




February 8, 2008

Name of listed company: ISEKI & CO., LTD.  Stock Exchange Listings: TSE 1st Section, Osaka 1st Section  
 Company Code: 6310 (URL <http://www.iseki.co.jp>) Head Office: Tokyo  
 Representative: Title President Name Seiichiro Gamo  
 Enquiries: Title Corporate Executive Officer Name Yasunori Maki  
 General Manager of Financial Dept. Telephone: +81 3 5604 7671

**Summary Announcement of Consolidated Financial Results**  
**for the Nine Months Ended December 31, 2007**

**Consolidated Financial Highlights**

**I. Financial Results for the nine months ended December 31, 2007 (Apr.1<sup>st</sup>, 2007—Dec. 31, 2007)**

**A. Results of Operations** (Rounded down to millions of yen, % indicates changes from the previous period)

	Nine Months Ended Dec.31, 2007	%	Nine Months Ended Dec.31, 2006	%	Year Ended Mar. 31, 2007
Net Sales	106,107	(6.4)	113,412	(5.1)	153,728
Operating Income	130	(96.6)	3,877	(16.7)	2,243
Ordinary Income	(65)	—	3,816	(13.0)	1,276
Net Income	(1,391)	—	2,300	53.3	18
Net Income per Share					
Non-diluted	(6.16)		10.19		0.08
Fully Diluted	—		9.35		0.07

**B. Financial Position**

(Rounded down to millions of yen)

	Dec.31, 2007	Dec.31, 2006	Mar. 31, 2007
Total Assets	180,799	196,189	181,362
Net Assets	53,033	58,072	55,724
Shareholders' Equity to Total Assets Ratio	28.4%	28.8%	29.8%
Net Assets per share	¥227.72	¥250.04	¥239.71

**C. Cash Flows**

(Rounded down to millions of yen)

	Nine Months Ended Dec.31, 2007	Nine Months Ended Dec.31, 2006	Year Ended Mar. 31, 2007
Cash Flows from Operating Activities	(6,649)	(9,105)	902
Cash Flows from Investing Activities	(175)	(4,085)	(4,718)
Cash Flows from Financing Activities	8,313	12,920	2,207
Cash and Cash Equivalents at End of Period	6,556	6,316	4,985

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

**(Apr.1<sup>st</sup>, 2007—Mar. 31, 2008)**

(Millions of yen, %)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (yen)
Annual	145,000 (5.7)	500 (77.7)	0 (100.0)	(1,500) —	(6.64)

% represents comparison with the previous fiscal year.

**III. Others**

- A. Change in important subsidiaries during the period (change in specified subsidiaries which accompanies a change in the range of consolidation) : 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 4 [Management Performance • Financial Statements etc] and 5. Others.

**(Reference)**

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

**(Apr. 1<sup>st</sup>, 2007—Mar. 31, 2008)**

(Millions of yen, %)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Annual	84,500 (6.9)	(1,200) —	(800) —	(1,900) —	(8.41)

% represents comparison with the previous fiscal year.

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

1. Consolidated and non-consolidated business performance forecasts announced on November 15, 2007 have been amended as described above. As for the reason of amendment, please refer to “Notice of Revision on Business Performance Forecast” announced today, February 8, 2008.
2. The forecast for operating results has been produced based on information presently available. Actual results could differ considerably depending on various factors.

### **1. Analysis of management performance for the status of consolidated financial results**

Sales for the third quarter declined by ¥7.304 billion (down 6.4%) from the same period last year to ¥106.107 billion. Domestic sales were down by ¥9.1 billion (down 9.0%) to ¥91.881 billion due to overall inactive market trend for agricultural machinery although the sales of cultivating machinery were increased. Overseas sales increased by ¥1.795 billion (up 14.4%) to ¥14.226 billion boosted by brisk sales in European as well as Asian markets.

Operating income declined by ¥3.746 billion (down 96.6%) from the same period last year, ending up with ¥0.13 billion due to decreased gross profit from decreased revenue and deteriorated gross margin by production adjustment. Ordinary income declined by ¥3.881 billion with a loss of ¥65 million mainly because of decreased operating income coupled with increased interest payment.

Net income for the third quarter resulted in a net loss of ¥1.391 billion, declining ¥3.691 billion from the same period last year primarily due to appropriation of gains on investment securities and payment of special retirement benefits which followed recruitment of voluntary retirement.

