Financial Results for the Fiscal Year Ended March 2012 Investor Relations Presentation Materials

ISEKI & CO., LTD.

Seiichiro Gamo, President

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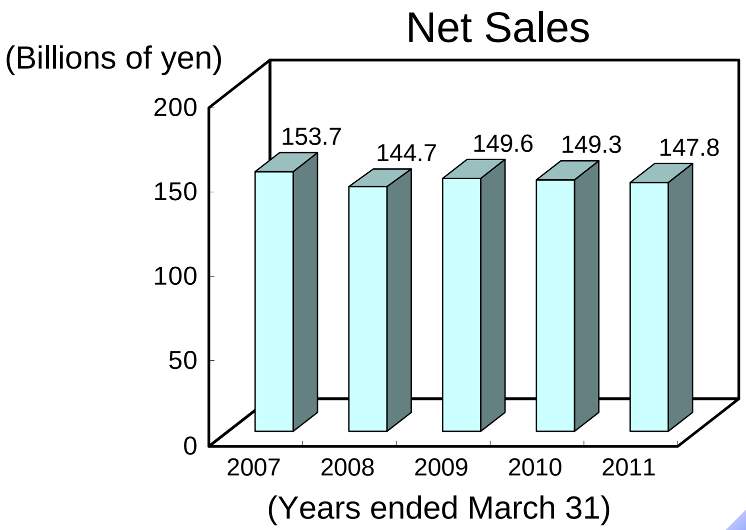
1. Outline of Financial Results for the Fiscal Year Ended March, 2012



Outline of Business Performance

(JPY bn, %)

Item	10/Mar.	11/Mar.		12/Mar.		Change	12/Mar. Forecast*	Change
			%		%			
Net Sales	149.3	147.8	100.0	145.2	100.0	(2.6)	145.0	0.2
(Domestic)	131.2	128.7	87.1	123.8	85.3	(4.9)	124.0	(0.2)
(Overseas)	18.1	19.1	12.9	21.4	14.7	2.3	21.0	0.4
Gross Profit	47.4	46.2	31.2	46.4	32.0	0.2	45.9	0.5
S. G. & A. Expenses	42.9	43.4	29.3	42.2	29.0	(1.2)	42.4	(0.2)
Operating Income	4.5	2.8	1.9	4.2	2.9	1.4	3.5	0.7
Ordinary Income	3.6	2.0	1.4	3.9	2.7	1.9	2.9	1.0
Net Income	2.3	(0.9)	(0.6)	2.7	1.9	3.6	1.4	1.3

- Company average forex rate (12/Mar.): 1US$=¥78, 1Euro=¥107

  * Forecast announced on Feb.10.

Breakdown of Domestic Sales

(JPY bn, %)

			10/Mar.	11/Mar.	12/Mar.	Change	Note	12/Mar. Forecast*	Change
Agriculture Related Business	Agricultural Machinery	Cultivating & Mowing Machinery	27.7	26.7	27.5	0.8	Tractors: +1.0 Others: (0.2)	27.6	(0.1)
		Planting Machinery	11.4	11.6	10.4	(1.2)	Rice transplanters: (1.3) Transplanters: +0.1	10.3	0.1
		Harvesting & Processing Machinery	25.7	25.5	25.9	0.4	Combine harvesters : +0.5 Others:(0.1)	25.9	0
		Total	64.8	63.8	63.8	0		63.8	0
	Farming Implements		16.7	17.1	16.4	(0.7)		16.3	0.1
	Parts		13.7	13.9	14.0	0.1		13.9	0.1
	Construction of Facilities		11.1	8.7	4.7	(4.0)		5.0	(0.3)
	Other Agriculture Related	Agricultural Material	5.6	5.5	5.1	(0.4)		5.1	0
		Others	19.1	19.6	19.7	0.1	Rice cooking business:+0.1	19.7	0
		Total	24.7	25.1	24.8	(0.3)		24.8	0
	Total		131.0	128.6	123.7	(4.9)		123.8	(0.1)
Other Business Total			0.2	0.1	0.1	0		0.2	(0.1)
Total			131.2	128.7	123.8	(4.9)		124.0	(0.2)

* Forecast announced on Feb.10.

Breakdown of Overseas Sales

(JPY bn, %)

	10/Mar.	11/Mar.	12/Mar.	Change	Note	12/Mar. Forecast*	Change
North America	4.0	5.6	5.3	(0.3)	Tractors: (0.1) Mowers: (0.2)	5.3	0
Europe	6.5	6.8	7.2	0.4	Mowers: +0.5 Tillers: (0.1)	6.9	0.3
Asia	1.8	1.1	0.9	(0.2)	Tractors:(0.1) Combine harvesters: (0.2) Rice transplanters: +0.1	0.8	0.1
China*	3.5	3.3	5.7	2.4	Rice transplanters: +2.5 Combine harvesters: (0.1)	5.8	(0.1)
Oceania	0.4	0.4	0.4	0		0.4	0
Products Total	16.2	17.2	19.5	2.3		19.2	0.3
Parts & Others	1.9	1.9	1.9	0		1.8	0.1
Total	18.1	19.1	21.4	2.3		21.0	0.4

* Sales in China are actual results (Jan. – Dec.)
* Forecast announced on Feb.10.

