




August 6, 2014

Name of listed company:	ISEKI & CO., LTD.		Stock Exchange Listing:	Tokyo
Company Code:	6310	(URL http://www.iseki.co.jp)		
Representative:	Title	President	Name	Noriyuki Kimura
Enquiries:	Title	General Manager of Financial Department	Name	Kazuma Takahashi
Date of Submission of Quarterly Report			Telephone	+81 3 5604 7709
Scheduled Date to Commence Dividend Payment				August 6, 2014
Supplementary information for quarterly financial information				-
Quarterly financial results briefing				Yes Yes (For institutional investors, analysts)

Summary Announcement of Consolidated Financial Results for the Three Months Ended June 30, 2014 [Japanese GAAP](Consolidated)

I. Financial Results for the Three Months Ended June 30, 2014 (April 1, 2014 – June 30, 2014)

A. Results of operations (Cumulative)

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

	Three Months Ended June 30, 2014	%	Three Months Ended June 30, 2013	%
Net Sales	49,222	41.4	34,815	2.2
Operating Income	1,975	114.4	921	(24.0)
Ordinary Income	1,806	38.3	1,306	13.6
Net Income	1,248	(20.4)	1,568	7.1
Net Income per Share (yen)				
Non-diluted	5.44		6.83	
Fully Diluted	-		-	

(Note) Comprehensive income:

First Quarter of FY Mar. 2015 ¥1,246 mil. (-41.1%) First Quarter of FY Mar. 2014 ¥2,117 mil. (85.8%)

B. Financial Position

(Rounded down to millions of yen)

	June 30, 2014	March 31, 2014
Total Assets	196,120	197,628
Net Assets	68,692	68,734
Shareholders' Equity to Total Assets Ratio	34.2%	34.0%
Net Assets per Share (yen)	291.80	292.11

(Ref) Shareholders' equity:

First Quarter of FY Mar. 2015 ¥67,036 mil. FY ended Mar. 2014 ¥67,106 mil.

II. Dividends

(Recorded date)	Dividend per share (Yen)				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
FY ended March 2014	-	-	-	4.00	4.00
FY ending March 2015	-	-	-	-	-
FY ending March 2015 (forecast)	-	-	-	3.00~4.00	3.00~4.00

(Note) Revision from the most recently announced dividend forecast : None

III. Forecast for the Fiscal Year Ending March 31, 2015 (April 1, 2014 - March 31, 2015)

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

	Net sales	%	Operating income	%	Ordinary Income	%	Net income	%	Net income per share (yen)
2Q(Cumulative)	83,000	0.6	2,800	(32.8)	2,600	(46.9)	1,300	(59.0)	5.66
Annual	165,000	(2.4)	5,500	(25.4)	5,100	(38.4)	2,600	(59.7)	11.32

(Note) Revision from the most recently announced performance forecast: None

* Notes

- 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 unique accounting method for preparing quarterly financial statements: None
- C. Change in accounting policy, change of estimation in accounting and modified restatement
- 1) Change in accounting policy which accompanies revision of accounting standards: Yes
 - 2) Change in accounting policy other than No.1) : Yes
 - 3) Change of estimation in accounting : Yes
 - 4) Modified restatement : None

The above corresponds to Paragraph 5, Article 10 of “Regulations Concerning the Terminology, Forms and Preparation Method of Quarterly Financial Statements”. For details, please refer to page 5 of the attached document, [2. Matters Concerning Summary Information (Notes) (2) Change in accounting policy/ change of estimation in accounting and modified restatement].

D. Outstanding shares (Common shares)

- 1) Outstanding shares as of the end of the period (Including treasury shares)

First quarter of FY ending March 31, 2015	229,849,936 shares
FY ended March 31, 2014	229,849,936 shares
- 2) Outstanding treasury shares as of the end of the period

First quarter of FY ending March 31, 2015	118,191 shares
FY ended March 31, 2014	117,254 shares
- 3) Average number of shares during the period (Quarterly cumulative period)

First quarter of FY ending March 31, 2015	229,732,186 shares
First quarter of FY ended March 31, 2014	229,747,286 shares

* **Statement regarding state of implementation of quarterly review procedure**

The summary of quarterly financial results is exempted from the requirement of quarterly review procedure under the Financial Instruments and Exchange Act, and we have completed the review procedure of the quarterly financial statements at the time of disclosure under the act.

