November 7, 2014

Name of Listed Company:	ISEKI & CO., LTD.	Stock Exchange Listing:	Tokyo
Company Code:	6310 (URL http://www.iseki.co.jp)		
Representative: Title	President	Name	Noriyuki Kimura
Enquiries: Title	General Manager of Financial Department	Name	Kazuma Takahashi
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Date of Submission of Quarterly Report: November 7, 2014
Scheduled Date to Commence Dividend Payment: —
Supplementary Information for Quarterly Financial Results: Yes
Quarterly Financial Results Briefing: Yes (for institutional investors and analysts)

Summary Announcement of Consolidated Financial Results for the Six Months Ended September 30, 2014 (Japanese GAAP)

I. Financial Results for the Six Months Ended September 30, 2014 (April 1, 2014–September 30, 2014)

A. Results of Operations

(Rounded down to a million yen, % indicates change from the previous period)

	Six Months Ended September 30, 2014	%	Six Months Ended September 30, 2013	%
Net Sales	82,450	(0.1)	82,496	2.6
Operating Income	1,048	(74.8)	4,166	1.6
Ordinary Income	1,485	(69.6)	4,892	28.0
Net Income	1,341	(57.7)	3,168	4.4
Net Income per Share (yen)				
Non-diluted	5.84		13.79	
Fully Diluted	5.84		—	

Note: Comprehensive income
Six months ended September 30, 2014: ¥1,880 mil. (-56.1%)
Six months ended September 30, 2013: ¥4,284 mil. (85.4%)

B. Financial Position

(Rounded down to a million yen)

	As of September 30, 2014	As of March 31, 2014
Total Assets	195,374	197,628
Net Assets	68,950	68,734
Shareholders' Equity to Total Assets Ratio	34.4%	34.0%
Net Assets per Share (yen)	294.75	292.11

Reference: Shareholders' equity
As of September 30, 2014: ¥67,291 mil.
As of March 31, 2014: ¥67,106 mil.

II. Dividends

(Yen)

	Dividend per Share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
Year Ended March 31, 2014	—	—	—	4.00	4.00
Year Ending March 31, 2015	—	—			
Year Ending March 31, 2015 (Forecast)			—	3.00 to 4.00	3.00 to 4.00

Note: Revision of the most recently announced dividend forecast: None

III. Forecast for the Fiscal Year Ending March 31, 2015 (April 1, 2014–March 31, 2015)

(Rounded down to a million yen, % indicates change from the previous period)

	Net Sales	%	Operating Income	%	Ordinary Income	%	Net Income	%	Net Income per Share (yen)
Full Year	159,000	(6.0)	2,500	(66.1)	2,400	(71.0)	1,500	(76.7)	6.57

Note: Revision of the most recently announced performance forecast: Yes

*** Notes**

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

B. Adoption of unique accounting method for preparing the quarterly consolidated financial statements: None

C. Change in accounting policy, change in accounting estimates and restatements

1) Change in accounting policy which accompanies revision of accounting standards : Yes
2) Change in accounting policy other than 1): Yes
3) Change in accounting estimates: Yes
4) Restatements: None

The above corresponds to Paragraph 5, Article 10 of "Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements." For details, please refer to page 5 of the supplementary material, "2. Matters Concerning Summary Information (Notes) (2) Change in Accounting Policy, Change in Accounting Estimates and Restatements."

D. Outstanding shares (common shares)

1) Outstanding shares (including treasury shares)

As of September 30, 2014	229,849,936 shares
As of March 31, 2014	229,849,936 shares

2) Outstanding treasury shares

As of September 30, 2014	1,552,470 shares
As of March 31, 2014	117,254 shares

3) Average number of shares during the period

For the six months ended September 30, 2014	229,467,934 shares
For the six months ended September 30, 2013	229,744,741 shares

*** Statement regarding the implementation of the quarterly review procedure**

Although the summary of quarterly financial results is exempted from requiring the quarterly review procedure under the Financial Instruments and Exchange Act, we have completed the review procedure of the quarterly financial statements at the time of disclosure.

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

The forecast for operating results has been determined based on information presently available, as well as on the assumptions that the Company believes to be reasonable. It is possible that in the future, actual results may differ from the anticipated figures for a variety of reasons. Please refer to "1. Qualitative Information Regarding Financial Results for the Period" on page 2 of the supplementary material for the assumptions underlying the forecasts and precautions when using the forecasts.