Operating Income

(JPY bn, %)

Item	10/Mar.	11/Mar.		12/Mar.		Change	12/Mar. Forecast*	Change
			%		%			
Net Sales	149.3	147.8	100.0	145.2	100.0	(2.6)	145.0	0.2
Cost of G. S.	101.9	101.6	68.8	98.8	68.0	(2.8)	99.1	(0.3)
Gross Profit	47.4	46.2	31.2	46.4	32.0	0.2	45.9	0.5
S. G. & A. Expenses	42.9	43.4	29.3	42.2	29.0	(1.2)	42.4	(0.2)
Operating Income	4.5	2.8	1.9	4.2	3.0	1.4	3.5	0.7

*Operating income Factors of YoY change

[Gross Profit]	• Decreased gross income by decreased revenue	:	(0.7)
	• Forex sales rate gap	:	(0.4)
	• Increased raw material price	:	(0.4)
	• Reduced fixed cost (personnel expenses (0.3), facility expenses, etc. (0.7))	:	+1.0
	• Cost reduction, etc.	:	+0.7
	Increased gross profit	:	+0.2
[S.G.& A Expenses]	Decreased S.G.& A Expenses (personnel expenses (0.7). other expenses (0.5))	:	+1.2
	Increased operating income	:	+1.4

Change of fixed cost

	YoY
Personnel expenses	(1.0)
Expenses	(1.1)
Total	(2.1)

(Figures in ( ) indicate losses)

* Forecast announced on Feb.10.

Ordinary Income and Net Income

(JPY bn, %)

	10/Mar.	11/Mar.	12/Mar.	Change	12/Mar. Forecast*	Change
Operating Income	4.5	2.8	4.2	1.4	3.5	0.7
Net Financial Income	(1.0)	(0.9)	(0.8)	0.1	(0.8)	0
Other Non-operating Income	0.1	0.1	0.5	0.4	0.2	0.3
Ordinary Income	3.6	2.0	3.9	1.9	2.9	1.0
Extraordinary Gains	0.1	0.1	0.3	0.2	0.3	0
Extraordinary Losses	(1.0)	(1.9)	(0.5)	1.4	(0.5)	0
Income before Income Taxes	2.7	0.2	3.7	3.5	2.7	1.0
Taxes, Deferred Taxes	(0.4)	(1.1)	(1.0)	0.1	(1.3)	0.3
Net Income	2.3	(0.9)	2.7	3.6	1.4	1.3

* Factors of YoY change
  [Non-operating income]
  - Reduced Forex losses :+0.3
  - Others :+0.2

  [Extraordinary gains/losses]
  - Reduced valuation losses on investment securities, etc. :+1.6

* Breakdown of extraordinary gains/losses

11/Mar.		12/Mar.	
Loss by disaster	(0.8)	Change of retirement benefits sysfem	(0.3)
Valuation on investment securities	(0.6)		
Asset retirement obligations	(0.2)		
Others	(0.2)	Others	+0.1
Total	(1.8)	Total	(0.2)

* Forecast announced on Feb.10.

