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 August 10, 2010

Date of Submission of Quarterly Report
 Scheduled Date to Commence Dividend Payment -
 Preparation of supplementary information for quarterly financial information Yes
 Holding of quarterly financial results briefing Yes

Summary Announcement of Consolidated Financial Results
for the Three Months Ended June 30, 2010

I. Financial Results for the Three Months Ended June 30, 2010 (April 1, 2010 – June 30, 2010)

A. Results of operations

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

	Three Months Ended June 30, 2010	%	Three Months Ended June 30, 2009	%
Net Sales	33,248	12.9	29,461	(8.9)
Operating Income	1,311	250.1	374	-
Ordinary Income	1,022	162.8	388	-
Net Income	839	111.2	397	-
Net Income per Share (yen)				
Non-diluted	3.65		1.76	
Fully Diluted	-		1.73	

B. Financial Position

(Rounded down to millions of yen)

	June 30, 2010	March 31, 2010
Total Assets	174,103	171,044
Net Assets	56,365	55,604
Shareholders' Equity to Total Assets Ratio	31.5%	31.6%
Net Assets per Share (yen)	238.84	235.46

Notes: Shareholders' equity:

First Quarter of FY Mar. 2011 ¥54,886 mil. FY ended March, 2010 ¥54,109mil.

II. Dividends

(Recorded date)	Dividend per share (Yen)				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
FY ended March 2010	-	-	-	0.00	0.00
FY ending March 2011	-				
FY ending March 2011 (forecast)		-	-	-	-

Note Revision of dividend forecast during the first quarter of FY ending March 2011: None

As we have yet to determine the specific expected dividend amount, forecasts for the fiscal year-end and full year are indicated with a dash.

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1. Qualitative Information regarding quarterly consolidated financial results, etc

(1) Qualitative information concerning the status of consolidated financial results

During the first quarter consolidated cumulative period under review, an overall deflationary trend persisted in the Japanese economy and consumer spending remained inactive, in spite of the partial recovery observed in corporate performance and capital investment. The Agricultural machinery market to which we belong continued in a similar situation, failing to see any major recovery. Under the economic environment, ISEKI Group accomplished consolidated financial results as set out below.

In the first quarter consolidated cumulative period, sales increased ¥3.787 billion from the same period of the previous year, to ¥33.248 billion (up 12.9%). Domestic sales increased ¥3.234 billion to ¥29.190 billion (up 12.5%). Overseas sales increased ¥0.553 billion to ¥4.058 billion (up 15.8%). Operating income increased ¥0.936 billion to ¥1.311 billion (up 250.1%), mainly due to increased gross income from increased revenue. Ordinary income increased ¥0.633 billion to ¥1.022 billion (up 162.8%). Quarterly net income increased ¥0.441 billion to ¥0.839 billion (up 111.2%).

Financial results by segment are as follows:

From the first quarter accounting period under review, by adoption of “Accounting standard for disclosures about segments of an enterprise and related information” (ASBJ Statement No.17, March 27, 2009) and “Guidance on accounting standard for disclosures about segments of an enterprise and related information (ASBJ Guidance No.20, March 21, 2008), we provided the segment information as “Agriculture related business” and “Other business”.

Comparison with the same quarter of the previous year is stated by having reclassified the figures in the first quarter consolidated cumulative period according to the new segments.

a. Agriculture related business

Our sales in the domestic market increased due to the effect of the urgent machinery leasing support program, increased facility construction and others. Overseas sales increased as well mainly due to recovery of orders received by the progress in an inventory adjustment of our OEM partner in North America.

The trend of sales by product is as follows.

(Domestic)

Sales of machinery for soil preparation (tractors, tillers, etc.) were ¥7.477 billion (up 1.4% from the same period of the previous year), and sales of cultivating machinery (rice transplanters and vegetable transplanters) were ¥3.375 billion (up 0.4%). Sales of harvesting and processing machines (combine harvesters, etc.) were ¥4.490 billion (up 14.3%). Sales of spare parts and farming implements were ¥7.271 billion (up 33.2%). The other agriculture related sales (facility construction, etc.) were ¥6.542 billion (up 13.0%).