Table of contents for supplementary material

1. Qualitative Information Regarding Financial Results for the Period

(1) Explanation Regarding Business Performance

During the first six months of the fiscal year ending March 31, 2015, the Japanese economy remained uncertain on the whole, with sluggish demand and the cautious economic stance of Japanese companies continuing under the lingering influence of the decline in demand following the last-minute surge before the consumption tax rate hike in April 2014.

In addition, the market environment of the ISEKI Group has continued to be unpredictable. For instance, the declining price of rice, which reflects the belief that there is a surplus of rice on the market in Japan, may affect farmers' motivation to buy our products.

Under these circumstances, the ISEKI Group has made efforts to secure sales volume through enhanced customer services in Japan and to expand sales mainly by launching new products for North America and Europe. As a result, consolidated business performance of the ISEKI Group can be summarized as follows.

For the first six months of the fiscal year ending March 31, 2015, net sales decreased ¥45 million year on year to ¥82,450 million (down 0.1%). Domestic net sales increased ¥2,059 million year on year to ¥71,470 million (up 3.0%). Although agricultural machinery sales were level with the same period of the previous year, the completed construction of a major facility contributed to the increase. Overseas, net sales decreased ¥2,105 million to ¥10,980 million (down 16.1%), reflecting a decrease in sales in China due to the deconsolidation of Iseki-Changzhou Mfg. Co., Ltd., which offsets a recovery in demand in Europe.

Operating income decreased ¥3,118 million to ¥1,048 million (down 74.8%) due to a decrease in gross profit from the domestic agricultural machinery market, an increase in selling, general and administrative expenses including personnel expenses, and the deconsolidation of Iseki-Changzhou Mfg. Co., Ltd. Ordinary income decreased ¥3,407 million to ¥1,485 million (down 69.6%), mainly due to a decrease in foreign exchange gains. Net income decreased ¥1,827 million to ¥1,341 million (down 57.7%) with negative goodwill resulting from the acquisition of stock of a European distributor in order to make it a subsidiary.

Sales by product are as follows.

(Domestic)

Sales of cultivating & mowing machinery (tractors, tillers, etc.) were ¥19,019 million (down 0.9% year on year), and sales of planting machinery (rice transplanters and vegetable transplanters) were ¥6,610 million (down 14.3%). Sales of harvesting and processing machinery (combine harvesters, etc.) were ¥8,851 million (up 15.7%). Sales of spare parts and farming implements were ¥18,201 million (down 2.1%). Other agriculture-related sales (construction of facilities, etc.) were ¥18,788 million (up 15.7%).

(Overseas)

Sales of cultivating & mowing machinery (tractors, etc.) were ¥9,024 million (up 22.6% year on year), and sales of planting machinery (rice transplanters, etc.) were ¥652 million (down 85.9%). Sales of harvesting and processing machinery (combine harvesters, etc.) were ¥256 million (up 22.6%). Sales of spare parts and farming implements were ¥680 million (up 20.1%). Other agriculture-related sales were ¥366 million (up 19.3%).

Furthermore, Iseki-Hokkaido Co., Ltd., a consolidated subsidiary of the Company, underwent an on-the-spot inspection by the Japan Fair Trade Commission on July 29, 2014, on suspicion of a violation of the Antimonopoly Act concerning the "construction of drying, processing and storage facilities for grains and facility equipment to be installed in the facilities that are ordered by agricultural cooperatives and local public bodies located in Hokkaido."

The Company and Iseki-Hokkaido Co., Ltd. will cooperate thoroughly with the Japan Fair Trade Commission.

(2) Explanation Regarding Financial Position

As of September 30, 2014, total assets decreased ¥2,253 million from the previous fiscal year-end to ¥195,374 million. In terms of assets, current assets decreased ¥10,711 million from the previous fiscal year-end and non-current assets increased ¥8,457 million. The changes mainly resulted from an ¥11,940 million decrease in notes and accounts receivable - trade, a ¥2,075 million increase in buildings and structures and a ¥4,518 million increase in other under investments and other assets. Total liabilities decreased ¥2,469 million from the previous fiscal year-end to ¥126,424 million, mainly as a result of a ¥4,257 million decrease in notes and accounts payable - trade, and a ¥1,762 million increase in short-term loans payable and long-term loans payable. Net assets increased ¥215 million from the previous fiscal year-end to ¥68,950 million mainly due to posting net income of ¥1,341 million and dividend of surplus of ¥918 million.