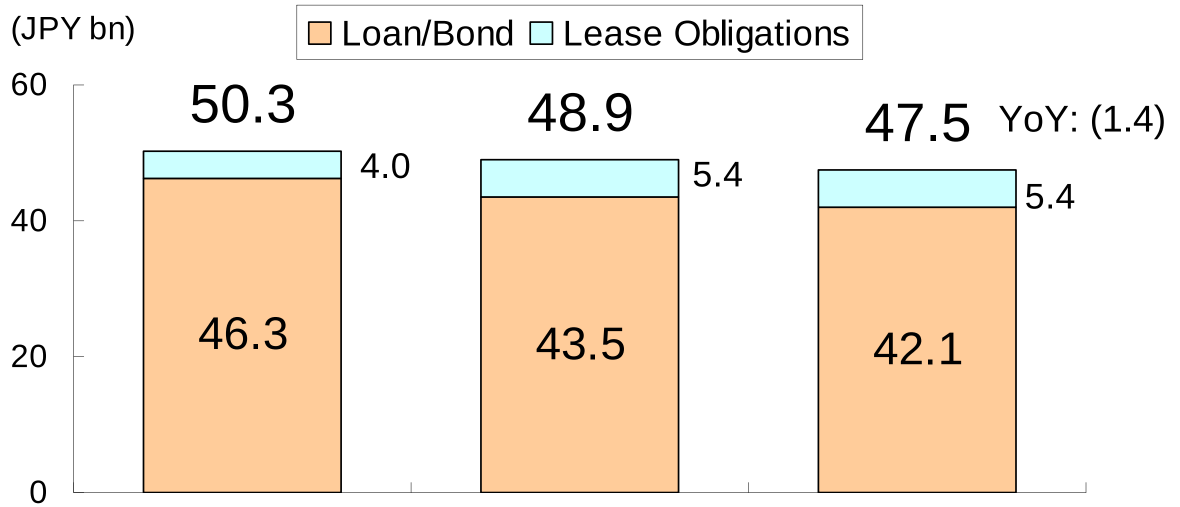
Balance Sheet

(JPY bn)

Item	10/Mar.	11/Mar.	12/Mar.	Change
Cash/Deposits	6.7	5.7	7.1	1.4
Accounts Receivables	29.3	28.7	28.7	0
Inventories	41.5	41.0	42.8	1.8
(Product Inventory)	27.5	27.8	28.1	0.3
Other Current Assets	3.2	3.3	4.3	1.0
Noncurrent Assets	90.3	90.5	89.7	(0.8)
Total Assets	171.0	169.2	172.6	3.4
Accounts Payables	41.8	42.0	43.7	1.7
Debts/Borrowings	46.2	43.5	42.1	(1.4)
Other Liabilities	27.4	29.1	28.6	(0.5)
(Total Liabilities)	115.4	114.6	114.4	(0.2)
Net Assets	55.6	54.6	58.2	3.6
(Retained Earnings)	6.1	5.2	7.9	2.7
Total Liabilities and Net Assets	171.0	169.2	172.6	3.4

Balance of Interest Bearing Liabilities and Planned Dividend

1. Balance of Interest Bearing Liabilities



	10/Mar.	11/Mar.	12/Mar.
D/E Ratio (Times)	0.91	0.89	0.82
Equity Ratio (%)	31.6	31.4	32.9

* D/E Ratio=Interest bearing liabilities/Net assets (Interest bearing liabilities include lease obligations)

2. Planned Dividend

(Yen)

	10/Mar.	11/Mar.	12/Mar. Planned
Year-end Dividend	0.00	0.00	1.50

2. Recent Development in Domestic and Overseas Markets

Drying machine

GML GSL

Topics of Domestic Agriculture

○ Prospect of resumption of farming in affected farmland in Iwate, Miyagi and Fukushima prefectures

(ha)

	12/Mar.	13/Mar.	14/Mar.	15/Mar.	Others*
Total	1,290	6,070	5,610	4,990	2,460
Cumulative Total	7,360		12,970	17,960	20,420
Resumption Ratio	36.0%		63.5%	88.0%	100.0%

Note) Farmlands that no more require restoration (110 ha) excluded.

Prospect of 88.0% resumption of farming in 2015/Mar.

* Area of reconstruction method,or land integration to be studied , alarmed area related to the nuclear plant accident, new designated evacuation area without a prospect of resumption.

○ Ratio of first class rice and relative trading price

	2009 production	2010 production	2011 production
Ratio of first class rice(%)	85.0	61.4	80.7
Relative price of rice (Yen/60kg)	14,508	12,750	15,303

Both ratio of first class rice and relative price of rice recovered to the level of 2009 production rice.

○Points of Basic policy/Action plan for agricultural revitalization

- Realization of sustainable and strong agriculture

  Increase new entry to farming and secure personnel who support future agriculture in Japan.

