




November 11, 2010

Name of listed company:	ISEKI & CO., LTD.		Stock Exchange Listing:	Tokyo
Company Code:	6310	(URL <a href="http://www.iseki.co.jp">http://www.iseki.co.jp</a> )	Head Office:	Tokyo
Representative:	Title	President	Name	Seiichiro Gamo
Enquiries:	Title	General Manager of Finance	Name	Hiroshi Yunoki
			Telephone:	+81 3 5604 7671
Date of Submission of Quarterly Report				November 11, 2010
Scheduled Date to Commence Dividend Payment				-
Preparation of supplementary information for quarterly financial informatic		Yes		
Holding of quarterly financial results briefing			Yes	(For institutional investors, analysts)

## Summary Announcement of Consolidated Financial Results for the Six Months Ended September 30, 2010

### I. Financial Results for the Six Months Ended September 30, 2010 (April 1, 2010 – September 30, 2010)

#### A. Results of operations

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

	Six Months Ended September 30, 2010	%	Six Months Ended September 30, 2009	%
Net Sales	75,420	8.2	69,726	(9.5)
Operating Income	2,291	(9.4)	2,528	108.2
Ordinary Income	1,763	(19.7)	2,197	95.1
Net Income	71	(95.5)	1,597	131.3
Net Income per Share (yen)				
Non-diluted	0.31		7.06	
Fully Diluted	-		6.95	

#### B. Financial Position

(Rounded down to millions of yen)

	September 30, 2010	March 31, 2010
Total Assets	168,351	171,044
Net Assets	55,419	55,604
Shareholders' Equity to Total Assets Ratio	32.0%	31.6%
Net Assets per Share (yen)	234.67	235.46

Notes: Shareholders' equity:

Second Quarter of FY Mar. 2011 ¥53,924 mil. FY ended Mar. 2010 ¥54,109mil.

### II. Dividends

(Recorded date)	Dividend per share (Yen)				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
FY ended March 2010	-	-	-	0.00	0.00
FY ending March 2011	-	-	-	-	-
FY ending March 2011 (forecast)	-	-	-	-	-

(Note) Revision of dividend forecast during the second quarter of FY ending March 2011: None

As we have yet to determine the specific expected dividend amount, forecasts for the fiscal year-end and full year are indicated with a dash.

(Please refer to “Statement regarding proper use of financial performance forecasts and other notes”)

### III. Forecast for the Fiscal Year Ending March 31, 2011 (April 1, 2010 – March 31, 2011)

(Rounded down to millions of yen, % represents comparison with previous year for the full year performance)

	Net sales	%	Operating income	%	Ordinary Income	%	Net income	%	Net income per share (yen)
Annual	151,000	1.1	3,500	(22.5)	2,300	(37.1)	100	(95.7)	0.44

(Note) Revision of performance forecast during the second quarter of FY ending March 2011: Yes

### IV. Others (Please refer to page 6 of the attached document [2. Other Information] for detail)

A. Change in important subsidiaries during the period: None.

(Note) Existence or nonexistence of change in specified subsidiaries which accompanies a change in the range of consolidation.

B. Adoption of simplified accounting method and unique accounting method: Yes

(Note) Existence or nonexistence of adoption of simplified method in accounting method and unique accounting method for quarterly financial statements.

C. Change in principle, procedure and method of statement of accounting procedures

1) Change which accompanies revision of accounting standards: Yes

2) Change other than No.1. : None

(Note) Existence or nonexistence of change in principle, procedure and method of statement of accounting procedures for preparation of quarterly financial statements as stated in “Changes in Basic Important Matters for Preparing Quarterly Financial Statements”.

D. Outstanding shares (Common shares)

1) Outstanding shares as of the end of the period (Including treasury shares)

Second quarter of FY ending March 31, 2011 229,849,936 shares

FY ended March 31, 2010 229,849,936 shares

2) Outstanding treasury shares as of the end of the period

Second quarter of FY ending March 31, 2011 58,734 shares

FY ended March 31, 2010 44,223 shares

3) Average number of shares during the period (Quarterly consolidated cumulative period)

Second quarter of FY ending March 31, 2011 229,799,472 shares

Second quarter of FY ended March 31, 2010 226,436,219 shares

\* Statement regarding state of implementation of quarterly review procedure

While these quarterly financial results are exempted from the requirement of quarterly review procedure under the Financial Instruments and Exchange Act, we have completed the review procedure of the quarterly financial statements.