(3) Explanation Regarding Forward-looking Statements Including Consolidated Performance Forecast

During the first six months of the fiscal year ending March 31, 2015, although net sales remained on level with the same period of the previous year, operating income and ordinary income both decreased due mainly to a decrease in gross profit from the domestic agricultural machinery market and an increase in selling, general and administrative expenses, including personnel expenses.

The ISEKI Group will celebrate its 90th anniversary since its founding in 2015. In Japan, despite the negative impact of the declining price of rice, we will engage in further sales expansion efforts under the Group's slogan "Supporting the full of dreams farming industry," such as anniversary sales campaigns and promotional activities in line with the Group's motto "Gratitude and Support," the provision of high-quality marketing services and reinforcement of customer support capabilities to make proposals that match our customers' agribusiness management. We will also endeavor to expand overseas sales by releasing and promoting strategic products for the recovering European market as well as the North American and Chinese markets.

With respect to future prospects, we believe the ISEKI Group's business environment will continue to be unpredictable as the decline in demand following the last-minute surge before the consumption tax rate hike in April 2014 and the declining trend in the price of rice may continue to push down sales of domestic agricultural machinery.

In view of these circumstances, we have revised the consolidated business performance forecast for the fiscal year ending March 31, 2015 announced on May 14, 2014. Please refer to the "Notice on the differences between the forecast and business performance results for the first six months of the fiscal year ending March 31, 2015 and the revision of the full-year business performance forecast" released on November 7, 2014 for details concerning the revised figures.

The latest business performance forecast uses estimated foreign exchange rates of ¥106 per U.S. dollar and ¥135 per Euro (revised from ¥101 per U.S. dollar and ¥137 per Euro).

2. Matters Concerning Summary Information (Notes)

(1) Changes in Important Subsidiaries during the Period

Not applicable

(2) Change in Accounting Policy, Change in Accounting Estimates and Restatements

(Application of accounting standard, etc., for retirement benefits)

Effective from the first quarter of the fiscal year ending March 31, 2015, we have applied "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012. Hereafter the "Retirement Benefits Accounting Standard") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, May 17, 2012. Hereafter the "Retirement Benefits Guidance") in relation to provisions stipulated in the main clause of Paragraph 35 of the Retirement Benefits Accounting Standards and the main clause of Paragraph 67 of the Retirement Benefits Guidance; and we have reviewed the calculation method for retirement benefit obligations and service costs, having changed the method for attributing the estimated amount of retirement benefits from the straight-line method to the benefit formula basis, and we have also changed the method of determining the discount rate from the method based on approximate average remaining service years for employees to a method using the single weighted-average discount rate that reflects the estimated timing of retirement benefit payments and the amount of benefit payment for each estimated payment period.

With respect to the application of the Retirement Benefits Accounting Standard and Retirement Benefits Guidance, we adjusted the impact of the change in the calculation method for retirement benefit obligations and service costs with retained earnings at the beginning of the first six months of the fiscal year ending March 31, 2015, in accordance with the transitory treatment stipulated in Paragraph 37 of the Retirement Benefits Accounting Standard.

As a result, net defined benefit liability increased ¥554 million and retained earnings decreased ¥360 million at the beginning of the first six months of the fiscal year ending March 31, 2015. Furthermore, operating income, ordinary income and income before income taxes and minority interests decreased ¥15 million respectively.

(Change in the accounting policy that is difficult to distinguish from the change in accounting estimates)

Previously, the Company and its domestic consolidated subsidiaries applied the declining-balance method (however, the straight-line method was applied to tools and newly acquired buildings on and after April 1, 1998 (excluding facilities attached to buildings)) as the calculation method for the depreciation of property, plant and equipment (excluding leased assets), and the Company and its domestic consolidated subsidiaries changed to the straight-line method from the first quarter of the fiscal year ending March 31, 2015.