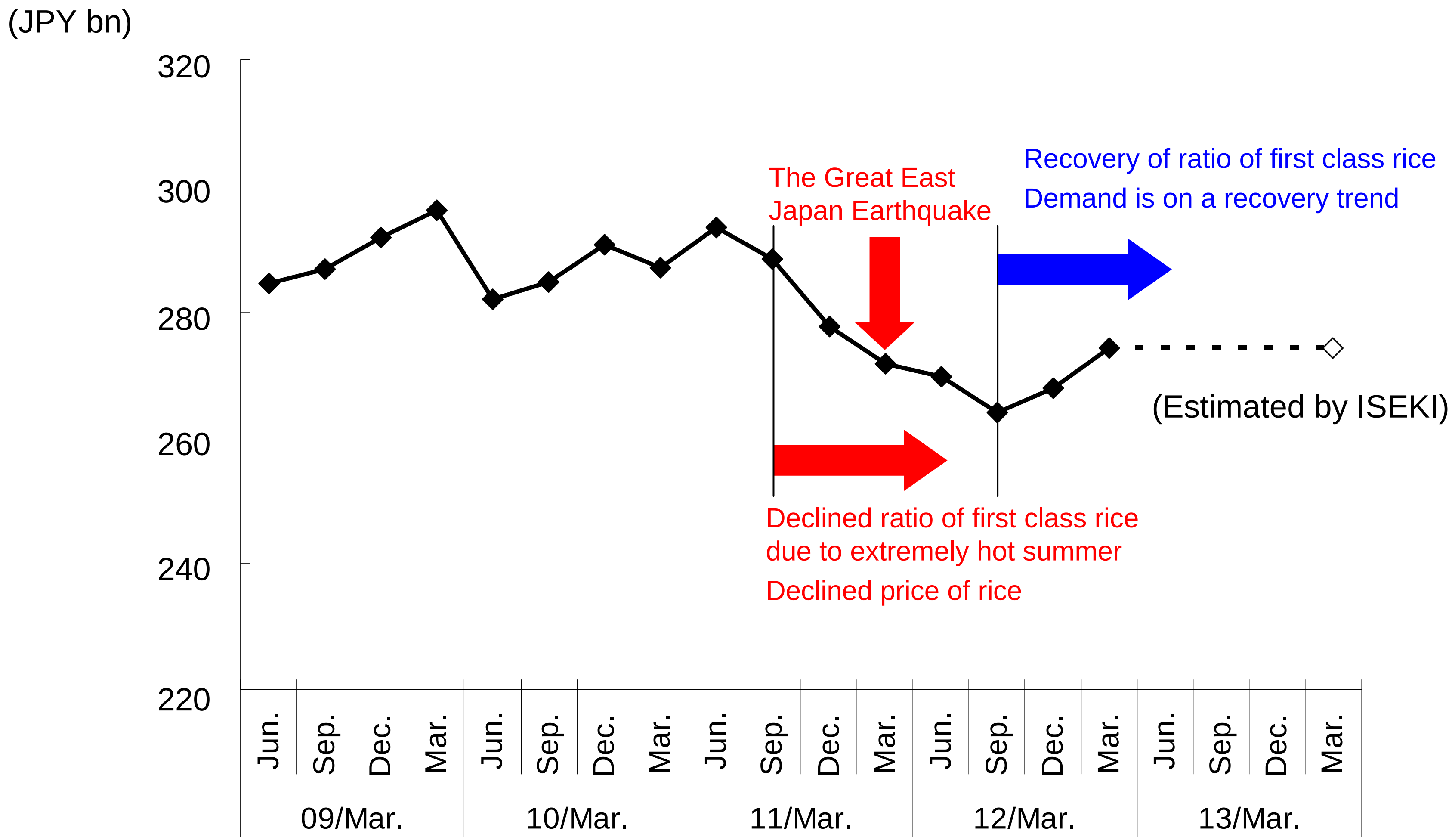
  Aim at large land use type agriculture of 20~30 ha of flat land.
- The 6th industrialization toward growth industry and more efficient distribution

  Creation of funds.

Source: MAFF HP

Trends of Domestic Demand for Agricultural Machinery

Trend in the amount of domestic demand (Total of 9 principal products: Moving annual base)