\* Statement regarding proper use of financial performance forecasts and other notes.

- The forecast for operating results has been produced based on information presently available and certain assumptions deemed reasonable. It is possible that in future actual results may differ from the anticipated figures for a variety of reasons. For assumed conditions of the business performance forecast and adequate use of the forecast, please refer to page 5 of the attached document, [Qualitative information regarding quarterly consolidated financial results, etc], [3. Qualitative information regarding performance forecast].

- With respect to dividends, as we have yet to determine the specific expected dividend amount at this point in view of a prospect of continued uncertain business environment, we will make an announcement whenever disclosure of the specific amount is made possible.

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## 1. Qualitative Information regarding quarterly consolidated financial results, etc.

### (1) Qualitative information concerning the status of consolidated financial results

During the second quarter consolidated cumulative period under review, uncertainty in the Japanese economy remained due to the progression of sharp appreciation of the yen coupled with employment and consumer spending which persisted at low level, in spite of signs of a partial recovery.

Under the economic environment, ISEKI Group accomplished consolidated financial results as set out below.

In the second quarter consolidated cumulative period, sales increased ¥5.693 billion from the same period of the previous year, to ¥75.42 billion (up 8.2%). Domestic sales increased ¥4.514 billion to ¥66.281 billion (up 7.3%). Overseas sales increased ¥1.179 billion to ¥9.139 billion (up 14.8%). Operating income decreased ¥0.236 billion to ¥2.291 billion (down 9.4%), due to appreciated yen and increased SG&A expenses. Ordinary income decreased ¥0.433 billion to ¥1.763 billion (down 19.7%). Quarterly net income decreased ¥1.526 billion to ¥0.071 billion (down 95.5%).

Financial results by segment are as follows:

From the first quarter consolidated cumulative accounting period under review, by adoption of “Accounting standard for disclosures about segments of an enterprise and related information” (ASBJ Statement No.17, March 27, 2009) and “Guidance on accounting standard for disclosures about segments of an enterprise and related information (ASBJ Guidance No.20, March 21, 2008), we provided the segment information as “Agriculture related business” and “Other business”.

Comparison with the same quarter of the previous year is stated by having classified the figures in the second quarter consolidated cumulative period according to the new segments.

#### 1) Agriculture related business

Our sales in the domestic market increased due to increased sales in Jan.- Mar. related to the urgent machinery leasing support program which was implemented in the previous year, and increased facility construction. Overseas sales increased as well mainly due to recovery of orders received by the progress in an inventory adjustment of our OEM partner in North America, in spite of the effect of strong yen.

The trend of sales by product is as follows.

##### (Domestic)

Sales of machinery for soil preparation (tractors, tillers, etc.) were ¥15.983 billion (down 0.8% from the same period of the previous year), and sales of cultivating machinery (rice transplanters, vegetable transplanters) were ¥8.447 billion (up 3.3%). Sales of harvesting and processing machines (combine harvesters, etc.) were ¥7.703 billion (up 8.8%). Sales of spare parts and farming implements were ¥16.918 billion (up 9.6%). The other agriculture related sales (facility construction, etc.) were ¥17.152 billion (up 15.5%).

##### (Overseas)

Sales of machinery for soil preparation (tractors, etc.) were ¥5.841 billion (up 30.8% from the same period of the previous year), and sales of cultivating machinery (rice transplanters) were ¥1.843 billion (up 27.1%). Sales of harvesting and processing machines (combine harvesters, etc.) were ¥0.465 billion (down 54.5%). Sales of spare parts and farming implements were ¥0.5 billion (down 1.2%). The other agriculture related sales were ¥0.489 billion (down 4.8%).

As a result, the segment sales stood at ¥75.345billion.

## 2) Other business

As other business, we engage in development/sales/operation of computer software. The segment sales stood at ¥0.075 billion.