(Overseas)

Sales of machinery for soil preparation (tractors, etc) were ¥2.757 billion (up 22.3% from the same period of the previous year), and sales of cultivating machinery (rice transplanters) were ¥0.559 billion (up 0.9%). Sales of harvesting and processing machines (combine harvesters, etc.) were ¥0.226 billion (up 35.9%). Sales of spare parts and farming implements were ¥0.254 billion (up 1.4%). The other agriculture related sales were ¥0.260 billion (down 6.3%).

As a result, the segment sales stood at ¥33.216 billion.

b. Other business

As other business, we engage in development/sales/operation of computer software. The segment sales stood at ¥0.320 billion.

(2) Qualitative information concerning the shifts in consolidated financial position

As of the end of the first quarter consolidated cumulative period, total assets increased ¥3.058 billion from the previous fiscal year end to ¥174.103 billion. The main items of assets were a ¥1.302 billion increase in cash and cash equivalents, a ¥0.940 billion increase in notes and accounts receivable, and a ¥0.994 billion increase in merchandise and products.

Total liabilities increased ¥2.297 billion from the previous fiscal year end, mainly due to a ¥4.014 billion decrease in notes and accounts payable, and a ¥6.651 billion increase in interest bearing liabilities. Net assets increased ¥0.760 billion from the previous fiscal year end to ¥56.365 billion. As a result, the equity ratio was 31.5%.

Cash and cash equivalents, at the end of the first quarter consolidated cumulative period increased ¥0.818 billion from the previous fiscal year end, to ¥7.432 billion.

(Cash flow from operating activities)

Cash flow from operating activities in the first quarter under review resulted in a net expenditure of ¥4.002 billion (net expenditure decreased ¥3.956 billion from the same period last year), mainly due to a decrease in notes and accounts payable of ¥4.014 billion.

(Cash flow from investment activities)

Cash flow from investment activities in the first quarter under review resulted in a net expenditure of ¥1.841 billion (net expenditure decreased ¥0.611 billion from the same period last year) mainly due to capital investment expenditure of ¥1.450 billion.

(Cash flow from financial activities)

Cash flow from financial activities in the first quarter under review resulted in a net revenue of ¥6.629 billion (decreased revenue of ¥2.825 billion from the same period last year), mainly due to increase and decrease of interest-bearing liabilities.

(3) Qualitative information regarding performance forecast

During the first quarter consolidated cumulative period under review, while we managed to achieve increased revenue mainly by contribution of sales during January-March due to the effect of the urgent machinery-leasing support program which was implemented in the previous year, there are concerns at the business environment surrounding the ISEKI Group such as slow economic recovery both inside and outside the country, prolonged strong yen trend and further increase in raw material prices. In view of the circumstances, we will endeavor to expand sales by aggressive promotion of sales activities to stimulate the activation of the market, with the introduction of the commemorative products of our 85th anniversary of inauguration.

Considering the many uncertainties in forecasting our business performance, we dare not revise the business performance forecast announced on May 14, 2010.

From the second quarter, regarding company foreign exchange rates, we continue to assume ¥90 against the US dollar, and a stronger yen rate by ¥10 against the Euro, ¥110 against the Euro.

2. Other Information

(1) Changes in important subsidiaries

There is no corresponding item.

(2) Simplified accounting method and unique accounting method.

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

1) Application of the accounting standard for asset retirement obligations

From the first quarter consolidated cumulative period under review, we adopted the “Accounting Standards for Asset Retirement Obligations” (ASBJ Statement No.18, March 31, 2008) and the “Guidance on Accounting Standards for Asset Retirement Obligations” (ASBJ Guidance No.21, March 31, 2008).

