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Summary Announcement of Consolidated Financial Results
for the Three Months Ended June 30, 2007

Consolidated Financial Highlights

(Rounded down to millions of yen, %)

I. Summary Announcement of Consolidated Financial Results (Apr.1st, 2007 – Jun.30, 2007)

A. Results of Operations

	Three Months Ended Jun.30, 2007	%	Three Months Ended Jun.30, 2006	%	Year Ended Mar. 31, 2007
Net Sales	29,942	(11.0)	33,661	(5.4)	153,728
Operating Income	(645)	—	413	—	2,243
Ordinary Income	(506)	—	342	—	1,276
Net Income	(438)	—	180	—	18
Net Income per Share					
Non-diluted	(1.94)		0.80		0.08
Fully Diluted	—		0.73		0.07

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

B. Financial Position

	Jun.30, 2007	Jun.30, 2006	Mar. 31, 2007
Total Assets	186,701	187,047	181,362
Net Assets	54,931	55,901	55,724
Shareholders' Equity to Total Assets Ratio	28.6%	29.1%	29.8%
Net Assets per share	¥236.21	¥240.62	¥239.71

C. Cash Flows

	Three Months Ended Jun.30, 2007	Three Months Ended Jun.30, 2006	Year Ended Mar. 31, 2007
Cash Flows from Operating Activities	(7,415)	(8,496)	902
Cash Flows from Investing Activities	(1,225)	(739)	(4,718)
Cash Flows from Financing Activities	10,454	10,047	2,207
Cash and Cash Equivalents at End of Period	6,818	7,410	4,985

II. Consolidated Performance Forecast of the Fiscal Year Ending March 31, 2008 (Reference)

(Apr. 1st, 2007– Mar. 31, 2008)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
Interim	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
	72,000	(5.6)	1,000	(58.4)	800	(65.4)	100	(92.1)	0.44
Annual	154,000	0.2	3,000	33.7	2,300	80.2	800	—	3.54

(% represents comparison with the previous fiscal year for the full year's performance and comparison with the interim period of the previous fiscal year for the interim period.)

III. Others

- A. Changes in Consolidation Scope** : None
B. Adoption of Simplified Accounting Practices : Yes
C. Change in Accounting Practices from Previous Fiscal Year : Yes

(Note) For details, please refer to pages 3 [Management Performance • Financial Statements etc] and 4. Others.

(Reference)

Non-Consolidated Performance Forecast of the Fiscal Year Ending March 31, 2008

(April 1st, 2007–March 31, 2008)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
Interim	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
	41,000	(14.2)	400	(75.3)	500	(75.5)	300	(71.3)	1.33
Annual	87,000	(4.2)	600	(19.5)	800	(4.9)	500	—	2.21

(% represents comparison with the previous fiscal year for the full year's performance and comparison with the interim period of the previous fiscal year for the interim period.)

*** Note on appropriate use of business performance forecasts and other cautionary statements.**

1. Consolidated and non-consolidated business performance forecasts announced on May 31, 2007 have been amended both for the interim period and the full-year performance as described above. As for the reason of amendment, please refer to "Notice of Amendment on Business Performance Forecast" announced today, August 9, 2007.
2. 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.

1. Analysis of management performance the status of consolidated financial results

Sales for the first quarter declined by ¥3.719 billion (down 11.0%) from the same period last year to ¥29.942 billion. Domestic sales were down by ¥3.05 billion (down 10.2%) centering on agricultural machinery to ¥26.422 billion due to the inactive market for agricultural machinery. In spite of brisk sales in Europe, overseas sales declined by ¥713 million (down 16.9%) as a whole mainly due to inventory adjustments of an OEM partner in North America. Operating income suffered a loss of ¥645 million, declining ¥1.058 million from the same period last due to decreased gross profit from decreased revenue. Net income for the quarter resulted in a net loss of ¥438 million, declining ¥618 million from the same period last year.