### **2. Analysis of financial position and the shifts in consolidated financial position**

As of the end of the third quarter, total assets were decreased to ¥180.799 billion, down ¥15.39 billion from the same period of the previous year. The main items were a ¥8.556 billion decrease in notes and accounts receivables which mostly reflected decreased sales, a decrease of ¥1.694 billion in inventories, a decrease of ¥3.485 million from the sale of investment securities.

Total liabilities decreased by ¥10.351 billion from the same period last year due to a ¥4.469 billion decrease in notes and accounts payables, a ¥2.371 billion decrease in interest-bearing liabilities and others.

### **3. Analysis of consolidated cash flows**

Cash and cash equivalents at the end of the third quarter increased by ¥1.571 billion from the end of the same period last year to ¥6.556 billion.

Cash flows from operating activities for the third quarter resulted in net expenditure of ¥6.649 billion (a decrease of ¥2,455 billion from the same period last year) mainly due to a net before tax loss of ¥311 million, a ¥2.289 billion increase in account receivables, a ¥2.262 billion decrease in account payables and payment of special retirement benefits of ¥920 million.

Cash flows from investment activities resulted in net expenditure of ¥175 million (a decrease of ¥3.909 billion from the same period last year) mainly due to expenditures of ¥3.061 billion for purchases (sales) of facilities and revenues of ¥2.498 billion from sales (purchases) of investment securities.

Cash flows from financing activities resulted in revenues of ¥8.313 billion (a decrease of ¥4.606 billion from the same period last year) mainly due to increased borrowing of ¥13.87 billion and a partial repayment of corporate debts of ¥5.54 billion.

### **4. Performance forecast**

With regard to matters concerning the annual business performance, please refer to “Notice of Revision on Business Performance Forecast” announced today, February 8, 2008.

## 5. Others

A. Changes in important subsidiaries during the period (change in specified subsidiaries which accompany a change in the range of consolidation): 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 Third Quarter as at Dec.31, 2006	Third Quarter as at Dec. 31, 2007	Change from Previous Third Quarter		(Reference) Previous Fiscal Year as at Mar.31, 2007
	Amount	Amount	Amount	% Change	Amount
<b>(Assets)</b>					
<b>I. Current Assets</b>	<b>100,218</b>	<b>89,593</b>	<b>(10,625)</b>	<b>(10.6)</b>	<b>86,371</b>
Cash and time deposits	6,731	6,887	156	2.3	5,270
Notes and accounts receivable	42,797	34,240	(8,556)	(20.0)	31,950
Inventories	46,507	44,812	(1,694)	(3.6)	45,511
Others	4,335	3,795	(539)	(12.4)	3,764
Allowance for doubtful accounts	(152)	(143)	9	(6.0)	(125)
<b>II. Fixed Assets</b>	<b>95,971</b>	<b>91,206</b>	<b>(4,764)</b>	<b>(5.0)</b>	<b>94,990</b>
<b>1. Tangible fixed assets</b>	<b>80,711</b>	<b>79,635</b>	<b>(1,075)</b>	<b>(1.3)</b>	<b>80,152</b>
Buildings and structures	15,466	15,253	(212)	(1.4)	15,608
Machinery, equipment and vehicles	9,521	9,331	(189)	(2.0)	9,725
Land	50,331	50,748	416	0.8	50,562
Others	5,392	4,301	(1,090)	(20.2)	4,256
<b>2. Intangible fixed assets</b>	<b>1,022</b>	<b>852</b>	<b>(169)</b>	<b>(16.6)</b>	<b>986</b>
<b>3. Investment and other assets</b>	<b>14,236</b>	<b>10,717</b>	<b>(3,519)</b>	<b>(24.7)</b>	<b>13,851</b>
Investment securities	8,922	5,437	(3,485)	(39.1)	8,823
Others	6,070	5,869	(200)	(3.3)	5,719
Allowance for doubtful accounts	(755)	(589)	166	(22.0)	(691)
<b>Total Assets</b>	<b>196,189</b>	<b>180,799</b>	<b>(15,390)</b>	<b>(7.8)</b>	<b>181,362</b>

(Millions of yen,%)

