

Financial Results
for the Fiscal Year Ended March, 2009
Investor Relations Presentation Materials

ISEKI & CO.,LTD.

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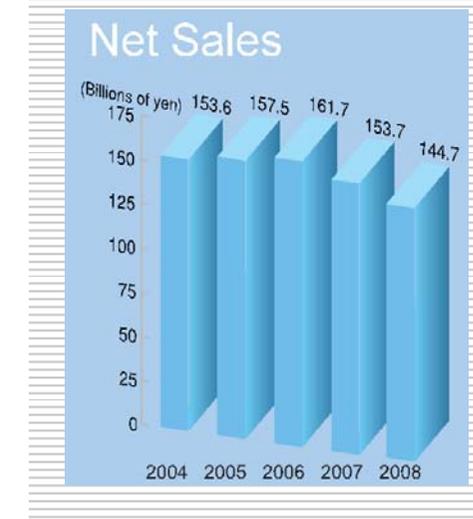
May 22, 2009

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1. Fiscal Year Ended March 2009

Outline of Financial Results



Outline of Financial Results

(JPY bn, %)

Item	08/Mar. Actual		09/Mar. Actual		Change	09/Mar. Forecast	Change
	Value	%	Value	%			
Net Sales	144.7	100.0	149.6	100.0	4.9	150.0	(0.4)
(Domestic)	122.7	84.8	126.5	84.6	3.8	127.0	(0.5)
(Overseas)	22.0	15.2	23.1	15.4	1.1	23.0	0.1
Gross Profit	45.1	31.2	45.9	30.7	0.8	46.5	(0.6)
S. G. & A. Expenses	44.4	30.7	44.3	29.6	(0.1)	45.0	(0.7)
Operating Income	0.7	0.5	1.6	1.1	0.9	1.5	0.1
Ordinary Income	0.0	0.0	0.8	0.5	0.8	0.2	0.6
Net Income	(1.5)	(1.0)	0.0	0.0	1.5	(0.6)	0.6

※ Actual average forex rate for FY09/Mar.: \$1=¥ 100; 1Euro=¥ 140

Breakdown of Domestic Sales

(JPY bn)

	08/Mar.	09/Mar.	Change		09/Mar. Forecast	Change	
	Actual	Actual		Notes			Notes
Cultivating & Mowing Machinery	26.9	27.5	0.6	Tractors: +0.3			
Planting Machinery	11.5	13.3	1.8	Rice Transplanters : + 1.8			
Harvesting & Processing Machinery	24.2	25.3	1.1	Combine Harvesters : + 0.4			
Agricultural Machinery Total	62.6	66.1	3.5		65.8	0.3	
Parts & Farming Implements	27.9	29.5	1.6	Farming implements: +1.3	29.3	0.2	
Construction of Facilities	4.0	4.0	-		4.0	-	
Agricultural Machinery Related Business (*1)	17.6	17.7	0.1		18.3	(0.6)	
Others (*2)	10.6	9.2	(1.4)	OEM Construction Machinery:(0.5)	9.6	(0.4)	
Total	122.7	126.5	3.8		127.0	(0.5)	

*1 Repair fee, agricultural materials, etc. *2 Revenue from coin-operated rice polishing machines and other items.

Breakdown of Overseas Sales

(JPY bn)

Item	08/Mar. Actual	09/Mar. Actual	Change	Notes	09/Mar. Plan	Change
North America	5.4	6.5	1.1	Solid sales of tractors in the 1st half.	6.5	-
Europe	10.6	9.4	(1.2)		9.2	0.2
Asia	3.9	4.2	0.3		4.3	(0.1)
(China)*	1.3	1.9	0.6	Solid sales of rice transplanters and combine harvesters	2.0	(0.1)
Oceania	0.5	0.9	0.4	Solid sales of tractors in the 1st half.	0.9	-
Products Total	20.4	21.0	0.6		20.9	0.1
Parts & Others	1.6	2.1	0.5	Engine : +0.5	2.1	-
Total	22.0	23.1	1.1		23.0	0.1

*Sales for China are actual results (Jan.-Dec.)