2. Analysis of financial position the shifts in consolidated financial position

As of the end of the first quarter, total assets were contracted to ¥186.701 billion, down ¥345 million from the same period of the previous year. The main items were a ¥740 million reduction in cash and time deposits, a ¥5.048 billion decrease in notes and accounts receivable, a increase of ¥5.292 billion in inventories, a decrease of ¥760 million from the sale of investment securities and others, and a ¥1.421 billion increase in machinery, equipment and vehicles. Interest-bearing liabilities fell ¥68.775 billion compared to the end of the same period of the previous year, were up ¥2.728 billion. As always, accounts receivables and inventories in the first quarter tended to increase, compared to the results at the end of previous fiscal periods, due to the seasonable variation of agricultural machinery sales by the sales subsidiaries and the recovery of debts. As a result, the first quarter cash flow generated by operating activities tends to be negative every year.

3. Performance forecast

In view of the current situation of the domestic agricultural machinery market, net sales for both consolidated and non-consolidated interim and annual business performance forecasts have been amended downward. Profit wise, we expect declined gross profit by reduced sales will be compensated by cost reduction and others.

4. Others

A. Changes in important subsidiaries which accompany changes in the consolidation scope during the period:

There has been no such change.

B. Adoption of simplified accounting practices:

1. A physical inventory check has not occurred.

2. We have employed a simplified method of standards for accounting for such items as corporate tax.

C. Changes in accounting practices from previous fiscal year:

In accordance with the revision of the corporate tax law, we have changed the depreciation method for those tangible fixed assets acquired after April 1, 2007 to the method based on the revised corporate tax law. Impact of this change to the profit and loss has been negligible.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen,%)

Account	Previous First Quarter as at Jun.30, 2006	First Quarter as at Jun. 30, 2007	Change from Previous First Quarter		(Reference) Previous Fiscal Year as at Mar.31, 2007
	Amount	Amount	Amount	% Change	Amount
(Assets)					
I. Current Assets	93,634	92,557	(1,077)	(1.2)	86,371
Cash and time deposits	8,045	7,305	(740)	(9.2)	5,270
Notes and accounts receivable	37,404	32,356	(5,048)	(13.5)	31,950
Inventories	43,324	48,617	5,292	12.2	45,511
Others	4,985	4,403	(582)	(11.7)	3,764
Allowance for doubtful accounts	(125)	(124)	0	(0.5)	(125)
II. Fixed Assets	93,412	94,143	731	0.8	94,990
1. Tangible fixed assets	79,007	80,043	1035	1.3	80,152
Buildings and structures	15,107	15,425	318	2.1	15,608
Machinery, equipment and vehicles	8,249	9,671	1,421	17.2	9,725
Land	50,203	50,563	359	0.7	50,562
Others	5,446	4,383	(1,063)	(19.5)	4,256
2. Intangible fixed assets	992	933	(59)	(6.0)	986
3. Investment and other assets	13,411	13,167	(244)	(1.8)	13,851
Investment securities	8,896	8,135	(760)	(8.6)	8,823
Others	5,172	5,723	550	10.6	5,719
Allowance for doubtful accounts	(657)	(691)	(34)	5.2	(691)
Total Assets	187,047	186,701	(345)	(0.2)	181,362

(Millions of yen,%)