Account	Previous Third Quarter as at Dec.31, 2006	Third Quarter as at Dec. 31, 2007	Change from Previous Third Quarter		(Reference) Previous Fiscal Year as at Mar.31, 2007
	Amount	Amount	Amount	%	Amount
<b>(Liabilities)</b>					
<b>I. Current Liabilities</b>	<b>93,881</b>	<b>90,569</b>	<b>(3,312)</b>	<b>(3.5)</b>	<b>83,026</b>
Notes and accounts payable, trade	44,559	40,090	(4,469)	(10.0)	42,352
Short-term borrowings	33,646	35,102	1,455	4.3	24,150
Bonds (due within one year)	140	100	(40)	(28.6)	140
Long-term debt ( due within one year)	7,686	8,713	1,027	13.4	7,525
Others	7,848	6,563	(1,285)	(16.4)	8,858
<b>II. Long-term Liabilities</b>	<b>44,235</b>	<b>37,196</b>	<b>(7,039)</b>	<b>(15.9)</b>	<b>42,612</b>
Bonds	8,045	2,545	(5,500)	(68.4)	8,045
Long-term debt	19,503	20,189	686	3.5	18,455
Deferred tax liability from land revaluation gain	7,595	7,595	—	—	7,595
Accrued retirement benefits for employees	5,052	3,918	(1,134)	(22.4)	5,185
Others	4,039	2,948	(1,091)	(27.0)	3,330
<b>Total Liabilities</b>	<b>138,117</b>	<b>127,766</b>	<b>(10,351)</b>	<b>(7.5)</b>	<b>125,638</b>
<b>(Net Assets)</b>					
<b>I. Shareholders' equity</b>	<b>43,268</b>	<b>39,590</b>	<b>(3,678)</b>	<b>(8.5)</b>	<b>40,985</b>
Common stock	22,784	22,784	—	—	22,784
Capital surplus	12,815	12,815	—	—	12,815
Retained earnings	7,830	4,156	(3,673)	(46.9)	5,548
Treasury stock	(161)	(166)	(4)	2.9	(163)
<b>II. Difference of appreciation and conversion</b>	<b>13,203</b>	<b>11,834</b>	<b>(1,368)</b>	<b>(10.4)</b>	<b>13,153</b>
Net unrealized holding gain on securities	2,654	1,278	(1,375)	(51.8)	2,598
Land revaluation reserve	10,527	10,527	—	—	10,527
Foreign currency translation adjustments	21	29	7	34.9	28
<b>III. Minority interests in Consolidated Subsidiaries</b>	<b>1,600</b>	<b>1,607</b>	<b>7</b>	<b>0.5</b>	<b>1,585</b>
<b>Total Net Assets</b>	<b>58,072</b>	<b>53,033</b>	<b>-5,038</b>	<b>(8.7)</b>	<b>55,724</b>
<b>Total Liabilities and Net Assets</b>	<b>196,189</b>	<b>180,799</b>	<b>(15,390)</b>	<b>(7.8)</b>	<b>181,362</b>

**Consolidated Statements of Income**

(Millions of yen,%)

Account	Previous Period	Nine Months	Change from Previous Period		(Reference) Previous Fiscal Year
	Apr.1, 2006 - Dec 31, 2006	Apr.1, 2007 - Dec.31, 2007	Amount	% Change	Apr.1, 2006 - Mar.31, 2007
	Amount	Amount	Amount	% Change	Amount
I. Net Sales	113,412	106,107	(7,304)	(6.4)	153,728
II. Cost of Sales	75,604	73,442	(2,161)	(2.9)	105,309
<b>Gross Profit</b>	<b>37,808</b>	<b>32,665</b>	<b>(5,142)</b>	<b>(13.6)</b>	<b>48,419</b>
III. Selling, General and Administrative Expenses	33,930	32,534	(1,396)	(4.1)	46,175
<b>Operating Income</b>	<b>3,877</b>	<b>130</b>	<b>(3,746)</b>	<b>(96.6)</b>	<b>2,243</b>
IV. Non-operating Income	1,131	1,080	(50)	(4.5)	1,509
Interest and dividend income	213	234	20	9.7	358
Others	918	846	(71)	(7.8)	1,150
V. Non-operating Expenses	1,192	1,276	84	7.1	2,476
Interest expenses	844	972	128	15.2	1,135
Others	348	304	(44)	(12.7)	1,341
<b>Ordinary Income</b>	<b>3,816</b>	<b>(65)</b>	<b>(3,881)</b>	—	<b>1,276</b>
VI. Extraordinary Gains	38	1,416	1,378	—	44
Gain on sale or disposal of plant and equipment	38	40	2	5.9	44
Gain on sale of investment	—	1,346	1,346	—	—
Reversal of allowance for retirement benefits for directors	—	28	28	—	—
VII. Extraordinary Losses	352	1,662	1,310	371.9	513
Loss on sale or disposal of plant and equipment	149	147	(2)	(1.4)	312
Impairment loss	25	—	(25)	—	25
Loss from bad debts	—	385	385	—	—
Transfer to allowance for doubtful accounts	130	—	(130)	—	119
Special retirement benefit	—	920	920	—	—
Cost for product recall	—	140	140	—	—
Others	46	69	23	50.2	55
<b>Income before income taxes and minority interests</b>	<b>3,502</b>	<b>(311)</b>	<b>(3,813)</b>	—	<b>807</b>
Income taxes	1,152	1,048	(103)	(9.0)	753
Minority interests in consolidated subsidiaries	49	31	(18)	(37.3)	35
<b>Net Income</b>	<b>2,300</b>	<b>(1,391)</b>	<b>(3,691)</b>	—	<b>18</b>