Source: Shipping Statistics of Japan Farm Machinery Manufacturer's Association

Trends in Domestic Agricultural Machinery Market

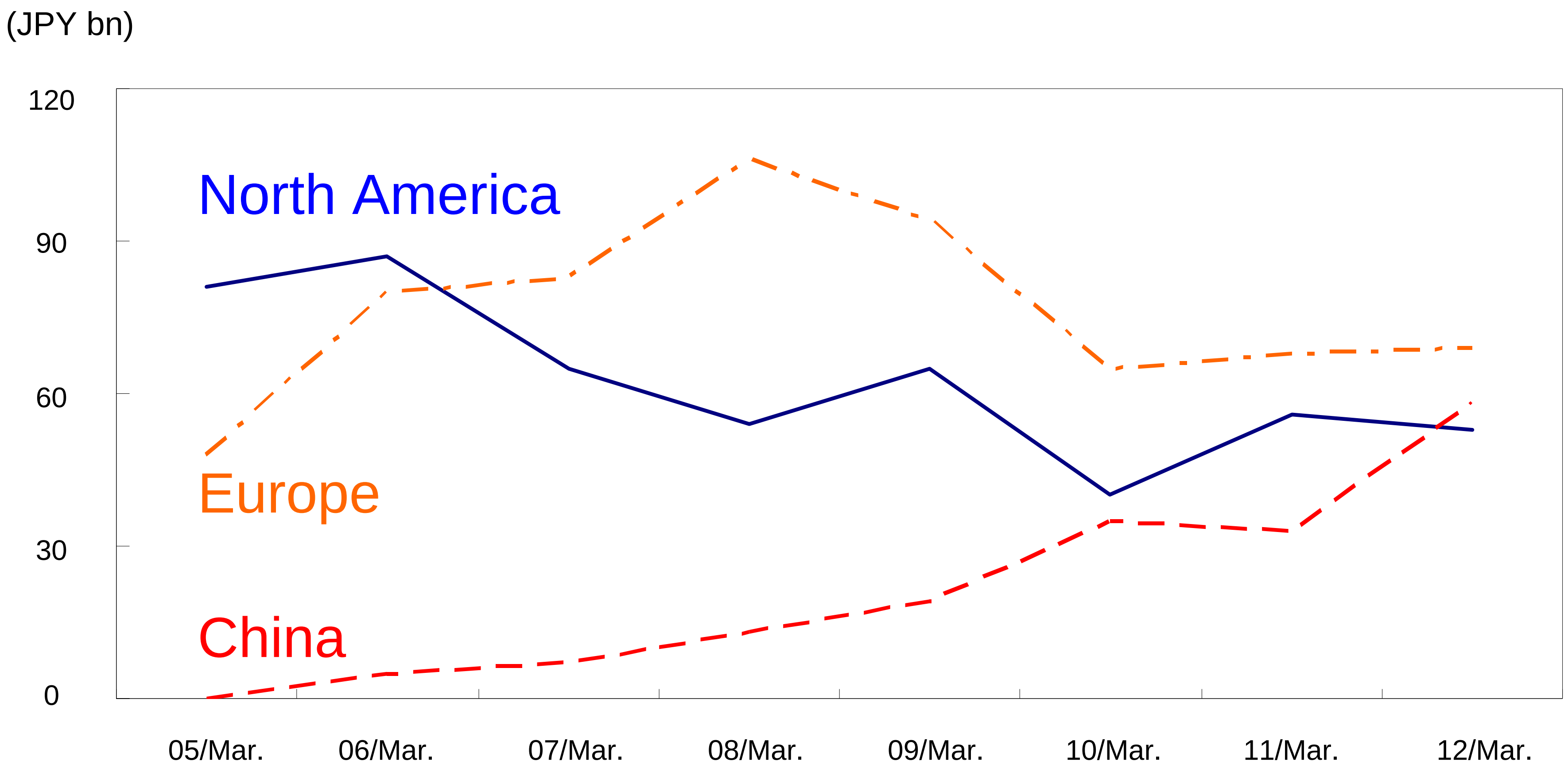
Trends in domestic agricultural machinery industry shipment and effective sales of ISEKI

* Total amount of 9 principal products base, Y o Y growth rate (%)

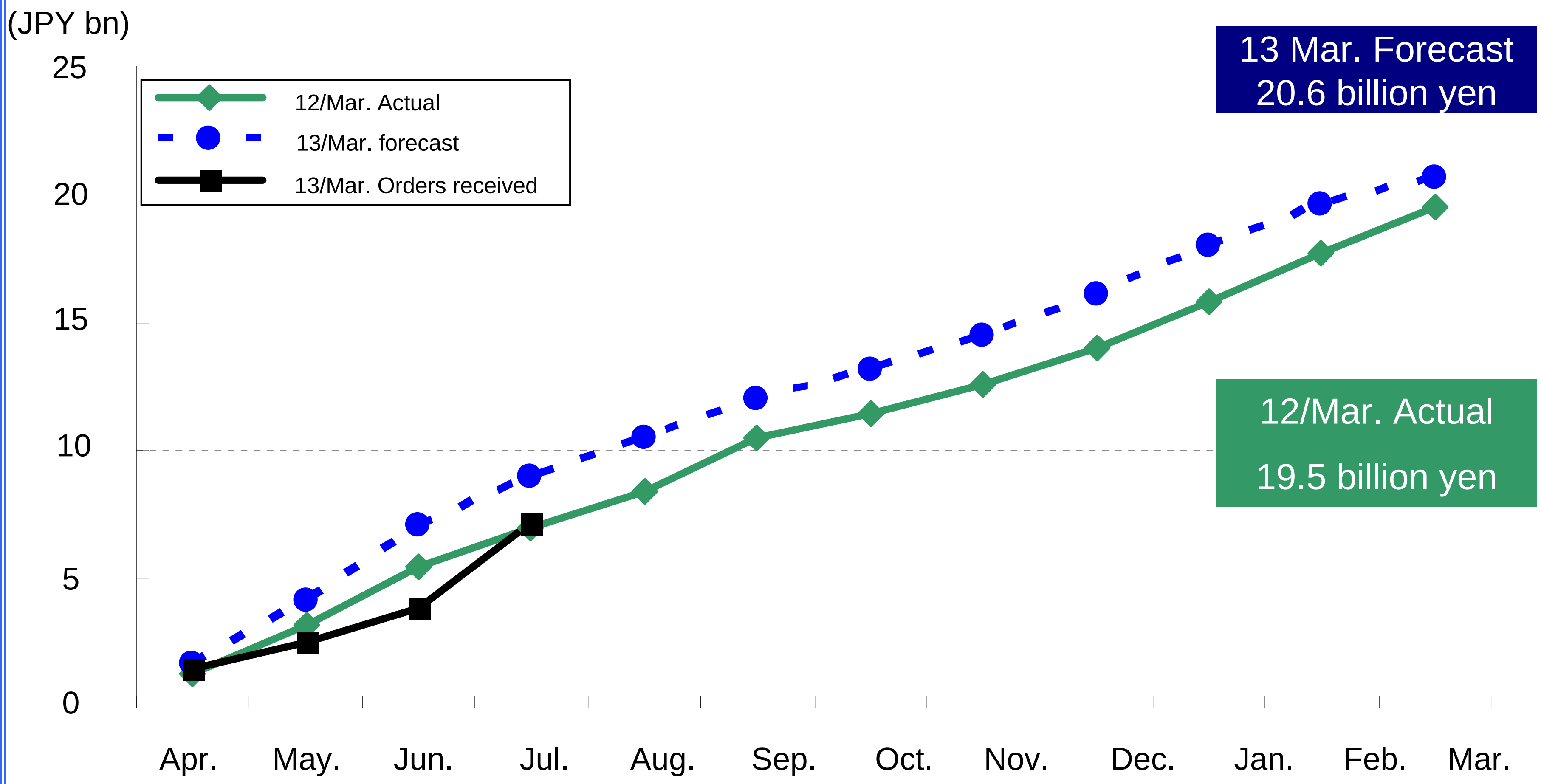
Source: Shipping statistics of Japan Farm Machinery Manufacturer's Association