Account	Previous First Quarter as at Jun.30, 2006	First Quarter as at Jun. 30, 2007	Change from Previous First Quarter		(Reference) Previous Fiscal Year as at Mar.31, 2007
	Amount	Amount	Amount	% Change	Amount
(Liabilities)					
I. Current Liabilities	97,687	91,038	(6,649)	(6.8)	83,026
Notes and accounts payable, trade	40,222	38,904	(1,318)	(3.3)	42,352
Short-term borrowings	30,664	35,629	4,964	16.2	24,150
Bonds (due within one year)	40	200	160	400.0	140
Long-term debt (due within one year)	18,571	7,834	(10,736)	(57.8)	7,525
Others	8,188	8,469	280	3.4	8,858
II. Long-term Liabilities	33,458	40,731	7,273	21.7	42,612
Bonds	8,115	7,965	(150)	(1.8)	8,045
Long-term debt	8,655	17,146	8,491	98.1	18,455
Deferred tax liability from land revaluation gain	7,595	7,595	—	—	7,595
Accrued retirement benefits for employees	4,927	5,073	146	3.0	5,185
Others	4,165	2,951	(1,213)	(29.1)	3,330
Total Liabilities	131,145	131,769	623	0.5	125,638
(Net Assets)					
I. Shareholders' equity	41,153	40,546	(607)	(1.5)	40,985
Common stock	22,784	22,784	—	—	22,784
Capital surplus	12,815	12,815	—	—	12,815
Retained earnings	5,710	5,109	(600)	(10.5)	5,548
Treasury stock	(156)	(163)	(6)	4.4	(163)
II. Difference of appreciation and conversion	13,193	12,800	(393)	(3.0)	13,153
Net unrealized holding gain on securities	2,650	2,244	(405)	(15.3)	2,598
Land revaluation reserve	10,527	10,527	—	—	10,527
Foreign currency translation adjustments	15	28	12	82.0	28
III. Minority interests in Consolidated Subsidiaries	1,554	1,585	31	2.0	1,585
Total Net Assets	55,901	54,931	(969)	(1.7)	55,724
Total Liabilities and Net Assets	187,047	186,701	(345)	(0.2)	181,362

Consolidated Statements of Income

(Millions of yen,%)

Account	Previous Period Apr.1, 2006 - Jun.30, 2006	Three Months Apr.1, 2007 - Jun.30, 2007	Change from Previous Period		(Reference) Previous Fiscal Year Apr.1, 2006 - Mar.31, 2007
	Amount	Amount	Amount	% Change	Amount
I. Net Sales	33,661	29,942	(3,719)	(11.0)	153,728
II. Cost of Sales	22,470	19,968	(2,501)	(11.1)	105,309
Gross Profit	11,191	9,973	(1,217)	(10.9)	48,419
III. Selling, General and Administrative Expenses	10,777	10,619	(158)	(1.5)	46,175
Operating Income	413	(645)	(1,058)	—	2,243
IV. Non-operating Income	324	520	196	60.5	1,509
Interest and dividend income	92	92	0	0.5	358
Others	232	428	195	84.3	1,150
V. Non-operating Expenses	395	381	(13)	(3.5)	2,476
Interest expenses	263	286	23	8.8	1,135
Others	132	95	(36)	(27.9)	1,341
Ordinary Income	342	(506)	(849)	—	1,276
VI. Extraordinary Gains	5	758	753	—	44
Gain on sale or disposal of property, plant and equipment	3	15	11	315.3	44
Gain on sale of investment securities	—	713	713	—	—
Others	2	29	27	—	—
VII Extraordinary Losses	46	1,006	959	—	513
Loss on sale or disposal of property, plant and equipment	42	45	2	6.8	312
Impairment loss	—	—	—	—	25
Transfer to allowance for doubtful accounts	—	—	—	—	119
Special retirement benefit	—	920	920	—	—
Others	4	40	36	883.0	55
Income before income taxes and minority interests	301	(745)	(1,055)	—	807
Income taxes	119	(320)	(439)	—	753
Minority interests in consolidated subsidiaries	0	3	2	308.3	35
Net Income	180	(438)	(618)	—	18

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

Consolidated Statements of Cash Flows

(Millions of yen)