* **Statement regarding proper use of financial performance forecasts and other notes**

The forecast for operating results stated in this document has been produced based on information presently available and certain assumptions deemed reasonable. It is possible that in future actual results may differ from the anticipated figures for a variety of reasons. For assumed conditions of the business performance forecast and adequate use of the forecast, please refer to page 4 of the attached document, [1. Qualitative Information regarding quarterly financial results].

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1. Qualitative Information regarding quarterly financial results

(1) Explanation concerning the status of consolidated financial results

With respect to the Japanese economy during the first quarter, while the domestic economy stayed steady in spite of decline in the wake of the last-minute demand ahead of the consumption tax rate hike, and Europe and the U.S. economies in the overseas economies follow a recovery trend, weak trends continue in ASEAN nations, etc. that have strong ties with the Japanese economy.

While the situation still remains to be seen, the underlying economy continues a moderate recovery trend.

Under these circumstances, the ISEKI Group has made efforts to secure sales volume through enhanced customer services in Japan and to expand sales mainly by launching new products for North America and Europe. As a result, consolidated business performance of the ISEKI Group can be summarized as follows.

In the first quarter, sales increased ¥14,407 million from the same period of the previous year to ¥49,222 million (up 41.4%). Domestic sales increased ¥14,367 million to ¥43,482 million (up 49.3%) by an increase in revenues from January to March of the domestic sales companies, whose settlement month is December due to last-minute demand, etc. ahead of the consumption tax rate hike. Overseas sales increased ¥39 million to ¥5,740 million (up 0.7%) due to an increase in revenues in European market reflecting recovery in the demand, etc., while sales decreased in Chinese market due to reduced subsidy and effect of flood, etc.

Operating income increased ¥1,053 million to ¥1,975 million (up 114.4%) mainly due to higher gross income by expanded sales that exceeded increase in selling, general and administrative expenses. Ordinary income increased ¥500 million to ¥1,806 million (up 38.3%) due to effect of foreign exchange fluctuations, etc. Quarterly net income decreased ¥319 million to ¥1,248 million (down 20.4%) due to increased payment of income taxes, etc., while gain on change in equity, etc. were appropriated as extraordinary gains.

The trend of sales by product can be summarized as follows.

(Domestic)

Sales of cultivating & mowing machinery (tractors, tillers, etc.) were ¥11,585 million (up 29.5% from the same period of the previous year), and sales of planting machinery (rice transplanters, vegetable transplanters) were ¥3,571 million (up 26.7%). Sales of harvesting and processing machinery (combine harvesters, etc.) were ¥6,703 million (up 62.2%). Sales of farming implements and spare parts were ¥10,347 million (up 53.3%). The other agriculture related sales (construction of facilities, etc.) were ¥11,274 million (up 75.3%).

(Overseas)

Sales of cultivating & mowing machinery (tractors, etc.) were ¥4,471 million (up 13.2% from the same period of the previous year), and sales of planting machinery (rice transplanters, etc.) were ¥571 million (down 50.9%). Sales of harvesting and processing machinery (combine harvesters, etc.) were ¥102 million (down 33.3%). Sales of farming implements and spare parts were ¥403 million (up 68.4%). The other agriculture related sales were ¥192 million (down 0.9%).

Furthermore, Iseki Hokkaido Co., Ltd., a consolidated subsidiary of our company received on-the-spot inspection by the Fair Trade Commission on July 29, 2014 on the suspect of a violation of the Anti Monopoly Act concerning “construction works of drying, processing, storage facilities of grains and facility equipment to install in the facilities that are ordered by agricultural cooperatives and local public bodies located in

Hokkaido”.

Our company and Iseki Hokkaido Co., Ltd. will cooperate thoroughly with the Fair Trade Commission.