Operating Income

(JPY bn, %)

Item	08/Mar. Actual		09/Mar. Actual		Change	09/Mar. Forecast	Change
	Value	%	Value	%			
Net Sales	144.7	100.0	149.6	100.0	4.9	150.0	(0.4)
Cost of G. S.	99.6	68.8	103.7	69.3	4.1	103.5	0.2
Gross Profit	45.1	31.2	45.9	30.7	0.8	46.5	(0.6)
S. G. & A. Expenses	44.4	30.7	44.3	29.6	(0.1)	45.0	(0.7)
Operating Income	0.7	0.5	1.6	1.1	0.9	1.5	0.1

* Compared with the same period of previous year

[Factors to increase profit]

- Increased gross income by increased revenue : +1.6
- Price raise of products : +1.4
- Reduced fixed cost burden by increased revenue : +0.7
- Restructuring result : +0.5
- Others (S.G.&A. expenses, etc.) : +0.7

[Factors to decrease profit]

- Raised raw material price : (1.9)
- Forex loss : (1.2)
- Change in inventory valuation method (profit ratio) : (0.4)
- Effect of inventory asset valuation method (lower cost) : (0.5)

Ordinary Income and Net Income

(JPY bn)

Item	08/Mar. Actual	09/Mar. Actual	Change	09/Mar. Forecast	Change
Operating Income	0.7	1.6	0.9	1.5	0.1
Net Financial Income	(1.2)	(1.1)	0.1	(1.2)	0.1
Other Non-operating Income	0.5	0.3	(0.2)	(0.1)	0.4
Ordinary Income	0.0	0.8	0.8	0.2	0.6
Extraordinary Gains	1.5	0.6	(0.9)	0.6	-
Extraordinary Losses	(2.0)	(0.9)	1.1	(0.8)	(0.1)
Income before Income Taxes	(0.5)	0.5	1.0	0.0	0.5
Taxes, Deferred Taxes	(1.0)	(0.5)	0.5	(0.6)	0.1
Net Income	(1.5)	0.0	1.5	(0.6)	0.6

* Factors of YoY change

[Non-operating income]	Amortization loss of negative good will, etc.	: (0.2)
[Extraordinary Gains]	Gain on sale of investment securities, etc.	: (0.9)
[Extraordinary Losses]	Special loss for voluntary retirees, etc.	: +1.1
[Taxes, Deferred Taxes]	Reversal of deferred tax asset, etc.	: +0.5

Balance Sheet

(JPY bn)