With respect to the business environment surrounding the ISEKI Group, while the shrinking of demand for agricultural machinery, mainly for replacements, has ceased in recent years, major changes in agriculture are expected in future, such as revisions of agricultural policy in Japan. On the other hand, expansion of the overseas market for agricultural machinery, especially in Asia, is expected, and we foresee that the global agricultural machinery market will continue to advance steadily.

Under the circumstances, and for further global expansion, we have decided to make major capital investments in state-of-the-art manufacturing facilities that excel as energy saving/multi-functional/all-purpose properties to improve domestic productivity, and investments in new overseas manufacturing/sales sites, along with structural cost reforms in response to drastic changes within and outside Japan. We have reexamined the calculation method for the depreciation of property, plant and equipment in light of the full-fledged operation of these facilities from the first quarter of the fiscal year ending March 31, 2015.

Responding to the constant change in demand for agricultural machinery and by building low-cost production systems, we have established a stable customer base in the domestic market. Furthermore, we have set up a globally oriented production system as a core plant to meet demand from growing Asian markets. As a result, we expect a stable long-term operation of production facilities, etc., which has led us to determine that the straight-line method to allocate expenses evenly over the useful life of facilities would reflect the business of the ISEKI Group more properly.

With this change, compared with the previous method, depreciation expenses decreased ¥368 million, operating income increased ¥364 million and ordinary income and income before income taxes and minority interests each increased ¥368 million.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY2014 (as of Mar. 31, 2014)	2Q FY2015 (as of Sep. 30, 2014)
Assets		
Current assets		
Cash and deposits	8,228	7,906
Notes and accounts receivable - trade	41,598	29,658
Merchandise and finished goods	36,889	40,003
Work in process	4,882	3,660
Raw materials and supplies	1,548	1,429
Other	4,739	4,549
Allowance for doubtful accounts	(107)	(139)
Total current assets	97,779	87,068
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,602	18,677
Land	51,015	51,035
Others, net	19,534	20,614
Total property, plant and equipment	87,152	90,326
Intangible assets	1,006	1,072
Investments and other assets		
Investment securities	7,269	7,973
Other	4,885	9,404
Allowance for doubtful accounts	(464)	(470)
Total investments and other assets	11,690	16,906
Total non-current assets	99,848	108,306
Total assets	197,628	195,374

(Millions of yen)

	FY2014 (as of Mar. 31, 2014)	2Q FY2015 (as of Sep. 30, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	47,536	43,279
Short-term loans payable	20,132	23,652
Current portion of long-term loans payable	6,387	5,976
Income taxes payable	1,788	1,650
Provision for bonuses	350	791
Provision for loss on construction contracts	33	—
Other	13,688	12,538
Total current liabilities	89,916	87,888
Non-current liabilities		
Long-term loans payable	17,870	16,523
Deferred tax liabilities for land revaluation	6,644	6,644
Provision for directors' retirement benefits	126	123
Net defined benefit liability	6,660	7,021
Asset retirement obligations	264	259
Other	7,411	7,962
Total non-current liabilities	38,977	38,535
Total liabilities	128,893	126,424
Net assets		
Shareholders' equity		
Capital stock	23,344	23,344
Capital surplus	13,454	13,454
Retained earnings	17,266	17,318
Treasury shares	(30)	(430)
Total shareholders' equity	54,034	53,687
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,338	1,856
Revaluation reserve for land	11,831	11,831
Foreign currency translation adjustment	1,170	657
Remeasurements of defined benefit plans	(1,269)	(741)
Total accumulated other comprehensive income	13,072	13,604
Subscription rights to shares	—	22
Minority interests	1,628	1,636
Total net assets	68,734	68,950
Total liabilities and net assets	197,628	195,374

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

For the Six Months Ended September 30, 2013 and 2014

(Millions of yen)

	Six Months of FY2014 (Apr. 1, 2013– Sep. 30, 2013)	Six Months of FY2015 (Apr. 1, 2014– Sep. 30, 2014)
Net sales	82,496	82,450
Cost of sales	56,691	58,883
Gross profit	25,805	23,567
Selling, general and administrative expenses	21,638	22,518
Operating income	4,166	1,048
Non-operating income		
Interest income	88	108
Dividend income	85	95
Foreign exchange gains	716	130
Other	520	628
Total non-operating income	1,411	962
Non-operating expenses		
Interest expenses	381	326
Other	303	198
Total non-operating expenses	685	525
Ordinary income	4,892	1,485
Extraordinary income		
Gain on sales of non-current assets	19	13
Gain on bargain purchase	—	794
Gain on change in equity	—	589
Compensation income	30	11
Gain on sales of investment securities	27	25
Total extraordinary income	76	1,435
Extraordinary losses		
Loss on sales and retirement of non-current assets	89	166
Other	0	8
Total extraordinary losses	90	175
Income before income taxes and minority interests	4,879	2,745
Income taxes - current	1,521	1,802
Income taxes - deferred	176	(414)
Total income taxes	1,697	1,387
Income before minority interests	3,181	1,357
Minority interests in income	12	16
Net income	3,168	1,341

