



February 9, 2007

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Summary Announcement of Consolidated Financial Results
for the Nine Months Ended December 31, 2006

Consolidated Financial Highlights

I. Pertaining to the preparation of the summary report for the quarterly financial results

A. Adoption of Simplified Accounting Practices : Yes

- Namely: 1. A physical inventory check has not occurred.
 2. We have employed a simplified method as standards for accounting for such items as corporate tax.

B. Change in Accounting Practices from Previous Fiscal Year : None

C. Changes in Consolidation Scope : Yes

Number of consolidated subsidiaries added: 1

II. Financial Results for the nine months ended December 31, 2006 (April 1, 2006—December 31, 2006)

A. Results of Operations

(Rounded down to millions of yen, %)

	Nine Months Ended Dec.31, 2006	%	Nine Months Ended Dec.31, 2005	%	Year Ended Mar. 31, 2006
Net Sales	113, 412	(5.1)	119, 464	3.9	161, 744
Operating Income	4, 495	(19.1)	5, 559	21.4	7, 458
Ordinary Income	4, 434	(16.2)	5, 289	31.5	6, 860
Net Income	3, 151	35.2	2, 332	(8.6)	3,756
Net Income per Share					
Non-diluted	13.96		10.78		17.23
Fully Diluted	12.81		9.48		15.27

Note: (%) in Net Sales, Operating Income, etc, represent the increase or decrease relative to the same period of the previous year.

Financial Results

Net sales for the nine months period ended dropped to ¥113.4 billion, down ¥6.0 billion (5.1 %) on the same period last year. Domestic sales saw a decline to ¥101.0 billion, a ¥5.0 billion (4.7 %) reduction on the same period last year. This loss centered on poor agricultural machinery sales due to a general sluggish trend in the agricultural machinery market. Overseas sales likewise fell to ¥12.4 billion, a ¥1.0 billion (7.6 %) reduction on the same period last year mainly due to the effects of the inventory adjustment by OEM partner in North America.

Operating income declined to ¥4.495 billion with a down turn of ¥1.063 billion (19.1 %) on the same period last year reflecting a reduction of gross profits due to lower sales numbers. Ordinary income dropped ¥0.845 billion (16.2%) on the same period last year to ¥4.434 billion due to a favorable turn of non-operating income or expenses which mainly reflects reduced disposition loss of inventory. Net income for the nine months period ended increased ¥0.819 billion (35.2 %) on the same period last year to ¥3.151 billion mainly due to the absence of losses from the disposal of a subsidiary that was incurred during the same period last year, as well as a reduced corporate tax.

B. Financial Position

(Rounded down to millions of yen)

	Nine Months Ended Dec.31, 2006	Nine Months Ended Dec.31, 2005	Year Ended Mar. 31, 2006
Total Assets	200,315	196,218	183,831
Net Assets	62,476	54,521	58,644
Shareholders' Equity to Total Assets Ratio (%)	30.4	27.8	31.9
Net Assets per share (yen)	269.54	251.95	259.64

C. Cash Flows

(Rounded down to millions of yen)

	Nine Months Ended Dec.31, 2006	Nine Months Ended Dec.31, 2005	Year Ended Mar. 31, 2006
Cash Flows from Operating Activities	(9,084)	(8,600)	4,338
Cash Flows from Investing Activities	(4,106)	(1,578)	(2,606)
Cash Flows from Financing Activities	12,920	10,686	(3,048)
Cash and Cash Equivalents at End of Period	6,316	8,406	6,589

Total assets for the nine months ended edged up to ¥200.3 billion, up ¥4.1 billion (2.1 %) against last year's numbers. The main components of the movement in assets were a ¥2.0 billion reduction in cash equivalents, a ¥1.7 billion reduction in notes receivable and accounts receivable as a result of a drop in sales, a ¥6.5 billion growth in inventory levels and a ¥2.0 billion rise in fixed assets mainly due to a step-up of facilities in major factories. Interest-bearing liabilities were reduced by ¥3.2 billion on the same period last year to ¥69.1 billion.

III. Performance Forecast (April 1, 2006—March 31, 2007)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Annual	154,000	5,500	5,000	2,500

For reference: The estimated net income per share for the year is ¥11.07.