Account	Previous Period Apr.1, 2006 - Jun.30, 2006	Three Months Apr.1, 2007 - Jun.30, 2007	(Reference) Previous Fiscal Year Apr.1, 2006 - Mar.31, 2007
Description	Amount	Amount	Amount
I. Cash Flows from Operating Activities			
Income before income taxes and minority interests	301	(754)	807
Depreciation and amortization	904	1,041	3,708
Impairment loss	—	—	25
Interest and dividend income	(92)	(92)	(358)
Interest expenses	237	257	1,015
Decrease(increase) in notes and accounts receivable	(2,661)	(405)	2,896
Decrease(increase) in inventories	(3,525)	(3,106)	(5,594)
Increase (decrease) in notes and accounts payable	(1,399)	(3,448)	748
Others	(999)	(288)	(661)
Sub-total	(7,234)	(6,795)	2,587
Interest and dividends received	90	94	356
Interest paid	(263)	(292)	(1,025)
Income taxes paid	(1,087)	(420)	(1,591)
Refunded income taxes	—	—	575
Net cash provided by (used in) operating activities	(8,496)	(7,415)	902
II. Cash Flows from Investing Activities			
Sales(purchases) of securities	20	379	23
Sales(purchases) of property, plant and equipment	(821)	(1,427)	(4,701)
Purchase of shares of subsidiaries which changes scope of consolidation	—	—	(276)
Net decrease in time deposits	(253)	(201)	96
Others	315	23	140
Net cash provided by (used in) investing activities	(739)	(1,225)	(4,718)
III. Cash Flows from Financing Activities			
Net increase(decrease) in borrowings	10,810	10,478	2,998
Net proceeds from issuance and redemption of bonds	(80)	(20)	(100)
Payments for acquisition/sale of treasury stock	(2)	(0)	(8)
Payment dividends	(677)	—	(677)
Others	(3)	(3)	(3)
Net cash (used in) provided by financing activities	10,047	10,454	2,207
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	9	19	3
V. Net Increase (Decrease) in Cash and Cash Equivalents	820	1,832	(1,604)
VI. Cash and Cash Equivalents at Beginning of the Period	6,589	4,985	6,589
VII. Cash and Cash Equivalents at the End of the Period	7,410	6,818	4,985

August 9, 2007

ISEKI & CO., LTD.

Supplementary Information for the Three Months of Financial Results

(Apr.1st, 2007 — Jun.30, 2007)

I. Three Months Consolidated Business Results

(Billions of yen,%)

	1 st Quarter-	1 st Quarter-	Variance		1 st Quarter	Variance
	Last	This	Amount	%	Plan	Amount
	Fiscal Year	Fiscal Year				
Net Sales	33.6	29.9	(3.7)	(11.0)	30.4	(0.5)
Domestic	29.4	26.4	(3.0)	(10.2)	26.7	(0.3)
Overseas	4.2	3.5	(0.7)	(16.9)	3.7	(0.2)
Gross Profit on Sales	11.2	9.9	(1.3)	—	9.8	0.1
Gross Profit Margin	33.3%	33.3%	—	—	32.3%	1.0%
Selling, General and Administrative Expenses	10.8	10.6	(0.2)	—	10.8	(0.2)
Operating Income	0.4	(0.7)	(1.1)	—	(1.0)	0.3
Balance of Financial Income	(0.3)	(0.3)	—	—	(0.3)	—
Other Non-operating Income	0.2	(0.5)	0.3	—	0.2	0.3
Ordinary Income	0.3	(0.5)	(0.8)	—	(1.1)	0.6
Extraordinary Gains	—	0.8	0.8	—	1.5	(0.7)
Extraordinary Losses	—	(1.0)	(1.0)	—	(1.5)	0.5
Income Before Income Taxes and Minority Interests	0.3	(0.7)	(1.0)	—	(1.1)	0.4
Income taxes	(0.1)	0.3	0.4	—	0.3	—
Net Income	0.2	(0.4)	(0.6)	—	(0.8)	0.4

1) Comparison with the same period of the previous year

A. Net Sales: Net sales for the first quarter FY2008 declined by ¥3.7 billion (down 11.0%) compared to the same period for the previous year.

- Domestic sales declined by ¥3.0 billion centering on agricultural machinery due to inactive trend of the agricultural machinery market.
- Overseas sales declined ¥0.7 billion as a whole mainly due to inventory adjustments by the OEM partner in North America, while sales in Europe remained robust.

B. Operating Income:

Operating income decreased ¥1.1 billion compared to the same period of the previous year.

Ordinary income:

Ordinary income decreased ¥0.8 billion compared to the same period of the previous year.

Operating income decreased ¥1.1 billion mainly due a decrease in gross profits from reduced sales.

- Degree of decreased ordinary income was smaller due to increased non-operating incomes such as foreign-exchange gains.
- C. Quarterly Net Income : Net Income decreased ¥ 0.6 billion compared to the same period of the previous year
- Net Income decreased ¥ 0.6 billion due to appropriation of special loss for recruitment of voluntary retirees ¥ 0.9 billion and gain on sales of securities.

