



November 12, 2009

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 Date of Submission of Quarterly Report November 12, 2009
 Scheduled Date to Commence Dividend Payment -

Summary Announcement of Consolidated Financial Results
for the Six Months Ended September 30, 2009

I. Financial Results for the Six Months Ended September 30, 2009 (April 1, 2009 – September 30, 2009)

A. Results of operations

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

	Six Months Ended September 30, 2009	%	Six Months Ended September 30, 2008	%
Net Sales	69,726	(9.5)	77,007	-
Operating Income	2,528	108.2	1,214	-
Ordinary Income	2,197	95.1	1,126	-
Net Income	1,597	131.3	690	-
Net Income per Share (yen)	7.06		3.06	
Non-diluted				
Fully Diluted	6.95		3.00	

B. Financial Position

(Rounded down to millions of yen)

	September 30, 2009	March 31, 2009
Total Assets	175,290	171,002
Net Assets	54,689	51,694
Shareholders' Equity to Total Assets Ratio	30.3%	29.4%
Net Assets per Share	¥231.43	¥222.44

Notes: Shareholders' equity:

Second Quarter of FY Mar. 2010 ¥53,191 mil. Year ended March 31, 2009 ¥50,214mil.

II. Dividends

(Recorded date)	Dividend per share (Yen)				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
FY ended March 2009	-	-	-	0.00	0.00
FY ending March 2010	-	-			
FY ending March 2010 (forecast)			-	0.00	0.00

(Note) Revision of dividend forecast during the second quarter of FY ending March 2010: None

III. Forecast for the Fiscal Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

(% represents comparison with previous year for the full year performance)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Annual	150,000	0.3	3,300	109.2	2,100	172.1	1,100	-	4.79

(Note) Revision of performance forecast during the second quarter of FY ending March 2010: Yes

IV. 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 method in accounting method and unique accounting method for Consolidated Quarterly Financial statements: Yes

(Note) For details, please refer to p4 [Qualitative Information. ■ Financial Statements, etc] 4. Others.

- C. Change in principle, procedure and method of statement of accounting procedures in preparation of consolidated financial statements (as stated in “Changes in essential matters which provide a basis for preparation of Consolidated Quarterly Financial Statements”)
- 1) Change which accompanies revision of accounting standards: Yes
 - 2) Change other than No.1. : None

(Note) For details, please refer to p4 [Qualitative Information ■ Financial Statements, etc] 4. Others.

D. Outstanding shares (Common shares)

- 1) Outstanding shares (Including treasury shares)

As of September 30, 2009	229,849,936 shares	As of March 31, 2009	226,536,329 shares
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- 2) Outstanding treasury shares

As of September 30, 2009	14,395 shares	As of March 31, 2009	790,839 shares
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- 3) Average number of shares during the period (Quarterly consolidated cumulative period)

As of September 30, 2009	226,436,219 shares	As of September 30, 2008	225,805,595 shares
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* Statement regarding proper use of financial performance forecasts and other notes.

The forecast for operating results has been produced based on information presently available. It is possible that in the future actual results may differ from the anticipated figures for a variety of reasons. Please refer to page 3[Qualitative Information ■ Financial Statements, etc], [3. Qualitative information regarding performance forecast]/

[Qualitative Information ■ Financial Statements, etc]

1. Qualitative information concerning the status of consolidated financial results

During the second quarter consolidated cumulative period under review, the Japanese economy remained in difficult situation with aggravating employment conditions and declining capital investment, in spite of some movements towards recovery, brought by the ending of the circle of inventory adjustment, as well as the effects of economic measures. The overseas economy continued to be in a serious situation with partial movements towards the fall ceasing by policy effects in North America and Europe, while Asia is recovering, centering on China.

In the domestic agricultural machinery market, while there was some sign of recovery by the partial implementation of supportive measures for agriculture by the agricultural policy, there were the effects of restrained

purchasing by customers waiting to see, due to delayed implementation of an urgent machinery-leasing support program, etc. In the overseas market, the difficult situation of expanding sales continues, due to the effects of the global recession. Under these circumstances, the ISEKI Group has made efforts to prepare a line-up of new products to meet the diversifying needs of customers, aggressively promoting sales activities.

In the second quarter consolidated cumulative period, sales decreased ¥7.280 billion from the same period of the previous year, to ¥69.726 billion (down 9.5%). Domestic sales decreased ¥2.786 billion to ¥61.766 billion (down 4.3%). Overseas sales decreased ¥4.494 billion to ¥7.960 billion (down 36.1%), due to a reduction in orders received, because of the effects of the worldwide recession, in spite of sales growth in China. Operating income increased ¥1.313 billion from the same period of the previous year, to ¥2.528 billion, compensating for reduced gross income by reduced revenue with reduced evaluation loss, which had been aggravating items in the previous quarter and cost reduction of fixed costs, etc. Ordinary income increased ¥1.071 billion to ¥2.197 billion. Quarterly net income increased ¥0.906 billion to ¥1.597 billion.