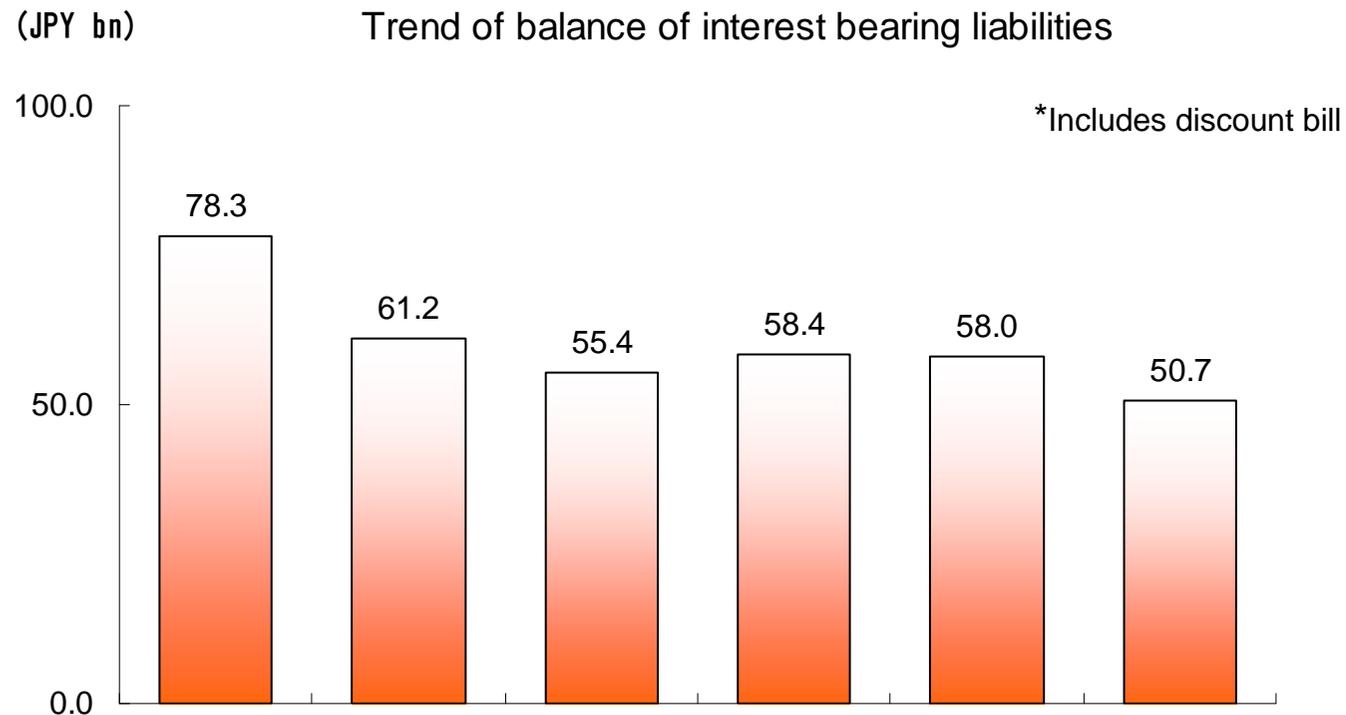
Item	08/ Mar. Actual	09/Mar. Actual	Change
Cash/Cash Equivalents	5.8	5.7	(0.1)
Accounts Receivables	28.9	28.7	(0.2)
Inventories	42.6	42.0	(0.6)
Other Current Assets	3.4	4.2	0.8
Fixed Assets	92.5	90.4	(2.1)
Total Assets	173.2	171.0	(2.2)
Notes and Accounts Payable	40.8	43.8	3.0
Debts/Borrowings	57.9	50.7	(7.2)
Other Liabilities	22.0	24.8	2.8
(Total Liabilities)	120.7	119.3	(1.4)
Net Assets	52.5	51.7	(0.8)
(Retained Earnings)	4.1	4.1	-
Total Liabilities and Shareholders' Equity	173.2	171.0	(2.2)

Inventory Assets

(JPY bn)

Item	07/Mar. Actual a	08/Mar. Actual b	09/Mar. Actual c	vs08/Mar. Change c-b	vs07/Mar. Change c-a
Products	28.6	27.1	27.3	0.2	(1.3)
Parts	6.5	5.7	5.7	-	(0.8)
Farming implements	3.2	3.4	3.3	(0.1)	0.1
Used products	2.3	2.0	1.6	(0.4)	(0.7)
Work in process	3.1	2.9	2.6	(0.3)	(0.5)
Others	1.8	1.5	1.5	-	(0.3)
Inventory assets Total	45.5	42.6	42.0	(0.6)	(3.5)

Balance of Interest Bearing Liabilities and Financial Indices



	04/Mar.	05/Mar.	06/Mar.	07/Mar.	08/Mar.	09/Mar.	
D/E Ratio	1.6	1.2	1.0	1.1	1.1	0.98	(Times)
Equity Ratio	24.8	27.1	30.5	29.8	29.4	29.4	(%)

*D/E Ratio = Interest bearing liabilities / Total assets

2. Recent Development in Domestic and Overseas Markets



Trend of Domestic Agricultural Policy

[Enhanced food self-sufficiency capacity • food self-sufficiency ratio]