With respect to the performance forecast of the fiscal year ending March 31, 2007, a total of ¥6.0 billion will be deducted from the forecasted sales figures previously given on November 16, 2006 when the announcement of the interim fiscal period settlement was made, in view of developments in sales by domestic sales companies between January – December, 2006.

Forecasts for operating income, ordinary income and net income remain unchanged from the previous announcement as we expect that the decline in gross profits resulting from a fall in sales will be compensated for by cost reduction and the favorable turn of profitability of overseas business.

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.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen,%)

Account	Third Quarter as at Dec.31, 2006	Previous Third Quarter as at Dec. 31, 2005	Change from Previous Third Quarter		(Reference) Previous Fiscal Year as at Mar.31, 2006
	Amount	Amount	Amount	% Change	Amount
(Assets)					
I. Current Assets	103,952	102,185	1,767	1.7	89,910
Cash and time deposits	6,731	8,702	(1,971)	(22.7)	6,971
Notes and accounts receivable	42,797	44,458	(1,661)	(3.7)	34,742
Inventories	49,628	43,142	6,486	15.0	42,486
Others	4,948	6,032	(1,083)	(18.0)	5,836
Allowance for doubtful accounts	(152)	(149)	(2)	2.0	(126)
II. Fixed Assets	96,363	94,032	2,330	2.5	93,921
1. Tangible fixed assets	81,048	79,020	2,028	2.6	79,018
Buildings and structures	15,466	14,958	508	3.4	15,044
Machinery, equipment and vehicles	9,521	8,584	936	10.9	8,503
Land	50,331	50,336	(4)	(0.0)	50,173
Others	5,729	5,140	588	11.4	5,296
2. Intangible fixed assets	1,022	1,007	15	1.5	1,036
3. Investment and other assets	14,292	14,005	286	2.0	13,865
Investment securities	8,922	9,574	(652)	(6.8)	9,234
Others	6,125	4,977	1,147	23.1	5,289
Allowance for doubtful accounts	(755)	(547)	(208)	38.1	(659)
Total Assets	200,315	196,218	4,097	2.1	183,831

Consolidated Interim Balance Sheets

(Millions of yen,%)

Account	Third Quarter as at Dec.31, 2006	Previous Third Quarter as at Dec. 31, 2005	Change from Previous Third Quarter		(Reference) Previous Fiscal Year as at Mar.31, 2006
	Amount	Amount	Amount	% Change	Amount
(Liabilities)					
I. Current Liabilities	93,603	103,778	(10,174)	(9.8)	89,836
Notes and accounts payable, trade	44,275	43,696	578	1.3	41,536
Short-term borrowings	33,646	32,966	679	2.1	19,885
Bonds (due within one year)	140	100	40	40.0	100
Long-term debt (due within one year)	7,686	19,182	(11,495)	(59.9)	18,290
Others	7,854	7,832	21	0.3	10,024
II. Long-term Liabilities	44,235	36,352	7,883	21.7	33,790
Bonds	8,045	11,340	(3,295)	(29.1)	8,135
Long-term debt	19,503	8,657	10,845	125.3	8,905
Deferred tax liability from land revaluation gain	7,595	7,261	334	4.6	7,595
Accrued retirement benefits for employees	5,052	4,706	345	7.3	4,809
Others	4,039	4,386	(346)	(7.9)	4,345
Total Liabilities	137,839	140,130	(2,291)	(1.6)	123,627
(Minority Interests in Consolidated Subsidiaries)					
Minority Interests in Consolidated Subsidiaries	—	1,566	—	—	1,558
(Shareholders' Equity)					
I. Common stock	—	22,534	—	—	22,784
II. Capital surplus	—	11,693	—	—	12,815
III. Retained earnings	—	8,317	—	—	9,760
IV. Land revaluation reserve	—	10,891	—	—	10,527
V. Net unrealized holding gain on securities	—	3,060	—	—	2,896
VI. Foreign currency translation adjustments	—	4	—	—	15
VII. Treasury stock	—	(1,980)	—	—	(154)
Total Shareholders' Equity	—	54,521	—	—	58,644
Total Liabilities, Minority Interests and Shareholders' Equity	—	196,218	—	—	183,831