Consolidated Statements of Comprehensive Income

For the Six Months Ended September 30, 2013 and 2014

(Millions of yen)

	Six Months of FY2014 (Apr. 1, 2013– Sep. 30, 2013)	Six Months of FY2015 (Apr. 1, 2014– Sep. 30, 2014)
Income before minority interests	3,181	1,357
Other comprehensive income		
Valuation difference on available-for-sale securities	548	512
Foreign currency translation adjustment	529	(466)
Remeasurements of defined benefit plans, net of tax	—	527
Share of other comprehensive income of entities accounted for using equity method	24	(51)
Total of other comprehensive income	1,103	522
Comprehensive income	4,284	1,880
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	4,263	1,872
Comprehensive income attributable to minority interests	20	7

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six Months of FY2014 (Apr. 1, 2013– Sep. 30, 2013)	Six Months of FY2015 (Apr. 1, 2014– Sep. 30, 2014)
Cash flows from operating activities		
Income before income taxes and minority interests	4,879	2,745
Depreciation	2,803	2,793
Gain on bargain purchase	—	(794)
Increase (decrease) in provision for retirement benefits	(139)	—
Increase (decrease) in net defined benefit liability	—	(293)
Interest and dividend income	(174)	(203)
Interest expenses	381	326
Foreign exchange losses (gains)	(97)	(15)
Loss (gain) on sales of property, plant and equipment and intangible assets	70	152
Loss (gain) on change in equity	—	(589)
Decrease (increase) in notes and accounts receivable - trade	(10,897)	13,660
Decrease (increase) in inventories	(1,347)	(5,202)
Increase (decrease) in notes and accounts payable - trade	2,629	(5,801)
Other, net	712	(1,533)
Subtotal	(1,178)	5,244
Interest and dividend income received	177	196
Interest expenses paid	(377)	(356)
Income taxes paid	(1,131)	(1,929)
Income taxes refund	152	—
Net cash provided by (used in) operating activities	(2,356)	3,155
Cash flows from investing activities		
Proceeds from sales of securities	19	—
Purchase of property, plant and equipment and intangible assets	(4,501)	(5,472)
Proceeds from sales of property, plant and equipment and intangible assets	233	21
Purchase of investment securities	(2)	(1)
Proceeds from sales of investment securities	48	109
Decrease (increase) in time deposits	(237)	(353)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	522
Payments for investments in capital of subsidiaries and associates	—	(543)
Other, net	62	(499)
Net cash provided by (used in) investing activities	(4,376)	(6,217)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	6,105	6,206
Proceeds from long-term loans payable	2,030	2,380
Repayments of long-term loans payable	(3,207)	(4,140)
Redemption of bonds	(100)	—
Proceeds from sales and leasebacks	669	739
Repayments of lease obligations	(944)	(1,038)
Purchase of treasury shares	(2)	(400)
Cash dividends paid	(680)	(909)
Other, net	(9)	(9)
Net cash provided by (used in) financing activities	3,860	2,828

(Millions of yen)

	Six Months of FY2014 (Apr. 1, 2013– Sep. 30, 2013)	Six Months of FY2015 (Apr. 1, 2014– Sep. 30, 2014)
Effect of exchange rate change on cash and cash equivalents	352	27
Net increase (decrease) in cash and cash equivalents	(2,520)	(205)
Cash and cash equivalents at beginning of period	9,040	8,169
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(469)
Cash and cash equivalents at end of period	6,519	7,494

(4) Notes Regarding Consolidated Financial Statements

(Notes Regarding the Going Concern Assumption)

Not applicable

(Notes Regarding Significant Changes in Shareholders' Equity)

Not applicable