[1] FY08 MAFF Budget

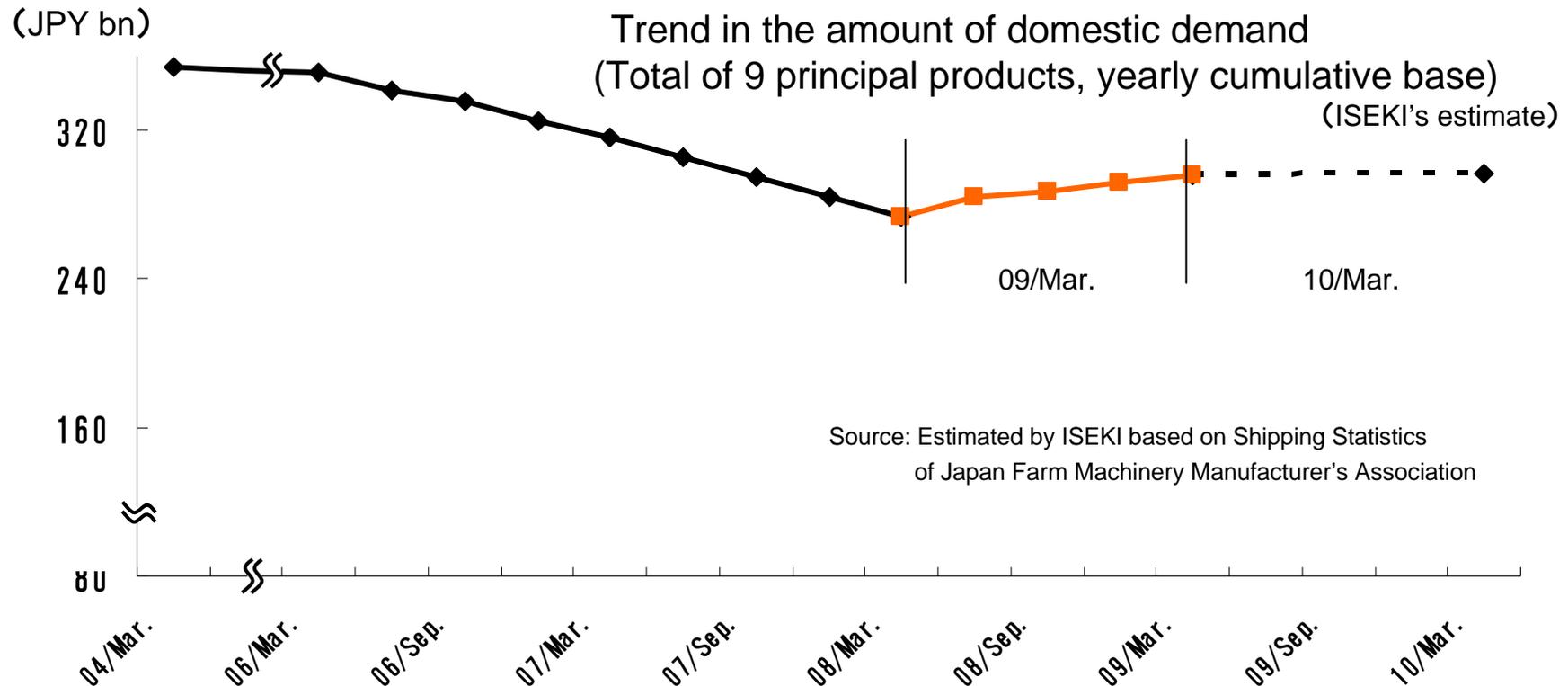
- 1) Budget Total amount ¥2.6370 trillion
 - Measures for stabilization of management income of paddy and upland farming 208.7 billion yen
(Stabilization of farm management : Encouraged production increase of rice powder and feed rice)
- 2) Supplementary budget Total amount ¥61.8 billion
 - Measures for hiked fuel oil and fertilizer price
- 3) 2nd supplementary budget Total amount ¥146.3 billion
 - Subsidy to promote full paddy utilization (Rice powder • Feed rice) ¥38.1 billion
 - Urgent machinery leasing support program to enhance food supply ¥5.0 billion

[2] FY09 MAFF Budget [First year of full paddy utilization]

- 1) Budget Total amount ¥2.5605 trillion (Δ2.9%)
 - Comprehensive countermeasures for effective use of paddies, etc. and enhancement of self-sufficiency capacity ¥218.9 billion yen
(Expansion of rice plant area for rice powder and feed rice, and urgent countermeasures for reclamation and re-use of abandoned farm land, etc.)
- 2) Budget Total amount ¥1.032 trillion
 - Program to accelerate integration of farm land (Effective use of farm land) ¥297.9 billion
 - Urgent machinery leasing support program to enhance food supply ¥27.2 billion (Agricultural machinery: ¥25.0 billion)
 - Urgent countermeasures for reclamation and re-use of abandoned farm land ¥15.0 billion

Trend of Domestic Demand for Agricultural Machinery

Trend of Demand for Agricultural Machinery (Forecast)



- 09/Mar. The market followed a recovery trend in the 1st half. The market was activated by anticipated demand before price raises by agricultural machinery manufacturers in June and July.
- 10/Mar. In spite of a concern for slowing demand by recession in the domestic economy, our demand forecast remains rather strong or unchanged in view of positive agricultural policy.