	10/Mar.		11/Mar.		12/Mar.	
	Apr.-Sep.	Oct.-Mar.	Apr.-Sep.	Oct.-Mar.	Apr.-Sep.	Oct.-Mar.
Industry (Shipment)	93	102	101	88	95	108
ISEKI (Effective sales)	87	109	103	90	102	104

Trend of Regional Sales of Overseas Products



Recent Trend of Overseas Product Sales



* 13/Mar. Orders received: Apr. is based on result of shipping, May.-Jul. is based on orders received.

Trend in Overseas Market and Strategy (North America)

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1. Compact Tractor Market in North America

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

(Unit: 1000) * Figures have been rounded and-non-adjusted

	10/ Jan.-Dec.	11/ Jan.-Dec.	YoY Change	11/ Jan.-Apr.	12/ Jan.-Apr.	YoY Change
USA	84.0	84.7	100.8%	25.8	27.6	106.6%
Canada	10.8	11.7	108.4%	2.66	2.70	101.7%
N.America Tatal	94.8	96.4	101.7%	28.5	30.3	106.2%

▪ AEM estimated growth of demand in 2012 to be +3.2% per year.

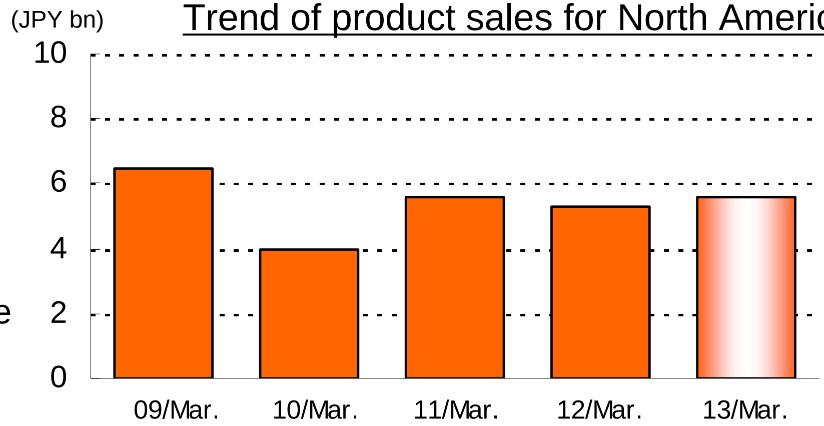
Source： A E M statistics（Association of Equipment Manufacturers)

2. ISEKI's Sales and Strategy

▪ Effective sales of the OEM partner for Jan.-Apr. tended to be delayed affected by aggressive sales of Korean group.

▪ In orders received base, ISEKI's sales for Apr.-Jul. (Apr. was shipping base) shifted underperforming the same period of the previous year partly due to stagnant effective sales growth of the OEM partner.

Trend of product sales for North America



Promote early sales recovery through reinforced sales promotions and introduction of new products including model change.