(2) Explanation concerning the shifts in consolidated financial position

As of the end of the first quarter consolidated period, total assets decreased ¥1,508 million from the previous fiscal year end to ¥196,120 million. In terms of assets, current assets decreased ¥7,711 million from the previous fiscal year end and noncurrent assets increased ¥6,202 million. The main changes were from a ¥7,322 million decrease in notes and accounts receivable-trade, and a ¥1,492 million decrease in inventory assets, a ¥1,264 million increase in property, plant and equipment and a ¥4,787 million increase in investment and other assets and other. Total liabilities decreased ¥1,465 million from the previous fiscal year end to ¥127,427 million, mainly as a result of a ¥1,456 million decrease in notes and accounts payable-trade, and a ¥2,482 million increase in short-term loans payable and long-term loans payable, and a ¥3,168 million decrease in current liabilities and other. Net assets decreased ¥42 million from the previous fiscal year end to ¥68,692 million mainly due to appropriation of quarterly net income of ¥1,248 million, dividend payment of retained earnings of ¥918 million and a ¥448 million decrease in foreign currency translation adjustments.

(3) Explanation regarding consolidated performance forecast, etc.

During the first quarter consolidated cumulative period, both operating income and ordinary income increased from the same period of the previous year due to last-minute demand, etc. ahead of consumption tax rate hike.

From now on, we will devote ourselves to further sales expansion in celebrating the 90th anniversary of foundation of the company next year, through provision of “high quality after sales service” and enhanced “Support for clients” to offer proposals suitable for their farm management. In addition, we will start commemorative sale/ sales expansion under the company-wide slogan “Supporting the full of dreams farming industry!” and “Gratitude and Support”. In overseas also, we will engage in sales expansion of strategic products launched for North American, European and Chinese market.

With respect to forecasts for the second quarter and the fiscal year ending March 31, 2015, we have not made revisions to the previously announced forecasts (at the time of announcement of financial results on May 14, 2014) as a result of examination including the business performance for the first quarter under review.

The premised forex rate in the performance forecast is 1US\$=¥101 (unchanged) and 1Euro=¥137 (changed from ¥140).

With respect to future prospect of “Notice on stock acquisition (conversion into a subsidiary) of a distributor in Europe” announced on July 22, 2014 and “Notice on completion of stock acquisition (conversion into a subsidiary) of a distributor in Europe”, it is currently under close scrutiny including incurred amount of negative goodwill, and not included in the forecasts this time.

2. Matters concerning Summary Information (Notes)

(1) Changes in important subsidiaries during the quarterly consolidated cumulative period

There is no corresponding item.

(2) Change in accounting policy, change of estimation in accounting and modified statement

(Application of Accounting Standard etc. for Retirement Benefits)

Since the first quarter, we have applied “Accounting Standard for Retirement Benefits” (ASBJ Corporate Accounting Standards No. 26, May 17, 2012. Hereafter the “Retirement Benefits Accounting Standards”) and “Implementation Guidance of Accounting Standard for Retirement Benefits” (ASBJ Implementation Guidance of Corporate Accounting Standards No. 25, May 17, 2012. Hereafter the “Retirement Benefits Implementation Guidance”) in relation to provisions stipulated in the text of Paragraph 35 of the Retirement Benefits Accounting Standards and the text of Paragraph 67 of the Retirement Benefits Implementation Guidance; and we have reviewed calculation method of retirement benefit obligation and service cost, having changed the period corresponding method of the estimated amount of retirement benefits from fixed amount standard to payment calculation standard, and we have also changed the determination method of discount rate from the one based on approximate average number of remaining service years for employees to a method using single weighted average discount rate that reflects the amount for the estimated periods of payment and each estimated period of payment.

With respect to application of the Retirement Benefits Accounting Standard, we adjust the impact of the change of calculation method of retirement benefit obligation and service cost with retained earnings at the beginning of the first quarter consolidated period under review in accordance with the transitory treatment stipulated in Paragraph 37 of the Retirement Benefits Accounting Standard.

As a result, liabilities at the beginning of the first quarter consolidated period under review increased ¥554 million and retained earnings decreased ¥360 million. Furthermore, operating income, ordinary income and income before income taxes decreased ¥7 million respectively.

(Change in the accounting policy that is hard to distinguish from change in estimate in accounting)

Previously, the company and its domestic consolidated subsidiaries, applied the declining method (However, straight-line method was applied to equipment and newly acquired buildings on and after April 1, 1998 (excluding attached equipment)) as the depreciation method of property, plant and equipment (excluding lease assets), it has been changed to the straight-line method from the first quarter consolidated period under review.