### **(2) Qualitative information concerning the shifts in consolidated financial position**

As of the end of the second quarter consolidated cumulative period, total assets decreased ¥2.693 billion from the previous period to ¥168.351 billion. The main items of assets were a ¥0.719 billion decrease in cash and cash equivalents, a ¥0.977 billion increase in notes and accounts receivable, a ¥1.885 billion decrease in commodity and products, and a ¥1.036 billion decrease in investment securities.

Total liabilities decreased ¥2.507 billion from the previous fiscal year end to ¥112.932 billion, mainly due to a ¥2.635 billion decrease in interest-bearing liabilities. Net assets decreased ¥0.185 billion from the previous fiscal year end to ¥55.419 billion. As a result, the equity ratio was 32.0%.

Cash and cash equivalents, at the end of the second quarter consolidated cumulative period, decreased ¥1.152 billion from the previous fiscal year end, to ¥5.461 billion.

(Cash flow from operating activities)

Cash flow from operating activities in the second quarter under review resulted in a net revenue of ¥4.555 billion (net revenue increased ¥5.329 billion from the same period last year), mainly due to a ¥1.5 billion decrease in inventory assets.

(Cash flow from investment activities)

Cash flow from investment activities in the second quarter under review resulted in a net expenditure of ¥3.246 billion (net expenditure increased ¥1.308 billion from the same period last year) mainly due to capital investment expenditure of ¥2.892 billion.

(Cash flow from financial activities)

Cash flow from financial activities in the second quarter under review resulted in a net expenditure of ¥2.543 billion (increased expenditure of ¥9.599 billion from the same period last year), mainly due to increase and decrease of interest-bearing liabilities.

### **(3) Qualitative information regarding performance forecast**

During the second quarter consolidated cumulative period under review, while we managed to achieve an increase in revenue from the same period last year, it was largely due to special situations such as the effect of the urgent machinery leasing program and the construction of facilities. The difficult situation continues, and there are concerns about the business environment surrounding the ISEKI Group such as slow economic recovery both inside and outside the country, the prolonged trend of strong yen and raw material prices which stay high. In view of the circumstances, we will endeavor to expand sales by aggressive promotion of sales activities to stimulate the activation of the market, with the introduction of the commemorative products of our 85<sup>th</sup> anniversary of start of business.

In view of the many uncertainties in forecasting our business performance, we revised the business performance forecast announced on May 14, 2010, in line with recent appreciation of yen and appropriation of evaluation loss on investment securities.

From the third quarter, regarding company foreign exchange rates, we assume ¥80 against the US dollar, a stronger yen rate by ¥10, and we continue to assume ¥110 against the Euro.

## 2. Other Information

### (1) Changes in important subsidiaries

There is no corresponding item.

### (2) Simplified accounting method and unique accounting method

#### 1) Calculation method of income taxes, deferred tax assets and deferred tax liabilities

Concerning calculation of payable tax of income taxes, we employ a method to limit add-subtract items and tax exemption items to important ones. With respect to evaluation of collectability of deferred tax assets, we rely on a method to use business performance forecast or tax planning used in the previous consolidated fiscal year in case no significant change is recognized in the managerial environment or situation to generate differences.

### (3) Changes in principle, procedure and method of statement of accounting procedures

#### 1) Application of the accounting standard for asset retirement obligations

From the first quarter consolidated cumulative period under review, we adopted the “Accounting Standards for Asset Retirement Obligations” (ASBJ Statement No.18, March 31, 2008) and the “Guidance on Accounting Standards for Asset Retirement Obligations” (ASBJ Guidance No.21, March 31, 2008).

Due to this application, during the second quarter cumulative period, both operating income and ordinary income were reduced by ¥4 million, and the quarterly net income before income taxes was reduced by ¥223 million.

