

February 10, 2012

ISEKI & CO., LTD.

Supplementary Information for the Nine Months of Financial Results

(Apr. 1, 2011 – Dec. 31, 2011)

I. Nine Months Consolidated Business Results

	3 <sup>rd</sup> Quarter		3 <sup>rd</sup> Quarter		3 <sup>rd</sup> Quarter	
	FY2011	FY2012	Variance		FY2012	Variance
			Amount	%	Plan	Amount
Net Sales	112.1	<b>109.1</b>	(3.0)	(2.7)	107.6	1.5
Domestic	98.4	<b>93.8</b>	(4.6)	(4.7)	92.6	1.2
Overseas	13.7	<b>15.3</b>	1.6	11.3	15.0	0.3
Gross Profit on Sales	35.0	<b>34.8</b>	(0.2)	(0.5)	34.7	0.1
Gross Profit Margin	31.2%	<b>31.9%</b>	0.7%	—	32.3%	(0.4%)
Selling, General and Administrative Expenses	32.1	<b>31.0</b>	(1.1)	(3.3)	31.6	(0.6)
Operating Income	2.9	<b>3.8</b>	0.9	30.4	3.1	0.7
Balance of Financial Income	(0.7)	<b>(0.7)</b>	0.0	—	(0.7)	0.0
Other Non-operating Income	0.0	<b>0.3</b>	0.3	—	0.3	0.0
Ordinary Income	2.2	<b>3.4</b>	1.2	57.8	2.7	0.7
Extraordinary Gains	0.0	<b>0.1</b>	0.1	—	0.0	0.1
Extraordinary Losses	(0.7)	<b>(0.4)</b>	0.3	—	(0.4)	0.0
Income Before Income Taxes and Minority Interests	1.5	<b>3.1</b>	1.6	101.4	2.3	0.8
Income taxes	(0.9)	<b>(0.9)</b>	0.0	—	(0.7)	(0.2)
Net Income	0.6	<b>2.2</b>	1.6	248.6	1.6	0.6

1) Comparison with the same period of the previous fiscal year

A. Net Sales: Decreased ¥3.0 billion (down 2.7%) to ¥109.1 billion.

• Domestic sales decreased ¥4.6 billion (down 4.7%) to ¥93.8 billion.

Of this, besides ¥3.2 billion decrease of construction of facilities compared with the same period of the previous year, agricultural machinery decreased ¥0.5 billion and farming implements decreased ¥0.8 billion. These were due to reactive decline in the first quarter to concentrated sales related to the urgent machinery leasing support program in the same period of the previous year, as well as the effect of the Great East Japan Earthquake. However, sales of both agricultural machinery and farming implements in the third quarter (sales of consolidated domestic sales companies in Jul.~Sep.) exceeded the same period of the previous year, in an effort to recover the declined sales in the first half of the years.

• Overseas sales increased ¥1.6 billion (up 11.3 %) to ¥15.3 billion.

By region, sales for China increased by ¥2.3 billion due to substantially increased sales of rice transplanters, sales for Europe increased by ¥0.5 billion, but sales for North America and Asia decreased by ¥0.8 billion and ¥0.4 billion respectively due to the effect of strong yen.

**B. Operating income: Increased ¥0.9 billion (up 30.4 %) to ¥3.8 billion.****Ordinary income: Increased ¥1.2 billion (up 57.8 %) to ¥3.4 billion.**

- Operating income increased ¥0.9 billion to ¥3.4 billion mainly due to reduction of expenses, in spite of factors to squeeze profits such as reduced gross income by reduced sales and worsened foreign exchange and a rise in raw material price.
- Ordinary income increased ¥1.2 billion to ¥3.4 billion mainly due to reduced foreign exchange losses and favorable turn of non-operating income.