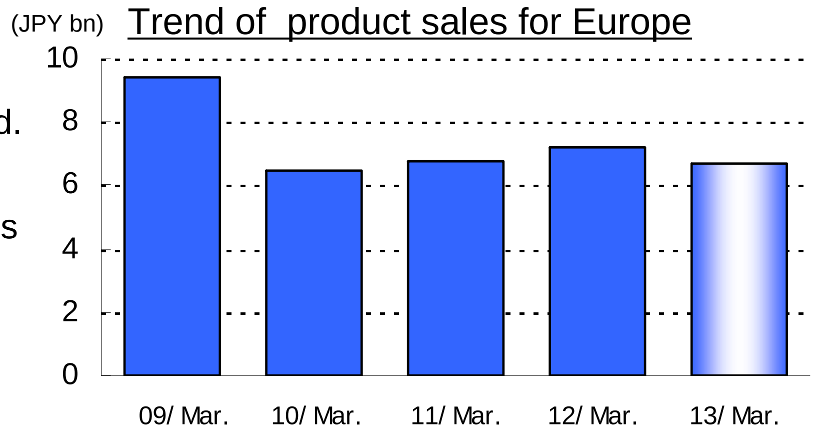
Trends in Overseas Market and Strategy (Europe)

1. Trends in European Market

- Demand remained in a low level except for Germany, due to sluggish economy.
- Korean group stimulated demand by aggressive low-price campaign.
- France, Germany, etc. were in line with the previous year, and Spain, Portugal, etc. underperformed the previous year.

2. ISEKI's Sales and Strategy

- With respect to effective sales by European agents for Jan.-Mar., France and Germany were on a recovery trend.
- ISEKI's orders received base for Apr.-Jul. (Apr. was shipping base) underwent the same period of the previous year due to inventory adjustment in France (Expected completion of inventory adjustment: Aug.- Sep.)



Develop promotions according to country/products, and promote share maintenance/expansion.

Trends in Overseas Markets and Strategy (China)

1. Trend in Chinese Market

▪ Trend of subsidy for agricultural promotion

(billion of yuan)

	2007	2008	2009	2010	2011	2012
Central government subsidy	2.0	4.0	13.0	15.5	17.5	1st Period 13.0
(billion yen, yuan/13 yen)	26.0	52.0	169.0	201.5	227.5	1st Period 169.0

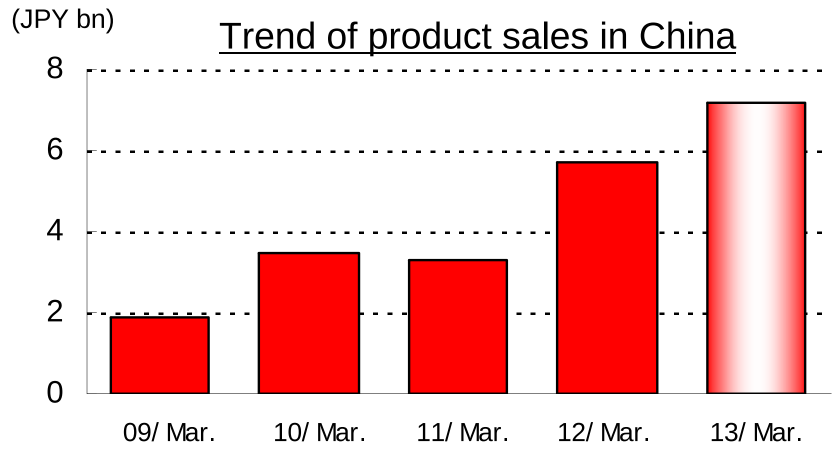
▪ Trend of agricultural market expansion continues due to subsidy that increases every year.

[Reference] 1st Period of 2011 : 11 billion yuan (143 billion yen)

2. ISEKI's Sales and Strategy

▪ Sales increased in the previous year due to increased sales of rice transplanters.

▪ Sale trend in Jan,-Apr. delayed compared with the same period of the previous year due to delayed announcement of the subsidy policy in each province and changed payment method of subsidy.



Promote commercialization of products that suite the market needs such as tobacco transplanters, 4 rows walking type rice transplanters of which more diffusion can be expected, and high-clearance multipurpose vehicle , etc. that increase efficiency of paddy field management.

Leaf Tobacco Market and Strategy in China

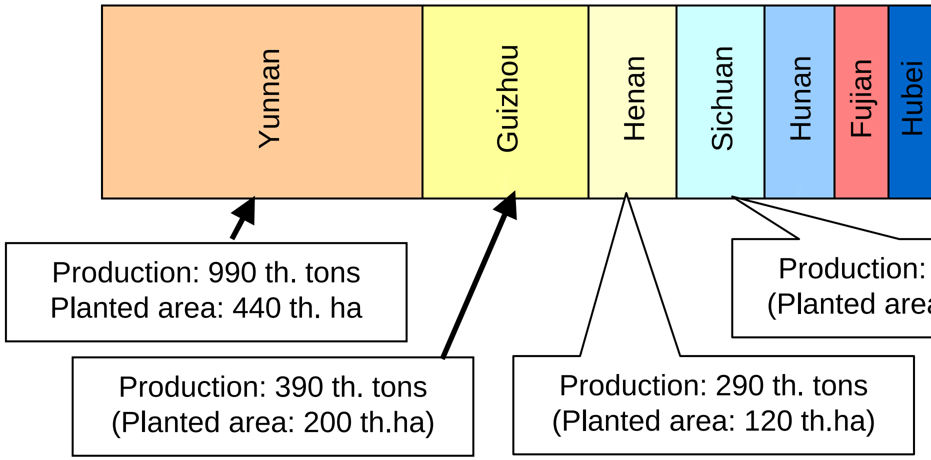
Leaf tobacco production in the world

Leaf tobacco production ranking (2011)