Note: "Income taxes" includes "corporate income tax, residents tax and enterprise tax" and "income taxes adjustment".

**Consolidated Statements of Cash Flows**

(Millions of yen)

Account	Previous Period Apr.1, 2006 - Dec. 31, 2006	Nine Months Apr.1, 2007 - Dec.31, 2007	(Reference) Previous Apr.1, 2006 - Mar.31, 2007
Description	Amount	Amount	Amount
<b>I. Cash Flows from Operating Activities</b>			
Income before income taxes and minority	3,502	(311)	807
Depreciation and amortization	2,749	3,216	3,708
Impairment loss	25	—	25
Interest and dividend income	(213)	(234)	(358)
Interest expenses	760	865	1,015
Special retirement benefit	—	920	—
Decrease(increase) in notes and accounts	(7,926)	(2,289)	2,896
Decrease(increase) in inventories	(6,590)	698	(5,594)
Increase (decrease) in notes and accounts	2,954	(2,262)	748
Others	(3,122)	(5,213)	(661)
Sub-total	(7,859)	(4,611)	2,587
Interest and dividends received	215	239	356
Interest paid	(807)	(894)	(1,025)
Special retirement benefit paid	—	(920)	—
Income taxes paid	(1,229)	(521)	(1,591)
Refunded income taxes	575	59	575
<b>Net cash provided by (used in) operating</b>	<b>(9,105)</b>	<b>(6,649)</b>	<b>902</b>
<b>II. Cash Flows from Investing Activities</b>			
Sales(purchases) of securities	23	2,498	23
Sales(purchases) of property, plant and	(4,162)	(3,061)	(4,701)
Purchase of shares of subsidiaries which	(276)	—	(276)
changes scope of consolidation			
Net decrease in time deposits	(32)	(45)	96
Others	361	433	140
<b>Net cash provided by (used in) investing</b>	<b>(4,085)</b>	<b>(175)</b>	<b>(4,718)</b>
<b>III. Cash Flows from Financing Activities</b>			
Net increase(decrease) in borrowings	13,708	13,870	2,998
Net proceeds from issuance and redemption of	(100)	(5,540)	(100)
Payments for acquisition/sale of treasury stock	(7)	(3)	(8)
Payment dividends	(677)	—	(677)
Others	(3)	(13)	(3)
<b>Net cash (used in) provided by financing</b>	<b>12,920</b>	<b>8,313</b>	<b>2,207</b>
<b>IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>(2)</b>	<b>82</b>	<b>3</b>
<b>V. Net Increase (Decrease) in Cash and Cash</b>	<b>(272)</b>	<b>1,571</b>	<b>(1,604)</b>
<b>VI. Cash and Cash Equivalents at Beginning of the Period</b>	<b>6,589</b>	<b>4,985</b>	<b>6,589</b>
<b>VII. Cash and Cash Equivalents at the End of the Period</b>	<b>6,316</b>	<b>6,556</b>	<b>4,985</b>