With respect to the business environment surrounding ISEKI Group, while shrinking demand for agricultural machinery mainly for replacement demand has ceased to fall in recent years, major changes in agricultural situation are expected in future such as conversion of governmental agricultural policy. On the other hand, expansion of agricultural machinery in Asia is expected in overseas, and we foresee that the global agricultural machinery market as seen will continue to shift steadily.

Under the circumstances, for further global expansion, we have decided to make major capital investments for state-of-the-art manufacturing facilities that excel in energy saving/multi-functional/all-purpose properties in Japan, and investments for new manufacturing/sales site in overseas, along with achievement of structural costs reform in response to drastic changes that take place inside and outside Japan. We have reexamined depreciation method of noncurrent tangible assets in light of full-fledged operation of these facilities from the first quarter.

Responding to constantly changing demand for agricultural machinery and building low cost production system, we have established stable customer base in domestic market. Furthermore, we have established global production system as the mother plant to take in demand from growing Asian markets. As a result, we expect stable long-term operation of production facilities, etc., which has led us to determine that the “straight-line method” to allocate expenses evenly over the useful life would reflect business of ISEKI Group more properly.

With this change, compared with the previous method, depreciation expenses decreased ¥165 million, operating income increased ¥163 million and ordinary income and quarterly net income before income taxes increased ¥165 million respectively.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

	(Millions of yen)	
	FY2014	FY2015
	(as at Mar. 31, 2014)	(as at June 30, 2014)
Assets		
Current Assets:		
Cash and deposits	8,228	9,789
Notes and accounts receivable-trade	41,598	34,275
Merchandise and finished goods	36,889	36,638
Work in progress	4,882	4,053
Raw materials and supplies	1,548	1,135
Other	4,739	4,296
Allowance for doubtful accounts	(107)	(121)
Total Current Assets	97,779	90,068
Noncurrent Assets:		
Property, plant and equipment		
Buildings and structures, net	16,602	18,125
Land	51,015	51,104
Others, net	19,534	19,187
Total property, plant and equipment	87,152	88,417
Intangible assets	1,006	980
Investments and other assets		
Investment securities	7,269	7,500
Other	4,885	9,673
Allowance for doubtful accounts	(464)	(519)
Total investment and other assets	11,690	16,653
Total Noncurrent Assets	99,848	106,051
Total Assets	197,628	196,120

(Millions of yen)

	FY2014 (as at Mar.31, 2014)	FY2015 (as at June 30, 2014)
Liabilities		
Current Liabilities:		
Notes and accounts payable-trade	47,536	46,080
Short-term loans payable	20,132	23,192
Current portion of long-term loans payable	6,387	6,390
Income taxes payable	1,788	1,216
Provision for bonuses	350	1,275
Provision for loss on construction contracts	33	-
Other	13,688	10,519
Total Current Liabilities	89,916	88,674
Noncurrent Liabilities:		
Long-term loans payable	17,870	17,289
Deferred tax liabilities for land revaluation	6,644	6,644
Provision for directors' retirement benefits	126	116
Provision for retirement benefits	6,660	7,004
Asset retirement obligations	264	258
Other	7,411	7,439
Total Noncurrent liabilities	38,977	38,752
Total Liabilities	128,893	127,427
Net Assets		
Shareholders' equity		
Capital stock	23,344	23,344
Capital surplus	13,454	13,454
Retained earnings	17,266	17,226
Treasury stock	(30)	(30)
Total Shareholders' Equity	54,034	53,994
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,338	1,493
Revaluation reserve for land	11,831	11,831
Foreign currency translation adjustments	1,170	721
Cumulative adjustment for retirement benefits	(1,269)	(1,005)
Total Accumulated Other Comprehensive Income	13,072	13,042
Minority interests	1,628	1,655
Total Net Assets	68,734	68,692
Total Liabilities and Net Assets	197,628	196,120

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income
Consolidated Quarterly Statements of Income

First Quarter Consolidated Cumulative Period

(millions of yen)