Trend in Domestic Agricultural Machinery Market

1. Trends in domestic agricultural machinery industry shipment and effective sales of ISEKI

※ Total amount of 9 products, Y o Y growth rate (%)

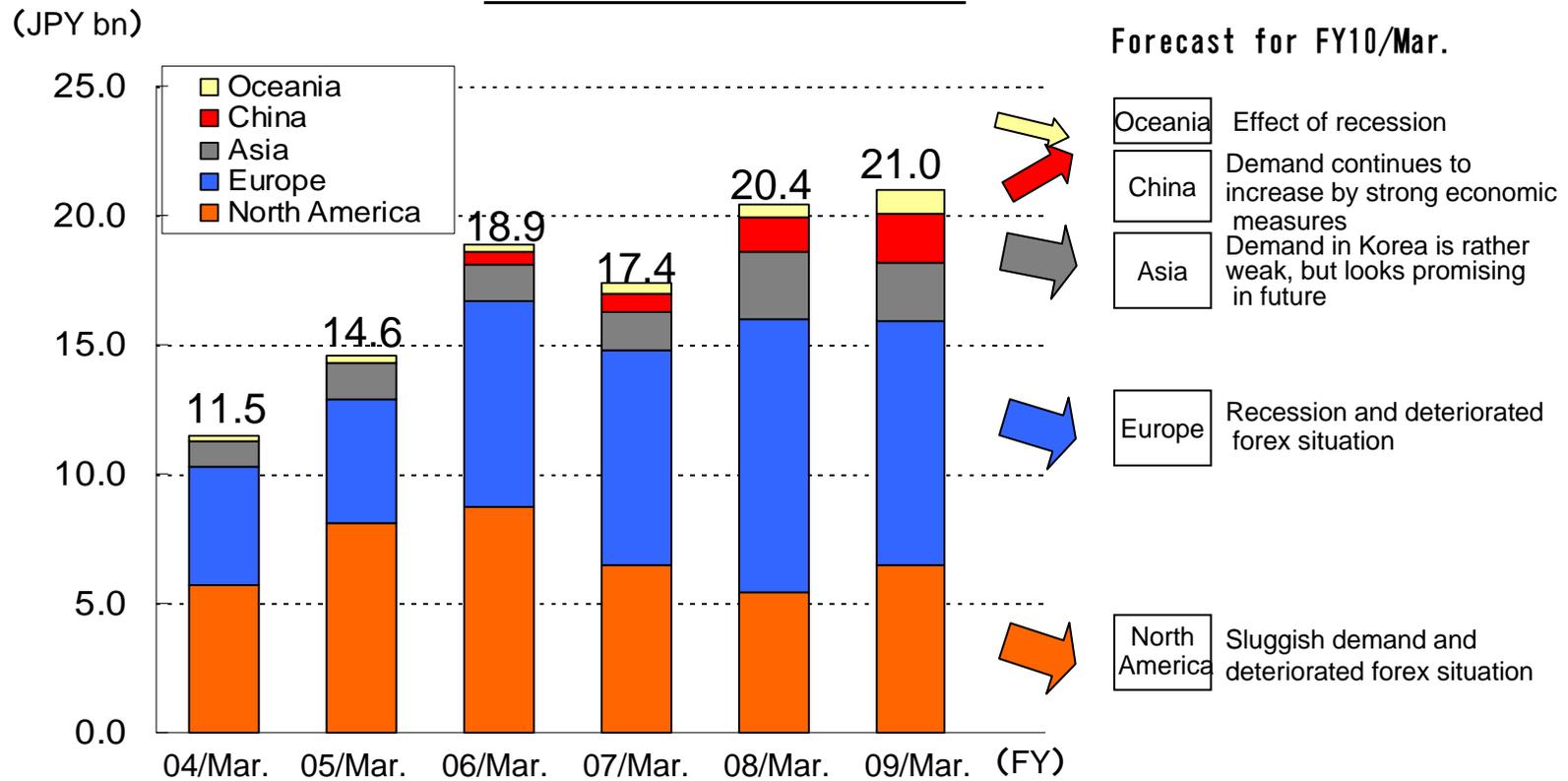
Source: Estimated by ISEKI based on shipping statistics of Japan Farm Machinery Manufacturer's Association

	08/Apr. ~ 09/Mar. Actual
Industry (Shipment) *	108
ISEKI (Effective sales)	107

- Recovery trend of the industry shipment continued by activation of the market.
- Effective sales of ISEKI exceeded the previous year by contribution of fairly strong sales of main products.