**Supplementary Information for the Nine Months of Financial Results**  
**(Apr.1<sup>st</sup>, 2007—Dec. 31, 2007)**

	(Billions of yen, %)					
	3 <sup>rd</sup> Quarter-	3 <sup>rd</sup> Quarter-	Variance		3 <sup>rd</sup> Quarter	Variance
	Last	Current	Amount	%	Quarter	Amount
Fiscal Year	Fiscal Year	Plan				
Net Sales	113.4	<b>106.1</b>	(7.3)	(6.4)	108.0	(1.9)
Domestic	101.0	<b>91.9</b>	(9.1)	(9.0)	94.0	(2.1)
Overseas	12.4	<b>14.2</b>	1.8	14.4	14.0	0.2
Operating Income	3.9	<b>0.1</b>	(3.8)	(96.6)	0.5	(0.4)
Balance of Financial Income	(0.9)	<b>(0.9)</b>	—		(0.9)	—
Other Non-operating Income	0.8	<b>0.7</b>	(0.1)		0.5	0.2
Ordinary Income	3.8	<b>(0.1)</b>	(3.9)	—	0.1	(0.2)
Extraordinary Gains	—	<b>1.4</b>	1.4		1.5	(0.1)
Extraordinary Losses	(0.3)	<b>(1.6)</b>	(1.3)		(1.7)	0.1
Income Before Income Taxes and Minority Interests	3.5	<b>(0.3)</b>	(3.8)	—	(0.1)	(0.2)
Income taxes	(1.2)	<b>(1.1)</b>	0.1		(1.8)	0.7
Net Income	2.3	<b>(1.4)</b>	(3.7)	—	(1.9)	0.5

1) Comparison with the same period of the previous year

A. Net Sales: Net Sales declined by ¥7.3 billion (down 6.4%) compared to the same period of the previous year.

- Domestic sales declined by ¥9.1 billion centering on agricultural machinery and farming implements due to an inactive trend of the agricultural machinery market.
- Overseas sales increased ¥1.8 billion as a whole, compensating for reduced sales in North America by increased sales in robust European and Asian markets.

B. Operating income: Operating income decreased ¥3.8 billion (down 96.6%) compared to the same period of the previous year.

Ordinary income: Ordinary income decreased ¥3.9 billion compared to the same period of the previous year.

- Income decreased due to reduced gross profit coupled with deteriorated gross profit margin by production adjustment.



C. Quarterly Net Income: Net Income decreased ¥ 3.7 billion compared to the same period of the previous year.

- Net Income decreased ¥ 3.7 billion mainly due to gain on sale of investment securities and appropriation of special retirement benefits for recruitment of voluntary retirees.

2) Comparison with the plan

A. Net Sales: Net Sales fell short of the plan by ¥1.9 billion.

- Domestic sales fell short of the plan by ¥2.1 billion due to a reduction in sales centering on combine harvesters, farming implements and parts while new model rice transplanters sold well.
- Overseas sales exceeded the plan by ¥0.2 billion in net, offsetting declined sales in North America by expanded sales in European as well as Asian markets.

B. Operating Income: Operating Income fell short of the plan by ¥0.4 billion.

Ordinary income: Ordinary income fell short of the plan by ¥0.2 billion.

- Operating Income fell short of the plan by ¥0.4 billion mainly due to decreased gross profit as a result of reduced domestic sales.
- Ordinary income fell short of the plan by ¥0.2 billion by improved non-operating income and loss.

C. Net income: Net income exceeded the plan by ¥0.5 billion.

- Net income exceeded the plan by ¥0.5 billion mainly due to decreased tax payments.

(Sales Breakdown)

	3rd Quarter- Last Fiscal Year	3 <sup>rd</sup> Quarter- Current Fiscal Year	Variance	(Billions of yen)	
				3 <sup>rd</sup> Quarter Plan	Variance Amount
Agricultural Machinery	52.2	<b>46.7</b>	(5.5)	47.2	(0.5)
Parts & Farming Implements	23.2	<b>21.4</b>	(1.8)	22.3	(0.9)
Construction of Agricultural Facilities	3.2	<b>2.8</b>	(0.4)	2.8	—
Others	22.4	<b>21.0</b>	(1.4)	21.7	(0.7)
Domestic Sales Total	101.0	<b>91.9</b>	(9.1)	94.0	(2.1)
North America	4.0	<b>3.3</b>	(0.7)	4.1	(0.8)
Europe	5.6	<b>7.0</b>	1.4	6.4	0.6
Asia	0.9	<b>1.4</b>	0.5	1.3	0.1
China	0.6	<b>1.1</b>	0.5	0.8	0.3
Australia and others	0.3	<b>0.3</b>	—	0.3	—
Total Product Sales	11.4	<b>13.1</b>	1.7	12.9	0.2
Parts and others	1.0	<b>1.1</b>	0.1	1.1	—
Overseas Sales Total	12.4	<b>14.2</b>	1.8	14.0	0.2
Total	113.4	<b>106.1</b>	(7.3)	108.0	(1.9)

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

The annual business performance forecast for the fiscal year ending March 31, 2008 (April 1, 2007 – March 31, 2008) announced on November 15, 2007 will be revised as follows.