Due to this application, both operating income and ordinary income were reduced by ¥2 million, and the quarterly net income before income taxes was reduced by ¥221 million.

(1) Consolidated Quarterly Balance Sheets

	(millions of yen)	
	FY2011 (as of Jun. 30, 2010)	FY2010 (as of Mar. 31, 2010)
Assets		
Current Assets:		
Cash and deposits	8,007	6,705
Notes and accounts receivable-trade	30,260	29,320
Short-term investment securities	19	19
Merchandise and finished goods	38,130	37,136
Work in progress	2,947	3,219
Raw materials and supplies	1,424	1,114
Others	3,330	3,319
Allowance for doubtful accounts	(88)	(74)
Total Current Assets	84,033	80,761
Noncurrent Assets:		
Property, plant and equipment		
Buildings and structures, net	14,846	14,835
Land	50,224	50,190
Other, net	14,883	14,672
Total property, plant and equipment	79,954	79,697
Intangible assets	877	883
Investments and other assets		
Investment securities	4,835	5,272
Other	4,841	4,884
Allowance for doubtful accounts	(438)	(455)
Total investment and other assets	9,238	9,702
Total Noncurrent Assets	90,069	90,283
Total Assets	174,103	171,044

(millions of yen)

	FY2011 (as of Jun.30, 2010)	FY2010 (as of Mar. 31, 2010)
Liabilities		
Current Liabilities:		
Notes and accounts payable-trade	37,758	41,773
Short-term loans payable	25,330	15,846
Current portion of bonds	40	1,060
Current portion of long-term loans payable	13,476	13,376
Accrued consumption taxes	381	753
Provision for bonuses	1,232	416
Other	7,616	8,543
Total Current Liabilities	85,836	81,770
Noncurrent Liabilities:		
Long-term loans payable	14,045	15,958
Deferred tax liabilities for land revaluation	7,595	7,595
Provision for retirement benefits	5,066	5,084
Provision for directors' retirement benefits	119	155
Asset retirement obligations	283	-
Other	4,790	4,875
Total Noncurrent Liabilities	31,900	33,669
Total Liabilities	117,737	115,439
Net Assets		
Shareholders' equity		
Capital stock	23,344	23,344
Capital surplus	13,454	13,454
Retained earnings	6,915	6,076
Treasury stock	(13)	(13)
Total Shareholders' Equity	43,701	42,862
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	315	385
Revaluation reserve for land	10,869	10,869
Foreign currency translation adjustments	(0)	(7)
Total Valuation and Translation Adjustment	11,185	11,247
Minority interests	1,479	1,494
Total Net Assets	56,365	55,604
Total Liabilities and Net Assets	174,103	171,044

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

(millions of yen)

	FY2010 (Apr.1,2009-Jun.30, 2009)	FY2011 (Apr.1,2010-Jun.30, 2010)
Net sales	29,461	33,248
Cost of sales	18,833	21,436
Gross Profit	10,627	11,812
Selling, general and administrative expenses	10,252	10,500
Operating Income	374	1,311
Non-operating Income		
Interest received	41	44
Dividend received	70	65
Foreign exchange gains	144	-
Other	151	193
Total non-operating income	408	303
Non-operating Expenses		
Interest expenses	268	234
Foreign exchange losses	-	231
Other	125	127
Total non-operating expenses	393	593
Ordinary Income	388	1,022
Extraordinary Income		
Gain on sales of noncurrent assets	20	36
Total extraordinary income	20	36
Extraordinary Loss		
Loss on sales of retirement of noncurrent assets	32	32
Loss on valuation of investment securities	0	328
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	218
Other	0	1
Total extraordinary losses	33	581
Income before income taxes	376	476
Income taxes-current	84	337
Income taxes-deferred	(98)	(690)
Total Income taxes	(14)	(352)
Income before minority interests	-	829
Minority interests in income (loss)	(6)	(9)
Net Income	397	839