2) Comparison with the plan

A. Net sales

Domestic, as well as overseas sales will be more or less in line with planned figures.

B. Operating Income ~ Quarterly Net Income

To start with the operating income, income at each level will exceed planned figures due to improved gross profit margins mainly from effects of cost reduction as well as reduced selling and administrative expenses.

(Sales Breakdown)

	1 st Quarter- Last Fiscal Year	1 st Quarter- This Fiscal Year	Variance	(Billions of yen)	
				1 st Quarter Plan	Variance Amount
Agricultural Machinery	16.2	13.9	(2.3)	14.1	(0.2)
Parts & Farming Implements	5.9	5.5	(0.4)	5.5	—
Construction of Agricultural Facilities	0.3	0.3	—	0.3	—
Others	7.0	6.7	(0.3)	6.8	(0.1)
Domestic Sales Total	29.4	26.4	(3.0)	26.7	(0.3)
North America	1.4	0.3	(1.1)	0.5	(0.2)
Europe	2.0	2.4	0.4	2.3	+0.1
Asia	0.3	0.4	0.1	0.5	(0.1)
China	0.1	0.0	(0.1)	0.1	(0.1)
Australia and others	0.1	0.1	—	0.1	—
Total Product Sales	3.9	3.2	(0.7)	3.5	(0.3)
Parts	0.2	0.2	—	0.2	—
Others	0.1	0.1	—	—	+0.1
Overseas Sales Total	4.2	3.5	(0.7)	3.7	(0.2)
Total	33.6	29.9	(3.7)	30.4	(0.5)

II. Performance forecast for the fiscal year ending March 31, 2008.

The interim and annual business performance forecast for the fiscal year ending March 31, 2008 (April 1, 2007 – March 31, 2008) announced on May 31, 2007 will be revised as follows.

A. Forecasts of consolidated interim business performance.

	(Consolidated)		(Billions of yen, %)			
	Previous forecast	Latest forecast	Variance		Actual results from previous fiscal year	Variance from latest forecast
			Amount	%		
Net Sales	74.9	72.0	(2.9)	(3.9)	76.2	(4.2)
Operating Income	1.0	1.0	-	-	2.4	(1.4)
Ordinary Income	0.8	0.8	-	-	2.3	(1.5)
Net Income	0.1	0.1	-	-	1.2	(1.1)

	(Non-consolidated)		(Billions of yen, %)			
	Previous forecast	Latest forecast	Variance		Actual results from previous fiscal year	Variance from latest forecast
			Amount	%		
Net Sales	43.0	41.0	(2.0)	(4.7)	47.8	(6.8)
Operating Income	0.4	0.4	-	-	1.6	(1.2)
Ordinary Income	0.5	0.5	-	-	2.0	(1.5)
Net Income	0.3	0.3	-	-	1.0	(0.7)

B. Forecast of consolidated annual business performances.

	(Consolidated)		(Billions of yen, %)			
	Previous forecast	Latest forecast	Variance		Actual results from previous fiscal year	Variance from latest forecast
			Amount	%		
Net Sales	157.0	154.0	(3.0)	(1.9)	153.7	0.3
Operating Income	3.0	3.0	-	-	2.2	0.8
Ordinary Income	2.3	2.3	-	-	1.3	1.0
Net Income	0.8	0.8	-	-	0	0.8

(Non-consolidated)

(Billions of yen, %)

	Previous forecast	Latest forecast	Variance		Actual results from previous fiscal year	Variance from latest forecast
			Amount	%		
Net Sales	89.0	87.0	(2.0)	(2.2)	90.8	(3.8)
Operating Income	0.6	0.6	-		0.7	(0.1)
Ordinary Income	0.8	0.8	-		0.8	-
Net Income	0.5	0.5	-		(4.8)	5.3

C. Reasons for revision.

1). Net sales.

In view of the situation of the domestic agricultural machinery market, consolidated and non-consolidated net sales will be reduced as stated above.

2). Operating income- Net income.

We expect to compensate for declined gross profits due to reduced sales, mainly by cost reduction.