

Consumption tax and local consumption taxes are accounted for using a tax-exclusive method.

5. The scope of funds in the Consolidated Interim Statements of Cash Flow

Consists of cash on hand; money at call; and short-term investments that are liquid and readily convertible (having a maturity date of within three months) and have little risk of shifting in value.

(Change in Accounting Method)

From this interim fiscal period, we have adopted "Accounting Standard for Impairment of Fixed Assets"(Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets: August 9, 2002, Accounting Standard Board of Japan) and "the Guidance for the Application of Accounting Standard for Impairment of Fixed Assets" (October 31, 2003, Accounting Standard Board of Japan, ASB Guidance No.6).

As a consequence, operating income and ordinary income for this interim fiscal period increased by ¥1 million and before tax net profit decreased by ¥380 million.

Accumulated impairment losses have been deducted directly from each asset item in accordance with the amended regulation on Consolidated Interim Financial Statement.

Notes

(Consolidated Interim Balance Sheet information)

	Interim Period as at Sep 30, 2005	Previous Period as at Sep 30, 2004	Previous Period as at Mar 31, 2005
1. Accumulated depreciation of tangible non-current assets	85,317 million yen	84,027 million yen	84,333 million yen
2. Guaranteed liabilities	10,252 million yen	10,146 million yen	10,264 million yen
3. Notes receivable less discount	34 million yen	109 million yen	281 million yen
4. Endorsed notes receivable	653 million yen	729 million yen	670 million yen
5. Treasury stocks	8,647,438 shares	6,460,447 shares	8,512,787 shares

(Consolidated interim statements of income)

1. Impairment loss

In this consolidated interim fiscal period, impairment loss has been realized recognized following assets.

(millions of yen)

Usage	Type	Location	Impairment loss
Idle property	Land	Inashiki-gun, Ibaragi Pref.	97
	Land	Kokubu-shi, Kagoshima Pref.	78
	Buildings, land	Kuma-gun, Kumamoto Pref.	56
	Land	Shinoyama-shi, Hyogo Pref.	38
	Buildings	Matsuyama-shi, Ehime Pref.	33
	Land	Kasumigaura-shi, Ibaragi Pref.	22
	Structures, land	Kamiminochi-gun, Nagano Pref.	18
	Buildings, structures, and land	Sapporo-shi, Hokkaido (8 places)	36
	Total		382

Note: Kokubu-shi, Kagoshima Prefecture has been renamed to Kirishima-shi effective on November 7, 2005 as a result of a consolidation of municipalities.

(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.

(Consolidated Interim Cash Flows Statements information)

Relationship between the end of half year balance of cash and cash equivalents and the amount reported in the Consolidated Interim Balance Sheet.

	Interim Period as at Sep 30, 2005	Previous Interim Period as at Sep 30, 2004	Previous Period as at Mar 31, 2005
Cash and deposit accounts	7,715 million yen	11,601 million yen	8,202 million ye
Fixed-term deposits with terms of 3 months or more	418 million yen	1,085 million yen	398 million ye
Cash and cash equivalents	7,296 million yen	10,515 million yen	7,803 million ye

Segment Information

1. Segment information per business type

The Interim period and previous period and FY2004 ended

Total sales, operating income and total assets of the "Agricultural machinery related operations" segment accounted for more than 90% of all segments. Accordingly, the description of segment information per business type has been abbreviated.

2. Segment information per region

The Interim period and previous period and FY2004 ended

Total sales and total assets of Japanese segment accounted for more than 90% of all segments. Accordingly, the description of segment information per region has been abbreviated.

3. Overseas sales

The Interim period (April 1, 2005 - September 30, 2005)

(millions of yen)

	U.S.	Europe	Others	Total
1. Overseas Sales	4,236	4,144	1,012	9,393
2. Consolidated Sales				79,213
3. Overseas Sales/ Consolidated Sales (%)	5.4	5.2	1.3	11.9

The previous Interim period (April 1, 2004 - September 30, 2004)

Overseas sales accounted for less than 10% of consolidated sales. Accordingly, there are no corresponding entries.

The previous year (April 1, 2004 - March 31, 2005)

(millions of yen)

	U.S.	Europe	Others	Total
1. Overseas Sales	8,031	6,010	1,839	15,881
2. Consolidated Sales				157,462
3. Overseas Sales/ Consolidated Sales (%)	5.1	3.8	1.2	10.1

(1) Country or regional classification was made on the basis of geographical proximity.

(2) Classification by Area

Europe: France, Germany, U.K., Belgium, Switzerland, Netherlands, and so on.

Others: Korea, Taiwan, China, Thailand, Australia, New Zealand, and so on.

(Lease Transactions)

Because this information is disclosed via EDINET, this item is not presented.