## 3. Consolidated Quarterly Financial Statements

### (1) Consolidated Quarterly Balance Sheets

	(millions of yen)	
	FY2011	FY2010
	(as at Sep. 30, 2010)	(as at Mar. 31, 2010)
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and deposits	5,985	6,705
Notes and accounts receivable-trade	30,297	29,320
Short-term investment securities	19	19
Merchandise and finished goods	35,250	37,136
Work in progress	3,323	3,219
Raw materials and supplies	1,395	1,114
Other	2,676	3,319
Allowance for doubtful accounts	(87)	(74)
<b>Total Current Assets</b>	<b>78,862</b>	<b>80,761</b>
<b>Noncurrent Assets:</b>		
Property, plant and equipment		
Buildings and structures, net	14,730	14,835
Land	50,213	50,190
Others, net	14,987	14,672
Total property, plant and equipment	79,931	79,697
Intangible fixed assets	891	883
Investments and other assets		
Investment securities	4,236	5,272
Other	4,869	4,884
Allowance for doubtful accounts	(439)	(455)
Total investment and other assets	8,666	9,702
<b>Total Noncurrent Assets</b>	<b>89,489</b>	<b>90,283</b>
<b>Total Assets</b>	<b>168,351</b>	<b>171,044</b>

(millions of yen)

	FY2011 (as at Sep.30, 2010)	FY2010 (as at Mar. 31, 2010)
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Notes and accounts payable-trade	42,140	41,773
Short-term loans payable	18,771	15,846
Current portion of bonds	40	1,060
Current portion of long-term loans payable	13,057	13,376
Accrued consumption taxes	771	753
Provision for bonuses	699	416
Other	7,633	8,543
<b>Total Current Liabilities</b>	<b>83,113</b>	<b>81,770</b>
<b>Noncurrent Liabilities:</b>		
Bonds payable	100	-
Long-term loans payable	11,638	15,958
Deferred tax liabilities for land revaluation	7,595	7,595
Provision for retirement benefits	5,256	5,084
Provision for directors' retirement benefits	124	155
Asset retirement obligations	284	-
Other	4,819	4,875
<b>Total Noncurrent liabilities</b>	<b>29,819</b>	<b>33,669</b>
<b>Total Liabilities</b>	<b>112,932</b>	<b>115,439</b>
<b>Net Assets</b>		
Shareholders' equity		
Capital stock	23,344	23,344
Capital surplus	13,454	13,454
Retained earnings	6,148	6,076
Treasury stock	(16)	(13)
<b>Total Shareholders' Equity</b>	<b>42,930</b>	<b>42,862</b>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	153	385
Revaluation reserve for land	10,869	10,869
Foreign currency translation adjustments	(28)	(7)
<b>Total Valuation and Translation Adjustment</b>	<b>10,994</b>	<b>11,247</b>
Minority interests	1,494	1,494
<b>Total Net Assets</b>	<b>55,419</b>	<b>55,604</b>
<b>Total Liabilities and Net Assets</b>	<b>168,351</b>	<b>171,044</b>

**(2) Consolidated Quarterly Statements of Income**

(Second Quarter Consolidated Cumulative Period)

(millions of yen)

	FY2010 (Apr.1,2009-Sep.30, 2009)	FY2011 (Apr.1,2010-Sep.30, 2010)
Net sales	69,726	75,420
Cost of sales	46,194	51,648
Gross profit	23,532	23,771
Selling, general and administrative expenses	21,004	21,480
Operating income	2,528	2,291
Non-operating income		
Interest received	78	84
Dividend received	76	72
Other	326	381
Total non-operating income	480	538
Non-operating expenses		
Interest expenses	522	460
Foreign exchange losses	19	327
Other	270	277
Total non-operating expenses	811	1,066
Ordinary income	2,197	1,763
Extraordinary income		
Gain on sales of noncurrent assets	37	45
Total extraordinary income	37	45
Extraordinary losses		
Loss on sales of retirement of noncurrent assets	73	96
Loss on valuation of investment securities	18	662
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	218
Cost of measures for product recall	43	1
Other	4	5
Total extraordinary losses	139	984
Income before income taxes	2,094	823
Income taxes-current	524	691
Income taxes-deferred	(37)	59
Total income taxes	487	750
Income before minority interests	-	72
Minority interests in income	9	1
<b>Net income</b>	<b>1,597</b>	<b>71</b>