		Production (th. tons)	Cultivated area (th. ha)
1st	China	3,005	1,345
2nd	Brazil	780	446
3rd	India	755	459
4th	U.S.	326	136
-	Japan	29	15

Source: FAO

Leaf tobacco production in China by Province (2011)



Source: China Statistic Bureau

Situation of leaf tobacco transplanting

Response to the tobacco transplanter

2012: Sellout of prepared units for limited sales campaign.

2013: Full-fledged sales

3. Performance Forecast for the Fiscal Year Ending March, 2013

New category combine harvester　HFC330

Performance Forecast for FY13/Mar. Planned Year-end Dividend

1. Performance Forecast

(JPY bn)

Item	11/Mar.	%	12/Mar.	%	13/Mar. Forecast*	%	Change
Net Sales	147.8	100.0	145.2	100.0	153.0	100.0	7.8
(Domestic)	128.7	87.1	123.8	85.3	131.0	85.6	7.2
(Overseas)	19.1	12.9	21.4	14.7	22.0	14.4	0.6
Operating Income	2.8	1.9	4.2	2.9	4.6	3.0	0.4
Ordinary Income	2.0	1.4	3.9	2.7	3.9	2.5	0
Net Income	(0.9)	(0.6)	2.7	1.9	2.7	1.8	0

Company forex rate:1 US$= =¥80, 1 Euro=¥105

* Forecast announced on May 11.

2. Planned Year-end Dividend

(Yen)

	11/Mar.	12/Mar. Plan	13/Mar. Plan
Year-end Dividend	0.00	1.50	2.00 ~ 3.00

Performance Forecast (Breakdown of Domestic Sales)

(JPY bn)

			10/Mar.	11/Mar.	12/Mar.	13/Mar. Forecast*	Change 12/Mar.	Change 11/Mar.	Change 10/Mar.
Agriculture Related Business	Agricultural Machinery	Cultivating & Mowing Machinery	27.7	26.7	27.5	29.0	1.5	2.3	1.3
		Planting Machinery	11.4	11.6	10.4	11.6	1.2	0	0.2
		Harvesting & Processing Machinery	25.7	25.5	25.9	26.2	0.3	0.7	0.5
		Total	64.8	63.8	63.8	66.8	3.0	3.0	2.0
	Parts & Farming Implements		30.4	31.0	30.4	30.8	0.4	(0.2)	0.4
	Construction of Facilities		11.1	8.7	4.7	7.0	2.3	(1.7)	(4.1)
	Other Agriculture Related		24.9	25.1	24.8	26.3	1.5	1.2	1.4
	Total		131.2	128.6	123.7	130.9	7.2	2.3	(0.3)
Other Business Total			0	0.1	0.1	0.1	0	0	0.1
Total			131.2	128.7	123.8	131.0	7.2	2.3	(0.2)

* Forecast announced on May 11.

Performance Forecast (Breakdown of Overseas Sales)

(JPY bn)

	11/Mar.	12/Mar.	13/Mar. Forecast*	Change	Note
North America	5.6	5.3	5.6	0.3	
Europe	6.8	7.2	6.6	(0.6)	Inventory adjustment
Asia	1.1	0.9	0.7	(0.2)	
China	3.3	5.7	7.2	1.5	
Oceania	0.4	0.4	0.5	0.1	
Products Total	17.2	19.5	20.6	1.1	
Parts & Others	1.9	1.9	1.4	(0.5)	
Total	19.1	21.4	22.0	0.6	

* Forecast announced on Mar 11.

4. Topics

High-clearance Multipurpose Vehicle
Aisaika (JKB23)

Topics

Challenges of ISEKI Group

①Enhancing initiatives to propose low cost agricultur

②To strengthen promotion of global development

③To enhance product capability and promote cost structure reform

Promotion of cost structure reform

Needs for low price products both in domestic and overseas markets

Newly establish Cost Structure Reform Committee.
Establish Cost Structure Reform Department.
Each engineering general manager, president of manufacturing company and general manager of Purchasing Department take initiatives of the structural reform.

- Low cost design
- Low cost production
- Low cost procurement

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 decision made utilizing the business forecast or targets given in this document.

Yum-Yum NIPPON

Increase food self sufficiency ratio 1% campaign which leads to relief in the future

FOOD ACTION NIPPON

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