2. Qualitative information concerning the shifts in consolidated financial position

As of the end of the second quarter consolidated cumulative period, total assets increased ¥4.287 billion from the previous fiscal year end to ¥175.290 billion. The main items of assets were a ¥4.543 billion increase in cash and cash equivalents.

Total liabilities increased ¥1.293 billion from the previous fiscal year end, mainly due to a decrease in notes and accounts payable of ¥3.975 billion, and an increase in interest-bearing liabilities of ¥5.519 billion. Net assets increased ¥2.994 billion from the previous fiscal year end to ¥54,689 billion. As a result, the equity ratio was 30.3%.

Cash and cash equivalents, as of the end of the second quarter consolidated cumulative period, increased ¥4.384 billion from the end of the previous fiscal year, to ¥9.994 billion.

(Cash flow from operating activities)

Cash flow from operating activities in the second quarter under review resulted in a net expenditure of ¥0.774 billion (net expenditure increased ¥4.378 billion from the same period of the previous year), mainly due to net income before income taxes and minority interest of ¥2.094 billion, an increase in inventory assets of ¥1.358 billion, and a decrease in accounts payable of ¥3.975 billion.

(Cash flow from investment activities)

Cash flow from investment activities in the second quarter under review resulted in a net expenditure of ¥1.938 billion (net expenditure increased ¥0.343 billion from the same period of previous year) mainly due to capital investment expenditure of ¥2.058 billion.

(Cash flow from financial activities)

Cash flow from financial activities in the second quarter under review resulted in a net revenue of ¥7.056 billion (increased revenue of ¥8.283 billion from the same period of previous year), mainly due to decrease and increase of interest-bearing liabilities.

3. Qualitative information regarding performance forecast

With respect to the consolidated business performance forecast for the current fiscal year under review, the forecast for the net sales has been revised from ¥154.0 billion to ¥150.0 billion (up 0.3% from the previous period)

due to an expected decline in overseas sales by the effect of the stronger yen, while a partial recovery in domestic sales is anticipated. With respect to the forecast for each income, mainly due to the effects of declined overseas sales by the stronger yen, revisions have been made to operating income, to ¥3.3 billion (up 109.2% from the previous period), ordinary income to ¥2.1 billion (up 172.1%) and net income to ¥1.1 billion. Along with the revision, non-consolidated business performance has been revised as well.

Please refer to the “Notice of Revision on Business Performance Forecast” for details concerning the forecast.

Company forex rate for the third quarter and the fourth quarter as premises of the business performance is 1US\$=¥90 and 1Euro=¥130.

4. Others

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

(2) Adoption of simplified method in accounting method and unique accounting method for Quarterly Financial Statements

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 in preparation of Consolidated Quarterly Financial Statements.

1) Adoption of Accounting Standard for Construction Contracts

Starting from the current consolidated quarterly accounting period, we have applied the “Accounting Standard for Construction Contracts” (ASBJ Statement No.15, issued on December 27, 2007) and “Implementation Guidance of Accounting Standard for Construction Contracts”(ASBJ Implementation Guidance of Corporate Accounting Standards No.18, issued on December 27, 2007).

There is no impact of the application on the profit and loss.

5. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

	(millions of yen)	
	FY2010 (as at Sep. 30, 2009)	FY2009 (as at Mar. 31, 2009)
Assets		
Current Assets		
Cash and time deposits	10,251	5,708
Notes and accounts receivable	29,003	28,734
Marketable securities	111	280
Merchandise and products	38,588	37,944
Work in progress	3,248	2,696
Raw materials and stocks	1,497	1,336
Others	2,371	3,991
Allowance for doubtful accounts	(104)	(79)
Total current assets	84,969	80,611
Fixed Assets		
Tangible fixed assets		
Buildings and structures(net)	15,206	15,638
Land	50,476	50,463
Others(net)	14,460	13,887
Total tangible fixed assets	80,143	79,988
Intangible fixed assets		
	844	842
Investments and other assets		
Investment securities	4,662	4,647
Others	5,149	5,385
Allowance for doubtful accounts	(478)	(473)
Total investment and other assets	9,333	9,559
Total fixed assets	90,321	90,390
Total Assets	175,290	171,002

(millions of yen)

	FY2010 (as at Sep. 30, 2009)	FY2009 (as at Mar. 31, 2009)
Liabilities		
Current Liabilities		
Notes and accounts payable	39,826	43,801
Short-term borrowings	20,997	20,980
Bonds(due within one year)	1,090	1,485
Long-term debt(due within one year)	13,559	10,395
Accrued income taxes	620	715
Allowance for bonus	831	429
Others	6,391	7,685
Total current liabilities	83,317	85,493
Long - term Liabilities		
Bonds	40	1,060
Long-term debt	20,501	16,748
Deferred tax liability from land revaluation gain	7,595	7,595
Accrued retirement benefits for employees	5,041	4,829
Accrued directors' retirement benefits	164	380
Others	3,941	3,201
Total long-term liabilities	37,284	33,814
Total liabilities	120,601	119,308
Net Assets		
Shareholders' equity		
Common stock	23,344	22,784
Capital surplus	13,454	12,815
Retained earnings	5,669	4,072
Treasury stock	(4)	(185)
Total shareholders' equity	42,464	39,486
Difference of appreciation and conversion		
Net unrealized holding gain on securities	194	212
Land revaluation reserve	10,527	10,527
Foreign currency translation adjustments	5	(11)
Total difference of appreciation and conversion	10,726	10,728
Minority interests in Consolidated Subsidiaries	1,497	1,479
Total Net Assets	54,689	51,694
Total Liabilities and Net Assets	175,290	171,002