**(3) Consolidated Quarterly Statements of Cash Flows**

	FY2010 (Apr.1,2009-Sep.30, 2009)	FY2011 (Apr.1,2010-Sep.30, 2010)
<b>Net Cash Provided by (Used in) Operating Activities:</b>		
Income before income taxes	2,094	823
Depreciation and amortization	2,451	2,700
Increase (decrease) in provision for retirement benefits	212	172
Interest and dividend income	(154)	(156)
Interest expenses	522	460
Foreign exchange losses (gains)	(17)	(108)
Loss (gain) on sales of property, plant and equipment and intangible assets	36	51
Decrease(increase) in notes and accounts receivable-trade	(269)	(977)
Decrease(increase) in inventories	(1,358)	1,500
Increase(decrease) in notes and accounts payable-trade	(3,975)	367
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	218
Other	243	348
Subtotal	(213)	5,401
Interest and dividends income received	158	157
Interest expenses paid	(509)	(467)
Income taxes paid	(633)	(654)
Income taxes refund	424	118
Net cash provided by (used in) operating activities	(774)	4,555
<b>Net Cash Provided by (Used in) Investment Activities:</b>		
Purchase of short-term investment securities	(19)	(19)
Proceeds from sales of short-term investment securities	149	19
Purchase of property, plant and equipment and intangible assets	(2,058)	(2,892)
Proceeds from sales of property, plant and equipment and intangible assets	182	140
Purchase of investment securities	(0)	(1)
Proceeds from sales of investment securities	-	0
Decrease (increase) in time deposits	(158)	(433)
Other	(32)	(61)
Net cash provided by (used in) investment activities	(1,938)	(3,246)
<b>Net Cash provided by (Used in) Financing Activities:</b>		
Increase (decrease) in short-term loans payable, net	(2)	2,934
Proceeds from long-term loans payable	12,210	2,365
Repayments of long-term loans payable	(5,292)	(7,004)
Proceeds from issuance of bonds	-	100
Redemption of bonds	(20)	(1,020)
Proceeds from sale and leaseback transactions	442	659
Repayments of lease obligations	(256)	(565)
Purchases of treasury stock	(14)	(3)
Other	(9)	(9)
Net cash provided by (used in) financing activities	7,056	(2,543)
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	41	82
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	4,384	(1,152)
<b>Cash and Cash Equivalents at beginning of period</b>	5,609	6,614
<b>Cash and Cash Equivalents at end of period</b>	9,994	5,461

#### (4) Note on going concern premises

There is no corresponding item.

#### (5) Segment information

(Additional information)

From the first quarter consolidated cumulative accounting period under review, we adopted the “Accounting standards for disclosure about segments of an enterprise and related information” (ASBJ Statement No.17, March 27, 2009) and the “Guidance on accounting standards for disclosure about segments of an enterprise and related information” (ASBJ Guidance No.20, March 21, 2008).

##### 1. Outline of reportable segments

“Reportable segments of our Company” refers to constitutional units of its business for which separated financial information is made available, which are subject to periodic review by the board of directors in order to determine allocation of the managerial resources as well as evaluation of the business performance.

Our business by products/services consists of two reportable segments, namely “Agriculture related business” which is the core of our business, and “Other business” which attends rest of the business.

“Agriculture related business” dedicates to manufacturing and sales of agricultural machinery, as well as business related to agriculture/agricultural products including construction/sales of agriculture related facilities and revenue from the use of rice polishing machines. “Other business” is the information processing service business which attends development/sales/operation of computer software.

##### 2. Information related to the amount of sales, income or loss by reportable segments

Second quarter consolidated cumulative period under review (April 1, 2010 – September 30, 2010)

(million of yen)

	Agriculture related	Other	Total	Adjustment amount	Quarterly consolidated income statement posted amount
Net sales					
Net sales to external customers	75,345	75	75,420	-	75,420
Internal sales or transfer among segments	0	67	67	(67)	-
Total	75,345	142	75,487	(67)	75,420
Segment income (loss)	75	(3)	71	-	71

(Note)

1. Adjustment amount corresponds to elimination of inter-segments transactions
2. Segment income (loss) has been adjusted with the quarterly net income in the quarterly consolidated income statement.

#### (6) Note in case there is a substantial change in the amount of shareholders' equity

There is no corresponding item.