Trend of Overseas Sales and Prospect

Trend of Product Sales



Total Overseas Sales	13.3	15.9	20.5	18.8	22.0	23.1	(JPY bn)
Ratio of Overseas Sales	8.7	10.1	12.7	12.3	15.2	15.4	(%)

➔ **20% or more**

Trend in the North American Market and Strategy

1. Compact Tractor Market in North America

※Tractors with 50PS engines (PTO40PS) or less, lawn mowers are not included

	08/ Jan.- Apr.	09/ Jan.- Apr.	Y o Y change	
			Change	%
USA	31	23	(7)	76%
Canada	3	3	(1)	78%
N.America Total	34	26	(8)	76%

(Unit: 1,000 vehicles)

* Figures are rounded to the nearest digit and not adjusted

Source: AEM statistics (Association of Equipment Manufacturers)

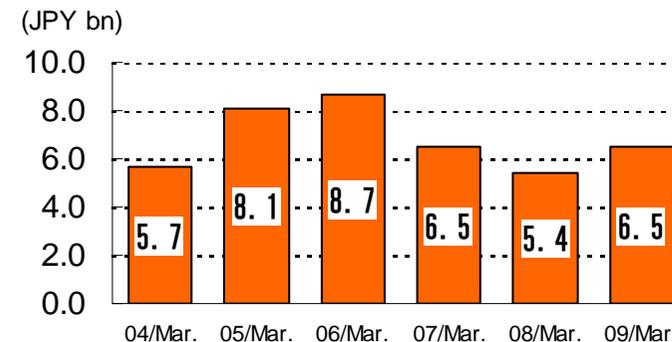
2. Trend in ISEKI's Sales and Strategy

- Effective sales by OEM partner in Jan.- Mar.09 maintained the level of last year.
- OEM partner narrowed down purchase from ISEKI due to deteriorated market.
- Our immediate orders received hover inactively compared with last year.



For the time being, sales trend in the North American market remains in the anticipated range. Utmost attention will be paid in order not to overlook any change in the market.

Trend of Product Sales in North America



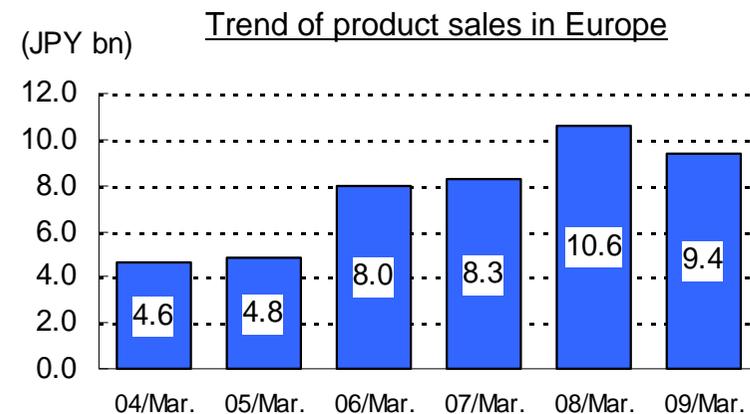
Trend in European Market and Strategy

1. Trend in European Market

- So far, the landscaping market (market for professionals/semi-professionals) does not seem to be affected so much by the recessionary trend of the economy.

2. Trend in ISEKI's Sales (Europe)

- Number of machines sold by distributors in Jan.- Mar.09 maintained last year's level (by contribution of the new product SXG15).
- However their attitude is cautious in purchase of stock, due to the deteriorated forex situation.
- We anticipate substantial decline in orders received.



We aim at maintenance/expansion of sales by introduction of new products and aggressive promotion to new markets (Middle and East European market and agricultural tractor market in South Europe).