	FY2014 (Apr.1,2013-June 30, 2013)	FY2015 (Apr.1,2014-June 30, 2014)
Net sales	34,815	49,222
Cost of sales	23,374	35,898
Gross profit	11,441	13,324
Selling, general and administrative expenses	10,520	11,349
Operating income	921	1,975
Non-operating income		
Interest income	45	52
Dividend income	73	81
Foreign exchange gains	430	-
Other	166	223
Total non-operating income	716	358
Non-operating expenses		
Interest expenses	184	186
Foreign exchange losses	-	179
Other	146	160
Total non-operating expenses	331	526
Ordinary income	1,306	1,806
Extraordinary income		
Gain on sales of noncurrent assets	1	7
Gain on change in equity	-	589
Compensation income	23	6
Total extraordinary income	24	603
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	38	39
Other	1	7
Total extraordinary losses	39	47
Income before income taxes	1,291	2,363
Income taxes-current	270	1,343
Income taxes-deferred	(535)	(257)
Total income taxes	(265)	1,086
Income before minority interests	1,556	1,276
Minority interests in income (loss)	(11)	28
Net income	1,568	1,248

Consolidated Quarterly Statements of Comprehensive Income

First Quarter Consolidated Cumulative Period

(millions of yen)

	FY2014 (Apr.1,2013-June 30, 2013)	FY2015 (Apr.1,2014-June 30, 2014)
Income before minority interests	1,556	1,276
Other comprehensive income		
Valuation difference on available-for-sale securities	234	156
Foreign currency translation adjustments	311	(425)
Adjustment for retirement benefits	-	263
Share of other comprehensive income of associates accounted for using equity method	14	(25)
Total of other comprehensive income	560	(30)
Comprehensive income	2,117	1,246
(Breakdown)		
Comprehensive income for parent attributable to owners of the parent	2,121	1,218
Comprehensive income attributable to minority interests	(4)	27

(3) Notes regarding Consolidated Quarterly Financial Statements

(Notes regarding the Going Concern Assumption)

There is no corresponding item.

(Notes regarding Significant Changes in Shareholder's Equity)

There is no corresponding item.

(4) Material subsequent events

(Acquisition of companies, etc. by share acquisition)

The company resolved by the Board of Directors on July 22, 2014 to conclude the share transfer agreement concerning acquisition of all shares of YB HOLDING, a shareholder who owns 100% of shares of our sales agent in Europe YVAN REAL to convert it into our subsidiary, and completed conclusion of the agreement and share transfer procedures on the same day (July 22, 2014).

1. Purpose

To promote initiatives of our global strategy in direct and timely manner, and expand sales and increase market share through collection of market needs.

2. Counterparties of share acquisition

5 corporate persons and 8 individuals

3. Name, business/size of company to acquire

Name	YB HOLDING	YVAN BEAL
Location	6, rue d' Ankara-75016 Paris France	27 rue des Freres Montgolfier ZAC des Ribes-63170 Aubiere France
Business	Holding company of YVAN BEAL	Green business, sales/repair of agricultural machinery
Capital	€1,500,000	€612,000
Year of foundation	2007	1929

(Note) Location of YB HOLDING was changed to "57, rue d' Amsterdam-75008 Paris France".

4. Number of shares to acquire, acquisition price and shareholding ratio after acquisition

YB HOLDING shares	1,500,000 shares (shareholding ratio 100%)
Acquisition price	€31.97

5. Important special provisions, etc.

An agreement for the company to acquire corresponding credits (including credit waiver by certain creditors) has been concluded with creditors of YB HOLDING.

(Issuance of Stock Acquisition Rights)

The company determined by the Board of Directors on July 30, 2014 subscription requirements of stock acquisition rights to be issued as stock option to Directors (excluding Outside Directors, hereafter the same) and Auditors (excluding Outside Auditors, hereafter the same) , and resolved to invite persons who subscribe the stock acquisition rights.

1. Category and number of grantees

Directors of the company: 9 persons, Auditors of the company: 4 persons

2. Class and number of shares underlying stock acquisition rights

Common stock: 401,000 shares

The number of shares underlying each stock acquisition right will be 1,000 shares of common stock of the company.

3. Payment amount upon exercise of stock acquisition rights

1 yen per each share

4. Distribution date for stock acquisition rights

August 25, 2014

5. Exercise period for stock acquisition rights

August 26, 2014 to August 25, 2039

6. Matters concerning transfer of stock acquisition rights

The approval of the Board of Directors of the company is required for any acquisitions of stock acquisition rights through assignment.