Securities

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

(millions of yen)

Category	Interim Period as at Sep 30, 2005			Previous Period as at Sep 30, 2004			Previous Period as at Mar 31, 2005		
	as recorded on Consolidated Balance Sheet	Fair Market Value	Variance	as recorded on Consolidated Balance Sheet	Fair Market Value	Variance	as recorded on Consolidated Balance Sheet	Fair Market Value	Variance
(1) Government bonds	40	40	0	40	40	0	40	40	0
(2) Others	440	440	0	605	606	1	625	627	2
Total	480	480	0	645	605	1	665	667	2

2. Other securities with fair market value

(millions of yen)

Category	Interim Period as at Sep 30, 2005			Previous Period as at Sep 30, 2004			Previous Period as at Mar 31, 2005		
	Purchase cost	as recorded on Consolidated Balance Sheet	Variance	Purchase cost	as recorded on Consolidated Balance Sheet	Variance	Purchase cost	as recorded on Consolidated Balance Sheet	Variance
(1) Shares	2,774	6,737	3,963	3,002	5,248	2,245	2,954	6,222	3,267
(2) Bonds Others	—	—	—	1	1	0	—	—	—
(3) Others	0	0	0	0	0	0	0	0	0
Total	2,774	6,738	3,963	3,003	5,249	2,245	2,954	6,222	3,267

3. Major securities not valued at fair market value

(millions of yen)

Category	Interim Period as at Sep 30, 2005	Previous Period as at Sep 30, 2004	Previous Period as at Mar 31, 2005
	as recorded on Consolidated Balance Sheet	as recorded on Consolidated Balance Sheet	as recorded on Consolidated Balance Sheet
(1) Held-to-maturity securities Discounted bank debenture	9	56	9
(2) Other securities Non-listed shares (excluding over-the-counter shares)	1,354	1,383	1,354

(Derivative Transactions)

Because this information is disclosed via EDINET, this item is not presented.

Production, Orders & Sales

1. Production results per product-type

(millions of yen)

Product-type	Interim Period (Apr 1, 2005 - Sep 30, 2005)	Previous Period (Apr 1, 2004 - Sep 30, 2004)	Previous Period (Apr 1, 2004 - Mar 31, 2005)
Machinery for soil preparation	22,334	22,114	46,590
Cultivating machinery	5,990	5,668	13,544
Harvesting and processing machinery	17,443	14,148	30,634
Parts and farming implements	1,088	970	2,110
Agricultural machinery related	2,643	3,126	8,809
Others	1,264	1,109	2,549
Total	50,765	47,138	104,239

Note: Figures are shown in terms of sales values.

2. Orders

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

3. Sales results per product-type

(1) Total

(millions of yen)

Product-type	Interim Period (Apr 1, 2005 - Sep 30, 2005)		Previous Period (Apr 1, 2004 - Sep 30, 2004)		Previous Period (Apr 1, 2004 - Mar 31, 2005)	
	amount	ratio	amount	ratio	amount	ratio
		%		%		%
Machinery for soil preparation	26,992	34.1	23,944	31.3	45,195	28.7
Cultivating machinery	7,320	9.2	7,798	10.2	12,299	7.8
Harvesting and processing machinery	10,885	13.7	10,540	13.7	31,229	19.8
Parts and farming implements	16,367	20.7	16,225	21.2	30,965	19.7
Agricultural machinery related	11,798	14.9	12,638	16.5	26,603	16.9
Others	5,848	7.4	5,431	7.1	11,167	7.1
Total	79,213	100	76,578	100	157,462	100

(2) Domestic

(millions of yen)

Product-type	Interim Period (Apr 1, 2005 - Sep 30, 2005)		Previous Period (Apr 1, 2004 - Sep 30, 2004)		Previous Period (Apr 1, 2004 - Mar 31, 2005)	
	amount	ratio	amount	ratio	amount	ratio
		%		%		%
Machinery for soil preparation	18,908	27.1	18,456	26.4	31,860	22.5
Cultivating machinery	7,274	10.4	7,796	11.1	11,557	8.2
Harvesting and processing machinery	10,326	14.8	10,072	14.4	30,722	21.7
Parts and farming implements	15,859	22.7	15,849	22.6	30,166	21.3
Agricultural machinery related	11,650	16.7	12,372	17.7	26,106	18.4
Others	5,801	8.3	5,431	7.8	11,167	7.9
Total	69,820	100	69,979	100	141,581	100

(3) Overseas

(millions of yen)

Product-type	Interim Period (Apr 1, 2005 - Sep 30, 2005)		Previous Period (Apr 1, 2004 - Sep 30, 2004)		Previous Period (Apr 1, 2004 - Mar 31, 2005)	
	amount	ratio	amount	ratio	amount	ratio
		%		%		%
Machinery for soil preparation	8,083	86.1	5,487	83.2	13,335	84.0
Cultivating machinery	45	0.5	1	0.0	742	4.7
Harvesting and processing machinery	559	5.9	468	7.1	506	3.2
Parts and farming implements	508	5.4	376	5.7	799	5.0
Agricultural machinery related	148	1.6	265	4.0	497	3.1
Others	47	0.5	—	—	—	—
Total	9,393	100	6,599	100	15,881	100