**C. Income before tax: Increased ¥1.6 billion to ¥3.1 billion.****Net income: Increased ¥1.6 billion to ¥2.2 billion.**

- Income before tax increased ¥1.6 billion to ¥3.1 billion due to decreased occurrence of extraordinary losses such as loss on valuation of investment securities and loss on asset retirement obligations that were recorded in the previous fiscal year.

**2) Comparison with the plan****A. Net sales: Increased ¥1.5 billion**

- In domestic sales, sales of agricultural machinery, parts and farming implements increased ¥1.2 billion.
- In overseas sales, sales of combine harvesters increased ¥0.3 billion in China.

**B. Operating income: Increased ¥0.7 billion.**

- Operating income increased ¥0.7 billion mainly due to progressed reduction of expenses.

**C. Net income: Increased ¥0.6 billion**

- Net income increased ¥0.6 billion.

(Reference: Sales Breakdown)

	3 <sup>rd</sup> Quarter FY2011	3 <sup>rd</sup> Quarter FY2012	Variance	(Billions of yen)	
				3 <sup>rd</sup> Quarter FY2012 Plan	Variance Amount
Agricultural Machinery	49.0	<b>48.5</b>	(0.5)	48.0	0.5
Parts & Farming Implements	24.3	<b>23.4</b>	(0.9)	22.7	0.7
Construction of Facilities	6.2	<b>3.0</b>	(3.2)	3.0	0.0
Other Agriculture Related	18.8	<b>18.8</b>	0.0	18.8	0.0
Agriculture Related business Total	98.3	<b>93.7</b>	(4.6)	92.5	1.2
Other business	0.1	<b>0.1</b>	0.0	0.1	0.0
Domestic Sales Total	98.4	<b>93.8</b>	(4.6)	92.6	1.2
North America	4.2	<b>3.4</b>	(0.8)	3.4	0.0
Europe	4.3	<b>4.8</b>	0.5	4.8	0.0
Asia	0.6	<b>0.2</b>	(0.4)	0.3	(0.1)
China	2.9	<b>5.2</b>	2.3	4.9	0.3
Oceania	0.3	<b>0.4</b>	0.1	0.4	0.0
Product Sales Total	12.3	<b>14.0</b>	1.7	13.8	0.2
Repair Parts	0.8	<b>0.7</b>	(0.1)	0.7	0.0
Engine and Others	0.6	<b>0.6</b>	0.0	0.5	0.1
Overseas Sales Total	13.7	<b>15.3</b>	1.6	15.0	0.3
Total	112.1	<b>109.1</b>	(3.0)	107.6	1.5

## II. Revision of the forecasts for the fiscal year ending March 31, 2012

- We have revised the business performance forecasts for the fiscal year ending March 31, 2012 (April 1, 2011 – March 31, 2012) announced on November 10, 2011 as follows.

### [Forecasts of consolidated business performances for the fiscal year ending March 31, 2012]

(Billions of yen, %)

	Previous forecast	Latest forecast	Variance		FY2011	Variance Amount
			Amount	%		
Net Sales	144.5	<b>145.0</b>	0.5	0.3	147.8	(2.8)
(Domestic)	124.0	<b>124.0</b>	—	—	128.7	(4.7)
(Overseas)	20.5	<b>21.0</b>	0.5	2.4	19.1	1.9
Operating Income	2.9	<b>3.5</b>	0.6	20.7	2.8	0.7
Ordinary Income	2.2	<b>2.9</b>	0.7	31.8	2.0	0.9
Net Income	0.9	<b>1.4</b>	0.5	55.6	(0.9)	2.3

(Reason of revision)

As a result of a review of the business performance forecasts, and considering the progress of the business performance during the 3<sup>rd</sup> quarter consolidated cumulative period under review etc., we have made an upward revision of the net sales, operating income, ordinary income and net income for the annual business performance forecasts for the fiscal year ending March 31, 2012.

We have also set our company forex rate for the 4<sup>th</sup> quarter to be ¥77/US\$, weaker yen by ¥2 and ¥100/Euro1, stronger yen by ¥5.