(2) Consolidated Quarterly Statements of Income
(Second Quarter Consolidated Cumulative Period)

	(millions of yen)	
	FY2009 (Apr.1,2008-Sep.30, 2008)	FY2010 (Apr.1,2009-Sep.30, 2009)
Net sales	77,007	69,726
Cost of sales	53,630	46,194
Gross Profit	23,376	23,532
Selling, general and administrative expenses	22,162	21,004
Operating Income	1,214	2,528
Non-operating Income		
Interest received	108	78
Dividend received	87	76
Forex gains	103	-
Others	510	326
Total non-operating income	809	480
Non-operating Expenses		
Interest expenses	620	522
Others	277	289
Total non-operating expenses	897	811
Ordinary Income	1,126	2,197
Extraordinary Gains		
Gain on sale and disposal of property, plant and equipment	31	37
Gain on sale of investment securities	133	-
Total Extraordinary Gains	164	37
Extraordinary Losses		
Loss on sale and disposal of property, plant and equipment	98	73
Reversal of past year allowance for directors' retirement benefit	144	-
Cost of measures for product recall	-	43
Others	21	23
Total Extraordinary Losses	264	139
Income before income taxes and minority interests	1,026	2,094
Income taxes	540	524
Reversal of past year corporate and other taxes	(199)	(37)
Total Income taxes, deferred tax	340	487
Minority interests in consolidated subsidiaries	(4)	9
Net Gain or Loss	690	1,597

(3) Consolidated Quarterly Statements of Cash Flows

	FY2009 (Apr.1,2008-Sep.30, 2008)	FY2010 (Apr.1,2009-Sep.30, 2009)
Cash Flows from Operating Activities		
Income before income taxes and minority interests	1,026	2,094
Depreciation and amortization	2,184	2,451
Increase in reserve for retirement benefits	299	212
Loss (gain) on sales of investment securities	(133)	-
Interest and dividend income	(196)	(154)
Interest expenses	620	522
Effect of foreign exchange rate changes	11	(17)
Loss (gain) on sales of tangible and intangible fixed assets	66	36
Decrease(increase) in notes and accounts receivable	(5,567)	(269)
Decrease(increase) in inventories	3,994	(1,358)
Increase(decrease) in notes and accounts payable	992	(3,975)
Others	1,009	243
Subtotal	4,308	(213)
Interest and dividends received	194	158
Interest paid	(629)	(509)
Income taxes paid	(386)	(633)
Refunded income taxes	116	424
Net cash provided by (used in) operating activities	3,604	(774)
Cash Flows from Investing Activities		
Payment for purchase of investment securities	(122)	(19)
Proceeds from sale of investment securities	51	149
Payments for purchase of tangible and intangible fixed assets	(2,155)	(2,058)
Proceeds from sale of tangible and intangible fixed assets	186	182
Payments for purchase of investment securities	(0)	(0)
Proceeds from sale of investment securities	483	-
Net decrease (increase) in time deposits	(178)	(158)
Others	139	(32)
Net cash used in (provided by) investing activities	(1,594)	(1,938)
Cash Flows from Financing Activities		
Net increase (decrease) in short-term borrowings	(2,329)	(2)
Proceeds from long-term debt	6,390	12,210
Repayments of long-term debt	(5,186)	(5,292)
Redemption of bonds	(80)	(20)
Proceeds from sale and lease back	-	442
Repayments of lease obligations	-	(256)
Payments for purchases of treasury stock	(12)	(14)
Others	(9)	(9)
Net cash used in financing activities	(1,227)	7,056
Effect of Exchange rate Changes on Cash and Cash Equivalents	(15)	41
Net Increase (Decrease) in Cash and Cash Equivalents	766	4,384
Cash and Cash Equivalents at beginning of fiscal year	5,687	5,609
Cash and Cash Equivalents at end of quarterly period	6,454	9,994

(4) Note on going concern premises

There is no corresponding item.

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

Second quarter consolidated cumulative period under review (April 1, 2009 – September 30, 2009)

(million of yen)

	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous fiscal year	22,784	12,815	4,072	(185)	39,486
Changes in items during the period					
New share issuance	559	559			1,119
Quarterly net income			1,597		1,597
Purchase of treasury stock				(14)	(14)
Sale of treasury stock		78		196	275
Total changes in items during the period	559	638	1,597	181	2,977
Balance at the end of the period	23,344	13,454	5,669	(4)	42,464

The changes are due to exercise of stock acquisition rights for convertible bonds during the second quarter consolidated cumulative period under review.