(3) Consolidated Quarterly Statements of Cash Flows

	FY2010 (Apr.1,2009-Jun.30, 2009)	FY2011 (Apr.1,2010-Jun.30, 2010)
Net Cash Provided by (Used in) Operating Activities:		
Income before income taxes	376	476
Depreciation and amortization	1,192	1,317
Increase (decrease) in provision for retirement benefits	41	(18)
Interest and dividend income	(112)	(110)
Interest expenses	268	234
Foreign exchange losses (gains)	(4)	(23)
Loss (gain) on sales of property, plant and equipment and intangible assets	12	(3)
Decrease(increase) in notes and accounts receivable-trade	(1,498)	(940)
Decrease(increase) in inventories	(2,210)	(1,031)
Increase(decrease) in notes and accounts payable-trade	(5,035)	(4,014)
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	218
Other	(186)	641
Subtotal	(7,157)	(3,253)
Interest and dividends income received	112	108
Interest expenses paid	(280)	(218)
Income taxes paid	(633)	(638)
Net cash provided by (used in) operating activities	(7,958)	(4,002)
Net Cash Provided by (Used in) Investment Activities:		
Purchase of property, plant and equipment and intangible assets	(1,142)	(1,450)
Proceeds from sales of property, plant and equipment and intangible assets	103	98
Purchase of investment securities	(0)	(0)
Decrease (increase) in time deposits	(209)	(484)
Other	19	(5)
Net cash provided by (used in) operating activities	(1,229)	(1,841)
Net Cash Provided by (Used in) Financing Activities:		
Increase (decrease) in short-term loans payable, net	11,551	9,480
Proceeds from long-term loans payable	700	1,465
Repayment of long-term loans payable	(3,039)	(3,277)
Redemption of bonds	(20)	(1,020)
Proceeds from sale and leaseback transactions	374	254
Repayments of lease obligations	(109)	(272)
Purchase of treasury stock	(1)	(0)
Net cash provided by (used in) financing activities	9,454	6,629
Effect of Exchange rate Changes on Cash and Cash Equivalents	38	31
Net Increase (Decrease) in Cash and Cash Equivalents	305	818
Cash and Cash Equivalents at Beginning of Period	5,609	6,614
Cash and Cash Equivalents at End of Period	5,915	7,432

(4) Note on going concern premises

There is no corresponding item.

(5) Segment information

(Additional information)

From the first quarter accounting period under review, we adopted “Accounting standard for disclosures about segments of an enterprise and related information” (ASBJ Statement No.17, March 27, 2009) and “Guidance on accounting standard for disclosures about segments of an enterprise and related information (ASBJ Guidance No.20, March 21, 2008).

1. Outline of reportable segments

“Reportable segments of our Company” refers to constitutional units of its business for which separated financial information is made available, which are subject to periodic review by the board of directors in order to determine allocation of the managerial resources as well as evaluation of the business performance.

Our business by products/services consists of two reportable segments, namely “Agriculture related business” which is the core of our business, and “Other business” which attends rest of the business.

“Agriculture related business” dedicates to manufacturing and sales of agricultural machinery, as well as business related to agriculture/agricultural products including construction/sales of agriculture related facilities and revenue from the use of rice polishing machines. “Other business” is the information processing service business which attends development/sales/operation of computer software.

2. Information related to the amount of sales, income or loss by reportable segments

First quarter consolidated cumulative period under review (April 1, 2010 – June 30, 2010)

(million of yen)

	Agriculture related	Other	Total	Adjustment amount	Quarterly consolidated income statement posted amount
Net sales					
Net sales to external customers	33,216	32	33,248	-	33,248
Internal sales or transfer among segments	0	32	32	(32)	-
Total	33,216	65	33,281	(32)	33,248
Segment income (Loss)	841	(2)	839	-	839

(Note)

1. Adjustment amount corresponds to elimination of inter-segments transactions.
2. Segment income (loss) has been adjusted with the quarterly net income in the quarterly consolidated income statement.

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

There is no corresponding item