(Millions of yen,%)

Account	Third Quarter as at Dec.31, 2006	Previous Third Quarter as at Dec. 31, 2005	Change from Previous Third Quarter		(Reference) Previous Fiscal Year as at Mar.31, 2006
	Amount	Amount	Amount	% Change	Amount
(Net Assets)					
I. Shareholders' equity	47,673	—	—	—	—
Common stock	22,784	—	—	—	—
Capital surplus	12,815	—	—	—	—
Retained earnings	12,234	—	—	—	—
Treasury stock	(161)	—	—	—	—
II. Difference of appreciation and conversion	13,203	—	—	—	—
Net unrealized holding gain on securities	2,654	—	—	—	—
Land revaluation reserve	10,527	—	—	—	—
Foreign currency translation adjustments	21	—	—	—	—
III. Minority interests in Consolidated Subsidiaries	1,600	—	—	—	—
Total Net Assets	62,476	—	—	—	—
Total Liabilities and Net Assets	200,315	—	—	—	—

Consolidated Statements of Income

(Millions of yen,%)

Account	Nine Months	Previous Period	Change from Previous Period		(Reference) Previous Fiscal Year
	Apr.1, 2006 - Dec.31, 2006	Apr.1, 2005 - Dec.31, 2005	Amount	% Change	Apr.1, 2005 - Mar.31, 2006
	Amount	Amount	Amount	% Change	Amount
I. Net Sales	113,412	119,464	(6,051)	(5.1)	161,744
II. Cost of Sales	74,994	80,086	(5,091)	(6.4)	107,958
Gross Profit	38,417	39,377	(959)	(2.4)	53,785
III. Selling, General and Administrative Expenses	33,921	33,818	103	0.3	46,326
Operating Income	4,495	5,559	(1,063)	(19.1)	7,458
IV. Non-operating Income	1,131	1,215	(84)	(6.9)	1,763
Interest and dividend income	213	236	(22)	(9.7)	403
Others	918	979	(61)	(6.2)	1,360
V. Non-operating Expenses	1,192	1,486	(293)	(19.7)	2,361
Interest expenses	844	868	(24)	(2.8)	1,121
Others	348	617	(269)	(43.6)	1,240
Ordinary Income	4,434	5,289	(854)	(16.2)	6,860
VI. Extraordinary Gains	38	824	(785)	(95.3)	907
Gain on sale or property, plant and equipment	38	143	(104)	(73.0)	186
Gain on sale of investment securities	—	681	(681)	(100.0)	720
VII Extraordinary Losses	352	1,502	(1,150)	(76.6)	1,940
Loss on sale or disposal of property, plant and equipment	149	235	(85)	(36.4)	412
Impairment loss	25	382	(356)	(93.3)	505
Transfer to allowance for doubtful accounts	130	130	0	0.4	195
Loss on liquidation of a subsidiary	—	508	(508)	(100.0)	522
Loss from prior period adjustment	—	177	(177)	(100.0)	177
Others	46	68	(22)	(32.9)	127
Income before income taxes and minority interests	4,121	4,610	(489)	(10.6)	5,827
Income taxes	919	2,223	(1,304)	(58.6)	2,020
Minority interests in consolidated subsidiaries	49	55	(5)	(9.8)	50
Net Income	3,151	2,332	819	35.2	3,756

Note: "Income taxes" includes current and deferred taxes.

Consolidated Statements of Cash Flows

(Millions of yen)