Trend in Asian Market and Strategy

1. Trend in Asian Market

- China: Market expansion continues due to economic stimulus measures and farming mechanization policy by the government.
- Korea : Recession and deterioration of forex situation continue.

1. Trend in ISEKI's Sales and Strategy

- China

Sales of rice transplanters and combine harvesters continued to grow in line with market expansion.

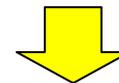
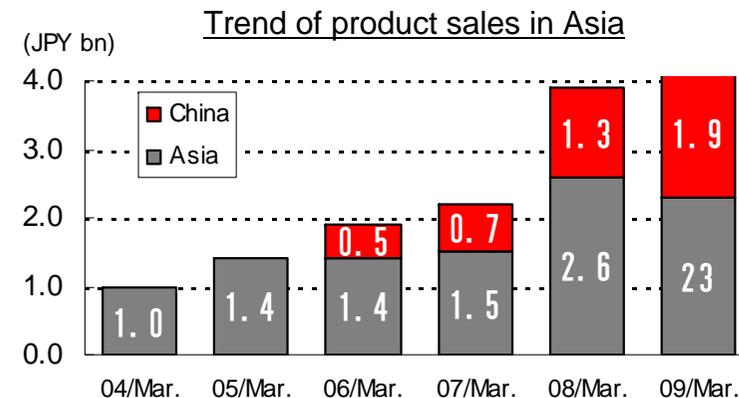
We will prepare and a follow up service system.

- Korea

Shipping has been restrained due to a weaker won, but we expect convergence of recession.

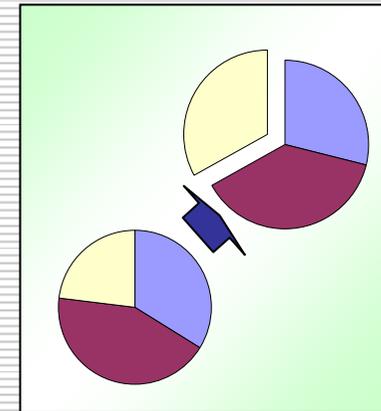
- South East Asia

The market is solid by policy to increase rice production.



- Overall trend of market expansion.
- We continue expansion of product line-up and steady efforts for sales.

3. Performance Forecast for the Fiscal Year Ending March 31, 2010



Points of Performance Forecast

① Domestic Sales

- Supported by agricultural policy, sales will remain flat but fairly strong in spite of uncertain economic outlook
- Sales amount will increase by the effect of price raise
- Sales expansion by the effect of introduction of new products and additional new series

② Overseas Sales

- Europe Decline in orders received by deterioration of forex environment
- N. America Reduced market size by recession
- China Expanded demand by generous agricultural policy

③ Profit

- Increased gross profit through increased revenue (price raise)
- Improved profitability by relaxed price hike of raw materials

Performance Forecast for the Fiscal Year Ending March 2010

(JPY bn,%)

Item	09/Mar.Actual		10/Mar.Forecast		Change
	Value	%	Value	%	
Net Sales	149.6	100.0	154.0	100.0	4.4
(Domestic)	126.5	84.6	133.0	86.4	6.5
(Overseas)	23.1	15.4	21.0	13.6	(2.1)
Operating Income	1.6	1.1	3.8	2.5	2.2
Ordinary Income	0.8	0.5	2.8	1.8	2.0
Net Income	-	0.0	1.6	1.0	1.6

※ Company forex rate: \$1=¥100; 1Euro=¥130

4.Topics

1. Measures to Strengthen Management System, etc

1) As of April 1, all directors including President became executive officers, and we have reduced two directors (8 directors organization)

2) Proposal to Ordinary General Meeting of Shareholders in late June

- To abolish system of retirement benefits for directors
- To shorten terms of directors from two years to one year

2. Establishment of Agriculture Machinery Creative Department (As of April 1)

Notes on the Future Forecast

- The objective of this presentation document is to provide information and it is not intended to invite any action.
- The document has been prepared by ISEKI based on currently available information and it involves potential risks and uncertainties. The forecast may not be consistent with actual results depending on fluctuation of the economic situation and market trends.
- In using this information, investors are expected to depend on their own judgment. ISEKI is not liable for any losses incurred by investment decisions made utilizing the business forecast or targets given in this document.



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