### A. Forecasts of consolidated business performance.

	(Consolidated)		(Billions of yen, % )			
	Previous forecast	Latest forecast	Variance		Actual results of previous fiscal year	Variance from latest forecast
			Amount	%		
Net Sales	149.0	<b>145.0</b>	(4.0)	(2.7)	153.7	(8.7)
Domestic	128.0	<b>124.0</b>	(4.0)	(3.1)	134.9	(10.9)
Overseas	21.0	<b>21.0</b>	-		18.8	2.2
Operating Income	1.1	<b>0.5</b>	(0.6)	(54.5)	2.2	(1.7)
Ordinary Income	0.1	<b>0.0</b>	(0.1)	-	1.3	(1.3)
Net Income	(2.3)	<b>(1.5)</b>	0.8	-	0.0	(1.5)

	(Non-consolidated)		(Billions of yen, % )			
	Previous forecast	Latest forecast	Variance		Actual results of previous fiscal year	Variance from latest forecast
			Amount	%		
Net Sales	86.0	<b>84.5</b>	(1.5)	(1.7)	90.8	(6.3)
Operating Income	(1.4)	<b>(1.2)</b>	0.2	-	0.7	(1.9)
Ordinary Income	(1.1)	<b>(0.8)</b>	0.3	-	0.8	(1.6)
Net Income	(2.2)	<b>(1.9)</b>	0.3	-	(4.8)	2.9

### B. Reasons for revision.

[Consolidated]

#### 1) Net sales.

- While there is a sign of a recovery trend in product sales due to the effect of new products, we made a downward revision of the figure by ¥4.0 billion considering situation to date of the domestic sales companies.

#### 2) Operating income—Net income.

- With respect to operating income, we made a downward revision by ¥0.6 billion mainly in view of the effect of decreased gross profit due to reduced sales while we continue efforts to reduce costs.
- With respect to ordinary income, we made a downward revision by ¥0.1 billion in anticipation of an increase in non-operating income.
- With respect to net income, we made an upward revision by ¥0.8 billion by a reduction in tax payments.

[Non-consolidated]

- With respect to net sales, we made a downward revision by ¥1.5 billion considering trends of sales.
- With respect to income, we made an upward revision for each income as we expect decreased gross income caused by reduced sales may be compensated by reduced cost and other factors.

### III. Business performance prospect for the following fiscal years.

- We formulated business performance prospect for the following 3 years (April 1, 2008—March 31, 2011) as set out below.
- The performance prospect is based on the following assumptions.

In the domestic market, we expect demand for agricultural machinery will remain approximately at the same level in view of the review of the agricultural policy as well as curbed decline in rice price. At ISEKI, we expect expanded domestic sales through our further efforts to expand already well selling rice transplanters and continued introduction of new products.

In the overseas market, we expect a further sales expansion in already robust European and Asian markets coupled with a recovery of orders from an OEM partner in North America following the termination of their inventory adjustment.

In furtherance, we expect an improvement in our gross profit margin by the effect of the cost structure reform implemented during current fiscal year ending March, 2008.

[Consolidated]

(Billions of yen)

	FY ending Mar.2008 Forecast	FY ending Mar.2009 Prospect	FY ending Mar.2010 Prospect	FY ending Mar.2011 Prospect
Net Sales	145.0	152.0	154.0	156.5
Operating Income	0.5	3.3	4.4	5.4
Ordinary Income	0.0	1.9	3.2	4.2
Net Income(Loss)	(1.5)	0.6	1.3	2.6

[Non-consolidated]

(Billions of yen)

	FY ending Mar.2008 Forecast	FY ending Mar.2009 Prospect	FY ending Mar.2010 Prospect	FY ending Mar.2011 Prospect
Net Sales	84.5	89.5	93.5	96.5
Operating Income	(1.2)	0.7	1.5	2.2
Ordinary Income	(0.8)	0.7	1.5	2.2
Net Income(Loss)	(1.9)	0.6	1.0	2.1