	Nine Months Apr.1, 2006 - Dec. 31, 2006	Previous Period Apr.1, 2005 - Dec. 31, 2005	(Reference) Previous Fiscal Year Apr.1, 2005 - Mar.31, 2006
Description	Amount	Amount	Amount
I. Cash Flows from Operating Activities			
Income before income taxes and minority interests	4,121	4,610	5,827
Depreciation and amortization	2,783	2,918	3,910
Impairment loss	25	382	505
Interest and dividend income	(213)	(236)	(403)
Interest expenses	760	779	1,000
Loss on liquidation of subsidiary	—	508	522
Increase in notes and accounts receivable	(7,926)	(8,686)	862
Increase (decrease) in inventories	(7,023)	(2,192)	(1,535)
Increase (decrease) in notes and accounts payable	2,756	(906)	(3,066)
Others	(3,122)	(2,356)	383
Sub-total	(7,838)	(5,179)	8,005
Interest and dividends received	215	239	404
Interest paid	(807)	(806)	(1,000)
Income taxes paid	(1,229)	(2,853)	(3,071)
Refunded income taxes	575	—	—
Net cash provided by (used in) operating activities	(9,084)	(8,600)	4,338
II. Cash Flows from Investing Activities			
Sales(purchases) of securities	23	1,084	1,221
Sales(purchases) of property, plant and equipment	(4,182)	(2,859)	(4,005)
Payment for purchase of subsidiary	(276)	—	—
Net decrease in time deposits	(32)	103	16
Others	361	93	160
Net cash used in (provided by) investing activities	(4,106)	(1,578)	(2,606)
III. Cash Flows from Financing Activities			
Net increase(decreases) in borrowings	13,708	10,362	(3,365)
Net proceeds from issuance and redemption of bonds	(100)	960	960
Payments for acquisition/sale of treasury stock	(7)	16	10
Payment dividend	(677)	(649)	(649)
Others	(3)	(3)	(3)
Net cash used in financing activities	12,920	10,686	(3,048)
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	(2)	(51)	(44)
V. Net Increase (Decrease) in Cash and Cash Equivalents	(272)	455	(1,361)
VI. Cash and Cash Equivalents at Beginning of the Period	6,589	7,803	7,803
VII. Increase in Cash and Cash Equivalents by Merger	—	147	147
VIII. Cash and Cash Equivalents at the End of the Period	6,316	8,406	6,589

Basis of Quarterly Consolidated 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. Accounting periods of consolidated subsidiaries

Of the consolidated subsidiaries, 21 companies (including Iseki-Hokkaido Co.,Ltd.) use an end-of-period balance sheet date of September 30, 14 companies (including Iseki-Matsuyama Mfg. Co.,Ltd.) use an end-of-period- balance sheet date of December 31. With regard to the preparation of the third quarter consolidated financial statements, the same current date is employed in the third quarter financial statements, and necessary adjustments at consolidation are made for any significant transactions that occur between the end-of-period-of balance sheet 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 with fair market value ----- Recorded at market value, based on the fair market price at the closing date of the 3rd quarter consolidated reporting period
(Any estimate variance is credited or debited to Shareholders' Equity)

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

b. Inventories----- Principally gross average method

c. Derivatives----- Fair value method

2. Depreciation methods of material depreciable assets

a. Tangible fixed assets

In general, the straight-line method is used to depreciate tools. In other cases, 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.

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 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 employees'

Accrued retirement benefits for employees' is recorded as at the end of the fiscal 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.

4. 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.

5. 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

- Hedging instruments

Forward exchange contracts and interest rate swap agreements

- 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 currency exchange rates and interest rates

6. Accounting treatment of consumption tax

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

February 9, 2007

Supplementary Information to the Nine Months of Financial Results

(Apr. 1st, 2006—Dec.31, 2006)

I . Nine Months Business Results

	1 st Quarter-	1 st Quarter-	Variance		(Billions of yen)	
	3 rd Quarter	3 rd Quarter	Amount	%	3 rd	Variance
	Last	This			Quarter	Amount
	Fiscal Year	Fiscal Year			Forecast	
Net Sales	119.4	113.4	(6.0)	(5.1)	113.0	0.4
Domestic	106.0	101.0	(5.0)	(4.7)	101.0	—
Overseas	13.4	12.4	(1.0)	(7.6)	12.0	0.4
Operating Income	5.6	4.5	(1.1)	(19.1)	4.4	0.1
Balance of Financial Income	(0.9)	(0.9)	—		(0.9)	—
Other Non-operating Income	0.6	0.8	0.2		0.8	—
Ordinary Income	5.3	4.4	(0.9)	(16.2)	4.3	0.1
Extraordinary Gains	0.8	—	(0.8)		—	—
Extraordinary Losses	(1.5)	(0.3)	1.2		(0.3)	—
Income Before Income Taxes and Minority Interests	4.6	4.1	(0.5)	(10.6)	4.0	0.1
Income taxes	(2.3)	(1.0)	1.3		(0.7)	(0.3)
Net Income	2.3	3.1	0.8	35.2	3.3	(0.2)

1) Sales: Sales decreased ¥6.0 billion on the same period last year.

- Domestic sales dropped ¥5.0 billion on the same period last year due to a sluggish trend in the agricultural machinery market and a resultant ¥4.1 billion decrease in the revenue of agricultural machinery sales.
- Overseas sales dropped ¥1.0 billion mainly due to the effects of the inventory adjustment by OEM partner in North America.

2) Operating income: Income decreased ¥1.1 billion on the same period last year.

- Operating income decreased ¥1.1 billion as a result of lowered gross profit stemming from reduced sales, etc.

3) Ordinary income: Income decreased ¥0.9 billion on the same period last year.

- Ordinary income dropped ¥9 billion on the same period last year, due to a favorable turn of non-operating income or expenses which mainly reflects reduced disposition loss of inventory.

4) Net income: Net income increased ¥0.8 billion on the same period last year.

- Net income increased ¥0.8 billion mainly due to the absence of losses on liquidation of subsidiary that was incurred during the same period last year, as well as a reduced tax liability.

(Sales Breakdown)

(Billions of yen)

	1 st Quarter- 3 rd Quarter Last Fiscal Year	1 st Quarter- 3 rd Quarter This Fiscal Year	Variance Amount	3 rd Quarter Forecast	Variance Amount
Agricultural Machinery	56.3	52.2	(4.1)	52.0	0.2
Part& Farming Implements	23.9	23.2	(0.7)	23.3	(0.1)
Constructions of Facilities	3.1	3.2	0.1	3.2	—
Others	22.7	22.4	(0.3)	22.5	(0.1)
Domestic Subtotal	106.0	101.0	(5.0)	101.0	—
North America	4.8	4.0	(0.8)	4.0	—
Europe	6.0	5.6	(0.4)	5.0	0.6
Asia, excluding China	0.8	0.9	0.1	1.0	(0.1)
China	0.3	0.6	0.3	0.6	—
Australia & others	0.3	0.3	—	0.3	—
Total Product Sales	12.2	11.4	(0.8)	10.9	0.5
Parts	0.8	0.7	(0.1)	0.7	—
Others	0.4	0.3	(0.1)	0.4	(0.1)
Overseas Subtotal	13.4	12.4	(1.0)	12.0	0.4
Net Sales	119.4	113.4	(6.0)	113.0	0.4

II. Performance Forecast

- The consolidated performance forecast of the fiscal year ending March 31, 2007 announced on November 16, 2006 will be revised as set out below. Full year non-consolidated performance forecast remains unchanged from the previous forecast.

(Consolidated)

	Previous Forecast	Latest Forecast	Variance		(Billions of yen)	
			Amount	%	FY	Variance
					2006 Actual	
Net Sales	160.0	154.0	(6.0)	(3.8)	161.7	(7.7)
Domestic	141.5	135.5	(6.0)	(4.2)	141.2	(5.7)
Overseas	18.5	18.5	—	—	20.5	(2.0)
Operating Income	5.5	5.5	—	—	7.4	(1.9)
Ordinary Income	5.0	5.0	—	—	6.8	(1.8)
Net Income	2.5	2.5	—	—	3.7	(1.2)

(Non-Consolidated)

	FY 2006 Actual	FY2007 Forecast	Variance		(Billions of yen)	
			Amount	%		
Net Sales	93.7	91.0	(2.7)	(2.9)		
Operating Income	3.1	1.9	(1.2)	(38.7)		
Ordinary Income	3.8	2.3	(1.5)	(39.5)		
Net Income	3.9	1.9	(2.0)	(51.3)		

III. Reasons of the revision

1) Sales

- From the previously forecasted sales figures, ¥6.0 billion will be deducted in view of developments in sales by domestic sales companies between January – December, 2006.

2) Operating income, ordinary income and net income

- Forecasts remain unchanged from the previous announcement as we expect that the decline in gross profits will be compensated for by cost reduction and the favorable turn of profitability of overseas business helped by increased exports to Europe and weaker yen, etc.